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UNAUDITED REPORT ON THE OPERATIONS
OF THE NOVA KBM GROUP
AND NOVA KBM D.D.
JANUARY – JUNE 2015

AUGUST 2015

Corporate governance bodies of Nova KBM as of 30 June 2015

Management Board of Nova KBM

Robert Senica	President
Sabina Župec Kranjc	Member

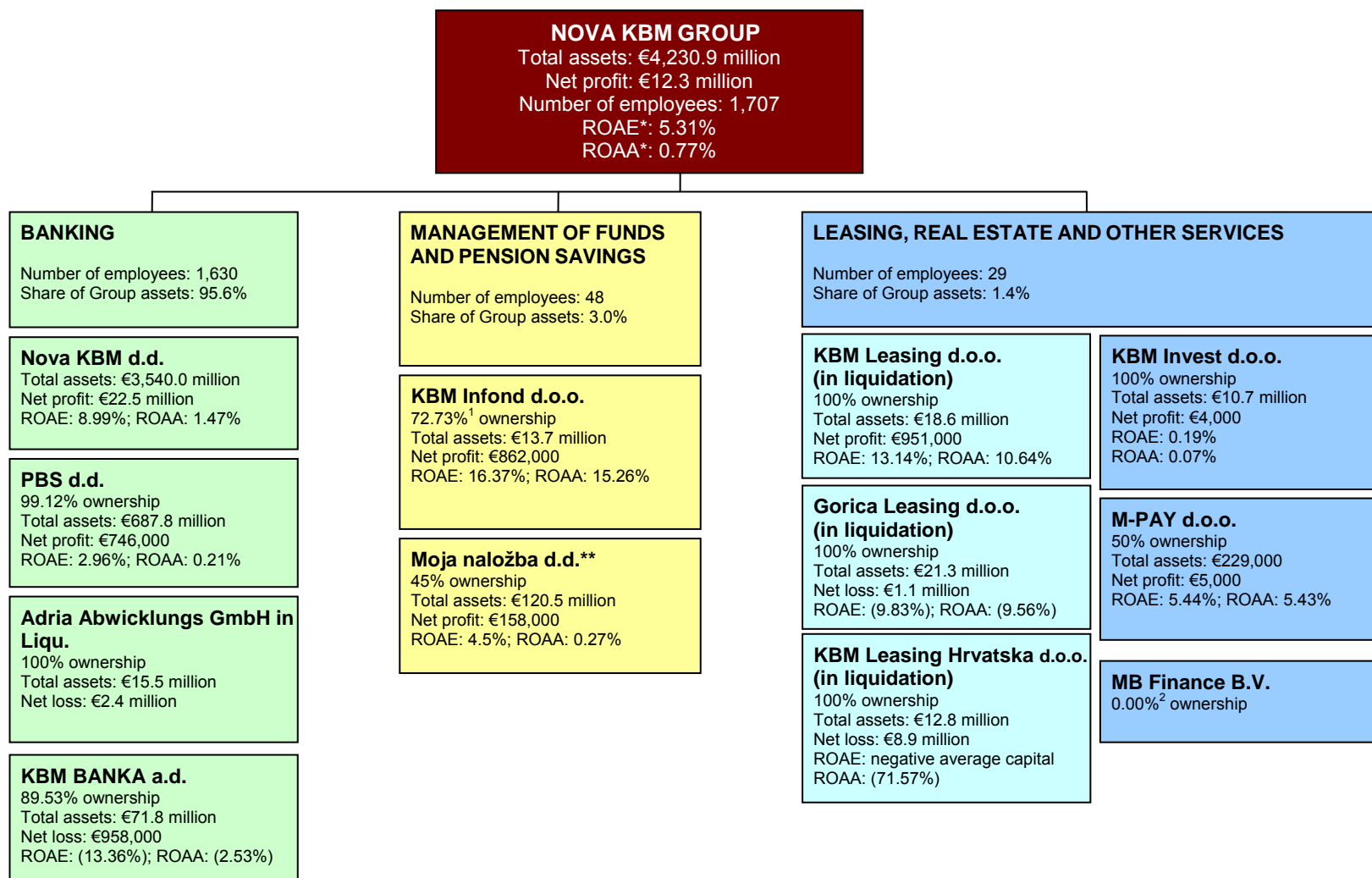
Executive Directors of Nova KBM

Aleksander Batič
Jernej Močnik
Vlasta Brečko
Primož Britovšek
Darja Hota Mesarič

Supervisory Board of Nova KBM

Peter Kukovica	Chair
Niko Samec	Deputy Chair
Andrej Fatur	Member
Peter Kavčič	Member
Miha Glavič	Member

Name of the parent bank:	Nova Kreditna banka Maribor d.d.
Short name of the parent bank:	Nova KBM d.d.
Registered office:	Ulica Vita Kraigherja 4, 2505 Maribor
BIC (SWIFT):	KBMASI2X
Reuters:	KBMS
IBAN:	SI56 0100 0000 0400 014
Account No.:	01000-0000400014
Registration No.:	5860580
Entry No. in the register of companies kept by the Maribor District Court:	062/10924200
VAT ID No.:	SI94314527
Share capital:	€150,000,000



* ROAE and ROAA are presented on a pre-tax basis.

** Associated company.

¹ The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain amount of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

² In accordance with IFRS 10, MB Finance is regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity.

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Key performance indicators of the Nova KBM Group and Nova KBM

	Nova KBM Group			Nova KBM		
	2015	2014	Ind.	2015	2014	Ind.
Statement of financial position (€000)	30.6.	31.12.		30.6.	31.12.	
Total assets	4,230,898	4,369,010	97	3,540,025	3,608,215	98
Total deposits from the non-banking sector	3,043,663	3,076,875	99	2,471,692	2,466,097	100
Total loans and advances to the non-banking sector	1,830,255	1,920,875	95	1,533,336	1,593,294	96
Total equity	615,465	616,357	100	591,737	580,347	102
Income statement (€000)	1.1. – 30.6.	1.1. – 30.6.		1.1. – 30.6.	1.1. – 30.6.	
Net interest income	49,967	53,018	94	40,407	44,087	92
Net fee and commission income	27,600	28,393	97	20,213	21,066	96
Net gains from trading in securities and foreign exchange	7,014	13,190	53	6,748	10,351	65
Other income/(expenses)	180	(1,784)		290	(2,147)	
Operating costs	(47,011)	(50,008)	94	(34,290)	(35,470)	97
Impairment losses and provisions	(21,416)	(18,718)	114	(7,445)	(20,080)	37
Profit before tax from continuing and discontinued operations	16,334	24,091	68	25,923	17,807	146
Net profit for the reporting period	12,276	20,876	59	22,465	14,822	152
Ratios (%)	30.6.	31.12.		30.6.	31.12.	
Interest margin	2.35	2.38		2.29	2.48	
Total capital adequacy	24.08	23.30		26.97	25.75	
Tier 1 capital adequacy	24.08	23.30		26.97	25.75	
Common Equity Tier 1 capital adequacy	24.08	23.30		26.97	25.75	
ROAA before tax	0.77	0.40		1.47	0.82	
ROAE before tax	5.31	3.07		8.99	5.57	
Operating costs/Average total assets	2.21	2.23		1.94	1.96	
Operating costs/Income (CIR)	55.46	62.14		50.68	50.05	
Net customer loans/Customer deposits (LTD)	60.13	62.43		62.04	64.61	
Ratings (long-term)				30.6.	31.12.	
				B3 (Moody's)	Caa1 (Moody's)	
				B+ (Fitch)	BB- (Fitch)	

Significant events during the first half of 2015

January

- On 27 January, the PBS Supervisory Board appointed Marko Novak as the new President of the PBS Management Board, subject to approval of the Bank of Slovenia. Aleksander Jerenko was appointed as a substitute member of the Management Board.
- On 28 January, Vesna Užnik Đorić, a member of the KBM Banka Executive Board, ended her employment with KBM Banka.

February

- On 3 February, the National Bank of Serbia consented to the appointment of Nikola Fržović as a member of the KBM Banka Executive Board.
- On 27 February, the Nova KBM Supervisory Board took a decision to recall Aleš Hauc from the position of the President of the Nova KBM Management Board, and appointed Robert Senica as the new President. Sabina Župec Kranjc remained on the Management Board as a member.
- Nova KBM extended its offering of payment cards by introducing contactless payment cards, thereby enabling its customers to make payments in a simpler and faster manner, and to benefit from other advantages of using these payment cards.
- In an assessment conducted by the Moje Finance magazine, two of the mutual funds managed by KBM Infond were declared as the best mutual funds in a total of three different categories, while as many as five KBM Infond fund managers were ranked among the best in their profession.

March

- The competent authorities approved a document outlining the organisational activities to be carried out to accomplish the envisaged integration of PBS's operations into those of Nova KBM.
- On 17 March, Aleš Hauc stepped down as the Chair of the PBS Supervisory Board.
- On 23 March, Adria Bank returned to the Austrian Financial Market Authority (FMA) its licence for providing banking services.
- Also on 23 March, Damijan Podlesek was appointed as a new member of the KBM Invest Supervisory Board.

- As part of a socially responsible campaign called 'Donate a Book, Donate a Future', Nova KBM handed over to the Friends of Youth Association of Slovenia more than 2,200 books it had collected from its employees and customers.
- At the Slovene Advertising Festival, Nova KBM's trademark 'Sveta Vlada' (*Ruler of the World*) was awarded the main prize for the best digital marketing campaign, and the silver EFFIE prize for marketing and communication effectiveness.
- PBS added a car insurance service to the range of insurance brokerage services it provides. In addition, it offered its corporate customers the Activa Visa Business Electron debit card, and participated in the installation of the first bill payment machine of Pošta Slovenija (Post of Slovenia) which makes it possible for money order payments to be settled in cash.
- KBM Infond took over the management of the Perspektiva Umbrella Fund with six sub-funds.

April

- Nova KBM offered its customers new MasterCard and Visa charge cards that allow payments in instalments and NFC contactless payments, and the design of which may be customized by customers themselves.
- On 1 April, Marija Brenk became a member of the PBS Management Board. Mojca Mak remained on the PBS Management Board as a substitute member.
- On 7 April, Sabina Župec Kranjc, who had until then been acting as a member of the PBS Supervisory Board, was appointed as its Chair, while Boris Novak was appointed her deputy.
- On 30 April, the Shareholders' Meeting of KBM Leasing Hrvatska made the decision to initiate the liquidation of the company.

May

- On 19 May, Fitch Ratings downgraded Nova KBM's Long-Term Issuer Default Rating (IDR) to 'B+' from 'BB-', with the rating being assigned a stable outlook, and raised its Viability Rating by one notch, to 'b+' from 'b'. Nova KBM's Support Rating was downgraded to '5' from '3', while the Support Rating Floor was changed to 'No Floor' from 'BB-'.
- PBS added ECO consumer and ECO housing loans to its offering of retail loans.
- Adria Bank changed its legal form from a joint stock company to a limited liability company (GmbH) named Adria Abwicklungs.

June

- On 30 June, the Slovene Sovereign Holding, Apollo Global Management LLC and the European Bank for Reconstruction and Development signed the agreement concerning the sale of a 100% shareholding of the Republic of Slovenia in Nova KBM.

- Moody's Investors Service upgraded Nova KBM's long-term local and foreign-currency deposit ratings to 'B3' from 'Caa1', and at the same time raised the outlook on the ratings to 'positive' from 'stable'. Moody's also upgraded Nova KBM's baseline credit assessment (BCA) and adjusted BCA to 'caa1' from 'caa2'. Short-term local and foreign-currency deposit ratings were affirmed at 'Not Prime'.
- For its professional execution of commercial payments sent through Deutsche Bank, Nova KBM received the 'Deutsche Bank's 2014 Gold Straight-through Processing Excellence Award/EUR STP Excellence Award', thus being ranked among the most effective banks in the payment service business.
- At DIGGIT, a Slovene conference on digital communication, Nova KBM received recognition for its innovative advertising campaign called 'Zlatko – Živim lajf' (*Zlatko – Living Life*).
- PBS extended its offering by introducing new types of personal accounts, in addition to creating packages of products customized to the needs of individual customer segments.
- On 18 June, Natalija Muršič Tomažič started her term of office as a substitute member of the PBS Management Board, replacing in that position Mojca Mak, whose term of office expired on the same day.
- Also on 18 June, the Shareholders' Meeting of Adria Abwicklungs made the decision to initiate the liquidation of the company.

Events after the end of the reporting period

The liquidation proceedings against KBM Leasing and Gorica Leasing had not been completed by 31 July 2015, as originally planned, because some of the activities that the liquidators intended to carry out as part of the business closing process were still in progress.

Changes in the Supervisory Board of Nova KBM

There were no changes in the composition of the Nova KBM Supervisory Board in the first six months of 2015.

Statement of management's responsibilities

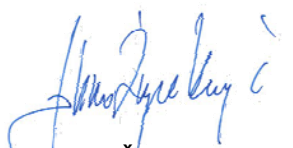
(pursuant to Article 113 of the Financial Instruments Market Act)

By signing this statement, the Nova KBM Management Board **confirms** to the best of its knowledge that:

- the financial report summary has been drawn up in accordance with the appropriate accounting framework of reporting and that it provides a true and fair view of the assets, liabilities, the financial position and the profit and loss of Nova KBM and other companies included in the consolidation as a whole, and
- the interim business report, which has been drawn up in accordance with the relevant accounting standard, provides a fair view of significant transactions with related persons.

Maribor, 21 August 2015

Management Board of Nova KBM d.d.



Sabina Župec Kranjc
Member



Robert Senica
President

Profile of the Nova KBM Group and Nova KBM

Nova KBM d.d. (herein also referred to as 'Nova KBM' or the 'Bank') is the parent company of the Nova KBM Group (herein also referred to as the 'Group') which, as of 30 June 2015, comprised the parent company and 10 subsidiary companies. Nova KBM is a commercial bank with a tradition of understanding and supporting its retail and corporate customers to whom it provides standard banking products. Its registered office is at Ulica Vita Kraigherja 4, 2505 Maribor, Republic of Slovenia.

Nova KBM is obliged to prepare consolidated financial statements.

The Group comprises the parent bank and its subsidiary companies.

Company	Position in the Group	Group's voting rights in the company (%)	Registered office (country of incorporation)
Nova Kreditna banka Maribor d.d.	parent bank		Maribor, Slovenia
Poštna banka Slovenije d.d.	subsidiary bank	99.12	Maribor, Slovenia
Adria Abwicklungs GmbH in Liqu.	subsidiary company	100.00	Vienna, Austria
KBM Banka a.d.	subsidiary bank	89.53	Kragujevac, Serbia
KBM Infond d.o.o.	subsidiary company	72.73 ¹	Maribor, Slovenia
KBM Leasing d.o.o. (in liquidation)	subsidiary company	100.00	Maribor, Slovenia
KBM Invest d.o.o.	subsidiary company	100.00	Maribor, Slovenia
Gorica Leasing d.o.o. (in liquidation)	subsidiary company	100.00	Maribor, Slovenia
M-PAY d.o.o.	subsidiary company	50.00	Maribor, Slovenia
KBM Leasing Hrvatska d.o.o. (in liquidation)	subsidiary company	100.00	Zagreb, Croatia
MB Finance B.V.	subsidiary company	00.00 ²	Netherlands

¹ The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain amount of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

² In accordance with IFRS 10, MB Finance is regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity, and the operations of this entity are considered to be immaterial to the Group.

Key performance indicators of individual Group companies for the six-month period ended 30 June 2015

COMPANY	Number of employees 30.6.2015	Net profit/(loss) (€000)	Total assets (€000)	ROAE before tax (%)	ROAA before tax (%)
Nova KBM d.d.	1,120	22,465	3,540,025	8.99	1.47
Poštna banka Slovenije d.d.	230	746	687,846	2.96	0.21
Adria Abwicklungs GmbH in Liqu.	14	(2,403)	15,471	*	*
KBM Banka a.d.	266	(958)	71,835	(13.36)	(2.53)
KBM Infond d.o.o.	34	862	13,726	16.37	15.26
KBM Leasing d.o.o. (in liquidation)	5	951	18,553	13.14	10.64
KBM Invest d.o.o.	8	4	10,698	0.19	0.07
Gorica Leasing d.o.o. (in liquidation)	9	(1,082)	21,307	(9.83)	(9.56)
M-Pay d.o.o.	0	5	229	5.44	5.43
KBM Leasing Hrvatska d.o.o. (in liquidation)	7	(8,925)	12,845	**	(71.57)
Moja naložba d.d.	14	158	120,540	4.50	0.27

* The performance ratios of Adria Abwicklungs GmbH (in liquidation), a company into which Adria Bank was legally transformed after it had returned its licence for providing banking services and transferred its assets to Nova KBM, are not presented because they are irrelevant.

** Not calculated due to the company having negative average capital.

Shareholder structure of Nova KBM and information about its shares

As of 30 June 2015, the share capital of Nova KBM totalled €150,000,000 and was split into 10,000,000 ordinary no-par-value shares, all of which were held by the Republic of Slovenia. Nova KBM shares, with the ticker symbol KBMS, are not quoted on a regulated stock market.

Nova KBM has issued only one class of shares which are all freely transferable and bear the same rights. Each ordinary share entitles its holder to one vote at the Bank Shareholders' Meeting. The rights of the holders of ordinary shares are set out in the relevant legislation of the Republic of Slovenia.

Information about shares

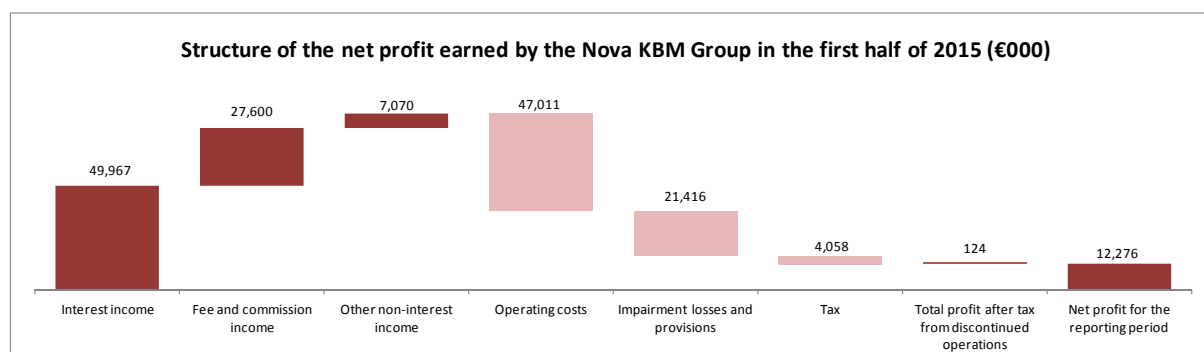
	Nova KBM Group				Nova KBM			
	30.6.15	31.3.15	31.12.14	31.12.13	30.6.15	31.3.15	31.12.14	31.12.13
Book value per share ³ (€)	61.25	63.31	61.34	56.67	59.17	59.75	58.03	51.77
Net earnings/(loss) per share ⁴ (€)	2.40	4.84	2.19	(63.05)	4.49	4.76	3.59	(65.65)

³ Book value per share on the last day of the reporting period is calculated as the ratio between the Bank's total equity (for the Group: equity attributable to owners of the parent) and the total number of Bank shares outstanding at the end of the reporting period.

⁴ Net earnings or loss per share is calculated as the ratio between the Bank's annualised net profit or loss (for the Group: net profit or loss attributable to owners of the parent) and the weighted average number of Bank shares in the period. The total number of KBMS shares outstanding at the end of the reporting period was taken into account in the calculation of the 2013 net loss and the 2014 net earnings per share.

Operating results of the Nova KBM Group

For the six-month period ended 30 June 2015, the Nova KBM Group reported a **net profit** of €12,276,000, compared to a net profit of €20,876,000 reported for the same period last year. Total income earned by the Group declined year-on-year by 8.7% and totalled €84,761,000, of which €49,967,000 was attributable to net interest income and €27,600,000 was attributable to net fee and commission income. Operating costs incurred by the Group in the first half of 2015 totalled €47,011,000, down 6.0% on the comparable period last year, while net provisioning charges recorded by the Group from January through June 2015 totalled €21,416,000, an increase from the same period last year when these charges reached €18,718,000.



Net interest income earned by the Group in the first half of the year reached €49,967,000, down €3,051,000, or 5.8%, on the same period last year, with interest income and interest expenses registering a year-on-year decline of 21.3% and 50.0%, respectively. The year-on-year decline in interest income was attributable mainly to a reduction in the lending volume and interest rates on loans recorded by Nova KBM, but also due to lower business volumes registered by other Group companies. The decline in interest expenses was attributable mainly to a reduction in deposit interest rates.

The structure of interest income and interest expenses by market segment and type of assets and liabilities for both the Group and the Bank is presented in the notes to the financial statements.

Net fee and commission income generated by the Group in the first half of the year totalled €27,600,000, a decline of 2.8% compared with the same period last year. Both fee and commission income, and fee and commission expenses registered a decline, with fees earned on payment services declining the most. The structure of fees and commissions for both the Group and the Bank is presented in the notes to the financial statements.

Other non-interest income⁵ was €7,194,000, down from €11,406,000 reported for the same period last year.

Operating costs (administration costs, including depreciation and amortisation) incurred by the Group in the first half of the year totalled €47,011,000, a decline of 6.0% compared with the same period last year, with Group banks registering the largest drop. As regards the composition of operating costs, staff costs accounted for 48.6% of the total operating costs, followed by general and administrative costs (37.5%), and depreciation and amortisation (13.9%). The Group's cost-to-income ratio reached 55.46% in the first half of the year.

The Group's **net provisioning charges** totalled €21,416,000 in the first half of the year, compared to €18,718,000 reported for the same period last year. The structure of provisions and impairment losses by type of assets for both the Group and the Bank is displayed in the notes to the financial statements.

The Nova KBM Group expects to end the financial year of 2015 with a profit.

5 Other non-interest income includes: dividend income; realised gains or losses on financial assets and liabilities not measured at fair value through profit or loss; net gains or losses on financial assets and liabilities held for trading; gains or losses on financial assets and liabilities designated at fair value through profit or loss; net exchange rate differences; net gains or losses on derecognition of assets other than non-current assets held for sale; other net operating income or loss; share of profits or losses of associates and joint ventures accounted for using the equity method; net gains or losses from non-current assets held for sale and liabilities associated therewith; and total profit or loss after tax from discontinued operations.

Financial position of the Nova KBM Group

At the end of June 2015, the **Group's total assets** amounted to €4,230,898,000, down 3.2%, or €138,112,000, on the end of 2014. The decline in total assets was in line with the requirements of the European Commission.

The decline in the **balance of cash funds** was largely attributable to a reduction in the volume of deposits held by Nova KBM with the central bank and commercial banks.

The decline in the volume of **loans** in the first half of the year was mostly the result of a reduction in loans outstanding to the non-banking sector. This decline was partially offset by a marginal increase in loans outstanding to banks.

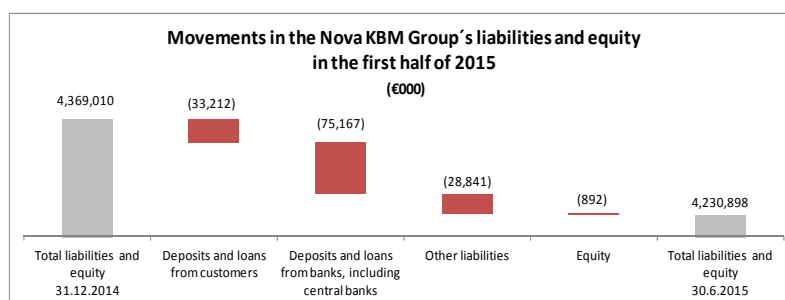
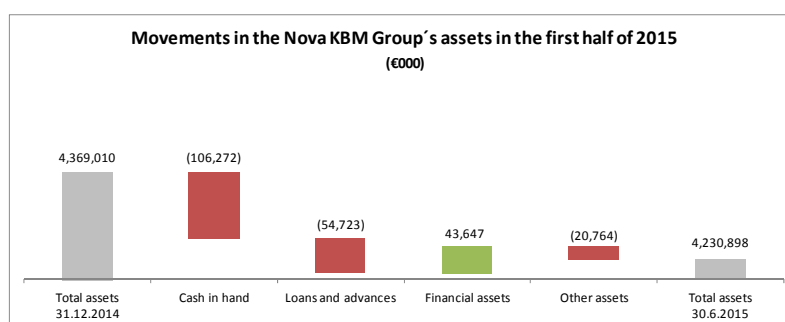
The increase in the balance of the Group's **financial assets** registered in the first half of the year was largely attributable to an increase in the portfolio of available-for-sale financial assets held by Nova KBM.

The decline in **deposits and loans from customers** was chiefly attributable to a reduction in current and non-current deposits placed with Group banks.

As of 30 June 2015, the Group's **total equity** amounted to €615,465,000, a decline of 0.1% from the end of last year, with its **total capital adequacy ratio** standing at 24.08%. The composition of the Group's equity is presented in the notes to the financial statements.

As a result of a decline in both net loans outstanding to the non-banking sector and deposits from the non-banking sector, the Group's loan-to-deposit ratio (**net LTD ratio**) contracted in the first half of the year by 2.3 percentage points, to 60.13% at the end of June 2015.

The Group is consistently implementing its restructuring programme and is scaling down its business volumes and risk-weighted assets in accordance with the commitments it has given to the European Commission.



**INTERIM FINANCIAL REPORT OF THE
NOVA KBM GROUP
AND
NOVA KBM d.d.
JANUARY – JUNE 2015**

FINANCIAL STATEMENTS

NOVA KBM GROUP AND NOVA KBM d.d.

1 Interim Income Statement

€000

ITEM DESCRIPTION	Notes	Nova KBM Group		Nova KBM d.d.	
		1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Interest income	8	64,298	81,688	53,224	68,417
Interest expenses	8	(14,331)	(28,670)	(12,817)	(24,330)
Net interest income	8	49,967	53,018	40,407	44,087
Dividend income	9	772	64	1,248	488
Fee and commission income	10	40,808	42,963	21,983	22,909
Fee and commission expenses	10	(13,208)	(14,570)	(1,770)	(1,843)
Net fee and commission income	10	27,600	28,393	20,213	21,066
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	11	7,095	8,440	6,938	6,024
Net (losses) on financial assets and liabilities held for trading	12	(7,136)	(645)	(7,204)	(971)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	13	(2,059)	4,749	(2,059)	4,748
Net exchange rate differences	14	9,114	646	9,073	550
Net gains/(losses) on derecognition of assets other than non-current assets held for sale	-	53	(91)	5	44
Other net operating (loss)	-	(900)	(1,521)	(1,023)	(2,743)
Administration costs	15	(40,483)	(42,602)	(29,420)	(29,802)
Depreciation and amortisation	-	(6,528)	(7,406)	(4,870)	(5,668)
Provisions	16	4,779	3,571	4,080	3,029
Impairment losses	17	(26,195)	(22,289)	(11,525)	(23,109)
Share of profits of associates and joint ventures accounted for using the equity method	-	71	101	0	0
Total profit from non-current assets and disposal groups classified as held for sale	-	60	64	60	64
PROFIT FROM CONTINUING OPERATIONS	-	16,210	24,492	25,923	17,807
Tax (expense) related to profit or loss from continuing operations	18	(4,058)	(3,215)	(3,458)	(2,985)
NET PROFIT FROM CONTINUING OPERATIONS	-	12,152	21,277	22,465	14,822
Total profit/(loss) after tax from discontinued operations	-	124	(401)	0	0
NET PROFIT FOR THE REPORTING PERIOD	-	12,276	20,876	22,465	14,822
a) Attributable to owners of the parent	-	12,014	18,170	22,465	14,822
– continuing operations	-	11,908	18,514	22,465	14,822
– discontinued operations	-	106	(344)	0	0
b) Attributable to non-controlling interests	-	262	2,706	0	0
– continuing operations	-	244	2,763	0	0
– discontinued operations	-	18	(57)	0	0
Basic earnings per share (€)	-	1.20	1.82	2.25	1.48
Diluted earnings per share (€)	-	1.20	1.82	2.25	1.48

The accompanying notes form an integral part of these financial statements.

1.1 Interim Income Statement – presented by quarter

						€000
Nova KBM Group						2014
ITEM DESCRIPTION	Q2	Q1	Q4	Q3	Q2	Q1
Interest income	31,230	33,068	39,159	40,408	39,862	41,826
Interest expenses	(6,491)	(7,840)	(10,143)	(11,716)	(13,570)	(15,100)
Net interest income	24,739	25,228	29,016	28,692	26,292	26,726
Dividend income	772	0	29	953	64	0
Fee and commission income	20,796	20,012	21,366	21,114	22,128	20,835
Fee and commission expenses	(6,592)	(6,616)	(7,708)	(7,206)	(7,396)	(7,174)
Net fee and commission income	14,204	13,396	13,658	13,908	14,732	13,661
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	5,146	1,949	6,188	472	5,790	2,650
Net gains/(losses) on financial assets and liabilities held for trading	347	(7,483)	350	(601)	231	(876)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	(2,155)	96	(1,829)	2,798	1,053	3,696
Net exchange rate differences	319	8,795	118	448	273	373
Net gains/(losses) on derecognition of assets other than non-current assets held for sale	31	22	(160)	412	(81)	(10)
Other net operating (loss)	(460)	(440)	(504)	(984)	(799)	(722)
Administration costs	(20,470)	(20,013)	(24,945)	(21,599)	(21,862)	(20,740)
Depreciation and amortisation	(3,213)	(3,315)	(3,547)	(3,509)	(3,656)	(3,750)
Provisions	4,783	(4)	10,430	1,496	2,568	1,003
Impairment losses	(21,132)	(5,063)	(22,273)	(15,449)	(16,819)	(5,470)
Share of profits/(losses) of associates and joint ventures accounted for using the equity method	(9)	80	(13)	66	66	35
Total profit/(loss) from non-current assets and disposal groups classified as held for sale	(1)	61	(323)	174	0	64
PROFIT FROM CONTINUING OPERATIONS	2,901	13,309	6,195	7,277	7,852	16,640
Tax (expense)/income related to profit or loss from continuing operations	(3,023)	(1,035)	9,243	(1,604)	(3,009)	(206)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(122)	12,274	15,438	5,673	4,843	16,434
Total profit/(loss) after tax from discontinued operations	135	(11)	(18,581)	(125)	(331)	(70)
NET PROFIT/(LOSS) FOR THE REPORTING PERIOD	13	12,263	(3,143)	5,548	4,512	16,364
a) Attributable to owners of the parent	(96)	12,110	(1,729)	5,457	4,367	13,803
– continuing operations	(225)	12,133	15,381	5,563	4,656	13,858
– discontinued operations	129	(23)	(17,110)	(106)	(289)	(55)
b) Attributable to non-controlling interests	109	153	(1,414)	91	145	2,561
– continuing operations	103	141	57	110	187	2,576
– discontinued operations	6	12	(1,471)	(19)	(42)	(15)
Basic earnings/(loss) per share (€)	(0.01)	1.21	(0.17)	0.55	0.44	1.38
Diluted earnings/(loss) per share (€)	(0.01)	1.21	(0.17)	0.55	0.44	1.38

						€000
Nova KBM d.d.						2014
ITEM DESCRIPTION	Q2	Q1	Q4	Q3	Q2	Q1
Interest income	25,910	27,314	34,201	34,120	33,727	34,690
Interest expenses	(5,864)	(6,953)	(8,738)	(10,079)	(11,469)	(12,861)
Net interest income	20,046	20,361	25,463	24,041	22,258	21,829
Dividend income	1,248	0	29	898	488	0
Fee and commission income	11,449	10,534	11,822	11,432	11,915	10,994
Fee and commission expenses	(913)	(857)	(1,185)	(1,013)	(1,058)	(785)
Net fee and commission income	10,536	9,677	10,637	10,419	10,857	10,209
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	5,147	1,791	3,758	421	3,754	2,270
Net gains/(losses) on financial assets and liabilities held for trading	404	(7,608)	194	(841)	43	(1,014)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	(2,155)	96	(1,828)	2,798	1,052	3,696
Net exchange rate differences	290	8,783	208	480	154	396
Net gains/(losses) on derecognition of assets other than non-current assets held for sale	10	(5)	3,274	379	0	44
Other net operating (loss)	(417)	(606)	(983)	(1,357)	(1,472)	(1,271)
Administration costs	(15,001)	(14,419)	(17,827)	(15,550)	(15,398)	(14,404)
Depreciation and amortisation	(2,404)	(2,466)	(2,567)	(2,631)	(2,780)	(2,888)
Provisions	4,746	(666)	3,774	1,657	4,436	(1,407)
Impairment losses	(9,325)	(2,200)	(13,676)	(14,754)	(14,427)	(8,682)
Total profit/(loss) from non-current assets and disposal groups classified as held for sale	(1)	61	(215)	174	0	64
PROFIT FROM CONTINUING OPERATIONS	13,124	12,799	10,241	6,134	8,965	8,842
Tax (expense)/income related to profit or loss from continuing operations	(2,570)	(888)	9,560	(1,490)	(3,065)	80
NET PROFIT FROM CONTINUING OPERATIONS	10,554	11,911	19,801	4,644	5,900	8,922
Total (loss) after tax from discontinued operations	0	0	(1,675)	(1,676)	0	0
NET PROFIT FOR THE REPORTING PERIOD	10,554	11,911	18,126	2,968	5,900	8,922
Basic earnings per share (€)	1.06	1.19	1.81	0.30	0.59	0.89
Diluted earnings per share (€)	1.06	1.19	1.81	0.30	0.59	0.89

The accompanying notes form an integral part of these financial statements.

2 Interim Statement of Other Comprehensive Income

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ITEM DESCRIPTION	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
NET PROFIT FOR THE REPORTING PERIOD AFTER TAX	12,276	20,876	22,465	14,822
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX	(12,989)	30,656	(11,078)	23,256
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	(12,989)	30,656	(11,078)	23,256
Foreign currency translation	(58)	(53)	0	0
– translation (losses) taken to equity	(58)	(53)	0	0
Available-for-sale financial assets	(15,575)	37,244	(13,347)	28,020
– valuation gains/(losses) taken to equity	(15,575)	37,254	(13,347)	28,020
– transferred to profit or loss	0	(10)	0	0
Share of (losses) of associates and joint ventures accounted for using the equity method	(16)	(46)	0	0
Net profit/(loss) related to discontinued operations	12	(143)	0	0
Income tax relating to items that may be reclassified to profit or loss	2,648	(6,346)	2,269	(4,764)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE REPORTING PERIOD AFTER TAX	(713)	51,532	11,387	38,078
a) Attributable to owners of the parent	(986)	48,712	11,387	38,078
– continuing operations	(1,103)	49,184	11,387	38,078
– discontinued operations	117	(472)	0	0
b) Attributable to non-controlling interests	273	2,820	0	0
– continuing operations	254	2,892	0	0
– discontinued operations	19	(72)	0	0

The accompanying notes form an integral part of these financial statements.

2.1 Interim Statement of Other Comprehensive Income – presented by quarter

		2015				€000
Nova KBM Group						2014
ITEM DESCRIPTION		Q2	Q1	Q4	Q3	Q2
NET PROFIT/(LOSS) FOR THE REPORTING PERIOD AFTER TAX		13	12,263	(3,143)	5,548	4,512
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX		(20,654)	7,665	(4,546)	7,098	7,480
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		0	0	(819)	0	0
Actuarial net (losses) on defined benefit pension plans		0	0	(858)	0	0
Net (losses) related to non-current assets and disposal groups classified as held for sale		0	0	(6)	0	0
Income tax relating to items that will not be reclassified to profit or loss		0	0	45	0	0
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS		(20,654)	7,665	(3,727)	7,098	7,480
Foreign currency translation		(58)	0	(4)	9	(67)
– valuation gains/(losses) taken to equity		(58)	0	(4)	9	(67)
Available-for-sale financial assets		(24,694)	9,119	(4,406)	8,974	9,194
– valuation gains/(losses) taken to equity		(24,694)	9,119	(4,421)	8,974	9,192
– transferred to profit or loss		0	0	15	0	2
Share of profits/(losses) of associates and joint ventures accounted for using the equity method		(48)	32	92	6	9
Net profit/(loss) related to discontinued operations		(52)	64	(177)	(377)	(82)
Income tax relating to items that may be reclassified to profit or loss		4,198	(1,550)	768	(1,514)	(1,574)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE REPORTING PERIOD AFTER TAX		(20,641)	19,928	(7,689)	12,646	11,992
a) Attributable to owners of the parent		(20,680)	19,694	(6,229)	12,553	11,805
– continuing operations		(20,763)	19,660	11,044	12,997	12,167
– discontinued operations		83	34	(17,273)	(444)	(362)
b) Attributable to non-controlling interests		39	234	(1,460)	93	187
– continuing operations		39	215	31	151	238
– discontinued operations		0	19	(1,491)	(58)	(51)

Nova KBM d.d.	2015					
ITEM DESCRIPTION	Q2	Q1	Q4	Q3	Q2	2014 Q1
NET PROFIT FOR THE REPORTING PERIOD AFTER TAX	10,554	11,911	18,126	2,968	5,900	8,922
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX	(16,349)	5,271	(2,323)	5,786	6,611	16,645
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	0	0	(700)	0	0	0
Actuarial net (losses) on defined benefit pension plans	0	0	(725)	0	0	0
Income tax relating to items that will not be reclassified to profit or loss	0	0	25	0	0	0
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	(16,349)	5,271	(1,623)	5,786	6,611	16,645
Available-for-sale financial assets	(19,698)	6,351	(1,955)	6,971	7,966	20,054
– valuation gains/(losses) taken to equity	(19,698)	6,351	(1,955)	6,971	7,966	20,054
Income tax relating to items that may be reclassified to profit or loss	3,349	(1,080)	332	(1,185)	(1,355)	(3,409)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE REPORTING PERIOD AFTER TAX	(5,795)	17,182	15,803	8,754	12,511	25,567
– continuing operations	(5,795)	17,182	17,478	10,430	12,511	25,567
– discontinued operations	0	0	(1,675)	(1,676)	0	0

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The accompanying notes form an integral part of these financial statements.

3 Interim Statement of Financial Position

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ITEM DESCRIPTION	Notes	Nova KBM Group		Nova KBM d.d.	
		30.6.2015	31.12.2014	30.6.2015	31.12.2014
Cash, cash balances at central banks and other demand deposits at banks	19	315,992	422,264	252,595	335,417
Financial assets held for trading	20	2,383	1,841	781	187
Financial assets designated at fair value through profit or loss	21	15,798	17,857	15,798	17,857
Available-for-sale financial assets	22	1,580,430	1,482,120	1,359,436	1,275,213
Loans and advances	-	1,936,619	1,991,342	1,634,821	1,664,347
– loans and advances to banks	23	81,532	50,124	84,839	59,299
– loans and advances to customers	24	1,830,255	1,920,875	1,533,336	1,593,294
– other financial assets	25	24,832	20,343	16,646	11,754
Held-to-maturity financial assets	26	153,394	206,540	59,347	89,950
Non-current assets held for sale and discontinued operations	-	53,858	61,273	740	865
Property, plant and equipment	-	59,232	61,431	51,057	52,570
Investment property	-	36,247	36,759	29,077	29,188
Intangible assets	-	22,813	25,483	12,233	14,335
Investments in the equity of subsidiaries, associates and joint ventures accounted for using the equity method	-	3,219	3,164	96,764	96,764
Tax assets	-	13,114	12,984	12,629	12,291
– current tax assets	-	1,532	258	1,047	2
– deferred tax assets	-	11,582	12,726	11,582	12,289
Other assets	-	37,799	45,952	14,747	19,231
TOTAL ASSETS		4,230,898	4,369,010	3,540,025	3,608,215
Financial liabilities held for trading	-	800	1,229	800	1,170
Financial liabilities measured at amortised cost	27	3,472,835	3,585,893	2,870,473	2,935,277
– deposits from banks and central banks	27	1,477	20,875	5,202	11,780
– deposits from customers	27	3,041,844	3,074,146	2,469,873	2,463,368
– loans from banks and central banks	27	338,444	394,213	311,609	363,552
– loans from customers	27	1,819	2,729	1,819	2,729
– debt securities issued	27	52,259	59,129	54,255	67,452
– subordinated liabilities	27	1,250	1,250	0	0
– other financial liabilities	27	35,742	33,551	27,715	26,396
Liabilities included in disposal groups classified as held for sale and discontinued operations	-	53,118	59,823	0	0
Provisions	28	76,322	83,011	68,866	74,605
Tax liabilities	-	1,695	4,557	482	2,494
– current tax liabilities	-	537	3,021	482	2,494
– deferred tax liabilities	-	1,158	1,536	0	0
Other liabilities	-	10,663	18,140	7,667	14,322
TOTAL LIABILITIES		3,615,433	3,752,653	2,948,288	3,027,868
Share capital	29	150,000	150,000	150,000	150,000
Share premium	-	360,572	360,572	360,572	360,572
Accumulated other comprehensive income	30	29,866	42,841	22,780	33,859
Translation reserves	-	(3,233)	(3,208)	0	0
Reserves from profit	31	27,895	27,895	27,389	27,389
Retained earnings (including net profit for the reporting period)	-	47,352	35,338	30,996	8,527
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	-	612,452	613,438	591,737	580,347
Equity attributable to non-controlling interests	-	3,013	2,919	0	0
TOTAL EQUITY	-	615,465	616,357	591,737	580,347
TOTAL LIABILITIES AND EQUITY	-	4,230,898	4,369,010	3,540,025	3,608,215

The accompanying notes form an integral part of these financial statements.

4 Interim Statement of Cash Flows

€000

Designation	ITEM DESCRIPTION	Nova KBM Group		Nova KBM d.d.	
		1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
A.	CASH FLOWS FROM OPERATING ACTIVITIES				
a)	Total profit before tax	16,334	24,091	25,923	17,807
	Depreciation and amortisation	6,865	7,796	4,870	5,668
	Impairment of available-for-sale financial assets	0	2,685	0	2,671
	Impairment of loans and advances	25,652	20,686	11,415	20,418
	(Reversal of impairment) of held-to-maturity financial assets	(415)	(3)	0	0
	Impairment/(reversal of impairment) of tangible assets, investment property, intangible assets and other assets	656	(526)	110	20
	Share of (profits) of associates and joint ventures accounting for using the equity method	(71)	(101)	0	0
	Net (gains) from exchange rate differences	(9,002)	(697)	(9,073)	(550)
	Net (gains)/losses from the sale of tangible assets and investment properties	(48)	67	(5)	(44)
	Other (gains) from investing activities	(1,948)	(4,015)	(1,523)	(2,738)
	Net unrealised (gains) from non-current assets held for sale and discontinued operations and liabilities associated therewith	(60)	(64)	(60)	(64)
	Other adjustments to total profit or loss before tax	(4,896)	(3,870)	(4,080)	(3,029)
	Cash flow from operating activities before changes in operating assets and liabilities	33,067	46,049	27,577	40,159
b)	(Increase)/decrease in operating assets (excluding cash equivalents)	(41,039)	75,656	(44,929)	(6,058)
	Net (increase)/decrease in financial assets held for trading	553	(1,314)	(597)	226
	Net decrease in financial assets designated at fair value through profit or loss	2,059	7,699	2,059	7,699
	Net (increase) in available-for-sale financial assets	(113,080)	(52,917)	(97,570)	(59,603)
	Net decrease in loans and advances	60,634	105,892	46,240	47,674
	Net (increase)/decrease in non-current assets held for sale	128	887	125	(196)
	Net (increase)/decrease in other assets	8,667	15,409	4,814	(1,858)
c)	(Decrease) in operating liabilities	(136,355)	(312,154)	(78,868)	(271,144)
	Net increase/(decrease) in financial liabilities held for trading	(429)	(97)	(370)	144
	Net (decrease) in deposits, loans and advances measured at amortised cost	(119,655)	(313,381)	(56,870)	(271,492)
	Net (decrease) in debt securities in issue measured at amortised cost	(6,870)	(500)	(13,197)	(679)
	Net increase/(decrease) in other liabilities	(9,401)	1,824	(8,431)	883
d)	Cash flow from operating activities (a + b + c)	(144,327)	(190,449)	(96,220)	(237,043)
e)	Income taxes (paid)/refunded	(4,308)	487	(3,544)	0
f)	Net cash flow from operating activities (d + e)	(148,635)	(189,962)	(99,764)	(237,043)

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Designation	ITEM DESCRIPTION	Nova KBM Group		Nova KBM d.d.	
		1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
B.	CASH FLOWS FROM INVESTING ACTIVITIES				
a)	Receipts from investing activities	69,472	103,508	32,178	84,759
	Receipts from the sale of tangible assets and investment properties	674	1,736	54	577
	Receipts from the sale of intangible assets	0	1	0	0
	Receipts from non-current assets or liabilities held for sale	0	117	0	0
	Receipts from the sale of held-to-maturity financial assets	68,798	101,654	31,596	84,182
	Other receipts from investing activities	0	0	528	0
b)	Cash payments on investing activities	(15,550)	(51,357)	(1,460)	(15,994)
	(Cash payments to acquire tangible assets and investment properties)	(545)	(3,125)	(404)	(2,459)
	(Cash payments to acquire intangible assets)	(1,679)	(1,739)	(1,056)	(1,335)
	(Cash payments for investments in the equity of subsidiaries)	0	0	0	(12,200)
	(Cash payments to acquire held-to-maturity financial assets)	(13,326)	(46,493)	0	0
c)	Net cash flow from investing activities (a + b)	53,922	52,151	30,718	68,765
C.	CASH FLOWS FROM FINANCING ACTIVITIES				
b)	Cash proceeds from financing activities	(126)	(1)	0	(1)
	(Dividends and shares in profits paid)	(126)	(1)	0	(1)
c)	Net cash flow from financing activities (a + b)	(126)	(1)	0	(1)
D.	Effects of change in exchange rates on cash and cash equivalents	(563)	461	(789)	584
E.	Net increase/(decrease) in cash and cash equivalents (Af + Bc + Cc)	(94,839)	(137,812)	(69,046)	(168,279)
F.	Opening balance of cash and cash equivalents	477,831	557,246	365,599	453,124
G.	Closing balance of cash and cash equivalents (D + E + F)	382,429	419,895	295,764	285,429

The statement of cash flows includes cash flows, cash and cash equivalents in respect of discontinued operations. Reconciliation of cash and cash equivalents with the statement of financial position items is presented in Note 19.1.

The balance of cash and cash equivalents as of 30 June 2014 amounted to €419,895,000 and was made up of cash and balances with the central bank, in the amount of €298,546,000, and loans and advances to banks with an original maturity of up to three months, in the amount of €121,349,000.

Cash Flows from Interest, Dividends and Participation in Profits

€000

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Interest paid	(21,458)	(40,857)	(18,610)	(34,468)
Interest received	68,364	85,905	53,256	64,117
Dividends and participation in profits paid	(126)	(1)	0	(1)
Dividends and participation in profits received	7	0	535	0

The accompanying notes form an integral part of these financial statements.

5 Interim Statement of Changes in Equity

Interim statement of changes in equity of the Nova KBM Group for the six months ended 30 June 2015

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ITEM DESCRIPTION	Share capital	Share premium	Accumulated other comprehensive income	Translation reserves	Reserves from profit	Retained earnings (including net profit for the reporting period)	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
OPENING BALANCE FOR THE REPORTING PERIOD	150,000	360,572	42,841	(3,208)	27,895	35,338	613,438	2,919	616,357
Total comprehensive income for the reporting period after tax	0	0	(12,975)	(25)	0	12,014	(986)	273	(713)
Appropriation of (accounting for) dividends	0	0	0	0	0	0	0	(126)	(126)
Other	0	0	0	0	0	0	0	(53)	(53)
CLOSING BALANCE FOR THE REPORTING PERIOD	150,000	360,572	29,866	(3,233)	27,895	47,352	612,452	3,013	615,465

The accompanying notes form an integral part of these financial statements.

Interim statement of changes in equity of Nova KBM d.d. for the six months ended 30 June 2015

€000

ITEM DESCRIPTION	Share capital	Share premium	Accumulated other comprehensive income	Reserves from profit	Retained earnings (including net profit for the reporting period)	Total equity
OPENING BALANCE FOR THE REPORTING PERIOD	150,000	360,572	33,859	27,389	8,527	580,347
Total comprehensive income for the reporting period after tax	0	0	(11,078)	0	22,465	11,387
Other	0	0	(1)	0	4	3
CLOSING BALANCE FOR THE REPORTING PERIOD	150,000	360,572	22,780	27,389	30,996	591,737

The accompanying notes form an integral part of these financial statements.

Interim statement of changes in equity of the Nova KBM Group for the six months ended 30 June 2014

€000

ITEM DESCRIPTION	Share capital	Share premium	Accumulated other comprehensive income	Translation reserves	Reserves from profit	Retained earnings (including net profit for the reporting period)	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
OPENING BALANCE FOR THE REPORTING PERIOD	150,000	360,572	8,981	(2,486)	663	48,937	566,667	(6,639)	560,028
Total comprehensive income for the reporting period after tax	0	0	30,733	(191)	0	18,170	48,712	2,820	51,532
Recapitalisation of subsidiaries	0	0	0	0	0	(8,264)	(8,264)	8,264	0
Appropriation of (accounting for) dividends	0	0	0	0	0	0	0	(95)	(95)
Transfer of net profit to reserves from profit	0	0	0	0	(164)	164	0	0	0
Other	0	0	0	0	0	0	0	(64)	(64)
CLOSING BALANCE FOR THE REPORTING PERIOD	150,000	360,572	39,714	(2,677)	499	59,007	607,115	4,286	611,401

The accompanying notes form an integral part of these financial statements.

Interim statement of changes in equity of Nova KBM d.d. for the six months ended 30 June 2014

€000

ITEM DESCRIPTION	Share capital	Share premium	Accumulated other comprehensive income	Retained earnings (including net profit for the reporting period)	Total equity
OPENING BALANCE FOR THE REPORTING PERIOD	150,000	360,572	7,140	0	517,712
Total comprehensive income for the reporting period after tax	0	0	23,256	14,822	38,078
CLOSING BALANCE FOR THE REPORTING PERIOD	150,000	360,572	30,396	14,822	555,790

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOVA KBM GROUP AND NOVA KBM d.d.

1 General information

Nova KBM d.d. (herein also referred to as 'Nova KBM' or the 'Bank') is the parent company of the Nova KBM Group (herein also referred to as the 'Group') which, as of 30 June 2015, comprised the parent company and 10 subsidiary companies.

Nova KBM is a commercial bank with a tradition of understanding and supporting its retail and corporate customers to whom it provides standard banking products. Its registered office is at Ulica Vita Kraigherja 4, 2505 Maribor, Republic of Slovenia. As of 30 June 2015, the share capital of Nova KBM totalled €150,000,000 and was split into 10,000,000 ordinary no-par-value shares, all of which were held by the Republic of Slovenia.

On 30 June 2015, the Slovene Sovereign Holding, Apollo Global Management LLC (Apollo) and the European Bank for Reconstruction and Development (EBRD) signed the agreement concerning the sale of a 100% shareholding of the Republic of Slovenia in Nova KBM. The buyers, Apollo and EBRD, will endeavour to ensure the further growth of Nova KBM, while developing its services and broadening its offerings. Moreover, they will make every effort to strengthen the relationships with Nova KBM's corporate and retail customers, as well as its other stakeholders. The following sale-related actions will be taken over the next few months: the acquisition of approvals from the relevant supervisory bodies, the payment of the purchase consideration, and the transfer and registration of the shareholding – i.e. the closing of the sale process.

Nova KBM is obliged to prepare consolidated financial statements.

2 Definition of the Group

The Group comprises the parent bank and its subsidiary companies.

Company	Position in the Group	Group's voting rights in the company (%)	Registered office (country of incorporation)
Nova Kreditna banka Maribor d.d.	parent bank		Maribor, Slovenia
Poštna banka Slovenije d.d.	subsidiary bank	99.12	Maribor, Slovenia
Adria Abwicklungs GmbH in Liqu.	subsidiary company	100.00	Vienna, Austria
KBM Banka a.d.	subsidiary bank	89.53	Kragujevac, Serbia
KBM Infond d.o.o.	subsidiary company	72.73 ¹	Maribor, Slovenia
KBM Leasing d.o.o. (in liquidation)	subsidiary company	100.00	Maribor, Slovenia
KBM Invest d.o.o.	subsidiary company	100.00	Maribor, Slovenia
Gorica Leasing d.o.o. (in liquidation)	subsidiary company	100.00	Maribor, Slovenia
M-PAY d.o.o.	subsidiary company	50.00	Maribor, Slovenia
KBM Leasing Hrvatska d.o.o. (in liquidation)	subsidiary company	100.00	Zagreb, Croatia
MB Finance B.V.	subsidiary company	00.00 ²	Netherlands

¹ The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain amount of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

² In accordance with IFRS 10, MB Finance is regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity, and the operations of this entity are considered to be immaterial to the Group.

On 29 August 2014, the Adria Bank Supervisory Board reached a decision to start the procedures to terminate the operations of Adria Bank. Adria Bank returned its licence for providing banking services to the Austrian Financial Market Authority (FMA) on 23 March 2015, the same day on which it ceased its banking operations and met the conditions to wind down its business. On 11 June 2014, Adria Bank was legally transformed from a joint stock company into a limited liability company named Adria Abwicklungs (GmbH), which filed for controlled liquidation on 26 June 2015, in accordance with a ruling made by the relevant court.

In accordance with the adopted restructuring programme and commitments given to the European Commission by the Republic of Slovenia and Nova KBM regarding the restructuring of the Nova KBM Group, the controlled liquidation of KBM Leasing and Gorica Leasing started on 31 December 2014, while that of KBM Leasing Hrvatska started on 15 June 2015, based on rulings made by the relevant courts. While these three companies are still controlled by Nova KBM and are therefore fully consolidated in the Group's accounts, their financial statements have been prepared on a non-going concern basis. A non-going concern assumption has been taken into consideration in the valuation of the investments in, and credit exposures to, these companies.

The liquidation proceedings against KBM Leasing and Gorica Leasing had not been completed by 31 July 2015, as originally planned, because some of the activities that the liquidators intended to carry out as part of the business closing process were still in progress.

In December 2014, the Nova KBM Management Board passed a decision to sell KBM Banka, based on which the investment of Nova KBM in KBM Banka was book-transferred to 'Non-current assets held for sale'. KBM Banka is fully consolidated in the consolidated financial statements, with its assets, liabilities and profit and loss components being presented as separate items. KBM Banka is in the process of being sold. While work is in progress with respect to a due diligence review of KBM Banka, a request has been made to the relevant Serbian regulator to give a preliminary opinion regarding the sale of KBM Banka to a new owner.

Istra Plan, a company 100% owned by KBM Invest, is not regarded as a business entity. Consequently, only the assets of this company, totalling €672,000, have been included in the consolidated financial statements.

3 Basis for the presentation of consolidated financial statements

The financial statements of the Nova KBM Group and Nova KBM for the six months ended 30 June 2015 were authorised for issue on 27 July 2015 by the Nova KBM Management Board.

The interim financial statements have been prepared in accordance with the regulatory requirements and on the assumption that both Nova KBM and the Nova KBM Group will continue as going concerns in the foreseeable future and that they will be able to meet their liabilities when due.

3.1 Statement of compliance and purpose of financial statements

The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereafter 'IFRSs') as endorsed by the European Union.

The interim financial report is prepared in a condensed form and includes selected explanatory notes as requested in accordance with IAS 34 – Interim Financial Reporting.

Interim financial statements are unaudited and are regarded as general-purpose financial statements. They are not intended for use by any party for purposes of decision-making concerning ownership, financing or any other specific transactions relating to the Group. Accordingly, users of these interim financial statements should not rely exclusively on the financial statements and should undertake other procedures before making decisions.

3.2 Presentation and functional currency

Items included in the financial statements are presented in euro, which is the functional and presentation currency of both the Bank and the Group.

All amounts in the financial statements and in the notes to the financial statements are expressed in thousands of euros, unless stated otherwise. Slight discrepancies in the totals may occur due to rounding adjustments.

4 Significant accounting policies

The accounting policies used by the Group are presented in detail in its 2014 Annual Report.

The adopted accounting policies have been consistently applied in both reporting periods presented in these financial statements.

During the interim reporting period and in 2014, the Group did not reclassify any of its financial assets into another category.

Newly adopted standards, revisions and interpretations that have been adopted by the EU and that have or will come into effect in 2015 are presented below:

- **Amendments to various standards – Improvements to IFRSs (cycle 2010 – 2012)** resulting from the annual improvement project of IFRSs (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording; adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015).
- **Amendments to various standards – Improvements to IFRSs (cycle 2011 – 2013)** resulting from the annual improvement project of IFRSs (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording; adopted by the EU on 18 December 2014 (effective for annual periods beginning on or after 1 January 2015).
- **Amendments to IAS 19 – Employee Benefits** – Defined Benefit Plans: Employee Contributions; adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015).
- **IFRIC 21 – Levies**; adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).

The amendments to the existing standards have not led to any material changes in the Group's accounting policies.

Standards and interpretations issued by the International Accounting Standards Board (IASB) but, as of the date of this interim report, not yet adopted for use by the EU are set out below:

- **IFRS 9 – Financial Instruments** (effective for annual periods beginning on or after 1 January 2018).
- **IFRS 14 – Regulatory Deferral Accounts** (effective for annual periods beginning on or after 1 January 2016).
- **IFRS 15 – Revenue from Contracts with Customers** (effective for annual periods beginning on or after 1 January 2017).
- **Amendments to IFRS 10 – Consolidated Financial Statements, and IAS 28 – Investments in Associates and Joint Ventures** – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the date of initial application has been postponed; the draft for discussion is expected to be released by the IASB on 1 January 2016).
- **Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities, and IAS 28 – Investments in Associates**

- **Amendments to IFRS 11 – Joint Arrangements** – Accounting for Acquisition of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to IAS 1 – Presentation of Financial Statements** – Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to IAS 16 – Property, Plant and Equipment, and IAS 38 – Intangible Assets** – Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to IAS 16 – Property, Plant and Equipment, and IAS 41 – Agriculture** – Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to IAS 27 – Separate Financial Statements** – Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to various standards – Improvements to IFRSs (cycle 2012 – 2014)** resulting from the annual improvement project of IFRSs (IFRS 5, IFRS 7, IFRS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after 1 January 2016).

The Group has not early adopted any standard or interpretation that has been issued but is not yet effective. It anticipates that the adoption of these standards, revisions and interpretations will have no material impact on its financial statements in the period of initial application, with the exception of IFRS 9, the impact of which on the financial statements of the Bank and the Group has not been assessed yet.

5 Risk review

The Bank Management Board delegates risk oversight and management to the senior management (policy holders). The policy holders, together with officers responsible for particular policies, determine the method of measuring individual risks. The responsible officers are specialised in defining, measuring and controlling individual risks.

The organisational unit responsible for defining the acceptable level of a specific type of risk and the method of measuring and monitoring the risk is organisationally separate from the unit it monitors. In accordance with the rules of procedure, each risk management policy has to be approved by the Policy Approval Committee and, in addition, agreed by the President of the Management Board or his deputy. The Group companies may use their own approach in managing individual risks, taking into consideration the importance of risk and the regulatory framework.

Further details with respect to risk management are provided in the Group's 2014 Annual Report.

5.1 Credit risk

Analysis of exposure to credit risk

Nova KBM Group	Loans to customers		Loans to banks	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Net outstanding loans	1,830,255	1,920,875	81,532	50,124
Individual impairment				
Gross amount	947,906	966,592	6,145	730
Impairment	(550,292)	(531,869)	(4)	(3)
Net amount	397,614	434,723	6,141	727
Collective impairment				
Credit rating A	941,287	941,848	0	0
Credit rating B	275,457	298,683	0	0
Credit rating C	166,256	174,665	0	0
Credit rating D	25,599	29,477	0	0
Credit rating E	71,669	71,194	0	0
Gross amount	1,480,268	1,515,867	0	0
Impairment	(82,584)	(86,958)	0	0
Net amount	1,397,684	1,428,909	0	0
Net non-impaired loans	34,957	57,243	75,391	49,397
Total net loans	1,830,255	1,920,875	81,532	50,124

Nova KBM d.d.	Loans to customers		Loans to banks	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Net outstanding loans	1,533,336	1,593,294	84,839	59,299
Individual impairment				
Gross amount	662,543	672,926	5,132	5,015
Impairment	(350,249)	(344,441)	(5,130)	(5,013)
Net amount	312,294	328,485	2	2
Collective impairment				
Credit rating A	844,379	804,293	0	0
Credit rating B	190,712	232,345	0	0
Credit rating C	137,173	154,612	0	0
Credit rating D	22,999	26,815	0	0
Credit rating E	58,766	58,294	0	0
Gross amount	1,254,029	1,276,359	0	0
Impairment	(66,954)	(67,558)	0	0
Net amount	1,187,075	1,208,801	0	0
Net non-impaired loans	33,967	56,008	84,837	59,297
Total net loans	1,533,336	1,593,294	84,839	59,299

Past-due and unpaid claims

Nova KBM Group					30.6.2015
	Up to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Banks	130	0	0	2	132
State	36	5	4	3	48
Legal entities	59,906	2,215	8,465	533,324	603,910
Households	1,751	473	478	67,997	70,699
Total	61,823	2,693	8,947	601,326	674,789

Nova KBM Group					31.12.2014
	Up to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Banks	14	0	0	2	16
State	112	5	5	3	125
Legal entities	44,698	34,190	24,941	486,058	589,887
Households	1,984	525	3,044	60,256	65,809
Total	46,808	34,720	27,990	546,319	655,837

Nova KBM d.d.					30.6.2015
	Up to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Banks	130	0	0	2	132
State	31	0	0	0	31
Legal entities	56,984	746	5,012	311,799	374,541
Households	1,292	343	385	46,503	48,523
Total	58,437	1,089	5,397	358,304	423,227

Nova KBM d.d.					31.12.2014
	Up to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Banks	14	0	0	2	16
State	107	0	1	0	108
Legal entities	28,321	32,892	19,981	271,318	352,512
Households	1,465	339	2,930	38,068	42,802
Total	29,907	33,231	22,912	309,388	395,438

NPLs in the total loan portfolio

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Total gross loan portfolio	2,544,667	2,589,829	2,040,508	2,069,605
Total net loan portfolio	1,911,787	1,970,999	1,618,175	1,652,593
Net NPLs	437,670	462,519	354,085	370,457
Net NPLs/total net loan portfolio (%)	22.89	23.47	21.88	22.42

Analysis of NPLs by industry sectors

The following tables set forth, for the periods indicated, the total net loans and net NPLs outstanding to individual industry sectors, and the proportion of net NPLs in net loans:

Nova KBM Group			30.6.2015			31.12.2014		
Industry sector	Total net loans	Net NPLs	Share of NPLs (%)	Total net loans	Net NPLs	Share of NPLs (%)		
Households	853,199	36,269	4.25	857,683	33,849	3.95		
Agriculture and hunting, forestry, fishing	26,048	8,833	33.91	23,240	8,532	36.71		
Mining	2,151	229	10.65	2,786	676	24.26		
Manufacturing industry	297,494	127,216	42.76	342,155	142,670	41.70		
Electricity, gas and steam supply	41,131	3,655	8.89	46,771	3,946	8.44		
Water supply, waste and sewage management, rehabilitation of the environment	25,078	3,105	12.38	24,052	979	4.07		
Construction	69,478	39,483	56.83	71,471	31,088	43.50		
Trade, maintenance and repair of motor vehicles	199,382	73,658	36.94	188,896	76,590	40.55		
Transportation and storage	50,975	5,752	11.28	52,511	6,025	11.47		
Accommodation and food service activities	37,722	18,945	50.22	39,621	19,292	48.69		
Information and communication activities	20,320	11,376	55.98	22,526	13,507	59.96		
Financial intermediation	122,222	10,891	8.91	92,590	20,442	22.08		
Real estate activities	34,594	26,449	76.46	39,025	29,712	76.14		
Professional, scientific and technical activities	43,821	24,166	55.15	47,680	25,601	53.69		
Other various business activities	10,569	3,005	28.43	15,764	2,758	17.50		
Public administration and defence services, compulsory social security activities	11,993	322	2.68	32,415	185	0.57		
Education	2,831	263	9.29	3,181	392	12.32		
Health and welfare security	21,175	8,508	40.18	23,128	8,704	37.63		
Arts, entertainment and recreation	37,303	34,921	93.61	38,824	35,957	92.62		
Other activities	4,301	624	14.51	6,680	1,614	24.16		
Total net loans	1,911,787	437,670	22.89	1,970,999	462,519	23.47		

Nova KBM d.d.			30.6.2015			31.12.2014
Industry sector	Total net loans	Net NPLs	Share of NPLs (%)	Total net loans	Net NPLs	Share of NPLs (%)
Households	756,997	34,035	4.50	762,689	31,509	4.13
Agriculture and hunting, forestry, fishing	19,090	4,515	23.65	17,216	4,626	26.87
Mining	1,836	229	12.47	1,989	229	11.51
Manufacturing industry	234,537	97,803	41.70	272,295	111,133	40.81
Electricity, gas and steam supply	38,536	2,049	5.32	43,954	3,838	8.73
Water supply, waste and sewage management, rehabilitation of the environment	19,121	2,118	11.08	14,602	241	1.65
Construction	46,842	25,721	54.91	42,208	14,273	33.82
Trade, maintenance and repair of motor vehicles	147,115	55,804	37.93	130,157	57,208	43.95
Transportation and storage	47,813	5,106	10.68	48,826	5,151	10.55
Accommodation and food service activities	28,767	14,131	49.12	29,728	13,940	46.89
Information and communication activities	14,705	8,311	56.52	14,362	8,022	55.86
Financial intermediation	133,049	20,755	15.60	111,939	32,035	28.62
Real estate activities	27,906	20,608	73.85	32,292	23,907	74.03
Professional, scientific and technical activities	29,253	17,543	59.97	31,597	18,478	58.48
Other various business activities	7,103	1,860	26.19	8,021	1,196	14.91
Public administration and defence services, compulsory social security activities	4,522	0	0.00	26,229	0	0.00
Education	2,713	263	9.69	3,020	369	12.22
Health and welfare security	18,731	8,475	45.25	20,497	8,673	42.31
Arts, entertainment and recreation	36,218	34,261	94.60	37,555	35,184	93.69
Other activities	3,321	498	15.00	3,417	445	13.02
Total net loans	1,618,175	354,085	21.88	1,652,593	370,457	22.42

5.2 Composition of regulatory capital and capital requirements

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Tier 1 capital	552,461	549,824	532,288	521,962
Paid-in capital instruments	150,000	150,000	150,000	150,000
Share premium	360,572	360,572	360,572	360,572
Retained earnings and value adjustments of investment property from previous years	44,246	50,122	9,561	1,030
(–) Loss for the current financial year	0	(5,743)	0	0
Accumulated other comprehensive income	(3,920)	(5,187)	1,997	(343)
Other reserves	27,895	27,895	27,389	27,389
(–) Intangible assets	(22,813)	(25,483)	(12,233)	(14,335)
(–) Deferred tax assets	(3,519)	(2,352)	(4,998)	(2,351)
Additional capital	0	0	0	0
Total capital	552,461	549,824	532,288	521,962
Risk weighted exposure amounts for credit risk	1,978,277	2,029,975	1,737,926	1,773,173
Central governments or central banks	7,497	11,822	7,497	10,736
Regional governments or local authorities	9,743	1,497	3,434	561
Public sector entities	7,058	1,305	1,376	147
Multilateral development banks	0	0	0	0
International organisations	0	0	0	0
Institutions	110,887	101,892	83,464	82,173
Corporates	403,323	424,425	326,720	336,354
Retail	677,416	676,203	560,489	559,299
Exposures secured by mortgages on immovable property	55,307	54,636	55,307	54,636
Exposures in default	486,908	532,059	369,667	397,374
Items associated with particular high risk	55,437	59,067	205,421	207,044
Collective investment undertakings	6,786	6,155	3,487	2,814
Equity	17,790	16,854	13,866	14,538
Other items	140,125	144,060	107,198	107,497
Risk weighted exposure amounts for market risks	49,113	40,719	32,922	37,332
Traded debt instruments	1,065	1,542	1,057	1,476
Equity instruments	34,964	39,034	31,755	35,713
Foreign exchange	12,974	0	0	0
Credit value adjustment risk	110	143	110	143
Risk weighted exposure amounts for operational risk	266,496	289,222	203,088	216,403
Total risk weighted exposure amount	2,293,886	2,359,916	1,973,936	2,026,908
Total capital adequacy ratio	24.08%	23.30%	26.97%	25.75%
Tier 1 capital ratio	24.08%	23.30%	26.97%	25.75%
Common Equity Tier 1 capital ratio	24.08%	23.30%	26.97%	25.75%

6 Fair value of financial assets and financial liabilities

Where possible, the Group determines the fair value of financial instruments on the basis of their market prices. The Group starts to measure the value of financial assets according to a valuation model once it establishes that the market is not active.

Further details with respect to the policy of determining the fair value of financial assets and financial liabilities are presented in the Group's 2014 Annual Report.

Analysis of fair value hierarchy

Nova KBM Group	30.6.2015				31.12.2014			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets								
Derivatives	188	0	188	0	187	0	187	0
Financial assets held for trading	2,195	2,195	0	0	1,654	1,654	0	0
– equity financial instruments	2,195	2,195	0	0	1,654	1,654	0	0
Available-for-sale financial assets	1,580,430	1,138,820	438,148	3,462	1,482,120	1,038,084	440,932	3,104
– debt financial instruments	1,547,252	1,124,745	422,507	0	1,463,106	1,022,174	440,932	0
– equity financial instruments	33,178	14,075	15,641	3,462	19,014	15,910	0	3,104
Financial assets designated at fair value through profit or loss	15,798	15,798	0	0	17,857	17,857	0	0
– equity financial instruments	15,798	15,798	0	0	17,857	17,857	0	0
Financial liabilities								
Derivatives	800	0	800	0	1,229	0	1,229	0

Nova KBM d.d.	30.6.2015				31.12.2014			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets								
Derivatives	188	0	188	0	187	0	187	0
Financial assets held for trading	593	593	0	0	0	0	0	0
– equity financial instruments	593	593	0	0	0	0	0	0
Available-for-sale financial assets	1,359,436	931,818	424,367	3,251	1,275,213	844,020	428,304	2,889
– debt financial instruments	1,332,511	922,386	410,125	0	1,261,435	833,131	428,304	0
– equity financial instruments	26,925	9,432	14,242	3,251	13,778	10,889	0	2,889
Financial assets designated at fair value through profit or loss	15,798	15,798	0	0	17,857	17,857	0	0
– equity financial instruments	15,798	15,798	0	0	17,857	17,857	0	0
Financial liabilities								
Derivatives	800	0	800	0	1,170	0	1,170	0

The following table presents for each type of financial instruments the triggers that lead to the transfer of a financial instrument between the fair value hierarchy levels:

Transfer	Financial instruments	Reason for transfer between levels
From Level 2 to Level 1	bonds	Re-availability of the market price of the financial instrument. The price of a bond is considered to be available if the published market price is the result of the actual turnover in the period of less than one month.
From Level 3 to Level 1	shares and funds	Re-availability of the market price of the financial instrument. The price of a share or an investment fund is considered to be available if the published market price is the result of the actual turnover in the period of less than one month.
From Level 1 to Level 2	bonds	Valuation of bonds that have been previously valued according to the market price. The reason for the valuation of a bond and for changing its level is either the withdrawal of a bond from the regulated market or its illiquidity (no transaction has been concluded in a one-month period).
From Level 1 to Level 3	shares and funds	Valuation of shares and investment funds that have been previously valued according to the market price. The reason for the valuation of a share or an investment fund and for changing its level is the withdrawal of a share or an investment fund from the regulated market.
From Level 2 to Level 3	derivatives	The underlying instrument to which the derivative refers has been reclassified from Level 1 to either Level 2 or Level 3. The market price of the underlying instrument is no longer available.
From Level 3 to Level 2	derivatives	The underlying instrument to which the derivative refers has been reclassified to Level 1. The market price of the underlying instrument exists.

Analysis of transfers between fair value hierarchy levels

Nova KBM Group			30.6.2015		31.12.2014	
	Transfer from Level 1 to Level 2	Transfer from Level 2 to Level 1	Transfer from Level 1 to Level 3	Transfer from Level 1 to Level 2	Transfer from Level 2 to Level 1	Transfer from Level 1 to Level 3
Available-for-sale financial assets	0	8,671	0	404,152	0	0
– debt financial instruments	0	8,671	0	404,152	0	0
– equity financial instruments	0	0	0	0	0	0

Nova KBM d.d.			30.6.2015		31.12.2014	
	Transfer from Level 1 to Level 2	Transfer from Level 2 to Level 1	Transfer from Level 1 to Level 3	Transfer from Level 1 to Level 2	Transfer from Level 2 to Level 1	Transfer from Level 1 to Level 3
Available-for-sale financial assets	0	8,671	0	391,927	0	0
– debt financial instruments	0	8,671	0	391,927	0	0
– equity financial instruments	0	0	0	0	0	0

Movements in financial assets included in Level 3

Available-for-sale financial assets	Nova KBM Group			Nova KBM d.d.		
	Total	Shares	Stocks	Total	Shares	Stocks
1 January 2014	3,167	2,553	614	3,026	2,540	486
Change due to sale	(972)	(972)	0	(972)	(972)	0
Change due to debt-to-equity conversions	2,116	2,036	80	2,036	2,036	0
Shares returned from BAMC	834	834	0	834	834	0
Change due to revaluation	(2,041)	(2,041)	0	(2,035)	(2,036)	1
31 December 2014	3,104	2,410	694	2,889	2,402	487
Change due to debt-to-equity conversions	362	362	0	362	362	0
Changes in the portfolio of Adria Abwicklungs GmbH	(4)	0	(4)	0	0	0
1 January 2015	3,104	2,410	694	2,889	2,402	487

In the six-month period ended 30 June 2015, no changes took place in the Group's financial assets included in Level 3 of the fair value hierarchy.

Fair value of financial instruments measured at amortised cost

Nova KBM Group	30.6.2015				
	Book value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Cash, cash balances at central banks and other demand deposits at banks	315,992	315,992	315,992	0	0
Loans and advances to banks	81,532	87,335	0	87,335	0
Loans and advances to customers	1,830,255	1,837,832	0	0	1,837,832
Other financial assets	24,832	24,832	0	0	24,832
Held-to-maturity financial assets	153,394	160,001	155,447	4,554	0
Financial liabilities					
Deposits from banks and central banks	1,477	1,433	0	1,433	0
Deposits from customers	3,041,844	3,046,482	0	3,046,482	0
Loans from banks and central banks	338,444	339,216	0	339,216	0
Loans from customers	1,819	1,821	0	1,821	0
Debt securities	52,259	56,160	0	56,160	0
Subordinated liabilities	1,250	1,250	0	1,250	0
Other financial liabilities	35,742	35,742	0	0	35,742

Nova KBM Group					31.12.2014
	Book value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Cash, cash balances at central banks and other demand deposits at banks	422,264	422,264	422,264	0	0
Loans and advances to banks	50,124	56,173	0	56,173	0
Loans and advances to customers	1,920,875	1,928,869	0	0	1,928,869
Other financial assets	20,343	20,343	0	0	20,343
Held-to-maturity financial assets	206,540	213,247	208,635	4,612	0
Financial liabilities					
Deposits from banks and central banks	20,875	20,768	0	20,768	0
Deposits from customers	3,074,146	3,080,697	0	3,080,697	0
Loans from banks and central banks	394,213	395,259	0	395,259	0
Loans from customers	2,729	2,732	0	2,732	0
Debt securities	59,129	63,012	0	63,012	0
Subordinated liabilities	1,250	1,250	0	1,250	0
Other financial liabilities	33,551	33,551	0	0	33,551

Nova KBM d.d.					30.6.2015
	Book value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Cash, cash balances at central banks and other demand deposits at banks	252,595	252,595	252,595	0	0
Loans and advances to banks	84,839	90,642	0	90,642	0
Loans and advances to customers	1,533,336	1,540,479	0	0	1,540,479
Other financial assets	16,646	16,646	0	0	16,646
Held-to-maturity financial assets	59,347	63,901	59,347	4,554	0
Financial liabilities					
Deposits from banks and central banks	5,202	5,158	0	5,158	0
Deposits from customers	2,469,873	2,474,407	0	2,474,407	0
Loans from banks and central banks	311,609	312,381	0	312,381	0
Loans from customers	1,819	1,821	0	1,821	0
Debt securities	54,255	58,156	0	58,156	0
Other financial liabilities	27,715	27,715	0	0	27,715

Nova KBM d.d.					31.12.2014
	Book value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Cash, cash balances at central banks and other demand deposits at banks	335,417	335,417	335,417	0	0
Loans and advances to banks	59,299	65,348	0	65,348	0
Loans and advances to customers	1,593,294	1,601,398	0	0	1,601,398
Other financial assets	11,754	11,754	0	0	11,754
Held-to-maturity financial assets	89,950	95,101	90,489	4,612	0
Financial liabilities					
Deposits from banks and central banks	11,780	11,673	0	11,673	0
Deposits from customers	2,463,368	2,469,612	0	2,469,612	0
Loans from banks and central banks	363,552	364,598	0	364,598	0
Loans from customers	2,729	2,732	0	2,732	0
Debt securities	67,452	71,335	0	71,335	0
Other financial liabilities	26,396	26,396	0	0	26,396

The Group determines fair values according to the following hierarchy: market value; valuation made using a market interest rate model; acquisition cost. The tables above present fair values of individual balance sheet items. The fair value of held-to-maturity financial assets has been, where possible, determined on the basis of market prices of financial instruments. The fair value of items measured at amortised or acquisition cost is determined on the basis of a model that takes into account market interest rates. The fair value is calculated for items with a fixed interest rate and residual maturity of over one year. The fair value of each item is established on the basis of discounted cash flows, taking into consideration the market interest rates prevailing at the reporting date. As for other items, the Bank considers there is no material difference between the book and fair values.

7 Reporting by operating segments

7.1 Analysis by operating segments as of 30 June 2015

	Banking	Leasing	Fund management	Real estate activity	Other	Total	Inter-segment relationships	Relationships with third parties
A. Net income/expenses	80,852	1,166	2,658	214	392	85,282	776	84,506
Interest income	64,261	1,106	4	0	245	65,616	1,318	64,298
Interest expenses	(14,785)	(433)	0	(166)	(55)	(15,439)	(1,108)	(14,331)
Net interest income	49,476	673	4	(166)	190	50,177	210	49,967
Dividend income	1,248	0	0	0	0	1,248	476	772
Fee and commission income	37,703	32	3,278	0	200	41,213	405	40,808
Fee and commission expenses	(12,743)	(29)	(773)	(3)	(12)	(13,560)	(352)	(13,208)
Net fee and commission income	24,960	3	2,505	(3)	188	27,653	53	27,600
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	6,982	4	100	0	10	7,096	1	7,095
Net gains/(losses) on financial assets and liabilities held for trading	(7,193)	0	55	0	3	(7,135)	1	(7,136)
Net (losses) on financial assets and liabilities designated at fair value through profit or loss	(2,059)	0	0	0	0	(2,059)	0	(2,059)
Net exchange rate differences	9,076	37	(1)	0	1	9,113	(1)	9,114
Net gains on derecognition of assets other than non-current assets held for sale	11	36	0	6	0	53	0	53
Other net operating income/(loss)	(1,649)	413	(5)	377	0	(864)	36	(900)
B. Other items by segments	(54,183)	(10,222)	(1,635)	(210)	(2,351)	(68,601)	(305)	(68,296)
Administration costs	(36,555)	(1,060)	(1,114)	(207)	(1,664)	(40,600)	(117)	(40,483)
Depreciation and amortisation	(5,734)	(173)	(521)	(3)	(97)	(6,528)	0	(6,528)
Provisions	4,969	194	0	0	(588)	4,575	(204)	4,779
Impairment losses	(16,923)	(9,183)	0	0	(2)	(26,108)	87	(26,195)
Share of profits of associates and joint ventures accounted for using the equity method	0	0	0	0	0	0	(71)	71
Total profit from non-current assets and disposal groups classified as held for sale	60	0	0	0	0	60	0	60
C. Profit or loss								
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	26,669	(9,056)	1,023	4	(1,959)	16,681	471	16,210
Tax (expense) related to profit or loss from continuing operations	(3,458)	0	(161)	0	(439)	(4,058)	0	(4,058)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	23,211	(9,056)	862	4	(2,398)	12,623	471	12,152
Total profit after tax from discontinued operations	124	0	0	0	0	124	0	124
NET PROFIT/(LOSS) FOR THE REPORTING PERIOD	23,335	(9,056)	862	4	(2,398)	12,747	471	12,276
D. Segment assets and liabilities								
Total assets	4,281,344	52,705	13,726	10,698	15,700	4,374,173	143,275	4,230,898
– non-current assets held for sale and discontinued operations	53,758	0	0	0	0	53,758	(100)	53,858
– investments in the equity of associates and joint ventures accounted for using the equity method	96,764	0	0	0	0	96,764	93,545	3,219
Liabilities (excluding equity) by segments	3,645,561	24,940	830	6,361	5,706	3,683,398	67,965	3,615,433
Total equity	635,783	27,765	12,896	4,337	9,994	690,775	75,310	615,465
Increase in property, plant and equipment and intangible assets	1,274	0	245	0	0	1,519	0	1,519

The column 'Inter-segment relationships' includes the following items: intra-Group income and expenses; income from dividends from subsidiaries; additional impairments/reversal of impairments as a result of changing over to a harmonised customer classification across the Group; impairment of investments in the equity of subsidiaries and of loans given to subsidiaries; the effects of valuation of the associated company using the equity method; claims and liabilities between Group companies; investments in subsidiaries and the proportional share of equity of subsidiaries; and other consolidation entries.

Analysis by operating segments as of 30 June 2014

	Banking	Leasing	Fund management	Real estate activity	Other	Total	Inter-segment relationships	Relationships with third parties
A. Net income/expenses	90,869	(53)	2,359	459	13	93,647	594	93,053
Interest income	85,150	2,117	0	308	2	87,577	5,889	81,688
Interest expenses	(29,919)	(3,952)	(5)	(665)	0	(34,541)	(5,871)	(28,670)
Net interest income	55,231	(1,835)	(5)	(357)	2	53,036	18	53,018
Dividend income	488	0	0	0	0	488	424	64
Fee and commission income	40,609	28	2,703	0	0	43,340	377	42,963
Fee and commission expenses	(14,212)	(152)	(475)	(10)	0	(14,849)	(279)	(14,570)
Net fee and commission income	26,397	(124)	2,228	(10)	0	28,491	98	28,393
Realised gains/(losses) on financial assets and liabilities not measured at fair value through profit or loss	7,743	(1)	80	618	0	8,440	0	8,440
Net gains/(losses) on financial assets and liabilities held for trading	(694)	0	50	0	0	(644)	1	(645)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	4,748	0	0	0	0	4,748	(1)	4,749
Net exchange rate differences	578	70	0	0	0	648	2	646
Net gains/(losses) on derecognition of assets other than non-current assets held for sale	4	(103)	0	6	0	(93)	(2)	(91)
Other net operating income/(loss)	(3,626)	1,940	6	202	11	(1,467)	54	(1,521)
B. Other items by segments	(71,282)	(1,147)	(1,547)	(571)	(2)	(74,549)	(5,988)	(68,561)
Administration costs	(39,981)	(1,183)	(1,033)	(571)	(2)	(42,770)	(168)	(42,602)
Depreciation and amortisation	(6,680)	(208)	(514)	(3)	0	(7,405)	1	(7,406)
Provisions	2,472	0	0	0	0	2,472	(1,099)	3,571
Impairment losses	(27,157)	244	0	3	0	(26,910)	(4,621)	(22,289)
Share of profits of associates and joint ventures accounted for using the equity method	0	0	0	0	0	0	(101)	101
Total profit from non-current assets and disposal groups classified as held for sale	64	0	0	0	0	64	0	64
C. Profit or loss								
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	19,587	(1,200)	812	(112)	11	19,098	(5,394)	24,492
Tax (expense) related to profit or loss from continuing operations	(2,925)	0	(139)	(129)	(2)	(3,195)	20	(3,215)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	16,662	(1,200)	673	(241)	9	15,903	(5,374)	21,277
Total (loss) after tax from discontinued operations	(401)	0	0	0	0	(401)	0	(401)
NET PROFIT/(LOSS) FOR THE REPORTING PERIOD	16,261	(1,200)	673	(241)	9	15,502	(5,374)	20,876
D. Segment assets and liabilities								
Total assets	4,629,538	113,640	14,118	43,866	219	4,801,381	255,828	4,545,553
– non-current assets held for sale and discontinued operations	6,116	694	0	0	0	6,810	367	6,443
– investments in the equity of associates and joint ventures accounted for using the equity method	66,339	0	0	0	0	66,339	63,327	3,012
Liabilities (excluding equity) by segments	3,992,249	177,451	1,220	53,939	1	4,224,860	290,708	3,934,152
Total equity	637,289	(63,811)	12,898	(10,073)	218	576,521	(34,880)	611,401
Increase in property, plant and equipment and intangible assets	2,101	13	38	0	0	2,152	0	2,152

The column 'Inter-segment relationships' includes the following items: intra-Group income and expenses; income from dividends from subsidiaries; additional impairments/reversal of impairments as a result of changing over to a harmonised customer classification across the Group; impairment of investments in the equity of subsidiaries and of loans given to subsidiaries; the effects of valuation of the associated company using the equity method; claims and liabilities between Group companies; investments in subsidiaries and the proportional share of equity of subsidiaries; and other consolidation entries.

Notes to the income statement items

8 Interest income and interest expenses

8.1 Analysis of interest by market segments

	Nova KBM Group				Nova KBM d.d.			
	1.1.– 30.6.2015		1.1.– 30.6.2014		1.1.– 30.6.2015		1.1.– 30.6.2014	
	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses
Non-financial companies	19,782	554	27,828	2,263	15,096	506	20,135	1,987
State	19,844	557	26,775	849	16,609	327	22,073	535
Banks	1,022	3,343	1,571	6,037	1,177	3,213	2,468	5,284
Other financial organisations	863	1,705	711	1,855	987	1,680	2,913	1,714
Households	20,720	7,935	22,270	17,200	17,509	6,861	18,612	14,381
Foreign persons	2,027	189	2,462	355	1,814	189	2,159	355
Non-profit institutions serving households	40	48	71	111	32	41	57	74
Total	64,298	14,331	81,688	28,670	53,224	12,817	68,417	24,330
Net interest income	49,967		53,018		40,407		44,087	

8.2 Analysis of interest by type of assets and liabilities

	Nova KBM Group				Nova KBM d.d.			
	1.1.– 30.6.2015		1.1.– 30.6.2014		1.1.– 30.6.2015		1.1.– 30.6.2014	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest income								
Balances with the central bank (measured at amortised cost)	5	0	318	0	2	0	298	0
Financial assets held for trading	103	0	78	0	103	0	78	0
Available-for-sale financial assets	16,036	3,417	17,000	7,793	16,018	714	16,896	4,339
Loans and deposits (including finance leases)	10,789	32,003	14,459	38,028	8,281	27,100	11,131	33,413
Held-to-maturity financial assets	63	1,833	240	3,711	0	995	184	2,066
Other financial assets	49	0	61	0	11	0	12	0
Total by maturity	27,045	37,253	32,156	49,532	24,415	28,809	28,599	39,818
Total	64,298		81,688		53,224		68,417	
Interest expenses								
Financial liabilities to the central bank (measured at amortised cost)	0	74	0	469	0	66	0	446
Financial liabilities held for trading	0	100	0	75	0	100	0	75
Financial liabilities measured at amortised cost	1,571	12,586	6,417	21,709	1,235	11,416	4,886	18,923
Total by maturity	1,571	12,760	6,417	22,253	1,235	11,582	4,886	19,444
Total	14,331		28,670		12,817		24,330	
Net interest income	49,967		53,018		40,407		44,087	

9 Dividend income

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Financial assets held for trading	10	0	10	0
Financial assets designated at fair value through profit or loss	503	0	503	0
Available-for-sale financial assets	259	64	207	0
Investments in the equity of Group companies accounted for using the cost method	0	0	528	488
Total	772	64	1,248	488

10 Fee and commission income and fee and commission expenses

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Fee and commission income	40,808	42,963	21,983	22,909
Guarantees	1,661	1,875	1,416	1,600
Payment transactions	21,879	23,243	9,688	9,741
Brokerage and agency services	327	810	301	789
Transactions in securities for customers	244	172	244	172
Lending operations	2,528	3,162	1,830	1,962
Other services	14,169	13,701	8,504	8,645
Fee and commission expenses	13,208	14,570	1,770	1,843
Banking services	3,404	3,497	1,533	1,517
Brokerage and agency services	501	384	28	19
Stock exchange transactions and other transactions in securities	104	238	100	141
Payment transactions	8,676	9,943	96	153
Other services	523	508	13	13
Net fee and commission income	27,600	28,393	20,213	21,066

11 Realised gains on financial assets and liabilities not measured at fair value through profit or loss

Nova KBM Group	1.1.– 30.6.2015			1.1.– 30.6.2014		
	Realised gains	Realised losses	Net realised gains	Realised gains	Realised losses	Net realised gains
Available-for-sale financial assets	4,161	0	4,161	7,615	3	7,612
Loans and advances (including finance leases and other financial assets)	3,121	189	2,932	1,175	348	827
Financial liabilities measured at amortised cost	2	0	2	1	0	1
Total	7,284	189	7,095	8,791	351	8,440

Nova KBM d.d.			1.1.– 30.6.2015			1.1.– 30.6.2014
	Realised gains	Realised losses	Net realised gains	Realised gains	Realised losses	Net realised gains
Available-for-sale financial assets	4,051	0	4,051	5,517	3	5,514
Loans and advances (including finance leases and other financial assets)	2,970	83	2,887	568	58	510
Total	7,021	83	6,938	6,085	61	6,024

12 Net losses on financial assets and liabilities held for trading

Nova KBM Group			1.1.– 30.6.2015			1.1.– 30.6.2014
	Gains	Losses	Net gains/ (losses)	Gains	Losses	Net gains/ (losses)
Trading in equity instruments	238	278	(40)	308	186	122
Trading in debt securities	31	0	31	0	0	0
Trading in foreign exchange (purchase/sale)	1,283	644	639	539	194	345
Trading in derivatives	1,449	9,167	(7,718)	979	2,091	(1,112)
– futures/forwards	933	9,065	(8,132)	537	1,073	(536)
– swaps	104	102	2	170	62	108
– other derivatives	412	0	412	272	956	(684)
Trading in financial liabilities	0	48	(48)	0	0	0
Total	3,001	10,137	(7,136)	1,826	2,471	(645)

Nova KBM d.d.			1.1.– 30.6.2015			1.1.– 30.6.2014
	Gains	Losses	Net gains/ (losses)	Gains	Losses	Net gains/ (losses)
Trading in equity instruments	44	30	14	58	38	20
Trading in debt securities	31	0	31	0	0	0
Trading in foreign exchange (purchase/sale)	1,146	625	521	419	182	237
Trading in derivatives	1,445	9,167	(7,722)	863	2,091	(1,228)
– futures/forwards	933	9,065	(8,132)	537	1,073	(536)
– swaps	100	102	(2)	54	62	(8)
– other derivatives	412	0	412	272	956	(684)
Trading in financial liabilities	0	48	(48)	0	0	0
Total	2,666	9,870	(7,204)	1,340	2,311	(971)

The Group uses derivatives (futures/forwards) to economically hedge its exposure to foreign exchange risk. The effects of derivatives are linked to the effects arising from exchange rate differences (Note 14).

13 Net gains and losses on financial assets and liabilities designated at fair value through profit or loss

Nova KBM Group	1.1.– 30.6.2015			1.1.– 30.6.2014		
	Gains	Losses	Net (losses)	Gains	Losses	Net gains
Financial assets designated at fair value through profit or loss	0	2,059	(2,059)	6,308	1,559	4,749
Total	0	2,059	(2,059)	6,308	1,559	4,749

Nova KBM d.d.	1.1.– 30.6.2015			1.1.– 30.6.2014		
	Gains	Losses	Net (losses)	Gains	Losses	Net gains
Financial assets designated at fair value through profit or loss	0	2,059	(2,059)	6,307	1,559	4,748
Total	0	2,059	(2,059)	6,307	1,559	4,748

Gains and losses on financial assets designated at fair value through profit or loss are attributable to the valuation and disposal of shares and bonds for which a joint-selling agreement has been made by the Group.

14 Net exchange rate differences

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Foreign exchange gains	20,825	3,509	20,323	3,111
Foreign exchange losses	11,711	2,863	11,250	2,561
Net foreign exchange gains	9,114	646	9,073	550

15 Administration costs

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Staff costs	22,869	25,196	16,297	17,358
Gross salaries	17,664	19,246	12,750	13,304
Social security and pension insurance contribution	2,940	3,181	2,048	2,139
Pay for annual leave	564	600	443	468
Other staff costs	1,701	2,169	1,056	1,447
General and administrative costs	17,614	17,406	13,123	12,444
Costs of materials	1,335	1,457	951	983
Costs of services	10,997	9,992	8,662	7,399
Maintenance costs of fixed assets	2,938	3,121	1,927	2,059
Advertising costs	1,302	1,707	1,021	1,410
Other administrative costs	1,042	1,129	562	593
Total administration costs	40,483	42,602	29,420	29,802

16 Provisions

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Provisions for off-balance sheet liabilities	(6,858)	(6,985)	(5,813)	(5,778)
Provisions for tax claims and other pending legal issues	1,641	3,137	1,848	3,137
Other provisions	438	277	(115)	(388)
Total	(4,779)	(3,571)	(4,080)	(3,029)

17 Impairment losses

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Financial assets not measured at fair value through profit or loss	25,566	22,814	11,415	23,089
Other assets	629	(525)	110	20
Total impairment losses	26,195	22,289	11,525	23,109

17.1 Impairment of financial assets not measured at fair value through profit or loss

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Available-for-sale financial assets designated at fair value	0	2,671	0	2,671
Financial assets measured at amortised cost	25,566	20,143	11,415	20,418
– demand deposits at banks	0	0	(40)	0
– loans and advances to banks	1	233	1	220
– loans and advances to customers	24,755	19,556	11,221	20,156
– other financial assets	810	354	233	42
Total impairment of financial assets not measured at fair value through profit or loss	25,566	22,814	11,415	23,089

18 Tax expense related to profit or loss from continuing operations

	Nova KBM Group		Nova KBM d.d.	
	1.1.– 30.6.2015	1.1.– 30.6.2014	1.1.– 30.6.2015	1.1.– 30.6.2014
Income tax related to profit from continuing operations	(645)	(296)	(482)	0
Deferred tax from continuing operations	(3,413)	(2,919)	(2,976)	(2,985)
Total	(4,058)	(3,215)	(3,458)	(2,985)

Notes to the statement of financial position items

19 Cash, cash balances at central banks and other demand deposits at banks

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Cash in hand	65,241	64,359	44,486	40,847
Obligatory deposits at central banks	197,212	269,221	163,286	221,167
Other deposits at central banks	14,719	14,771	11,197	11,177
Demand deposits at banks	38,820	73,913	33,626	62,226
Total	315,992	422,264	252,595	335,417

Obligatory deposit funds are available to finance day-to-day operations and are therefore considered as cash equivalent.

19.1 Cash and cash equivalents

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Cash, cash balances at central banks and other demand deposits at banks	315,992	422,264	252,595	335,417
Loans and advances to banks	44,314	32,923	43,169	30,182
Cash and cash equivalents of discontinued operations	22,123	22,644	0	0
Total	382,429	477,831	295,764	365,599

20 Financial assets held for trading

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Derivatives	188	187	188	187
Equity instruments	2,195	1,654	593	0
Total	2,383	1,841	781	187
Quoted	768	281	593	0
Unquoted	1,615	1,560	188	187
Total	2,383	1,841	781	187

No assets held in the Group's portfolio of financial assets held for trading have been pledged as collateral.

None of the instruments included in the portfolio of financial assets held for trading have the characteristics to qualify as subordinated debt.

20.1 Movements in financial assets held for trading

	Nova KBM Group		Nova KBM d.d.	
	2015	2014	2015	2014
1 January	1,841	1,786	187	612
Increase during the year	33,429	6,385	33,298	4,670
– acquisition	33,293	6,031	33,223	4,526
– exchange rate differences	0	11	0	11
– change in fair value (recovery and reversal of impairment)	62	210	1	0
– other (deferred interest, realised gains)	74	133	74	133
Decrease during the year	32,887	6,330	32,704	5,095
– disposal (sale and redemption)	32,742	4,600	32,672	4,591
– change in fair value (impairment and reversal of recovery)	127	463	14	426
– exchange rate differences	2	6	2	0
– other (deferred interest, realised losses)	16	1,261	16	78
30 June 2015/31 December 2014	2,383	1,841	781	187

21 Financial assets designated at fair value through profit or loss

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Quoted equity instruments	15,798	17,857	15,798	17,857
Total	15,798	17,857	15,798	17,857

As of 30 June 2015, the Group had no assets of this portfolio pledged as collateral, and during the six-month period ended 30 June 2015, it did not receive any financial assets of this portfolio from the realisation of collateral provided as security for loans.

The portfolio of financial assets designated at fair value through profit or loss includes equity instruments for which a joint-selling agreement has been made by the Group.

None of the instruments included in the portfolio of financial assets designated at fair value through profit or loss have the characteristics to qualify as subordinated debt.

21.1 Movements in financial assets designated at fair value through profit or loss

	Nova KBM Group		Nova KBM d.d.	
	2015	2014	2015	2014
1 January	17,857	24,586	17,857	24,586
Increase during the year	0	7,277	0	7,277
– change in fair value (recovery and reversal of impairment)	0	5,614	0	5,614
– other	0	1,663	0	1,663
Decrease during the year	2,059	14,006	2,059	14,006
– disposal (sale and redemption)	0	12,447	0	12,447
– change in fair value (impairment and reversal of recovery)	2,059	1,552	2,059	1,552
– other	0	7	0	7
30 June 2015/31 December 2014	15,798	17,857	15,798	17,857

22 Available-for-sale financial assets

22.1 Analysis by type

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Equity instruments	33,178	19,014	26,923	13,778
Debt securities issued by the state and the central bank	1,475,032	1,377,062	1,268,420	1,185,493
Debt securities issued by banks	32,712	47,692	31,616	44,598
Other debt securities	39,508	38,352	32,477	31,344
Total	1,580,430	1,482,120	1,359,436	1,275,213

As of 30 June 2015, the Group had assets of this portfolio worth €656,936,000 pledged with the Bank of Slovenia for the pool of collateral, the guarantee scheme and the guaranteed claims of depositors. During the six-month period ended 30 June 2015, the Group did not receive any financial assets of this portfolio from the realisation of collateral provided as security for loans. At the end of March 2015, the Group paid a total of €15,651,000 into the Bank Resolution Fund that had been set up by the Bank of Slovenia (€14,252,000 was paid by Nova KBM, while €1,399,000 was paid by PBS).

None of the instruments included in the portfolio of available-for-sale financial assets have the characteristics to qualify as subordinated debt.

22.2 Movements in available-for-sale financial assets

Nova KBM Group	Equity instruments	Debt securities	Total
1 January 2015	19,014	1,463,106	1,482,120
Recognition of additional financial assets	16,014	241,574	257,588
Interest	0	(13,245)	(13,245)
Net revaluation through equity	(747)	(14,829)	(15,576)
Derecognition of financial assets upon disposal	(1,409)	(8,075)	(9,484)
Derecognition of financial assets upon maturity	0	(125,134)	(125,134)
Net gains on sale	306	3,855	4,161
30 June 2015	33,178	1,547,252	1,580,430

Nova KBM Group	Equity instruments	Debt securities	Total
1 January 2014	34,761	1,432,103	1,466,864
Recognition of additional financial assets	2,949	514,209	517,158
Interest	0	934	934
Net exchange rate differences	(3)	(1,167)	(1,170)
Net revaluation through equity	4,049	37,818	41,867
Net impairment through profit or loss	(3,050)	(450)	(3,500)
Derecognition of financial assets upon disposal	(24,804)	(106,901)	(131,705)
Derecognition of financial assets upon maturity	0	(412,894)	(412,894)
Net gains on sale	5,156	8,180	13,336
Other	(44)	(8,726)	(8,770)
31 December 2014	19,014	1,463,106	1,482,120

Nova KBM d.d.	Equity instruments	Debt securities	Total
1 January 2015	13,778	1,261,435	1,275,213
Recognition of additional financial assets	14,615	216,991	231,606
Interest	0	(11,999)	(11,999)
Net revaluation through equity	(664)	(12,683)	(13,347)
Derecognition of financial assets upon disposal	(1,012)	(8,076)	(9,088)
Derecognition of financial assets upon maturity	0	(117,000)	(117,000)
Net gains on sale	206	3,845	4,051
30 June 2015	26,923	1,332,513	1,359,436

Nova KBM d.d.	Equity instruments	Debt securities	Total
1 January 2014	29,820	1,180,979	1,210,799
Recognition of additional financial assets	2,869	445,606	448,475
Interest	0	2,029	2,029
Net revaluation through equity	2,987	30,049	33,036
Net impairment through profit or loss	(3,022)	(450)	(3,472)
Derecognition of financial assets upon disposal	(23,908)	(38,479)	(62,387)
Derecognition of financial assets upon maturity	0	(361,931)	(361,931)
Net gains on sale	5,032	3,632	8,664
31 December 2014	13,778	1,261,435	1,275,213

23 Loans and advances to banks

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Current loans	79,334	47,915	73,190	47,199
Impairment of current loans	(4)	(3)	0	0
Non-current loans	2,202	2,212	16,779	17,113
Impairment of non-current loans	0	0	(5,130)	(5,013)
Total – net amount	81,532	50,124	84,839	59,299
Impairment	4	3	5,130	5,013
Total – gross amount	81,536	50,127	89,969	64,312

24 Loans and advances to customers

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Current loans	439,711	500,375	273,552	333,318
Impairment of current loans	(143,442)	(139,005)	(54,195)	(61,026)
Non-current loans	2,009,668	2,024,575	1,665,354	1,662,228
Impairment of non-current loans	(478,947)	(471,195)	(353,975)	(344,483)
Claims under guarantees	13,752	14,752	11,633	9,747
Impairment of claims under guarantees	(10,487)	(8,627)	(9,033)	(6,490)
Total – net amount	1,830,255	1,920,875	1,533,336	1,593,294
Impairment	632,876	618,827	417,203	411,999
Total – gross amount	2,463,131	2,539,702	1,950,539	2,005,293

24.1 Movements in impairment of loans and advances to customers

	Nova KBM Group		Nova KBM d.d.	
	2015	2014	2015	2014
1 January	618,827	589,957	411,999	446,871
Net impairment of principal	24,755	51,823	11,221	50,530
Additional impairment of interest	8,249	16,931	6,363	12,275
Additional impairment/reversal of impairment of fees	(22)	(592)	(22)	179
Write-off of loans and advances to customers	(15,576)	(52,533)	(10,006)	(48,297)
Exchange rate differences	82	(375)	0	0
Assets received from subsidiaries	0	0	193	33,849
Conversion of loans into equity of subsidiaries	0	0	0	(83,408)
Other	(3,439)	13,616	(2,545)	0
30 June 2015/31 December 2014	632,876	618,827	417,203	411,999

Recognition of additional impairment/reversal of impairment of interest and fees on loans given to customers is reflected in Note 8 (Interest income and interest expenses) and Note 10 (Fee and commission income and fee and commission expenses) to the income statement.

25 Other financial assets

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Cheques	11	46	10	39
Claims for fees and commissions	1,567	1,909	831	1,396
Accounts receivables	2,455	2,324	166	38
Other	20,799	16,064	15,639	10,281
Total – net amount	24,832	20,343	16,646	11,754
Impairment	5,546	4,552	1,677	1,537
Total – gross amount	30,378	24,895	18,323	13,291

The largest proportion of the figure shown under the item 'Other' is attributable to claims arising from business relationships.

25.1 Movements in other financial assets

	Nova KBM Group		Nova KBM d.d.	
	2015	2014	2015	2014
1 January	4,552	4,853	1,537	1,667
Assets acquired through business combinations	0	8	0	8
Additional impairment of principal	810	218	233	222
Additional impairment of interest	12	30	13	29
Additional impairment of fees	39	390	39	240
Write-off of other financial assets	(751)	(759)	(145)	(628)
Exchange rate differences	7	(2)	0	(1)
Other	877	(186)	0	0
30 June 2015/31 December 2014	5,546	4,552	1,677	1,537

Recognition of additional impairment/reversal of impairment of interest and fees on other financial assets is reflected in Note 8 (Interest income and interest expenses) and Note 10 (Fee and commission income and fee and commission expenses) to the income statement.

26 Held-to-maturity financial assets

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Debt securities	153,394	206,540	59,347	89,950
– current securities issued by the state and the central bank	22,487	30,930	0	0
– non-current securities issued by the state and the central bank	117,104	142,078	55,383	79,943
– non-current securities issued by banks and savings banks	4,991	24,920	0	6,136
– non-current securities issued by other issuers	8,812	8,612	3,964	3,871
Total	153,394	206,540	59,347	89,950
Quoted	153,394	206,540	59,347	89,949
Unquoted	0	0	0	1
Total	153,394	206,540	59,347	89,950

As of 30 June 2015, the Group had assets of this portfolio worth €103,021,000 pledged with the Bank of Slovenia for the pool of collateral and the guarantee scheme.

26.1 Movements in held-to-maturity financial assets

	Nova KBM Group		Nova KBM d.d.	
	2015	2014	2015	2014
1 January	206,540	280,153	89,950	192,437
Increase during the year	15,222	91,313	993	3,553
– acquisition	13,326	84,527	0	0
– reversal of impairment	0	7	0	0
– other (deferred interest)	1,896	6,779	993	3,553
Decrease during the year	68,368	164,926	31,596	106,040
– disposal (sale and redemption)	64,428	154,865	30,180	100,000
– impairment	0	178	0	0
– exchange rate differences	0	8	0	0
– other (interest received)	3,940	9,875	1,416	6,040
30 June 2015/31 December 2014	153,394	206,540	59,347	89,950

27 Financial liabilities measured at amortised cost

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Deposits	3,043,321	3,095,021	2,475,075	2,475,148
Loans	340,263	396,942	313,428	366,281
Debt securities	52,259	59,129	54,255	67,452
Subordinated liabilities	1,250	1,250	0	0
Other financial liabilities	35,742	33,551	27,715	26,396
Total	3,472,835	3,585,893	2,870,473	2,935,277

27.1 Deposits by type of customers and maturity

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Deposits from banks	1,477	20,875	5,202	11,780
– demand deposits	1,145	1,793	4,866	10,718
– current deposits	332	18,570	336	550
– non-current deposits	0	512	0	512
Deposits from customers	3,041,844	3,074,146	2,469,873	2,463,368
– demand deposits	1,625,662	1,469,985	1,260,996	1,116,225
– current deposits	516,769	585,405	410,445	458,957
– non-current deposits	899,413	1,018,756	798,432	888,186
Total	3,043,321	3,095,021	2,475,075	2,475,148

27.2 Loans by type of customers and maturity

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Loans from banks	338,444	394,213	311,609	363,552
– non-current loans	338,444	394,213	311,609	363,552
Loans from customers	1,819	2,729	1,819	2,729
– non-current loans	1,819	2,729	1,819	2,729
Total	340,263	396,942	313,428	366,281

27.3 Subordinated liabilities

Nova KBM Group					
	Currency	Date of maturity	Interest rate	30.6.2015	31.12.2014
Subordinated debt					
Adria Bank AG (issuer)	EUR	perpetual; call option on each 28.12.	variable	1,250	1,250
Total				1,250	1,250

Subordinated liabilities are included in the calculation of the Group's capital adequacy. Capital risk is presented in Note 5.2.

27.4 Other financial liabilities

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Liabilities for fees and commissions	0	71	1	35
Liabilities for gross salaries of employees	2,975	3,141	2,229	2,305
Liabilities to suppliers	1,409	4,446	1,059	3,528
Liabilities related to payment card transactions	9,899	7,965	9,875	7,939
Liabilities related to ATM transactions	2,261	1,747	2,069	1,614
Liabilities related to funds provided by customers for making payments abroad	1,892	659	1,846	647
Liabilities related to cash transactions	5,870	2,596	1,955	1,279
Liabilities arising from participation in profits – dividends, shares of profits	46	22	22	22
Accruals and deferred income	6,443	5,797	3,180	2,596
Surplus arising from authorised transactions for customers	123	179	123	179
Other financial liabilities	4,824	6,928	5,356	6,252
Total	35,742	33,551	27,715	26,396

The largest proportion of the amount shown under the item 'Other financial liabilities' arises from the balances held in transitional accounts.

28 Provisions

Nova KBM Group	Provisions for restructuring	Provisions for pending legal issues	Provisions for pensions and similar benefits	Provisions for off-balance sheet liabilities	Other provisions	Total
1 January 2015	2,028	18,753	7,334	52,272	2,624	83,011
Net creation of provisions through profit or loss	0	1,641	481	(6,858)	(43)	(4,779)
– provisions made during the year	0	6,133	676	10,318	0	17,127
– provisions reversed during the year	0	(4,492)	(195)	(17,176)	(43)	(21,906)
Provisions used during the year	(370)	(1,229)	(312)	0	0	(1,911)
Other	0	0	1	0	0	1
30 June 2015	1,658	19,165	7,504	45,414	2,581	76,322

Nova KBM Group	Provisions for restructuring	Provisions for pending legal issues	Provisions for pensions and similar benefits	Provisions for off-balance sheet liabilities	Other provisions	Total
1 January 2014	11,280	17,785	6,549	64,060	489	100,163
Net creation of provisions through profit or loss	(8,151)	1,151	490	(11,622)	2,377	(15,755)
– provisions made during the year	1,449	4,418	1,343	31,261	2,394	40,865
– provisions reversed during the year	(9,600)	(3,267)	(853)	(42,883)	(17)	(56,620)
Net creation/reversal of provisions through equity	0	0	864	0	0	864
Provisions used during the year	(1,101)	(167)	(428)	0	(238)	(1,934)
Exchange rate differences	0	(5)	(10)	(78)	(1)	(94)
Other	0	(11)	(131)	(88)	(3)	(233)
31 December 2014	2,028	18,753	7,334	52,272	2,624	83,011

Nova KBM d.d.	Provisions for restructuring	Provisions for pending legal issues	Provisions for pensions and similar benefits	Provisions for off-balance sheet liabilities	Other provisions	Total
1 January 2015	2,028	17,508	4,651	50,225	193	74,605
Net creation of provisions through profit or loss	0	1,848	(115)	(5,813)	0	(4,080)
– provisions made during the year	0	6,134	0	9,184	0	15,318
– provisions reversed during the year	0	(4,286)	(115)	(14,997)	0	(19,398)
Provisions used during the year	(370)	(1,229)	(60)	0	0	(1,659)
30 June 2015	1,658	18,127	4,476	44,412	193	68,866

Nova KBM d.d.	Provisions for restructuring	Provisions for pending legal issues	Provisions for pensions and similar benefits	Provisions for off-balance sheet liabilities	Other provisions	Total
1 January 2014	1,680	15,867	3,940	61,943	421	83,851
Net creation of provisions through profit or loss	1,449	1,721	91	(11,718)	(3)	(8,460)
– provisions made during the year	1,449	3,872	442	27,689	0	33,452
– provisions reversed during the year	0	(2,151)	(351)	(39,407)	(3)	(41,912)
Net reversal of provisions through equity	0	0	725	0	0	725
Provisions used during the year	(1,101)	(80)	(105)	0	(225)	(1,511)
31 December 2014	2,028	17,508	4,651	50,225	193	74,605

29 Share capital

Nova KBM Group and Nova KBM d.d.	30.6.2015	31.12.2014
Ordinary shares	150,000	150,000
– subscribed by the state	150,000	150,000

In the six-month period ended 30 June 2015 and during 2014, the Group did not purchase or sell treasury shares, and no treasury shares were held by Nova KBM at the end of June 2015, nor were shares of Nova KBM held by any of the Group companies.

30 Accumulated other comprehensive income

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Other accumulated comprehensive income in respect of available-for-sale financial assets	30,401	43,375	23,213	34,292
– revaluation	36,600	52,224	27,968	41,315
– deferred taxes	(6,199)	(8,849)	(4,755)	(7,023)
Other accumulated comprehensive income	(535)	(534)	(433)	(433)
– revaluation	(552)	(551)	(433)	(433)
– deferred taxes	17	17	0	0
Total	29,866	42,841	22,780	33,859

30.1 Movements in accumulated other comprehensive income

	Nova KBM Group		Nova KBM d.d.	
	2015	2014	2015	2014
1 January	42,841	8,981	33,859	7,140
Net change arising from the valuation of available-for-sale financial assets	(15,624)	41,722	(13,347)	33,036
– valuation gains/(losses) taken to equity	(15,624)	41,718	(13,347)	33,036
– transferred to profit or loss	0	4	0	0
Other net change in valuation	(1)	(850)	0	(725)
Net change in deferred taxes	2,650	(7,012)	2,268	(5,592)
30 June 2015/31 December 2014	29,866	42,841	22,780	33,859

31 Reserves from profit

	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Regulatory reserves	2,302	2,302	1,796	1,796
Statutory reserves	17,062	17,062	17,062	17,062
Other reserves from profit	8,531	8,531	8,531	8,531
Total	27,895	27,895	27,389	27,389

31.1 Movements in reserves from profit

	Nova KBM Group		Nova KBM d.d.	
	2015	2014	2015	2014
1 January	27,895	663	27,389	0
Increase in regulatory reserves	0	1,639	0	1,796
Increase in statutory reserves	0	17,062	0	17,062
Increase in other reserves	0	8,531	0	8,531
30 June 2015/31 December 2014	27,895	27,895	27,389	27,389

In accordance with the provisions of the Companies Act and Nova KBM's Articles of Association, the Nova KBM Management Board has, with the consent of the Supervisory Board, appropriated the 2014 net profit for reserves as follows:

- for regulatory reserves: €1,796,000
- for statutory reserves: €17,062,000
- for other reserves from profit: €8,531,000.

Other notes

32 Commitments and contingent liabilities by type

	Nova KBM Group			Nova KBM d.d.		
	30.6.2015			30.6.2015		
	Current	Non-current	Total	Current	Non-current	Total
Financial guarantees	62,207	16,448	78,655	58,772	13,673	72,445
Service guarantees	115,282	68,534	183,816	94,138	59,114	153,252
Total guarantees	177,489	84,982	262,471	152,910	72,787	225,697
Unsecured letters of credit	33	0	33	127	0	127
Approved and undrawn loans	126,380	12,211	138,591	124,573	11,762	136,335
Approved and undrawn overdrafts	190,063	1,062	191,125	163,578	0	163,578
Approved credit lines	6,170	0	6,170	0	0	0
Other	42	0	42	42	0	42
Total commitments and contingent liabilities	322,655	13,273	335,928	288,193	11,762	299,955
Derivatives	66,401	0	66,401	66,401	0	66,401
Total	566,578	98,255	664,833	507,631	84,549	592,180

	Nova KBM Group			Nova KBM d.d.		
	31.12.2014			31.12.2014		
	Current	Non-current	Total	Current	Non-current	Total
Financial guarantees	48,703	30,379	79,082	42,934	26,854	69,788
Service guarantees	107,269	73,784	181,053	87,509	65,142	152,651
Total guarantees	155,972	104,163	260,135	130,443	91,996	222,439
Unsecured letters of credit	58	0	58	172	0	172
Approved and undrawn loans	138,665	4,290	142,955	135,475	4,034	139,509
Approved and undrawn overdrafts	180,752	1,232	181,984	155,570	0	155,570
Approved credit lines	8,078	0	8,078	0	0	0
Total commitments and contingent liabilities	327,495	5,522	333,017	291,045	4,034	295,079
Derivatives	124,910	0	124,910	122,910	0	122,910
Total	608,435	109,685	718,120	544,570	96,030	640,600

33 Related party transactions

33.1 Statement of financial position and off-balance sheet items

	Associates		Associates		Subsidiaries	
	Nova KBM Group		Nova KBM d.d.		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Assets						
Deposits and loans given (gross amount)	64	2	65	2	44,676	48,732
– deposits and loans to banks	0	0	0	0	14,577	14,901
– deposits and loans to customers	1	2	1	2	30,080	33,512
– other financial assets	63	0	64	0	19	319
Investments in securities	2,237	2,237	2,237	2,237	177,935	177,935
– equity instruments	2,237	2,237	2,237	2,237	177,935	177,935
Other claims	0	0	0	0	90	0
Liabilities						
Deposits and loans received	1,708	1,755	1,703	1,755	21,205	15,914
– deposits and loans from banks	0	0	0	0	3,724	10,080
– deposits and loans from customers	1,703	1,755	1,703	1,755	16,622	5,675
– other financial liabilities	5	0	0	0	859	159
Securities issued	0	0	0	0	1,997	8,323
– debt securities	0	0	0	0	1,997	8,323
Off-balance sheet items	4	4	4	4	2,528	1,983

	Key management personnel				Other related persons			
	Nova KBM Group		Nova KBM d.d.		Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Assets								
Deposits and loans given (gross amount)	236	332	236	332	43,307	44,406	297	306
– deposits and loans to customers	236	332	236	332	43,296	44,406	297	306
– other financial assets	0	0	0	0	11	0	0	0
Investments in securities	0	0	0	0	417	417	383	383
– equity instruments	0	0	0	0	417	417	383	383
Liabilities								
Deposits and loans received	469	495	419	495	1,589	1,678	620	654
– deposits and loans from customers	469	495	419	495	1,355	1,479	506	535
– other financial liabilities	0	0	0		234	199	114	119
Off-balance sheet items	49	44	49	44	4,062	3,487	118	122

Key management personnel of the Group include members of the Management Board, executive directors and members of the Supervisory Board of Nova KBM.

Other related persons of the Group include:

- immediate families of the key management personnel
- entities, the owners or key management personnel of which are members of key management personnel of the Group or of their immediate families
- key management personnel of subsidiaries (management board members and executive directors)
- immediate families of the key management personnel of subsidiaries
- entities, the owners or key management personnel of which are members of key management personnel of subsidiaries or of their immediate families.

Transactions with related persons are conducted on an arm's length basis.

33.2 Income statement

	Associates		Associates		Subsidiaries	
	Nova KBM Group		Nova KBM d.d.		Nova KBM d.d.	
	1.1.–30.6.2015	1.1.–30.6.2014	1.1.–30.6.2015	1.1.–30.6.2014	1.1.–30.6.2015	1.1.–30.6.2014
Net interest income	(46)	(44)	(46)	(44)	1,092	5,040
Dividend income	0	0	0	0	476	488
Net fee and commission income	2	8	2	2	355	303
Other operating income	16	16	0	0	9	2
Costs of services	(5)	0	0	0	(22)	(37)
Impairment of loans	0	0	0	0	(1,049)	(285)
Provisions	0	0	0	0	(204)	(1,103)
Total	(33)	(20)	(44)	(42)	657	4,408

	Key management personnel				Other related persons			
	Nova KBM Group		Nova KBM d.d.		Nova KBM Group		Nova KBM d.d.	
	1.1.–30.6.2015	1.1.–30.6.2014	1.1.–30.6.2015	1.1.–30.6.2014	1.1.–30.6.2015	1.1.–30.6.2014	1.1.–30.6.2015	1.1.–30.6.2014
Net interest income	1	(2)	2	(2)	947	175	5	180
Net fee and commission income	0	0	0	0	(140)	(215)	1	2
Costs of services	(77)	(162)	(73)	(93)	(1,586)	(708)	(1,512)	(648)
Impairment of loans	0	0	0	0	240	8,690	0	(152)
Provisions	0	0	0	0	631	196	0	0
Total	(76)	(164)	(71)	(95)	92	8,138	(1,506)	(618)

33.3 Loans and guarantees given

Nova KBM Group	Management Board members		Supervisory Board members		Other Group employees on individual contracts	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Loans	1	92	25	29	2,091	2,111
Average interest rate on loans (%)	3.23	4.14	3.49	3.61	3.19	3.36
Repayments	3	7	3	7	186	496

Nova KBM d.d.	Management Board members		Supervisory Board members		Other Bank employees on individual contracts	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Loans	1	92	25	29	1,306	1,336
Average interest rate on loans (%)	3.23	4.14	3.49	3.61	3	3.22
Repayments	3	7	3	7	94	262

34 Exposure to the Bank of Slovenia, Republic of Slovenia and state-owned institutions

Exposure to:	Nova KBM Group		Nova KBM d.d.	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Bank of Slovenia	227,571	281,328	188,725	232,344
Republic of Slovenia	1,278,420	1,260,066	1,051,638	1,036,914
State-owned institutions	438,153	452,348	494,989	496,096
Total exposure to the Bank of Slovenia, Republic of Slovenia and state-owned institutions	1,944,144	1,993,742	1,735,352	1,765,354
Share of total assets (%)	45.95	45.63	49.02	48.93
Off-balance sheet items covered by collateral provided by the Bank of Slovenia or the Republic of Slovenia	901	901	901	901
Total assets	4,230,898	4,369,010	3,540,025	3,608,215

35 Remuneration

	Nova KBM Group		Nova KBM d.d.	
	1.1.–30.6.2015	1.1.–30.6.2014	1.1.–30.6.2015	1.1.–30.6.2014
Management Board	147	136	147	136
Robert Senica	65	0	65	0
Sabina Župec Kranjc	61	0	61	0
Aleš Hauc	21	68	21	68
Igor Žibrik	0	68	0	68
Supervisory Board members	50	69	50	69
Members of Supervisory Board committees	30	36	30	36
Other Group employees on individual contracts	3,424	3,639	1,412	1,513
Total	3,651	3,880	1,639	1,754

Remuneration paid to Management Board members comprises: salary, pay for annual leave, bonuses, the payment of supplementary pension insurance premiums, and other remuneration under employment contracts.

Remuneration paid to members of the Supervisory Board, the Audit Committee, and the Remuneration and Nomination Committee comprises: a payment for holding the office, and to cover attendance fees, reimbursement of costs, seminar participation fees, and the payment of liability insurance premiums.

Remuneration paid to other Group employees working on individual contracts comprises: salary, pay for annual leave, bonuses, the payment of supplementary pension insurance premiums, and other remuneration under employment contracts (severance benefits paid to employees who are made redundant for business reasons, retirement benefits, compensation for a non-competition clause, and some other remuneration under employment contracts).

Igor Žibrik ended his term of office as a member of the Bank Management Board on 31 October 2014. Robert Senica and Sabina Župec Kranjc were appointed as new members of the Bank Management Board on 1 August 2014 and 17 November 2014, respectively. In February 2015, the Supervisory Board recalled Aleš Hauc from the position of the President of the Bank Management Board, and appointed Robert Senica, who was then a member of the Management Board, as the new President.

The total amount paid in the first six months of 2015 to Robert Senica, President of the Management Board, and Aleš Hauc, ex-President of the Management Board, for meeting attendances, reimbursement of costs, and bonuses in respect of their work on the supervisory board of the Group's associated company was €1,260.01 and €3,470.04, respectively.

36 Events after the statement of financial position date

No significant events have been recorded by the Bank or the Group since the statement of financial position date.

Financial calendar of Nova KBM for the rest of 2015

All announcements will be available through the electronic dissemination system of the Ljubljana Stock Exchange (www.ljse.si), and on Nova KBM's website (www.nkbm.si).

Type of publication or event	Anticipated date of publication or event
Preliminary information on the results of Nova KBM d.d. for the period January – September 2015	Friday, 30 October 2015
Unaudited report on the operations of the Nova KBM Group and Nova KBM d.d. for the period January – September 2015	Monday, 30 November 2015
The 2016 Business Plan of the Nova KBM Group and Nova KBM d.d.	Tuesday, 22 December 2015

The dates specified above are indicative only and are subject to change. Any changes in dates will be posted on Nova KBM's website.

Nova KBM d.d., August 2015