

Biser Topco Group

Disclosures

H1 2018

(Under Pillar 3)

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1. Introduction

In accordance with Part 8 of Regulation (EU) No. 575/2013 of the European Parliament and the European Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR), Nova KBM d.d. (hereinafter also „the Bank“ or „Parent bank“) is obliged to disclose essential information that would, if released or misstated, change or affect an assessment or decision of the user using this information to make business decisions. The regulation allows a possibility not to disclose information that has a characteristic of confidential information or business secret.

Nova KBM d.d. is owned by a financial holding company, Biser Bidco S.â.r.l. In accordance with Article 13 of the CRR Regulation, institutions owned by an EU parent financial holding company meet the obligations referred to in Part 8 of the CRR Regulation at their consolidated financial position and, where it is also relevant, at the sub-consolidated position. Consequently, data in the document are disclosed at the Biser Topco Group level, and where relevant, also at the Nova KBM Group level. Disclosures are prepared as at 30 June 2018 by Nova KBM d.d., the largest financial institution in the Biser Topco Group.

Nova KBM (as the parent company of the Nova KBM Group) was privatised in 2016. The process of sale was concluded on 21 April 2016, when the Republic of Slovenia sold its 100-percent equity share to Biser Bidco S.â.r.l, which is 100-percent owned by Biser Topco S.â.r.l. The company Biser Topco S.â.r.l. is a joint venture founded by Apollo holding an 80-percent equity share, and EBRD holding a 20-percent equity share.

Biser Topco S.â.r.l and Biser Bidco S.â.r.l are holding companies established to acquire an equity stake in Nova KBM. d.d. None of the companies perform licensed and commercial activities that would lead to additional exposure to risks. Both companies generate only costs that are appropriate for holding companies. With a purpose to ensure compliance with the legislation, the Bank has incorporated risk management at the Biser Topco Group level into its methodologies, policies and strategies.

The Nova KBM Group is a systemically important institution for the Slovenian market, therefore, data are also disclosed at the Nova KBM Group level where appropriate.

Nova KBM d.d. included the method, frequency and verification of disclosing essential information in its Disclosure Policy.

This document aims at disclosing information under the Pillar 3. In this context, the Bank followed the provisions of the CRR Regulation (575/2013), Directive (EU) No. 2013/36 (hereinafter: the Directive) and the Guidelines on Disclosure Requirements under Part 8 of Regulation as well as other relevant regulation of disclosing information (hereinafter: the Guidelines).

In this document, the Group does not disclose non-relevant disclosures.

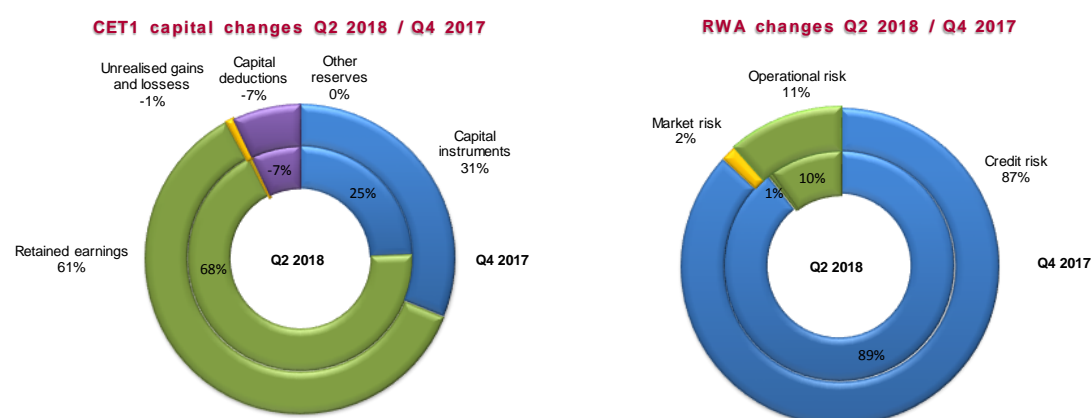
Disclosures of the Group are not audited. In accordance with its Disclosure Policy, the Group has internal controls and procedures in place to ensure the correctness of disclosed information.

2. Highlights

Table 1: Summary of Biser Topco Group's indicators

	€000	
	30.6.2018	31.12.2017
Risk weighted assets (RWA)	2.891.091	2.818.879
Credit risk	2.581.265	2.447.107
Market risk	22.201	47.619
Operational risk	287.625	324.153
Regulatory capital		
Common Equity Tier 1 capital ratio (CET 1)	613.980	595.001
Additional Tier 1 capital (AT1)	613.980	595.001
Total regulatory capital	613.980	595.001
Capital adequacy ratios		
Common Equity Tier 1 capital ratio (CET 1)	21,24%	21,11%
Tier 1 capital ratio (AT1)	21,24%	21,11%
Total capital adequacy ratio (CAR)	21,24%	21,11%
Capital buffers	1,88%	1,25%
Leverage ratio	12,07%	11,67%
Total assets	4.960.644	4.929.068
Shareholder's capital	747.409	699.434

Figure 1: Biser Topco Group's CET1 capital and RWA changes Q2 2018 / Q4 2017



3. Own Funds

This section defines disclosure requirements referred to in Article 436(1) of Part 8 of CRR and in Commission implementing regulation (EU) No 1423/2013 of 20 December 2013.

3.1 Information about full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions applied pursuant to Articles 32 to 35, 36, 56, 66 and 79 of the Regulation relating to own funds of the institution and the balance sheet in the audited financial statements of the institution

(Article 437 (1.a) of the Regulation)

The scope of consolidation and the method used to consolidate the statement of financial position are the same as the scope and the method of consolidation set out in Chapter 2, Part One, Title II of the Regulation.

The Group's regulatory capital is comprised in total out of CET1 capital. The table below shows the difference between the Group's shareholder's capital and regulatory capital as at 30 June 2018. In 2018, the phase – in period for capital deduction ended, which positively affected own funds. In addition, also the implementation of IFRS9 accounting standard caused a positive impact. In June 2018 the net profit of year 2018 of Biser Topco Group was included in CET1 calculation and paid dividend to shareholders from share and share premium capital. There was no impact on CET1 capital or CAR calculation.

Table 2: Reconciliation of regulatory capital items and the balance sheet capital

	€000	
	30.6.2018	
	Biser Topco Group	Nova KBM Group
1 Shareholder's equity	747.409	750.587
2 Share Capital	2.160	150.000
3 Share premium	218.526	403.302
4 Other capital instruments	714	0
5 Revaluation reserves	-2.858	25.170
6 Translation reserves	179	0
7 Reserves from profit	271	20.543
8 Retained earnings/(losses)	491.781	112.503
9 Net profit/loss for the financial loss	33.968	36.401
10 Non-controlling interest	2.668	2.668
12 Subordinated liabilities	0	0
13 Adjustments	(133.429)	(135.813)
14 Share premium	-44.533	0
15 Other capital instruments	-714	0
16 Intangible assets	-23.180	-23.180
17 Non-controlling interest	-2.668	-2.668
18 Less interim profit for year	-33.968	-36.401
19 Less profit of year 2017 without ECB approval	0	-46.089
20 DTA	-26.133	-25.264
21 Other deductions	-2.233	-2.211
22 CET1 capital (1-13)	613.980	614.774

3.2 Description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution

(Article 437 (1.b) of the Regulation)

Table below presents the data on equity instruments of the Biser Topco Group and the Nova KBM Group.

Capital instruments of Biser Topco Group and Nova KBM Group are comprised of paid-in capital (equities) and share premium (capital reserves). Capital instruments, for which the Group does not have the ECB approval for inclusion, are not included in calculation of own funds – Common Equity Tier 1 capital. As at 30 June 2018 capital instruments of Biser Topco Group in amount of 44,5 mio EUR do not qualify as CET1 capital instruments, mainly due to foreseen shareholder's dividend pay-outs.

Table 3: Main features of the Group's capital instruments

Capital instruments main features template (1)			
1	Issuer	Biser Topco S.à r.l.	Nova KBM d.d.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)		SI0021116494
3	Governing law(s) of the instruments	Grand Duchy of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended CRR	ZGD, ZTFI, ZNVP, CRR
	Regulatory treatment	CRR	CRR
4	Transitional CRR rules	Common equity Tier-1 capital	Common equity Tier-1 capital
5	Post transitional CRR rules	Common equity Tier-1 capital	Common equity Tier-1 capital
6	Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Consolidated	Solo and sub-consolidated
7	Instrument type (to be specified by each jurisdiction)	Common equity Tier-1 capital	Common equity Tier-1 capital
8	Amount recognised in the regulatory capital (€million; as of the most recent reporting date)	€176 million	€553 million
9	Nominal amount of instrument	Share: €2.0 million Share premium: €174.1 million	€150 million
9a	Issue price	Shares: €1 per share; Share premium: €100.85 per share	€87 per share
9b	Redemption price	N/A	N/A
10	Accounting classification	Equity	Equity
11	Original date of issuance	13 April 2016	19 December 2013
12	Perpetual or dated	Perpetual	Perpetual
13	Original date of issuance	N/A	N/A
14	Issuer call subject to prior supervisory approval	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons/dividends	N/A	N/A
17	Fixed or floating dividend/coupon	N/A	N/A

Capital instruments main features template (1)			
18	Coupon rate and any related index	N/A	N/A
19	Existence of a dividend stopper	N/A	N/A
20a	Full discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A
20b	Full discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A
21	Existence of step up or other incentive to redeem	N/A	N/A
22	Non-cumulative or cumulative	N/A	N/A
23	Convertible or non-convertible	N/A	N/A
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	n.r.	Ordinary liabilities
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A

3.3 Description of the full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments

(Article 437 (1.c) of the Regulation)

With respect to their characteristics, own funds consist of two categories:

- Tier 1 capital, which comprises:
 - Common equity Tier-1 capital
 - Additional Tier-1 capital
- Tier 2 capital.

Common Equity Tier 1 capital comprises:

- capital instruments (paid-in and share premium),
- retained earnings,
- accumulated other comprehensive income,
- other reserves,
- value adjustments due to the requirements for prudent valuation,

- requirements for prudential valuation,
- deductions:
 - intangible fixed assets
 - deferred tax assets
 - net loss in P&L account
- and other adjustments to Common Equity Tier 1 capital.

All of **capital instruments** of Nova KBM Group are eligible for inclusion in CET1 capital calculation. Capital instruments of Biser Topco Group to be pay out or do not have ECB's approval are not eligible for inclusion in CET1 capital calculation.

Interim net profit of the year 2018 is not included in calculation of CET1 capital at any reporting level, **2017 year end profit** is included in calculation of CET1 capital only on highest consolidation level.

Groups do not have any additional Tier-1 and Tier-2 instruments.

3.4 Separate disclosure of the nature and amounts of filters and deductions

(Article 437 (1.d) of the Regulation)

In Q1 2018, the Group is disclosing the amount of regulatory capital as at 31 March 2018, and regulatory capital items for which transitional periods apply in accordance with CRR and other regulations. The group is disclosing the following:

- (i) Prudential filters used in accordance with Articles 32 to 35;
- (ii) Deductions in accordance with Articles 36, 56 and 66;
- (iii) Non-deducted items in accordance with Articles 47, 48, 56, 66 and 79;

Table 4: Biser Topco Group's regulatory capital nature and amounts

€000

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2018	Regulation (EU) No 575/2013 Article reference
1	Capital instruments and the related share premium accounts	176.153	26(1), 27, 28, 29, 26(3), EBA list
	Of which: Paid-in capital instruments	2.008	26(3), EBA list
	Of which: Paid-in capital surplus	174.144	26(3), EBA list
2	Retained earnings	491.781	26(1)c
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-2.444	26/1
3a	Funds for general banking risk		26(1)(f)
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase-out from CET1		286(2)
	Public sector capital injections grandfathered until 1 January 2018		283(2)
5	Minority interests (amount allowed in consolidated CET1)		84, 479, 480
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	26(2)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2018	(B) Regulation (EU) No 575/2013 Article reference
6	Common Equity Tier-1 (CET-1) capital before regulatory adjustments	665.490	Sum of row 1 – 5a
7	Additional value adjustments (negative amount)	-2.196	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-27.158	36(1)(b), 37, 472(4)
9	Empty Set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	-26.077	36(1)(c), 38, 472(5)
11	Fair value reserves related to gains or losses on cash flow hedges		33(a)
12	Negative amounts resulting from the calculation of expected loss amounts		36(1)(d), 40, 159, 472(6)
13	Any increase in equity that results from securitised assets (negative amount)		32(1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33(b)
15	Defined-benefit pension fund assets (negative amount)		36(1)(e), 41, 472(7)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36(1)(f), 42, 472(8)
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36(1)(g), 44, 472(9)
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		36(1)(h), 43, 45, 46, 49(2), and (3), 79, 472(10)
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11)
20	Empty Set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative		36(1)(k)
20b	Of which: qualifying holdings outside the financial sector (negative amount)		36(1)(k)(i), 89 to 91
20c	Of which: securitisation positions (negative amount)		36(1)(k)(ii), 243(1)(b), 244(1)(b), 258
20d	Of which: free deliveries (negative amount)		36(1)(k)(iii), 379(3)
21	Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)		36(1)(c), 38, 48(1)(a), 470, 472(5)
22	Amount exceeding the 15 % threshold (negative amount)		48(1)
23	Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36(1)(ii), 48(1)(b), 470, 472(11)
24	Empty Set in the EU		
25	Of which: deferred tax assets arising from temporary differences		36(1)(c), 38, 48(1)(a), 470, 472(5)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2018	Regulation (EU) No 575/2013 Article reference
25a	Losses for the current financial year (negative amount)	0	36(1)(a), 472(3)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36(1)(l)
26	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment		
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468		
	Of which: ... filter for unrealised loss 1		467
	Of which: ... filter for unrealised loss 2		467
	Of which: ... filter for unrealised gain 1		468
	Of which: ... filter for unrealised gain 2		468
26b	Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre-CRR	0	481
	Of which: ...		481
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36(1)(j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1) capital	-51.509	
29	Common equity Tier-1 capital	613.980	
30	Capital instruments and the related share premium accounts		51, 52
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase-out from AT1		486(3)
	Public sector capital injections grandfathered until 1 January 2018		483(3)
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35	Of which: instruments issued by subsidiaries subject to phase-out		486(3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0	
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52(1)(b), 56(a), 57, 475(2)
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56(b), 58, 475(3)
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		56(c), 59, 60, 79, 475(4)
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)		56(d), 59, 79, 475(4)
41	Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		
41a	Residual amounts deducted from AT1 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2018	(B) Regulation (EU) No 575/2013 Article reference
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
41b	Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		477, 477(3), 477(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
41c	Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56(e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	
44	Additional Tier 1 (AT1) capital	0	
45	Tier 1 capital (T1 = CET1 + AT1)	613.980	Sum of rows 29 – 44
46	Capital instruments and the related share premium accounts		62, 63
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase-out from T2		486(4)
	Public sector capital injections grandfathered until 1 January 2018		483(4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49	Of which: instruments issued by subsidiaries subject to phase-out		486(4)
50	Credit risk adjustments		62(c) and (d)
51	Tier 2 (T2) capital before regulatory adjustments	0	
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63(d)(i), 66(a), 67, 477(2)
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66(b), 68, 477(3)
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		66(c), 69, 70, 79, 477(4)
54a	Of which new holdings not subject to transitional arrangements		
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66(d), 69, 79, 477(4)
56	Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2018	Regulation (EU) No 575/2013 Article reference
56a	Residual amounts deducted from T2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
56b	Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		475, 475(2)(a), 475(3), 475(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
56c	Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
57	Total regulatory adjustments to Tier 2 (T2) capital	0	
58	Tier 2 (T2) capital	0	
59	Total capital (TC = T1 + T2)	613.980	
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
	Of which: ...items not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)		472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)
	Of which: ...items not deducted from AT1 items (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. reciprocal crossholdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		475, 475(2)(b), 475(2)(c), 475(4)(b)
	Items not deducted from T2 items (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		477, 477(2)(b), 477(2)(c), 477(4)(b)
60	Total risk weighted assets	2.891.091	
61	CET1 (as a percentage of risk exposure amount)	21,24%	92(2)(a), 465
62	T1 (as a percentage of risk exposure amount)	21,24%	92(2)(b), 465
63	Total capital (as a percentage of risk exposure amount)	21,24%	92(2)(c)
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	54.208	128, 129 and 130, (CRD)
65	Of which: capital conservation buffer requirement	54.208	
66	Of which: countercyclical buffer requirement	0	

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2018	(B) Regulation (EU) No 575/2013 Article reference
67	Of which: systemic risk buffer requirement	0	
67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0	131 (CRD)
68	CET1 available to meet buffers (as a percentage of risk exposure amount)	613.980	128 (CRD)
69	[not relevant in EU regulation]		
70	[not relevant in EU regulation]		
71	[not relevant in EU regulation]		
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	104	36(1)(h), 45, 46, 472(10)
			56(c), 59, 60, 475(4)
			66(c), 69, 70, 477(4)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	2.378	36(1)(i), 45, 48, 470, 472(11)
74	Empty Set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met)	-5.621	36(1)(c), 38, 48, 470, 472(5)
76	Credit risk adjustments included in T2 capital in respect of exposures subject to the Standardised Approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 capital under the Standardised Approach		62
78	Credit risk adjustments included in T2 capital in respect of exposures subject to the internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 capital under the internal ratings-based approach		62
80	Current cap on CET1 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)
82	Current cap on AT1 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)
84	Current cap on T2 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)

Table 5: Nova KBM Group's regulatory capital nature and amounts

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Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2018	(B) Regulation (EU) No 575/2013 Article reference
1	Capital instruments and the related share premium accounts	553,302	26(1), 27, 28, 29, 26(3), EBA list
	Of which: Paid-in capital instruments	150,000	26(3), EBA list
	Of which: Paid-in capital surplus	403,302	26(3), EBA list
2	Retained earnings	66,414	26(1)c
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	45.697	26/1
3a	Funds for general banking risk		26(1)(f)
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase-out from CET1		286(2)
	Public sector capital injections grandfathered until 1 January 2018		283(2)
5	Minority interests (amount allowed in consolidated CET1)		84, 479, 480
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	26(2)
6	Common Equity Tier-1 (CET-1) capital: regulatory adjustments	665.412	Sum of row 1 – 5a
7	Additional value adjustments (negative amount)	-2.195	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-23.180	36(1)(b), 37, 472(4)
9	Empty Set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	-25.264	36(1)(c), 38, 472(5)
11	Fair value reserves related to gains or losses on cash flow hedges		33(a)
12	Negative amounts resulting from the calculation of expected loss amounts		36(1)(d), 40, 159, 472(6)
13	Any increase in equity that results from securitised assets (negative amount)		32(1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33(b)
15	Defined-benefit pension fund assets (negative amount)		36(1)(e), 41, 472(7)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36(1)(f), 42, 472(8)
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36(1)(g), 44, 472(9)
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		36(1)(h), 43, 45, 46, 49(2), and (3), 79, 472(10)
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11)
20	Empty Set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative		36(1)(k)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2018	Regulation (EU) No 575/2013 Article reference
20b	Of which: qualifying holdings outside the financial sector (negative amount)		36(1)(k)(i), 89 to 91
20c	Of which: securitisation positions (negative amount)		36(1)(k)(ii), 243(1)(b), 244(1)(b), 258
20d	Of which: free deliveries (negative amount)		36(1)(k)(iii), 379(3)
21	Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)		36(1)(c), 38,48(1)(a), 470, 472(5)
22	Amount exceeding the 15 % threshold (negative amount)		48(1)
23	Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36(1)(ii), 48(1)(b), 470, 472(11)
24	Empty Set in the EU		
25	Of which: deferred tax assets arising from temporary differences		36(1)(c), 38, 48(1)(a), 470, 472(5)
25a	Losses for the current financial year (negative amount)	0	36(1)(a), 472(3)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36(1)(l)
26	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment		
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468		
	Of which: ... filter for unrealised loss 1		467
	Of which: ... filter for unrealised loss 2		467
	Of which: ... filter for unrealised gain 1		468
	Of which: ... filter for unrealised gain 2		468
26b	Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre-CRR	0	481
	Of which: ...		481
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36(1)(j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1) capital	-50.639	
29	Common equity Tier-1 capital	614.774	
30	Capital instruments and the related share premium accounts		51, 52
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase-out from AT1		486(3)
	Public sector capital injections grandfathered until 1 January 2018		483(3)
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35	Of which: instruments issued by subsidiaries subject to phase-out		486(3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0	
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52(1)(b), 56(a), 57, 475(2)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2018	Regulation (EU) No 575/2013 Article reference
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56(b), 58, 475(3)
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		56(c), 59, 60, 79, 475(4)
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)		56(d), 59, 79, 475(4)
41	Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		
41a	Residual amounts deducted from AT1 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
41b	Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		477, 477(3), 477(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
41c	Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56(e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	
44	Additional Tier 1 (AT1) capital	0	
45	Tier 1 capital (T1 = CET1 + AT1)	614.774	Sum of rows 29 – 44
46	Capital instruments and the related share premium accounts		62, 63
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase-out from T2		486(4)
	Public sector capital injections grandfathered until 1 January 2018		483(4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49	Of which: instruments issued by subsidiaries subject to phase-out		486(4)
50	Credit risk adjustments		62(c) and (d)
51	Tier 2 (T2) capital before regulatory adjustments	0	
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63(d)(i), 66(a), 67, 477(2)
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66(b), 68, 477(3)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2018	(B) Regulation (EU) No 575/2013 Article reference
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		66(c), 69, 70, 79, 477(4)
54a	Of which new holdings not subject to transitional arrangements		
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66(d), 69, 79, 477(4)
56	Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
56a	Residual amounts deducted from T2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
56b	Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		475, 475(2)(a), 475(3), 475(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
56c	Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
57	Total regulatory adjustments to Tier 2 (T2) capital	0	
58	Tier 2 (T2) capital	0	
59	Total capital (TC = T1 + T2)	614.774	
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
	Of which: ...items not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)		472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)
	Of which: ...items not deducted from AT1 items (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. reciprocal crossholdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		475, 475(2)(b), 475(2)(c), 475(4)(b)
	Items not deducted from T2 items (Regulation (EU) No. 575/2013 residual amounts)		477, 477(2)(b), 477(2)(c), 477(4)(b)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2018	(B) Regulation (EU) No 575/2013 Article reference
	Items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		
60	Total risk weighted assets	2.920.625	
61	CET1 (as a percentage of risk exposure amount)	21,05%	92(2)(a), 465
62	T1 (as a percentage of risk exposure amount)	21,05%	92(2)(b), 465
63	Total capital (as a percentage of risk exposure amount)	21,05%	92(2)(c)
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	54.762	128, 129 and 130, (CRD)
65	Of which: capital conservation buffer requirement	54.762	
66	Of which: countercyclical buffer requirement	0	
67	Of which: systemic risk buffer requirement	0	
67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0	131 (CRD)
68	CET1 available to meet buffers (as a percentage of risk exposure amount)	614.774	128 (CRD)
69	[not relevant in EU regulation]		
70	[not relevant in EU regulation]		
71	[not relevant in EU regulation]		
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	104	36(1)(h), 45, 46, 472(10) 56(c), 59, 60, 475(4) 66(c), 69, 70, 477(4)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	2,378	36(1)(i), 45, 48, 470, 472(11)
74	Empty Set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met)	-5,621	36(1)(c), 38, 48, 470, 472(5)
76	Credit risk adjustments included in T2 capital in respect of exposures subject to the Standardised Approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 capital under the Standardised Approach		62
78	Credit risk adjustments included in T2 capital in respect of exposures subject to the internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 capital under the internal ratings-based approach		62
80	Current cap on CET1 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)
82	Current cap on AT1 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2018	(B) Regulation (EU) No 575/2013 Article reference
84	Current cap on T2 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)

3.5 Description of all restrictions applied to the calculation of own funds in accordance with the Regulation, and the instruments, prudential filters and deductions to which those restrictions apply

(Article 437 (1.e) of the Regulation)

Data are presented in Table in section 3.1.

3.6 Comprehensive explanation of the basis on which the institution calculates its capital ratios, if the disclosed capital ratios are calculated using elements of own funds determined on the basis other than that laid down in the Regulation

(Article 437 (1.f) of the Regulation)

This disclosure is not applicable for the Group.

4. Capital requirements

(Article 438 c, e and f and 445 of CRR)

This section defines disclosure requirements referred to in Article 438 of Part 8 of CRR. Where necessary, the disclosures comply with data disclosure requirements indicated in section „4.6 Capital Requirements“ of the Guidelines.

The Group uses Standardised Approach to calculate its capital requirements for credit and market risks, while the Basic Indicator Approach is used to calculate capital requirements for operational risk.

The Group discloses the amounts according to the provisions of Chapter 46, paragraph 69 of the Guidelines. As at the date of reporting, risk weighted assets exceed the respective amount for the previous period by €72 million. The change in risk-weighted exposure at the reporting date of 30 June 2018 compared to 31 December 2017 is primarily associated with:

- Implementation of regulatory changes and business decisions of the Bank associated with implementation of IFRS 9 accounting standard,
- Implementation of regulatory changes associated to end of phase-in period of 112(4) Article of Regulation CRR connected to implementation of country risk in category of exposures to central governments and central banks,
- Implementation of regulatory changes associated to end of phase-in period for capital deductions (i.e. differed tax assets, OCI's),
- Realization of Group's investment strategy,
- Management of default exposure portfolio,
- Movements in value adjustments of investments.

The table below shows the detailed composition of the capital requirements of the Groups at the end of 2017 and 30.6.2018.

Template 1: EU OV1 – Overview of RWA's of the Biser Topco Group

€000

			RWAs		Minimum capital requirements
			30/6/2018	31/12/2017	30/6/2018
	1	Credit risk (excluding counterparty credit risk – CCR)	2,580,094	2,445,813	206,407
Article 438(c)(d)	2	Of which the standardised approach	2,580,094	2,445,813	206,407
Article 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	0	0	0
Article 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	0	0	0
Article 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the internal model approach (IMA)	0	0	0
Article 107, Article 438(c)(d)	6	CCR	1,188	1,318	95
Article 438(c)(d)	7	Of which mark to market	1,172	1,294	94
Article 438(c)(d)	8	Of which original exposure	0	0	0
	9	Of which the standardised approach	0	0	0
	10	Of which internal model method (IMM)	0	0	0
Article 438(c)(d)	11	Of which risk exposure amount for contributions to the default fund of a CCP	0	0	0
Article 438(c)(d)	12	Of which credit value adjustment (CVA)	16	24	1
438(e)	13	Settlement risk	0	0	0
Article 449(o)(i)	14	Securitisation exposures in the banking book (after the cap)	0	0	0
	15	Of which IRB approach	0	0	0
	16	Of which IRB supervisory formula approach (SFA)	0	0	0
	17	Of which internal assessment approach (IAA)	0	0	0
	18	Of which the standardised approach	0	0	0
Article 438(e)	19	Market risks	22,185	47,594	1,775
	20	Of which the standardised approach	22,185	47,594	1,775
	21	Of which IMA	0	0	0
Article 438(e)	22	Large exposures			
Article 438(f)	23	Operational risk	287,625	324,153	23,010
	24	Of which basic indicator approach	287,625	324,153	23,010
	25	Of which the standardised approach	0	0	0
	26	Of which advanced measurement approach	0	0	0
Article 437(2), Article 48 and Article 60	27	Amounts below the thresholds for deduction (subject to 250 % risk weight)	0	0	0
Article 500	28	Floor adjustment	0	0	0
	29	Total	2,891,091	2,818,878	231,287

Template 2: EU OV1 – Overview of RWAs of the Nova KBM Group

€000

			RWAs		Minimum capital requirements
			30/6/2018	31/12/2017	30/6/2018
	1	Credit risk (excluding counterparty credit risk – CCR)	2,576,775	2,442,750	206,142
Article 438(c)(d)	2	Of which the standardised approach	2,576,775	2,442,750	206,142
Article 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	0	0	0
Article 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	0	0	0
Article 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the internal model approach (IMA)	0	0	0
Article 107, Article 438(c)(d)	6	CCR	1,188	1,318	95
Article 438(c)(d)	7	Of which mark to market	0	0	0
Article 438(c)(d)	8	Of which original exposure	0	0	0
	9	Of which the standardised approach	1,172	1,294	94
	10	Of which internal model method (IMM)	0	0	0
Article 438(c)(d)	11	Of which risk exposure amount for contributions to the default fund of a CCP	0	0	0
Article 438(c)(d)	12	Of which credit value adjustment (CVA)	16	24	1
Article 438(e)	13	Settlement risk	0	0	0
Article 449(o)(i)	14	Securitisation exposures in the banking book (after the cap)	0	0	0
	15	Of which IRB approach	0	0	0
	16	Of which IRB supervisory formula approach (SFA)	0	0	0
	17	Of which internal assessment approach (IAA)	0	0	0
	18	Of which the standardised approach	0	0	0
Article 438(e)	19	Market risks	22,185	47,594	1,775
	20	Of which the standardised approach	22,185	47,594	1,775
	21	Of which IMA	0	0	0
Article 438(e)	22	Large exposures			
Article 438(f)	23	Operational risk	320,477	356,382	25,638
	24	Of which basic indicator approach	320,477	356,382	25,638
	25	Of which the standardised approach	0	0	0
	26	Of which advanced measurement approach	0	0	0
Article 437(2), Article 48 and Article 60	27	Amounts below the thresholds for deduction (subject to 250 % risk weight)	0	0	0
Article 500	28	Floor adjustment	0	0	0
	29	Total	2,920,625	2,848,043	233,650

4.1 General information on Credit risk RWA

4.1.1 Information regarding 8 % of the risk-weighted exposure amounts in accordance with Part Three, Title II, Chapter 3 for each of the exposure classes specified in Article 112 of the Regulation

(Article 438 (c) to (f) of the Regulation)

Both groups have the same portfolio of capital investments, since the Biser Topco Group has no authorisations or licences to carry out any activity. As at 30 June 2018, the two Groups have a significant equity investment in the insurance company Skupina prva zavarovalnica not deducted from regulatory capital. For this investment, the Group calculates risk-weighted exposure for credit risk. The investment is classified in equity exposures and assigned the risk weight of 250%.

Template 3: EU INS1 – Non-deducted participations in insurance undertakings

	€000
	Values
Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk-weighting)	104
Total RWAs	260

4.1.2 Information regarding 8 % of the risk-weighted exposure amounts in accordance with Part Three, Title II, Chapter 3 for each of the exposure classes specified in Article 147 of the Regulation

(Article 438 (d) of the Regulation)

This disclosure does not apply to the Group, because it does not use the IRB approach in calculating capital requirements for credit risk.

4.1.3 Disclosure of the exposures assigned to each category in Table 1 of Article 153(5), or to each risk weight mentioned in Article 155(2) of the Regulation, if the institution calculates the risk-weighted exposure amounts in accordance with Article 153(5) or Article 155(2)

(Article 438 of the Regulation)

This disclosure does not apply to the Group, because it does not use the IRB approach in calculating capital requirements for credit risk.

4.2 General information on Market risk RWA

(Article 445 of the Regulation)

This section defines disclosure requirements referred to in Article 445 of Part 8 of CRR and the Chapter 4.13 of the Guidelines.

The Group uses the standardised approach to calculate the capital requirements for market risk and therefore does not use any VaR models. Under market risk, the Group calculates capital requirements for the following items:

- Interest rate risk (general). Under interest rate risk, the Group calculates capital requirements for derivatives (interest rate swaps).
- Position risk (general and specific). Under equity risk, the Group calculates capital requirements for equity instruments, derivatives and derivatives on equity instruments. Under position risk, the Group discloses also capital requirements for exposure to collective investments undertakings included in the trading book.
- Foreign exchange risk. Under the foreign exchange risk, the Group calculates the capital requirement for an open foreign exchange position, among which also capital requirements for derivatives on foreign currency are classified.
- CVA risk.

The table below presents RWA for market risk at the reporting date, 30 June 2018. The change in RWA for market risks, in the period between 30 June 2018 and 31 December 2017 relates primarily to the calculation of RWA for FX risk related to divestments of KBM leasing Hrvatska d.o.o. The subsidiary was sold in January 2018, consequently RWA for FX risk fall below 2% CET1 capital limit.

Template 4: EU MR1 – Market risk under the standardised approach for the Biser Topco Group

		€000	
		RWAs	Capital requirements
1	Outright products		
2	Interest rate risk (general and specific)	0	0
3	Equity risk (general and specific).	22,185	1,775
4	Foreign exchange risk	0	0
5	Commodity risk	0	0
6	Options		
7	Simplified approach	0	0
8	Delta-plus method	0	0
9	Scenario approach	0	0
10	Securitisation (specific risk)	0	0
11	Total	22,185	1,775

4.3 General information on Operational risk RWA

(Article 446 of the Regulation)

The Group uses the Basic indicator approach to calculate the capital requirements for operational risk. Table below presents the RWA for operational risk as at June 30, 2018.

Table 1: Operational risk under the standardized approach

		in000€	
		RWAs	Capital requirements
1	Biser Topco Group	287.625	23.010
2	Nova KBM Group	320.477	25.638

5. Credit risk and CRM techniques

(Articles 442, 444 and 453 of the Regulation)

5.1 Disclosure, by significant exposure class, of

- (i) impaired exposures and past-due exposures, provided separately;**
- (ii) specific and general credit risk adjustments; and**
- (iii) charges for specific and general credit risk adjustments during the reporting period**

(Article 442 (g) of the Regulation)

Template 5: EU CR1-A – Credit quality of exposures by exposure class and instrument for the Biser Topco Group

€000

	a	b	c	d	e	f	g	
	Gross carrying values of Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)	
1	Central governments or central banks	0	1,398,902	168	0	0	-168	1,398,734
2	Regional governments or local authorities	0	19,781	407	0	0	-392	19,374
3	Public sector entities	0	120,254	176	0	0	-171	120,078
4	Multilateral development banks	0	13,250	0	0	0	0	13,250
5	International organisations	0	22,924	1	0	0	-1	22,923
6	Institutions	0	532,300	90	0	0	-68	532,210
7	Corporates	0	1,232,186	7,134	0	0	10,540	1,225,052
8	Of which: SMEs	0	221,603	2,919	0	0	1,479	218,684
9	Retail exposures	0	1,561,798	5,275	0	-65,162	1,610	1,556,523
10	Of which: SMEs	0	202,221	1,275	0	0	2,915	200,945
11	Exposures secured by mortgages on immovable property	0	351,153	438	0	0	2,804	350,715
12	Of which: SMEs	0	109,148	344	0	0	972	108,804
13	Exposures in default	432,133	0	242,157	0	61,881	115,538	189,977
14	Items associated with particular high risk	60,180	3,495	47,505	0	16,703	55,723	16,170
15	Covered bonds	0	0	0	0	0	0	0
16	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0
17	Collective investment undertakings	0	27,721	0	0	0	0	27,721
18	Equity exposures	0	3,654	0	0	0	0	3,654
19	Other exposures	0	231,161	2	0	0	10,276	231,159
20	Total standardised approach	492,313	5,518,578	303,352	0	13,421	195,690	5,707,539
21	Total	492,313	5,518,578	303,352	0	13,421	195,690	5,707,539
22	Of which: Loans	435,154	2,862,612	281,096	0	13,421	193,445	3,016,670
23	Of which: Debt securities	0	1,535,624	518	0	0	-518	1,535,106
24	Of which: Off- balance-sheet exposures	20,669	784,993	7,850	0	0	16,666	797,812

Template 6: EU CR1-A – Credit quality of exposures by exposure class and instrument for the Nova KBM Group

€000

		a	b	c	d	e	f	g
		Gross carrying values of Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
1	Central governments or central banks	0	1.397.045	168	0	0	-168	1.396.876
2	Regional governments or local authorities	0	19.781	407	0	0	-392	19.374
3	Public sector entities	0	120.254	176	0	0	-171	120.078
4	Multilateral development banks	0	13.250	0	0	0	0	13.250
5	International organisations	0	22.924	1	0	0	-1	22.923
6	Institutions	0	531.616	90	0	0	-68	531.526
7	Corporates	0	1.230.865	7.134	0	0	10.540	1.223.731
8	Of which: SMEs	0	221.603	2.919	0	0	1.479	218.684
9	Retail exposures	0	1.561.800	5.277	0	-85.240	1.610	1.556.523
10	Of which: SMEs	0	202.221	1.275	0	0	2.915	200.945
11	Exposures secured by mortgages on immovable property	0	351.153	438	0	0	2.804	350.715
12	Of which: SMEs	0	109.148	344	0	0	972	108.804
13	Exposures in default	431.068	0	242.155	0	81.958	115.540	188.913
14	Items associated with particular high risk	60.180	3.495	47.505	0	16.703	55.723	16.170
15	Covered bonds	0	0	0	0	0	0	0
16	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0
17	Collective investment undertakings	0	27.721	0	0	0	0	27.721
18	Equity exposures	0	3.654	0	0	0	0	3.654
19	Other exposures	0	231.106	2	0	0	10.276	231.104
20	Total standardised approach	491.248	5.514.662	303.352	0	13.421	195.691	5.702.557
21	Total	491.248	5.514.662	303.352	0	13.421	195.691	5.702.557
22	Of which: Loans	434.610	2.862.497	281.096	0	13.421	193.445	3.016.010
23	Of which: Debt securities	0	1.535.624	518	0	0	-518	1.535.106
24	Of which: Off- balance-sheet exposures	20.669	784.993	7.850	0	0	16.666	797.812

5.2 Disclosure, by significant industry or counterparty type, of

- (i) impaired exposures and past-due exposures, provided separately;
- (ii) specific and general credit risk adjustments; and
- (iii) charges for specific and general credit risk adjustments during the reporting period
(Article 442 (g) of the Regulation)

Template 7: EU CR1-B – Credit quality of exposures by industry or counterparty types for the Biser Topco Group

€000

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk	General credit	Accumulated	Credit risk	Net values
		Defaulted	Non-defaulted	adjustment	risk adjustment	write-offs	adjustment charges	(a+b-c-d)
		exposures	exposures				of the period	
1	Agriculture and hunting, forestry, fishing	8,805	25,264	7,546	0	0	1,367	26,523
2	Mining	0	18,933	128	0	0	1,093	18,804
3	Manufacturing industry	81,817	454,690	55,398	0	609	23,560	481,109
4	Electricity, gas and steam supply	361	90,337	849	0	0	528	89,849
5	Water supply	2,555	42,746	1,466	0	0	976	43,835
6	Construction	58,842	146,398	37,552	0	4,680	36,011	167,688
7	Wholesale and retail trade	105,711	248,493	60,503	0	2,391	22,634	293,700
8	Transportation and storage	23,935	129,610	9,457	0	0	3,597	144,088
9	Accommodation and food service activities	25,548	39,295	15,874	0	3	11,572	48,969
10	Information and communication activities	19,855	65,894	17,368	0	0	8,481	68,381
11	Finance and insurance activities	6,382	1,317,487	2,830	0	4,529	29,926	1,321,039
12	Real estate activities	47,854	11,721	33,040	0	266	32,149	26,536
13	Professional, scientific and technical activities	19,608	131,491	12,452	0	341	13,036	138,648
14	Other various business activities	4,778	139,978	2,350	0	1	5,839	142,405
15	Public administration and defence services, compulsory social security activities	235	956,612	679	0	0	-423	956,169
16	Education	47	13,076	103	0	0	-56	13,021
17	Human health services and social work activities	8,721	22,120	609	0	0	610	30,232
18	Arts, entertainment and recreation	784	44,282	441	0	501	1,259	44,625
19	Other activities	76,475	1,620,152	44,707	0	101	3,530	1,651,920
20	Total	492,313	5,518,578	303,352	0	13,421	195,690	5,707,539

Template 8: EU CR1-B – Credit quality of exposures by industry or counterparty types for the Nova KBM Group

€000

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit	General credit	Accumulated	Credit risk adjustment	Net values
		Defaulted	Non-defaulted	risk adjustment	risk adjustment	write-offs	charges of the period	(a+b-c-d)
		exposures	exposures					
1	Agriculture and hunting, forestry, fishing	8,805	25,264	7,546	0	0	1,367	26,523
2	Mining	0	18,933	128	0	0	1,093	18,804
3	Manufacturing industry	81,817	454,690	55,398	0	609	23,560	481,109
4	Electricity, gas and steam supply	361	90,337	849	0	0	528	89,849
5	Water supply	2,555	42,746	1,466	0	0	976	43,835
6	Construction	58,842	146,398	37,552	0	4,680	36,011	167,688
7	Wholesale and retail trade	105,711	248,493	60,503	0	2,391	22,634	293,700
8	Transportation and storage	23,935	128,262	9,457	0	0	3,597	142,740
9	Accommodation and food service activities	25,548	39,295	15,874	0	3	11,572	48,969
10	Information and communication activities	19,855	65,894	17,368	0	0	8,481	68,381
11	Finance and insurance activities	5,317	1,316,775	2,829	0	4,529	29,928	1,319,263
12	Real estate activities	47,854	11,721	33,040	0	266	32,149	26,536
13	Professional, scientific and technical activities	19,608	131,491	12,452	0	341	13,036	138,648
14	Other various business activities	4,778	139,978	2,350	0	1	5,839	142,405
15	Public administration and defense services, compulsory social security activities	235	954,754	679	0	0	-423	954,311
16	Education	47	13,076	103	0	0	-56	13,021
17	Human health services and social work activities	8,721	22,120	609	0	0	610	30,232
18	Arts, entertainment and recreation	784	44,282	441	0	501	1,259	44,625
19	Other activities	76,475	1,620,152	44,707	0	101	3,530	1,651,920
20	Total	491,248	5,514,660	303,350	0	13,421	195,691	5,702,557

5.3 Disclosure of the amount of the impaired exposures and past-due exposures, provided separately, broken down by significant geographical areas, including, if practical, the amounts of specific and general risk adjustments related to each geographical area

(Article 442 (h) of the Regulation)

Template 9: EU CR1-C – Credit quality of exposures by geography for the Biser Topco Group

€000

		a		b	c	d	e	f	g
		Defaulted exposures	Non-defaulted exposures	Gross carrying values of	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b -c-d)
1	Significant area 1 EU countries by CRR	486,531	5,361,405		300,319	0	4,513	170,467	5,547,617
2	Slovenia	447,093	4,036,229		271,070	0	-28,746	113,603	4,212,252
3	EU Countries other than Slovenia by CRR	39,438	1,325,176		29,249	0	33,258	56,864	1,335,365
4	Significant area 2 Other European countries	5,672	1,832		2,843	0	8,908	25,284	4,661
5	Other geographical areas	110	155,341		190	0	1	-61	155,261
19	Total	492,313	5,518,578		303,352	0	13,421	195,690	5,707,539

Template 10: EU CR1-C – Credit quality of exposures by geography for the Nova KBM Group

€000

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	Significant area 1 EU countries by CRR	485,466	5,357,487	300,317	0	4,513	170,469	5,542,635
2	Slovenia	446,028	4,033,086	271,068	0	-28,746	113,605	4,208,045
3	EU Countries other than Slovenia by CRR	39,438	1,324,401	29,249	0	33,258	56,864	1,334,590
4	Significant area 2 Other European countries	5,672	1,832	2,843	0	8,908	25,284	4,661
5	Other geographical areas	110	155,341	190	0	1	-61	155,261
19	Total	491,248	5,514,660	303,350	0	13,421	195,691	5,702,557

5.4 Disclosure of ageing of past-due exposures

(Article 442(a) of the Regulation)

The total amount of past-due defaulted exposures amounted to €348.5 million at the end of the first half of 2018; and compared to 2017, the amount has decreased by €54.9 million. In the first half of 2018, the largest decrease in past due defaulted exposures was recorded in the past due bucket of 1 year (€55.6 million) and in the 30 to 60 days bucket (€19.1 million). The decrease is the result of the continuing successful implementation of the non-performing exposures reduction strategy.

Template 11: CR1-D – Ageing of past-due exposures for the Biser Group and Nova KBM Group

€000

		a	b	Gross carrying values of			f
		≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
1	Loans and other financial assets	52,523	7,583	4,340	5,014	4,599	274,453
2	Debt securities	0	0	0	0	0	0
3	Total exposures	52,523	7,583	4,340	5,014	4,599	274,453

5.5 Disclosure of non-performing and forborne exposures

(Article 442(a) of the Regulation)

Data on non-performing exposures refer to the Nova KBM Group companies, as neither Biser Topco nor Biser Bidco companies perform any activity and, hence, do not have non-performing or forborne exposures. In the first half of 2018, the amount of non-performing exposures in the Nova KBM Group has decreased from €575 million to €465 million. At the end of the first half of 2018, the Group had €43.8 million less non-performing forborne exposures than at the end of 2017, which was the result of the continuing successful implementation of the non-performing exposures reduction strategy.

Template 12: EU CR1-E – Non-performing and forborne exposures for the Biser Group

€000

	a	b	c	d	e	f	g	h	i	j	k	l	m	
	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received		
		Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing			On performing exposures		On non-performing exposures		On non-performing exposures			
					Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne		Of which forborne	
010	Debt securities	1,616,644	0	0	0	0	0	518	0	0	0	0	0	
020	Loans and advances	3,331,478	8,428	79,927	465,173	463,424	429,441	196,826	13,030	2,855	281,897	107,728	70,262	37,845
030	Off-balance-sheet exposures	805,662	137	4,403	20,165	20,155	20,155	110	592	19	7,258	6	1,529	93

Template 13: EU CR1-E – Non-performing and forborne exposures for the Nova KBM Group

€000

	a	b	c	d	e	f	g	h	i	j	k	l	m	
	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received		
		Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing			On performing exposures		On non-performing exposures		On non-performing exposures			
					Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne		Of which forborne	
010	Debt securities	1,613,441	0	0	0	0	0	518	0	0	0	0	0	
020	Loans and advances	3,330,818	8,428	79,927	465,173	463,424	429,441	196,826	13,030	2,855	281,897	107,728	70,262	37,845
030	Off-balance-sheet exposures	805,662	137	4,403	20,165	20,155	20,155	110	592	19	7,258	6	1,529	93

5.6 Disclosure of the reconciliation of changes in the specific and general credit risk adjustments for impaired exposures

(Article 442 (i) of the Regulation)

The following tables present the reconciliation of changes in the specific and general credit risk adjustments for impaired exposures for the first half of 2018. The tables are populated only with data on accumulated specific credit risk adjustments as the Group does not have any accumulated general credit risk adjustments.

The decrease of credit risk adjustments mainly reflects the reductions in non-performing exposures as part of the Group's strategy, including the disposal of subsidiaries, such as KBM Leasing Hrvatska and KBM ASCO.

Template 14: EU CR2-A – Changes in the stock of general and specific credit risk adjustments for the Biser Group

		€000	
		a	b
		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	Opening balance	-338.631	-
2	Increases due to amounts set aside for estimated loan losses during the period	-8.958	
3	Decreases due to amounts reversed for estimated loan losses during the period	46.740	-
4	Decreases due to amounts taken against accumulated credit risk adjustments	19.702	-
5	Transfers between credit risk adjustments	-458	-
6	Impact of exchange rate differences	0	-
7	Business combinations, including acquisitions and disposals of subsidiaries	0	-
8	Other adjustments	0	-
9	Closing balance	-281.604	-
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	0	-
11	Specific credit risk adjustments directly recorded to the statement of profit or loss	-227	-

Note: The minus sign is an increase in value adjustments.

Template 15: EU CR2-A – Changes in the stock of general and specific credit risk adjustments for the Nova KBM Group

€000

		a	b
		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	Opening balance	-338.631	--
2	Increases due to amounts set aside for estimated loan losses during the period	-8.958	
3	Decreases due to amounts reversed for estimated loan losses during the period	46.740	-
4	Decreases due to amounts taken against accumulated credit risk adjustments	19.702	-
5	Transfers between credit risk adjustments	-458	-
6	Impact of exchange rate differences	0	-
7	Business combinations, including acquisitions and disposals of subsidiaries	0	-
8	Other adjustments	0	-
9	Closing balance	-281.604	-
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	0	-
11	Specific credit risk adjustments directly recorded to the statement of profit or loss	-227	-

Note: The minus sign is an increase in value adjustments.

5.7 Disclosure of changes in the stock of defaulted and impaired loans and debt securities

(Article 442 (i) of the Regulation)

In the first half of 2018, the total volume of defaulted exposures declined by €110 million. Other changes with €72 million represent the largest share of the decline and include the sale of subsidiaries KBM Leasing Hrvatska and KBM ASCO €9.6 and €24 million, respectively, repayments €27.7 million, and sales of claims €8.2 million.

As neither Biser Topco nor Biser Bidco perform any activity, the amount of defaulted and impaired loans and debt securities at the Biser Group level is identical to the Nova KBM Group level.

Template 16: EU CR2-B – Changes in the stock of defaulted and impaired loans and debt securities for the Biser Group and Nova KBM Group

		€000
		a
		Gross carrying value defaulted exposures
1	Opening balance	575,245
2	Loans and debt securities that have defaulted or impaired since the last reporting period	13,933
3	Returned to non-defaulted status	-17,855
4	Amounts written off	-33,766
5	Other changes	-72,384
6	Closing balance	465,173

5.8 Disclosure of the total exposure value (after on- or off-balance-sheet netting, if applicable) that is covered – after the application of volatility adjustments – by eligible financial collateral, and other eligible collateral, separately for each exposure class, if the institution calculates risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, but does not provide own estimates of LGDs or conversion factors in respect of the exposure class (Article 453 (f) and (g) of the Regulation)

Template 17: EU CR3 – CRM Techniques – overview for the Biser Topco Group

		€000				
		a	b	c	d	e
		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	3,959,168	144,260	96,426	47,834	0
2	Total debt securities	0	0	0	0	0
3	Total exposures *	5,823,732	187,159	139,325	47,834	0
4	Of which defaulted	483,272	9,041	6,752	2,289	0

*The total exposures amount present the total exposures of the Credit Risk Group calculated in accordance with the CRR.

Template 18: EU CR3 – CRM Techniques – overview for the Nova KBM Group

		€000				
		a	b	c	d	e
		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	3,958,508	144,260	96,426	47,834	0
2	Total debt securities	0	0	0	0	0
3	Total exposures *	5,818,749	187,159	139,325	47,834	0
4	Of which defaulted	482,207	9,041	6,752	2,289	0

*The total exposures amount present the total exposures of the Credit Risk Group calculated in accordance with the CRR.

5.9 Disclosure of the total exposure (after on- or off-balance- sheet netting, if applicable) that is covered by guarantees or credit derivatives, separately for each exposure class, if the institution calculates risk-weighted exposure amounts under the Standardised Approach, this requirement applies for all approaches referred to in Article 155.

(Article 453 (f) and (g) of the Regulation)

Template 38: EU CR4 – Standardised approach – Credit risk exposure and CRM effects for the Biser Topco Group

€000

	Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density
1	Central governments or central banks	1,398,286	616	1,547,140	1,793	14,125	1%
2	Regional governments or local authorities	14,601	5,180	14,197	1,127	3,065	20%
3	Public sector entities	115,623	4,631	33,177	950	5,290	15%
4	Multilateral development banks	13,250	0	13,250	0	0	0%
5	International organisations	22,924	0	8,197	0	0	0%
6	Institutions	501,420	30,014	501,332	6,346	184,004	36%
7	Corporates	746,594	484,907	693,575	192,536	862,249	97%
8	Retail exposures	1,326,921	234,877	1,319,435	50,005	989,008	72%
9	Secured by mortgages on immovable property	326,992	24,161	326,089	7,553	130,302	39%
10	Exposures in default	411,465	20,669	173,686	2,762	199,355	113%
11	Items associated with particular high risk	63,594	0	16,090	0	24,255	151%
12	Covered bonds	0	0	0	0	0	0%
13	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0%
14	Collective investment undertakings	27,721	0	27,721	0	5,684	21%
15	Equity instruments	3,654	0	3,654	0	7,221	198%
16	Other items	230,551	608	230,551	122	156,708	68%
17	Total	5,203,596	805,662	4,908,094	263,193	2,581,265	50%

Template 39: EU CR4 – Standardised approach – Credit risk exposure and CRM effects for the Nova KBM Group

€000

	Exposure classes	a		b		c		d		e		f	
		Exposures before CCF and CRM		Exposures post CCF and CRM		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density		RWAs and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density	RWAs	RWA density		
1	Central governments or central banks	1,396,428	616	1,545,283	1,793	14,125	1%						
2	Regional governments or local authorities	14,601	5,180	14,197	1,127	3,065	20%						
3	Public sector entities	115,623	4,631	33,177	950	5,290	15%						
4	Multilateral development banks	13,250	0	13,250	0	0	0%						
5	International organisations	22,924	0	8,197	0	0	0%						
6	Institutions	500,736	30,014	500,648	6,346	183,662	36%						
7	Corporates	745,273	484,907	692,254	192,536	860,928	97%						
8	Retail exposures	1,326,921	234,877	1,319,435	50,005	989,008	72%						
9	Secured by mortgages on immovable property	326,992	24,161	326,089	7,553	130,302	39%						
10	Exposures in default	410,399	20,669	172,622	2,762	197,755	113%						
11	Items associated with particular high risk	63,594	0	16,090	0	24,255	151%						
12	Covered bonds	0	0	0	0	0	0%						
13	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0%						
14	Collective investment undertakings	27,721	0	27,721	0	5,684	21%						
15	Equity instruments	3,654	0	3,654	0	7,221	198%						
16	Other items	230,496	608	230,496	122	156,653	68%						
17	Total	5,198,613	805,662	4,903,112	263,193	2,577,947	50%						

5.10 Information about the exposure values and the exposure values after credit risk mitigation associated with each credit quality step prescribed in Part Three, Title II, Chapter 2 of the Regulation as well as those deducted from own funds (Article 444 (e) of the Regulation)

Template 19: EU CR5 – Standardised approach for the Biser Topco Group

€000

	Exposure class	Risk weight										Total	Of which unrated	
		0%	4%	10%	20%	35%	50%	75%	100%	150%	250%			Other
1	Central governments or central banks	1.382.736	101.300	56.048	0	0	8.761	0	87	0	0	0	1.548.933	135.877
2	Regional governments or local authorities	0	0	0	15.324	0	0	0	0	0	0	0	15.324	6.624
3	Public sector entities	20.138	0	0	10.874	0	0	0	3.115	0	0	0	34.127	3.115
4	Multilateral development banks	13.250	0	0	0	0	0	0	0	0	0	0	13.250	0
5	International organisations	8.197	0	0	0	0	0	0	0	0	0	0	8.197	0
6	Institutions	0	0	0	240.517	0	264.252	0	3.775	0	0	0	508.544	54.038
7	Corporates	0	0	0	5.016	0	76.684	0	759.337	45.759	0	0	886.796	616.535
8	Retail exposures	0	0	0	0	0	0	1.369.443	0	0	0	0	1.369.443	1.369.443
9	Exposures secured by mortgages on immovable property	0	0	0	0	190.833	142.809	0	0	0	0	0	333.642	333.642
10	Exposures in default	0	0	0	0	0	0	0	130.633	45.815	0	0	176.448	176.448
11	Items associated with particular high risk	0	0	0	0	0	0	0	0	16.170	0	0	16.170	16.170
12	Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Collective investment undertakings	0	0	0	0	0	0	0	2.504	0	0	25.217	27.721	2.504
15	Equity instruments	0	0	0	0	0	0	0	1.276	0	2.378	0	3.654	3.654
16	Other items	55.564	0	0	23.001	0	0	0	152.108	0	0	0	230.672	32.496
17	Total	1.479.886	101.300	56.048	294.731	190.833	492.506	1.369.443	1.052.835	107.744	2.378	25.217	5.172.921	2.750.547

Template 20: EU CR5 – Standardised approach for the Nova KBM Group

€000

	Exposure class	Risk weight										Total	Of which unrated	
		0%	4%	10%	20%	35%	50%	75%	100%	150%	250%			Other
1	Central governments or central banks	1.380.879	101.300	56.048	0	0	8.761	0	87	0	0	0	1.547.076	135.875
2	Regional governments or local authorities	0	0	0	15.324	0	0	0	0	0	0	0	15.324	6.624
3	Public sector entities	20.138	0	0	10.874	0	0	0	3.115	0	0	0	34.127	3.115
4	Multilateral development banks	13.250	0	0	0	0	0	0	0	0	0	0	13.250	0
5	International organisations	8.197	0	0	0	0	0	0	0	0	0	0	8.197	0
6	Institutions	0	0	0	240.517	0	263.568	0	3.775	0	0	0	507.860	53.354
7	Corporates	0	0	0	5.016	0	76.684	0	758.016	45.759	0	0	885.475	615.214
8	Retail exposures	0	0	0	0	0	0	1.369.443	0	0	0	0	1.369.443	1.369.443
9	Exposures secured by mortgages on immovable property	0	0	0	0	190.833	142.809	0	0	0	0	0	333.642	333.642
10	Exposures in default	0	0	0	0	0	0	0	130.642	44.742	0	0	175.384	175.384
11	Items associated with particular high risk	0	0	0	0	0	0	0	0	16.170	0	0	16.170	16.170
12	Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Collective investment undertakings	0	0	0	0	0	0	0	2.504	0	0	25.217	27.721	2.504
15	Equity instruments	0	0	0	0	0	0	0	1.276	0	2.378	0	3.654	3.654
16	Other items	55.564	0	0	23.001	0	0	0	152.052	0	0	0	230.617	33.559
17	Total	1.478.028	101.300	56.048	294.731	190.833	491.822	1.369.443	1.051.468	106.671	2.378	25.217	5.167.939	2.748.539

6. CREDIT COUNTERPARTY RISK (CCR)

(Articles 92(3)(f), 439, 444 and 452 of the Regulation)

6.1 Disclosure of measures for exposure value under the methods set out in Part Three, Title II, Chapter 6, Section 3 to 6 of the Regulation

(Article 439 (f) of the Regulation)

The Group monitors counterparty credit risk exposure using the mark-to-market method, in accordance with Article 274 of the Regulation. The replacement cost is the sum of current and potential future exposures.

Template 21: EU CCR1 – Analysis of CCR exposure by approach for the Biser Topco Group

€000

		a	b	c	d	e	f
		Notional	Replacement cost/current market value	Potential future credit exposure	Effective expected positive exposure (hereinafter: EEPE)	Multiplier	RWAs
1	Mark to market		558	1,633			1,171
2	Original exposure						
3	Standardised approach						
4	Internal model method (IMM) (for derivatives and SFT)						
5	Of which securities financing transactions (SFT)						
6	Of which derivatives and long settlement transactions						
7	Of which from contractual cross-product netting						
8	Financial collateral simple method (for SFTs)						
9	Financial collateral comprehensive method (for SFTs)						
10	VaR for SFTs VaR for SFTs:						
11	Total						1,171

Credit value adjustment – CVA

„Credit value adjustment” (CVA) means the adjustment of the counterparty transactions portfolio to the valuation at the mean market value. The said adjustment made for the institution reflects the current market value of counterparty credit risk, but does not reflect the current market value of the institution’s credit risk to the counterparty. The template below discloses the data at the level of the Biser Topco Group as at 30 June 2018.

Template 22: EU CCR2 – CVA capital charge for the Biser Topco Group

€000

		Exposure value	RWAs
1	Total portfolios subject to the advanced method	0	0
2	(i) VaR component (including the 3x multiplier)		0
3	(ii) Stress value at risk component (hereinafter: SVaR) (including the 3× multiplier):		0
4	All portfolios subject to the standardised method	293	16
5	Based on the original exposure method		0
6	Total subject to the CVA capital charge	293	16

Exposure to central counterparties

The Bank is not exposed to central counterparties. The Bank performs clearing through a clearing member; therefore, it does not disclose information in the „EU CCR8 – Exposures to CCR” Template.

6.2 Information about the exposure values and the exposure values after credit risk mitigation associated with each credit quality step prescribed in Part Three, Title II, Chapter 2 of the Regulation as well as those deducted from own funds

(Article 444 (e) of the Regulation)

Template 23: EU CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk for the Biser Topco and Nova KBM Group

€000

	Exposure classes	Risk weight											Total	Of which unrated	
		0 %	2 %	4 %	10 %	20 %	50 %	70 %	75 %	100 %	150 %	Others			
1	Central governments or central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Regional governments or local authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	International organisations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Institutions	0	0	0	0	228	638	0	0	0	0	0	0	866	0
7	Corporates	0	0	0	0	0	0	0	0	685	0	0	0	685	685
8	Retail	0	0	0	0	0	0	0	2	0	0	0	0	2	2
9	Institutions and corporates with a short-term credit assessment		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Exposures in default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Exposures associated with particular high risk	0	0	0	0	0	0	0	0	0	0	80	0	80	80
12	Other items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Total	0	0	0	0	228	638	0	2	685	80	0	1.633	767	

7. Leverage ratio

(Article 451 of the Regulation)

This section defines disclosure requirements referred to in Article 451 of Part 8 of CRR and in Commission implementing regulation (EU) No 2016/200.

7.1 Leverage ratio of Biser Topco Group

(451 a-c of the Regulation)

Template 24: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		€000
		Applicable amounts 30/6/2018
1	Total assets as per published financial statements	5.763.585
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognised in the statement of financial position in accordance with Article 429(13) of Regulation	0
4	Adjustments for derivative financial instruments	0
5	Adjustments for securities financing transactions (SFTs)	0
6	(Adjustment for intra-group exposures excluded from the leverage ratio exposure measure in accordance with Article 429(7) of Regulation)	-540.631
EU-6a	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429(14) of Regulation)	0
EU-6b	Excluded exposures meeting the conditions in accordance with Article 429(14) of Regulation	0
7	Other adjustments	-136.184
8	Total leverage ratio exposure	5.086.769

Template 25: LRCom: Leverage ratio common disclosure

€000

		CRR leverage ratio exposures
On-balance-sheet exposures (excluding derivatives and SFTs)		
1	On-balance-sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	4.868.861
2	(Asset amounts deducted in determining Tier 1 capital)	-49.314
3	Total on-balance-sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	4.819.547
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	558
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	1.633
EU-5a	Exposure determined under Original Exposure Method	0
6	Gross-up for derivatives collateral provided where deducted from the balance-sheet assets pursuant to the applicable accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted client-cleared trade exposures CCP leg)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	Total derivative exposures (sum of lines 4 to 10)	2.191
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	Counterparty credit risk exposure for SFT assets	0
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No. 575/2013	0
15	Agent transaction exposures	0
EU-15a	(Exempted client-cleared SFT exposure through CCP leg)	0
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	0
Other off-balance-sheet exposures		
17	Off-balance-sheet exposures at gross notional amount	805.662
18	(Adjustments for conversion to credit equivalent amounts)	-540.631
19	Other off-balance-sheet exposures (sum of lines 17 to 18)	265.031
Exempted exposures in accordance with CRR Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on- and off-balance sheet)		
EU-19a	(Exemption of intra-group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	0
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	0
Capital and total exposures		
20	Tier-1 capital	613.980
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	5.086.769

Leverage ratio		
22	Leverage ratio	12.07%
Choice on transitional arrangements for the definition of the capital measure		
EU-23	Choice on transitional arrangements for the definition of the capital measure	No
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No. 575/2013	0

Template 26: LRSpl: Split-up of on-balance-sheet exposures (excluding derivatives, SFTs and exempted exposures)

		€000
		CRR leverage ratio exposures
EU-1	Total on-balance-sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	4.819.547
EU-2	Trading book exposures	0
EU-3	Banking book exposures, of which:	4.819.547
EU-4	<i>Covered bonds</i>	0
EU-5	<i>Exposures treated as sovereigns</i>	1.398.118
EU-6	<i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i>	165.820
EU-7	<i>Institutions</i>	501.332
EU-8	<i>Secured by mortgages on immovable property</i>	326.564
EU-9	<i>Retail exposures</i>	739.865
EU-10	<i>Corporate exposures</i>	1.321.814
EU-11	<i>Exposures in default</i>	160.477
EU-12	<i>Other exposures (eg equity, securitisations, and other non-credit obligation assets)</i>	205.558

7.2 Leverage ratio of Nova KBM Group

(451 a-c of the Regulation)

Template 27: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		€000
		Applicable amounts 30/06/2018
1	Total assets as per published financial statements	5.786.794
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognised in the statement of financial position in accordance with Article 429(13) of Regulation	0
4	Adjustments for derivative financial instruments	0
5	Adjustments for securities financing transactions (SFTs)	0
6	(Adjustment for intra-group exposures excluded from the leverage ratio exposure measure in accordance with Article 429(7) of Regulation)	-540.631
EU-6a	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429(14) of Regulation)	0
EU-6b	Excluded exposures meeting the conditions in accordance with Article 429(14) of Regulation	0
7	Other adjustments	-162.636
8	Total leverage ratio exposures	5.083.526

Template 28: LRCom: Leverage ratio common disclosure

€000

		CRR leverage ratio exposures
On-balance-sheet exposures (excluding derivatives and SFTs)		
1	On-balance-sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	4,864,749
2	(Asset amounts deducted in determining Tier 1 capital)	-48,444
3	Total on-balance-sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	4,816,305
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	558
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	1,633
EU-5a	Exposure determined under Original Exposure Method	0
6	Gross-up for derivatives collateral provided where deducted from the balance-sheet assets pursuant to the applicable accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted client-cleared trade exposures CCP leg)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	Total derivative exposures (sum of lines 4 to 10)	2,191
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	Counterparty credit risk exposure for SFT assets	0
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No. 575/2013	0
15	Agent transaction exposures	0
EU-15a	(Exempted client-cleared SFT exposure through CCP leg)	0
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	0
Other off-balance-sheet exposures		
17	Off-balance-sheet exposures at gross notional amount	805,662
18	(Adjustments for conversion to credit equivalent amounts)	-540,631
19	Other off-balance-sheet exposures (sum of lines 17 to 18)	265,031
Exempted exposures in accordance with CRR Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on- and off-balance sheet)		
EU-19a	(Exemption of intra-group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	0
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	0
Capital and total exposures		
20	Tier-1 capital	614,774
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	5,083,526

Leverage ratio		
22	Leverage ratio	12.09%
Choice on transitional arrangements for the definition of the capital measure		
EU-23	Choice on transitional arrangements for the definition of the capital measure	No
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No. 575/2013	0

Template 29: LRSpl: Split-up of on-balance-sheet exposures (excluding derivatives, SFTs and exempted exposures)

		€000
		CRR leverage ratio exposures
EU-1	Total on-balance-sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	4,816,305
EU-2	Trading book exposures	0
EU-3	Banking book exposures, of which:	4,816,305
EU-4	<i>Covered bonds</i>	0
EU-5	<i>Exposures treated as sovereigns</i>	1,396,260
EU-6	<i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i>	165,820
EU-7	<i>Corporate exposures</i>	500,648
EU-8	<i>Secured by mortgages on immovable property</i>	326,564
EU-9	<i>Retail exposures</i>	738,544
EU-10	<i>Corporate exposures</i>	1,321,814
EU-11	<i>Exposures in default</i>	159,413
EU-12	<i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i>	207,242

7.3 Description of procedures used to manage the risk of excessive exposure (451.d) of the Regulation)

Movements in the Group's financial leverage ratio are, along with movements in other capital ratios, monitored on a regular basis. Its monitoring was determined in the context of the Risk Management Strategy, and the Nova KBM Group Recovery Plan. The value of the financial leverage ratio is reported to:

- Supervisory Board,
- Management Board, and
- Various internal Committees (e.g. the ALCO).

Asset and Liabilities Committee (ALCO) is responsible for dealing with situations of excessive leverage ratio. In the Risk Management Strategy and the Recovery Plan, the Parent Bank stipulated at the Group level the red, yellow and green threshold values for the financial leverage ratio. When the yellow or red threshold value is exceeded, the ALCO has to adopt a decision on the management of the excessive leverage ratio risk.

As at 30 June 2018, the Group's financial leverage ratio stood at 12.09 %, which was fully in compliance with the financial plan of the Group reflecting its focus on the provision of

mainstream lending products (including to the corporate segment to which high exposure risk-weights apply). A high financial leverage ratio also results from a high level of Tier 1 capital.

7.4 Description of the factors that had an impact on the leverage ratio to which the disclosed leverage ratio refers

(451.e) of the Regulation)

The financial leverage ratio for was calculated by taking into account the relevant amount of the Group's on- and off-balance-sheet exposures as well as the level of its Tier 1 capital as at 30 June 2018. The following factors had the most significant impact on the calculation of the financial leverage ratio in first half of year 2018:

- In Tier 1 capital ratio:
 - Impacts as explained in chapter 3.1.
- In the exposure:
 - Impacts as explained in chapter 4.

8. Disclosures regarding transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds

(473a. of the Regulation)

Disclosure is not relevant for the Group as the Group did not decide to use the capital deduction regarding transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds.

9. Transitional provisions for disclosure of own funds

(492. of the Regulation)

Disclosure is not relevant for the Group as the Group from the 1 January 2018 does not use the transitional provisions for calculation of own funds or risk weighted assets. Transitional provisions are taken into consideration only in case of capital buffers calculation and are in line with articles of CRD Directive.