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**ANNOUNCEMENT OF THE PERFORMANCE OF ABANKA VIPA D.D.
INCLUDING THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER OF 2014**

In accordance with the Ljubljana Stock Exchange Rules and the applicable legislation and with best business practices, Abanka Vipra d.d. hereby publishes its performance results including the unaudited unconsolidated and consolidated financial statements for the first quarter of 2014.

As required by law, this announcement will also be available online at www.abanka.si as of 25 April 2014 for a period of no less than 5 years.

The announcement in the English language is for information purposes only.

In the reporting period, Abanka's operating profit was EUR 9,555 thousand; however, due to impairments and provisions of EUR 8,740 thousand and corporate income tax, the Bank ended the first quarter of 2014 with a profit of EUR 515 thousand.

Total assets of Abanka as at 31 March 2014 amounted to EUR 3,052,067 thousand, which was EUR 15,594 thousand or 0.5% more compared to the 2013 year-end.

Management Board of Abanka Vipra d.d.

Ljubljana, 25 April 2014

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ABANKA

1. EXPLANATORY NOTES TO THE UNAUDITED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2014

As at 31 March 2014, **total assets** of Abanka equalled EUR 3,052,067 thousand, having increased by 0.5% or EUR 15,594 thousand in nominal terms over the 2013 year-end.

As at the reporting date, EUR 1,776,788 thousand of **total assets** were loans and receivables to non-bank customers, after a decrease of EUR 43,889 thousand or 2.4%. Compared to the 2013 year-end, loans and receivables to banks increased by EUR 109,231 thousand or 101.8%, and reached EUR 216,504 thousand. The securities portfolio totalled EUR 675,427 thousand and was 3.3% or EUR 21,276 thousand higher than as at 31 December 2013. Cash and cash balances with the central bank amounted to EUR 289,864 thousand and dropped by 22.8% or EUR 85,717 thousand nominally compared to the 2013 year-end.

As at 31 March 2014, financial liabilities to non-bank customers represented EUR 1,999,397 thousand of **total balance sheet liabilities**, which was EUR 96,416 thousand or 5.1% more than as at the 2013 year-end. As at the reporting date, financial liabilities to the central bank amounted to EUR 354,948 thousand, liabilities to banks to EUR 356,590 thousand and securities to EUR 49,823 thousand. In the reporting period, retail deposits grew by EUR 27,027 thousand or 2.4% and deposits from corporate customers (excluding deposits of the Ministry of Finance) by EUR 96,977 thousand or 23.6%. In the reporting period, financial liabilities to the central bank went down by EUR 101,265 thousand or 22.2%, liabilities to banks by EUR 6,192 thousand or 1.7%, whereas securities experienced a slight decrease of EUR 737 thousand or 1.5%. As at the end of the first quarter of 2014, total equity amounted to EUR 224,766 thousand, having increased by EUR 12,072 thousand or 5.7% on the 2013 year-end.

Net interest income disclosed in the **income statement** for the reporting period was EUR 14,015 thousand. This was EUR 2,205 thousand or 13.6% below the level recorded in the respective period of 2013. Interest income decreased mostly as a result of lower volume of operations, whereas interest expenses dropped due to lower volume of operations as well as lower interest rates. Net fee and commission income grew by EUR 409 thousand or 5.8% to EUR 7,513 thousand. In the reporting period, other net non-interest expenses (excluding net fee and commission income) amounted to EUR 406 thousand, while in the corresponding period last year other net non-interest income (excluding net fee and commission income) stood at EUR 13 thousand. Operating expenses totalled EUR 11,567 thousand, what represented a decrease of 8.7 % or EUR 1,103 thousand on the same period of the preceding year. Net provisioning and impairment expenses equalled EUR 8,740 thousand, which was 28.4% or EUR 3,459 thousand less than in the first quarter of 2013. For the reporting period, Abanka posted a net profit of EUR 515 thousand, whereas in the same period last year it recorded a net loss of EUR 1.665 thousand.

Basic net earnings per share in the first three months of 2014 was EUR 0.03 and equalled diluted net earnings per share. Basic net earnings per share are calculated as the ratio of net profit to the average number of shares issued. In calculating diluted net loss per share the weighted average number of shares is adjusted by the effects of all potentially diluted shares which the Bank did not hold as at 31 March 2014.

Unaudited book value per share as at 31 March 2014 was EUR 14.98. It is calculated as the ratio of all capital components to the number of shares, subscribed as at the end of March 2014. Capital components also include net profit for the first three months of 2014.

	31 March 2014 (EUR thousand)	31 Dec. 2013 (EUR thousand)	Index 31 Mar. 14/31 Dec. 13
Total assets	3,052,067	3,036,473	101
Book value per share (in EUR 1)	14.98	14.18	106
	Jan.-Mar. 2014 (EUR thousand)	Jan.-Mar. 2013 (EUR thousand)	Index Jan.-Mar. 14/Jan.-Mar. 13
Net interest income	14,015	16,220	86
Net non-interest income	7,107	7,117	100
Operating costs	(11,567)	(12,670)	91
Net provisioning and impairment expenses	(8,740)	(12,199)	72
(Loss)/profit before tax	815	(1,532)	-
Taxes	(300)	(133)	226
Net (loss)/profit for the year	515	(1,665)	-
Earnings per share (in EUR 1)	0.03	(0.23)	-

Changes to the Supervisory Board

Janko Gedrih serves as the Chairman of the Supervisory Board, Andrej Slapar as the Vice-Chairman, and Vladimir Mišo Čeplak, M.Sc., Franci Strajnar, M.Sc., Kristina Ana Dolenc, Snežana Šušteršič, Aljoša Uršič and Aleš Aberšek as members. In the first quarter of 2014, the composition of the Bank's Supervisory Board remained unchanged.

Changes to the Management Board

Abanka is managed by a two-member Management Board, composed of Jože Lenič, M.Sc. Econ., as the President and Igor Stebernak as the member. There were no changes to the Management Board in the reporting period.

Changes to the shareholder structure

On 18 December 2013, the Republic of Slovenia subscribed to and fully paid up all 15,000,000 shares newly issued by Abanka, and thereby became a 100% owner of the Bank.

Significant business events after the end of the reporting financial period

No events occurred after the statement of financial position date which would materially affect the presented financial statements.

Management Board of Abanka Vipava d.d.

2. UNAUDITED UNCONSOLIDATED FINANCIAL STATEMENTS OF ABANKA VIPA D.D.

STATEMENT OF FINANCIAL POSITION as at 31 March 2014

in EUR thousand

Ser. No.	Designation of Item	ITEM DESCRIPTION	AMOUNT	
			As at 31 March 2014	As at 31 December 2013
	1	2	3	4
1	A. 1.	Cash and cash balances with the central bank	289,864	375,581
2	A. 2.	Financial assets held for trading	10,524	13,994
3	A. 3.	Financial assets designated at fair value through profit or loss	2,458	2,436
4	A. 4.	Available-for-sale financial assets	536,380	506,684
5	A. 5.	Loans and receivables	2,018,710	1,933,427
		- loans to banks	216,504	107,273
		- loans to non-bank customers	1,776,788	1,820,677
		- other financial assets	25,418	5,477
6	A. 6.	Held-to-maturity investments	136,326	143,458
7	A. 16.	Non-current assets held for sale	4	59
8	A. 10.	Property and equipment	33,029	33,878
9	A. 11.	Investment property	118	74
10	A. 12.	Intangible assets	4,659	4,470
11	A. 13.	Investments in subsidiaries	12,670	12,670
12	A. 14.	Tax assets	5,006	7,605
		- deferred tax assets	5,006	7,605
13	A. 15.	Other assets	2,319	2,137
14		TOTAL ASSETS (from 1 to 13)	3,052,067	3,036,473
15	P. 1.	Deposits and loans from the central bank	354,948	456,213
16	P. 2.	Financial liabilities held for trading	9,799	11,174
17	P. 3.	Financial liabilities designated at fair value through profit or loss	8,897	8,842
18	P. 4.	Financial liabilities measured at amortised cost	2,426,164	2,317,799
		- deposits from banks	7,252	10,855
		- deposits from non-bank customers	1,990,411	1,894,043
		- loans from banks	349,338	351,927
		- loans from non-bank customers	89	96
		- debt securities issued	49,823	50,560
		- other financial liabilities	29,251	10,318
19	P. 9.	Provisions	26,047	28,086
20	P. 10.	Tax liabilities	135	90
		- current tax liabilities	46	-
		- deferred tax liabilities	89	90
21	P. 11.	Other liabilities	1,311	1,575
22		TOTAL LIABILITIES (from 15 to 21)	2,827,301	2,823,779
23	P. 13.	Share capital	150,000	150,000
24	P. 14.	Share premium	39,617	39,617
25	P. 16.	Revaluation reserves	21,411	9,854
26	P. 17.	Reserves from profit	13,223	13,223
27	P. 19.	Profit from the current year	515	-
28		TOTAL EQUITY (from 23 to 27)	224,766	212,694
29		TOTAL LIABILITIES AND EQUITY (22 + 28)	3,052,067	3,036,473

INCOME STATEMENT for the period ended 31 March 2014

in EUR thousand

Ser. No.	ITEM DESCRIPTION	AMOUNT	
		Period ended 31 March 2014	Period ended 31 March 2013
1	2	3	4
1	Interest income	28,869	36,049
2	Interest expenses	(14,854)	(19,829)
3	Net interest income (1 + 2)	14,015	16,220
4	Dividend income	-	115
5	Fee and commission income	9,995	10,005
6	Fee and commission expenses	(2,482)	(2,901)
7	Net fee and commission income (5 + 6)	7,513	7,104
8	Realised gains on financial assets and liabilities not measured at fair value through profit or loss	385	1,415
9	Net gains on financial assets and liabilities held for trading	1,433	496
10	Losses on financial assets and liabilities designated at fair value through profit or loss	(34)	(9)
11	Exchange differences	31	7
12	Net gains on derecognition of assets other than held for sale	7	4
13	Net other operating expenses	(2,451)	(2,014)
14	Administration costs	(10,190)	(11,442)
15	Depreciation and amortisation	(1,377)	(1,228)
16	Provisions	1,920	919
17	Impairment	(10,660)	(13,118)
18	Total profit/(loss) from non-current assets held for sale	223	(1)
19	TOTAL PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (3 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18)	815	(1,532)
20	Tax expense related to profit/(loss) from continuing operations	(300)	(133)
21	TOTAL PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (19 + 20)	515	(1,665)
22	NET PROFIT/(LOSS) for the financial year (21)	515	(1,665)

in EUR

23	Basic earnings per share	0.03	(0.23)
24	Diluted earnings per share	0.03	(0.23)

STATEMENT OF COMPREHENSIVE INCOME for the period ended 31 March 2014

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		Period ended 31 March 2014	Period ended 31 March 2013
1	2	3	4
1	NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAX	515	(1,665)
2	OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX (3)	11,557	(8,100)
3	ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (3.1 + 3.2)	11,557	(8,100)
3.1	Available-for-sale financial assets (3.1.1 + 3.1.2)	13,924	(9,529)
3.1.1	Net valuation gains/(losses) taken to equity	14,003	(8,803)
3.1.2	Net gains transferred to profit or loss	(79)	(726)
3.2	Income tax relating to items that may be reclassified to profit or loss	(2,367)	1,429
4	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR AFTER TAX (1+2)	12,072	(9,765)

3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ABANKA VIPA GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2014

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		As at 31 March 2014	As at 31 December 2013
1	2	3	4
1	Cash and cash balances with the central bank	289,864	375,581
2	Financial assets held for trading	10,524	13,994
3	Financial assets designated at fair value through profit or loss	2,458	2,436
4	Available-for-sale financial assets	536,380	506,684
5	Loans and receivables	1,999,772	1,924,473
	- loans to banks	217,311	108,965
	- loans to non-bank customers	1,756,722	1,809,717
	- other financial assets	25,739	5,791
6	Held-to-maturity investments	136,326	143,458
7	Non-current assets held for sale	4	59
8	Property and equipment	49,524	50,512
9	Investment property	1,817	1,050
10	Intangible assets	4,873	4,710
11	Tax assets	5,358	7,958
	- deferred tax assets	5,358	7,958
12	Other assets	17,512	17,488
13	TOTAL ASSETS (from 1 to 12)	3,054,412	3,048,403
14	Deposits and loans from the central bank	354,948	456,213
15	Financial liabilities held for trading	9,799	11,174
16	Financial liabilities designated at fair value through profit or loss	8,897	8,842
17	Financial liabilities measured at amortised cost	2,426,674	2,327,132
	- deposits from banks	7,252	10,855
	- deposits from non-bank customers	1,982,099	1,886,057
	- loans from banks	356,183	367,391
	- debt securities issued	49,823	50,560
	- other financial liabilities	31,317	12,269
18	Provisions	28,453	30,474
19	Tax liabilities	453	454
	- current tax liabilities	364	364
	- deferred tax liabilities	89	90
20	Other liabilities	1,752	1,975
21	TOTAL LIABILITIES (from 14 to 20)	2,830,976	2,836,264
22	Share capital	150,000	150,000
23	Share premium	39,617	39,617
24	Revaluation reserves	21,063	9,551
25	Reserves from profit	13,398	13,398
26	Retained earnings (including loss from the current year)	(672)	(456)
27	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (from 22 to 26)	223,406	212,110
28	Equity attributable to non-controlling interests	30	29
29	TOTAL EQUITY (27 + 28)	223,436	212,139
30	TOTAL LIABILITIES AND EQUITY (21 + 29)	3,054,412	3,048,403

CONSOLIDATED INCOME STATEMENT for the period ended 31 March 2014

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		Period ended 31 March 2014	Period ended 31 March 2013
1	2	3	4
1	Interest income	29,173	36,869
2	Interest expenses	(14,948)	(20,039)
3	Net interest income (1+2)	14,225	16,830
4	Dividend income	-	117
5	Fee and commission income	10,000	10,249
6	Fee and commission expenses	(2,556)	(2,956)
7	Net fee and commission income (5+6)	7,444	7,293
8	Realised gains on financial assets and liabilities not measured at fair value through profit or loss	385	1,415
9	Net gains on financial assets and liabilities held for trading	1,433	502
10	Losses on financial assets and liabilities designated at fair value through profit or loss	(34)	(9)
11	Exchange differences	37	92
12	Net gains on derecognition of assets other than held for sale	17	6
13	Net other operating expenses	(2,183)	(1,760)
14	Administration costs	(10,950)	(12,440)
15	Depreciation and amortisation	(1,561)	(1,411)
16	Provisions	1,902	922
17	Impairment	(10,846)	(13,296)
18	Share of loss of associates and joint ventures accounted for using the equity method	-	(793)
19	Total profit/(loss) from non-current assets held for sale	223	(1)
20	TOTAL PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (3+4+7+8+9+10+11+12+13+14+15+16+17+18+19)	92	(2,533)
21	Tax expense related to profit/(loss) from continuing operations	(307)	(200)
22	TOTAL LOSS AFTER TAX FROM CONTINUING OPERATIONS (20+21)	(215)	(2,733)
23	NET LOSS for the financial year (22)	(215)	(2,733)
	a) Loss attributable to owners of the parent	(216)	(2,733)
	b) Profit attributable to non-controlling interests	1	-

in EUR

24	Basic earnings per share	(0.01)	(0.38)
25	Diluted earnings per share	(0.01)	(0.38)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period ended 31 March 2014

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		Period ended 31 March 2014	Period ended 31 March 2013
1	2	3	4
1	NET LOSS FOR THE FINANCIAL YEAR AFTER TAX	(215)	(2,733)
2	OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX (3)	11,512	(8,081)
3	ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (3.1+3.2+3.3)	11,512	(8,081)
3.1	Foreign currency translation (3.1.1)	(45)	30
3.1.1	Translation (losses)/gains taken to equity	(45)	30
3.2	Available-for-sale financial assets (3.2.1+3.2.2)	13,924	(9,543)
3.2.1	Net valuation gains/(losses) taken to equity	14,003	(8,817)
3.2.2	Net gains transferred to profit or loss	(79)	(726)
3.3	Income tax relating to items that may be reclassified to profit or loss	(2,367)	1,432
4	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR AFTER TAX (1+2)	11,297	(10,814)
	a) Profit/(loss) attributable to owners of the parent	11,296	(10,814)
	b) Profit attributable to non-controlling interests	1	-