



On Solid Ground: Towards New Challenges

Unaudited annual financial statements 2015

Key data

Table 1: Key Financial and Other Data for the NLB Group and NLB d.d.

Key Income statement data (in EUR million)	NLB Group			NLB d.d.		
	2015	2014	Change	2015	2014	Change
Net operating income	483.4	511.3	-5%	327.0	369.1	-11%
Costs	297.8	303.5	-2%	187.2	193.3	-3%
Result before impairments and provisions	185.6	207.8	-11%	139.8	175.8	-20%
Impairments and provisions	83.1	141.4	-41%	88.0	93.1	-5%
Result after tax	91.9	62.3	47%	43.9	81.5	-46%
Key financial indicators						
Return on equity after tax (ROE a.t.)	6.6%	4.8%	1.9 p.p.	3.6%	7.0%	-3.5 p.p.
Return on assets after tax (ROA a.t.)	0.8%	0.5%	0.3 p.p.	0.5%	0.9%	-0.4 p.p.
Costs to income ratio (CIR)	61.6%	59.4%	2.3 p.p.	57.2%	52.4%	4.9 p.p.
Interest margin	2.9%	2.7%	0.2 p.p.	2.4%	2.5%	-0.1 p.p.
Key financial position statement data (in EUR million)						
	NLB Group			NLB d.d.		
	2015	2014	Change	2015	2014	Change
Total assets	11,822	11,909	-1%	8,707	8,886	-2%
Loans to non-banking sector (net)	7,088	7,415	-4%	5,221	5,700	-8%
Deposits from non-banking sector	9,026	8,949	1%	6,298	6,300	0%
Total equity	1,423	1,343	6%	1,242	1,205	3%
Loans to non-banking sector/deposits from non-banking sector (LTD) *	75.1%	75.9%	-0.8 p.p.	78.0%	80.7%	-2.7 p.p.
Common Equity Tier 1 Ratio = Total Capital Ratio	16.2%	17.6%	-1.4 p.p.	22.6%	22.7%	-0.2 p.p.
Asset quality indicators						
Gross non-performing loans (in EUR million)	1,896	2,623	-28%	1,101	1,536	-28%
Coverage ratio **	72.2%	68.7%	3.5 p.p.	67.9%	70.4%	-2.5 p.p.
Gross non-performing loans/total loans	19.3%	25.1%	-5.8 p.p.	16.5%	21.2%	-4.7 p.p.
Net non-performing loans (in EUR million)	705	1,006	-30%	451	660	-32%
Net non-performing loans/total loans	8.3%	11.7%	-3.4 p.p.	7.6%	10.7%	-3.1 p.p.

* Net loans to NBS (without BAMC bond)/deposits from NBS

** The coverage of gross non-performing loans with impairments on all loans.

International credit ratings NLB d.d.	31.12.2015	31.12.2014	Forecast
Standard & Poor's	BB-	BB-	Stable
Fitch	B+	BB-	Stable

Business Report

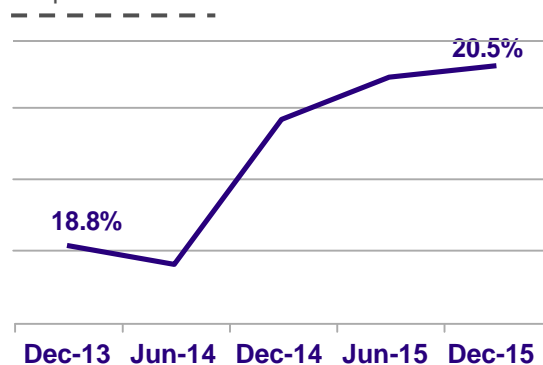
Business with Clients

Key Market Activities

The following **key activities** contributed to the performance of the NLB Group in the year 2015:

- **Revitalisation of sales activities and an increase in loans to customers in core segments**, which is primarily reflected in the market share of non-financial corporate loans growing by 0.5 percentage point in 2015.

Figure 2: Market Share of NLB d.d. in Corporate Loans



- We re-launched an intensive cycle of service and sales channel development. During this period, we were the first bank in the market to introduce **Maestro contactless cards**. At the beginning of October, we began offering a prepaid MasterCard with an NFC sticker, which allows easy contactless payments. The Bank also launched **Klikin, a mobile application** which provides its retail customers with much simpler and more useful access to basic viewing and transaction services. In October, we upgraded the application to include an "in-payment" feature, which enables our clients to transfer their money via a mobile number stored in the Smartphone address book.



- After many years, NLB d.d. started to **renovate its traditional branches**. The redesigned 'open space' concept simplifies and facilitates improved and more comfortable communication with clients. In April, the first redesigned branch was opened in Krško, followed by the branch in Logatec. Together we renovated 18 branches. In a few years, the Bank intends to renovate the entire sales network.

- **The NLB successfully organised five issues of corporate debt securities in a total amount of over EUR 200 million.** At the same time, NLB d.d as an agent in cooperation with other banks made syndicated loans totalling EUR 360 million.
- **We still play the leading role in the restructuring of the Slovenian economy.** As an adviser, we remain very active in numerous restructuring cases of Slovenian companies, thereby demonstrating our high level of expertise, responsibility and efficiency. After having completed numerous restructuring processes for some of the biggest Slovenian companies, in 2015 we shifted our focus to the restructuring of mid corporate and small businesses.

All of the restructuring activities carried out by the Bank over the past two years are now beginning to show results. In the first half of 2015, we recorded the first transitions of companies from the restructuring area back to the business area (in accordance with the EBA regulations, restructured receivables or clients keep their NPL status for at least a year after they have started making regular repayments of their restructured liabilities).

Other Key Activities

- **Opening of the NLB Innovative Entrepreneurship Centre**

In October, the NLB Innovative Entrepreneurship Centre officially opened its doors.



It offers events and training on entrepreneurship and finance, as well as a place to network and conclude banking transactions for existing and future entrepreneurs. Since unofficially opening its doors in May 2015, the Centre has hosted more than 100 events.

- **Transformation Programme Implementation**

After 1,000 days, the Transformation Programme, which started in September 2013, was officially closed. The aim of the Transformation Programme was to analyse the existing business model, while also defining and planning the introduction of appropriately adjusted target business models for each of the areas transformed. By the end of September 2015, 19 projects as well as all three business initiatives had been successfully completed, the effects of which are already reflected in the Bank's operations. Four projects from the Transformation Programme have remained active.

- **Active approach to NPL management**

In the first nine months of 2015, the NLB Group ramped up efforts to reduce the level of NPLs. We prepared a comprehensive document – NPL Strategy – setting out the target NPL decrease values. More importantly, we outlined guidelines and specific measures to achieve the set objectives. The results of numerous past and current activities related to NPL restructuring, the active management of pledged properties and the increasing centralisation of NPL recovery procedures are reflected in a lower volume of NPLs. In the year 2015, the NPLs decreased by EUR 728 million. In addition, activities were initiated with regard to market-specific NPL portfolios.

- **Active reduction of the non-core investment portfolio**

Through dedicated efforts, the NLB Group was able to reduce its total non-core assets in the year 2015 by 17.5% to EUR 752 million.

Figure 3: NPL in the NLB Group: fall of EUR 728 million

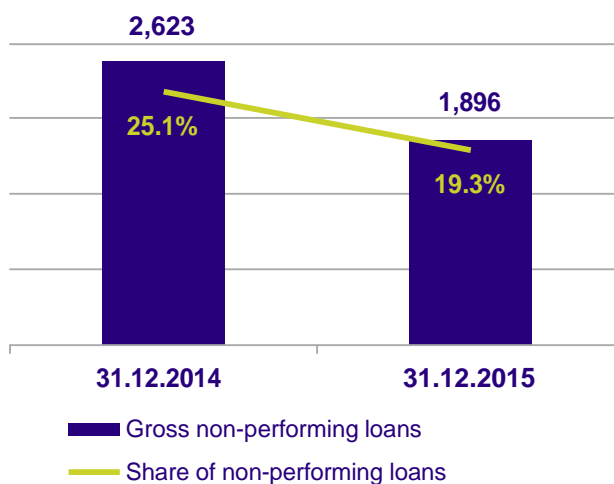
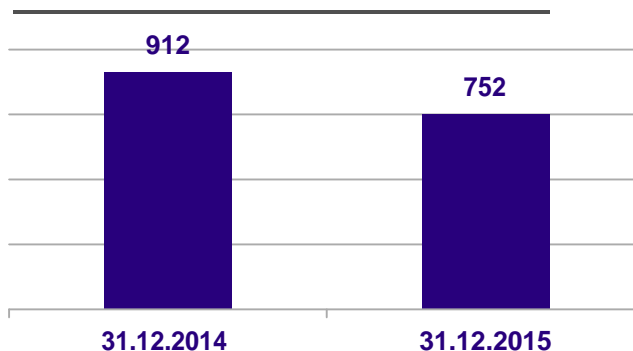


Figure 4: Non-core assets of the NLB Group



Overview of the NLB Group's Financial Performance

Key Overview

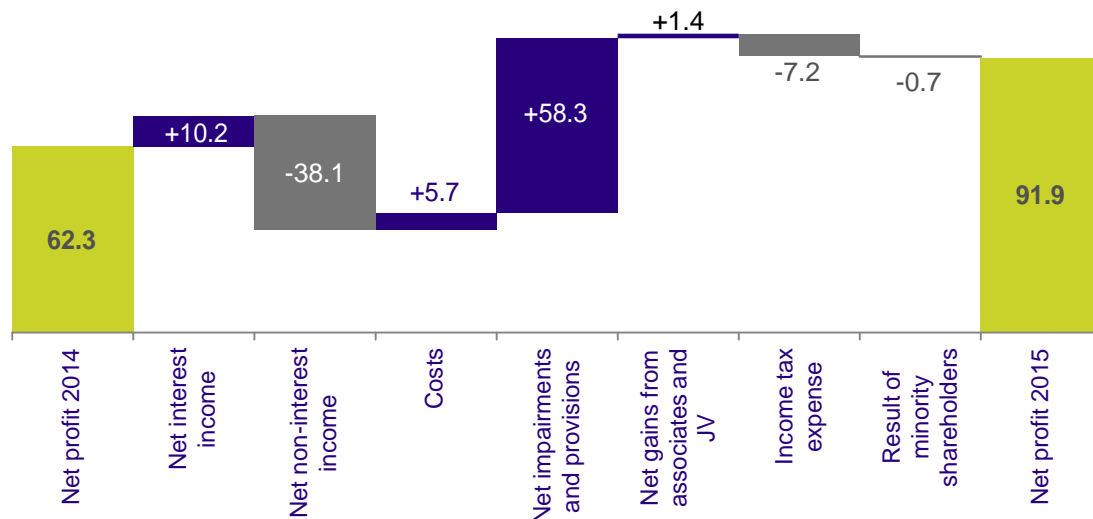
- **The goals set for 2015 were exceeded.** Improved profitability of the NLB Group despite the very challenging market conditions and unfavourable trends in banking industry. We set up the trend of stable operations with a high capital adequacy.
- NLB Group realized **EUR 91.9 million profit after tax**, which is EUR 29.6 million more than in 2014 and EUR 20.8 million more than planned. Besides the parent company NLB d.d., all strategic NLB Group members completed the year 2015 with a profit and significantly contributed to the improvement.
- In 2015, we **continued cost reductions. Costs were 2% lower** than in 2014 and also lower compared to what was originally planned. The cost to income ratio (CIR) was 61.6%.
- Despite significant pressure on **interest margin** it has **increased to 2.9%**, based on margin improvements of the bank subsidiaries in SE Europe and a stable interest margin of NLB d.d..
- We recorded **growth in retail loans by 3%**, the positive trend also achieved in corporate loans in strategic markets.
- We improved the assets quality of the NLB Group, **gross non performing loans reduced by EUR 727.9 million or 27.8%**, while the share of non-performing loans decreased from 25.1% in 2014 to 19.3% at the end of 2015.
- A **favourable liquidity position** allowed us to regularly and partially also prematurely repay liabilities on financial markets.
- We actively continued divestment activities on the non-core part of the NLB Group.

Income Statement

Table 2: NLB d.d. and NLB Group – key income statement items

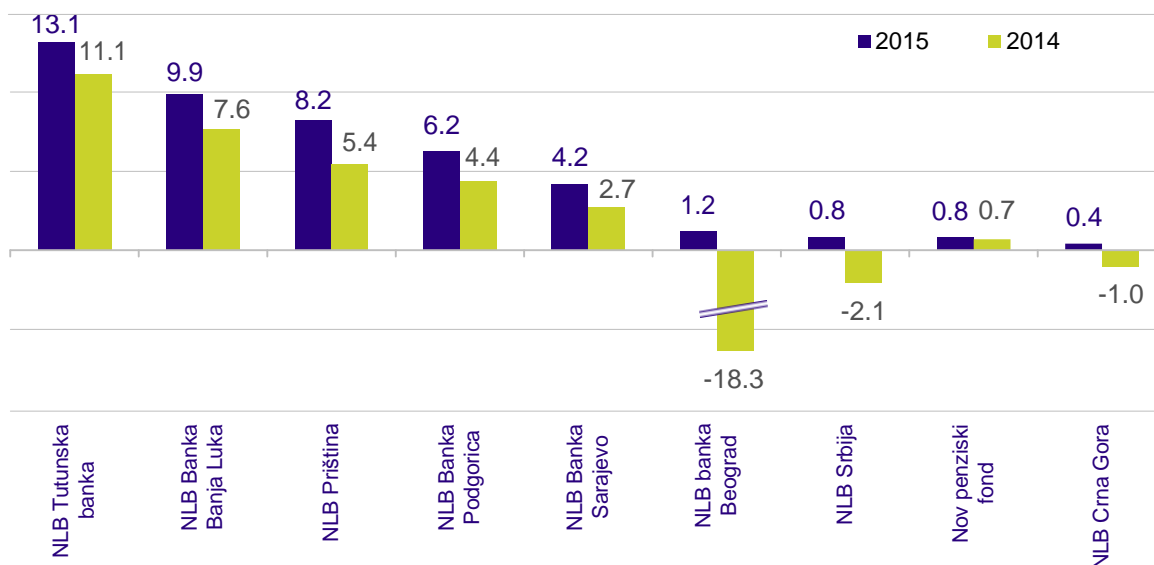
in EUR million	NLB Group			NLB d.d.		
	2015	2014	Change	2015	2014	Change
Net interest income	340.2	330.0	3%	208.0	227.3	-9%
Net fee and commission income	138.8	139.6	-1%	98.1	100.7	-3%
Dividend income	1.3	1.8	-24%	1.3	1.7	-25%
Net income from financial transactions	3.8	38.3	-90%	8.9	33.7	-74%
Net other income	-0.8	1.5	-	-2.9	1.0	-
Net non-interest income	143.2	181.3	-21%	105.3	137.1	-23%
Total net operating income	483.4	511.3	-5%	313.3	364.4	-14%
Employee costs	-163.2	-162.9	0%	-101.8	-102.4	-1%
Other administrative expenses	-102.8	-104.8	-2%	-64.0	-66.5	-4%
Depreciation and amortisation	-31.9	-35.8	-11%	-21.4	-24.4	-12%
Total costs	-297.8	-303.5	-2%	-187.2	-193.3	-3%
Result before impairments and provisions	185.6	207.8	-11%	126.1	171.1	-26%
Impairments of available-for-sale financial assets	-4.7	-1.0	385%	-2.6	-0.8	213%
Credit impairments and provisions	-50.9	-119.9	-58%	-28.1	-84.2	-67%
Other impairments and provisions	-27.6	-20.6	34%	-57.3	-8.0	617%
Impairments and provisions	-83.1	-141.4	-41%	-88.0	-93.1	-5%
Gains less losses from capital investments in subsidiaries, associates and joint ventures	4.3	2.9	50%	13.7	4.7	194%
Profit before income tax	106.8	69.2	54%	51.8	82.8	-37%
Income tax	-11.4	-4.1	175%	-8.0	-1.2	553%
Result of non-controlling interests	3.5	2.7	27%	-	-	-
Profit for the period	91.9	62.3	47%	43.9	81.5	-46%

Figure 4: Net profit of the NLB Group – evolution in 2015 (in EUR million)



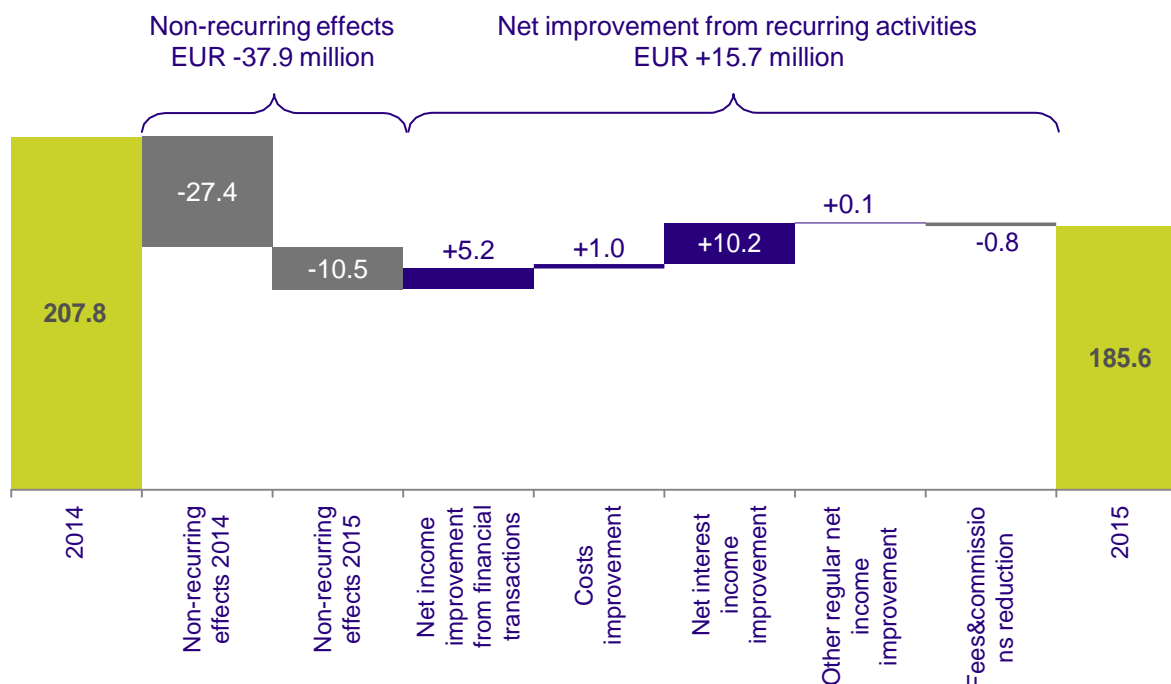
NLB Group realized **EUR 91.9 million profit after tax** in 2015, reflecting the trend of business improvement compared to 2014.

Figure 5: Net profit of the strategic NLB Group members (on standalone basis) – comparison to 2014 (in EUR million)



With its stand-alone result of EUR 43.9 million, NLB d.d. contributed the most to the NLB Group result. All other core members in the SE European markets, where the NLB Group operates, also recorded profit in 2015. The total profit on these markets, which are very important for the NLB Group, was increased considerably compared to 2014 (from EUR 5.8 million in 2014 to EUR 40.5 million in 2015). NLB d.d. continues with its activities of divesting all non-core members, including regular repayments and other divestment activities. Accordingly, most of the non-core members in 2015 operated at a loss.

Figure 6: Profit before impairments and provisions of the NLB Group – evolution in 2015 (in EUR million)



Profit before impairments and provisions was lower compared with the previous year due to certain non-recurring effects (in a total amount of EUR 10.5 million), which had a negative impact on the result, in particular in the first quarter of 2015 while the non recurring effects in 2014 were positive in amount of EUR 27.4 million. The NLB Group result before impairments and provisions in 2015, **without taking into account non-recurring items, increased by 8.7%** compared to the same period of the previous year. The improvement is mostly due to a higher net interest income (EUR 10.2 million) as a result of higher interest margins of the banking members of the NLB Group, stable interest margins of NLB d.d. and lower operating costs (EUR 4.6 million restructuring costs shown as non-recurring effects and EUR 1.0 million other operating costs). The income from net fees and commissions remained stable.

Net interest income of the NLB Group, accounted for the largest share in total net income of the NLB Group and compared with the previous year increased by 3% and exceeded the planned as a result of active measures in the area of assets and liabilities management. The improvement was also in 2015 largely driven by lower interest expenses, while interest income was under large pressure due to targeted reduction of the loan portfolio, all lower levels of interest rates and lower yields on the securities portfolio. All banking members of the NLB Group on the SE European markets realized a higher interest margin, which is why the total **interest margin** at the level of the NLB Group **increased** from the previous year, namely **from 2.7% to 2.9%** and exceeded the planned figure.

The situation on the Slovenian market must be pointed out in particular. NLB d.d., despite low interest rates and increased competition in the Slovenian market, realized 2.4% interest margin. The interest margin of the NLB Group was 2.9% in 2015 but it will be difficult to maintain it at the same level in the future if the situation in the Slovenian and European international macroeconomic environment does not improve. Therefore, on the regional banking sector we expect further pressure on the revenue's side in 2016, with a consequent reduction in the interest margin in all markets of the NLB Group.

The **net non-interest income** of the NLB Group is mostly composed of a relatively stable net income from net fees and commissions and more volatile financial operations. In 2014 non-recurring effects had a positive impact on non-interest income in amount of EUR 35.5 million, while in 2015 non-recurring effects were negative in amount of EUR 7.1 million, which were primarily affected by negative exchange rate differences due to the sudden change in the CHF exchange rate in 1Q 2015. Additionally, net non-interest income in 2015 was further reduced by the first payment made to the Single Resolution Fund amounting to EUR 4.3 million.

Regular net non-interest income (excluding non-recurring effects) increased by 3.1% in 2015. Net income from fees and commissions represents the most material share and the most stable source of net non-interest income. The net fees and commissions income in 2015 did not change compared to 2014 in spite of the negative effects of the increased tax rate of financial service tax.

The downward trend of operating costs in the NLB Group continued in 2015. We further **reduced the operating costs of the NLB Group by 2%**. We reduced general and administrative costs and depreciation costs.

Cost to income ratio (CIR) of the NLB Group was 61.6%, while excluding non-recurring effects it was 60.0%. Compared to the previous year, it was lower by 2.1 percentage points. The CIR in NLB d.d. was 57.2%.

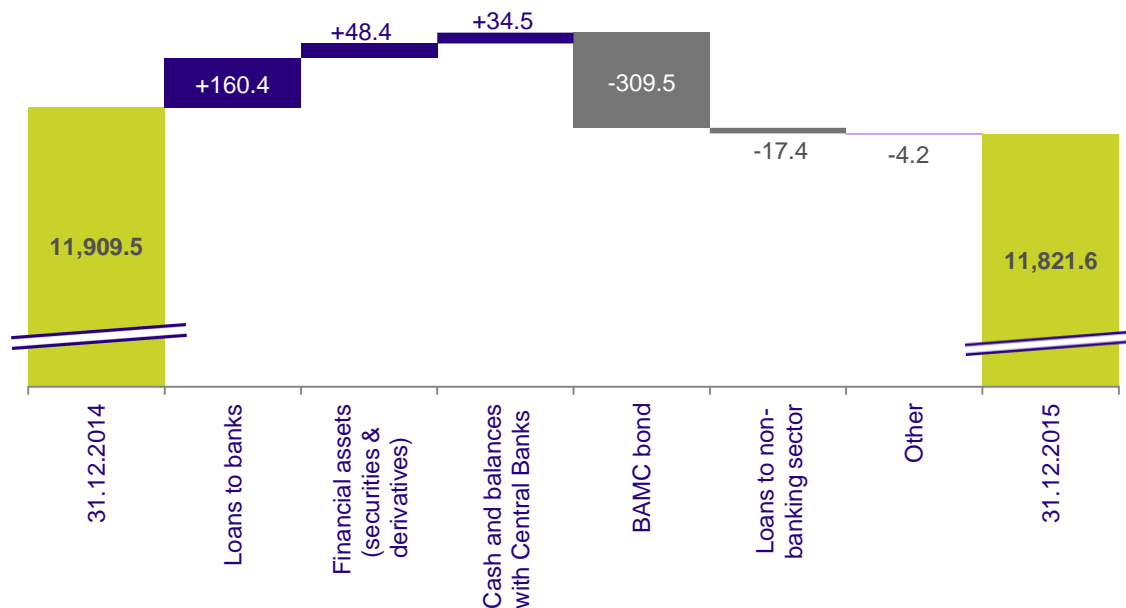
In 2015, the **impairments and provisions** of the NLB Group stood at EUR 83.1 million, which represents a decrease of 41% compared to 2014, whereas impairments and provisions for credit risk alone decreased by 58%. This can be attributed to positive effects achieved with successful restructuring of some major clients and successful resolution of NPLs.

Statement of financial position

Table 3: Key financial position items

in EUR million	NLB Group			NLB d.d.		
	31.12.2015	31.12.2014	Change	31.12.2015	31.12.2014	Change
Cash, cash balances at central banks and other demand deposits at banks	1,162.0	1,127.5	3%	496.8	434.4	14%
Loans to banks	431.8	271.3	59%	345.2	159.3	117%
Loans to non-banking sector	7,088.2	7,415.1	-4%	5,220.7	5,699.8	-8%
Gross loans	8,351.0	9,053.4	-8%	5,915.4	6,698.2	-12%
- corporate	4,282.3	4,942.1	-13%	3,063.0	3,727.1	-18%
- individuals	3,050.8	2,958.0	3%	1,957.9	1,958.8	0%
- government	708.3	534.2	33%	585.0	393.2	49%
- BAMC bonds	309.6	619.1	-50%	309.6	619.1	-50%
Impairments	-1,262.8	-1,638.3	-23%	-694.7	-998.4	-30%
Financial assets	2,577.7	2,529.3	2%	2,086.7	2,037.9	2%
- Held for trading	267.4	138.2	93%	267.9	138.8	93%
- Available-for-sale, held to maturity and designated at fair value through PL	2,310.3	2,391.1	-3%	1,818.8	1,899.1	-4%
Investments in subsidiaries, subsidiaries, associates and joint ventures	39.7	37.5	6%	353.1	352.7	0%
Property and equipment, investment property	301.2	256.6	17%	103.2	98.8	4%
Intangible assets	39.3	42.8	-8%	29.6	33.7	-12%
Other assets	181.7	229.3	-21%	71.5	69.0	4%
TOTAL ASSETS	11,821.6	11,909.5	-1%	8,706.8	8,885.7	-2%
Deposits from non-banking sector	9,025.6	8,948.5	1%	6,298.3	6,299.6	0%
- corporate	2,168.5	2,031.3	7%	1,416.0	1,312.2	8%
- individuals	6,493.5	6,336.9	2%	4,630.1	4,515.8	3%
- government	363.6	580.3	-37%	252.1	471.6	-47%
Deposits from banks and central banks	58.0	62.3	-7%	96.7	91.1	6%
Debt securities in issue	305.0	359.9	-15%	305.0	359.9	-15%
Borrowings	671.3	851.4	-21%	536.1	677.1	-21%
Other liabilities	284.1	300.8	-6%	228.6	253.1	-10%
Subordinated liabilities	27.3	17.3	58%	0.0	0.0	-
Equity	1,422.8	1,343.1	6%	1,242.2	1,204.9	3%
Non-controlling interests	27.6	26.2	5%	-	-	-
TOTAL LIABILITIES AND EQUITY	11,821.6	11,909.5	-1%	8,706.8	8,885.7	-2%

Figure 7: Total assets of the NLB Group – evolution in 2015 (in EUR million)

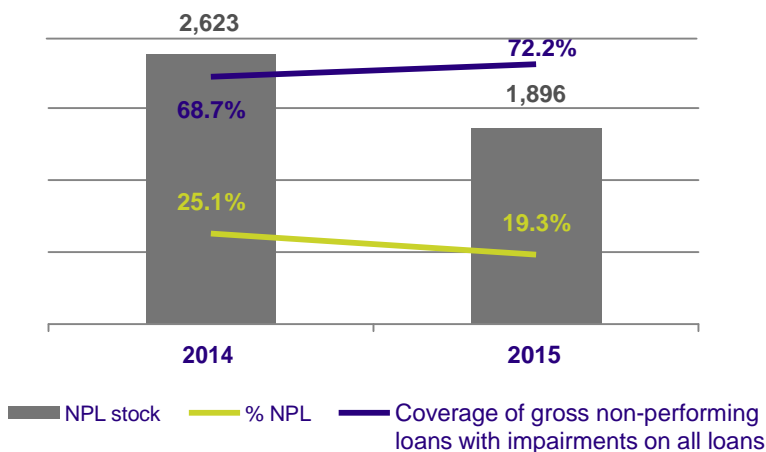


We increased the **volume of loans to clients** on strategic segment, both the retail and corporate. According to the NLB Group strategy the decrease of non-core credit portfolio continues.

In 2015, NLB d.d. granted **EUR 720 million of new loans** of which almost half for financing working capital in corporate segment. Long term loans represented 70% of new production. New retail loans amounted to EUR 430 million, of which more than half (58%) were consumer loans.

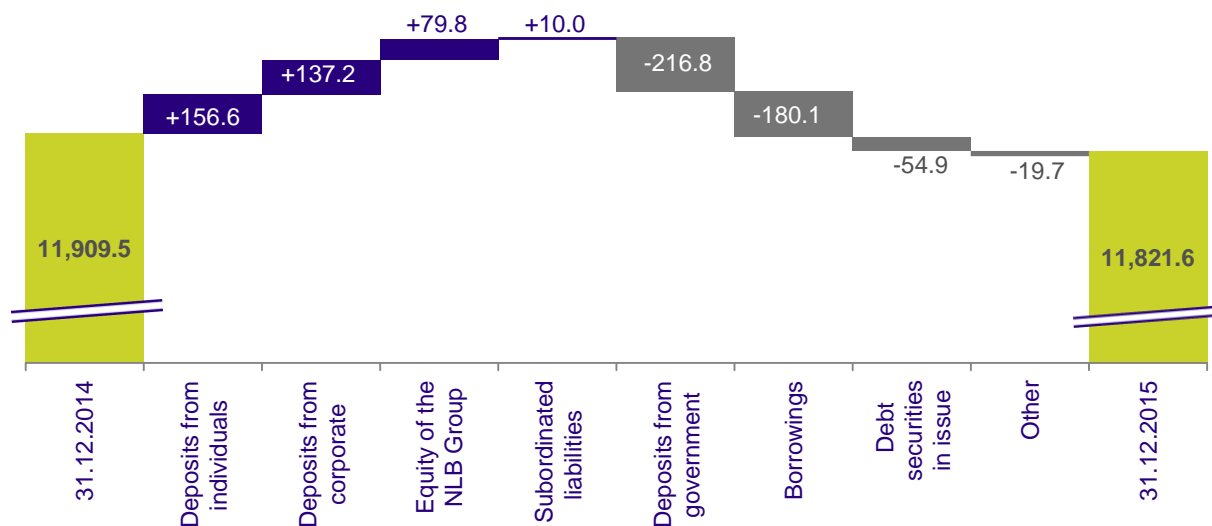
The NLB Group successfully continued with activities to improve the quality of its assets. The **gross non-performing loans decreased by EUR 727.9 million or 27.8%** compared to the end of previous year. The gross non-performing loans as a percentage of total loans fell by 5.8 percentage points from 25.1% in 2014 **to 19.3%** at the end of 2015. The level of coverage by impairments and provisions at the end of 2015 on the non-performing loans was at the level of 72.2%.

Figure 8: The evolution of NPLs in NLB Group and measures taken (in EUR million and %)



At the end of 2015, the **unencumbered liquidity reserves** of the NLB Group stood at EUR 4,659.8 million or 40% of the total assets, having decreased by 4.8% compared to the end of 2014 as a result of regular and prepayments of funding liabilities on the financial markets. Dynamic liquidity projections for NLB d.d. reveal that, in the case of baseline and stressed scenarios, NLB d.d. will have no short-falls in liquidity reserves in the one-year period to follow. The other banking members of the NLB Group also have surplus liquidity reserves and do not expect any liquidity challenges.

Figure 9: Total liabilities of the NLB Group – evolution in 2015 (in EUR million)



Deposits from the non-banking sector at the end of 2015 represented 76% of the total funding for the NLB Group. Deposits from corporate and retail were higher compared with the previous year, while deposits from state decreased by 37%. Owing to repayments, the liabilities relating to issued debt securities, borrowings and subordinated debt dropped by EUR 225.0 million, which includes early repayments in the amount of EUR 105.5 million because of a strong liquidity position. The loan-to-deposit ratio (LTD) of the non-banking sector in the NLB Group at the end of 2015 amounted to 75.1% (without BAMC bond).

The capital adequacy of the NLB Group was 16.2%; it decreased by 1.4 percentage points in 2015. The decrease is mainly a result of an increase in risk-weighted assets as a consequence of regulatory changes at the beginning of 2015 concerning the use of weights in the calculation of risk-weighted assets for investments in securities of the SEE countries (from 0% to 100%). In the capital adequacy calculation the result of 2015 is already included reduced for the expected dividend payout to the owner in the amount of the NLB d.d. result whereas eventual payment of dividends will be decided by the relevant corporate bodies of the Bank.

Financial Statements

Unaudited Annual Financial Statements of NLB Group and NLB d.d.

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Statement of financial position if the NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		31/12/2015	31/12/2014
1	Cash, cash balances at central banks and other demand deposits at banks	1,161,983	1,127,527
2	Financial assets held for trading	267,413	138,218
3	Financial assets designated at fair value through profit or loss	7,595	6,510
4	Available-for-sale financial assets	1,737,191	1,672,952
5	Derivatives - hedge accounting	1,083	2,966
6	Loans and receivables	7,589,496	7,758,226
	- debt securities	394,579	706,785
	- loans and receivables to banks	431,775	271,340
	- loans and receivables to non-bank customers	6,693,621	6,708,332
	- other financial assets	69,521	71,769
7	Held-to-maturity investments	565,535	711,648
8	Fair value changes of the hedged items in portfolio hedge of interest rate risk	741	912
9	Non-current assets and disposal groups classified as held for sale	4,629	5,643
10	Property, plant and equipment	207,730	215,175
11	Investment property	93,513	41,472
12	Intangible assets	39,327	42,751
13	Investments in associates and joint ventures	39,696	37,525
14	Tax assets	10,329	7,845
	- current tax assets	929	1,898
	- deferred tax assets	9,400	5,947
15	Other assets	95,354	140,119
16	TOTAL ASSETS (from 1 to 15)	11,821,615	11,909,489
17	Financial liabilities held for trading	29,920	43,758
18	Financial liabilities designated at fair value through profit or loss	4,912	4,701
19	Derivatives - hedge accounting	33,842	43,985
20	Financial liabilities measured at amortised cost	10,157,553	10,306,615
	- deposits from banks and central banks	57,982	62,334
	- deposits from non-bank customers	9,020,666	8,943,832
	- loans and advances from banks and central banks	571,029	714,722
	- loans and advances from non-bank customers	100,267	136,660
	- debt instruments	304,962	359,853
	- subordinated liabilities	27,340	17,328
	- other financial liabilities	75,307	71,886
21	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0
22	Liabilities included in disposal groups classified as held for sale	0	0
23	Provisions	122,639	126,974
24	Tax liabilities	7,827	2,095
	- current tax liabilities	7,514	1,780
	- deferred tax liabilities	313	315
25	Other liabilities	14,539	12,066
26	TOTAL LIABILITIES (from 17 to 25)	10,371,232	10,540,194
27	Basic equity	200,000	200,000
28	Share premium	871,378	871,378
29	Other equity instruments	0	0
30	Accumulated other comprehensive income	23,603	36,485
31	Reserves from profit	13,522	13,522
32	Treasury shares	0	0
33	Retained earnings (including income from the current year)	314,307	221,676
34	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (from 27 to 33)	1,422,810	1,343,061
35	Equity attributable to non-controlling interests	27,573	26,234
36	TOTAL EQUITY (34 + 35)	1,450,383	1,369,295
37	TOTAL LIABILITIES AND EQUITY (26 + 36)	11,821,615	11,909,489

Income statement of the NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2015	2014
1	Interest income	443,203	498,163
2	Interest expenses	103,001	168,157
3	Interest net income (1 - 2)	340,202	330,006
4	Dividend income	1,346	1,778
5	Fee and commission income	195,710	192,841
6	Fee and commission expenses	56,899	53,212
7	Fee and commission net income (5 - 6)	138,811	139,629
8	Gains less losses from financial assets and liabilities not measured at fair value through profit and loss	10,659	37,413
9	Net gains less losses on financial assets and liabilities held for trading	(18,877)	3,620
10	Net gains less losses on financial assets and liabilities designated at fair value through profit or loss	(3)	60
11	Fair value adjustments in hedge accounting	231	(982)
12	Exchange differences	11,831	(1,776)
13	Net gains less losses on derecognition of assets	(624)	(1,292)
14	Other operating net income	505	5,575
15	Administration costs	265,984	267,727
16	Depreciation	31,856	35,776
17	Provisions	(696)	24,378
18	Impairment	83,801	117,061
19	Negative goodwill	0	0
20	Net gains less losses from investments in associates and joint ventures	4,312	2,872
21	Net profit or loss from non-current assets	(690)	(2,762)
22	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS (3 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 13 + 14 - 15 - 16 - 17 - 18 + 19 + 20 + 21)	106,758	69,199
23	Tax expense (income) related to profit or loss from continuing operations	11,380	4,131
24	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS (22 - 23)	95,378	65,068
25	Total profit or loss after tax from discontinued operations	0	0
26	NET PROFIT OR LOSS FOR THE FINANCIAL YEAR (24 + 25)	95,378	65,068
	a) Profit or loss attributable to owners of the parent	91,914	62,336
	b) Profit or loss attributable to non-controlling interests	3,464	2,732

Statement of cash flows of the NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2015	2014
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
a)	Interest received	467,091	508,281
	Interest paid	(121,143)	(196,799)
	Dividends received	1,346	1,714
	Fee and commission receipts	194,133	191,505
	Fee and commission paid	(56,972)	(51,689)
	Realised gains on financial assets and liabilities not measured at fair value through profit or loss	10,964	37,623
	Realised losses on financial assets and liabilities not measured at fair value through profit or loss	(234)	(187)
	Net gains / (losses) from financial instrument held for trading	(23,110)	2,739
	Cash payments to employees and suppliers	(271,456)	(274,080)
	Other cash receipts from operating activities	31,129	31,958
	Other cash payments from operating activities	(20,676)	(28,798)
	Cash flow from operating activities before changes in operating assets and liabilities	211,072	222,267
b)	(Increases) / decreases in operating assets (excl.cash & cash equivalents)	(143,429)	139,620
	Net (increase) / decrease in financial assets held for trading	(135,235)	(47,565)
	Net (increase) / decrease in financial assets designated at fair value through profit or loss	(880)	2,548
	Net (increase) / decrease in financial assets available for sale	(45,544)	(1,342)
	Net (increase) / decrease in loans and receivables	33,155	174,502
	Net (increase) / decrease in other assets	5,075	11,477
c)	(Increases) / decreases in operating liabilities	(200,359)	(637,868)
	Net increase / (decrease) in deposits, loans and receivables measured at amortised cost	(146,993)	(926,886)
	Net increase / (decrease) in debt instruments in issue measured at amortised cost	(53,469)	288,979
	Net increase / (decrease) in other liabilities	103	39
č)	Cash flow from operating activities	(132,681)	(275,981)
d)	Income taxes (paid) refunded	(4,980)	(2,204)
e)	Net cash flow from operating activities	(137,696)	(278,185)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
a)	Receipts from investing activities	178,923	237,276
	Receipts from the sale of tangible assets and investment properties	3,718	2,303
	Receipts from dividends from associates	35	0
	Receipts from non-current assets or liabilities held for sale	170	982
	Receipts from the sale of financial assets held to maturity	175,000	233,991
b)	Cash payments on investing activities	(51,377)	(97,605)
	(Cash payments to acquire tangible assets and investment properties)	(11,404)	(10,793)
	(Cash payments to acquire intangible assets)	(7,685)	(7,696)
	(Cash payments for the investment in subsidiaries, associates and joint ventures)	(404)	0
	(Cash payments to acquire held to maturity investments)	(31,884)	(79,116)
c)	Net cash flow from investing activities	127,546	139,671
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
a)	Cash proceeds from financing activities	9,900	0
	Cash proceeds from subordinated liabilities issued	9,900	0
b)	Cash payments on financing activities	(977)	(4,753)
	(Dividends paid)	(977)	(108)
	(Cash repayments of subordinated liabilities)	0	(4,570)
	(Other cash payments related to financial activities)	0	(75)
c)	Net cash flow from financing activities	8,923	(4,753)
D.	Effects of change in exchange rates on cash and cash equivalents	10,246	5,346
E.	Net increase in cash and cash equivalents	(1,227)	(143,267)
F.	Opening balance of cash and cash equivalents	1,292,984	1,430,905
G.	Closing balance of cash and cash equivalents	1,302,003	1,292,984

Statement of comprehensive income of the NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2015	2014
1	NET PROFIT OR LOSS FOR THE FINANCIAL YEAR AFTER TAX	95,378	65,068
2	OTHER COMPREHENSIVE INCOME AFTER TAX (3 + 4)	(12,859)	33,452
3	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (3.1 + 3.2 + 3.3 + 3.4 + 3.5 + 3.6)	(1,168)	(3,767)
3.1	Tangible assets	0	0
3.2	Intangible assets	0	0
3.3	Actuarial gains (losses) on defined benefit pensions plans	(1,975)	(3,656)
3.4	Non-current assets and disposal groups held for sale	0	0
3.5	Share of other recognised comprehensive income of entities accounted for using the equity method	69	(111)
3.6	Income tax relating to items that will not be reclassified	738	0
4	ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (4.1 + 4.2 + 4.3 + 4.4 + 4.5 + 4.6 + 4.7)	(11,691)	37,848
4.1	Hedge of net investments in foreign operations (effective portion) (4.1.1 + 4.1.2 + 4.1.3)	0	0
4.1.1	Valuation gains (losses) taken to equity	0	0
4.1.2	Transferred to profit or loss	0	0
4.1.3	Other reclassifications	0	0
4.2	Foreign currency translation (4.2.1 + 4.2.2 + 4.2.3)	(2,685)	(2,467)
4.2.1	Valuation gains (losses) taken to equity	(2,685)	(2,467)
4.2.2	Transferred to profit or loss	0	0
4.2.3	Other reclassifications	0	0
4.3	Cash flow hedges (effective portion) (4.3.1 + 4.3.2 + 4.3.3 + 4.3.4)	509	(655)
4.3.1	Valuation gains (losses) taken to equity	(78)	(1,334)
4.3.2	Transferred to profit or loss	587	679
4.3.3	Transferred to initial carrying amount of hedged items	0	0
4.3.4	Other reclassifications	0	0
4.4	Available-for-sale financial assets (4.4.1 + 4.4.2 + 4.4.3)	(8,496)	40,970
4.4.1	Valuation gains (losses) taken to equity	(2,316)	77,518
4.4.2	Transferred to profit or loss	(6,180)	(36,548)
4.4.3	Other reclassifications	0	0
4.5	Non-current assets and disposal groups held for sale (4.5.1 + 4.5.2 + 4.5.3)	0	0
4.5.1	Valuation gains (losses) taken to equity	0	0
4.5.2	Transferred to profit or loss	0	0
4.5.3	Other reclassifications	0	0
4.6	Share of other recognised comprehensive income of entities accounted for using the equity method	(2,804)	7,449
4.7	Income tax relating to components of other comprehensive income	1,785	(8,078)
5	TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR AFTER TAX (1 + 2)	82,519	98,520
	a) Attributable to owners of the parent	79,032	95,725
	b) Attributable to non-controlling interests	3,487	2,795

Statement changes in equity in 2015 of the NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	Basic equity	Share premium	Other equity instruments issued	Revaluation reserves	Reserves from profit	Retained earnings or loss (including income from the current year)	Treasury shares (capital deduction item)	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
1	OPENING BALANCE (BEFORE RESTATEMENT)	200,000	871,378	0	36,485	13,522	221,676	0	1,343,061	26,234	1,369,295
2	Effects of corrections of errors										
3	Effects of changes in accounting policies										
4	OPENING BALANCE FOR THE REPORTING PERIOD (1+2+3)	200,000	871,378	0	36,485	13,522	221,676	0	1,343,061	26,234	1,369,295
5	Consolidated Comprehensive Income for the financial year after tax				(12,882)		91,914		79,032	3,487	82,519
6	Dilution of shareholders										
7	New share capital subscribed (paid)										
8	Conversion of other equity instruments issued										
9	Repayment of equity										
10	Net purchase/sale of treasury shares										
11	Appropriation of (accounting for) dividends/rewards in form of shares										
12	Appropriation of (accounting for) dividends									(1,048)	(1,048)
13	Transfer of net profit to reserves from profit										
14	Covering of the loss brought forward										
15	Covering of the loss from the current year										
16	Other						717		717	(1,100)	(383)
17	CLOSING BALANCE FOR THE PERIOD (4+5+6+7+8+9+10+11+12+13+14+15+16)	200,000	871,378	0	23,603	13,522	314,307	0	1,422,810	27,573	1,450,383

Statement changes in equity in 2014 of the NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	Basic equity	Share premium	Other equity instruments issued	Accumulated other comprehensive income	Reserves from profit	Retained earnings or loss (including income from the current year)	Treasury shares (capital deduction item)	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
1	OPENING BALANCE (BEFORE RESTATEMENT)	200,000	871,378	0	3,096	13,522	159,391	0	1,247,387	23,610	1,270,997
2	Effects of corrections of errors										
3	Effects of changes in accounting policies										
4	OPENING BALANCE FOR THE REPORTING PERIOD (1+2+3)	200,000	871,378	0	3,096	13,522	159,391	0	1,247,387	23,610	1,270,997
5	Consolidated Comprehensive Income for the financial year after tax				33,389		62,336		95,725	2,795	98,520
6	New share capital subscribed (paid)										
7	Conversion of other equity instruments issued										
8	Net purchase/sale of treasury shares										
9	Appropriation of (accounting for) dividends/rewards in form of shares										
10	Appropriation of (accounting for) dividends									(183)	(183)
11	Transfer of net profit to reserves from profit										
12	Covering of the loss brought forward										
13	Other						(51)		(51)	12	(39)
14	CLOSING BALANCE FOR THE PERIOD (4+5+6+7+8+9+10+11+12+13)	200,000	871,378	0	36,485	13,522	221,676	0	1,343,061	26,234	1,369,295

Statement of financial position of the NLB d.d.

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		31/12/2015	31/12/2014
1	Cash, cash balances at central banks and other demand deposits at banks	496,806	434,438
2	Financial assets held for trading	267,880	138,808
3	Financial assets designated at fair value through profit or loss	4,913	4,702
4	Available-for-sale financial assets	1,248,359	1,182,748
5	Derivatives - hedge accounting	1,083	2,966
6	Loans and receivables	5,614,869	5,906,961
	- debt securities	394,579	706,785
	- loans to banks	345,207	159,300
	- loans to non-bank customers	4,826,139	4,993,040
	- other financial assets	48,944	47,836
7	Held-to-maturity investments	565,535	711,648
8	Fair value changes of the hedged items in portfolio interest rate risk	741	912
9	Non-current assets and disposal groups classified as held for sale	1,776	2,580
10	Property, plant and equipment	94,570	97,330
11	Investment property	8,613	1,458
12	Intangible assets	29,627	33,743
13	Investments in subsidiaries, associates and joint ventures	353,095	352,712
14	Tax assets	9,139	6,738
	- current tax assets	0	0
	- deferred tax assets	9,139	6,738
15	Other assets	9,779	7,983
16	TOTAL ASSETS (from 1 to 15)	8,706,785	8,885,727
17	Financial liabilities held for trading	29,909	43,764
18	Financial liabilities designated at fair value through profit or loss	4,912	4,701
19	Derivatives - hedge accounting	33,842	43,985
20	Financial liabilities measured at amortised cost	7,278,477	7,469,205
	- deposits from banks and central banks	96,736	91,115
	- deposits from non-bank customers	6,293,339	6,294,925
	- loans from banks and central banks	519,926	643,578
	- loans from non-bank customers	16,168	33,511
	- debt securities issued	304,962	359,853
	- subordinated liabilities	0	0
	- other financial liabilities	47,346	46,223
21	Fair value changes of the hedged items in portfolio interest rate risk	0	0
22	Liabilities included in disposal groups classified as held for sale	0	0
23	Provisions	105,137	114,565
24	Tax liabilities	6,681	324
	- current tax liabilities	6,681	324
	- deferred tax liabilities	0	0
25	Other liabilities	5,676	4,263
26	TOTAL LIABILITIES (from 17 to 25)	7,464,634	7,680,807
27	Basic equity	200,000	200,000
28	Share premium	871,378	871,378
29	Other equity instruments	0	0
30	Accumulated other comprehensive income	31,841	38,491
31	Reserves from profit	13,522	13,522
32	Treasury shares	0	0
33	Retained earnings (including income from current year)	125,410	81,529
34	TOTAL EQUITY (from 27 to 33)	1,242,151	1,204,920
35	TOTAL LIABILITIES AND EQUITY (26+34)	8,706,785	8,885,727

Income statement of the NLB d.d.

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2015	2014
1	Interest income	269,000	332,225
2	Interest expenses	60,993	104,882
3	Interest net income (1 - 2)	208,007	227,343
4	Dividend income	1,264	1,695
5	Fee and commission income	128,896	130,499
6	Fee and commission expenses	30,828	29,761
7	Fee and commission net income (5 - 6)	98,068	100,738
8	Realised net gains and losses from financial assets and liabilities not measured at fair value through profit and loss	10,685	37,096
9	Net gains and losses from financial assets and liabilities held for trading	(25,304)	(2,574)
10	Net gains and losses from financial assets and liabilities designated at fair value through profit or loss	0	0
11	Fair value adjustments in hedge accounting	231	(982)
12	Exchange differences	23,251	170
13	Net gains and losses on derecognition of assets	(450)	(584)
14	Other operating net income	(1,899)	3,211
15	Administration costs	165,813	168,948
16	Depreciation	21,410	24,356
17	Provisions	(5,153)	30,750
18	Impairment	93,114	62,321
19	Negative goodwill	0	0
20	Net gains and losses from investments in subsidiaries, associates and joint ventures	13,747	4,683
21	Total profit or loss from non-current assets and disposal groups classified as held for sale	(567)	(1,671)
22	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS (3 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 13 + 14 - 15 - 16 - 17 - 18 + 19 + 20 + 21)	51,849	82,750
23	Tax expense (income) related to profit or loss from continuing operations	7,968	1,221
24	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS (22-23)	43,881	81,529
25	Total profit or loss after tax from discontinued operations	0	0
26	NET PROFIT OR LOSS for the financial year (24 + 25)	43,881	81,529

Statement of cash flows of the NLB d.d.

in EUR thousand

Designation	ITEM DESCRIPTION	AMOUNT	
		2015	2014
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
a)	Interest received	294,113	349,133
	Interest paid	(72,613)	(127,912)
	Dividends received	1,264	1,695
	Fee and commission receipts	126,371	128,230
	Fee and commission paid	(30,993)	(29,563)
	Realised gains on financial assets and liabilities not measured at fair value through profit or loss	10,886	37,301
	Realised losses on financial assets and liabilities not measured at fair value through profit or loss	(234)	(187)
	Net gains / (losses) from financial instrument held for trading	(28,335)	(2,516)
	Cash payments to employees and suppliers	(174,051)	(176,232)
	Other cash receipts from operating activities	14,136	17,885
	Other cash payments from operating activities	(16,487)	(17,629)
	Cash flow from operating activities before changes in operating assets and liabilities	124,057	180,205
b)	(Increases) / decreases in operating assets (excl. cash & cash equivalents)	(34,116)	369,209
	Net (increase) / decrease in financial assets held for trading	(135,235)	(47,565)
	Net (increase) / decrease in financial assets available for sale	(88,304)	3,241
	Net (increase) / decrease in loans and receivables	189,680	414,263
	Net (increase) / decrease in other assets	(257)	(730)
c)	(Increases) / decreases in operating liabilities	(208,931)	(765,942)
	Net increase / (decrease) in deposits, loans and receivables measured at amortised cost	(155,700)	(1,054,832)
	Net increase / (decrease) in debt instruments in issue measured at amortised cost	(53,469)	288,979
	Net increase / (decrease) in other liabilities	238	(89)
č)	Cash flow from operating activities	(118,990)	(216,528)
d)	Income taxes (paid) refunded	(678)	0
e)	Net cash flow from operating activities	(119,668)	(216,528)
B.	CASHFLOWS FROM INVESTING ACTIVITIES		
a)	Receipts from investing activities	188,913	240,095
	Receipts from the sale of tangible assets and investment properties	68	545
	Receipts from the disposal of subsidiaries, associates and joint ventures	0	250
	Receipts from dividends from subsidiaries and associates	13,747	4,683
	Receipts from non-current assets or liabilities held for sale	98	626
	Receipts from the sale of financial assets held to maturity	175,000	233,991
b)	Cash payments on investing activities	(70,863)	(124,252)
	(Cash payments to acquire tangible assets and investment properties)	(5,672)	(3,381)
	(Cash payments to acquire intangible assets)	(5,577)	(6,422)
	(Cash payment for the investment in subsidiaries, associates and joint ventures)	(27,730)	(35,333)
	(Cash payments to acquire held to maturity investments)	(31,884)	(79,116)
c)	Net cash flow from investing activities	118,050	115,843
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
a)	Cash proceeds from financing activities	0	0
b)	Cash payments on financing activities	0	0
c)	Net cash flow from financing activities	0	0
D.	Effects of change in exchange rates on cash and cash equivalents	8,226	6,816
E.	Net increase in cash and cash equivalents	(1,618)	(100,685)
F.	Opening balance of cash and cash equivalents	519,223	613,092
G.	Closing balance of cash and cash equivalents	525,831	519,223

Statement of comprehensive income of the NLB d.d.

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2015	2014
1	NET PROFIT OR LOSS FOR THE FINANCIAL YEAR AFTER TAX	43,881	81,529
2	OTHER COMPREHENSIVE INCOME AFTER TAX (3+4)	(6,650)	29,923
3	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (3.1 + 3.2 + 3.3 + 3.4 + 3.5 + 3.6)	34	(3,946)
3.1	Tangible assets	0	0
3.2	Intangible assets	0	0
3.3	Actuarial gains (losses) on defined benefit pensions plans	(706)	(3,946)
3.4	Non-current assets held for sale	0	0
3.5	Share of other recognised comprehensive income of entities accounted for using the equity method	0	0
3.6	Income tax relating to items that will not be reclassified	740	0
4	ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (4.1 + 4.2 + 4.3 + 4.4 + 4.5)	(6,684)	33,869
4.1	Cash flow hedges (effective portion) (4.1.1 + 4.1.2 + 4.1.3 + 4.1.4)	509	(655)
4.1.1	Valuation gains (losses) taken to equity	(78)	(1,334)
4.1.2	Transferred to profit or loss	587	679
4.1.3	Transferred to initial carrying amount of hedged items	0	0
4.1.4	Other reclassifications	0	0
4.2	Available-for-sale financial assets (4.2.1 + 4.2.2 + 4.2.3)	(8,562)	41,461
4.2.1	Valuation gains (losses) taken to equity	(314)	77,908
4.2.2	Transferred to profit or loss	(8,248)	(36,447)
4.2.3	Other reclassifications	0	0
4.3	Non-current assets held for sale (4.3.1 + 4.3.2 + 4.3.3)	0	0
4.3.1	Valuation gains (losses) taken to equity	0	0
4.3.2	Transferred to profit or loss	0	0
4.3.3	Other reclassifications	0	0
4.4	Share of other recognised comprehensive income of entities accounted for using the equity method	0	0
4.5	Income tax relating to items that may be reclassified to profit or (-) loss	1,369	(6,937)
5	TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR AFTER TAX (1 + 2)	37,231	111,452

Statement changes in equity in 2015 of the NLB d.d.

in EUR thousand

Item No.	ITEM DESCRIPTION	Basic equity	Share premium	Other equity instruments issued	Accumulated other comprehensive income	Reserves from profit	Retained earnings or loss (including income from the current year)	Treasury shares (equity deduction item)	Total equity
1	OPENING BALANCE (BEFORE RESTATEMENT)	200,000	871,378	0	38,491	13,522	81,529	0	1,204,920
2	Effects of corrections of errors								0
3	Effects of changes in accounting policies								0
4	OPENING BALANCE FOR THE REPORTING PERIOD (1+2+3)	200,000	871,378	0	38,491	13,522	81,529	0	1,204,920
5	Comprehensive income for the financial year after tax				(6,650)		43,881		37,231
6	New share capital subscribed (paid)								
7	Repayment of equity								
8	Net purchase/sale of treasury shares								
9	Appropriation of (accounting for) dividends/rewards in form of shares								
10	Appropriation of (accounting for) dividends								
11	Transfer of net profit to reserves from profit								
11	Covering of the loss brought forward								
13	Other								
14	CLOSING BALANCE FOR THE REPORTING PERIOD (4+5+6+7+8+9+10+11+12+13)	200,000	871,378	0	31,841	13,522	125,410	0	1,242,151
15	BALANCE SHEET AVAILABLE PROFIT for financial year						125,410		0

Statement changes in equity in 2014 of the NLB d.d.

in EUR thousand

Item No.	ITEM DESCRIPTION	Basic equity	Share premium	Other equity instruments issued	Accumulated other comprehensive income	Reserves from profit	Retained earnings or loss (including income from the current year)	Treasury shares (equity deduction item)	Total equity
1	OPENING BALANCE (BEFORE RESTATEMENT)	200,000	871,378	0	8,568	13,522	0	0	1,093,468
2	Effects of corrections of errors								0
3	Effects of changes in accounting policies								0
4	OPENING BALANCE FOR THE REPORTING PERIOD (1+2+3)	200,000	871,378	0	8,568	13,522	0	0	1,093,468
5	Comprehensive income for the financial year after tax				29,923		81,529		111,452
6	New share capital subscribed (paid)								
7	Repayment of equity								
8	Net purchase/sale of treasury shares								
9	Appropriation of (accounting for) dividends/rewards in form of shares								
10	Appropriation of (accounting for) dividends								
11	Transfer of net profit to reserves from profit								
11	Covering of the loss brought forward								
13	Other								
14	CLOSING BALANCE FOR THE REPORTING PERIOD (4+5+6+7+8+9+10+11+12+13)	200,000	871,378	0	38,491	13,522	81,529	0	1,204,920
15	BALANCE SHEET AVAILABLE PROFIT for financial year						81,529		0