



Unaudited annual financial statements 2014

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1

BUSINESS
REPORT

Key trends and activities

Macroeconomic environment

The international economic environment was marked by **a modest recovery in the year 2014** and the gross domestic product in the euro area rose by 0.8%, according to an estimate by the European Commission. The Slovenian economy also recovered in 2014, mostly through growing exports and investments. Although economic growth had resumed, lending demand remained weak as the corporate sector continued to reduce its debt in 2014. Nevertheless, the demand for corporate loans bottomed out last year and, according to an estimate by the Bank of Slovenia, companies had begun to ask for more loans after a prolonged period of lower demand. Few blue chip companies started to use favourable conditions in the capital markets to raise funds internationally.

The economic recovery led to some job creation in the labour market although companies had remained wary. According to the Employment Service of Slovenia, employment improved in most private industries, and the IMAD expects employment to rise in the majority of industries this year. **The improved labour market is expected to eventually strengthen household consumption** while government consumption will continue to decline as public finance consolidation continues.

Given above the Slovenian banking sector continued its deleveraging in 2014 despite the improved economic situation and reduced macroeconomic risks. Credit risk in banks' balance sheets has stabilised after two cycles of AQR and stress test in 2013 and 2014 with reasonable levels of provisioning covering the banks net open exposure on non-performing loans.

NLB Group financial performance

NLB Group financial performance of the year 2014 was stable and showed a very solid **after-tax profit of EUR 62.3 million**. Operative result before provisions and impairments increased year-on-year to a level of EUR 207.5 million in year 2014.

Net Operating Income in the year 2014 was higher than in the same period last year (+47% yoy), resulting mainly from improvement in net interest income, triggered by a decrease in interest expenses from both - customers deposits and refinancing and further enhanced with divesting of non-core equity stakes and favourable market conditions in the financial markets.

After a full year 2013 of cost optimisation (EUR -35.4 million / -10% yoy), in 2014 further lower costs in NLB Group continue to be driven by restructuring process in NLB d.d. (EUR -29.3 million / -9% yoy), despite of additional costs from asset quality review and stress tests.

The level of **established impairments and provisioning is lower** than in 2013 (EUR -928.8 million). The share of NPLs remains stable, the volume decreased slightly. Further reduction of NPLs remains a focus of attention for NLB Group.

Key market activities

The following key activities influenced performance of NLB Group in the year 2014:

- **Revival of sales activities and increase in loans to clients on the strategic segments**, which resulted in an increase of market shares in those segments. In 2014 NLB d.d. managed to increase the market share in loans to non banking sector by 1.1 percentage points. In the corporate loans segment the market share increased by 1.1 percentage points, while on the retail segment NLB d.d. gained 0.6 percentage point market share.
- **The lead role in restructuring of Slovenian economy, with cooperation and activities to improve Slovene institutional environment for restructuring of companies:** on the list of 30 large companies in the restructuring process, led by the Bank of Slovenia, with almost 24

thousand employees and over EUR 2 billion exposure to banks at the end of 2013, NLB d.d. successfully led the restructuring process of over 43% of the companies on the list.

- **Active engagement of NLB d.d. in organisation and issue of syndicated loans:** the Bank concluded EUR 270 million loans in total. In all syndicated loans but two the NLB acted as the agent.
- **Active participation in corporate bond issues:** NLB d.d. organised most of the issues in Slovenia in 2014 in the total amount of EUR 178 million. The NLB coorganised the issue of Gorenje bond at EUR 73 million (together with NKBM and Alta). All securities were issued on the local market.

Other key activities in 2014

- **Successful issue of the senior unsecured bond on international capital markets in the amount of EUR 300 million in July:** this has been the first NLB appearance on the international capital markets since breakout of the financial crisis and thus a strong sign of confidence in the turnaround of NLB from the investors' community.
- **Continuation of structural and organizational changes:**
In the sales area the bank recorded good business results and managed to make considerable organisational moves, notably introducing management by objectives consistently at all levels. This way the bank additionally promotes a proactive approach to customers in the segment of small enterprises also by launching a new unit of mobile bankers and introducing innovative entrepreneurship centres and free lease of business premises to innovative entrepreneurs.
- **Implementation of Transformation Programme:**
The aim of the Transformation Programme is to analyse the existing business model, while also defining and planning the introduction of appropriately adjusted target business models for each transformed area. It consists of 23 projects and three business initiatives, out of which 14 projects and 3 business initiative were finished by the end of 2014.
- **Active approach to NPL management.**
NLB has invested a substantial effort in the past two years in order to control and reduce NPLs in the following three areas:
 - i.) detection of NPL's,
 - ii.) adaptation of the organizational structure and appropriate staffing and
 - iii.) active management of NPLs through the prevention, restructuring, recovery and divestment.

Based on such firm grounding NLB d.d. actively manages the process of further reduction with a number of initiatives. One of the key projects introduced a pro-active approach to managing the underlying Real Estate properties to accelerate the process of NPL wind-down and maximise the inherent value of the portfolio.

Gross NPLs of NLB Group have decreased yoy by EUR 150.4 million.

- **Active reduction of the non-core investment portfolio.**
In this year bank divested a number of substantial non-core equity participations at solid valuations and thanks to the dedicated efforts managed to reduce total non-core assets of the group by 13% to EUR 0.91 billion.

Key financial data

Table 1: Key financial data for NLB Group

	NLB Group			Change (w ithout extraordinary measures in 2013****)
	2013	2013 (w ithout extraordinary measures****)	2014	
Key indicators				
Return on equity after tax (ROE a.t.)	-135.5%	-108.5%	4.7%	-
Return on assets after tax (ROA a.t.)	-10.5%	-8.4%	0.5%	-
Cost/income ratio (CIR)	-	95.6%	59.4%	-36.2 o.t.
Capital adequacy ratio (CAR) *	15.2%	-	17.6%	-
Tier 1 ratio *	14.9%	-	17.6%	-
Loan/deposit ratio (LTD) - net **	86.2%	-	75.9%	-
Profit and loss account indicators (in EUR million)				
Net interest income	233.5	233.5	330.0	+41%
Net non-interest income	-172.7	114.8	181.0	+58%
Costs	332.8	332.8	303.5	-9%
Impairments and provisions	1,070.2	1,070.2	141.4	-87%
Result before tax	-1,368.7	-1,081.2	69.2	-
Result after tax	-1,441.6	-1,154.1	62.3	-
Financial position statement indicators (in EUR million)				
				Change 2014 / 2013
Total assets	12,490.1	-	11,909.5	-5%
Loans to non-banking sector (net)	7,744.2	-	7,415.1	-4%
Deposits from non-bankig sector	8,260.9	-	8,948.5	+8%
Equity	1,247.4	-	1,343.1	+8%
Equity of minority shareholders	23.6	-	26.2	+11%
Portfolio quality indicators (in EUR million)				
Gross NPL	2,837.5	-	2,687.1	-5%
Coverage ratio ²	69.7%	-	68.3%	-1.4 o.t.
Net NPL	1,047.0	-	1,038.0	-1%
NPL / total loans	25.6%	-	25.5%	-0.1 o.t.
NPL / impairments on NPL	63.1%	-	61.4%	-1.7 o.t.

* Excluding profit of minority shareholders.

** Data for 2013 and 2014 are not comparable, because of a new capital requirements directive (known as Basel III) came into force on 1.1.2014. The calculation of Capital adequacy ratio and Tier 1 ratio is an estimate.

*** BAMC bonds, which are classified as loans, are excluded from the calculation of the indicator.

**** Extraordinary measures include the effects of measures to stabilize the bank's operations and were carried out in 2013 (transfer of assets to BAMC, termination of bank's qualified liabilities).

¹ The coverage of non-performing loans with impairments on all loans.

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Table 2: Key financial data for NLB d.d.

	NLB d.d.			Change (w ithout extraordinary measures in 2013***)
	2013	2013 (w ithout extraordinary measures***)	2014	
Key indicators				
Return on equity after tax (ROE a.t.)	-153.6%	-124.9%	7.0%	-
Return on assets after tax (ROA a.t.)	-14.2%	-11.5%	0.9%	-
Cost/income ratio (CIR)	-	81.9%	52.4%	-29.5 p.p.
Capital adequacy ratio (CAR) *	16.6%	-	22.7%	-
Tier 1 ratio *	16.6%	-	22.7%	-
Loan/deposit ratio (LTD) - net **	95.8%	-	80.7%	-
Profit and loss account indicators (in EUR million)				
Net interest income	157.4	157.4	227.3	+44%
Net non-interest income	-185.5	102.0	141.8	+39%
Costs	212.4	212.4	193.3	-9%
Impairments and provisions	1,226.3	1,226.3	93.1	-92%
Result before tax	-1,466.8	-1,179.3	82.7	-
Result after tax	-1,540.3	-1,252.8	81.5	-
Financial position statement indicators (in EUR million)				Change 2014 / 2013
Total assets	9,507.4	-	8,885.7	-7%
Loans to non-banking sector (net)	6,128.9	-	5,699.8	-7%
Deposits from non-banking sector	5,747.5	-	6,299.6	+10%
Equity	1,093.5	-	1,204.9	+10%
Equity of minority shareholders	-	-	-	-
Portfolio quality indicators (in EUR million)				
Gross NPL	1,620.4	-	1,535.7	-5%
Coverage ratio ²	72.6%	-	70.4%	-2.2 p.p.
Net NPL	682.0	-	660.0	-3%
NPL / total loans	20.4%	-	21.2%	0.8 p.p.
NPL / impairments on NPL	57.9%	-	57.0%	-0.9 p.p.

* Data for 2013 and 2014 are not comparable, because of a new capital requirements directive (known as Basel III) came into force on 1.1.2014. The calculation of Capital adequacy ratio and Tier 1 ratio is an estimate.

** BAMC bonds, which are classified as loans, are excluded from the calculation of the indicator.

*** Extraordinary measures include the effects of measures to stabilize the bank's operations and were carried out in 2013 (transfer of assets to DUTB, termination of bank's qualified liabilities).

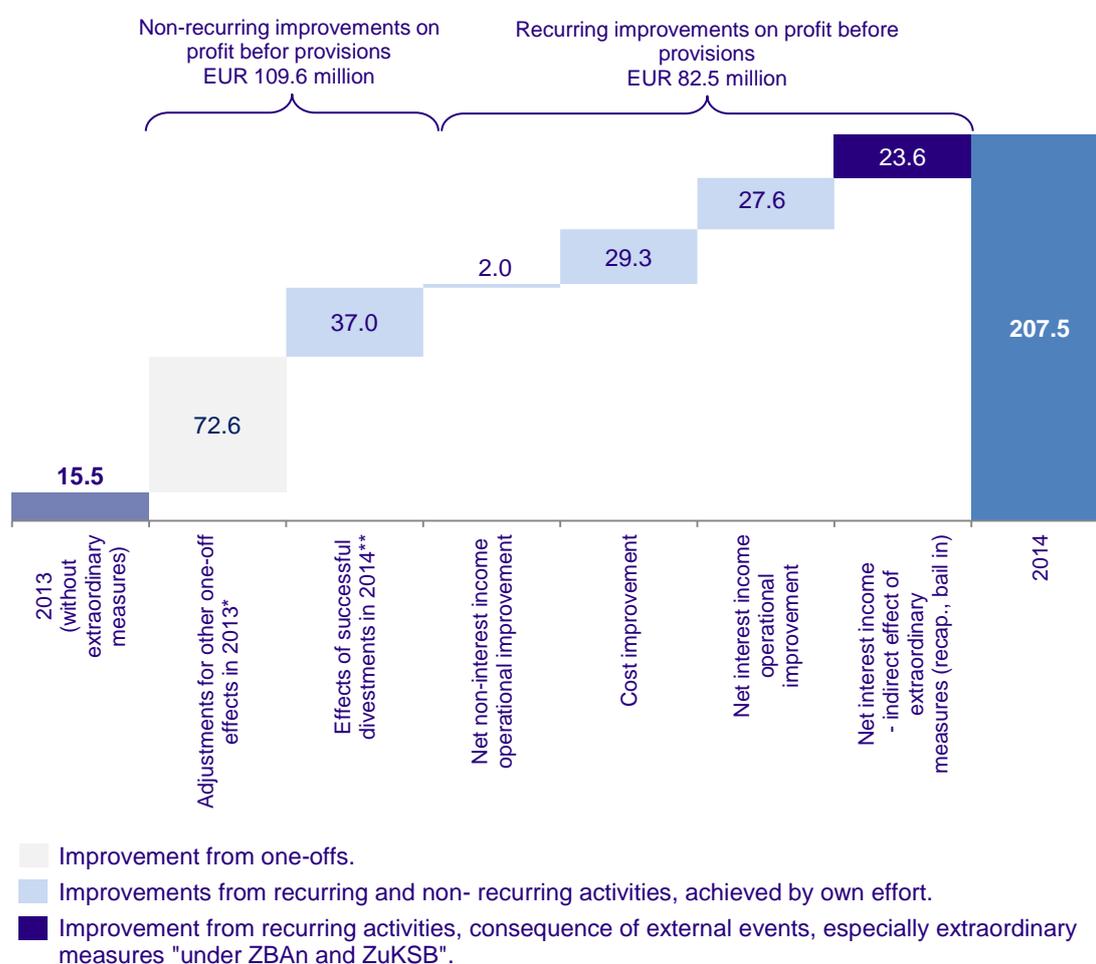
² The coverage of non-performing loans with impairments on all loans.

Comments on the income statement

In 2014, the operations of the NLB Group were stable and after a longer period again profitable. In the year 2014 NLB Group achieved EUR 62.3 million profit after tax. Profit before impairments and provisions improved due to results in restructuring and an active return to all market segments: retail operations and SME and large corporate operations.

Result before impairments and provisions excluding extraordinary measures (effects of transfer of assets to the BAMC and termination of qualified liabilities)³ in 2014 improved from a level of EUR 15.5 million to EUR 207.5 million, an improvement of 192.1 million. This improvement partly derives from non-recurring improvements (EUR +109.6 million / +57%), and partly from recurring improvements (EUR +82.5 million / 43%) for which a large majority (EUR 59 million or 71%) can be attributed to the banks efforts, while approximately EUR 23.6 million (29%) are indirect effects from extraordinary measures.

Illustration 1: Profit before provisions for NLB Group – YoY reconciliation (in million EUR)⁴



* Non-recurring effects on 2013 profit before provision other than extraordinary measures.

** Non-recurring effect on 2014 profits mostly due to sales of non-core equities.

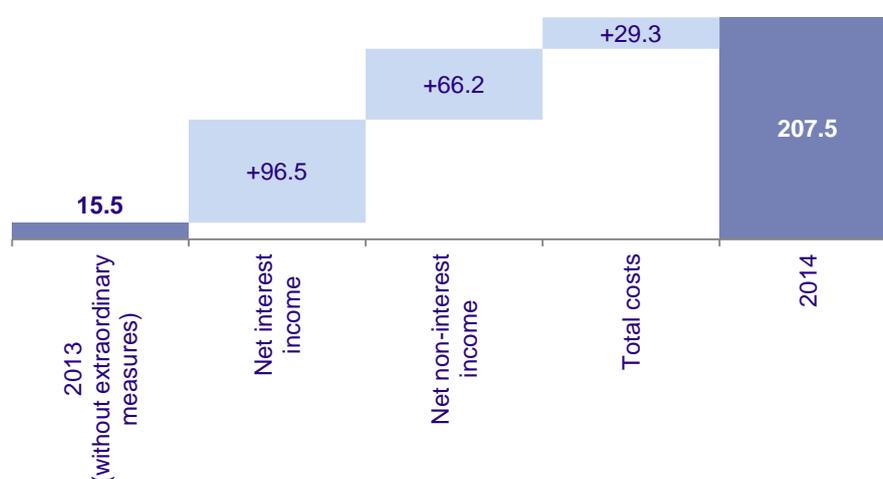
³ Enables a clear yoy comparison.

⁴ The data is taken from NLB analysis, based on internal methodology.

The following yoy reconciliation of profit before impairments and provisions (w/o extraordinary measures) shows substantial improvements in net-interest-income (EUR +96.5 million) with large majority being result of operational improvements and only about 24% of the improvement being attributable to indirect effects of support measures (bail-in, recapitalisation). The improvement in non-interest income (+66.2 million) is largely a result of successful divestments of non-strategic equity stakes. The cost improvement shown in 2014 compared to 2013 (EUR +29.3 million) is driven by cost optimisation processes.

Improvement in net result is in addition supported by a stabilised cost of risk.

Illustration 2: Profit before provisions for NLB Group – YoY reconciliation (in EUR million)



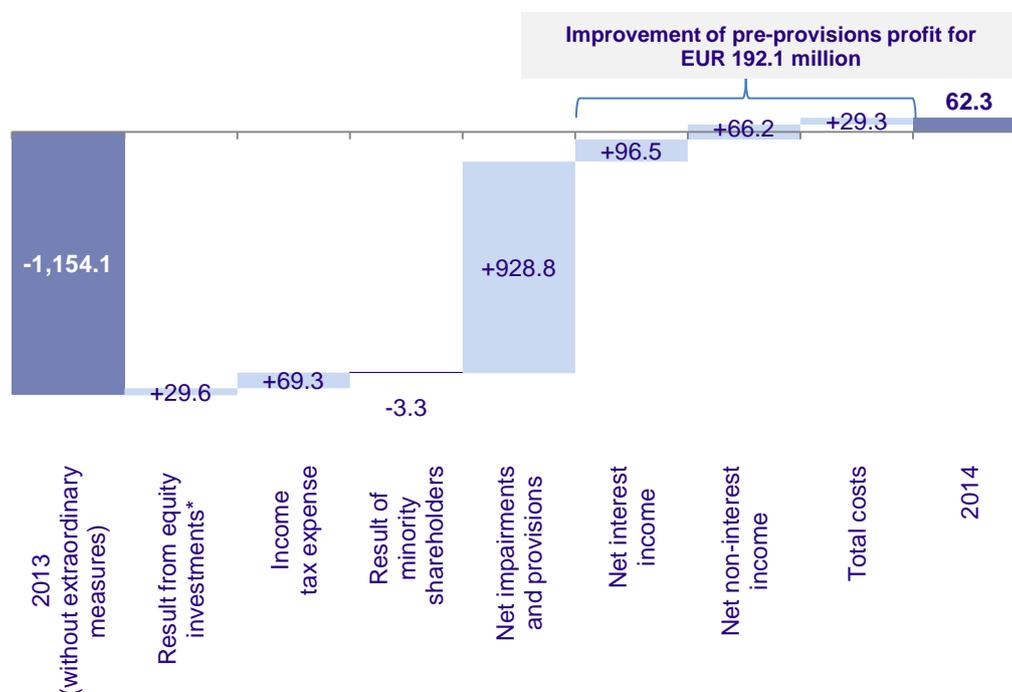
- **Net Operating Income** in the year 2014 was stable and higher comparing to previous year (EUR +162.7 million / +47% yoy (excluding extraordinary measures) and in the last quarter 2014 lower comparing to previous one (EUR -3.9 million / -3% qoq):
 - o Net interest income was higher (EUR +96.5 million / +41% yoy, and EUR +1.6 million / +2% qoq) where the following must be highlighted:
 - Interest income⁵ compared to 2013 increased (+8.0 million / + 2%). Interest income has been throughout the year 2014 stable. Improved quality of the portfolio resulted in less impairment of interest. While interest income in the retail segment compared to 2013 slightly increased, revenues in the corporate segment decreased as a result of reducing the size of the loan portfolio due to loan repayment, as well as the transfer of the portfolio to BAMC.
 - Based on the performance of the transferred BAMC portfolio in 2013 we estimate, that the loss in interest income from this portfolio was slightly overcompensated with income from the BAMC securities resulting in a slightly positive effect of approximately 3.6 million EUR (revenue from BAMC bonds of EUR 25.5 million netted by interest income accrued in 2013 on transferred assets of EUR 21.9 million).
 - Continuing trend of reducing interest expenses⁴ (EUR -85.8 million / -37% yoy and EUR -4.6 million / -13% qoq) was a result of active management of the liability side of the statement of financial position, including pro-active pricing policy and partial repayment of funding lines.
 - o Total Net non-interest income was higher than in the year 2013 excluding extraordinary measures (EUR +66.2 million / +58% yoy), whereas lower in last quarter comparing to the third one (EUR – 5.6 million / -11% qoq) :

⁵ Without interest income/expenses from derivative financial instruments.

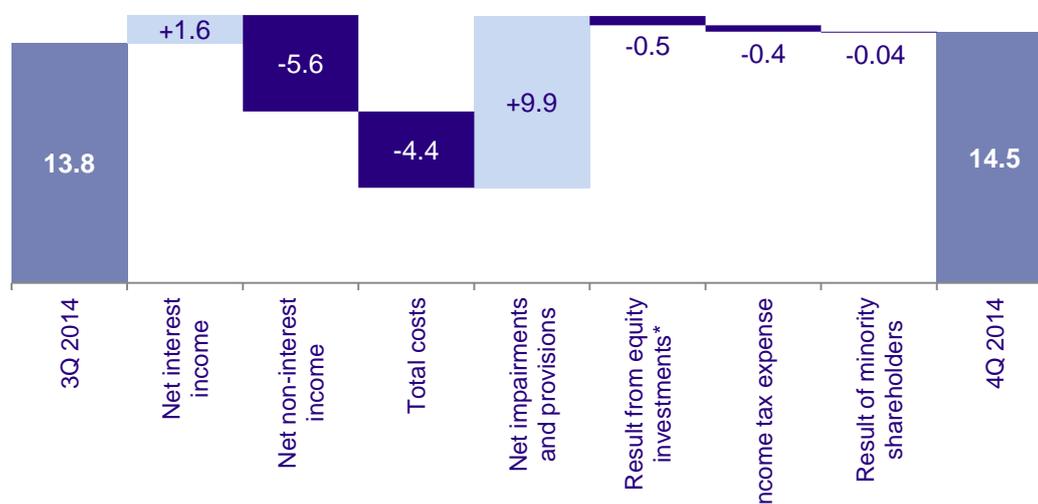
- Net fee and commission income was stable (EUR +1.8 million / +1% yoy and EUR +1.1 million / 3% qoq), largely stemming from stable payment transactions and account fees.
 - Income from financial transactions is mainly driven by the capital market conditions and can be thus highly volatile. In 2014 this income was considerably positive (EUR +38.3 million), since NLB successfully divested substantial equity stakes and was able to take advantage of beneficial market circumstances.
- **Lower total costs** (EUR -29.3 million / -9% yoy) based on the extensive rationalisation and Transformation Programme of NLB d.d., whereby the NLB Group level labour costs decreased by 7%, amortization costs by 19% and other operating costs by 7%. Consequently, CIR improved and stood at 59.4% (down by 36.2 p.p. yoy). Costs in the last quarter were, as expected, somewhat higher than in the third quarter (EUR +4.4 million / +6% qoq).
- **The level of established impairments and provisioning** is lower than in the year 2013 (EUR -928.8 million / -87% yoy), NPL coverage stands at 68.3% or 1.4 p.p. lower than at the end of the year 2013. Reduction of NPLs remains a core focus of attention for NLB Group, where different wind-downs as well as other active divestment approaches are used to achieve the set targets.

Group results are driven mainly by the NLB d.d., which in terms of revenues represents approximately 72% of the total group. All of the core banks in the group, except from NLB banka Belgrade, which is in the restructuring process, ended the year 2014 with a profit. On the other hand, majority of non-core members operated at a loss. According to the bank's strategy to withdraw from these activities, they are decreasing the volume of business and mostly do not conclude new transactions, so the current revenues do not suffice for covering the costs of financing and business costs.

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Illustration 3: Profit after tax for NLB Group – YoY reconciliation (in million EUR)



*Profit from equity investments in associates and joint ventures (equity method).

Illustration 4: Profit after tax for NLB Group – QoQ reconciliation (in million EUR)


*Profit from equity investments in associates and joint ventures (equity method).

Table 3: NLB Group income statement key items

in EUR million	Cumulative					Quarters		
	2013	2013 (w without extraordinary measures*)	2014	Change YoY	Change YoY (w without extraordinary measures in 2013*)	3Q 2014	4Q 2014	Change QoQ
Net interest income	233.5	233.5	330.0	+41%	+41%	83.0	84.7	+2%
Net fees and commissions	137.8	137.8	139.6	+1%	+1%	35.1	36.2	+3%
Dividend income	2.5	2.5	1.8	-27%	-27%	0.1	0.0	-74%
Net income from financial transactions	-300.4	-15.1	38.3	-	-	11.2	8.9	-21%
Net other income	-12.5	-10.3	1.3	-	-	2.6	-1.6	-
Net non-interest income	-172.7	114.8	181.0	-	+58%	49.0	43.4	-11%
Total net operating income	60.8	348.3	511.0	+740%	+47%	132.0	128.1	-3%
Employee costs	-175.4	-175.4	-162.9	-7%	-7%	-41.2	-40.2	-2%
Other general administrative expenses	-113.1	-113.1	-104.8	-7%	-7%	-24.2	-30.2	+25%
Depreciation and amortisation	-44.3	-44.3	-35.8	-19%	-19%	-9.0	-8.5	-6%
Total costs	-332.8	-332.8	-303.5	-9%	-9%	-74.4	-78.8	+6%
Result before impairments and provisions	-272.0	15.5	207.5	+176%	+1241%	57.6	49.3	-14%
Impairments of financial assets AFS through equity	-23.8	-23.8	-1.0	-96%	-96%	-0.4	1.5	-499%
Credit impairments and provisions	-901.6	-901.6	-119.9	-87%	-87%	-41.9	-21.6	-49%
Other impairments and provisions	-144.8	-144.8	-20.6	-86%	-86%	-0.4	-12.7	+3335%
Impairments and provisions	-1,070.2	-1,070.2	-141.4	-87%	-87%	-42.7	-32.8	-23%
Result from equity investments in associates and joint ventures (equity method)	-26.5	-26.5	3.1	-	-	1.3	0.8	-40%
Result before tax	-1,368.7	-1,081.2	69.2	-	-	16.2	17.3	+6%
Income tax expense	-73.5	-73.5	-4.1	-94%	-94%	-1.7	-2.1	-22%
Result of minority shareholders	-0.6	-0.6	2.7	-	-	0.7	0.7	+7%
Result after tax	-1,441.6	-1,154.1	62.3	-	-	13.8	14.5	+5%

* Extraordinary measures include the effects of measures to stabilize the bank's operations and were carried out in 2013 (transfer of assets to BAMC, termination of bank's qualified liabilities).

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Table 4: NLB d.d. income statement key items

in EUR million	Cumulative					Quarters		
	2013	2013 (without extraordinary measures*)	2014	Change YoY	Change YoY (without extraordinary measures in 2013*)	3Q 2014	4Q 2014	Change QoQ
Net interest income	157.4	157.4	227.3	+44%	+44%	57.0	56.0	-2%
Net fees and commissions	101.1	101.1	100.7	0 %	0 %	25.0	25.8	+3%
Dividend income	4.1	4.1	6.4	+55%	+55%	0.0	0.0	+37%
Net income from financial transactions	-278.7	6.6	33.7	-	+414%	10.6	8.5	-19%
Net other income	-11.9	-9.7	1.0	-	-	0.8	0.2	-
Net non-interest income	-185.5	102.0	141.8	+176%	-	36.4	34.5	-5%
Total net operating income	-28.1	259.4	369.1	-	+42%	93.3	90.5	-3%
Employee costs	-111.1	-111.1	-102.4	-8 %	-8 %	-26.3	-24.2	-8%
Other general administrative expenses	-74.7	-74.7	-66.5	-11 %	-11 %	-15.0	-19.2	+28%
Depreciation and amortisation	-26.6	-26.6	-24.4	-8 %	-8 %	-6.1	-5.9	-4%
Total costs	-212.4	-212.4	-193.3	-9 %	-9 %	-47.3	-49.2	+4%
Result before impairments and provisions	-240.5	47.0	175.8	-	+274%	46.0	41.3	-10%
Impairments of financial assets AFS through equity	-23.8	-23.8	-0.8	-96 %	-96 %	-0.3	1.5	-
Credit impairments and provisions	-704.5	-704.5	-84.2	-88 %	-88 %	-33.4	-2.2	-94%
Other impairments and provisions	-497.9	-497.9	-8.0	-98 %	-98 %	2.3	-7.6	-
Impairments and provisions	-1,226.3	-1,226.3	-93.1	-92 %	-92 %	-31.4	-8.2	-74%
Result from equity investments in associates and joint ventures (equity method)	-	-	-	-	-	-	-	-
Result before tax	-1,466.8	-1,179.3	82.7	-	-	14.6	33.1	+127%
Income tax expense	-73.5	-73.5	-1.2	-98 %	+98%	-0.1	-1.9	-
Result of minority shareholders	-	-	-	-	-	-	-	-
Result after tax	-1,540.3	-1,252.8	81.5	-	-	14.5	31.2	+115%

* Extraordinary measures include the effects of measures to stabilize the bank's operations and were carried out in 2013 (transfer of assets to DUTB, termination of bank's qualified liabilities).

Comments on the financial position statement

Total assets of the NLB Group amounted to EUR 11,909.5 million at the end of the year 2014, having decreased by 5% compared to the end of 2013.

Loans to non-banking sector in the NLB Group dropped in the year 2014 (EUR -329.1 million / -4% yoy), mostly as a consequence of continued tough economic situation on the SEE market which reflects in reduced demand for loans and a more conservative approach of banks to new investments. At the same time the higher volume of loans was repaid at the end of the first half of the year 2014. Decrease in loan portfolio was further contributed by companies in disinvestment processes (non-core companies), where intensified recovery and sale of portfolio continues. In this context, a drop in corporate loans was most significant (EUR -573.8 million / -10% yoy), while retail loans increased (EUR +83.0 million / +3% yoy).

The volume of newly-approved loans in NLB d.d. in the year 2014 for both corporate (73%) and households (27%) is solid at an amount of EUR 1.4 billion. Thereof approx. 58% relate to new loans, with the remaining part being prolongations of mostly short-term lines.

On the liabilities side the NLB Group recorded an increase in the **non-banking sector deposits** (EUR 687.6 million / + 8% yoy). The Group recorded a positive growth in all non-banking segments.

In the year 2014 total volume of refinancing decreased due to early repayment of a long-term loan (raised at ECB in 2012) and further deleverage on international financial markets. Long-term bonds of EUR 300 million were issued in July and a loan of EUR 120 million was raised in December.

Net loan to deposit ratio (LTD) for non-banking sector of the NLB Group stood at 75.9% (BAMC debt securities excluded) at the end of 2014. It reduced compared to the end of 2013 by 10.3 p.p.

Illustration 5: Total assets – YTD reconciliation (in EUR million)

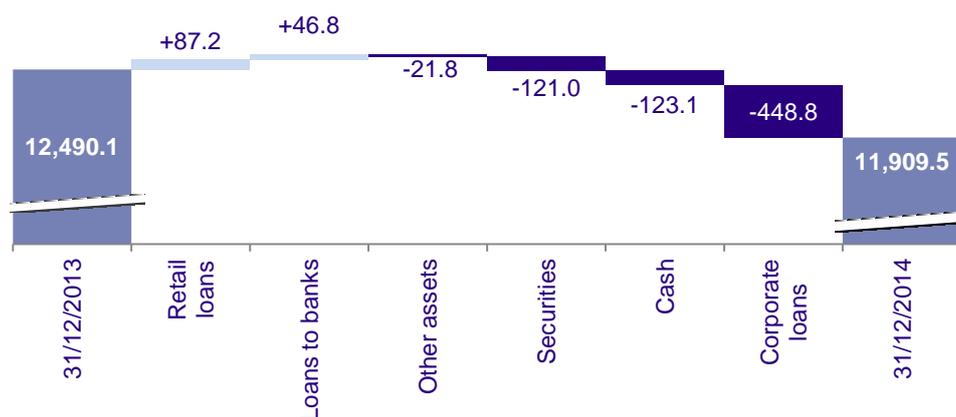


Illustration 6: Total liabilities – YTD reconciliation (in EUR million)

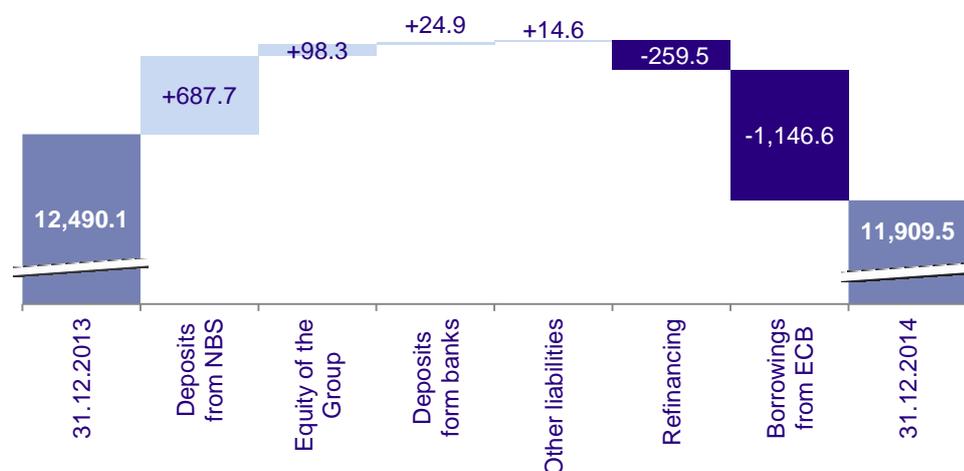


Table 5: NLB Group and NLB d.d. key indicators of financial position

in EUR million	NLB Group			NLB		
	31/12/2013	31/12/2014	Change	31/12/2013	31/12/2014	Change
ASSETS						
Cash and balances with Central Bank	1,250.6	1,127.5	-10%	590.6	434.4	-26%
Loans and advances to banks	224.6	271.3	+21%	160.6	159.3	-1%
Loans to non-banking sector	7,744.2	7,415.1	-4%	6,128.9	5,699.8	-7%
Gross loans	9,508.5	9,053.4	-5%	7,203.2	6,698.2	-7%
- corporate	5,515.9	4,942.1	-10%	4,288.2	3,727.1	-13%
- households	2,875.0	2,958.0	+3%	1,933.0	1,958.8	+1%
- state	495.0	534.2	+8%	359.4	393.2	+9%
- BAMC bond	622.6	619.1	-1%	622.6	619.1	-1%
Impairments	-1,764.3	-1,638.3	-7%	-1,074.3	-998.4	-7%
Financial assets	2,650.3	2,529.3	-5%	2,128.3	2,037.9	-4%
- Held for trading	104.3	138.2	+32%	104.8	138.8	+32%
- AFS, held to maturity, designated at fair value through PL	2,546.0	2,391.1	-6%	2,023.5	1,899.1	-6%
Investments in subsidiaries, associates and JV	28.3	37.5	+33%	276.6	352.7	+28%
Property and equipment	273.4	256.6	-6%	109.9	98.8	-10%
Intangible assets	54.7	42.8	-22%	45.0	33.7	-25%
Other assets	264.0	229.3	-13%	67.6	69.0	+2%
Total assets	12,490.1	11,909.5	-5%	9,507.4	8,885.7	-7%
LIABILITIES						
Deposits from non-banking sector	8,260.9	8,948.5	+8%	5,747.5	6,299.6	+10%
- corporate	1,963.6	2,031.3	+3%	1,257.5	1,312.2	+4%
- households	6,064.7	6,336.9	+4%	4,345.3	4,515.8	+4%
- state	232.6	580.3	+150%	144.7	471.6	+226%
Deposits from banks	37.4	62.3	+67%	74.2	91.1	+23%
Debt securities in issue	68.8	359.9	+423%	68.8	359.9	+423%
Borrowings	2,548.5	851.4	-67%	2,298.1	677.1	-71%
Other liabilities	281.6	300.8	+7%	225.4	253.1	+12%
Subordinated debt	21.9	17.3	-21%	0.0	0.0	-
Equity	1,247.4	1,343.1	+8%	1,093.5	1,204.9	+10%
Shareholders equity (including minority interest)	1,271.0	1,369.3	+8%	-	-	-
Total liabilities	12,490.1	11,909.5	-5%	9,507.4	8,885.7	-7%

2 FINANCIAL STATEMENTS

Unaudited Annual Financial Statements of NLB Group

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Statement of financial position – NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		31/12/2014	31/12/2013
1	Cash, cash balances at central banks and other demand deposits at banks	1,127,527	1,250,600
2	Financial assets held for trading	138,218	104,335
3	Financial assets designated at fair value through profit or loss	6,510	6,615
4	Available-for-sale financial assets	1,672,952	1,675,117
5	Derivatives - hedge accounting	2,966	5,426
6	Loans and receivables	7,758,226	8,032,730
	- debt securities	706,785	702,791
	- loans and receivables to banks	271,340	224,590
	- loans and receivables to non-bank customers	6,708,332	7,041,430
	- other financial assets	71,769	63,919
7	Held-to-maturity investments	711,648	864,259
8	Fair value changes of the hedged items in portfolio hedge of interest rate risk	912	530
9	Non-current assets and disposal groups classified as held for sale	5,643	17,582
10	Property, plant and equipment	215,175	238,578
11	Investment property	41,472	34,844
12	Intangible assets	42,751	54,727
13	Investments in associates and joint ventures	37,525	28,284
14	Tax assets	7,845	14,015
	- current tax assets	1,898	1,923
	- deferred tax assets	5,947	12,092
15	Other assets	140,119	162,492
16	TOTAL ASSETS (from 1 to 15)	11,909,489	12,490,134
17	Financial liabilities held for trading	43,758	34,063
18	Financial liabilities designated at fair value through profit or loss	4,701	3,800
19	Derivatives - hedge accounting	43,985	36,519
20	Financial liabilities measured at amortised cost	10,306,615	11,020,284
	- deposits from banks and central banks	62,334	37,425
	- deposits from non-bank customers	8,943,832	8,257,077
	- loans and advances from banks and central banks	714,722	2,386,208
	- loans and advances from non-bank customers	136,660	162,309
	- debt instruments	359,853	68,782
	- subordinated liabilities	17,328	21,874
	- other financial liabilities	71,886	86,609
21	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	133
22	Liabilities included in disposal groups classified as held for sale	0	0
23	Provisions	126,974	108,923
24	Tax liabilities	2,095	486
	- current tax liabilities	1,780	116
	- deferred tax liabilities	315	370
25	Other liabilities	12,066	14,897
26	TOTAL LIABILITIES (from 17 to 27)	10,540,194	11,219,137
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	36,485	3,096
31	Reserves from profit	13,522	13,522
32	Treasury shares	0	0
33	Retained earnings (including income from the current year)	221,676	159,391
34	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (from 29 to 35)	1,343,061	1,247,387
35	Equity attributable to non-controlling interests	26,234	23,610
36	TOTAL EQUITY (36 + 37)	1,369,295	1,270,997
37	TOTAL LIABILITIES AND EQUITY (28 + 38)	11,909,489	12,490,134

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Income statement – NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2014	2013
1	Interest income	497,975	494,972
2	Interest expenses	167,969	261,468
3	Interest net income (1 - 2)	330,006	233,504
4	Dividend income	1,778	2,452
5	Fee and commission income	192,841	189,970
6	Fee and commission expenses	53,212	52,188
7	Fee and commission net income (5 - 6)	139,629	137,782
8	Realised gains and losses from financial assets and liabilities not measured at fair value through profit and loss	37,413	(304,805)
9	Gains and losses on financial assets and liabilities held for trading	3,620	6,982
10	Gains and losses on financial assets and liabilities designated at fair value through profit or loss	60	102
11	Fair value adjustments in hedge accounting	(982)	(126)
12	Exchange differences	(1,776)	(2,547)
13	Gains and losses on derecognition of assets other than held for sale	(1,526)	(1,815)
14	Other operating net income	5,575	(2,240)
15	Administration costs	267,727	288,506
16	Depreciation	35,776	44,332
17	Provisions	24,378	39,915
18	Impairment	117,061	1,030,278
19	Negative goodwill	0	0
20	Share of the profit or loss of associates and joint ventures accounted for using the equity method	3,106	(26,469)
21	Total profit or loss from non-current assets and disposal groups classified as held for sale	(2,762)	(8,480)
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)	69,199	(1,368,691)
23	Tax expense (income) related to profit or loss from continuing operations	4,131	73,453
24	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS (22 - 23)	65,068	(1,442,144)
25	Total profit or loss after tax from discontinued operations	0	0
26	NET PROFIT OR LOSS FOR THE FINANCIAL YEAR (24 + 25)	65,068	(1,442,144)
	a) Profit or loss attributable to owners of the parent	62,336	(1,441,563)
	b) Profit or loss attributable to non-controlling interests	2,732	(581)

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Statement of cash flows – NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2014	2013
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
a)	Interest received	508,281	500,049
	Interest paid	(196,799)	(266,118)
	Dividends received	1,714	2,788
	Fee and commission receipts	191,333	189,216
	Fee and commission paid	(51,517)	(51,023)
	Realised gains on financial assets and liabilities not measured at fair value through profit or loss	37,623	12,738
	Realised losses on financial assets and liabilities not measured at fair value through profit or loss	(187)	0
	Net gains / (losses) from financial instrument held for trading	2,739	(7,109)
	Cash payments to employees and suppliers	(274,080)	(292,636)
	Other cash receipts from operating activities	31,958	43,968
	Other cash payments from operating activities	(28,798)	(23,818)
	Cash flow from operating activities before changes in operating assets and liabilities	222,267	108,055
b)	(Increases) / decreases in operating assets (excl.cash & cash equivalents)	139,620	12,281
	Net (increase) / decrease in financial assets held for trading	(47,565)	(26,832)
	Net (increase) / decrease in financial assets designated at fair value through profit or loss	2,548	(964)
	Net (increase) / decrease in financial assets available for sale	(1,342)	(13,808)
	Net (increase) / decrease in loans and receivables	174,502	68,759
	Net (increase) / decrease in assets-derivatives - hedge accounting	0	0
	Net (increase) / decrease in non-current assets held for sale	0	0
	Net (increase) / decrease in other assets	11,477	(14,874)
c)	(Increases) / decreases in operating liabilities	(637,868)	(1,500,183)
	Net increase / (decrease) in financial liabilities held for trading	0	0
	Net increase / (decrease) in financial liabilities designated at fair value through profit or loss	0	0
	Net increase / (decrease) in deposits, loans and receivables measured at amortised cost	(926,886)	(1,466,415)
	Net increase / (decrease) in debt instruments in issue measured at amortised cost	288,979	(35,402)
	Net increase / (decrease) in liability-derivatives - hedge accounting	0	0
	Net increase / (decrease) in liabilities associated with non-current assets held for sale	0	0
	Net increase / (decrease) in other liabilities	39	1,634
č)	Cash flow from operating activities	(275,981)	(1,379,847)
d)	Income taxes (paid) refunded	(2,204)	(3,078)
e)	Net cash flow from operating activities	(278,185)	(1,382,925)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
a)	Receipts from investing activities	237,276	316,036
	Receipts from the sale of tangible assets and investment properties	2,303	499
	Receipts from the sale of intangible assets	0	0
	Receipts from disposal of subsidiaries	0	0
	Receipts from disposal of associates and joint ventures	0	0
	Receipts from non-current assets or liabilities held for sale	982	0
	Receipts from the sale of financial assets held to maturity	233,991	315,537
	Other receipts from investing activities	0	0
b)	Cash payments on investing activities	(97,605)	(149,357)
	(Cash payments to acquire tangible assets and investment properties)	(10,793)	(9,862)
	(Cash payments to acquire intangible assets)	(7,696)	(7,441)
	(Cash payments for the investment in subsidiaries, associates and joint ventures)	0	0
	(Cash outflow to non-current assets or liabilities held for sale)	0	0
	(Cash payments to acquire held to maturity investments)	(79,116)	(132,054)
	(Other cash payments related to investing activities)	0	0
c)	Net cash flow from investing activities	139,671	166,679
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
a)	Cash proceeds from financing activities	0	1,142,860
	Cash proceeds from subordinated liabilities issued	0	0
	Cash proceeds from issuing shares and other equity instruments	0	1,142,860
	Cash proceeds from the sale of treasury shares	0	0
	Cash proceeds from the sale of shares and other equity instruments of subsidiaries which are still controlled by the bank	0	0
	Other cash proceeds related to financial activities	0	0
b)	Cash payments on financing activities	(4,753)	(61,676)
	(Dividends paid)	(108)	0
	(Cash repayments of subordinated liabilities)	(4,570)	(61,463)
	(Cash payments to acquire treasury shares)	0	0
	(Cash payments to additional acquire shares and other equity instruments of subsidiaries)	0	0
	(Other cash payments related to financial activities)	(75)	(213)
c)	Net cash flow from financing activities	(4,753)	1,081,184
D.	Effects of change in exchange rates on cash and cash equivalents	5,346	(7,973)
E.	Net increase in cash and cash equivalents	(143,267)	(135,062)
F.	Opening balance of cash and cash equivalents	1,430,905	1,573,940
G.	Closing balance of cash and cash equivalents	1,292,984	1,430,905

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Statement of comprehensive income – NLB Group

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2014	2013
1	NET PROFIT OR LOSS FOR THE FINANCIAL YEAR AFTER TAX	65,068	(1,442,144)
2	OTHER COMPREHENSIVE INCOME AFTER TAX (3 + 4)	33,452	15,596
3	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (3.1 + 3.2 + 3.3 + 3.4 + 3.5 + 3.6)	(3,656)	0
3.1	Tangible assets	0	0
3.2	Intangible assets	0	0
3.3	Actuarial gains (losses) on defined benefit pensions plans	(3,656)	0
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	0	0
3.6	Income tax relating to items that will not be reclassified	0	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)	37,848	15,596
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)	(2,467)	799
4.2.1	Valuation gains (losses) taken to equity	(2,467)	799
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)	(655)	1,095
4.3.1	Valuation gains (losses) taken to equity	(1,334)	218
4.3.2	Transferred to profit or loss	679	877
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)	40,970	17,589
4.4.1	Valuation gains (losses) taken to equity	77,518	742
4.4.2	Transferred to profit or loss	(36,548)	16,847
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	7,338	(996)
4.7	Income tax relating to components of other comprehensive income	(8,078)	(2,891)
5	TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR AFTER TAX (1 + 2)	98,520	(1,426,548)
	a) Attributable to owners of the parent	95,725	(1,425,713)
	b) Attributable to non-controlling interests	2,795	(835)

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Statement changes in equity in 2014 – 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

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Statement changes in equity in 2013 – 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)	104,731	774,472	336,044	(12,754)	164,204	(239,611)	(2,048)	1,125,038	19,946	1,144,984
2	Effects of corrections of errors										
3	Effects of changes in accounting policies										
4	OPENING BALANCE FOR THE REPORTING PERIOD (1+2+3)	104,731	774,472	336,044	(12,754)	164,204	(239,611)	(2,048)	1,125,038	19,946	1,144,984
5	Consolidated Comprehensive Income for the financial year after tax				15,850		(1,441,563)		(1,425,713)	(835)	(1,426,548)
6	Dilution of shareholders	(184,079)	184,079			(2,048)		2,048	0		0
7	New share capital subscribed (paid)	201,858	1,351,001						1,552,859		1,552,859
8	Conversion of other equity instruments issued	77,490	263,727	(341,217)					0		0
9	Repayment of equity								0		0
10	Net purchase/sale of treasury shares								0		0
11	Appropriation of (accounting for) dividends/rewards in form of shares								0		0
12	Appropriation of (accounting for) dividends								0		0
13	Transfer of net profit to reserves from profit								0		0
14	Covering of the loss brought forward		(161,413)			(143,461)	304,874		0		0
15	Covering of the loss from the current year		(1,540,278)				1,540,278		0		0
16	Other		(210)	5,173		(5,173)	(4,587)		(4,797)	4,499	(298)
17	CLOSING BALANCE FOR THE PERIOD (4+5+6+7+8+9+10+11+12+13+14+15+16)	200,000	871,378	0	3,096	13,522	159,391	0	1,247,387	23,610	1,270,997

Unaudited Annual Financial Statements of NLB d.d.

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Statement of financial position – NLB d.d.

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		31/12/2014	31/12/2013
1	Cash, cash balances at central banks and other demand deposits at banks	434,438	590,645
2	Financial assets held for trading	138,808	104,779
3	Financial assets designated at fair value through profit or loss	4,702	3,801
4	Available-for-sale financial assets	1,182,748	1,155,412
5	Derivatives - hedge accounting	2,966	5,426
6	Loans and receivables	5,906,961	6,330,826
	- debt securitis	706,785	702,791
	- loans to banks	159,300	160,569
	- loans to non-bank customers	4,993,040	5,426,129
	- other financial assets	47,836	41,337
7	Held-to-maturity investments	711,648	864,259
8	Fair value changes of the hedged items in portfolio interest rate risk	912	530
9	Non-current assets and disposal groups classified as held for sale	2,580	2,327
10	Property, plant and equipment	97,330	108,449
11	Investment property	1,458	1,458
12	Intangible assets	33,743	44,976
13	Investments in subsidiaries, associates and joint ventures	352,712	276,592
14	Tax assets	6,738	13,400
	- current tax assets	0	8
	- deferred tax assets	6,738	13,392
15	Other assets	7,983	4,541
16	TOTAL ASSETS (from 1 to 15)	8,885,727	9,507,421
17	Financial liabilities held for trading	43,764	34,064
18	Financial liabilities designated at fair value through profit or loss	4,701	3,800
19	Derivatives - hedge accounting	43,985	36,519
20	Financial liabilities measured at amortised cost	7,469,205	8,246,353
	- deposits from banks and central banks	91,115	74,266
	- deposits from non-bank customers	6,294,925	5,743,673
	- loans from banks and central banks	643,578	2,261,739
	- loans from non-bank customers	33,511	36,284
	- debt securities issued	359,853	68,782
	- subordinated liabilities	0	0
	- other financial liabilities	46,223	61,609
21	Fair value changes of the hedged items in portfolio interest rate risk	0	133
22	Liabilities included in disposal groups classified as held for sale	0	0
23	Provisions	114,565	87,080
24	Tax liabilities	324	0
	- current tax liabilities	324	0
	- deferred tax liabilities	0	0
25	Other liabilities	4,263	6,004
26	TOTAL LIABILITIES (from 17 to 25)	7,680,807	8,413,953
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	38,491	8,568
31	Reserves from profit	13,522	13,522
32	Treasury shares	0	0
33	Retained earnings (including income from current year)	81,529	0
34	TOTAL EQUITY (from 27 to 33)	1,204,920	1,093,468
35	TOTAL LIABILITIES AND EQUITY (26+34)	8,885,727	9,507,421

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Income statement – NLB d.d.

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2014	2013
1	Interest income	332,037	342,280
2	Interest expenses	104,694	184,856
3	Interest net income (1 - 2)	227,343	157,424
4	Dividend income	6,378	4,104
5	Fee and commission income	130,499	132,058
6	Fee and commission expenses	29,761	30,978
7	Fee and commission net income (5 - 6)	100,738	101,080
8	Realised gains and losses from financial assets and liabilities not measured at fair value through profit and loss	37,096	(277,894)
9	Gains and losses from financial assets and liabilities held for trading	(2,574)	974
10	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	(982)	(126)
12	Exchange differences	170	(1,692)
13	Gains and losses on derecognition of assets other than held for sale	(584)	(1,709)
14	Other operating net income	3,211	(2,382)
15	Administration costs	168,948	185,841
16	Depreciation	24,356	26,598
17	Provisions	30,750	36,943
18	Impairment	62,321	1,189,344
19	Negative goodwill	0	0
20	Share of the profit or loss of associates and joint ventures accounted for using the equity method	0	0
21	Total profit or loss from non-current assets and disposal groups classified as held for sale	(1,671)	(7,840)
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)	82,750	(1,466,787)
23	Tax expense (income) related to profit or loss from continuing operations	1,221	73,491
24	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS (22-23)	81,529	(1,540,278)
25	Total profit or loss after tax from discontinued operations	0	0
26	NET PROFIT OR LOSS for the financial year (24 + 25)	81,529	(1,540,278)

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Statement of cash flows – NLB d.d.

in EUR thousand

Designation	ITEM DESCRIPTION	AMOUNT	
		2014	2013
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
a)	Interest received	349.133	351.747
	Interest paid	(127.912)	(196.140)
	Dividends received	6.378	4.104
	Fee and commission receipts	128.230	129.733
	Fee and commission paid	(29.563)	(30.929)
	Realised gains on financial assets and liabilities not measured at fair value through profit or loss	37.301	7.316
	Realised losses on financial assets and liabilities not measured at fair value through profit or loss	(187)	0
	Net gains / (losses)/from financial instrument held for trading	(2.516)	(11.895)
	Cash payments to employees and suppliers	(176.232)	(189.346)
	Other cash receipts from operating activities	17.885	15.669
	Other cash payments from operating activities	(17.629)	(18.283)
	Cash flow from operating activities before changes in operating assets and liabilities	184.888	61.976
b)	(Increases) / decreases in operating assets (excl. cash & cash equivalents)	378.209	533.186
	Net (increase) / decrease in financial assets held for trading	(47.565)	(26.832)
	Net (increase) / decrease in financial assets designated at fair value through profit or loss	0	(274)
	Net (increase) / decrease in financial assets available for sale	3.241	145.262
	Net (increase) / decrease in loans and receivables	423.263	415.354
	Net (increase) / decrease in assets-derivatives - hedge accounting	0	0
	Net (increase) / decrease in non-current assets held for sale	0	0
	Net (increase) / decrease in other assets	(730)	(324)
c)	(Increases) / decreases in operating liabilities	(765.942)	(1.633.576)
	Net increase / (decrease) in financial liabilities held for trading	0	0
	Net increase / (decrease) in financial liabilities designated at fair value through profit or loss	0	0
	Net increase / (decrease) in deposits, loans and receivables measured at amortised cost	(1.054.832)	(1.600.766)
	Net increase / (decrease) in debt instruments in issue measured at amortised cost	288.979	(32.902)
	Net increase / (decrease) in liability-derivatives - hedge accounting	0	0
	Net increase / (decrease) in liabilities associated with non-current assets held for sale	0	0
	Net increase / (decrease) in other liabilities	(89)	92
c)	Cash flow from operating activities	(202.845)	(1.038.414)
d)	Income taxes (paid) refunded	0	(342)
e)	Net cash flow from operating activities	(202.845)	(1.038.756)
B.	CASHFLOWS FROM INVESTING ACTIVITIES		
a)	Receipts from investing activities	235.412	315.650
	Receipts from the sale of tangible assets and investment properties	545	113
	Receipts from the sale of intangible assets	0	0
	Receipts from the disposal of subsidiaries, associates and joint ventures	250	0
	Receipts from non-current assets or liabilities held for sale	626	0
	Receipts from the sale of financial assets held to maturity	233.991	315.537
	Other receipts from investing activities	0	0
b)	Cash payments on investing activities	(133.252)	(315.892)
	(Cash payments to acquire tangible assets and investment properties)	(3.381)	(4.122)
	(Cash payments to acquire intangible assets)	(6.422)	(5.729)
	(Cash payment for the investment in subsidiaries, associates and joint ventures)	(44.333)	(173.987)
	(Cash outflow to non-current assets or liabilities held for sale)	0	0
	(Cash payments to acquire held to maturity investments)	(79.116)	(132.054)
	(Other cash payments related to investing activities)	0	0
c)	Net cash flow from investing activities	102.160	(242)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
a)	Cash proceeds from financing activities	0	1.142.860
	Cash proceeds from subordinated liabilities issued	0	0
	Cash proceeds from issuing shares and other equity instruments	0	1.142.860
	Cash proceeds from the sale of treasury shares	0	0
	Cash proceeds from the sale of shares and other equity instruments of subsidiaries, which are still controlled by the bank	0	0
	Other cash proceeds related to financial activities	0	0
b)	Cash payments on financing activities	0	(61.676)
	(Dividends paid)	0	0
	(Cash repayments of subordinated liabilities)	0	(61.463)
	(Cash payments to acquire treasury shares)	0	0
	(Cash payments to additional acquire shares and other equity instruments of subsidiaries)	0	0
	(Other cash payments related to financial activities)	0	(213)
c)	Net cash flow from financing activities	0	1.081.184
D.	Effects of change in exchange rates on cash and cash equivalents	6.816	(5.055)
E.	Net increase in cash and cash equivalents	(100.685)	42.186
F.	Opening balance of cash and cash equivalents	613.092	575.961
G.	Closing balance of cash and cash equivalents	519.223	613.092

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Statement of comprehensive income – NLB d.d.

in EUR thousand

Item No.	ITEM DESCRIPTION	AMOUNT	
		2014	2013
1	NET PROFIT OR LOSS FOR THE FINANCIAL YEAR AFTER TAX	81,529	(1,540,278)
2	OTHER COMPREHENSIVE INCOME AFTER TAX (3+4)	29,923	13,984
3	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (3.1 + 3.2 + 3.3 + 3.4 + 3.5 + 3.6)	(3,946)	0
3.1	Tangible assets	0	0
3.2	Intangible assets	0	0
3.3	Actuarial gains (losses) on defined benefit pensions plans	(3,946)	0
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	0	0
3.6	Income tax relating to items that will not be reclassified	0	0
4	ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (4.1 + 4.2 + 4.3 + 4.4 + 4.5)	33,869	13,984
4.1	Cash flow hedges (effective portion) (4.1.1 + 4.1.2 + 4.1.3 + 4.1.4)	(655)	1,095
4.1.1	Valuation gains (losses) taken to equity	(1,334)	218
4.1.2	Transferred to profit or loss	679	877
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)	41,461	15,753
4.2.1	Valuation gains (losses) taken to equity	77,908	(1,119)
4.2.2	Transferred to profit or loss	(36,447)	16,872
4.2.3	Other reclassifications	0	0
4.3	Non-current assets and disposal groups 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	(6,937)	(2,864)
5	TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR AFTER TAX (1 + 2)	111,452	(1,526,294)

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Statement changes in equity in 2014 – 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

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Statement changes in equity in 2013 – 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)	104,731	774,472	336,044	(5,416)	164,204	(304,874)	(2,048)	1,067,113
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)	104,731	774,472	336,044	(5,416)	164,204	(304,874)	(2,048)	1,067,113
5	Comprehensive income for the financial year after tax				13,984		(1,540,278)		(1,526,294)
6	Dilution of shareholders	(184,079)	184,079			(2,048)		2,048	0
7	New share capital subscribed (paid)	201,858	1,351,001						1,552,859
8	Conversion of other equity instruments issued	77,490	263,727	(341,217)					0
9	Repayment of equity								0
10	Net purchase/sale of treasury shares								0
11	Appropriation of (accounting for) dividends/rewards in form of shares								0
12	Appropriation of (accounting for) dividends								0
13	Transfer of net profit to reserves from profit								0
14	Covering of the loss brought forward		(161,413)			(143,461)	304,874		0
15	Covering of the loss from the current year		(1,540,278)				1,540,278		0
16	Other		(210)	5,173		(5,173)			(210)
17	CLOSING BALANCE FOR THE REPORTING PERIOD (4+5+6+7+8+9+10+11+12+13+14+15+16)	200,000	871,378	0	8,568	13,522	0	0	1,093,468
18	BALANCE SHEET AVAILABLE PROFIT for financial year						0		0