

NOVA KBM, d.d., Maribor

At the yesterday's press conference of Nova KBM, which was held after the Supervisory Board meeting, the Management Board of the Bank discussed current operations and explained the grounds for revising the 2009 business plan. The Chairman of the Supervisory Board also expressed confidence in good co-operation with the Management Board, and presented the work of supervisors.

Supervisory Board of Nova KBM d.d. held a meeting

At the yesterday's 14th regular meeting, the Supervisory Board of Nova KBM d.d took note of the Bank's operations in the period from January to August 2009. Danilo Toplek assessed that the results are consistent with expectations. He also stressed that, together with other members of the Supervisory Board, he will make every effort in discharging the responsibility with which the Supervisory Board members have been entrusted.

Furthermore, he expressed support to the Management Board in adopting its decisions: »Considering the current situation of the Slovene economy, the results for the first half of the year show that both the Bank and the Group performed well. I am convinced that the revised business plan approved by the Supervisory Board at its previous meeting is a realistic measure which will provide for stability of the Bank and companies related to the Bank.«

Matjaž Kovačič, President of the Management Board of Nova KBM d.d., stated the grounds for revising the business plan: »The current economic crisis situation is strikingly different from the global macroeconomic forecasts made at the beginning of the year. Consequently, it was logical, as well as responsible, to adapt our business objectives to the existing situation. Despite deteriorated market conditions, we remain focused on the Bank's and Group's long-term objective - to become one of the leading financial groups in Slovenia and in the markets of south-eastern Europe.« He pointed out that the Slovene gross domestic product in the second quarter of 2009 was 9.3 per cent below the figure of the same period of last year. In addition, when initially drafting the business plan for 2009, the ECB key interest rate of 2.25 per cent valid in December 2008 as well as projections from the end of last year that the interest rate will marginally decrease or even remain at the same level were taken into account. However, the current ECB interest rate determined in May stands at 1 per cent.

Manja Skernišak, Member of the Management Board of Nova KBM d.d., said that the Nova KBM Group plans to generate net profit of €10.6 million by the end of 2009, while the net profit of Nova KBM d.d. is to reach €11.7 million.

According to the approved revised business plan, the total assets of the Bank and the Group are to remain approximately as originally planned (€5.8 billion for the Nova KBM Group and €4.8 billion for Nova KBM d.d.), while the net profit is to be lower due to increased impairment charges and provisions.

»Difficult financial market and economic conditions require all companies to adopt prudent and well-thought decisions that will further strengthen their basis of successful and stable operations«, emphasised Manja Skernišak. »In order to carry out the adopted business strategy and to retain our strong market position, we put a great deal of effort into finding internal reserves, at all levels. Our goals in this respect will be accomplished mainly through organisational measures, modernisation and automation of technological procedures, processes and labour costs« she also added.

During the first half of the year, the number of private customers maintaining an account with the Bank did not change. Taking into account demanding market conditions, this undoubtedly evidences the Bank's careful business decisions. The Bank will continue to implement this business policy throughout October, offering its customers deposits with a fixed rate of up to 4.3 per cent.

This announcement will be available on Nova KBM d.d. web site www.nkbm.si, for at least 5 years from the date of announcement.