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**PRESS RELEASE**

### **NOVA KBM - PUBLIC OFFERING BEGINS**

**Maribor, 4 April 2011 – Nova KBM, the second-largest banking group in Slovenia, published its prospectus today and began its public offering.**

**The Company plans to issue up to 13,040,989 shares and raise net proceeds of up to EUR 132.4 million. The proceeds from the issue will be used to finance implementation of the Group's growth strategy, calling for reinforcement of market position, further international expansion, optimisation of management and governance within the Group, and development of innovative distribution channels. A portion of the proceeds will also be used to meet potential new capital adequacy requirements for the banking markets.**

**The Company plans to debut on the Warsaw Stock Exchange in May of this year.**

**The Sole Global Coordinator of the offering is ING Bank N.V. London Branch. The managers of the offering are ING Bank N.V. London Branch, ING Securities S.A. and silkroutefinancial (UK) limited. The offering agent in Poland is ING Securities S.A. Legal advisors to the Sole Global Coordinator & Joint Bookrunners are Baker & McKenzie Gruszczyński & Partners (as respect to the Polish law) and Baker & McKenzie LPP (with respect to the English law). Legal advisors to the Bank are Jadek & Pensa (with respect to the Slovenian law), and White & Case (with respect to the English law). The Company's auditor is Ernst & Young.**

### **KEY INFORMATION ABOUT THE PUBLIC OFFERING**

- ⇒ The public offering includes **up to 13,040,989 new ordinary shares** issued on the basis of an increase in the share capital within the authorised share capital of the Bank.



- ⇒ The Offer Shares are offered to:
  - **Existing Shareholders**, who may subscribe for the Offer Shares in proportion to their existing stake in the share capital of the Bank
  - **Retail Investors in Slovenia and Poland**
  - **Institutional Investors**
- ⇒ The **Maximum Price** is set at **EUR 10.50** and the **Price Range is EUR 8.00 – 10.50**. The PLN equivalent of the Maximum Price for the purpose of the offering is PLN 41.87 (established based on the PLN/EUR exchange of 3.9880 announced by the European Central Bank on 30 March 2011).
- ⇒ The Offer Price will be announced on **14 April 2011**.
- ⇒ Retail Investors in Poland will subscribe for the Offer Shares **at the PLN equivalent of the Maximum Price** and pay in PLN when placing subscription orders.
- ⇒ Subscriptions for shares by Existing Shareholders and Retail Investors in Slovenia will be submitted at the Maximum Price in the period between 4 April 2011 and the Pricing Date, and thereafter at the Offer Price only.
- ⇒ Existing Shareholders have a pre-emptive right for the subscription of the Offer Shares, pro-rata to their participation in the share capital of Nova KBM as at publication of the Prospectus.
- ⇒ The schedule of allocating the Offer Shares is as follows:
  - Firstly, the Offer Shares will be allocated to the Existing Shareholders (or to persons to whom the pre-emptive right has been validly transferred) in the amount of the subscribed and paid for Offer Shares.
  - Secondly, the Offer Shares not allocated to the Existing Shareholders will be allocated to Institutional Investors by Nova KBM in its sole discretion, upon recommendation by the Managers, as well as to Retail Investors in the amount subscribed and paid for.
  - **It is intended that around 15 percent of the Offer Shares that are not subscribed by the Existing Shareholders will be allocated to Retail Investors.**

## **PLANNED USE OF THE PROCEEDS FROM THE ISSUE**

The net proceeds which the Bank expects to receive from this Offering will be about EUR 132.4 million. This calculation is made under the assumption that all of the Offer Shares will be sold at the Maximum Price.



The Nova KBM Group's intention is to use the proceeds of the Offering by the end of 2013 for the following purposes:

- ⇒ **Adjusting the core Tier 1 capital ratio to any potential new capital requirements**, both those stipulated by the regulatory authorities and those resulting from market expectations. The Nova KBM Group plans to use approximately **40 percent of the proceeds from the Offering** for this purpose.
- ⇒ **Supporting the implementation of the Nova KBM Group's strategy in Slovenia and the region for the years 2011–2013**. The Nova KBM Group's strategic objectives include, without limitation: accelerating the growth of the existing business lines in Retail Banking, selected areas of Corporate Banking, and Financial Markets. The Nova KBM Group is looking selectively at acquisition opportunities of banks in the countries of the former Yugoslavia. The Nova KBM Group also continues to explore opportunities to further strengthen its insurance business, including increasing its stake in Zavarovalnica Maribor. The Nova KBM Group plans to use approximately **60 percent of the proceeds from the issuance** of the Offer Shares for this purpose.

Until the proceeds from the Offering are used, the funds received by the Bank will be invested on market terms, among other things, in treasury securities and in bank deposits.

#### SCHEDULE OF THE PUBLIC OFFERING

<b>4 – 18 April 2011</b> or about such dates	Subscription period for Existing Shareholders and Retail Investors in Poland and Slovenia
<b>4 – 13 April 2011</b> or about such dates	Bookbuilding period among Institutional Investors
<b>14 April 2011</b> or about such date	Establishing and publishing the Offer Price
<b>20 April 2011</b> or about such date	Allocation of shares to Existing Shareholders and preliminary allocation to Retail Investors and Institutional Investors
<b>20 – 26 April 2011</b> or about such dates	Subscription period for Institutional Investors
<b>26 April 2011</b> or about such date	Allocation to Retail Investors in Poland and Slovenia and final allocation to Institutional Investors
<b>26 April 2011</b> or about such date	Publishing the outcome of the Offering
<b>6 May 2011</b> or about such date	First day of trading in the Offer Shares on the Ljubljana Stock Exchange and the Warsaw Stock Exchange



## **STRATEGY OF NOVA KBM GROUP**

The Nova KBM Group's strategy is to seek to:

- Strengthen the Group's position through cross-selling and developing its distribution network
- Focus on international expansion
- Optimise the Group's management and governance
- Develop innovative distribution channels

### ***Strengthening the Nova KBM Group's position through cross-selling and developing its distribution network***

The Nova KBM Group utilises its extensive branch network and alternative distribution channels to cross-sell a wide range of Nova KBM- and other Group-branded products and services to its existing clients and win new clients. The Nova KBM Group is focused on the continued development of its distribution network, which it intends to maintain and, where cost-efficient, expand. Nova KBM intends to adopt a selective approach to the growth of its own branch network and ATMs, targeting areas where it is either underrepresented or not present.

To facilitate further cross-selling, the Group is establishing a common client database and call centre, automating Group reporting and introducing specialised financial counters staffed by trained personnel at selected offices of Pošta Slovenije to sell Nova KBM banking products and services. In addition, the Group is rolling out its new "universal post-office window", which is a retail sales outlet at post office branches that management believes will strengthen the Nova KBM Group's position in Slovenia by increasing its profile, giving it a larger regional coverage and allowing it to benefit from synergies within the Group, leading to further opportunities to create new value and to increase its market share as well as revenues and profit.

Management believes that the Nova KBM Group's ability to target retail customers through PBS's network of 550 post offices in addition to its own branch network gives the Nova KBM Group its most distinct competitive advantage in the Slovenian banking market, as it has the widest business network in Slovenia. Approximately 450 post offices are in locations where Nova KBM is not present, and 150 post offices are located in places where there are no bank offices whatsoever. Post offices in Slovenia are also open for longer working hours than banks (including Saturdays), which means that the Nova KBM Group can offer basic banking services to its retail customers for longer hours than any of its competitors.



### ***Focused international expansion***

Given the Nova KBM Group's significant domestic market share, the Group considers international expansion to be the next step in its development. The Nova KBM Group is well positioned to take advantage of growth opportunities in financial services outside Slovenia by capitalising on the combined knowledge and expertise of the Nova KBM Group and its associated companies. The Nova KBM Group will continue to pursue a selective approach to international expansion, with a primary focus on Croatia and Serbia, the largest countries of the former Yugoslavia by population, but it will also follow market developments and consider investment opportunities in the other republics of the former Yugoslavia, as well as in other Balkan countries, should these prove to be compatible with Nova KBM's overall strategy.

The Group made its first direct international investment in Austria in 2001 with the acquisition of a stake in Adria Bank, followed by investments in Croatia in 2006 and Serbia in 2010. The Nova KBM Group follows a selective approach to acquisitions (including increasing its shareholding in its current banking subsidiaries), which are strictly evaluated in the context of its overall corporate strategy and anticipated levels of profitability.

The Nova KBM Group expects its international activities to account for a gradually increasing proportion of its total income. The Nova KBM Group's international growth will enable it to better support and satisfy its corporate clients' needs in the region.

Apart from Croatia, where the Group has invested in leasing businesses and has a presence through Adria Bank, the Group has primarily focused on the Serbian market, as it is considered to be among the fastest-growing markets in the region.

The Former Yugoslav Republic of Macedonia has recently introduced a number of structural reforms with the aim of accession to the EU. The Group believes that the banking sector in the Former Yugoslav Republic of Macedonia offers substantial opportunities for growth. Market analysts expect that the loan growth in the next few years will be higher than in other Balkan countries.

### ***Optimisation of the Group's management and governance***

The Nova KBM Group is structured into banking, real estate, assets and pension fund and leasing divisions. In addition, the Nova KBM Group offers a limited range of Zavarovalnica Maribor-branded non-life and life insurance products. Within each division, one Group company coordinates the activities of the other companies in that division.

The Group is upgrading its horizontal risk management and management reporting systems, which are coordinated by Nova KBM. The Group is enhancing the coordination of its asset and liability



management, risk management, capital management, treasury, control, marketing and communications, internal audit, training, HR and IT support in order to achieve greater efficiency in the development of joint products, uniformity of operations, harmonisation of its IT infrastructure and automated reporting at the Group level.

### ***Development of innovative distribution channels***

The Nova KBM Group intends to continue to invest in alternative distribution channels, pursue synergies across its operations, utilise the advantages of modern distribution channels and improve its IT systems to enhance operational efficiency, increase revenues and reduce costs. The Nova KBM Group has invested in alternative distribution channels, such as its Bank@Net (which it uses as a marketing channel as well as a transactional service) and Poslovni Bank@Net Internet banking services, as well as the Moneta mobile payment system.

It plans to continue to expand and develop these services, which not only improve client service but also increase the Nova KBM Group's operational efficiency. The Group has recently upgraded its Bank@Net internet banking platform by introducing enhanced security features. The Bank intends to offer a complete range of new-generation electronic and mobile banking services under the Bank@Net brand. This upgrade is intended to enable the Group to deliver a wider range of banking and non-banking products and services to retail customers, appeal to younger customers and help educate them in financial services, simplify electronic banking and enable customers to track payments and manage their budgets. The platform is planned to be rolled out in 2013.

For corporate customers (the majority of whom are frequent users of electronic banking), the priority will be to introduce added-value services, such as electronic invoicing.

The Nova KBM Group is also conducting a CRM project aimed at increasing client satisfaction and improving the selling culture of the Group. The aim is to enable customer relations management across all of the Group's distribution channels, with pro-active marketing and an individual client-based approach.

The Nova KBM Group is investing in the extensive office network of Pošta Slovenije through which PBS conducts its banking operations by equipping a certain number of post offices with special financial counters to sell more sophisticated banking products and services through the post offices, to facilitate the expansion of its operations and the acquisition of new clients in non-traditional areas, and achieve greater synergy between the Nova KBM Group and the Pošta Slovenije network.

### **COMPETITIVE ADVANTAGES OF NOVA KBM GROUP**

The Nova KBM Group believes that its key competitive strengths are its:



- ⇒ Significant market position in Slovenia
- ⇒ Extensive national distribution network
- ⇒ Stable, low-cost funding structure
- ⇒ Large retail client deposit base providing significant cross-selling potential
- ⇒ Strong corporate and SME banking franchise
- ⇒ Comprehensive and innovative product range
- ⇒ International presence
- ⇒ Substantial ownership by the Slovenian state
- ⇒ Stable and experienced senior management team

**Matjaž Kovačič**, CEO of Nova KBM d.d., commented on the beginning of the public offering: “I expect that the market position of the Group, as well as our growth prospects and our strategy based on building value for shareholders, will be an attractive proposition for stock market investors in Poland and other European countries. The capital increase which we intend to carry out will accelerate the development of Nova KBM and implementation of the Group’s ambitious growth strategy based on strengthening its market position, further foreign expansion, optimising its management and governance, and developing innovative distribution channels.”

***For more information, please contact:***

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**About Nova KBM**

The Nova KBM Group is the second-largest banking group operating in Slovenia, as measured by total assets, loans and deposits, according to the Bank of Slovenia as at 31 December 2010. It provides mainstream banking services, investment banking services, modern banking channels as well as other financial services and advice to individual and corporate customers. Nova KBM operates through its subsidiaries and affiliates also in Austria, Serbia and Croatia. Its Austrian subsidiary bank is present also in the Czech Republic, Slovakia, Hungary, Montenegro and the Republic of Macedonia.

The branch network in Slovenia is composed of 96 branch offices (including 6 PBS branches) and over 550 post office branches through Poštna Banka Slovenije, a subsidiary of Nova KBM. Nova KBM has over 350,000 retail clients and over 11,000 corporate clients.

The Group’s assets as at 31 December 2010 were EUR 5.9 billion.

In recent years Nova KBM has received the title “Bank of the Year” in Slovenia (*The Bankers, Financial Times*) and many other professional awards.

Nova KBM shares have been listed on the Ljubljana Stock Exchange since December 2007.

**More information available at [www.nkbm.si](http://www.nkbm.si)**



## **Disclaimer**

*This publication is for promotional purposes only and under no circumstances shall it constitute the basis for a decision to invest in securities of Nova Kreditna banka Maribor d.d. (the "Company").*

*The offering prospectus (the "Prospectus"), prepared in connection with the offering of the rights to subscribe for the shares in the Company to existing shareholders in Slovenia and public offering to investors in Poland and Slovenia and admission of the Company's shares to be issued to trading on the Ljubljana Stock Exchange (the "LJSE") and all of the Company's shares to trading on the Warsaw Stock Exchange (the "WSE"), is the sole legally binding document containing information on the Company and the public offering of its shares in Slovenia and Poland (the "Offering").*

*On 31 March 2011 the Prospectus was approved by Agencija za trg vrednostnih papirjev, the Slovenian Securities Market Agency („SMA“), and was made available to the public once all the conditions provided under Art. 72 of the Slovenian Market in Financial Instruments Act and Art. 37 of the Polish Public Offering Act dated 29 July 2005 were met, i.e. once the SMA approves the Prospectus and once the Polish Financial Supervision Authority has been notified by the SMA of the approval of the Prospectus and has received a certificate of the approval of the Prospectus along with the Prospectus, a translation of the Prospectus into English and a translation of its summary into Polish.*

*Other than the offer of the securities referred to herein to persons in Slovenia and Poland, the securities referred to herein will only be offered to and directed at persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article "2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State). The expression "2010 PD Amending Directive" means Directive 2010/73/EU.*

*The communication of this press release, the Prospectus and any other documents or materials relating to the Offering is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order")) or persons who are within Article 49(2)(a) to (d) of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.*

*Insofar as the communication of this press release, the Prospectus and any other documents or materials relating to the Offering is made to or directed at investment professionals (as defined in Article 19(5) of the Financial Promotion Order), it is made to or directed at persons having professional experience in matters relating to investments, and any investment or investment activity to which it relates is available only to such persons or will be engaged in only with such persons, and persons who do not have professional experience in matters relating to investments should not rely upon it.*

*The Prospectus is available in electronic form at the websites of the Company ([www.nkbm.si](http://www.nkbm.si)), the WSE ([www.gpw.pl](http://www.gpw.pl)), and the LJSE ([seonet.ljse.si](http://seonet.ljse.si)). Hard copies of the Prospectus are also available free of charge upon request from the Company, ING Securities S.A. or Silkroute Securities (Polska) sp. z o.o. (institutional investors only).*