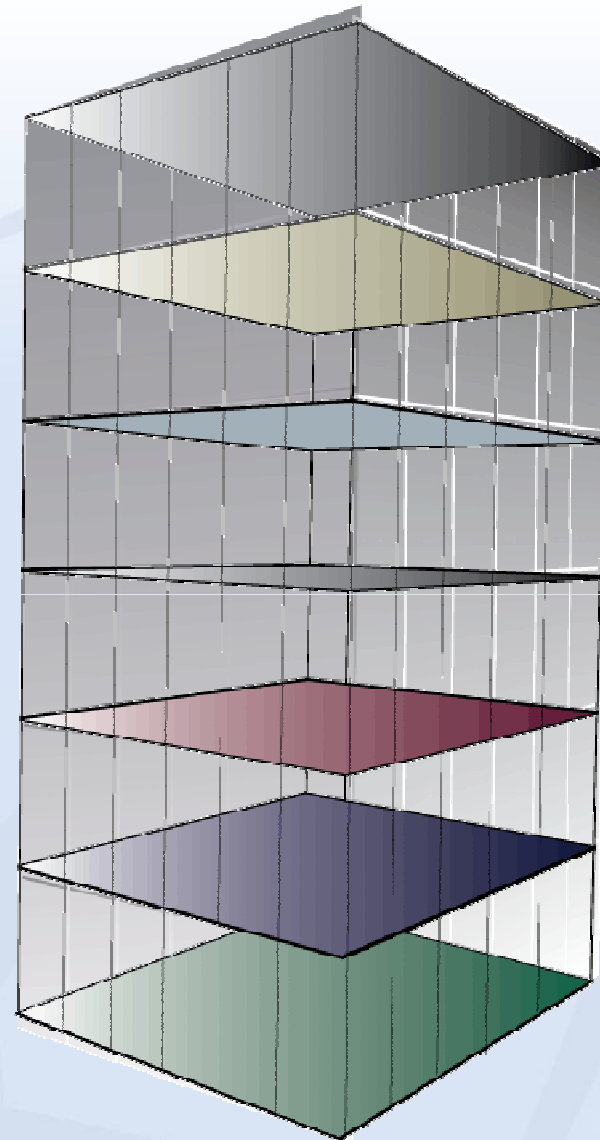


Nova banka AD Banja Luka Corporate Profile

- **Dragan Džinić**
Legal Advisor

Oversight:



Strategy for upcoming years

Results

Case of Nova banka

Organizational structure

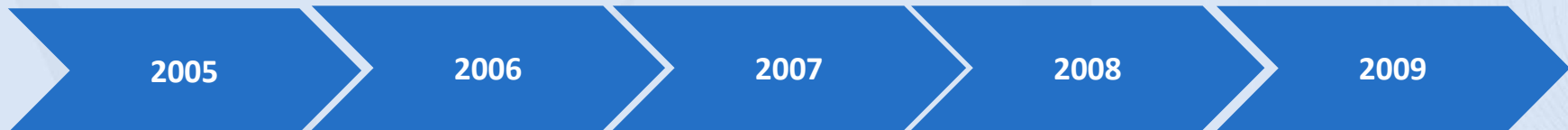
Ownership

Short overview

Nova banka overview - Milestones



- Name change to Nova Banka AD Bijeljina
 - Major capitalisation by a number of new investors increasing the capital more than five-fold
- Establishment of broker operations through Broker Nova
 - License granted for national payments operations
- Acquisition of Agroprom Banka AD Banja Luka, enabling the establishment in Banja Luka, the region offering the highest growth potential (still today)
 - Listing on the Banja Luka Stock Exchange
- The first bank in BiH to obtain OQS certificate related to Management of Quality in accordance with ISO standards

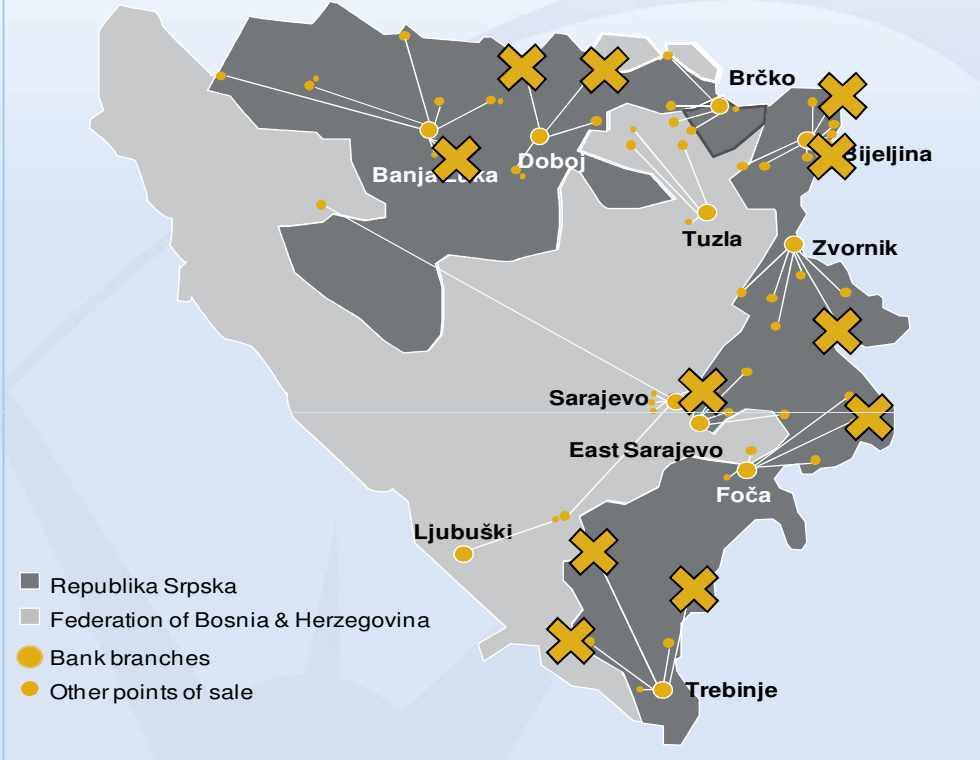


- Poteza acquires a 41% stake through a capital increase, doubling Nova Banka's capital (stake later diluted to 37% by a subsequent capital increase in 2007)
- License for custody services granted
 - Capital increase of € 5m to support growth
 - Strengthening of management board by international experienced bankers
- Name change to Nova Banka AD Banja Luka and change of registered address
 - Capital increase dedicated to IFC
- Construction of a new headquarter in Banja Luka in line with decision to further penetrate the wealthiest region of RS
- Reorganization and the Bank optimization
 - Local experts with *know how* elected as new management board members

Nova Banka overview



11 bank branches and 60 additional points of sale



- 1 ■ Leading distribution network
- 2 ■ Upside potential in Banja Luka and Federation of BiH
- 3 ■ Management team with deep knowledge of the local market
- 4 ■ Strong customer relationships
- 5 ■ Balanced sector exposure and diverse customer base
- 6 ■ Well respected bank with state-of-the-art payment systems platform
- 7 ■ Total income of c. € 23m, growing by 23% p.a. over the last 4 years
- 8 ■ Total assets of c. € 457m, growing by 63% p.a. over the last 4 years

Key awards

 <p>Deutsche Bank STP excellence in international payments 2002-2007</p>	 <p>Chamber of Commerce of RS ■ Most successful company in the financial sector 2006 • The best key indicators in financial sector in 2008</p>	 <p>Golden BAM First BiH bank to export banking knowledge and technology abroad 2004</p>
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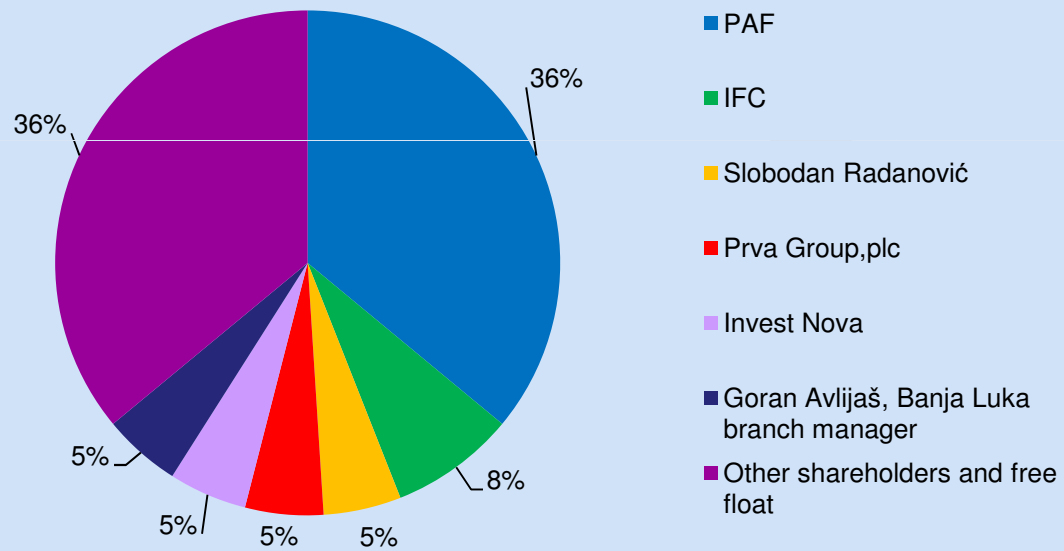
Ownership structure



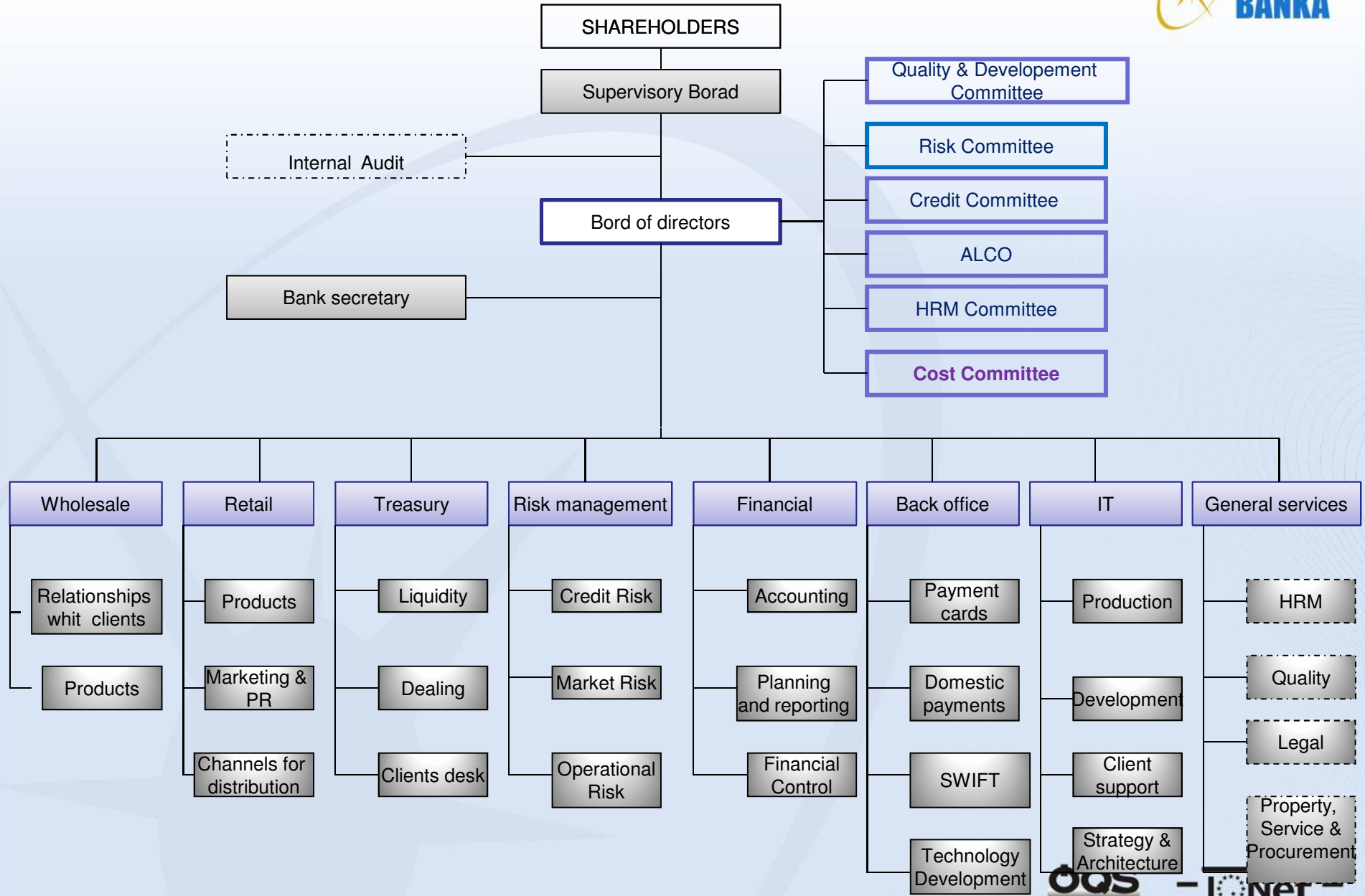
Ownership structure

- Key shareholders include Poteza Adriatic Fund B.V. (“PAF”) and the International Finance Corporation (“IFC”)

Ownership structure



Organisational structure



Board Structure



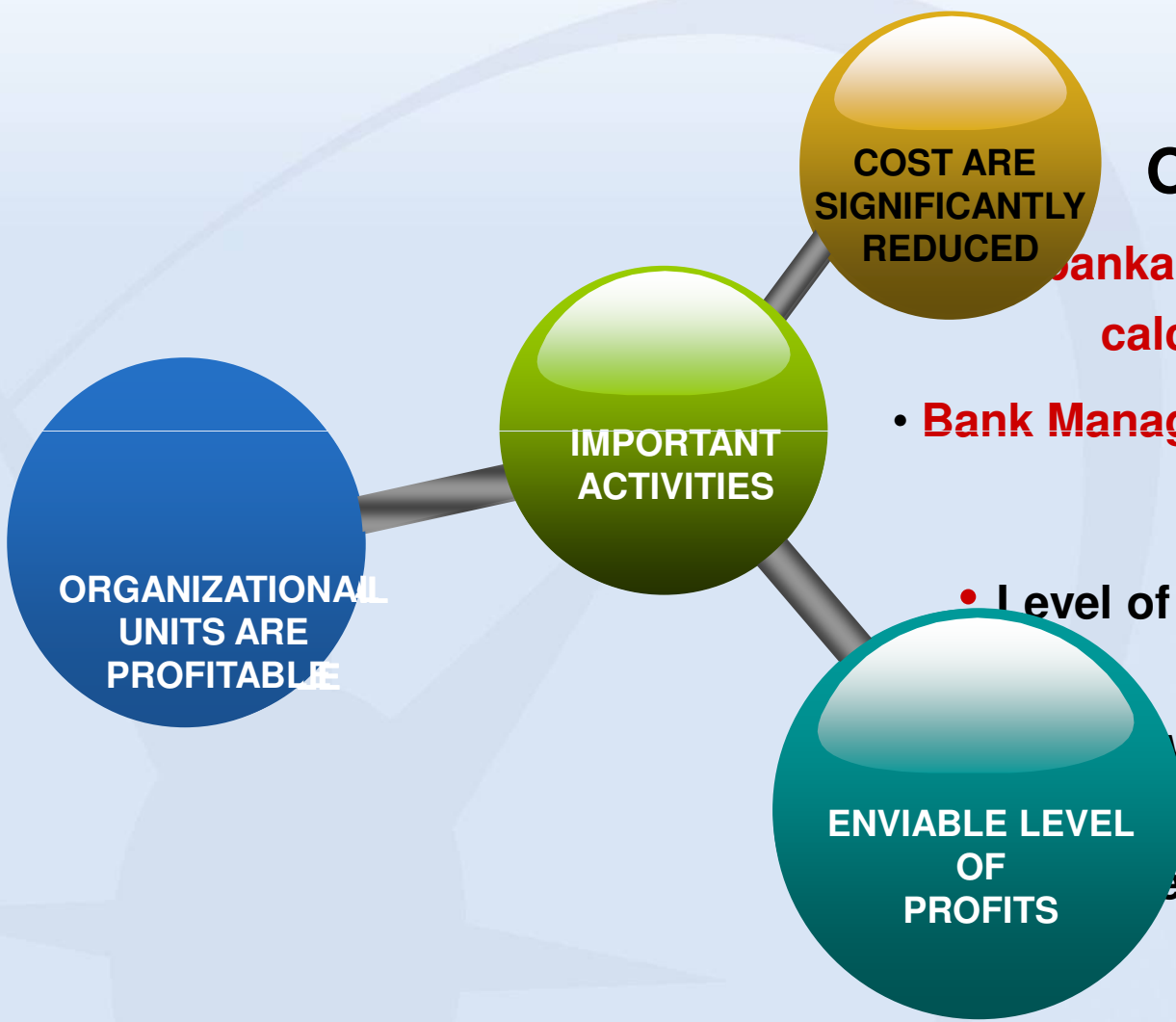
Bank has one and unique Credit Committe for all corporate and retail clients
www.novabanka.com



Dealing with crisis



Results



Other activities:

Banka shares are base for calculation of BH index

- Bank Managers are chosen as best in B&H

- Level of satisfied clients are increased

as local, domestic with quality services

new modern products

are offered

Income statement and balance sheet



Income Statement

	December 07	December 08	Plan, September 09	Realization, September 09	Plan, December 09
Net interest income	22.252	24.249	17.894	16.574	25.829
Net fee income	15.350	15.206	10.457	11.280	13.928
Net foreign exchange	1.895	2.131	1.951	7.479	2.563
Other income	4.186	6.278	2.606	1.713	3.392
Operating expenses	31.212	35.723	21.758	22.026	30.010
Profit without provisions	12.471	12.141	11.150	15.020	15.702
Provisions	6.929	8.202	4.490	4.955	6.000
Profit before taxation	5.542	3.939	6.660	10.065	9.702
Taxes	216	190	0	153	500
Net profit	5.326	3.749	6.660	9.912	9.202

Income statement and balance sheet



Balance Sheet

	December 07	December 08	Plan, Avg 09	Realization, Avg 09	Plan, December 09
Cash	531.071	268.743	232.705	204.156	237.838
Due from other Banks	15.727	701	1.400	566	2.000
Placements (own funds)	227.440	324.733	325.916	310.991	326.805
Placements (borrowed funds)	90.278	124.663	140.856	156.801	149.242
Fixed assets	18.260	33.141	34.200	30.735	35.000
Other assets	24.009	24.802	24.500	37.503	25.132
TOTAL ASSETS	906.785	776.783	759.577	740.752	776.018
Deposits	679.960	567.050	527.901	505.488	509.156
Borrowings	118.789	111.333	120.000	124.430	150.243
Other liabilities	12.219	11.782	10.300	12.973	10.000
Subordinated liabilities	1.383	1.255	6.255	1.190	6.255
Provisions	15.636	20.969	23.475	23.899	25.068
Capital	60.798	64.394	71.646	72.772	75.295
TOTAL LIABILITIES	906.785	776.783	759.577	740.752	776.018
OFF-BALANCE SHEET ITEMS	94.619	159.098	119.987	144.511	128.804

Income statement and balance sheet



Financial parameters

	December 07	December 08	Plan, September 09	Realization, September 09	Plan, December 09
ROE	9,62%	5,84%	12,95%	19,13%	13,14%
ROA	0,82%	0,43%	1,17%	1,78%	1,21%
INTEREST MARGIN	3,69%	3,00%	3,46%	3,24%	3,73%
PARTICIPATION OF NET INTEREST IN INCOME	47,76%	43,61%	54,38%	44,74%	56,50%
PARTICIPATION OF PROVISIONS IN INCOME	38,01%	31,99%	31,78%	30,45%	30,47%
PARTICIPATION OF FOREIGN EXCHANGE IN INCOME	4,07%	3,83%	5,93%	20,19%	5,61%
C/I RATIO	72,05%	68,89%	66,12%	59,46%	65,65%
% OF PROVISIONS IN INCOME	16,05%	24,03%	13,64%	13,38%	13,13%

Strategy for upcoming years



Leverage on existing operations and optimization of the distribution network

Focus on high-growth quality SME segment

Maximise cross-selling opportunities

New product offering and adaptation of existing products to client demands

Further development of distribution E-channels for payments, consumer lending and payment card business

Continue grow-with-your-customer philosophy

Re-alignment of organisation to support business development and achieve maximum efficiency and superior cost-income levels

Concentration on the “other” source of funding, instead of own sources
Specific goal is 40% other and 60% own sources (31.12=28,6%, 31.05= 32,09%)