Factor banka d.d., Tivolska cesta 48, 1000 Ljubljana (hereafter: the Company), is publishing the following notification:

On 14 August 2012,  the Company and KD Banka d.d, Neubergerjeva 30, 1000 Ljubljana (hereafter: KD Banka d.d.) entered into the Merger Agreement whereunder KD Banka d.d. shall merge with the Company (hereafter: the Merger Agreement) and which was preliminarily examined and approved by the Supervisory Board of the Company. On the same day, the Management Board of the Company submitted the Merger Agreement to the District Court in Ljubljana (the registration court).

With reference to the above merger, the Company’s shareholders have access to the above documents, available at the Company’s headquarters in Ljubljana, at Tivolska cesta 48: the Merger Agreement, the Annual Reports of the merger participants, referring to the last three financial years, interim balance sheets of the merger participants as at 30 June 2012 along with the examination reports by the Supervisory Boards and/or the Governing Boards of the merger participants. The Company will convey to each shareholder on the respective request a gratuitous transcript of all the above documents on the subsequent working day at the latest.

As the Company is a 100% holder of the shares belonging to KD Banka d.d., the decision-making on the consent to the merger is not subject to the decision by the Shareholders’ Meeting of the Company as the acquiring company (Article 599(1) of the Companies ACT – ZGD-1) nor to the decision by the Shareholders’ Meeting of KD Banka d.d. as the acquired company (Article 599(5) of the Companies ACT – ZGD-1). Notwithstanding the above statement, the Company’s shareholders in possession of at least one twentieth of the Company’s share capital shall be entitled to require, within one month from the publication of this notification, the convening of the Company’s Shareholders’ Meeting to decide on the consent to the merger.

This notification is also published on the website of AJPES (Agency of the Republic of Slovenia for Public Legal Records and Related Services).