



December 23, 2005

## **Extraordinary announcement**

### **Serbian bank in the OTP Bank Group**

OTP Bank is pleased to be informed about the decision of Serbia's Deposit Insurance Agency (DIA), which acts on behalf of the seller, the Government of the Republic of Serbia, that the largest Hungarian financial institution has been chosen to buy a 89.39% stake on offer in Niška banka a.d. Niš (Niška banka). The decision allows OTP Bank to further strengthen its role as a key player in Central and Eastern Europe's banking market, as after the signing of the sale and purchase agreement it will already be present in five countries beside Hungary.

As it is known, OTP Bank submitted a binding bid for DIA for the purchase of the majority stake in the small bank, which has a 0.7% market share in the Serbian banking market. Based on the binding bid, the DIA decided to start negotiations with the largest Hungarian financial institution about the purchase of Niška banka. A purchase price reflecting the bank's value, an offer containing all essential conditions regarding the transaction, and a draft sale and purchase agreement formed the base of the positive assessment. The purchase price was based on the Serbian credit institute's current and potential business value, as well as the favourable growth potential of the Serbian banking market.

Representatives of the seller and of the buyer sign the sale and purchase agreement on December 23, 2005. The final closure of the transaction is expected in February, after having obtained the necessary permissions.

The total assets of the Serbian bank, which has a 0.7 % market share and serves its 80,000 clients via a 24-unit branch network, was EUR 40.2 million at June 30, 2005. The bank's total deposits stood at EUR 13.2 million, its lendings amounted to nearly EUR 8.1 million, while its shareholder equity was EUR 18.0 million at the same time.

OTP Bank Ltd.