



Reference number: IR-046/2006

March 17, 2006

Extraordinary announcement

OTP Bank does not take part in the tender for the sale of HVB Splitska banka d.d.

According to the decision of OTP Bank's management, the largest Hungarian banking institution has not submitted a binding bid until the 17 March 2006 deadline of the tender for the sale of 99.75 per cent shareholding in HVB Splitska banka d.d. ("Splitska banka").

As it has been previously known, the Croatian National Bank expressed its concerns that the purchase of Splitska banka by OTP Bank would result in a market concentration in certain regions of Croatia that could possibly harm a healthy competition. To mitigate the concerns OTP Bank initiated negotiations with the Croatian National Bank, which is the competition authority in Croatia. These negotiations however did not lead to an outcome acceptable for both parties. According to the Croatian National Bank: OTP either should have sold its Croatian subsidiary, OTP banka Hrvatska (OBH), or it would have been obliged to sell the majority of OBH's branches.

After careful evaluation of the situation the management of OTP Bank has decided not to take part in the sale process of Splitska banka. OTP Bank still thinks that OBH serves as the adequate basis for the implementation of its Croatian expansion strategy. OTP Bank builds on long term investments in its international expansion strategy. Accordingly, OTP Bank did not, and does not have any intention to sell its stake in already acquired banks. OTP Bank as a prudent and committed financial institution and strategic investor considers that the short term sale of its international investments would undermine OTP Group's reputation and trust from its customers and employees.

The largest Hungarian financial institution has been present on the Croatian banking market since March 2005 as the owner of OBH, which has a 3.5% market share. The Zadar-based middle-sized bank had more than half a million customers and operated 90 branches at the end of 2005. Last year the number of ATMs grew to 88 from 60, and the number of POS terminals increased from 414 to 748. The number of issued bank cards has grown by 10.7% to 339 thousand in 2005, from which the number of credit cards was approximately 22 thousand, which means almost 60% growth compared to 2004. According to preliminary non-audited IFRS data the Croatian financial institution has contributed with HRK 74.3 million, or HUF 2.5 billion to the HUF 158.3 billion net profit of OTP Group.

OTP Bank continues to pursue its earlier declaration that OTP Bank examines the possibilities of acquisitions besides organic growth also in Croatia, through which it can utilize synergies. At the same time OTP Bank maintains its conservative investment policy, and focuses on those investment opportunities that can have additional value in strengthening OTP Group's positions in Central and Eastern Europe and can contribute to the growth of shareholders' value.

OTP Bank Ltd.