

BA-CA Investor Relations Release

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BA-CA completes merger of its two Serbian banking subsidiaries

- **The new "HVB Bank Serbia and Montenegro" starts on 4 October**
- **BA-CA is number 5 in the Serbian banking market**

Bank Austria Creditanstalt (BA-CA) has successfully completed the merger of HVB Bank and Eksimbanka, its Serbian banking subsidiaries. Today the new bank starts operating under the name of "HVB Bank Serbia and Montenegro". The bank has a country-wide network of 41 branches and total assets of more than EUR 400 million. Some 500 employees serve more than 70,000 customers. BA-CA thus becomes number 5 in the Serbian banking market. The new bank is planning to pursue further strong growth in the next few years. It aims to be among the top 3 banks in Serbia and Montenegro by 2008.

In a tender procedure, BA-CA had made the best bid for the purchase of a 58.7 per cent interest in Eksimbanka in 2004. An agreement to purchase the shares was made with the sellers of the controlling interest (Deutsche Investitions- und Entwicklungsgesellschaft (DEG), the EBRD, the investment management company Futura Investment, and SEEF Holding, a member of the Soros financial group) and signed on 19 November 2004. The Bank Rehabilitation Agency held 12.3 per cent of the shares in Eksimbanka, and the remaining 29 per cent was free float. Due to legal requirements in Serbia, a binding public takeover offer was submitted to all shareholders. BA-CA holds almost 100% of the shares in HVB Bank Serbia and Montenegro.

Eksimbanka was established in 1991. It was the first Serbian bank in which renowned international investors acquired significant interests. The bank has been restructured since then. Today it focuses on business with small and medium-sized companies and private customers.