

OTP Group has acquired ILIRIKA DZU

It will be known as OTP Invest

OTP Group is planning further ambitious projects in Serbia in the investment fund market, a financial segment with currently low product penetration but significant growth potential. In order to implement these projects, OTP Fund Management —together with the Group’s local subsidiary, OTP banka Srbija, a market leader in retail and corporate lending, - has acquired the Serbian asset management subsidiary of the Ljubljana-based ILIRIKA Group.

Belgrade-Budapest, 12 July 2023 – OTP Fund Management Ltd., together with OTP banka Srbija, has acquired ILIRIKA DZU (founded in 2007), a Serbian subsidiary of ILIRIKA Group, which is present in other countries besides Serbia (Slovenia and North Macedonia) and provides corporate finance and M&A (Mergers & Acquisitions) advisory services in addition to stock brokerage and asset management.

‘OTP Group has always considered its Serbian market presence to be of strategic importance. This transaction makes us an active player in the local capital market,’ said **Attila Bánfi, Chairman of the Board of Directors of OTP Fund Management**. He also mentioned the Serbian capital market regulations under which investment funds can only be offered to clients if the asset management company is operating in Serbia. *‘We wanted to meet this condition as, until now, investment funds have been absent from OTP Banka Srbija’s product range,’* continued Attila Bánfi. *“The acquisition of a functioning asset manager is more than promising from a product development perspective,”* added **Tibor Turner, deputy CEO of OTP Fund Management**, who believes that the market conditions are ideal for this, as the Serbian investment fund market is currently gradually expanding;; assets under management amount to EUR 5-600 million, which is a significant achievement considering that three years ago it was only half this amount.

OTP Fund Management Ltd., with 30 years of experience in the money and capital markets, will provide continuing professional and operational support to the new company, which will operate under the name OTP Invest. *“There will be a strong emphasis on Group-wide internal and external knowledge-sharing and training, which will also extend to the 154-branch strong OTP banka Srbija, as it will be the main distributor of OTP Invest funds through its strong and dominant retail sales network, including private banking branches,”* **Attila Bánfi** said.

With total assets of EUR 6.91 billion¹, OTP banka Srbija is one of the country’s leading banks after having successfully completed two of the most complex mergers ever seen in the local market in a row; the integration of former Vojvodjanska banka and Societe Generale Serbia. OTP is the first-ranked bank in Serbia in terms of market share in retail and corporate loans and the second largest in terms of assets and deposits. It has a long tradition in custody services: six out of seven Serbian pension funds have chosen the OTP Group member bank as their custodian, and 11 out of a total of 18 investment funds have done the same.

Among them is ILIRIKA - which will be known within 3 months as OTP Invest—that will initially make its investment funds available to OTP’s Serbian private banking clientele, but will be gradually expanding the range of channels, also extending its instruments to the retail segment. OTP Bank’s Serbian subsidiary has a huge role to play in this; its dominant position in the retail banking market also serves as an aspirational goal for OTP Invest: **Attila Bánfi** believes that it is possible for OTP banka Srbija to become a dominant player in the investment market within a 5-year time horizon, for which

¹Total assets as of Q1 2023.

the currently low market penetration serves as a great starting point. *“Our products and services are designed to help the region grow faster than the EU average”,* he added. *“We believe in the future of the Central and Eastern European region, and we want to make an active contribution to its development.”*

OTP’s Serbian bank is also an outstandingly strong player in the local private banking market. The bank is strengthening its position in the segment through continuous product and service development, under the Group-level professional guidance of OTP Bank’s Global Markets Directorate. The acquisition will support the Group-wide private banking and investment services strategy, under which OTP Group will further expand the range of capital market products and services offered by its subsidiaries.

About OTP Group

OTP Group is one of the fastest growing and one of the leading banking groups in the Central and Eastern European region, with outstanding profitability and a stable capital and liquidity position. With more than 41,000 employees in now 12 countries of the CEE and Central Asian region, the Group provides universal financial services to more than 17.5 million customers. As the most active consolidator in the banking sector of the Central and Eastern European region, the Group has successfully acquired and integrated 23 banks since the early 2000s. Currently, the Bank is a market leader in Hungary, Bulgaria, Serbia, Montenegro, and in Slovenia. OTP Group is headquartered in Hungary and has a diversified and transparent ownership structure. The Banking Group has been listed on the Budapest Stock Exchange since 1995.

About OTP Fund Management

OTP Fund Management, which turns 30 this year, is the market leader in Hungary with more than EUR 6.5 billion in assets under management in nearly 60 investment funds and 20 institutional portfolios. In addition to traditional fixed income, balanced and equity funds, it also manages alternative instruments such as commodity or absolute return derivative funds. It has subsidiaries in Romania, Bulgaria, Croatia and Ukraine, which are now joined by OTP Invest.

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