



Number:
Sarajevo, 03.12.2010.

TO THE MEDIA

Subject: Press release regarding Una Bank

Dear,

Related to the most recent various interpretations concerning current status of Una bank d.d. Bihac, and following the proceeding on Public Call for additional capitalization, merger, integration and/or purchase of assets, and assumption of liabilities of this bank under provisional administration, in process of resolving this issue, Banking Agency of the FBiH, as with all previous cases, will act in accordance with the Law in order to fully protect the interests of depositors and employees of the Bank.

The Public Call and Selection of the Most Favorable Bidder Commission comprised of representatives of the Federal Ministry of Finance and the Ministry of Finance of USK, a representative of the Banking Agency of the FBiH as regulatory authority, a representative of the Health Insurance Bureau, on behalf of creditors, and a representative of Una Bank, following the implemented process, upon the published public call, selected (of two bids received) Balkan Investment Bank AD Banja Luka (BIB bank) as the most favorable bidder, as confirmed by the Bank's Provisional Administrator.

Based on this bid, the BIB Bank has accepted to immediately perform a 100% payment to depositors of 8,1 million KM, by taking over majority of assets, and payment of portion of other liabilities of Una Bank, which represents over 60% of its total liabilities presented. Full-time job would be offered to 39 to 54 existing employees of the Bank, and part time contract would be offered to remaining 15 employees.

Remaining portion of the liabilities of Una Bank, that are not subject to this purchase-sale, would be paid in the following liquidation process from remaining assets of the Bank, which, based on the book records, exceed liabilities. It has been several years now that Una bank is in dispute against Decision of municipal and cantonal courts in Bihac for the assets repossession of „Department Store Bihac“ that was acquired on basis of realization of collateral based on loan from debtor Department Store Bihac d.o.o.

If conditions are not met for realization of the agreement with BiB Bank that the Banking Agency of the FBiH is analyzing in details due to existing and potentially new liabilities on basis of court rulings and corresponding interest of still not resolved issue of implementation of the provisions of Law on Banks that regulate the work of banks in provisional administration at authorized courts, and reduced level of business operations, it would be necessary to initiate liquidation process or bankruptcy of Una bank.

DIRECTOR

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/ Zlatko Barš/