

Erste Group and DLL form strategic alliance to unlock EUR 17bn CEE leasing market potential

Erste Group Bank AG (Erste Group) and DLL (De Lage Landen International B.V.) have signed a Memorandum of Understanding (MoU) aimed at establishing a strategic alliance with respect to their vendor financing and leasing activities in Central and Eastern Europe. More precisely, the countries in scope are Austria, Bosnia and Hercegovina, Croatia, Czech Republic, Hungary, Macedonia, Montenegro, Romania, Serbia, Slovakia, and Slovenia. Through the intended strategic alliance, Erste Group and DLL aim to grow their joint business to offer best in class vendor finance solutions to their partners and customers as well as development opportunities for their employees.

In order to ensure consistent and efficient future operations throughout Central and Eastern Europe, the MoU foresees a potential transfer of DLL Hungary entities into Erste Bank Hungary or one of its entities. This is subject to due diligence and agreement on the transfer terms which is expected in Q2 2018.

On the occasion of the signing of the agreement, the officials of the companies commented:

“Erste Group has been investing in Central and Eastern Europe for almost two decades now and has seen a growing demand in leasing and vendor financing. The overall estimated potential of this market is above 17 billion euros. By joining forces with DLL, one of the world’s largest leasing companies, we have the ambition to build new direct client relations and expand our portfolio. Furthermore, we will benefit from its know-how and vast network of global relationships”, said Karin Schmidt-Mitscher, Head of Erste Group Commercial Real Estate and Leasing.

“DLL has a clear interest in geographic expansion, growth and finding new ways to provide our vendor partners with access to markets where we do not have a physical presence. The planned alliance will allow DLL to leverage Erste Group’s extensive network and capabilities throughout Central and Eastern Europe. Most importantly, DLL vendor partners will gain access to competitive pricing and support in the countries where Erste has capabilities”, said Marc Dierckx, Chief Financial Officer of DLL.

The exact terms of the strategic alliance agreement are still subject to applicable internal and external approvals, but are expected to be defined during the first half of 2018.

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About DLL

DLL is a global vendor finance company with more than EUR 30 billion in assets. Founded in 1969 and headquartered in Eindhoven, The Netherlands, DLL provides asset-based financial solutions in the Agriculture, Food, Healthcare, Clean technology, Construction, Transportation, Industrial and Office technology industries.

DLL partners with equipment manufacturers, dealers- and distributors in more than 30 countries to support their distribution channels and help grow their businesses. DLL combines customer focus with deep industry knowledge to deliver sustainable solutions for the complete asset life cycle, including retail finance, commercial finance and used equipment finance. DLL is a wholly owned subsidiary of Rabobank Group. To learn more about DLL, visit www.dllgroup.com.

About Erste Group Bank AG

Erste Group Bank AG (Erste Group) is the leading financial services provider in the eastern part of the EU. Its 47,000 employees serve over 16 million customers in more than 2,500 branches in 7 countries (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia). As per Q3 2017, Erste Group had EUR 221.7 billion in total assets, posted a net profit of EUR 987.6 million and had a tier -1 capital ratio (CET-1, Basel III, phased in) of 12.8%.

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