

Vienna, October 6, 2019

Erste Bank Celebrates its Founding: 200 Years of Helping to Make Prosperity Accessible to Everyone

Prominent persons from business, politics and culture celebrate the bicentennial of the founding of savings banks in Austria

At a celebratory matinée held today at Vienna's Musikverein concert hall, some 1,500 individuals from public life in Austria and the CEE region celebrated the 200th anniversary of the founding of Erste Bank and the savings bank idea in Austria. Democratizing and safeguarding prosperity in Austria and the countries of Central Europe continues to be the mission that Erste Group and Erste Bank and Sparkassen pursue.

Today's bicentennial celebration was attended by the Austrian president Alexander Van der Bellen, the country's chancellor Brigitte Bierlein, and the Serbian prime minister Ana Brnabić. Other high-ranking representatives from politics, business, culture and other areas of public life also joined in celebrating an idea that remains revolutionary to this day: believing in the potential that people have. Since its foundation in 1819, Erste has pursued the goal of giving people access to greater security and a chance to attain more prosperity, "regardless of their age, gender, social standing, or nationality." – as Erste's two hundred year-old company charter makes clear. The Vienna-based banking group renewed that promise once again at the Musikverein event, whose official speeches focused on the "200 years ahead" rather than reminiscing in nostalgia.

The keynote speakers included the President of Austria, Alexander Van der Bellen, who stressed the significance of the savings idea for ensuring cohesion within society, particularly in the case of Austria. *"The Austrian constitution helps us to have in place a plan during times of upheaval and swift change – a plan that helps us do the right thing. It's noteworthy that Erste Bank and Sparkasse also has a 'constitution'. 'No age, no gender, no social group, no nationality should be excluded from the benefits that the savings banks offers to depositors.' That was written down two hundred years ago. That principle was revolutionary at the time and has helped Erste Bank and Sparkasse to become a catalyst that has helped to accelerate the democratic transformation."* Van der Bellen paid tribute to Andreas Treichl, who will retire at the end of this year after 25 years on Erste Group's management board, as *"a convinced European, who is willing again and again to take an outspoken stance also on topics that are controversial or unpopular. He is someone who champions liberal democracy and the European idea."*

In his speech, Friedrich Rödler, the Chairman of the Supervisory Board of Erste Group, stressed that *"faith in the potential that all individuals possess is at the very core of Erste Bank's founding principle. Nowadays one would call it a 'start-up' that has created an innovative financial product: the savings book. That principle has survived intact through both wars and periods of peace, through the collapse of societies and their reconstruction. It is as important today as it was in the past – because confidence and trust are prerequisites for personal growth and for a prosperous society."*

Andreas Treichl, CEO of Erste Group, highlighted the enormous significance of Erste's founding principle of making financial independence – and thus the foundation for prosperity – available to all people: *“I am convinced that our society will experience developments over the course of the next fifty years that we cannot even begin to imagine. Financial institutions will be an important policy instrument for implementing prudent environmental policies. They will also have to provide a decisive contribution to meeting the financing problems that arise from the rapidly changing demographic pyramid. We regard it as one of our principal tasks to help as many people as possible to pursue prosperity. One can rightly say that medicine is dedicated to addressing the most important thing in peoples' lives: their physical and mental well-being. At Erste Bank, we take care of the second most important thing, namely their financial health. If we manage to do this task well, then I am convinced that Erste will still be around in another two hundreds years' time.”*

After the opening ceremony in the Musikverein's Goldener Saal, which was immersed in the blue of Erste's corporate identity for the event, the guests enjoyed a concert by the musicAeterna orchestra directed by Teodor Currentzis with H elene Grimaud on the piano.

The event venue was chosen deliberately: the Gesellschaft der Musikfreunde, which was founded in 1812, has maintained a close partnership with “Erste” for almost 200 years. When this “Society of Friends of Music” erected its new building “Musikverein” in the 1860s, the funds donated by Erste oesterreichische Spar-Casse established it as one of the Musikverein's principal “founders”. The Erste Bank Foyer, which was inaugurated during the course of the Musikverein's renovations in 2003, is a further symbol of the long partnership between the two institutions. (End)

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200 Years Erste Bank and Sparkasse – A Brief History

Erste oesterreichische Spar-Casse was founded in 1819, and today, 200 years later, Erste Group is to the leading banking group in seven markets across Central Europe.

The spark for this success was lit in 1819 through what was then an extremely innovative idea– the savings passbook – that was put forward by a young and visionary priest, Johann Baptist Weber. The savings passbook marked a first and very significant step towards increasing prosperity among the broader public. Several years later, “Erste” extended its first small loans to tradespeople and craftsmen-- a form of “microfinancing” almost 200 years ago.

Starting in 1822, hundreds of savings banks were established from Bregenz to Lviv and from Prague to Ragusa based on the by-laws of “Erste”. Another milestone in the endeavour to serve the people of the region was achieved in 1825 with the founding of “Allgemeine Versorgungsanstalt”, a prototype of

social insurance. All the more important: while many banks failed as a result of the global stock market crash that originated in Vienna in 1873, the savings banks survived the crisis.

Technological revolutions shaped the further course of Erste's history: Burrough's calculator – a predecessor to the first computer - came to Vienna in 1907. In 1937, "Girozentrale" was founded as a hub for cashless payment transfers. The second technological revolution came in the mid-1960s, and here too "Erste" was at the forefront: Savings and payment transactions were automated, and the first cash dispenser was installed in 1968. In 2015, Erste Group launched "George", heralding the third wave of technological revolution in banking. George is now used by more than 5,000,000 customers, making it largest pan-European banking platform.

Under the motto "Go East!", a new chapter in Erste Bank's history opened in the 1990s through Austria's joining the EU. In 1997, Erste began to expand into the countries of Central and Eastern Europe after carrying out what had been the largest ever initial public offering by an Austrian company. In 2008, "Erste Group" emerged from the legal separation of the holding company from Erste Bank Oesterreich. Despite the expansion and restructuring that it has experienced over the past two centuries, Erste's mission has not changed since the founding of the savings bank in 1819; however, it now carries the promise of new possibilities for new times. In 2006, "Zweite Sparkasse" was founded with the aim of helping people in financial distress get back on their feet financially – "banking the unbankable", another example for how Erste stands by its original mission to this very day.

The original purpose of Erste's founding is described in detail in the "Statement of Purpose" that Erste Group published in 2016. Erste's founding principle of serving the people of the region, promoting prosperity, and helping make a future possible is at the focus of the 200-year anniversary of Erste Bank and Sparkassen in 2019. This is why the motto for Erste's bicentennial year is "The Future is Yours".