

INVESTOR INFORMATION

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Erste Group announces the launch of a rights issue of up to 60 million new shares

Erste Group Bank AG will launch a capital increase of up to 60 million new shares on November 2, 2009 in order to further increase its capital ratios and improve its capital structure. If all of the new shares are issued, the gross proceeds of the offering will be EUR 1.65 billion, based on an assumed offer price of EUR 27.50 (pro forma calculation based on the closing price on the Vienna Stock Exchange on 29 October 2009).

As a result of the transaction, Erste Group Bank's capital base would be strengthened, with its total equity (including minority interests and participation capital) increasing from EUR 14.1 billion¹ to EUR 15.7 billion. On a pro forma basis, this would increase the core tier-1 ratio² from the current 6.5% to 7.8% and the tier-1 ratio² from 7.4% to 8.8%.

Erste Group currently has no plans to repay the participation capital which was issued to the Republic of Austria (€1.2 billion) and to private investors (€0.5 billion) in March/May 2009. The participation capital is core tier-1 capital and pays an 8% non-cumulative dividend. With the offering, Erste Group intends to substitute the previously planned issuance of hybrid capital to the Republic of Austria with common equity.

The final subscription and offer price will be determined after the end of the offering period and after a book-building procedure reflecting the then-current market price ("at market") has been carried out.

"Two considerations were decisive for us to carry out the capital increase at this point in time. On the one hand, our quarterly results show clearly that our business model as a retail/SME bank has proven to be successful even in a challenging economic environment and that the Central and Eastern Europe region remains an interesting growth market for us. On the other hand, we would like to increase our core capital ratio and to improve the overall quality of our capital base", explained Andreas Treichl, the CEO of Erste Group. "The entire proceeds from the offering will be used to increase the core capital and will not be used to repay the participation capital which was issued to the Republic of Austria and to private investors. As a well capitalised bank, we intend to remain fully focused on the implementation of our retail strategy in Central and Eastern Europe and on realising our growth potential", Treichl concluded.

Criteria CaixaCorp, S.A., which currently holds a 5.1% stake in Erste Group Bank, has indicated to Erste Group Bank that it intends to exercise all of its own subscription rights for the new shares and to acquire and exercise all of Erste Stiftung's subscription rights.

Details of the capital increase

The management board of Erste Group Bank AG, with the approval of its supervisory board, resolved on 29 October 2009 to increase the share capital by issuing up to 60 million new

¹ As of 30 September 2009

² As of 30 September 2009: Based on credit, market and operational risk.

shares. The capital increase will be an 'at market' rights issue with subscription rights for existing shareholders at a ratio of 3 new shares for each 16 shares held. The maximum offer price will be €32 per share. The new shares will have a full dividend entitlement as of 1 January 2009.

The prospectus for the rights offering and the global offering has been filed with the Austrian Financial Markets Authority. The approval of the prospectus is expected on Friday, 30 October 2009.

The record date for the subscription rights for the new shares is 30 October 2009. The offer period and the "bookbuilding" for the global offering will run from 2 November 2009 to 17 November 2009. The subscription rights for the new shares can be exercised from 2 November 2009 until and including 16 November 2009. There will be no trading of the subscription rights.

The capital increase will take the form of a public offering in Austria, the Czech Republic and Romania to institutional investors and retail investors, and an international private placement to institutional investors in certain other jurisdictions. Austrian, Czech and Romanian retail investors who place their purchase orders for new shares with Erste Bank der oesterreichischen Sparkassen AG, the Austrian savings banks (*österreichische Sparkassen*), ecepra Central European e-Finance AG (brokerjet.at), Česká spořitelna, brokerjet České spořitelny (brokerjet.cz) or BCR will be guaranteed a preferential allocation of up to 700 new shares, subject to the availability of new shares after the exercise of the subscription rights.

The final offer price for the new shares will be determined after the offering period ends on 17 November 2009. The first day of trading in the new shares at the Vienna, Prague and Bucharest Stock Exchanges is expected to be 19 November 2009.

"With this transaction we invite both domestic retail and institutional investors to participate in the long-term success of our business", said Manfred Wimmer, CFO of Erste Group. "Erste Group serves approximately 17.5 million customers and is one of the leading financial services providers in Central and Eastern Europe. Even though the countries in this region are currently struggling with various macro-economic problems, the region will recover sooner or later, ensuring long-term growth by resilient enterprises from this region", Mr. Wimmer stated.

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