

For Immediate Release

4 April 2001

Erste Bank launches tender offer for ČS preference shares → Fulfils prior agreement with Czech Government

When acquiring its 52% stake in Česká spořitelna, a.s. (ČS) in March 2000, Erste Bank also agreed to buy, at a future date and subject to certain terms and conditions, the non-tradable ČS preference shares held by Czech Municipalities.

Erste Bank, as the majority shareholder in ČS, is now fulfilling the assurances given to the Government of the Czech Republic in the process of the ČS privatisation. The concept of the agreement was to offer to the Municipalities¹ the opportunity to sell the shares at a minimum price of CZK 125 per share. Erste Bank intends, through ČS, to further develop banking business with Municipalities in the Czech Republic. In Austria, Municipalities are standard customers of Erste Bank.

Erste Bank, in co-operation with all parties involved, has devised a tender offer to purchase a minimum of 60% of the outstanding preference shares. In addition to Erste Bank, the partners in the transaction are the Association of Municipalities² and EPIC Securities a.s., which will take up the role of broker. The Corporate Finance department of ČS is acting as an adviser to Erste Bank.

There are a total of 11,211,213 ČS preference shares in issue (ISIN CZ0008023736). These are non-tradable, do not carry voting rights and are restricted in their transferability to Municipalities only. The total preference share issue represents 7.38% of the registered capital of ČS.

The minimum price for which Erste Bank will buy the preferential shares is CZK 125 per share. Depending on the percentage of shares³ sold by the Municipalities, the price per share will be ranged as follows:

¹ To whom preferential shares were allocated as part of the ČS privatisation project in 1992.

² The Association of Municipalities (the Association) was founded on 7 January 2000 by thirteen Czech statutory Municipalities to act as a speaker for all Czech Municipalities that hold ČS shares and to co-ordinate the transaction.

³ Minimum sold percentage is 60%.

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Percentage of preference share issue sold	Number of shares	Price per share*
60% - 70%	7 847 851	CZK 125
70% - 80%	8 968 972	CZK 130
80% - 90%	10 090 094	CZK 135
90% - 100%	11 211 213	CZK 140

*Note: * Price includes CZK 3 as expenses incurred to the Association and EPIC*

The offer remains valid for 4 months, starting on 4 April 2001.

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