

For Immediate Release

5 April 2001

Sale of Slovenská sporiteľňa to Erste Bank enters its final stages

- **Shares to be transferred on 5 April 2001**
- **Appointment of new Managing Board**
- **Transformation of Slovenská sporiteľňa in full swing**

On 5 April 2001, the 87.18% of Slovenská sporiteľňa owned by the Slovak State passes to Erste Bank, marking the final stage in the acquisition process.

With 1.8 million customers, Slovenská sporiteľňa is Slovakia's largest retail bank. The integration of Slovenská sporiteľňa establishes Erste Bank as the leading bank in Central Europe as measured by share of deposits (11%) and by number of customers (in excess of 8 million). It also increases Erste's customer deposits by EUR 3.56bn to a new total of EUR 32.4bn and boosts loans and advances to customers from EUR 31.24bn to EUR 32.75bn, according to initial pro-forma full year 2000 IAS data for Erste Bank and Slovenská sporiteľňa combined.

The total purchase price is expected to be around EUR 425m. At yesterday's closing, Erste Bank transferred EUR 340m, representing 80% of the provisional purchase price, to the Slovak National Holding Fund. The remaining 20%, EUR 85m, has been deposited in a trust account and will be used to fulfil payment of the final purchase price. This will be based on the net asset value of Slovenská sporiteľňa according to its audited IAS 2000 annual statement, which is to be published by the end of April 2001.

Ownership of the 87.18% shareholding in Slovenská sporiteľňa passes to Erste Bank with payment of the 80%. The remaining shareholders are the Slovak Finance Ministry, which owns just under 10%, and the State Restitution Fund, with a 2.82% holding.

Extraordinary Shareholders' Meeting

An extraordinary meeting of the shareholders of Slovenská sporiteľňa took place on 4 April 2001 and decided on the election of new members to the Managing Board and Supervisory Board.

The Managing Board of Slovenská sporiteľňa will continue to have five members. Erste Bank is delighted to have engaged the services of Regina Ovesny-Straka¹, one of the most experienced bank managers in the region, as Chief Executive Officer and new spokeswoman for the Managing Board.

Ms Ovesny-Straka will head the Private Clients and Credit Risk Management Divisions and will play a key role in the process of integrating Slovenská sporiteľňa into the Erste Bank Group. Other members of the Managing Board include Stefan Maj, formerly the Board Member responsible for Accounting and Controlling, who has been appointed Deputy CEO; Peter Krutil, formerly the Board Member responsible for Treasury and Capital Markets; and Michael Vogt, formerly on the Board of Erste Bank Hungary with responsibility for IT. Details on the remaining fifth Board Member will be released shortly. Otto Ilchmann, who was appointed to the Board at the time Erste signed the contract to acquire Slovenská sporiteľňa, moves to the Supervisory Board.

The Supervisory Board will in future consist of 12 members, four more than hitherto. With immediate effect, it will be headed by Reinhard Ortner, the member of the Managing Board responsible for international business within Erste Bank. Further new members of the Supervisory Board from Erste Bank will be: Erste Bank Chairman and CEO Andreas Treichl, Otto Ilchmann (Head of Central European Region), Herbert Martinetz (Credit Risk Management at Erste Bank Vienna), Johann Lassacher (Viennese Regional Branch Director), Reinhold Schuster (Head of Organization / IT, International) and Heinz Kessler (Member of the Supervisory Board of Erste Bank). The other members consist of one representative of the Slovak Finance Ministry and four staff representatives.

Details of the transformation process

Immediately following the signature of the purchase agreement in January 2001, Erste Bank initiated a comprehensive transformation and integration programme for Slovenská sporiteľňa, drawing on experience gained during the transformation of Česká spořitelna. Experts from Erste Bank and Slovenská sporiteľňa have come together to form 19 transition teams focusing on areas such as Retail Banking, Credit Risk Management, Accountancy and Controlling, IT and Human Resources. A global transformation plan is being drawn up, setting out the schedule and objectives for the main integration projects in all areas of the bank. The principal task of the transition teams is to create action plans designed to allow Erste Bank standards to be introduced into Slovenská sporiteľňa as quickly and efficiently as possible. They will also draw up targets and schedules for the transformation process, which is expected to be completed within two years.

A raft of measures will be introduced with the dual aims of significantly increasing efficiency and improving customer service within Slovenská sporiteľňa over the next three years; these include centralization of back office functions, staff optimization, capital spending on IT, the introduction of new products, and staff training. Slovenská sporiteľňa has already budgeted to invest a total of around EUR 150m on modernization of the Bank, with the lion's share going to IT and staff training.

¹ Ms Ovesny-Straka was a member of the Managing Board of the then Creditanstalt Bratislava from 1994 onwards, later moving to Bank Austria Creditanstalt Slovakia, where she was most recently Chairperson of the Managing Board. She has an outstanding knowledge of the Slovak market and wide experience of integration processes.

Reduction of credit risks

As with Česká spořitelna, Erste Bank was not prepared to take on all credit risks entered into by the Slovak bank in the past, without a prior opportunity to review such risks. In the run-up to the merger, two major overhauls of Slovenská sporiteľňa's loan portfolio have already been carried out involving extensive transfers to State entities. In addition to these, Erste Bank can reclassify loans with a net book value of SSK 2bn/EUR 46.2m within six months of the auditing of the 2000 full year results in accordance with IAS. These loans can then be transferred to the State restructuring agencies. This sum represents around 20% of the remaining loans, excluding those made to State or related entities (such as the Slovak Electricity Company).

For further information please contact:

	Telephone	E-mail
Gabriele Werzer, Investor Relations	+ 431 53100 1286	gabriele.werzer@erstebank.at
Thomas Schmee, Investor Relations	+ 431 53100 7326	thomas.schmee@erstebank.at

Fax: 0043 (1) 531 00 3112
Graben 21, A-1010 Vienna, Austria

Erste Bank der oesterreichischen Sparkassen AG
Head Office Vienna, FB-Nr.33209m, Commercial Court Vienna, DVR 0031313