

Ad-hoc information

Vienna, 20 December 2005

20.12.2005: Erste Bank wins bid for Romania's BCR - Clear market leader in Romania

The Romanian privatization agency AVAS tonight accepted the bid from Erste Bank der oesterreichischen Sparkassen AG for 61.8825% of the shares of Banca Comerciala Romana S.A. (BCR), Romania's largest bank. The sale marks the completion of a two-stage privatization process in which nine European banks originally competed. The share purchase agreement will be signed on 21 December 2005 and the transaction is expected to close in the second quarter of 2006.

Details of the transaction

Erste Bank is acquiring a majority interest in BCR for EUR 3.75 billion, buying a 36.8825% stake from the Romanian government, 12.5% +1 share from the EBRD and 12.5% +1 share from the IFC. If based on the 30 June 2005 book value reported by BCR of EUR 1,037 bn, this would translate into a price/book multiple of 5.8. Pursuant to its current business plan for BCR, Erste Bank targets a return on investment (excluding funding costs) of around 10% from 2009 onwards.