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## **Ad hoc release**

Vienna, 16 November 2009

# **Erste Group successfully completes EUR 1.74 billion at market capital increase**

## **Erste Group sets final subscription and offer price at EUR 29.00 per new share**

- All 60 million new shares placed with investors
- Gross proceeds of the equity offering amount to EUR 1.74 billion
- More than 60% of subscription rights were exercised (including shares subscribed by Criteria CaixaCorp S.A.)
- The remaining shares were well oversubscribed due to strong interest from international institutional investors and Austrian retail investors
- Pro forma core tier-1 ratio of 7.9% as of 30 September 2009 post equity offering

Today, Erste Group Bank AG (“Erste Group”) set the final subscription and offer price for its at market capital increase at EUR 29.00 per new share. Gross proceeds of the Offering amount to EUR 1.74 billion. The Offering consisted of a rights offering and a global offering of new shares for which subscription rights were not exercised.

Strong investor demand resulted in a highly successful Offering with the entire volume of 60 million new shares being placed with institutional and retail investors. The global offering of shares not subscribed for in the rights offering was well oversubscribed. Erste Group’s existing share capital will increase by approximately 19% through the Offering. The new shares carry dividend rights for the financial year 2009. Erste Group and DIE ERSTE österreichische Spar-Casse Privatstiftung (“Erste Stiftung”) have agreed to a lock up of 180 days from 30 October 2009.

“We are delighted with the strong demand from institutional and retail investors. I believe that the successful placement of our offering underlines investor confidence in Erste Group and its excellent strategic positioning even in these challenging times”, said Andreas Treichl, CEO of Erste Group, commenting on demand for the capital increase. “Central and Eastern Europe is still seen as a region with significant growth opportunities and we are very well positioned to benefit from these growth prospects in the region.”

The new shares are expected to start trading on the Vienna, Prague and Bucharest Stock Exchanges on 19 November 2009. Settlement of the new shares is expected to take place on 20 November 2009.

Erste Group Bank announced previously that it would use the net proceeds of the Offering to increase its core tier-1 capital. Erste Group has no current plans to repay the participation capital, which was issued to the Republic of Austria (EUR 1.2 billion) and to private investors (EUR 0.5 billion) in March/May 2009. The participation capital qualifies as core tier-1 capital and pays an 8% non-cumulative dividend. With the Offering, Erste Group will substitute the previously planned issuance of government-sponsored hybrid capital with common equity. Adjusted for the gross proceeds of the Offering, Erste Group has a pro forma core tier 1 ratio of 7.9% as of 30 September 2009, at the same time the reported tier 1 ratio (credit risk) improved from 8.6% to pro forma 10.2% as of 30 September 2009.

Criteria CaixaCorp, S.A. ("Criteria"), a 5.1% shareholder of Erste Group prior to this transaction, exercised all of its subscription rights for new shares and acquired and exercised Erste Stiftung's subscription rights. Therefore, according to the information available to Erste Group, Erste Stiftung will now hold approximately 26% of the shares in Erste Group post-Offering while Criteria increased its shareholding to approximately 10% post-Offering.

Erste Group, Goldman Sachs International and J.P. Morgan acted as Joint Global Coordinators and Joint Bookrunners of the Offering. Citi, Credit Suisse and UBS acted as co-lead managers for this transaction.

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