

## **Agenda item 9**

The Management Board and the Supervisory Board propose that the general meeting passes the following resolution:

### **RESOLUTION**

In connection with a possibly necessary reorganization of the former joint-liability scheme (*Haftungsverbund*) of the savings banks ("Joint-liability Scheme"), the Management Board is authorized, with the Supervisory Board's consent, to join a horizontally organized group (*Gleichordnungskonzern*) which will be formed from this Joint-liability Scheme and uniformly managed by Haftungsverbund GmbH.

In case of such accession, Haftungsverbund GmbH's rights to manage the group shall be limited, in any event in respect of Erste Group Bank AG, as follows:

- Haftungsverbund GmbH may object to the envisaged appointment of new members of the Management Board of Erste Group Bank AG for good cause relating to the relevant person's lack of suitability for the position, and
- prior to its adoption by the Supervisory Board, Haftungsverbund GmbH shall approve the relevant annual budget including the investment plan and the determination of new and the change of existing principles of business and risk policies of Erste Group Bank AG.

## EXPLANATION

Like nearly all Austrian savings banks, Erste Group Bank AG is a member of the Joint-liability Scheme. This Joint-liability Scheme shall establish a coordinated business and market policy, set up an "early warning system" to identify and avoid economic difficulties of members as early as possible and shall protect the customers' deposits within the framework of the extended deposit guarantee scheme. The savings banks involved in the Joint-liability Scheme are currently subject to uniform management by Erste Group Bank AG.

Accession to the horizontally organized group would entail a restructuring of the former Joint-liability Scheme so that all savings banks involved in the Joint-liability Scheme will be subject to the uniform management of Haftungsverbund GmbH, without creating any dependency of one of these savings banks upon another savings bank. All savings banks that are members of the Joint-liability Scheme and Erste Group Bank AG are shareholders of Haftungsverbund GmbH. In case of its accession to the horizontally organized group, Erste Group Bank AG will retreat into a minority shareholder position. Opinions within Haftungsverbund GmbH will be formed by its shareholders' meeting in which all Joint-liability Scheme savings banks and Erste Group Bank AG are equally involved.

The purpose of creating a horizontally organized group is to maintain the cooperation within the savings banks group also under future banking supervision guidelines.

Erste Group Bank AG plans to accede to the horizontally organized group if

- in the context of the banking group created from the members of the Joint-liability Scheme of the Austrian savings banks, the consolidated own funds of the subordinate group members cannot be fully credited,
- there is an institutional protection scheme within the Joint-liability Scheme reorganized into the horizontally organized group, and this in

particular makes it possible to zero weight receivables among group members in connection with banking solvency regulations and

- the formation of a horizontally organized group does not lead to a reduction of the consolidated own funds quotas.

The advantage of joining the horizontally organized group is in particular the avoidance of encumbering the consolidated own funds quotas by new banking supervision guidelines.