

## **Agenda Item 8**

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

### **RESOLUTION**

1. Revocation of the existing authorized capital according to the resolution of the general meeting from 12 May 2010 to the extent not already used

and

2. Authorization of the Management Board, until 21 May 2019 to increase the registered capital with the consent of the Supervisory Board – also in several tranches – by an amount of up to EUR 171,800,000 (in words: one hundred seventy one million eight hundred thousand) by issuing up to 85,900,000 (in words: eighty five million nine hundred thousand) voting no-par value bearer shares in return for contributions in cash and/or in kind, with the issue price and the issuing conditions being determined by the Management Board with the consent of the Supervisory Board. Furthermore, the Management Board is authorized to fully or partly exclude the statutory subscription right of the shareholders with the consent of the Supervisory Board (exclusion of the subscription right),
  - a) if the capital increase is in return for a cash contribution and the shares issued while excluding the subscription right of the shareholders, taken together, do not exceed EUR 43,000,000 (in words: forty three million); and/or

- b) if the capital increase is in return for a contribution in kind.

These measures can also be combined. The aggregate pro rata amount of registered capital represented by shares in respect of which the shareholders' subscription rights are excluded under this authorization, together with the pro rata amount of registered capital attributable to shares to which conversion or subscription rights or obligations relate under bonds which were issued and sold on the basis of the authorization in section 8.3 of the Articles of Association, subject to an exclusion of subscription rights, on or after 21 May 2014 must not, however, exceed the amount of EUR 171,800,000 (in words: one hundred seventy one million eight hundred thousand).

This authorization replaces the existing authorized capital according to section 5 of the Articles of Association. The Articles of Association will be amended in section 5 according to annexed wording with the amendments highlighted.

### **EXPLANATION**

Erste Group Bank AG intends to provide for the possibility to satisfy eventual future capital requirements originating from changes of the law in whole or in part by capital increases. Moreover, further growth, for which the acquisition of other companies or stakes in companies may be necessary, should be safeguarded. For both purposes it will be necessary to supply the Company with additional equity.

With the resolution of the general meeting from 12 May 2010 so-called authorized capital was granted, whereby the Management Board was authorized until 12 May 2015 to increase the registered capital – also in several tranches – by an amount of up to EUR 200,000,000.

The Management Board has made use of this authorization in 2011 in several tranches by resolving an increase of the registered capital of EUR 24,601,756 in total. Based on this authorization, the Management Board has also resolved in 2012 an increase of the registered capital by EUR 7,602,770 and in 2013 the Management Board resolved to increase the registered capital by further EUR 70,462,706. All increases were made with the consent of the Supervisory Board.

Therefore, on the one hand the original authorized capital of EUR 200 million has been consumed by roughly 50 %; furthermore, the above mentioned authorization of the Management Board expires on 12 May 2015.

In order to provide the Management Board together with the Supervisory Board with utmost flexibility, new authorized capital in the above mentioned amount and for a new period of five years shall be resolved. The currently authorized capital shall be revoked to the extent not already used.

The proposed new authorization is intended to give the Management Board with the consent of the Supervisory Board the ability to exclude the subscription right of the shareholders partially (up to EUR 43,000,000; this corresponds to approximately 5 % of the registered capital of the company) if the increase of the capital is in return for a contribution in cash.

Any exclusion of subscription right in case of cash capital increase shall provide the company the greatest possible flexibility in connection with the future capital requirements arising from new legal or other regulatory measures or changes of the economic situation.

Furthermore, the Management Board shall be authorized, with the consent of the Supervisory Board, to fully or partly exclude the subscription right of the shareholders in return for a contribution in kind. This possibility to exclude the subscription right shall put the company in a position to use the authorized capital as consideration for a contribution in kind, for acquisitions of companies, businesses, parts of businesses or shares in one or more companies in Austria or abroad or for other assets.

The aggregate pro rata amount of registered capital represented by shares in respect of which the shareholders' subscription rights are excluded under this authorization, together with the pro rata amount of registered capital attributable to shares to which conversion or subscription rights or obligations relate under bonds which were issued and sold on the basis of the authorization in section 8.3 of the Articles of Association, subject to an exclusion of subscription rights, on or after 21 May 2014 must not, however, exceed the amount of EUR 171,800,000 (this corresponds to approximately 20 % of the registered capital of the Company). Thus, the authorization of the Management Board shall be – including all shares issued to investors of convertible bonds to which conversion or subscription rights or obligations relate under bonds (on the basis of the authorization in section 8.3 of the Articles of Association) – limited to a share volume of total EUR 171,800,000 i.e. a total of almost 20 % of the currently registered capital - which complies with international recommendations.

Please refer to the report of the Management Board concerning the possible exclusion of the subscription rights in connection with the issue of shares from authorized capital.

Due to the resolution, an amendment of section 5 of the Articles of Association is necessary. The Articles of Association will be annexed with the proposed amendments highlighted.