



National Property Fund concludes sale of 87.18 %

National Property Fund concludes sale of 87.18 % stake in Slovenská sporitelna to Erste Bank

Following the finalisation of the necessary legal arrangements and the calculation of the adjusted Net Asset Value of Slovenská sporitelna (SLSP) at 31 December 2000, the final purchase price for Erste Bank's stake in Slovenská sporitelna has now been set.

Valuation and Payment terms

The final purchase price to be paid by Erste Bank is EUR 411 million, which is lower than the EUR 425 million originally expected - an amount calculated on the basis of the balance sheet data of SLSP available when the contract was signed in January 2001. The adjusted NAV of SLSP has been calculated as SSK 11,461/EUR 263.35 mn, representing a price/book multiple of 1.79 for the transaction.

In line with the acquisition contract, in January 2002 the differential between the final adjusted purchase price and the price originally paid, an amount of EUR 13.7 million, will be transferred back to Erste Bank.

In the context of the transformation process at SLSP, Erste Bank sold a 19.99 % stake in SLSP to the European Bank for Reconstruction and Development (EBRD) in June 2001. The new shareholder structure of SLSP is as follows: Erste Bank 67.19%, EBRD 19.99%, Slovak Finance Ministry 10.00 % and the Slovak Restitution Investment Fund 2.82 %.

Background information on Erste Bank is attached. For further information please contact:

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Background information on Erste Bank

Erste Bank - Highlights

- A top ten European financial service provider by number of customers
- The leading player in Central European financial services by number of customers and share of deposits
- Erste Bank and its Austrian savings bank partners together serve over 8 million customers in Central Europe and have an 11 % share of customer deposits in the region, according to recent analyst estimates

Savings bank strategy

The pioneering partnership approach adopted in Austria has enabled Erste Bank to leverage its core competencies across the large distribution network offered by the Austrian savings banks, offering new sources of growth potential in a mature market.

Central Europe

Within only three years, Erste Bank has successfully implemented plans announced in 1997 of acquiring or establishing significant operations in the neighbouring markets of Central Europe. The largest acquisitions in the region were in the Czech Republic and Slovakia:

- In January 2000 Erste Bank acquired a majority stake in Česká sporitelna, the leading Czech retail bank with 4 million customers.
- At the beginning of 2001 Erste Bank signed an agreement to acquire a majority stake in Slovenská sporitelna, the largest bank in the Slovak Republic with 1.9 million customers.

Through these and other recent acquisitions, Erste Bank has significantly enhanced its attractiveness as a distribution

partner for the insurance industry and international mutual fund managers.

Erste Bank's financial targets for Year End 2003

With the RoE on an upward trend and the cost / income ratio on a downward trend, Erste Bank is making good progress towards its conservative 2003 targets, which are as follows:

- RoE at least 14 %
- Cost / Income Ratio a maximum of 66 %

Customer and product focus

The Erste Bank Group's customer focus is on the retail market as well as small to medium-sized enterprises. The product focus is moving increasingly towards higher margin commission-based business where Erste Bank has achieved particular success, including asset management, insurance and leasing.

Strategy

Erste Bank has four basic strategic objectives:

- (i) to exploit its core business potential in Austria and focus on its key competencies,
- (ii) to build on its role as the lead bank of the Austrian savings banks sector and to seek increasingly closer co-operation and co-ordination within the sector, with the sharing of resources and responsibilities, creating synergies for the parties in terms of cost reduction and revenue growth,
- (iii) to grow its business in an extended home market in Central Europe with a potential customer base of some 40 million people and maintain its position as the leading retail financial institution in that market, and
- (iv) to offer the premier on-line access to innovative products across its extended home market.