



Erste Bank to make offer for 8% of BCR's share capital held by its employees

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Following the closing of the transaction, which is expected by 21 September at the latest, Erste Bank der oesterreichischen Sparkassen AG will make an offer for the shares in Banka Comerciala Romana (BCR) currently held by the Bank's employees.

Employees, who currently hold a total of 63,397,500 shares representing 8% of share capital, will have the opportunity to either sell their shares or swap them for Erste Bank shares. The offer will be based on the price per share (EUR 7.65) paid by Erste Bank when acquiring the majority stake in BCR.

Offer details

In the case of the cash offer, a discount in line with the control premium paid to the Romanian government will be applied. The exact amount of the discount will be announced at the time of the offer. According to the share purchase agreement Erste Bank will be allowed to acquire a maximum of 2% of BCR's share capital in 2006 and up to 3% in each of the two subsequent years.

In the case of the share offer, BCR's employees will have the opportunity to swap their entire 8% stake as soon as 2006, based on a purchase price of EUR 7.65 per share without discount. As a result, they will have the option to sell 50% of the swapped shares immediately. A one year lock-up period will be applied to the remaining shares.

Based on the current Erste Bank share price level, the conversion ratio of BCR shares to Erste Bank shares will be 6:1.

New shares will be issued for the purpose of the share swap, an approval for which was granted by the AGM held in May 2006 as part of the authorisation for investment-related capital increases excluding rights issues. This resolution was yesterday called upon by Erste Bank's Board of Directors subject to the approval by the Supervisory Board.

The conversion ratio, calculation period, issue price, as well as the final number of newly issued Erste Bank shares are yet to be determined. The level of the capital increase and the consequent increase in Erste Bank's share capital will be dependent on the number of shares swapped by BCR's employees.

"As a result of the share swap offer, employees previously invested in BCR will have a chance to become direct shareholders of Erste Bank", explained Andreas Treichl, CEO of Erste Bank. "We will consequently be taking the opportunity to further increase our stake in a subsidiary of vital importance to us", continued Treichl.