

ERSTE **Successful result of BCR employee share purchase offer**

Romanian employees now hold more than 1% of Erste Bank

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On 1 November 2006 Erste Bank der oesterreichischen Sparkassen ("Erste Bank") launched its offer to buy BCR employee shares or to swap them into Erste Bank shares. By the end of the offer period on 24 November 2006, 12,197 of the approximately 13,000 Banca Comerciala Romana ("BCR") employee shareholders had accepted the offer.

Out of a total of 63,397,500 BCR employee shares (representing 8% of BCR's share capital) 57,313,356 shares, accounting for 7.2% of BCR's share capital, have been traded with Erste Bank.

About one third (19.6 million) of the traded shares were sold to Erste Bank at the offer price of EUR 6.50 per share for a total of close to EUR 130 million in cash.

Approximately two thirds (37.7 million shares) were swapped into Erste Bank shares at an exchange ratio of 6:1. Consequently, Erste Bank will issue 6,287,236 new shares in a capital increase against contribution in kind, representing a 2% increase of the bank's share capital. Subject to regulatory approval, the new shares will be listed on the Vienna and Prague Stock Exchanges on Monday, 18 December 2006.

As part of the share swap offer, the new shareholders had the possibility to immediately sell back up to half of their newly acquired Erste Bank shares to Erste Bank. About 34% of the newly issued Erste Bank shares were sold back to Erste Bank under this option. The remaining Erste Bank shares received through the share swap are subject to a lock-up period of one year.

As a result of the BCR employee share purchase offer, Erste Bank's holding in BCR has now increased to 69.11%. The settlement of the transaction is already ongoing. It is expected that the whole transaction will be concluded by the 22nd of December 2006.

"We are very happy that such a large number of BCR employee shareholders have chosen to become shareholders of Erste Bank. With about 1.3% of Erste Bank shares now owned by employees of the group in CEE and the subsequent increase of employee ownership to around 3%, we have made good progress towards our goal of at least 5% employee participation in our company," said Andreas Treichl, CEO of Erste Bank.

In addition to the new shares issued in conjunction with the BCR share purchase offer, a further 62,774 shares have been issued as part of Erste Bank's employee share option schemes (MSOP and ESOP). These shares are also expected to start trading on 18 December 2006. Erste Bank's new total number of shares as of that date will therefore be 315,305,615.

¹ For full offer details please refer to the EB release of 31 October 2006.