



## Erste Bank acquires 9.8% stake in Russian Bank Center-Invest

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Erste Bank der oesterreichischen Sparkassen AG (Erste Bank) announces the signature today of a share purchase agreement (SPA) to acquire 9.8% of the outstanding share capital of Bank Center-Invest from existing shareholders. In line with the SPA Erste Bank will nominate one member to the supervisory board. At the request of the existing shareholders, the pricing of the transaction remains confidential; the acquisition will have no material impact on Erste Bank's capital ratios. Closing of the transaction and transfer of the shares is expected in July 2008.

Bank Center-Invest is a leading regional bank in the Southern Federal District of Russia, which is home to nearly 23 million inhabitants and major cities such as Rostov, Krasnodar, Volgograd and Sochi. The region which borders Ukraine and the Black Sea in the west and covers 591,000 km<sup>2</sup>, is considered one of the most economically diversified regions in Russia, with limited reliance on the oil and gas industry and particular strength in agriculture. Founded in 1992, Bank Center-Invest is headquartered in Rostov, employs approx 2,000 staff and has the second largest branch network (110 branches) in the Southern Federal District. Its market share in the region by total assets is about 6%. At year-end 2007, total assets amounted to EUR 1.1 billion and shareholders' equity to EUR 145 million. At the same time ROE stood at 15% and the cost/income ratio was 55%.

This strategic investment in Bank Center-Invest provides an ideal opportunity for Erste Bank to gain first-hand experience of the highly promising Russian market and more importantly, is in a region that perfectly complements Erste Bank's existing geographic footprint. In addition, the bank's strong orientation towards transparency and corporate governance as well as its young but experienced management has been one of the key determining factors for the investment decision.

The bank has a diversified ownership structure, which includes respected international financial institutions; apart from the founding Vysokov family who own 17.9% in the bank, EBRD (27.5%) and DEG - Deutsche Investitions- und Entwicklungsgesellschaft (22.5%) are the largest shareholders.

