



## Erste Group launches participation capital offering

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Erste Group Bank AG (Erste Group) today announced the launch of its Combined Offer of participation capital in an aggregate nominal amount of up to EUR 2.7 billion. The Combined Offer consists of a Rights Offer and a Public Offer. The issue price of the Participation Capital Securities is EUR 1,000 each, which is equal to 100% of their nominal amount. The participation capital is non-voting, non-dilutive, non-cumulative and non-convertible, and ranks *pari passu* with ordinary shares.

A summary of the offering is below; full details can be found in the Prospectus, available from 14 April 2009, free of charge at Erste Group's Head Office (Graben 21, 1010 Vienna, Austria) and in electronic form on Erste Group's website ([www.erstegroup.com](http://www.erstegroup.com)).

### **Rights Offer:**

- Existing shareholders are entitled to subscribe for Participation Capital Securities in an aggregate nominal amount of up to EUR 2.7 billion at a price equal to the issue price and in the ratio of one Participation Capital Security for every 118 existing shares held.
- Subscription Rights may be exercised upon presentation of the appropriate share certificate (coupon Nr. 21) during the Subscription Period or by instruction to the respective depository banks.

### **Public Offer:**

- Participation Capital Securities for which Subscription Rights are not exercised will be offered to retail and institutional investors in the Republic of Austria, Germany, the Czech Republic, Romania and Slovakia and to institutional investors in certain other countries.

### **Timing of the Offer:**

- The Subscription Period for both the Rights Offer and the Public Offer is expected to run from 15 April 2009 (inclusive) to 29 April 2009 (inclusive).
- The Participation Capital Securities will be issued on or about 13 May 2009.

### **Participation Capital Securities:**

- The Participation Capital Securities will be issued in denominations of EUR 1,000 each.
- The Participation Capital Securities are perpetual and do not have a final maturity date.
- The Participation Capital Securities participate in losses of the Issuer pro-rata with share capital up to their full nominal amount in the case of a nominal capital reduction.
- The Participation Capital Securities have the right to participate in liquidation proceeds *pari passu* with Parity Capital (including share capital).
- The Participation Capital Securities will not be listed on a stock exchange.

**Dividend:**

- Subject to the limitations described below (and as described in the Prospectus) dividends payable on the Participation Capital Securities accrue annually as follows:
- from 1 January 2009 to 31 December 2014 at a rate of 8.0% p.a.;
- from 1 January 2015 to 31 December 2015 at a rate of 8.5% p.a.;
- from 1 January 2016 to 31 December 2016 at a rate of 9.0% p.a.;
- from 1 January 2017 to 31 December 2017 at a rate of 9.75% p.a.; and
- for the business years from 1 January 2018 onward, the dividend rates increase by 1% p.a. each year, subject to a limit of 12-Month-EURIBOR plus 10% p.a.

The dividend will be paid out if it is covered by the annual profit after allocation of reserves for the previous fiscal year as stated in the individual (non-consolidated) financial statements of Erste Group Bank AG and if resolved by the Annual General Shareholder Meeting. However, the Issuer has no obligation to pay dividends on the Participation Capital Securities unless dividend payments are made on the ordinary shares of the Issuer. If there is no dividend payable on the Participation Capital Securities because of a lack of sufficient distributable annual profits for the previous fiscal year, it will not be payable at a later stage. If no dividend is paid out in spite of it being covered by the annual profit for the previous fiscal year (and provided there are no statutory obligations or instructions from a supervisory body to retain such annual profits), the dividend payment has to be paid at redemption.

**Redemption:**

The Participation Capital Securities are perpetual and investors have no ordinary or extraordinary redemption rights. Redemption of the Participation Capital Securities requires a resolution by the Annual General Shareholder Meeting of Erste Group. The repayment amount would be 100% of par, provided that the enterprise value of Erste Group has increased correspondingly. The repayment amount increases to 150% from the year 2020 onwards, (provided that the enterprise value increases correspondingly).

Further information is available on our homepage at [www.erstegroup.com/investorrelations](http://www.erstegroup.com/investorrelations).

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