

Erste Group Issues Erste Renewable Energy Bond

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Proceeds of placement to be used for financing of renewable energy projects

Term 6 ½ years, yield 2%

Issue date November 29 2012

Erste Group issues a bond (AT000B007570), the placement proceeds of which will be used exclusively for the financing of projects dedicated to power generation from renewable resources, independent of fossil fuels. The bond's duration will range up to June 20 2019. The subscription period may be terminated ahead of schedule. With a face value of 1,000 euro and a minimum investment of 3,000 euro, the annual yield is 2%.

“As a bank and in our role as a provider of capital, we feel we have an obligation to this sector”, explains Peter Bosek, member of the management board at Erste Bank, regarding the motivation for this novel issue. “The energy transition has to be financed. And financing is our core competence.”

Erste Bank will use the entire proceeds from this issue solely for the funding of energy projects that create environmentally friendly energy from renewable natural resources. First and foremost they will be used to finance wind power projects in Lower Austria and Burgenland, such as e.g. the wind farm Dürnkrot-Gütendorf of WEB Windenergie AG with a capacity of 10 mega-watts (MW). This wind farm alone can provide electrical power to approximately 7,800 households. Information on the individual projects that are financed by Erste Bank is continually updated at www.erstebank.at/erneuerbareenergie

Over coming years, the funding requirements in this sector will be enormous. In the wind power sector alone it is anticipated that capacities will be expanded from currently approximately 1,400 MW to 3,000 MW by 2020. “This requires financial resources, which we are pleased to provide”, says Bosek. Per mega-watt of capacity average costs of € 1,6 million euro are expected, which means that based on an equity ratio of approximately 15%, more than 2 billion euro in external financing will be required. Erste Bank Oesterreich's financing strategy is specifically focused on projects like wind farms, photovoltaic systems, as well as hydroelectric power plants.

Erste Bank has already financed Austria's largest photovoltaic power plant at “Niedere Tauern” last year. After a brief construction period the plant commenced operations in November 2011 and since then provides electricity for 700 households, while concurrently saving 2,000 tons of CO² emissions per year. Previously Erste Bank has provided funding for the wind farm at the highest elevation in the world, the Tauernwindpark, situated at 1,900 meters above sea level. Erste Bank has been championing this sector for many years and is for instance offering socially responsible investment funds via ERSTE- SPARINVEST for more than a decade already. This innovative bond offering is a further step in this direction.

All the details to this bond issue are available at: <http://www.produkte.erstegroup.com/isin=AT000B007570>