

Fact Sheet

March 2012

Profile

Erste Group was founded in 1819 as the first Austrian savings bank ("Erste oesterreichische Spar-Casse"). In 1997, Erste Group went public with a strategy to expand its retail business into Central and Eastern Europe (CEE). Since then Erste Group's customer base has grown through numerous acquisitions and organic growth from 600,000 to around 17 million. 95% of all clients are citizens of the European Union. The EU membership gives the countries of the region a stable regulatory framework that supports their economic development. Today Erste Group is one of the largest financial services providers in Central and Eastern Europe in terms of clients and total assets. It has always focused on retail and SME banking.



Strategic Objectives

1. Business focus: Retail and SME banking

Being almost 200 years old Erste Group is primarily a savings bank and lender that uses deposits to finance the loans that it grants making it less dependent on external financing. Retail and SME banking offers a favourable risk-reward profile, simple product portfolio with substantial cross-selling potential as well as the opportunity to operate in well diversified markets both geographically and in terms of market maturity.

2. Geographical focus: Central and Eastern Europe

1997 Erste Group defined CEE as its extended home market. Today, 95% of its 17 m clients live in EU member states. This gives us the stability of the EU framework as well as the long term growth potential of these countries as they aim to catch up with the average living standards of the original 15 EU member states.

3. Efficiency focus: Holistic approach to efficiency

While the local subsidiaries run the local retail and SME businesses, Erste Holding executes classic steering functions and is also home to the two operating divisions Group Markets and Group Corporate & Investment Banking. The holistic approach to efficiency covers all aspects of the business facilitating better group-wide coordination, improved market presence and regional as well as industry-specific customer service.

Status-quo

Profitability in Q4 reconfirms Erste Group's sound business model

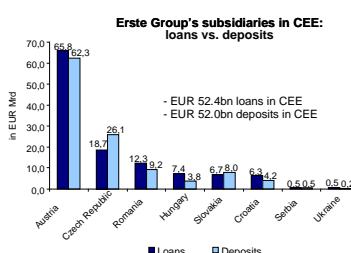
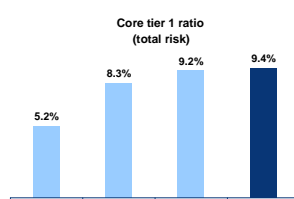
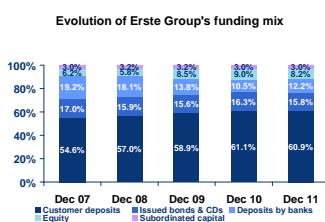
Erste Group returned to profitability in Q4 2011 and posted a net profit of EUR 254.1 million. Through a variety of measures Erste Group further sharpened its business model with customer deposits (61%) remaining the key pillar of Erste Group's funding. "We have proven that our business model, being the bank for retail and corporate clients in the eastern part of the EU works even as economic conditions remain challenging", said Andreas Treichl, CEO.

EBA capital ratio to exceed 9% beyond mid 2012

The core tier 1 ratio¹ as at the end of December 2011 stands at 9.4%; calculated by the EBA method the core tier 1 ratio amounts to 8.9%. "We will meet the EBA capital requirement² of 9% by June 30, 2012 without external measures, due to our focus on capital management in core business and our traditionally strict cost management", said Andreas Treichl, CEO. The capital shortfall which needs to be covered by the end of June 2012 was reduced from EUR 743 million to EUR 166 million.

Strong local deposit base of CEE-subsiaries

Erste Group subsidiaries in CEE operate independently in their markets and only have limited refinancing needs due to their strong local deposit base. EUR 52.4 billion loans granted in CEE are backed by EUR 52.0 billion local deposits, which proves that almost the full amount of loans are guaranteed by local deposits.



Erste Group in a Nutshell

- Serves around **17 million clients**
- Employs more than **50,000 people**
- Operates **3,200 branches in 8 countries**
- Ranks among **TOP 3 banks in AUT, CZ, RO, SK, CRO**

Erste Group's view on CEE

"In all CEE countries we are overcapitalised, and the core tier-1 ratios are much higher than the ones required by Brussels.



We think that the region we are operating in, the Eastern part of the European Union, will continue to develop much better in 2012 than the average of Europe, both in terms of GDP growth and in terms of export ratios."

Andreas Treichl, CEO

Management Board

Andreas Treichl, CEO
 Franz Hochstrasser, Deputy CEO
 Manfred Wimmer, CFO and CPO
 Gernot Mittendorfer, CRO
 Herbert Juranek, COO

Expansion

- 2007: Erste Group acquires 100% of Bank Prestige in Ukraine, which was renamed Erste Bank Ukraine. The bank has a market share below 1%.
- 2006: Erste Group finalises the acquisition of BCR and increases its stake to 69.17%.
- 2005: Erste Group wins tender for 61.8825% stake in Banca Comercială Română S.A. (BCR), the largest bank in Romania with 4.6 million clients and a market share of 20%.
 Erste Group acquires 83.3% of Novosadska banka in Serbia. In a strategic cooperation agreement with Steiermärkische Sparkasse, Erste Group holds 80.49% of Erste Bank Serbia's shares.
- 2003: Erste Group wins tender to buy 99.94% of Hungary's Postabank, and merges it with Erste Bank Hungary. The new bank is the second largest retail bank in Hungary.
- 2002: Erste Group acquires an 85% stake in Riječka banka and merges it with its existing operations in Erste Bank Croatia, creating the number three bank in the Croatian market. In strategic cooperation with Steiermärkische Sparkasse, Erste Group holds 65.03% of Erste Bank Croatia.
- 2001: Erste Group acquires an 87% stake in Slovenská sporiteľňa, the largest bank in the Slovak Republic. Erste Group increases its stake to 100% in 2005.
- 2000: Acquisition of a majority (52%) stake to 98% during 2002 and 2003. Česká spořitelna is the leading retail bank in Czech Republic.
- 1999: Acquisition of Čakovečka banka, Bjelovarska banka and Trgovačka banka in Croatia, merged later into Erste & Steiermärkische banka.
- 1998: Acquisition of Mezőbank in Hungary.
- 1997: IPO on the Vienna Stock Exchange.

¹ Core tier 1 ratio (total risk) = tier 1 capital excl. hybrid and after regulatory deductions divided by total RWA (which includes credit risk, market and operational risk).

² Announced by the European Banking Authority (EBA), October 2011

