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ADHOC RELEASE

Erste Group launches capital increase of approx. EUR 660m: Pre-Placement to institutional investors followed by a Subscription Offering to existing shareholders

The Management Board of Erste Group has resolved, with the approval of the Supervisory Board, to launch a capital increase with targeted gross proceeds of approx. EUR 660 million.

In relation to the planned redemption of the entire outstanding participation capital of EUR 1.76 billion in Q3 2013, the capital increase is intended to further strengthen Erste Group's capital base so that Erste Group expects to meet its targeted 10% fully loaded Basel 3 common equity tier-1 ratio by 31 December 2014.

The capital increase will be implemented by way of an offering of new shares (the "New Shares") consisting of (i) an offering to selected qualified institutional investors by way of an accelerated book-building process (the "Institutional Pre-Placement") and (ii) a subscription offering to existing shareholders of Erste Group (the "Shareholders") (the "Subscription Offering"). The Institutional Pre-Placement will be partially subject to a claw-back and deferred settlement in order to ensure that the New Shares eligible for subscription rights that were not waived by certain Shareholders will be available for subscription by the Shareholders in the Subscription Offering.

The Institutional Pre-Placement is expected to start immediately and to end on 2 July 2013, subject to acceleration. The subscription price in the Subscription Offering will be identical to the offer price determined in coordination with the syndicate of banks based on the results of the book-building process for the Institutional Pre-Placement. The final number of new shares of the capital increase will be determined at the time of pricing of the Institutional Pre-Placement, expected to be on 2 July 2013.

Existing Shareholders of Erste Group at the time of market close on 2 July 2013 (for the avoidance of doubt, excluding investors that have been allocated shares as part of the Institutional Pre-Placement) may exercise their subscription rights during the subscription period for the Subscription Offering which is expected to last from 3 July through 17 July 2013 (including), subject to approval of a securities prospectus by the Financial Market Authority (FMA) expected for 1 July 2013. Erste Group intends to organise trading of subscription rights on the Vienna Stock Exchange from 9 July until 11 July 2013.

A group of major shareholders of Erste Group, which hold combined approx. 37.4% of the company's share capital prior to the capital increase, have agreed to waive their subscription rights in relation to the subscription offering. In addition, Erste Stiftung will provide for additional existing shares so that - together with the waived subscription rights - a total of approx. 50% of the contemplated new shares of the Institutional Pre-Placement will be available for firm allocation in the Institutional Pre-Placement, resulting in approx. 50% of the Pre-Placement being subject to claw-back.

The delivery and settlement for New Shares acquired in connection with the Institutional Pre-Placement ("Firm Shares") not subject to claw-back and deferred settlement is expected to take place on or about 5 July 2013. The results of the Subscription Offering and final claw-back of the Institutional Pre-Placement are expected to be announced on 18 July 2013. The delivery and settlement for New Shares

acquired in connection with the Subscription Offering (“Subscription Shares”) is expected to take place on or about 23 July 2013. The delivery and settlement for the New Shares purchased subject to claw-back and deferred settlement in connection with the Institutional Pre-Placement (“Claw-back Shares”) is expected to take place on or about 23 July 2013, if and to the extent the claw-back has not been exercised.

First day of trading of the New Shares of the Institutional Pre-Placement at the Vienna and Bucharest Stock Exchanges is expected to be 5 July 2013 and at the Prague Stock Exchange 8 July 2013. The New Shares will have full dividend entitlement as of 1 January 2013. The prospectus required for the capital increase will be published *inter alia* on the link www.erstegroup.com/en/Investors.

J.P. Morgan Securities plc, Morgan Stanley Bank AG and Erste Group Bank AG are acting as Joint Global Coordinators and Joint Bookrunners, while Commerzbank AG and ING Bank N.V. are acting as Co-Lead Managers on the capital increase.

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