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Erste&Steiermärkische Bank announces its majority shareholder's intention to acquire the remaining outstanding shares of the Bank at the price of HRK 450 per share

Zagreb, May 19, 2010 – Erste&Steiermärkische Bank (“Bank”) announces today that it has received a notification from its Main Shareholder, the company ESB Holding GmbH (“ESB Holding”) stating its intention to propose at the Bank’s Shareholders’ meeting, the adoption of a Decision whereby the remaining outstanding shares of the Bank shall be transferred to ESB Holding, in exchange for the payment in cash, to the minority shareholders in accordance with Articles 300.f-300.k of the Croatian Companies Act (“Decision”).

ESB Holding, which holds 16,319,956 of the ordinary shares in the Bank, representing 96.09% of the share capital and 96.09% of the voting rights in the Shareholders’ Meeting of the Bank has the status of main shareholder in the Bank. In order to determine the consideration to be paid in cash to the minority shareholders, ESB Holding engaged the company Nexia revizija, the Croatian member of the group Nexia International – a world network of independent auditors, business advisors and consultants. Based on this valuation, the amount of 450 HRK per share will be proposed as consideration. The respective consideration is 30% higher than the average ESB share price recorded in the previous 3 months at Zagreb Stock Exchange. In addition, the Commercial Court in Rijeka appointed Deloitte d.o.o. as the court appointed expert who should further determine the appropriateness of the consideration to be paid to the minority shareholders of the Bank.

The above transaction reflects the joint strategy of Erste Group Bank AG and Steiermärkische Bank AG, owners of ESB Holding GmbH, to simplify the steering and governance of Erste&Steiermärkische Bank. The Bank’s shares have a low trading volume at the Zagreb Stock Exchange, between 2007 and 2009 the trading volume decreased by 77%. Following the proposed share transfer, the minority shareholders of the Bank will be able to reinvest the consideration they receive so that they better achieve their investment goals and expectations.

After complete finalization of the valuation and subject to receipt of a report from the court appointed expert on the appropriateness of the proposed consideration to be paid to minority shareholders, ESB Holding will submit a request to the Bank to convene a Shareholders’ Meeting for the purpose of adopting of the Decision and at which ESB Holding will explain the amount of the compensation.

A detailed timeline of the share transfer procedure will be provided by the bank during the next days.

For additional information:Erste & Steiermärkische Bank d.d., 51000 Rijeka, Jadranski trg 3a, www.erstebank.hr**Communications Department**Zagreb – [Dario Gabrić](mailto:Dario.Gabric@erstebank.com), tel.: +385 (0)62 37 13 71; fax.:+385 (0)62 371 981; e-mail: pr@erstebank.com

Zagreb - Nataša Vuletić, tel.: +385 (0)62 37 15 21; fax.:+385 (0)62 371 981; e-mail: pr@erstebank.com
Zagreb – Danijela Trbović, tel.: +385 (0)62 37 15 31; fax.:+385 (0)62 371 981; e-mail: pr@erstebank.com
Rijeka - Irena Loščac-Gombač, tel.:+385 (0) 62 37 52 22; fax.:+385(0)62 375 947; e-mail: pr@erstebank.com