

## PRESS RELEASE

Budapest, 11 April 2011

### **Erste to acquire Magyar Factor Zrt.**

The transaction will create the second-largest factoring service provider in Hungary

**Budapest, 11 April 2011 – In order to enhance the service quality and increase the market share of its corporate banking business further, Erste Bank Hungary Zrt. is buying 50 per cent of the shares of Magyar Factor Zrt. [Hungarian Factoring Co. Ltd.]. Due to the approval of the local authorities, on the back of this acquisition, Erste becomes the second-largest factoring service provider in Hungary, boasting a market share around 22 per cent.**

János Major, Deputy CEO of Erste Bank Hungary Zrt. responsible for the corporate division, has said in respect of the acquisition that growth potentials in the Hungarian factoring market and a manageable risk level despite the crisis have made factoring—a financing method—a popular tool in lending. The fundamentals of the present investment carried out by Erste Bank Hungary Zrt. lie on a business strategy of leveraging unutilised potentials in financing domestic buyers, at the same time setting the direction of short-term lending.

Plans indicate that Magyar Factor will cooperate with the bank's own affiliate specialised in factoring, a company founded in 2005 and named Erste Faktor Zrt. [Erste Factoring Co. Ltd.], currently holding a 10.3-percent market share. Realising nearly HUF 91 billion turnover, Erste Faktor claimed fourth place in the ranking of factoring companies in 2010. Magyar Factor was the third-largest player last year with HUF 100.5 billion turnover and 11.4-percent market share.

As a result of the acquisition, Erste Bank Hungary—a specialist in factoring in Hungary—will become the second-largest service provider with a unique range of products and structured financing designs. Utilising its nationwide network, the company provides micro businesses, small and medium enterprises, and large corporates with wide access to its financial solutions.

As underlined by János Major, Erste Bank Hungary Zrt., by cementing its strategic objectives further by enhancing its factoring services, will provide a high standard of financial consulting for corporate customers, securing a significant advantage in the competition in the banking sector which is expected to boost in the years ahead as customer relations become increasingly close.

This has been the biggest transaction of this kind in the Hungarian factoring market to date. As a result of the acquisition, Erste Bank further augments its commitment to finance domestic companies.

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