

PRESS RELEASE

Budapest, 28 July 2011

Magyar Factor Zrt. becomes affiliated to Erste Group

One of the most decisive player in the Hungarian factoring market created

Budapest, 28 July 2011 – As of today, Erste Bank der oesterreichischen Sparkassen AG has acquired a 88.6-percent stake in Intermarket Bank AG, the largest factoring bank in Austria. As part of the transaction Erste Bank Hungary Zrt. has purchased 50 per cent of the shares of Magyar Factor Zrt. [Hungarian Factoring Co. Ltd]., becoming the most decisive player in Hungary with a 22-percent market share.

Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) acquired a stake of 56.2 per cent in Intermarket Bank AG from Polish BRE Bank, a subsidiary of Commerzbank's today. The takeover of a further 10 per cent from Austrian credit insurer Coface will be completed by the end of July. Erste Bank will then own 88.6 per cent of Intermarket Bank. The remaining shareholders are Steiermärkische Sparkasse (7.0 per cent) and Kärntner Sparkasse (4.4 per cent). "Erste Bank has a high strategic interest in the enlargement of its corporate business. The takeover of Intermarket Bank fits in perfectly with our strategy," explained Peter Bosek, Member of the Management Board of Erste Bank Oesterreich for Retail and Corporates.

As part of the deal, Erste Bank Hungary has obtained a 50-percent stake in Magyar Factor from BRE Bank, making Magyar Factor a fully-owned subsidiary of Erste Group. – "Growth potential in the Hungarian factoring market as well as a manageable risk level offered by this financing design even amid an economic crisis have made factoring a remarkable financing tool," János Major, Deputy CEO of Erste Bank Hungary Zrt. in charge of the bank's corporate divisions, underlined in connection with the transaction.

This current investment of Erste Bank Hungary Zrt.'s is based on a business strategy that builds on untapped potential lying hidden in domestic customer finance, at the same time setting the course for short-term financing activity. Plans indicate that Magyar Factor will cooperate closely with Erste Faktor Zrt, the bank's own factoring affiliate, founded in 2005 and boasting a 10.3-percent market share currently. Reporting close to HUF 90 billion turnover in 2010, Erste Faktor was the fourth largest factoring company in Hungary last year. Magyar Factor was the third-largest player in 2010 with HUF 100.5 billion turnover, representing a market share of 11.4 per cent. As a result of the transaction, Erste Bank Hungary Zrt. emerges a true factoring specialist in Hungary as the second-largest provider, offering a unique product range and structured financing designs. Utilising Erste's nationwide network, extensive access to financial solutions will be ensured for micro businesses, small and medium enterprises, as well as large corporates.

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