"INOGATE Technical Secretariat & Integrated Programme in support of the Baku Initiative and the Eastern Partnership energy objectives" Project

BUILDING PARTNERSHIPS FOR ENERGY SECURITY

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Introducing of Erste Bank: EE/RES financing, bank's policy, portfolio, partners

Ameria Bank
14-18 January 2014 | Yerevan, Armenia

Source: Margit Kapfer - Head of Climate Change and Energy, Denkstatt
Company introduction ERSTE Bank
ERSTE Group - History

✓ Erste Group went public in 1997 with a strategy to expand its retail business model into CEE.

✓ Acquisition of more than 10 banks between 1997 and 2008

✓ Erste Group now runs market leading retail and corporate banking operations in the Eastern part of the EU, which remains underpenetrated compared to Western European markets.

- 1997
  - 1 core market
  - 5,000 employees
  - 230 branches
  - 0.6mn customers
  - EUR 2bn market cap
  - <5% CEE contribution

- 2012
  - 8 core markets
  - ~49,500 employees
  - ~3,100 branches
  - ~17mn customers
  - EUR 9.6bn market cap

New holding structure improving Group governance
17 million clients in the Eastern part of the EU

Total population        120 mn
Bankable population  92 mn
Erste Group
clients                     ~ 17 mn
of which       16.1 mn
are within EU
Share of loans
and deposits
within EU               >99%
Retail market share
20-30%        AUT, CZ, RO, SK
5-15%           HU, CRO

All data as of December 2012
### ERSTE Group

One of leading financial services groups in the Eastern part of the EU

- As a **retail and corporate bank**, Erste Group is **market leader in the Eastern part of the EU**. It is one of the largest financial services providers in Central and Eastern Europe (CEE) in terms of clients and total assets.

- Around **49,500 employees serve 17 million customers in 3,100 branches in 8 countries** (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia, Ukraine).

### Customer banking in Central and Eastern Europe

<table>
<thead>
<tr>
<th>Eastern part of EU</th>
<th>Focus on CEE, limited exposure to other Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail banking</strong></td>
<td><strong>Capital markets</strong></td>
</tr>
<tr>
<td>Focus on local currency mortgage and consumer loans funded by local deposits</td>
<td></td>
</tr>
<tr>
<td>FX loans only where funded by local FX deposits (RO &amp; HR)</td>
<td></td>
</tr>
<tr>
<td>Savings products, asset management and pension products</td>
<td></td>
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<tr>
<td>Potential future expansion into Poland</td>
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<tr>
<td><strong>Corporate banking</strong></td>
<td><strong>Public sector</strong></td>
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<tr>
<td>Large, local corporate and SME banking</td>
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<tr>
<td>Advisory services, with focus on providing access to capital markets and corporate finance</td>
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<tr>
<td>Real estate business that goes beyond financing</td>
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<tr>
<td>Potential future expansion into Poland</td>
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<tr>
<td><strong>Focus on CEE, limited exposure to other Europe</strong></td>
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</tr>
<tr>
<td><strong>Interbank business</strong></td>
<td></td>
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<tr>
<td>Financing sovereigns and municipalities with focus on infrastructure development in core markets</td>
<td></td>
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<tr>
<td>Any sovereign holdings are only held for market-making, liquidity or balance sheet management reasons or to support client business</td>
<td></td>
</tr>
</tbody>
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Tbilisi, Georgia 09-14/07/2013
The majority of EU Member States applies a Feed in Tariff system.

6 countries use a quota obligation based on tradable green certificates as main instrument.

Support Instruments in Europe

- Feed-in tariff system
- Quota obligation with Tradable Green Certificates (TGC)
- Tax incentives/Investment grants

Green Certificate Mechanism

- Value of electricity generation
  - conventional power plant
  - Renewable energy source
- Value of green certificate
- Certificates
- trading / consumption