



Press release

For business editors
December 17, 2021

Erste Bank Hungary Zrt. and Germany's Commerzbank AG have reached an agreement on the acquisition of Commerzbank Zrt.

The transaction is expected to close in the second half of 2022 by integrating Commerzbank's Hungarian operations, as a result of which Erste's corporate business will expand further. Smooth transition is expected because of similarities between the organisations.

Frankfurt-based Commerzbank AG signed December 17, 2021 an agreement with Erste Bank Hungary Zrt. concerning the sale of its subsidiary in Hungary. Subject to approval by regulatory authorities, the transaction involves the entirety of Commerzbank Zrt., which Erste Bank Hungary plans to integrate into its own organisation following the closing of the acquisition. Migration of client accounts is expected to take place in the second half of 2022, and customer service will be provided as before even in the interim period. For now, clients don't have any task regarding the migration.

President-CEO of Commerzbank Zrt. Andreas D. Schwung comments: "The Hungarian, Corporate Client-focused Commerzbank Zrt. has successfully positioned itself as a trusted partner of its clients. We remain at the side of our clients until the migration is finalized, will fully support the transition and see in Erste Bank Hungary a future partner with a strong commitment to ensure the continuation of Commerzbank's relationship approach".

"Erste Bank Hungary expects further growth and an efficiency improvement on the back of the transaction, which comes after successful acquisitions in recent years, including the acquisition of Citibank's retail business in Hungary, the Aegon building society and the online broker Random Capital," **emphasised Radován Jelasy, president and CEO of Erste Bank Hungary.**

Beyond the sale, Erste Group and Commerzbank AG have agreed to enter into a comprehensive cooperation agreement that will offer Commerzbank's corporate clients access to Erste Group's knowledge and network in selected markets of Central and Southeast Europe as well Erste Group Clients to Commerzbank's services in Germany after the closing in 2022.

Commerzbank AG, which was founded in 1870, established its Hungarian subsidiary nearly 30 years ago, operating in three major cities in addition to the Budapest head office. The Hungarian subsidiary won numerous awards for service quality (Euromoney: Best in Service Hungary & Best Domestic Cash Manager Hungary Award) and in corporate lending products it has a market share around 3 per cent. In 1993,

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Commerzbank AG was one of the first Western European banks to found a wholly-owned subsidiary in Hungary. Serving local and international clients, Commerzbank Zrt. with a team of about 100 employees accompanies Hungarian firms doing business in Germany and around the globe, as well as in Hungary, providing German and international clients with a gateway to do business in the eastern European country. The main income is generated by the credit and trade finance and currency business. The bank is profitable and total assets amounted to approx. 400 billion forints (approx. 1.1 billion Euros) in 2020.

The sale of the Hungarian entity follows Commerzbank's "Strategy 2024" which was published in February 2021, when the bank announced the exit of some of its international locations, including Hungary, in order to focus and streamline its international network.

Deputy CEO of Commerzbank Zrt., Krisztina Fülöpné Bogdán highlights: "I am confident, that Commerzbank Zrt.'s corporate clients can continuously rely on the well-known values of the Hungarian entity: client first – relationship driven and tailor-made business approach and focus on long-term, trust-based client relationships with a multilingual and experienced sales staff."

"The similarities between the two banks, their international backgrounds, and operating models, as well as Erste Bank Hungary's acquisition experiences all contribute to what promises to be a smooth transition. We are not simply buying a company, we are also gaining valuable expertise and know-how which results in becoming even better for our clients." Richárd Szabados, Head of Erste Bank Hungary's Corporate Division added.

Erste Bank Hungary Corporate Division has tripled its corporate loan portfolio in the past five years, attaining an 8 per cent market share. The median growth rate of the division is way above the market average at more than 20 per cent, advancing from ninth position to sixth-biggest in the segment. Erste Bank Hungary has achieved the best results in customer satisfaction surveys among corporate clients and partners for three years in a row. Erste Bank Hungary Corporate Division attaches great importance to servicing large corporates, as well as small and medium enterprises alike, and to financing commercial real estate. Its healthy risk profile and high employee commitment index ensure steady foundations for sustainable growth.

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Page 3 |

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About Commerzbank AG

Commerzbank is the leading bank for small and medium-sized businesses and a strong partner of around 30,000 corporate banking associations and around 11 million private and business customers in Germany. The bank offers a comprehensive portfolio of financial services in two business areas – private and business clients. Commerzbank handles around 30 percent of German foreign trade and is represented in the corporate banking business internationally in almost 40 countries. The bank focuses on German SMEs, large companies and institutional clients. In international business, Commerzbank supports customers with a business relationship with Germany and companies from selected future industries. In the course of the integration of Comdirect, private and business customers benefit from the services of one of the most modern online banks in Germany in connection with personal advice on the spot. The Polish subsidiary mBank S.A. is an innovative digital bank and serves around 5.5 million private and corporate clients, mainly in Poland, the Czech Republic and Slovakia. In 2020, Commerzbank generated gross income of around 8.2 billion euros with almost 48,000 employees.

About Commerzbank Zrt.

Commerzbank Zrt. has been available to corporate clients in Hungary since 1993. Its network comprises the headquarters in Budapest and three locations in Győr, Kecskemét and Miskolc. This presence gives the knowledge of the market in Hungary and its characteristics and formalities. The bank combines this with expertise in financial management and offer it to German companies that are active in Hungary, as well as to Hungarian companies that have a connection with Germany. They also provide a service to local companies with operations in Hungary. The Hungarian bank is known in Hungary as a special corporate-client-focused bank. It has a client first - relationship driven business approach focusing on long-term client relationships. Flexible, fast, tailor-made, and proactive solutions ensure a partnership based on trust and one that enhances client engagement. Numerous awards stand for service quality (Euromoney: Best in Service Hungary & Best Domestic Cash Manager Hungary Award since many years). The Hungarian bank having a strong footprint in Transaction Banking driven by product quality in cash pooling, trustee services (market leader in Hungary) and trade finance. As import & export are key areas of the Hungarian economy, Commerzbank Zrt. Hungary can leverage its vast experience in trade finance. Distribution model with client focused Client Service Team and seamless cooperation between Relationship Managers and Product Specialists. They success is provided by their enthusiastic, multilingual employees with deep international and local expertise and with high loyalty.

About Erste Bank Group

Erste Group's roots date back to 1819, when it was founded as the first savings bank in Austria. In 1997, the Vienna-based banking group went public with a strategy of expanding its retail business into Central and Eastern Europe (CEE). Since then, Erste Group has grown through numerous acquisitions and organic growth to become one of the largest financial services providers in the Eastern part of the European Union.

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Erste Group services around 16 million customers in Austria, the Czech Republic, Slovakia, Romania, Hungary, Croatia, and Serbia. Erste Group's subsidiary banks have a very strong positioning in the retail business, covering the entire spectrum from lending, deposit and investment products to current accounts and credit cards. In addition to this traditional strength in servicing private individuals, Erste Group's core activities include advisory services and support for corporate clients in financing, investment and access to international capital markets, public sector funding and interbank market operations.

About Erste Bank Hungary Zrt.

Since 1997, Erste Bank Hungary has been a member of Vienna-based Erste Group, whose first acquisition in the CEE region was in the legal predecessor of Erste Bank Hungary, Mezőbank. Erste Bank Hungary's footprint increased through the acquisitions of Postabank (2003) and the private client business of Citibank in Hungary (2016). Today, Erste Bank Hungary is among the Top 3 in the Hungarian banking market on the basis of its number of clients, branch network (106 branches across Hungary) and ATM offerings (nearly 400 installations). With its consolidated subsidiaries, Erste Bank Hungary covers the entire spectrum of financial services and client needs.

Commerzbank - disclaimer and forward-looking statements

This communication contains forward-looking statements. These are statements that do not describe facts of the past. Such statements in this release concern, among other things, the expected future business development of Commerzbank, expected efficiency gains and synergies, expected growth prospects and other opportunities for an increase in the value of Commerzbank, as well as the expected future financial results, restructuring expenses and other financial developments and disclosures. These forward-looking statements are based on current plans, expectations, estimates and forecasts of the Executive Board. They are subject to a number of assumptions and are subject to known and unknown risks, uncertainties and other factors that may cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Such factors include the state of financial markets in Germany, Europe, the United States and other regions where Commerzbank generates a significant portion of its income and holds a significant portion of its assets, asset price developments and market volatility developments, particularly as a result of the ongoing European debt crisis, The potential default of borrowers or trading counterparties, the implementation of their strategic initiatives to improve the business model, the reliability of their risk management policies, procedures and methods, risks arising from regulatory changes, and other risks. Forward-looking statements therefore only apply on the day they are made. Commerzbank is not obligated to update or modify the forward-looking statements contained in this communication to reflect events or circumstances that occur after the date of this communication.