

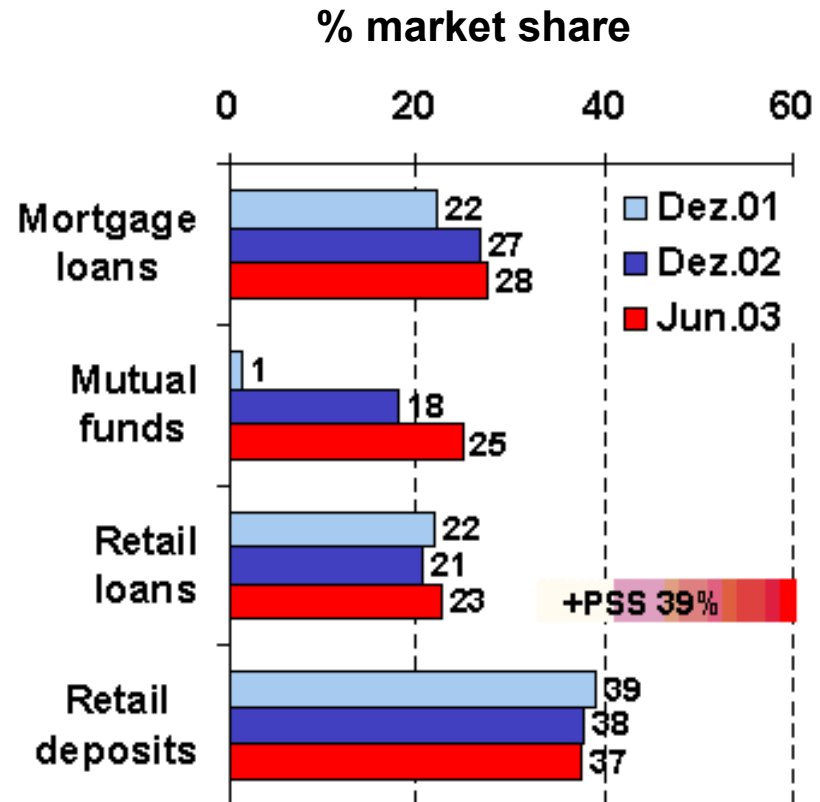
## **> Retail Banking in Central Europe**

- > Erste Bank Group Approach**
- > Regina Ovesny-Straka, CEO  
Slovenská sporiteľňa**

# > Market positions of Slovenská Sporiteľňa

## Strengthening in Key Products

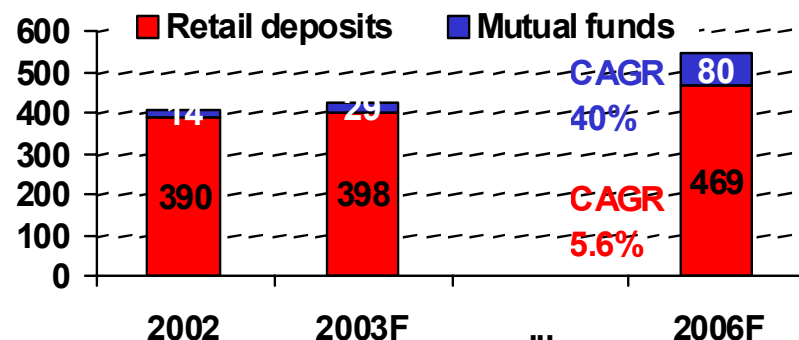
- » VUB losing dominant position in mortgages; SLSP catching up
- » SLSP's asset management attracted one third of net sales in H1 2003
- » SLSP strong in retail loans; together with PSS (Building Society Subsidiary) controls over 60% of the market
- » SLSP maintained leading position in retail deposits, followed by VUB with 21% market share



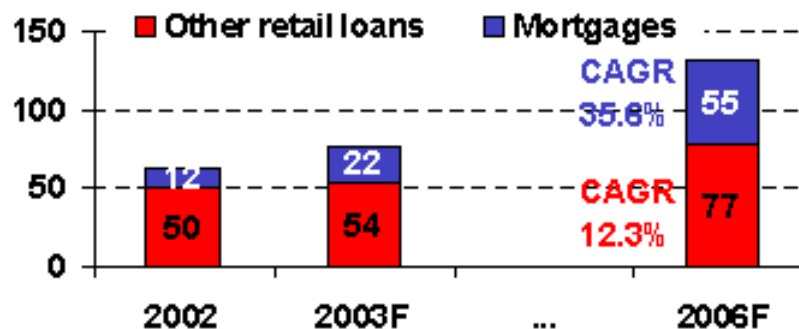
## > Products and growth potential

- » Retail deposits face strong competition from mutual funds, building society products and bancassurance
- » Increasing shift from term-deposits and passbooks to insurance, mutual funds
- » Key banks already offer mutual funds; public awareness for these products is growing
- » Decline of interest rates has made loans more accessible
- » Increasing household consumption leads to rise in demand for consumer loans
- » State subsidies (1% since January) for new mortgages no longer guaranteed for whole loan term

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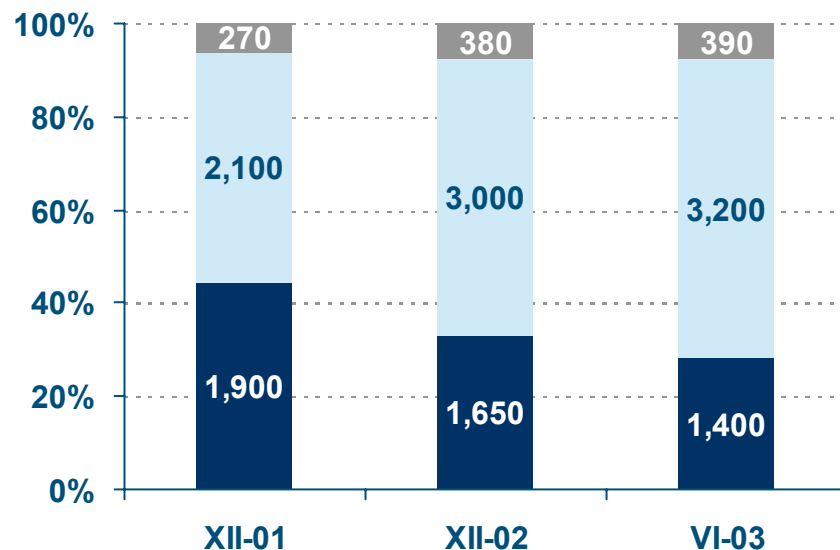


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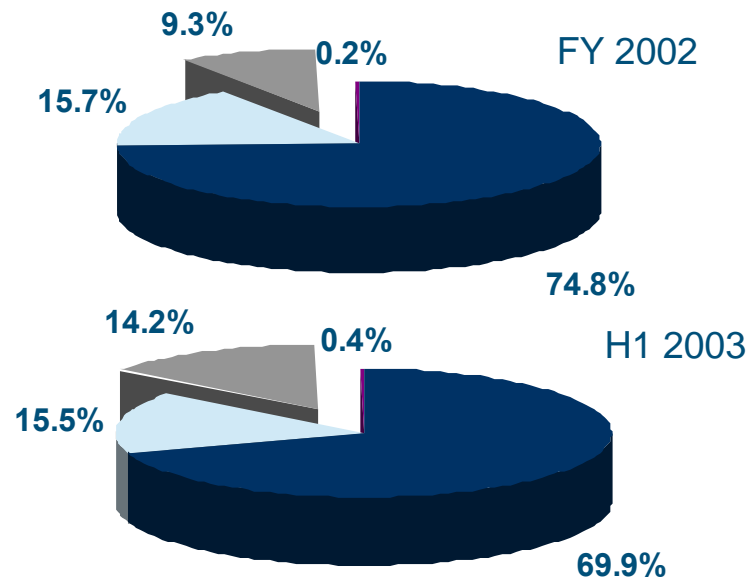
# > Gradual Shift to electronic channels

**Migration of Manual Operations to Electronic Dist. Channels  
(in ths.)**



- E-Banking (Simple orders, Collective Orders, FX)
- Payments Cards (ATM, POS)
- Manual Operations on Branches

**SLSP's Payment Cards - Realized Transactions according to Transaction Types**



- ATM - cash withdrawals (AT\* = SKK 2,200)
- POS - transactions (AT\* = SKK 920)
- ATM - EASYand PRIMA recharge (AT\* = SKK 250)
- ATM - payments orders (AT\* = SKK 600)

\*AT = average transaction in 1H2003

## > Strong client focus

- » **Goal: to be a lifetime financial partner for our clients**
- » **Customer Care and Finance check introduced together with Branch restructuring**
- » **Detailed service approach**
  - » **Students**
  - » **Professionals (doctors, pharmacists, lawyers, accountants etc.)**
- » **Personal advisor for each client**

Segment	Subsegment	Market share
Private	children	43.9%
	young studying people	
	university students	
	employees	
	SLSP and FG employees	
	independent	
	pensioners	
	others	
Professional	doctors	25.3%
	pharmaceutics	
	lawyers	
	auditors, tax advisors	
	other FP	

## **> Strategy going forward**

### **Strengthen and Increase Market Position**

- » **Branch is key contact point for customers**
- » **Branch focus on sales not administration**
- » **Reconfigure branch layout and rationalise branch network**
- » **Standard transactions transferred to alternative channels**
- » **Expansion of telephone and internet banking**
- » **Utilise partnership opportunities (e.g., with retail chains)**
- » **Better leverage of client base through customer relationship management – optimise cross-selling opportunities**
- » **Broaden range and improve quality of retail products**
  - » leasing, insurance, investment and pension funds (depending on reform parameters)