

12th Annual General Meeting

Erste Bank der oesterreichischen Sparkassen AG

11 May 2005
Austria Center, Vienna

Heinz Kessler

President of the Supervisory Board

First Item on the Agenda

Presentation of the audited and approved financial statements, the status report of the Management Board and the report of the Supervisory Board for the financial year 2004, as well as the presentation of the consolidated financial statements and the Group status report for the financial year 2004

Report

**on the past financial year of
Erste Bank der oesterreichischen Sparkassen AG**

Andreas Treichl
Chairman of the Managing Board

Highlights Erste Bank Group

Operating Performance rose 9.1% to EUR 1,495.0 m

Net profit increased 54.1% to EUR 544.5 m

Return on Equity: 18.0% (2003: 13.7%)

Net Interest Margin 2.21%

Cost/Income Ratio improved from 67.9% to 64.2%

Group Tier 1 Ratio increased to 6.7% (2003: 6.3%)

EPS: continued growth over past years

– despite Capital Increases



Balance Sheet 2004 - Assets

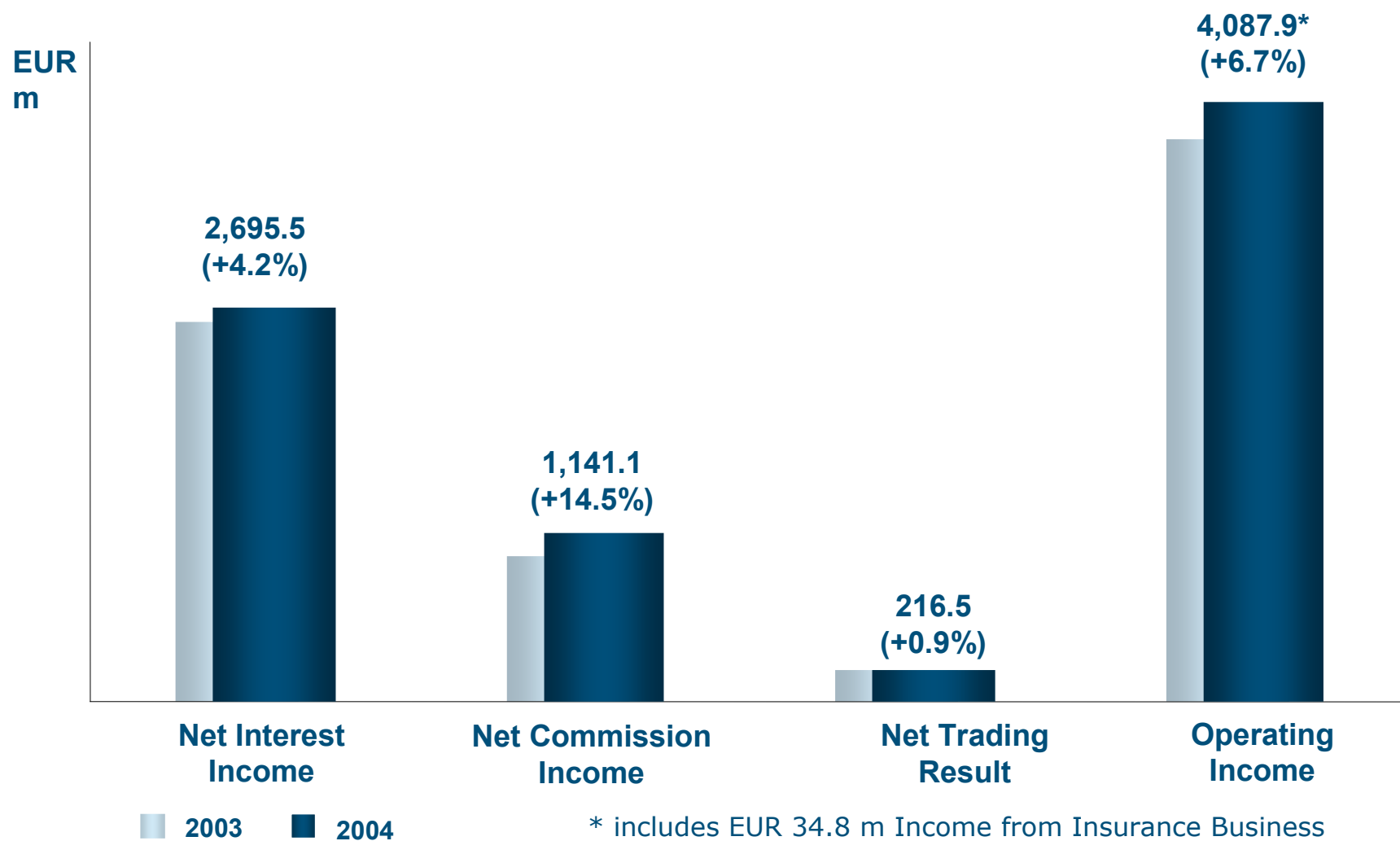
EUR m	31.12.2004	31.12.2003	% Change
Cash and balances with central banks	2,723	2,549	6.8
Loans and advances to credit institutions	15,513	13,140	18.1
Loans and advances to customers	72,722	67,766	7.3
Risk provisions for loans and advances	(2,749)	(2,772)	(0.8)
Trading assets	4,628	5,259	(12.0)
Investments available for sale	9,141	7,379	23.9
Financial investments	28,867	26,454	9.1
Intangible assets	1,823	1,868	(2.5)
Tangible assets	1,723	1,814	(5.0)
Other assets	5,291	5,117	3.4
Total assets	139,682	128,575	8.6

Balance Sheet 2004 - Liabilities

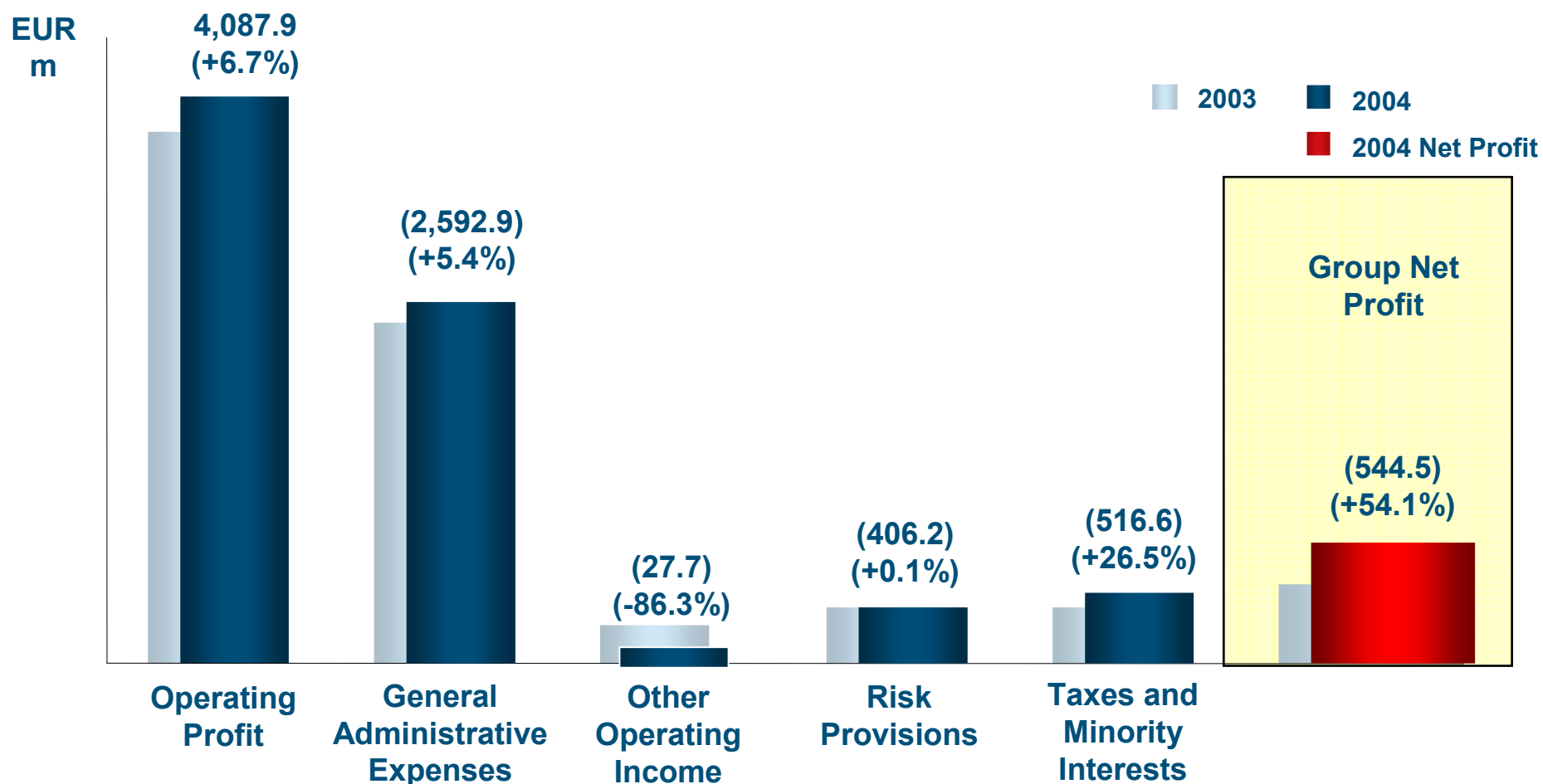
EUR m	31.12.2004	31.12.2003	% Change
Amounts owed to credit institutions	28,551	25,704	11.1
Amounts owed to customers	68,213	64,839	5.2
Debts evidenced by certificates	19,887	16,944	17.4
Provisions	7,328	6,366	15.1
Other liabilities	6,179	5,514	12.0
Subordinated capital	3,048	3,537	(13.8)
Minority interests	3,129	2,879	8.7
Equity	3,347	2,791	19.9
Total Liabilities	139,682	128,575	8.6

Tier 1 ratio (%)	6.7	6.3
Solvency ratio (%)	10.7	10.7

Group Income Statement 2004

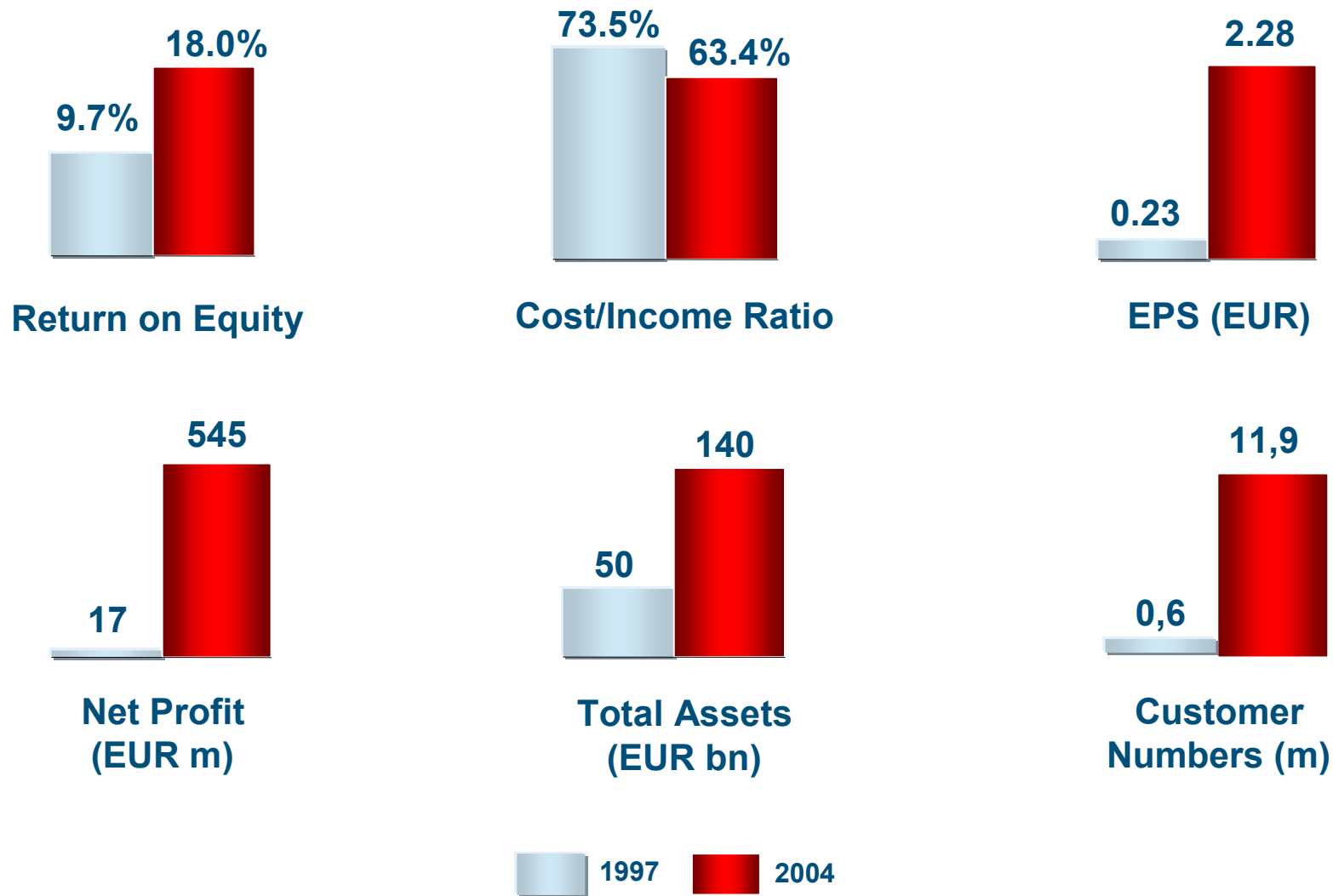


Income Statement 2004



Restatement of the Balance Sheet and P&L according to IFRS revisions:
Group Net Profit EUR 520.8 m and RoE 17.0%

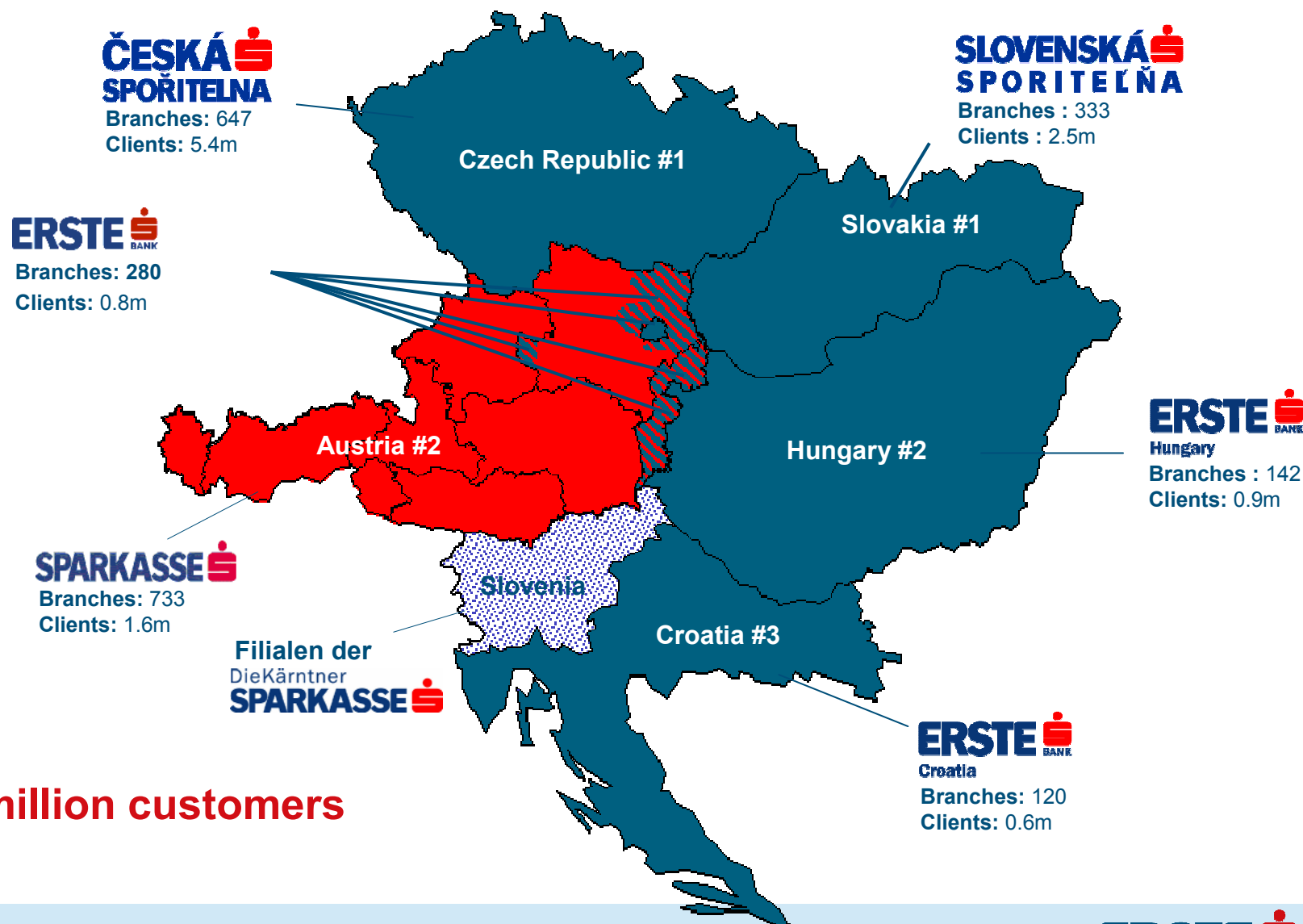
Selected KPI's in 2004 vs. 1997



FY 2004 Results in Central Europe

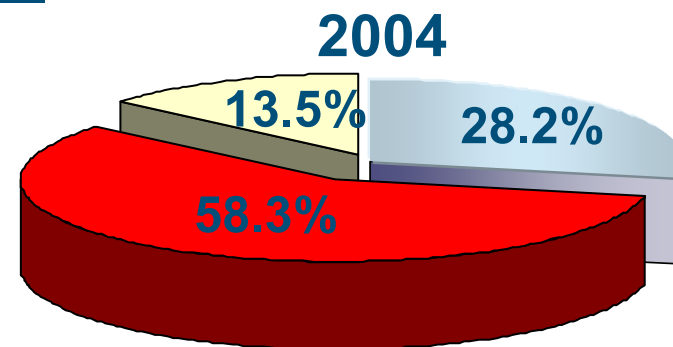
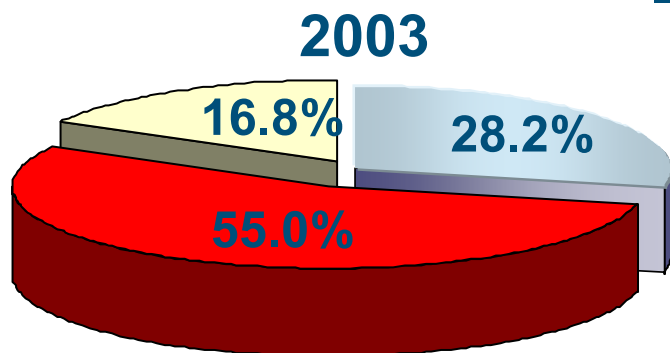
								
Erste Bank Stake	98.0%		100.0%		99.9%		62.0%	
	2004	2003	2004	2003	2004	2003	2004	2003
Net Profit (EUR m)	270.8	238.4	80.9	68.1	27.3	19.3	38.6	30.4
ROE (%)	23.8	23.7	20.1	19.2	11.7	8.2	17.6	15.6
C/I Ratio (%)	58.0	60.3	56.6	51.9	62.9	78.6	48.9	62.4
Balance Sheet Total (EUR m)	19,052	18,187	6,126	5,377	4,760	4,066	3,360	2,545

Erste Bank Presence in Europe's most dynamic markets

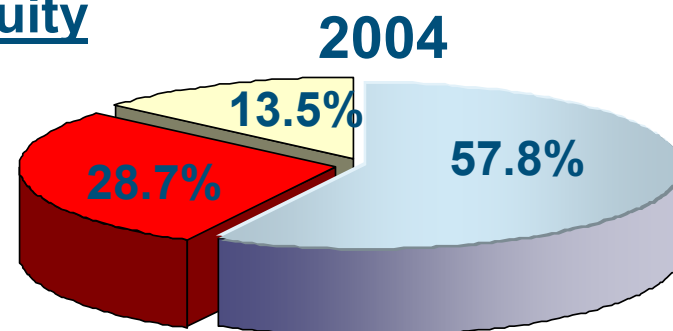
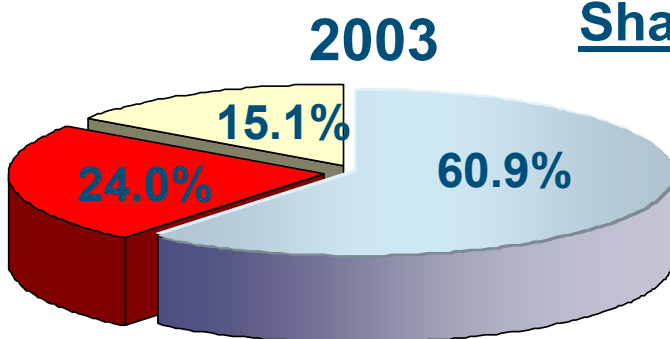


Emerging Market Importance

Group Net Profit



Shareholders' Equity



International

Central Europe

Austria

Investments in Central Europe

Since 1997 we have invested EUR 2.3 bn in Central Europe

Czech Republic: EUR 1,221m

Slovakia: EUR 426m

Hungary: EUR 474m

Croatia: EUR 152m

Total: EUR 2,273m

Erste Bank Valuation Breakdown - 2001

Market Value EUR 3.1 bn

Retail Austria (incl. EBH/EBC)	EUR 471 m (15.0%)
Asset Management	EUR 543 m (17.3%)
Large Corporates and Int'l	EUR 996 m (31.7%)
Trading / Investment banking	EUR 185 m (5.9%)

<i>Erste Bank AG</i>	<i>EUR 2,195 m (69.9%)</i>
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Česká spořitelna	EUR 785 m (24.9%)
Slovenská sporiteľňa	EUR 165 m (5.2%)

<i>Central Europe</i>	<i>EUR 950 m (30.1%)</i>
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<i>Corporate Center:</i>	<i>EUR 0</i>
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Source: Merrill Lynch, Sum of Parts Model

Erste Bank Valuation Breakdown - current

Market Value approx. EUR 9.4 bn

Retail Austria	EUR 512 m (5.5%)
Asset Management	EUR 455 m (4.8%)
Large Corporates	EUR 652 m (7.0%)
International	EUR 625 m (6.7%)
Trading / Investment banking	EUR 369 m (3.9%)

Erste Bank AG	EUR 2,613 m (27.9%)
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Česká spořitelna	EUR 4,657 m (49.7%)
Slovenská sporiteľňa	EUR 1,392 m (14.8%)
Erste Bank Hungary	EUR 682 m (7.3%)
Erste Bank Croatia	EUR 597 m (6.4%)

Central Europe	EUR 7,328 Mio. (78.1%)
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Corporate Center:	EUR – 565 Mio. (-6.0%)
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Source: Merrill Lynch, Sum of Parts Model

Key Developments (2004)

January 2004:	New Shareholder Structure in Croatia - Steiermärkische increases stake to 35 %
March 2004:	Erste Bank increases SLSP stake to 80.1 % for approx. EUR 72 m
June 2004:	Management Board Changes: Christian Coreth takes over from André Horovitz
July 2004:	1:4 share split
September 2004:	Merger of Postabank and Erste Bank Hungary – second largest Hungarian retail bank
October 2004:	EU completes investigation regarding Postabank State aid
December 2004:	Agreement reached regarding Savings Bank employment negotiations

Key Developments (2005)

January 2005: Sale of 8.8% of Erste und Steiermärkische Bank, Croatia to Steiermärkische Sparkasse. Erste Bank share reduced to 51%

Erste Bank becomes 100% owner of Slovenská sporiteľňa with EUR 122m purchase of remaining 20% of SLSP from EBRD

February 2005: Sale of 11.8% stake in Investkredit to ÖVAG. Disposal gain (post-tax): approx. EUR 50 m

Q1 2005 Highlights*

Net Interest Income +3.6 % to EUR 681.2 m (EUR 657.7 m)

Net Commission Income +10.9 % to EUR 280.5 m (EUR 311.1 m)

Operating Income +4.6 % to EUR 1,055.1 m (EUR 1,009.0 m)

Operating Profit +8.3 % to EUR 396.2 m (EUR 365.9 m)

Pre-Tax Profit +14.8 % to EUR 292.9 m (EUR 255.1 m)

Net Profit +71% to EUR 160.3 m (EUR 93.7 m)

* NB – figures in brackets refer to restated Q1 2004 results in accordance with the revised accounting standards introduced from 1 January 2005

Q1 2005 Highlights

Cost/Income Ratio 62.4% (63.7% in Q1 2004)

RoE 18.0% (12.9% in Q1 2004)

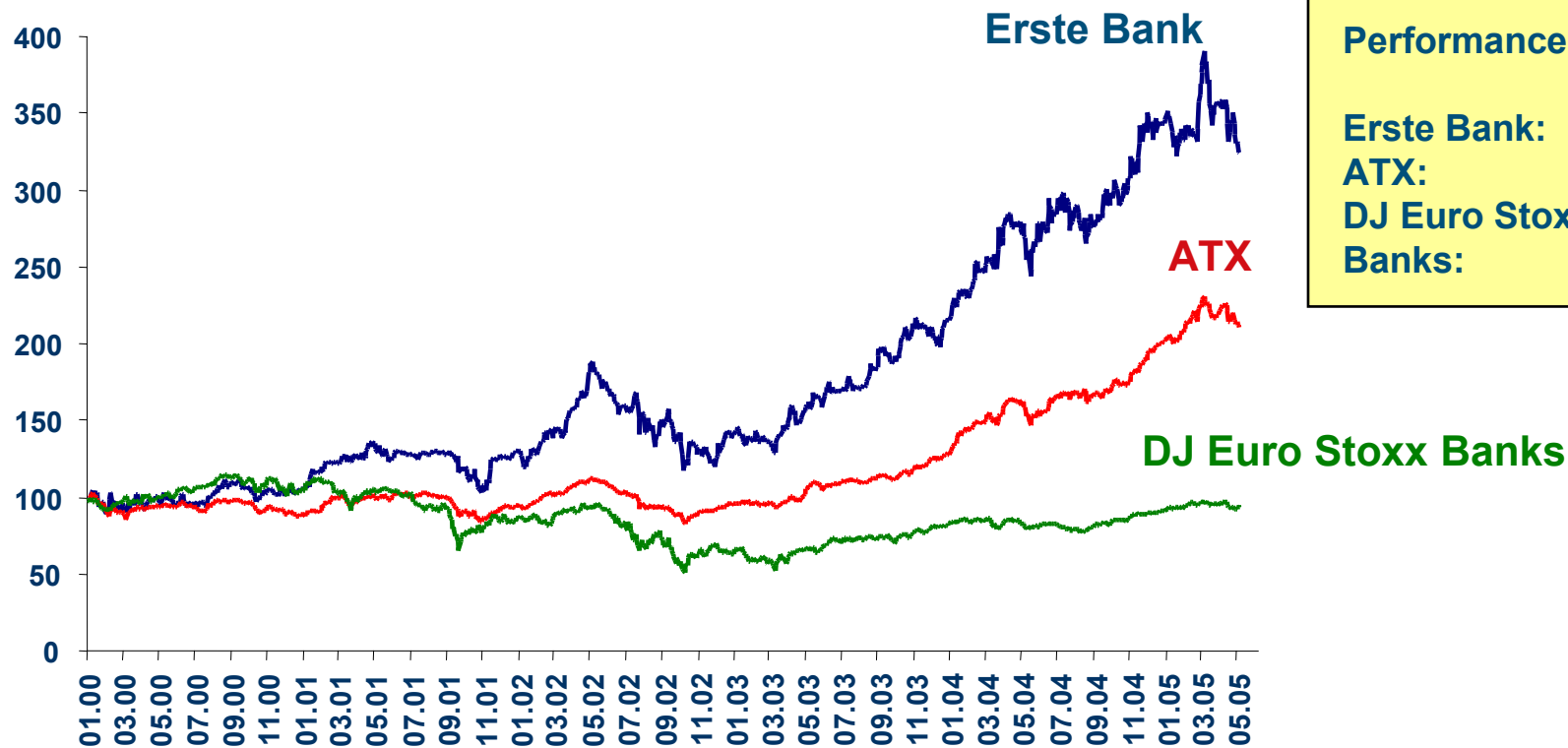
Total Assets +6.0 % to EUR 148.2 bn (EUR 139.8 bn at end 2004)

Tier 1 Capital 6.8% (6.7% at end 2004)

Quarterly EPS EUR 0.67 (EUR 0.39 in Q1 2004)

Outlook 2005: Net Profit EUR 660 m

Erste Bank Share Price Development

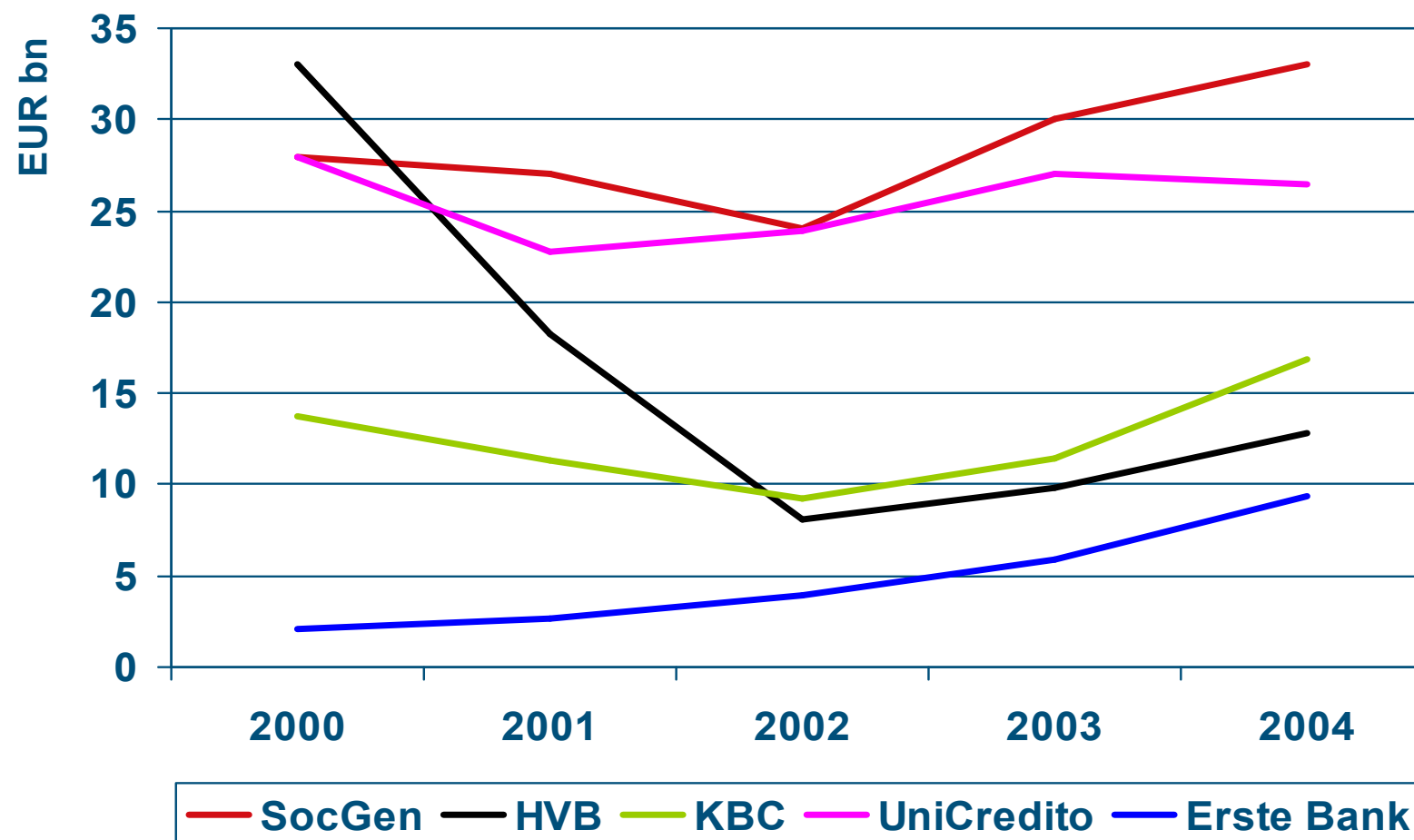


Performance in 2004

Erste Bank:	+ 61%
ATX:	+ 56%
DJ Euro Stoxx Banks:	+10%

as at 6 May 2005 (rebased)

Market Value Development



Market Value Development

Comparison with selected retail banks

(EUR bn)	12/00	05/05	+/-	Price/book*
Société Générale	30.0	32.4	+8%	1.7x
KBC	14.4	22.1	+53%	2,1x
Unicredito	35.6	26.5	-26%	2.0x
Commerzbank	17.9	9.0	-50%	1.0x
HVB Group	32.4	12.9	-60%	1.2x
Erste Bank	2.1	9.3	+343%	2.5x

* Based on book value as at 31.12.2004

New Group Architecture Project

Rationale for the project

Situation following Postabanka Acquisition:

- Era of “Large acquisitions” is over
- Need for continued profit growth

Therefore:

- Need to fully capitalise on existing growth potential
- Realise synergies from our nearly 12 m customers
- Assimilate an organisation of growing complexity into our Group
(5 Banks in 5 different but converging markets)

The First Projects:

- Group Performance Model
- Group Procurement
- Group Large Corporates
- Retail 2008

Extending the home market?

Moving from CE to CEE

Priorities

- » Grow organically in Croatia
- » Participate in the privatisation of Novosadska banka in Serbia and look for opportunities in Romania
- » Look at possible smaller acquisitions in Hungary

Criteria

- » Following its successful expansion to date, Erste Bank is broadening the regional scope
- » Aiming to achieve growth in the CEE region in markets that fit with existing network
- » in areas which offer real added value to existing client base



2006 Targets

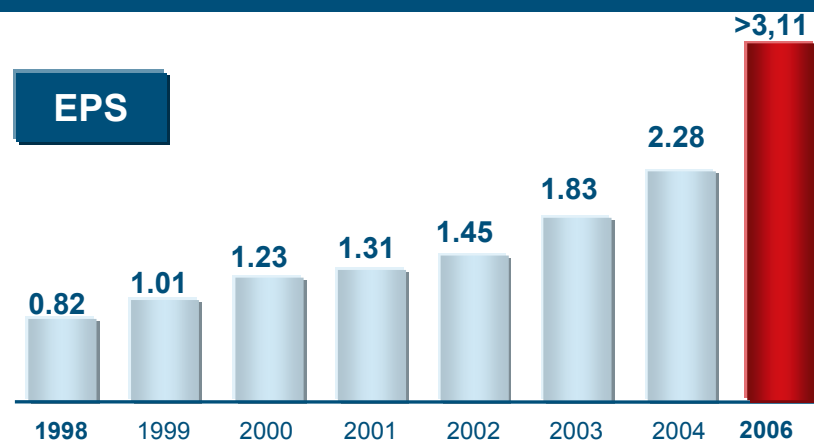
Net Profit: EUR 750 m

Tier 1 ratio: between 6.5% and 7.0%

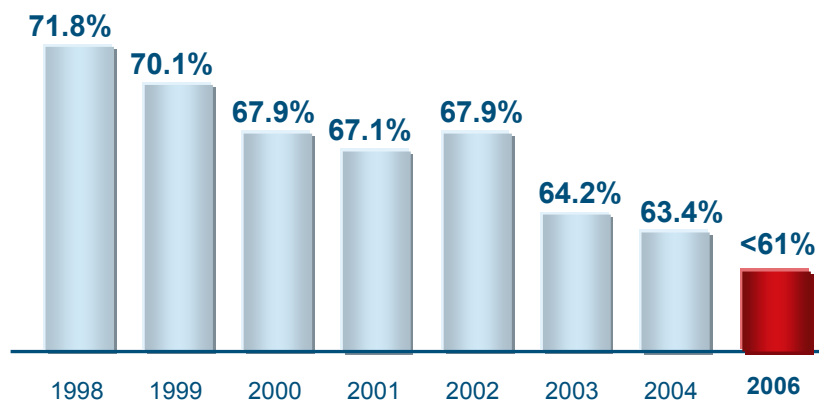
Cost/Income Ratio: <61%

ROE >18.0%

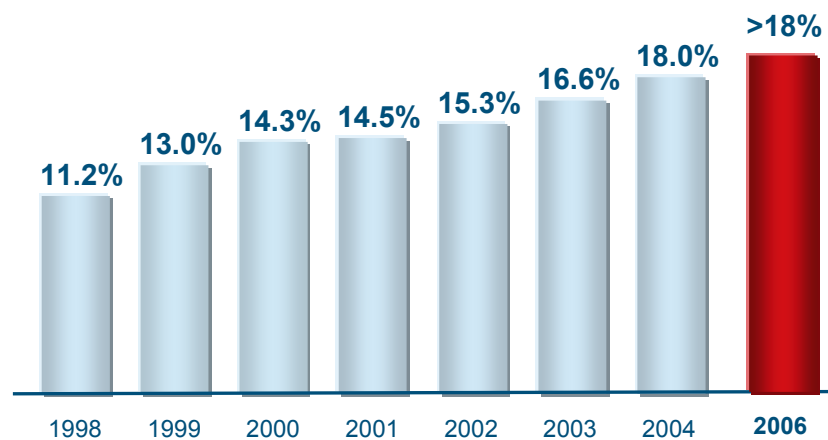
EPS



Cost-Income Ratio

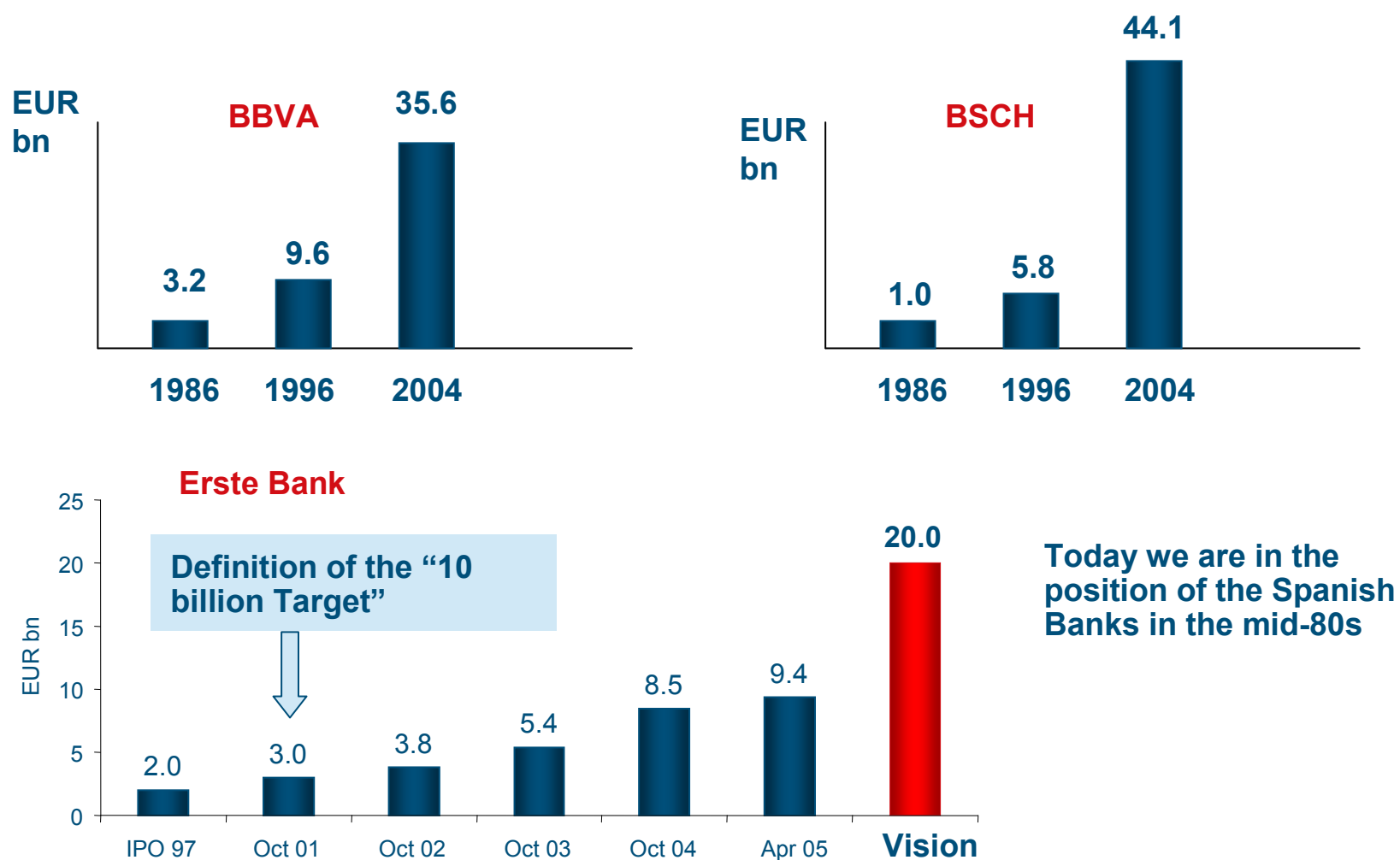


Cash ROE



Significant Future Potential

Market Cap. Development



Second Item on the Agenda

Resolution on the distribution of profits

Proposed distribution of earnings:

Dividend of Euro 0.50 per share

-> Increase of 33% on the previous year

Third Item on the Agenda

Grant of discharge to the members of

(a) the Management Board

(b) the Supervisory Board

with regard to the financial year 2004

Shareholders Questions

On Agenda Items 1, 2 and 3:

- **Report on the financial year 2004**
- **Resolution on the distribution of profits**
- **Grant of discharge to the members of the Management and Supervisory Boards**

Fourth Item on the Agenda

Approval of the remuneration of the Supervisory Board

Fifth Item on the Agenda

Elections to the Supervisory Board

Proposed Candidates:

Theresa JORDIS (for 3 years)

Hubert SINGER (for 3 years)

Georg WINCKLER (for 5 years)

Chosen by Erste Bank's retail shareholders:

Wilhelm RASINGER (for 5 years)

Elisabeth GÜRTLER (for 5 years)

Pre-selection Process Details

1.3.2005: Announcement in the Wiener Zeitung

The following 7 Candidates responded:

- Werner Gabriel**
- Elisabeth Gürtler**
- Klemens Huppmann**
- Boris Jedlicka**
- Rudolf-Anton Preyer**
- Michael Prochazka**
- Wilhelm Rasinger**

21.3.2005: Distribution of voting cards to retail shareholders in Austria and the Czech Republic on

11.4.2005: Deadline for depositing the voting cards with a notary public; almost 9,000 votes counted

21.4.2005: Announcement of the result

Pre-selection Result

In total, 4,821 voting cards with 8,604 valid votes were returned

The votes were cast as follows:

Wilhelm Rasinger:	40.8%
Elisabeth Gürtler:	22.6%
Third:	16.6%
Fourth:	8.5%
Fifth:	6.7%
Sixth:	3.4%
Seventh:	1.4%

Sixth Item on the Agenda

Appointment of an additional auditor and group auditor for the financial year 2006 in addition to the Savings Bank Auditors Association (Sparkassen-Prüfungsverband) as the statutory auditor

Proposal:

Deloitte Wirtschaftsprüfungs GmbH

Seventh Item on the Agenda

**Approval of the acquisition by Erste Bank
of own shares for the purpose of
securities trading**

Eighth Item on the Agenda

Authorisation of the acquisition by Erste Bank of own shares for no designated purpose, excluding the acquisition of such shares for trading purposes, (“share buy-back”) as well as the authorisation to use these shares as consideration for the acquisition of enterprises, businesses or parts thereof or shares in one or more companies in Austria or abroad, and thus to dispose of these shares in a manner other than via the stock exchange or in public offering

Ninth Item on the Agenda

Approval of a new stock option program for members of the Management Board, executives and top performers of the Erste Bank group (MSOP 2005)

Existing MSOP / ESOP Program

The 2001 AGM approved authorised capital in the amount of 10 m new shares for the employee share purchase programme (ESOP) and management share option programme (MSOP)

Allocations to date:

ESOP 2002-2004: 1.8 m shares

MSOP 2002-2004: 3.7 m share options (approx. 76% exercised)

ESOP 2005 was launched on 2 May 2005

- max. 200 shares per employee at a price of EUR 31.50

in accordance with the code on Corporate Governance, MSOP 2005 is submitted to the AGM for approval

New Option Program

Size: Max. 2 m shares

Goals: Increase employee participation
Identification with business objectives
Tie key strengths into the business

Allocation: Level 1 - Management Board Member: 3 x 3,000 Options
Level 2 - Divisional Head / MD : 3 x 1,000 Options
Level 3 - Regional Director: 3 x 500 Options
Level 4 - High performers : discretionary

Hurdle: yearly target of 17% Return on Equity

New Option Program

Key Data: **Exercise price: EUR 43.0 (10% above average price for April 2005)**
currently c. 15% “out of the money”
Maturity: 5 years per tranche
3 Tranches (2005, 2006 und 2007)

Principles: **Own investment of those entitled**
Retention period: 1 year
Business risk
Real participation in the business
Not only for top management
Alignment with business objectives

Tenth Item on the Agenda

Approval of amendments of the articles of incorporation in the following paragraphs:

- a) 12.4 (Necessary majority for revocation of Supervisory Board membership)**
- b) 16.3 (Deposit of shares also with a foreign bank)**
- c) 16.9 (Amendment of clause with the same majority requirements that these articles of incorporation provide for)**
- d) 16.10 (Entitlement to record the shareholders' meeting and broadcast it publicly)**

12th Annual General Meeting

Erste Bank der oesterreichischen Sparkassen AG

11 May 2005
Austria Center, Vienna