

Ad-hoc information

Vienna, 16 September 2005

16.09.2005: Erste Bank sets new growth targets for 2006-2008

At its annual Capital Markets Day event held today in Prague, Erste Bank der oesterreichischen Sparkassen AG announced new growth targets for 2006-2008 and confirmed its guidance for 2005 (1). Erste Bank is targeting average annual growth in net profit after tax and minorities of at least 15% for the 2006-2008 period. Assuming a Tier 1 ratio of 7-7.5% in 2008, this earnings growth will push the return on equity up to 20%. The Group aims to reduce its cost/income ratio to 57% by 2008.

The sharp fall in interest rate levels across Central Europe will present a challenge for the subsidiary banks in the Czech Republic and in particular the Slovak Republic in 2006, but Erste Bank has the ability to meet that challenge.

"We have the full confidence that the strong growth of the Erste Bank Group in Central Europe and the further improvement of earnings in Austria in the coming years will allow us to meet all of our targets despite the unfavourable interest rate environment. This shows the continued huge potential of Erste Bank," commented Andreas Treichl, CEO.

In addition, the management of Erste Bank Group gave a status report on the "New Group Architecture" project launched in 2004. The aim of this project is to streamline processes and business models within the Group in order to generate a positive effect on both revenues and costs, to bring a sustainable improvement in the efficiency of the bank and to help to ensure targets are met. These effects will have a positive impact on the pre tax profit of EUR 210 million per annum as of 2008.

(1) group net profit of at least EUR 660 million