

5th Capital Markets Day

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Focus on the new group structure –

Taking synergy initiatives to the next level

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Erste Group – 10 years of impressive growth since IPO in 1997

Erste Bank (1997)

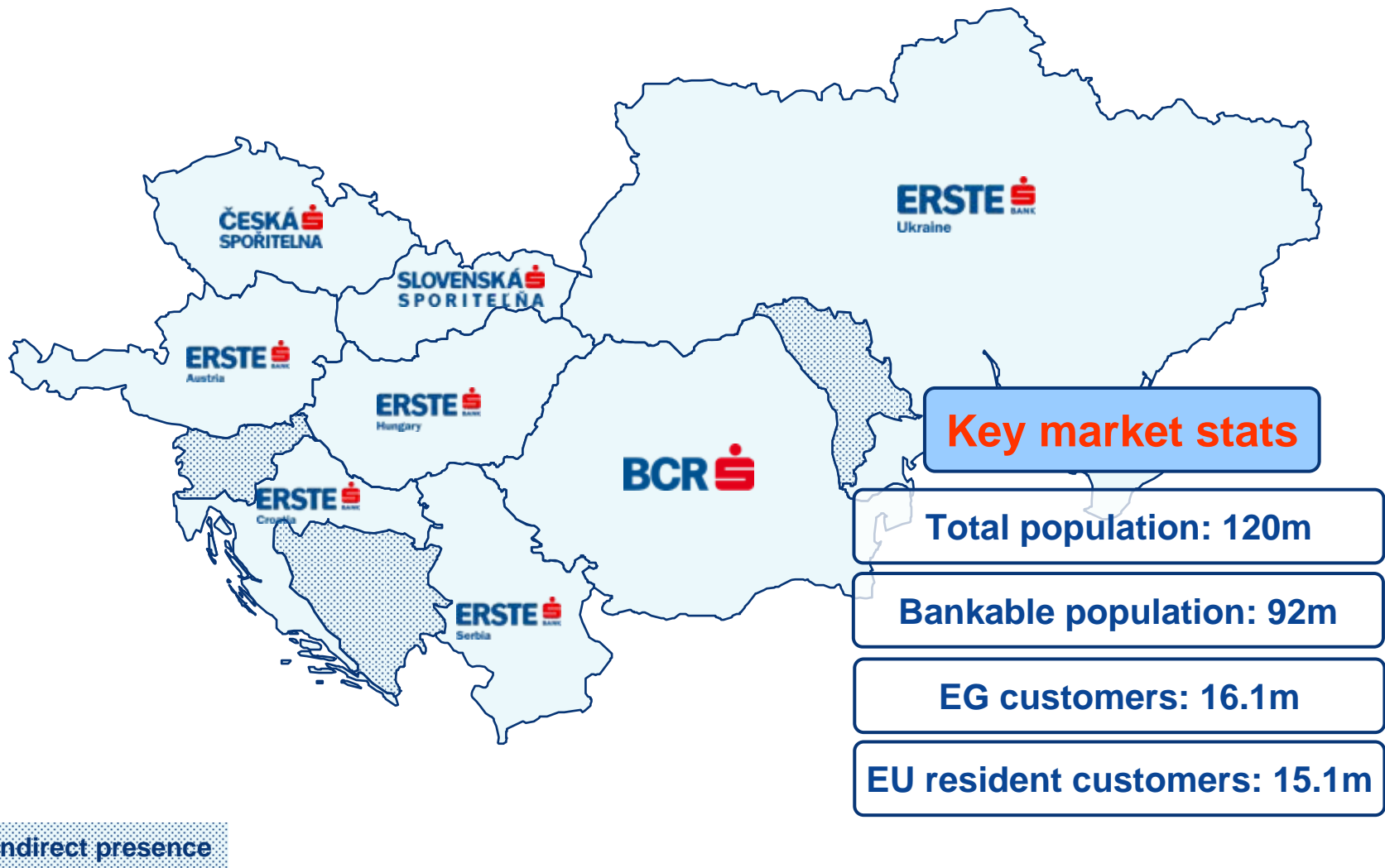
1	core market
5,000	employees
230	branches
0.6m	customers
EUR 2bn	market cap
5%	CEE contribution



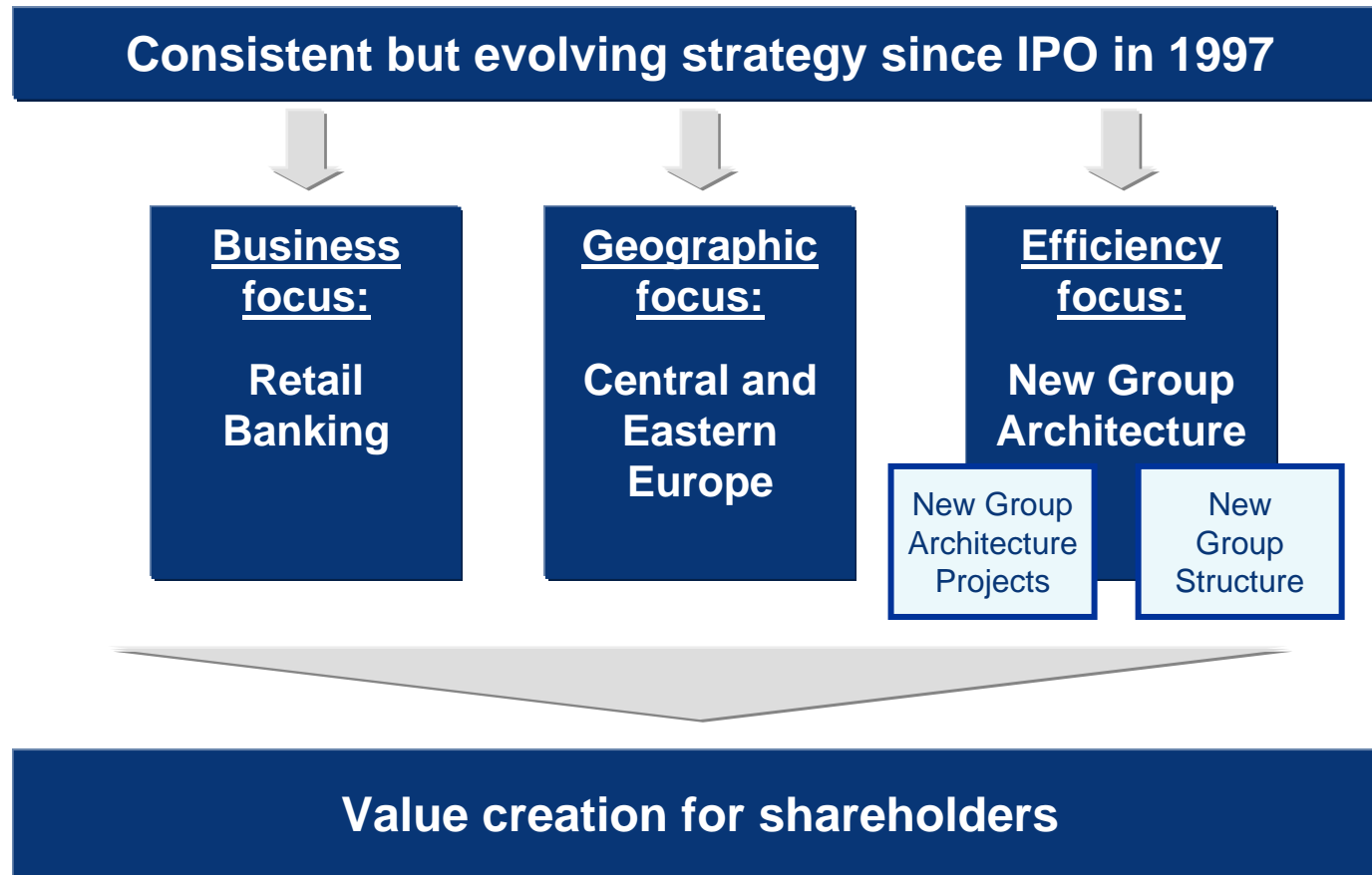
Erste Group (2007)

8	core markets
50,000	employees
2,700	branches
16m	customers
EUR 17bn	market cap
63%	CEE contribution

Erste Group – Retail presence in 11 markets



Synergies and structural optimisation - two central elements of Erste Group's efficiency focus



New Group Structure builds on efficiency efforts started by NGA initiatives

NGA initiatives launched in 2004 with the objective of transforming a “federation of banks” into a “real” Group

- Joint effort by major Erste Group banks in five key markets (EBV, CSAS, SLSP, EBH and EB Croatia)
- Selective participation by recently acquired Group banks (BCR, EBUA, EB Serbia)

Three years into the program, most NGA initiatives show very positive results and are close to completion

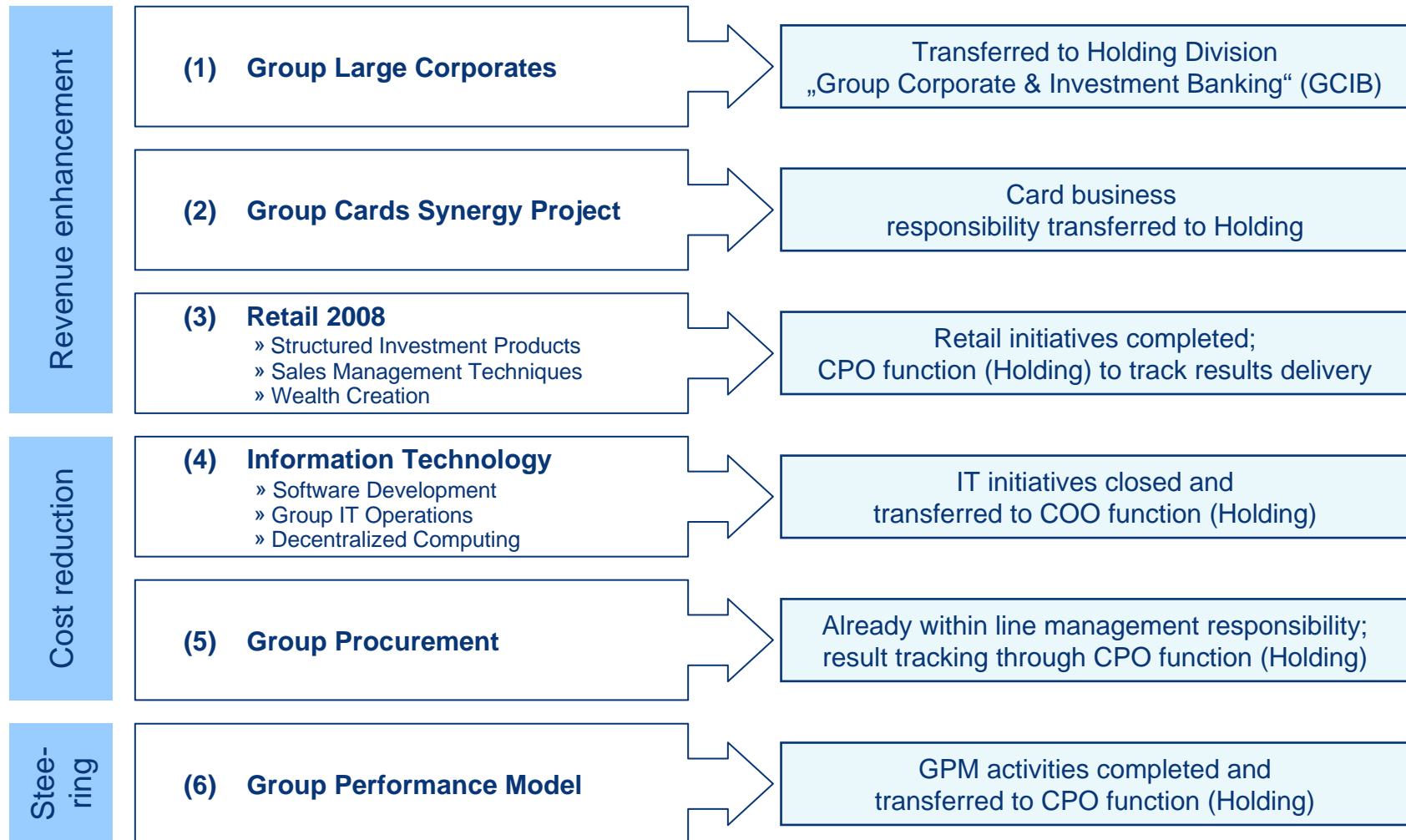
- Pre-tax P&L effect (FC 2007): EUR 205m; 2008 target (EUR 270m) within reach
- Most projects closed, remaining tasks transferred to line management

New Group Structure introduced as a logical next step to build on and accelerate current and future efficiency efforts

- Tighter control of operating performance and synergies delivery
- Improved execution power through dedicated responsibilities (CFO/CPO⁽¹⁾, COO)

⁽¹⁾ CPO: Chief Performance Officer

New Group Structure will absorb current portfolio of New Group Architecture projects

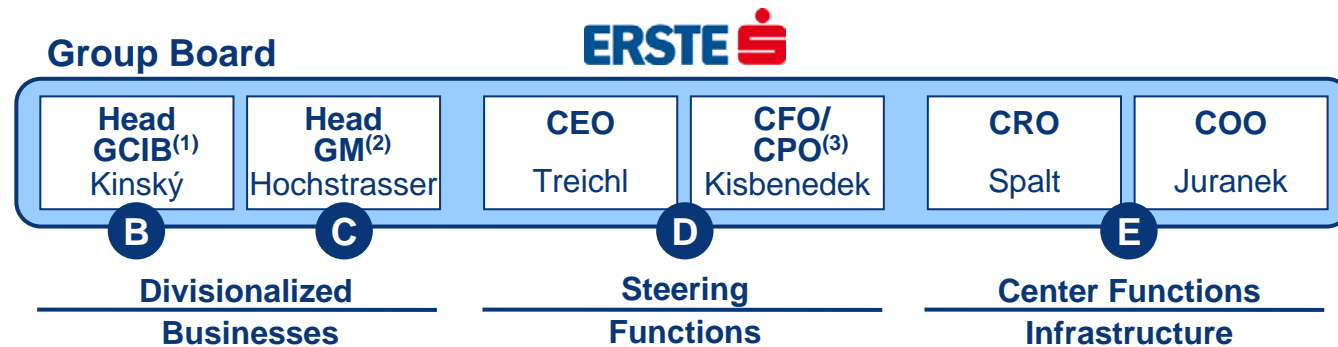


Erste Group well on the way to achieving 2008 efficiency targets

				2007		Target 2008
		2005	2006	1H	FC	
Revenue enhancement	(1) Group Large Corporates		EUR +43m	EUR +26m	EUR >50m	EUR +55m
	(2) Group Cards Synergy Project		EUR +10m	EUR +11m	EUR >20m	EUR +45m
	(3) Retail 2008	EUR +14m	EUR +24m	EUR +26m	EUR >60m	EUR +75m
Cost reduction	(4) Information Technology		EUR +4m	EUR +8m	EUR >15m	EUR +40m
	(5) Group Procurement ⁽¹⁾	EUR +39m	EUR >55m	EUR >55m	EUR >60m	EUR +55m
Positive pre-tax P&L effect: (net of investment costs)		~ EUR +53m	~ EUR +136m	~ EUR +131m	> EUR 205m	EUR +270m

(1) Net of investment costs into outsourcing of procurement back-office functions

New Erste Group Structure with five clearly defined building blocks



⁽¹⁾ GCIB: Group Corporate & Investment Banking

⁽²⁾ GM: Global Markets/Treasury

⁽³⁾ CPO: Chief Performance Officer

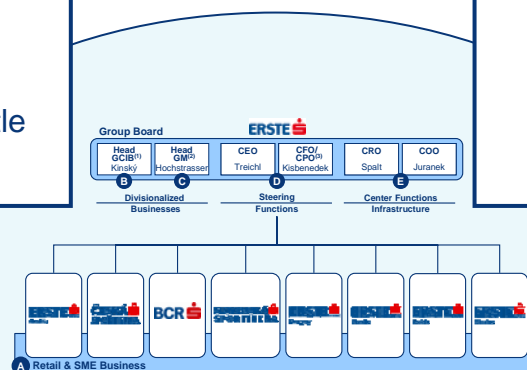
New Group Structure significantly improves Group collaboration

Separation of Group and Austrian responsibilities

- Sharpened focus on business and performance in Austria
- Increased capacity for Group management tasks
- Clear roles & responsibilities, no/little conflicts of interest

Full divisionalisation of Large Corporate Banking and Capital Markets/Treasury

- Central P&L responsibility
- Cross-border reporting lines
- Exploitation of synergies
- Extension of business scope



Execution of improved Group management processes

- Performance management (regular dialogue of CPO with local banks)
- Increased business focus: local Boards to concentrate on Retail/SME
- Performance-related HR development and remuneration

Centrally aligned Risk Management, IT and Operations

- Steering/optimising of risk approach/appetite
- Stronger alignment of IT landscape
- Focus on synergy realisation (economies of scale)

New Group Structure reflects Erste Group's philosophy and market approach

Decision not to divisionalise Erste Group's retail and SME business

- Local responsibility reflects different maturity levels of Erste's home markets
- Local responsibility aims to foster local entrepreneurship/initiative
- Group responsibility for state-of-the-art monitoring (performance management)

Group Corporate and Investment Banking and Global Markets fully divisionalised

- Capital Markets/Treasury and Corporate business already homogenous across markets
- Divisions to allow for a harmonized and more structured market approach
- Divisions to enable building critical mass (competence centers) across markets

Erste Group – A CEE banking group

- Reflecting the diversity of the group at holding company level
- Facilitating and fostering cross-country collaboration and exchange
- Encouraging increased mobility within the group

Wrapping things up – What are the issues for the rest of the day?



Retail focus is here to stay

