

6th Capital Markets Day

12 December 2008, Vienna

Continuing to do what we do best

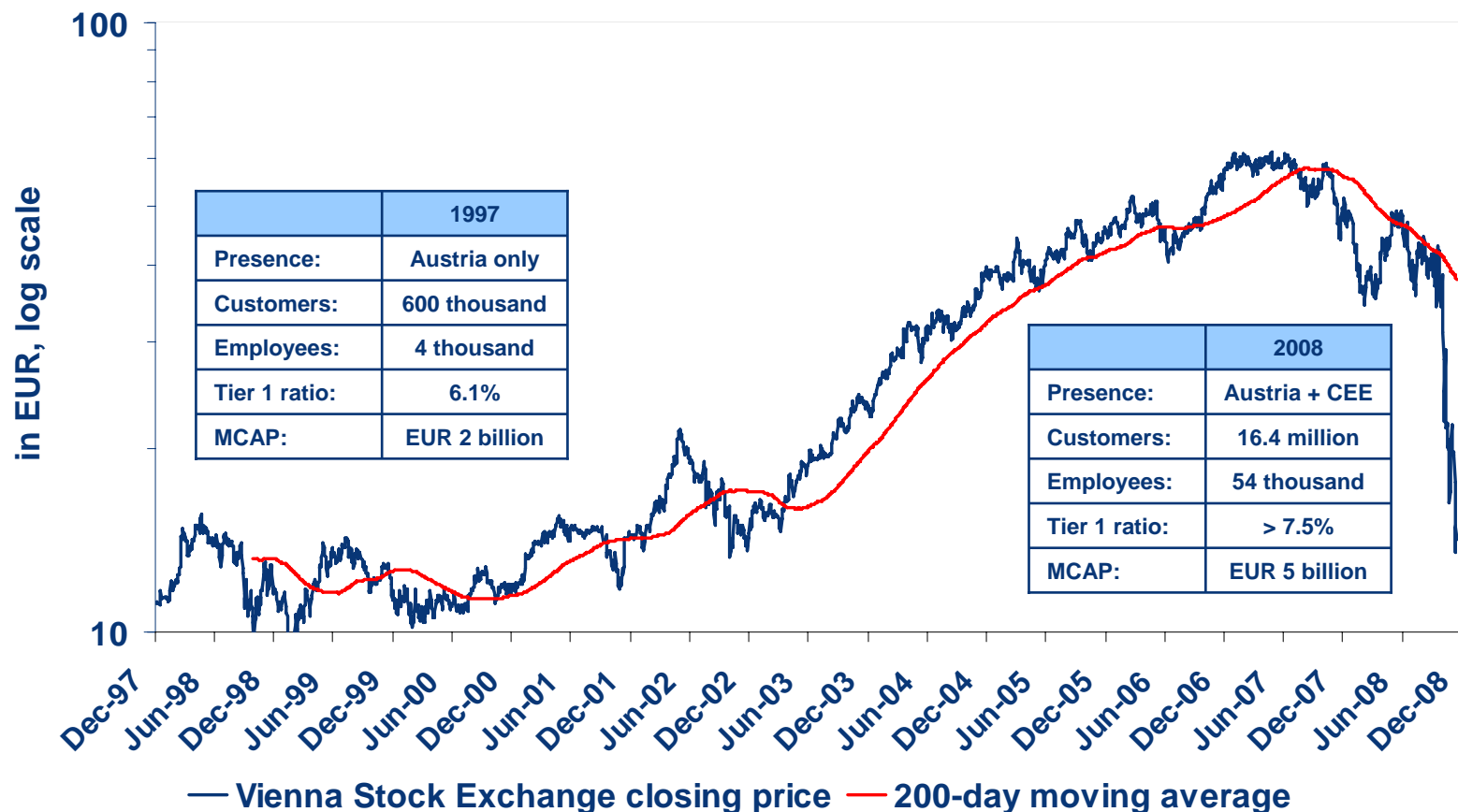
Andreas Treichl, CEO, Erste Group



- Taking a step back**
- Asking unpleasant questions**
- Reflections on our strategy**
 - Business focus: retail banking
 - Geographic focus: Central and Eastern Europe
 - Efficiency focus: cost consciousness
- What can you expect from us in 2009?**

Taking a step back – Our share price is down 66% year-to-date

Erste Group Share Price History (IPO - 2008)



Asking unpleasant questions – Is our business model still right and working?

Consistent but evolving strategy since 1997 IPO

**Business
focus:**

Retail banking

**Geographic
focus:**

**Central and
Eastern Europe**

**Efficiency
focus:**

**Cost
consciousness**

Value creation for shareholders and all other stakeholders

Reflections on our strategy – Business focus: retail banking

– Why does retail make sense?

- Stable and sustainable business flows
- Less volatile risk profile
- Well-diversified customer base

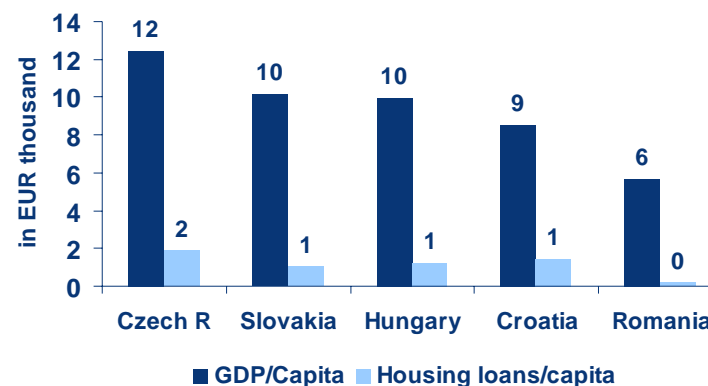
– No credit excesses in CEE

- Low per capita indebtedness in CEE
- Despite strong growth per capita household debt is still insignificant in relation to GDP
- Per capita mortgage debt is a fraction of GDP and levels in developed Western economies

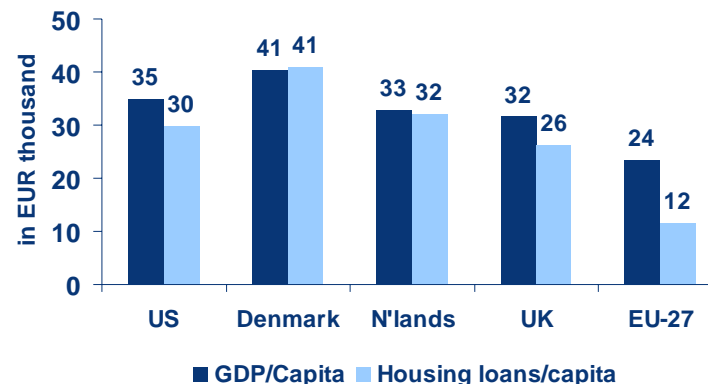
– Long-term growth story is intact

- Slowdown will be temporary phenomenon
- Unbanked population still sizeable
- Product penetration comparatively low

GDP and housing loans in CEE (2007)

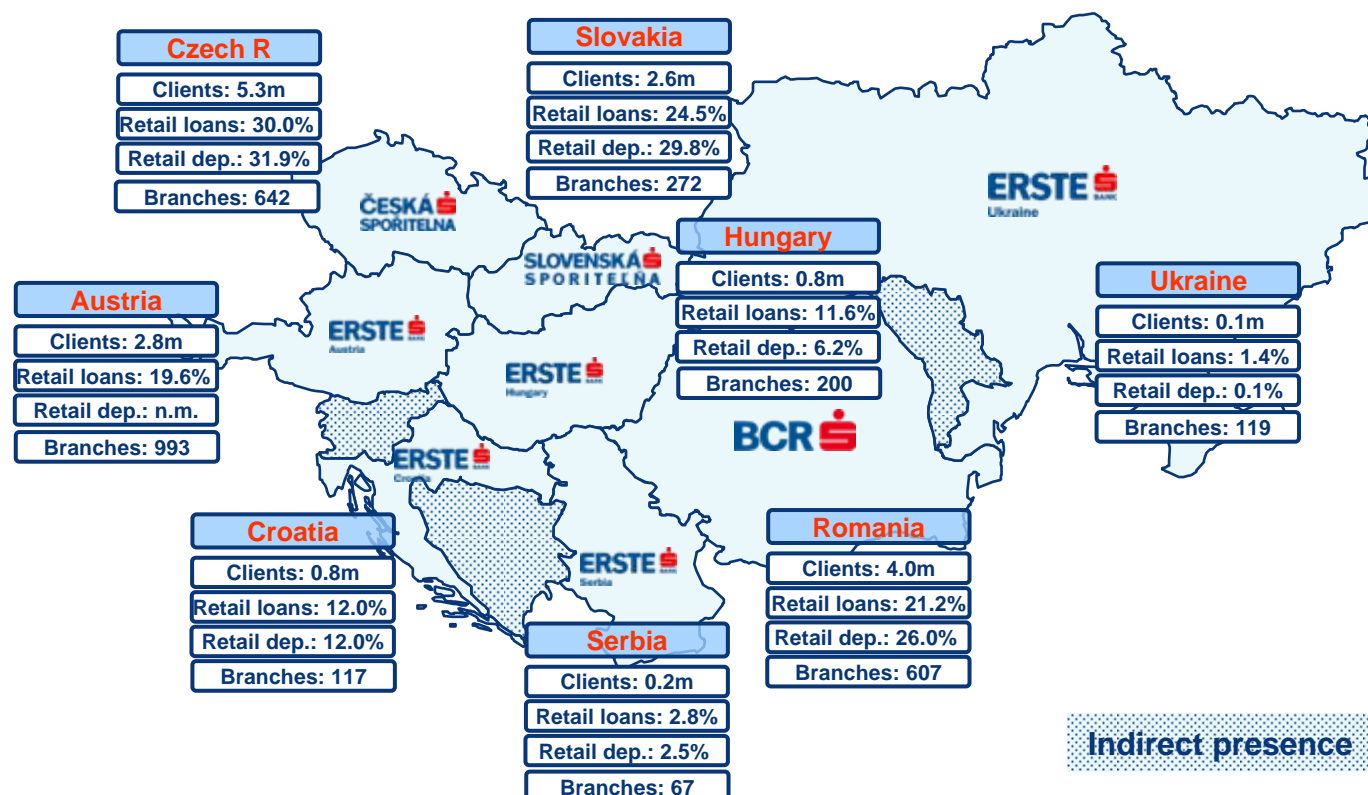


GDP and housing loans in developed markets (2006)



Reflections on our strategy – Geographic focus: Central and Eastern Europe

- Risk-conscious expansion over the past 10 years
 - Focus on risk/reward: large investments in EU member or accession states
 - Limited exposure to higher risk countries
- Central and Eastern Europe continues to have the best prospects within Europe



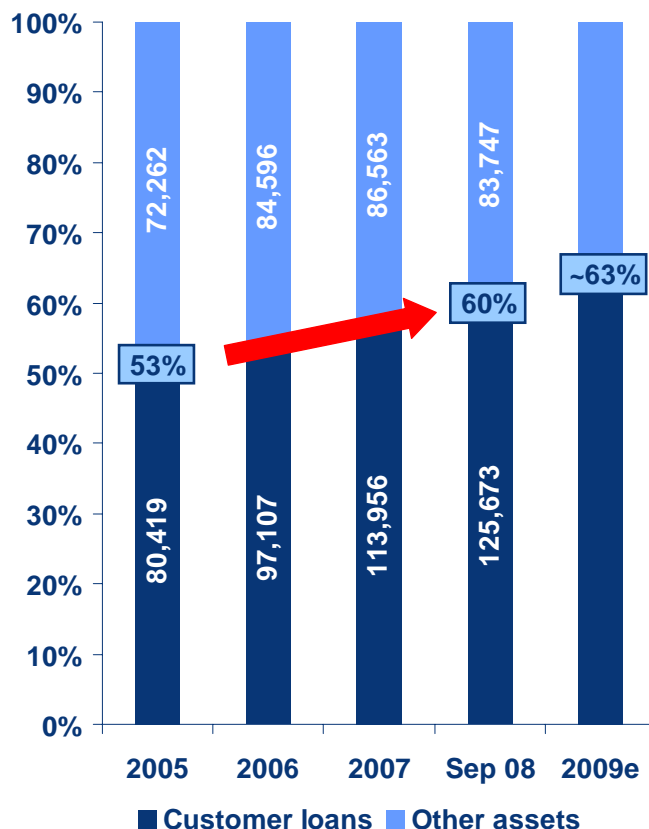
Reflections on our strategy – Efficiency focus: cost consciousness

Assessment: performance is reasonable, but potential for improvement

- **Quick wins to reduce cost growth in 2008**
 - Headcount and spending freeze in Holding
 - Review forecasts in all entities
 - Review initiatives for possible spending cuts
- **Optimise 2009 budget**
 - Increase efficiency in group centre functions
 - Review and prioritise budgeted projects and initiatives
 - Review business models
 - Complete ongoing projects, reduce complexity
- **Align business needs and investments in strategic budgeting for 2010-2012**
 - Business needs to drive infrastructure investments
 - Rigid prioritisation and development of traceable business cases
 - Creation of group-wide synergies through increased cooperation
 - Harmonise processes throughout Erste Group

What can you expect from us in 2009? – More responsible business growth

Consistent focus on core lending business

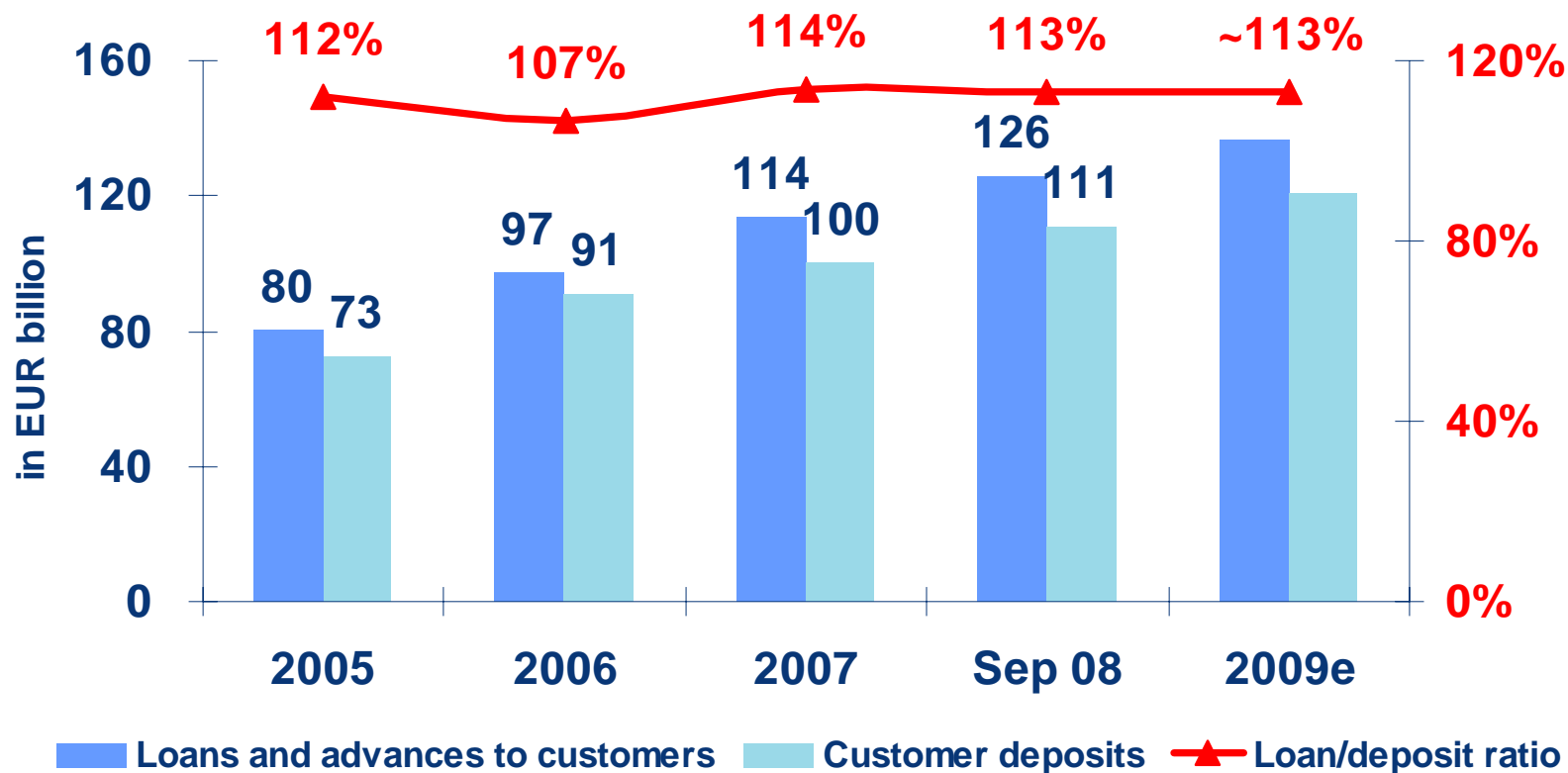


Sustainable deposit funding underpins asset growth



What can you expect from us in 2009? – Focus on sustainable customer business

Loan vs deposit development



What can you expect from us in 2009?

Moderate growth, continued profitability

- Operating profit growth target of 15% for 2008 confirmed
- New guidance for 2009 reflecting slower growth environment, covering:
 - Operating result growth
 - Operating expense growth
 - P&L risk costs

**Operating
result growth**

2008: +15%
2009: about +10%

Operating expenses

2009: max +3.5%

Risk costs

2009: 90-120 bps (based on average customer loans)