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Erste Group – 1-9 08 results presentation

30 October 2008

1-9 08 financial highlights

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- **Operating profit[1] continued to show healthy growth - up 23.2% in 1-9 08**
  - Based on a solid performance of the regional Retail & SME business in Austria and CEE (+34.0%) mainly supported by strong CEE contribution (+52.2%)

- **Asset portfolio sees limited impacts from financial market crisis**
  - ABS/CDO portfolio – negative valuation impact on P&L of EUR 22.7m (pre-tax) in Q3 08
    - Impact from available-for-sale portfolio against equity was EUR 72.3m in Q3 08
    - Underlying asset quality continues to confirm assumption of no impairment anticipated for 2008
  - Exposure to Lehman Brothers has resulted in a write-down of EUR 33.9m (pre-tax) in Q3 08
  - Erste Group has an exposure of approx EUR 300m towards defaulted Icelandic banks
    - Provisions for write-downs will be taken in Q4 08

- **Long and short term liquidity needs covered for 2008**
  - Long term funding volume reached EUR 6bn end October covering not only EUR 5bn for 2008 but also about 27% of 2009 redemptions
  - Funding costs remained below EURIBOR +40bps
  - Deposit growth (+10.8%) outpaced loan growth (+10.3%) at Group level

1) Operating profit = Operating income (NII, Fee & Commission income, Trading result) minus Operating expenses

1-9 08 financial highlights –
Improved capital ratios after insurance sale

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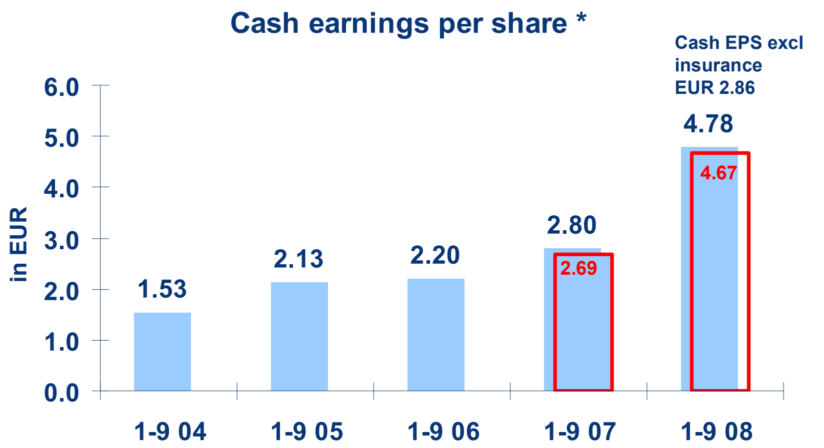
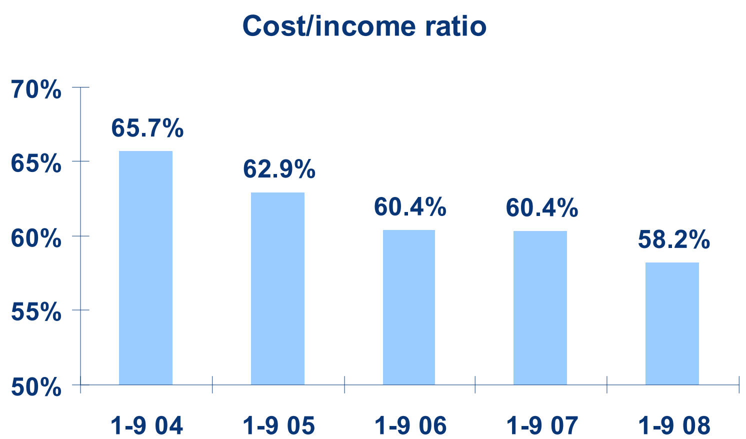
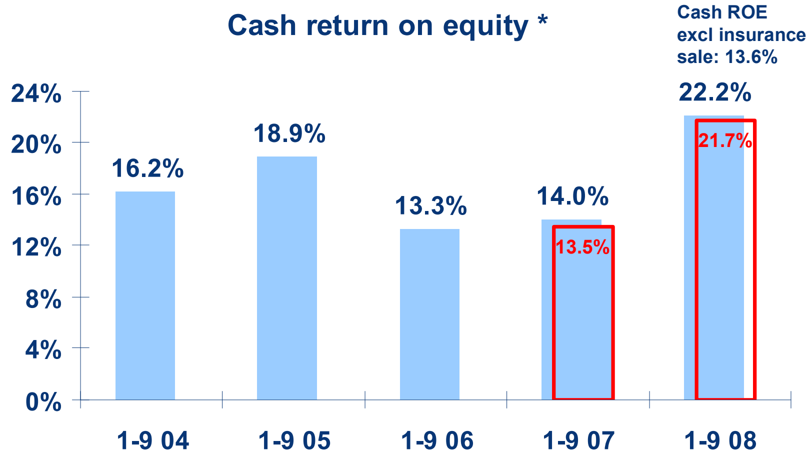
- **Net profit up 74.6% yoy (EUR 1,463m) including sale of insurance business in Q3 08**
  - Adjusted for the insurance sale net profit rose 2.8% to EUR 861.7m
- **NIM on interest bearing assets (IBA) at 2.8% up from 2.5% at FY 07**
  - Based on increasing margins in CEE (up to 4.5%) and Austria (NIM at 1.7%)
- **Total assets up 4.4% ytd to EUR 209.4bn**
- **Tier 1 ratio at 6.6% (7.0% at FY 07)**
  - Sale of insurance will add 70bps to Tier 1 ratio at YE 08
  - Tier 1 ratio expected to be at least 7.5% at YE 08







*) Red bars for 1-9 08 denote reported EPS and ROE respectively. Decline in reported and cash ROE reflects 2006 capital increase.
EPS calculation based on average number of shares for the period (ex treasury shares and shares owned by savings banks with EB participations).
Previous period's cost income ratio had to be adjusted in accordance with IFRS5: "post-tax profit from discontinued operations

1-9 08 divisional highlights – New segment reporting improves transparency[1]

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Short description of new segments:

- **Retail & SME: Focus on core customers in the region**
  - Austria - Local retail & SME customer business and local ALM
    - EB Oesterreich
      - 3 majority owned savings banks in Salzburg, Tirol and Hainburg
      - Subsidiaries with product focus on Austria ie building society, leasing company and local ALM
    - Savings banks
      - 48 savings banks in the cross guarantee system
  - CEE – Local retail & SME customer business and local ALM
- **Group Corporate and Investment Banking (GCIB)**
  - Large corporate customers operating in EG region with a turnover > EUR 175m
  - International business, commercial real estate, leasing subsidiary Immorent and investment banking
- **Group Markets (GM)**
  - Treasury business in Austria and CEE and in New York and Hong Kong branches; as well as debt capital markets
- **Corp. Center**
  - Support functions and consolidation items; depreciation of customer value of recent acquisitions and Group ALM
  - Extraordinary items such as effects from IAS 39 (unwinding); sale of insurance business (not included in operating result)

Operating result per segment *

in EUR million	1-9 08	1-9 07	Change
Retail & SME	**1,861.0**	**1,389.1**	**34.0%**
Austria	500.3	494.9	1.1%
EB Oesterreich	*195.8*	*189.8*	*3.2%*
Savings Banks	*304.5*	*305.1*	*(0.2%)*
Central and Eastern Europe	1,360.6	894.2	52.2%
Czech Republic	547.0	379.1	44.3%
Romania	406.8	201.3	>100.0%
Slovakia	154.1	124.3	24.0%
Hungary	145.1	115.6	25.5%
Croatia	116.8	86.2	35.4%
Serbia	6.7	(4.2)	na
Ukraine	(15.9)	(8.0)	(97.5%)
GCIB	**321.5**	**265.0**	**21.3%**
Group Markets	**232.0**	**239.7**	**(3.2%)**
Corporate Center	**(220.9)**	**(113.4)**	**(94.8%)**
Total Erste Group	**2,193.5**	**1,780.3**	**23.2%**

*) Changes in scope of consolidation: Diners Club Croatia (DCA) - 2 April 2007; EB Ukraine - 1 February 2007; 6 additional savings banks – 1 January 2008

1) 2007 results have been restated according to the new segment reporting

1-9 08 P&L highlights –
Revenues remain stable quarter on quarter

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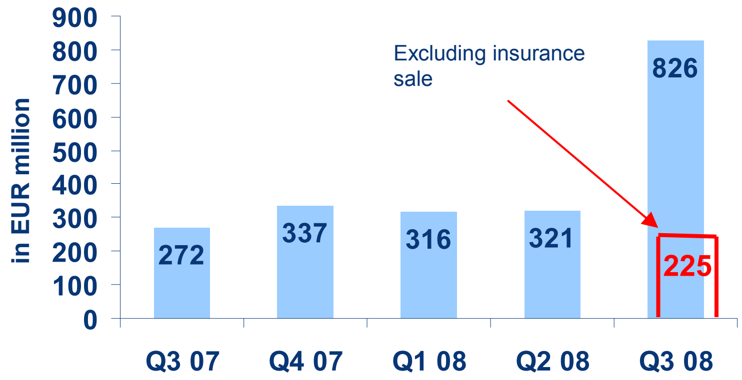
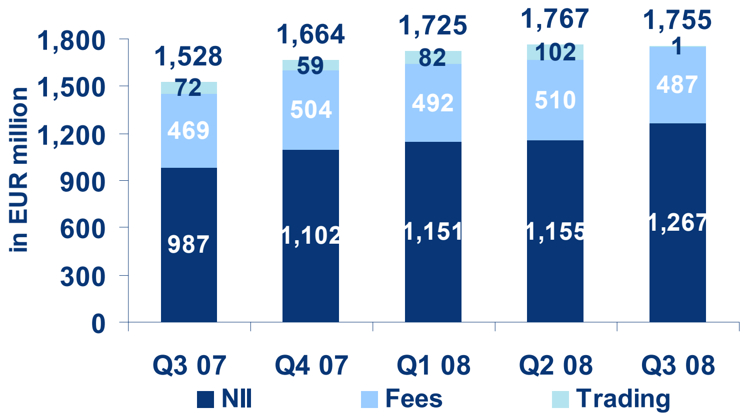
- **Stable operating income - EUR 1.76bn vs EUR 1.77bn in Q2 08**
  - NII improved strongly by 9.7% qoq mainly on resilient growth of loans and deposits in CEE and Austria at stable margins;
  - Fee income declined by 4.6% qoq in a deteriorating market, decline in Austria but positive performance in CEE
  - Trading result fell sharply driven by declining markets to EUR 0.5m; small positive contribution (EUR 12m) from FX desks at BCR and EBH
- **Growth in operating expenses slowed to 1.5% qoq**
  - Personnel expenses increased moderately by 0.3% qoq (mainly in CEE) and rise in other admin. expenses (mainly IT) slowed to 3.6%
  - Increase in expenses expected to slow further in Q4 08

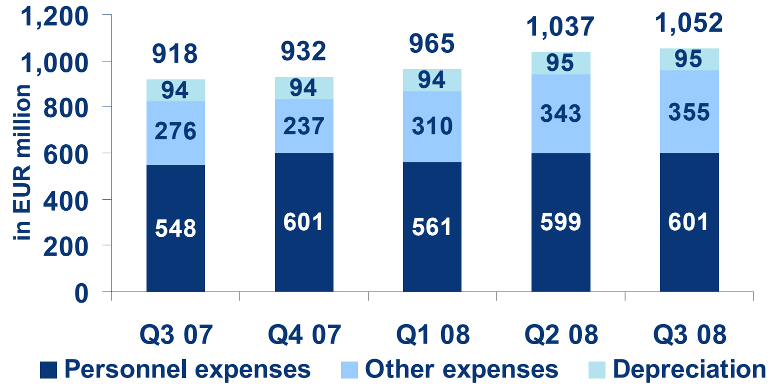
Net profit per quarter



Operating income per quarter



Operating expenses per quarter



1-9 08 – Balance sheet highlights
Stable loan to deposit ratio – not to exceed 115%

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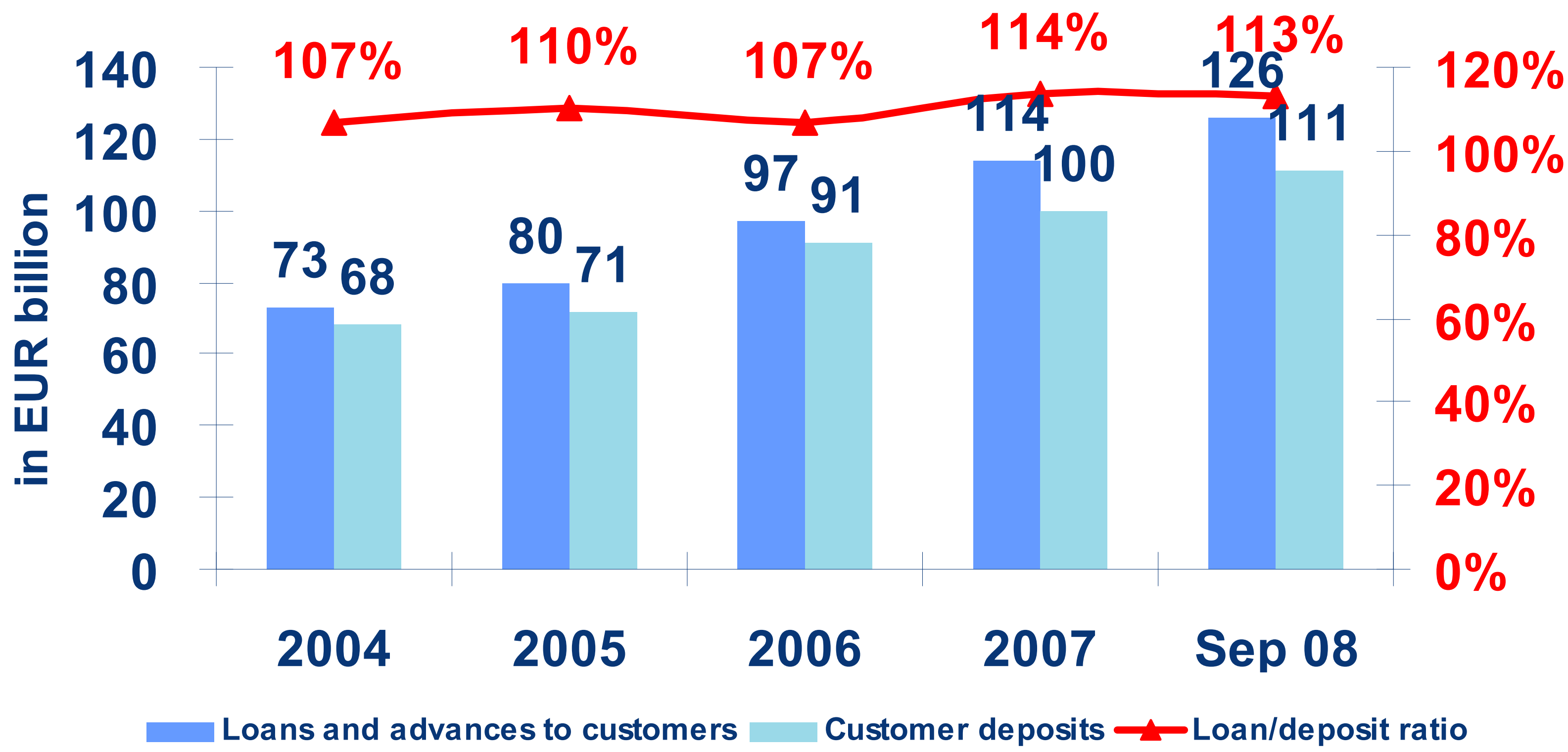
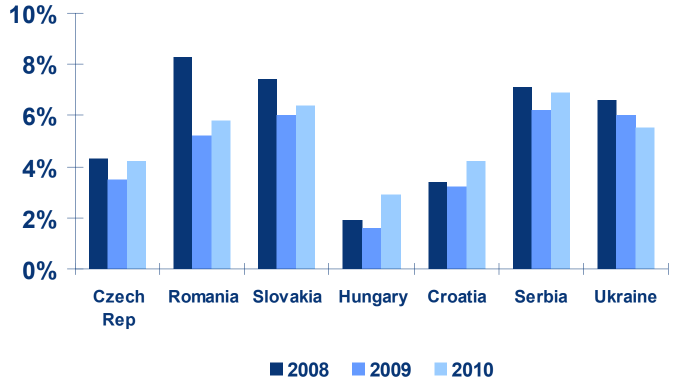
Loan vs deposit development



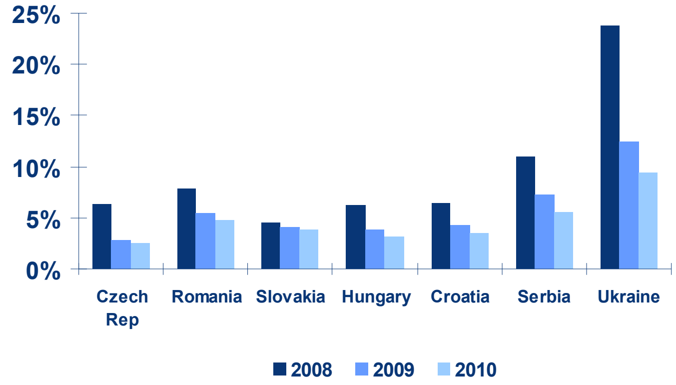
Key topics: Macro outlook for CEE

Cautiously optimistic scenario in a challenging environment

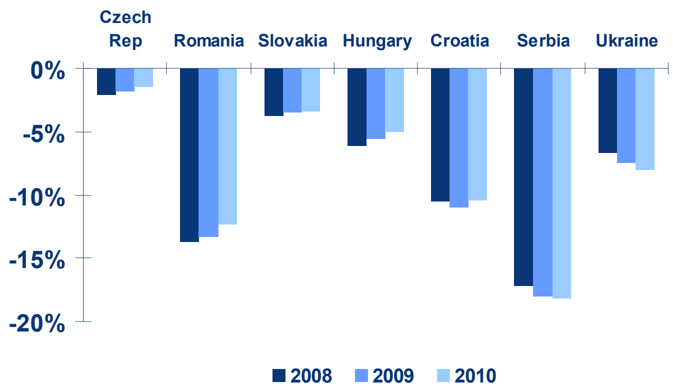
Real GDP growth outlook for CEE



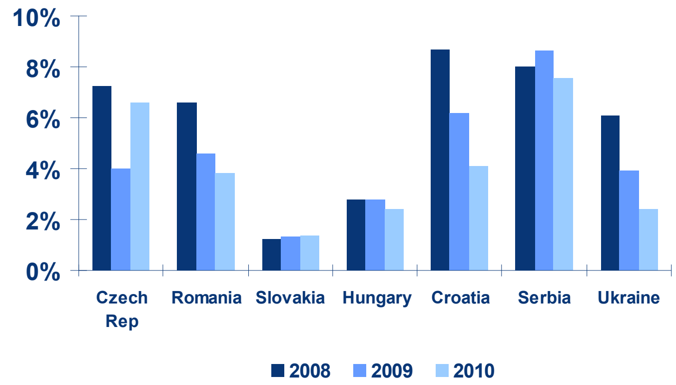
Inflation outlook for CEE



CA balance outlook for CEE (in % of GDP)



FDI outlook for CEE (in % of GDP)



Source: Erste Group Research updated Oct 2008

Key topics: Hungary –
Addressing the impacts of the financial crisis

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- **Small and open economy which was already weak before the crisis**
  - Low or even flat GDP growth
  - Shrinking but still considerable budget deficit
  - High inflation and interest rate environment
  - 60% of loans denominated in FX
- **International financial crises hit Hungary in two areas**
  - Extreme volatility of the HUF versus the EUR and CHF
  - Solvency problems of the State due to illiquid bond market
- **IMF, World Bank, and EU have agreed with Hungary to introduce a joint package totalling EUR 20bn**
  - Aim of the package is to bolster economy and restore confidence
- **Government and Central Bank actions taken so far**
  - New austerity package has been introduced
  - Base rate has been increased by 300bps to protect currency
- **Benefits of these actions**
  - Fully covers Hungary's short-term foreign debt
  - Reducing risk of overspending in election year (2010)
  - Due to the government steps euro-zone requirements are expected to be met already in 2012 therefore EUR accession may happen sooner than originally thought

Key topics: Romania – Economy continuous to outperform expectations

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- **The politicians focus has shifted to upcoming general elections**
  - Standard & Poor’s has recently lowered Romania’s long- and short-term foreign currency sovereign credit ratings citing inconsistent fiscal policy
- **National Bank has again demonstrated its fundamental role as a pillar for financial stability**
  - Pro-active approach in limiting FX loans growth
  - Keeping very high mandatory reserves
  - Key rate maintained at 10.25%
- **Macroeconomic indicators still show positive trends**
  - GDP is expected to grow by 8.3% in 2008 driven mainly by investments and good performance of agriculture, construction, and energy sectors
    - Some slowdown is expected in 2009 (5.2%) but still very high compared to CEE countries
  - Inflation has been declining
    - CPI is expected to slow down to 6.2% by year end
  - Currency remaining in the band of 3.5-3.7 against the EUR
  - Current account deficit up only 1.6% by end August
    - CAD is expected to be 13.7% of GDP in 2008
    - FDIs and remittances fully cover CAD in 2008

Key topics: Outlook –
Guidance for 2008 - Focus on operating result

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- **Operating result[1] expected to increase by 15% in 2008**

- **New guidance for 2008 reflects impacts of current financial market environment**
  - Weaker contributions from trading and securities commissions
  - Continued and balanced growth of CEE retail

Capital ratio to reach historic high at YE 2008

  - Based on the announced capital measures Tier 1 ratio is now expected to be above 10% by end 2008

1) Operating profit = Operating income (NII, Fee & Commission income, Trading result) minus Operating expenses

Group income statement (IFRS) – Net profit increases supported by insurance deal

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in EUR million	1-9 08	1-9 07	Change
Net interest income	3,573.3	2,844.1	25.6%
Risk provisions for loans and advances	(602.3)	(335.9)	79.3%
Net fee and commission income	1,489.0	1,354.2	10.0%
Net trading result	184.9	292.0	(36.7%)
General administrative expenses	(3,053.7)	(2,709.9)	12.7%
Other operating result	(141.0)	(133.3)	(5.8%)
Result from financial assets - FV	(114.9)	(38.3)	na
Result from financial assets - AfS	(11.6)	44.9	na
Result from financial assets - HtM	(1.9)	0.6	na
Pre-tax profit from continuing ops	1,321.8	1,318.4	0.3%
Taxes on income	(264.4)	(283.5)	(6.7%)
Post-tax profit from discontinued ops	610.2	25.4	>100.0%
Minority interests	(204.6)	(222.4)	(8.0%)
Net profit after minorities	1,463.0	837.9	74.6%
Operating income	5,247.2	4,490.3	16.9%
Operating expenses	(3,053.7)	(2,709.9)	12.7%
Operating result	2,193.5	1,780.4	23.2%
Cost/income ratio	58.2%	60.4%	
Cash return on equity	22.2%	14.0%	
Return on equity	21.7%	13.5%	

Group balance sheet (IFRS)* – Loan growth in line with expectations

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in EUR million	Sep 08	Dec 07	Change
Cash and balances with central banks	7,692	7,615	1.0%
Loans and advances to credit institutions	19,088	14,937	27.8%
Loans and advances to customers	125,673	113,956	10.3%
Risk provisions for loans and advances	(3,699)	(3,296)	12.2%
Trading assets	8,090	6,637	21.9%
Financial assets - FV	4,238	4,534	(6.5%)
Financial assets - AfS	16,664	16,200	2.9%
Financial assets - HtM	14,777	16,843	(12.3%)
Investments of insurance companies	0	8,054	na
At-equity holdings	237	285	(16.8%)
Intangible assets	5,707	5,962	(4.3%)
Property and equipment	2,537	2,289	10.8%
Tax assets	524	446	17.5%
Assets - discontinued operations	658	0	na
Other assets	7,234	6,057	19.4%
Total assets	**209,420**	**200,519**	**4.4%**
Risk-weighted assets	**105,342**	**95,091**	**10.8%**

*) Risk-weighted assets calculated according to Basel II methodology.

Group balance sheet (IFRS)* – Solid deposit growth despite seasonal slow-down

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in EUR million	Sep 08	Dec 07	Change
Deposits by banks	37,420	35,165	6.4%
Customer deposits	110,964	100,116	10.8%
Debt securities in issue	29,802	31,078	(4.1%)
Trading liabilities	2,726	1,756	55.2%
Underwriting provisions	0	8,638	na
Other provisions	1,757	1,792	(2.0%)
Tax liabilities	345	329	4.9%
Liabilities - discontinued operations	501	0	na
Other liabilities	7,077	4,653	52.1%
Subordinated liabilities	5,969	5,589	6.8%
Total equity	12,859	11,403	12.8%
Shareholders‘ equity	9,728	8,452	15.1%
Minority interests	3,131	2,951	6.1%
Total liabilities and equity	**209,420**	**200,519**	**4.4%**
Tier 1 ratio	**6.6%**	**7.0%**	
Solvency ratio	**9.4%**	**10.5%**	

*) Tier 1 and solvency ratio calculated according to Basel II methodology.

Core segments* –
New segment report in line with Group structure

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in EUR million	Retail & SME 1-9 08	Retail & SME 1-9 07	GCIB 1-9 08	GCIB 1-9 07	Group Markets 1-9 08	Group Markets 1-9 07	Corporate Center 1-9 08	Corporate Center 1-9 07	Total group 1-9 08	Total group 1-9 07
Net interest income	3,143.2	2,557.1	329.8	272.5	163.3	58.0	(62.9)	(43.5)	3,573.3	2,844.1
Risk provisions	(494.6)	(305.9)	(57.7)	(30.2)	0.0	0.0	(50.0)	0.2	(602.3)	(335.9)
Net fee and commission income	1,268.7	1,157.9	113.8	94.4	114.1	114.6	(7.5)	(12.7)	1,489.0	1,354.2
Net trading result	95.6	81.9	4.3	5.7	97.5	196.5	(12.5)	7.9	184.9	292.0
General administrative expenses	(2,646.4)	(2,407.8)	(126.4)	(107.7)	(142.9)	(129.4)	(138.0)	(65.1)	(3,053.7)	(2,709.9)
Other result	(117.9)	(62.5)	(23.0)	11.7	(4.5)	2.0	(124.0)	(77.2)	(269.4)	(126.1)
Pre-tax profit from continuing ops	**1,248.4**	**1,020.7**	**240.9**	**246.4**	**227.5**	**241.7**	**(394.9)**	**(190.4)**	**1,321.8**	**1,318.4**
Taxes on income	(259.4)	(214.3)	(54.0)	(58.5)	(49.0)	(48.3)	98.0	37.6	(264.4)	(283.5)
Post-tax profit from discontinued ops	8.4	25.4	0.0	0.0	0.0	0.0	601.8	0.0	610.2	25.4
Minority interests	(203.7)	(213.4)	(8.3)	(14.2)	(12.1)	(15.8)	19.5	21.0	(204.6)	(222.4)
Net profit after minorities	**793.6**	**618.4**	**178.6**	**173.8**	**166.4**	**177.6**	**324.4**	**(131.9)**	**1,463.0**	**837.9**
Average risk-weighted assets	72,574.6	65,915.9	22,982.2	21,331.5	1,901.9	1,177.6	3,028.0	2,558.5	100,486.6	90,983.5
Average attributed equity	3,288.3	2,956.7	1,400.1	1,327.7	184.0	136.6	4,108.4	3,857.2	8,980.8	8,280.1
Cost/income ratio	**58.7%**	**63.4%**	**28.2%**	**28.9%**	**38.1%**	**35.1%**	**nm**	**nm**	**58.2%**	**60.4%**
ROE based on net profit	**32.2%**	**27.9%**	**17.0%**	**17.5%**	**120.6%**	**173.3%**	**nm**	**nm**	**21.7%**	**13.5%**

- With the introduction of the new segment reporting - published results of the individual subsidiaries cannot be compared with the segment results. In segment reporting the contribution by the local subsidiaries to the new business divisions GCIB and GCM is allocated to these divisions accordingly.
- In addition interest income from local equity is eliminated and the associated interest income of the allocated group equity is added to NII of the respective segments.
  - EUR 601.8m After-tax profit from the sale of the insurance business has been allocated to the Corporate Center
  - EUR 58.0 linear depreciation of value for BCR and DCA Croatia customer base included in Other result of Corporate Center
  - 1-9 08 impact of adoption of IFRS 39 "unwinding" effects (EUR 50m increase in NII and risk provisions) are allocated to the Corporate Center

Core segment – Austria
Strong NII partly offsetting weaker fee income

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	Savings Banks		EB Oesterreich		Austria	
in EUR million	**1-9 08**	**1-9 07**	**1-9 08**	**1-9 07**	**1-9 08**	**1-9 07**
Net interest income	702.7	641.5	445.5	432.0	1,148.3	1,073.5
Risk provisions	(158.3)	(125.5)	(73.7)	(74.7)	(232.0)	(200.2)
Net fee and commission income	286.0	282.8	234.9	251.8	520.9	534.6
Net trading result	12.8	15.5	13.5	5.6	26.3	21.2
General administrative expenses	(697.0)	(634.8)	(498.1)	(499.6)	(1,195.1)	(1,134.4)
Other result	(44.2)	(4.9)	(37.1)	(2.9)	(81.4)	(7.8)
Pre-tax profit from continuing ops	**102.0**	**174.6**	**85.0**	**112.2**	**187.0**	**286.9**
Taxes on income	(37.0)	(42.3)	(18.5)	(25.7)	(55.5)	(68.0)
Post-tax profit from discontinued ops	0.0	0.0	4.9	8.3	4.9	8.3
Minority interests	(59.5)	(119.8)	(1.3)	(6.6)	(60.8)	(126.4)
Net profit after minorities	**5.4**	**12.5**	**70.1**	**88.3**	**75.6**	**100.7**
Average risk-weighted assets	24,409.6	22,953.3	14,142.3	12,763.1	38,551.9	35,716.4
Average attributed equity	224.6	228.5	966.6	882.1	1,191.2	1,110.6
Cost/income ratio	**69.6%**	**67.5%**	**71.8%**	**72.5%**	**70.5%**	**69.6%**
ROE based on net profit	**3.2%**	**7.3%**	**9.7%**	**13.3%**	**8.5%**	**12.1%**

Core segment Central and Eastern Europe (1) – Resilient customer business …

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in EUR million	Czech Republic 1-9 08	Czech Republic 1-9 07	Romania 1-9 08	Romania 1-9 07	Slovakia 1-9 08	Slovakia 1-9 07	Hungary 1-9 08	Hungary 1-9 07
Net interest income	794.2	590.0	542.5	369.6	256.2	213.6	211.4	178.2
Risk provisions	(78.3)	(49.0)	(69.6)	21.6	(41.3)	(24.6)	(46.0)	(35.1)
Net fee and commission income	311.4	246.1	192.5	173.7	78.5	66.8	100.1	86.4
Net trading result	8.4	7.0	24.1	24.8	8.5	10.4	10.3	9.9
General administrative expenses	(566.9)	(464.0)	(352.3)	(366.8)	(189.0)	(166.6)	(176.8)	(159.0)
Other result	(74.0)	(21.8)	40.9	(6.8)	(10.3)	(11.5)	0.7	(16.2)
Pre-tax profit from continuing ops	**394.7**	**308.3**	**378.2**	**216.0**	**102.5**	**88.3**	**99.7**	**64.3**
Taxes on income	(80.8)	(78.1)	(62.8)	(36.3)	(18.0)	(7.2)	(25.5)	(12.4)
Post-tax profit from discontinued ops	8.0	10.5	(4.5)	6.6	0.0	0.0	0.0	0.0
Minority interests	(9.7)	(7.5)	(100.4)	(59.3)	(0.0)	(0.0)	(0.1)	(0.2)
Net profit after minorities	**312.1**	**233.2**	**210.5**	**127.0**	**84.4**	**81.0**	**74.2**	**51.7**
Average risk-weighted assets	11,303.8	10,383.2	9,150.6	8,431.4	4,074.2	3,779.6	4,588.0	4,035.4
Average attributed equity	799.9	721.8	441.1	408.3	290.7	267.9	316.9	279.8
Cost/income ratio	**50.9%**	**55.0%**	**46.4%**	**64.6%**	**55.1%**	**57.3%**	**54.9%**	**57.9%**
ROE based on net profit	**52.0%**	**43.1%**	**63.6%**	**41.5%**	**38.7%**	**40.3%**	**31.2%**	**24.6%**

Core segment Central and Eastern Europe (2) – … supported by strong NII and fee income

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in EUR million	Croatia 1-9 08	Croatia 1-9 07	Serbia 1-9 08	Serbia 1-9 07	Ukraine 1-9 08	Ukraine 1-9 07	CEE 1-9 08	CEE 1-9 07
Net interest income	144.3	114.1	24.1	11.5	22.2	6.5	1,994.9	1,483.6
Risk provisions	(15.9)	(12.0)	(4.3)	0.5	(7.3)	(7.1)	(262.6)	(105.7)
Net fee and commission income	57.6	46.1	5.4	3.6	2.3	0.6	747.7	623.3
Net trading result	11.4	7.4	2.3	0.9	4.3	0.2	69.3	60.7
General administrative expenses	(96.4)	(81.4)	(25.1)	(20.3)	(44.8)	(15.4)	(1,451.3)	(1,273.4)
Other result	1.7	0.3	4.3	1.2	0.2	0.1	(36.6)	(54.7)
Pre-tax profit from continuing ops	**102.6**	**74.5**	**6.7**	**(2.5)**	**(23.0)**	**(15.0)**	**1,061.4**	**733.8**
Taxes on income	(20.7)	(15.1)	0.4	0.2	3.6	2.7	(203.9)	(146.2)
Post-tax profit from discontinued ops	0.0	0.0	0.0	0.0	0.0	0.0	3.5	17.1
Minority interests	(31.1)	(20.2)	(1.7)	0.2	0.0	0.0	(142.9)	(87.0)
Net profit after minorities	**50.8**	**39.2**	**5.4**	**(2.2)**	**(19.4)**	**(12.3)**	**718.1**	**517.7**
Average risk-weighted assets	3,559.6	2,985.8	808.4	423.8	538.0	160.2	34,022.7	30,199.5
Average attributed equity	161.9	131.1	43.4	24.2	43.0	12.9	2,097.1	1,846.1
Cost/income ratio	**45.2%**	**48.5%**	**78.9%**	**nm**	**nm**	**nm**	**51.6%**	**58.7%**
ROE based on net profit	**41.8%**	**39.9%**	**16.6%**	**nm**	**nm**	**nm**	**45.7%**	**37.4%**

Summary financials of CEE subsidiaries
Results (IFRS) as reported by local entities*

ERSTE GROUP

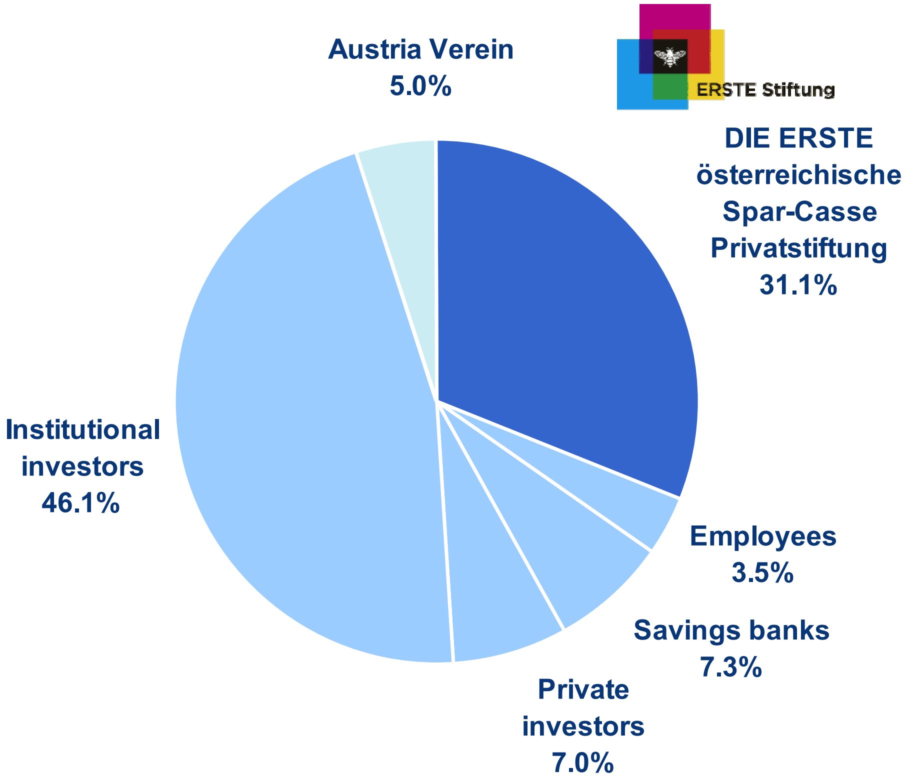
in EUR million	Česká spořitelna 97.99%			BCR 69.17%			Slovenská sporiteľňa 100.00%			Erste Bank Hungary 99.94%		
	1-9 08	1-9 07	Change	1-9 08	1-9 07	Change	1-9 08	1-9 07	Change	1-9 08	1-9 07	Change
Net profit after minorities	561.4	323.8	73.4%	341.5	198.8	71.8%	132.3	101.8	29.9%	89.5	68.4	30.9%
ROE based on net profit	32.0%	21.6%		32.3%	22.0%		24.7%	20.7%		21.8%	19.2%	
Cost/income ratio	47.2%	52.0%		42.7%	56.0%		51.4%	54.5%		53.3%	56.2%	
	Sep 08	Dec 07	Change	Sep 08	Dec 07	Change	Sep 08	Dec 07	Change	Sep 08	Dec 07	Change
Total assets	35,625	33,014	7.9%	17,828	16,935	5.3%	10,922	10,030	8.9%	9,426	8,592	9.7%
Employees	10,881	10,842	0.4%	11,735	12,224	(4.0%)	4,988	4,763	4.7%	3,240	3,056	6.0%

in EUR million	Erste Bank Croatia 65.03%			Erste Bank Serbia 80.49%			Erste Bank Ukraine 100.00%		
	1-9 08	1-9 07	Change	1-9 08	1-9 07	Change	1-9 08	1-9 07	Change
Net profit after minorities	87.3	64.3	35.7%	8.5	(1.4)	na	(2.7)	(2.3)	20%
ROE based on net profit	18.3%	19.4%		8.8%	na		na	na	
Cost/income ratio	42.1%	45.4%		74.7%	na		90.5%	73.8%	
	Sep 08	Dec 07	Change	Sep 08	Dec 07	Change	Sep 08	Dec 07	Change
Total assets	6,220	5,713	8.9%	660	489	34.9%	950	591	60.6%
Employees	2,013	1,886	6.7%	989	958	3.2%	2,049	1,130	81.3%

*) To eliminate currency effects, Q3 08 exchange rates were used for P&L and balance sheet conversion.
Pro rata consolidation of Erste Bank Ukraine commenced 24 January 2007.

Shareholder structure – Total number of shares: 317,012,763

By investor



By region