

**REPORT
of the Management Board
of Erste Group Bank AG**

regarding agenda item 8
of the 16th ordinary shareholders' meeting on 12 May 2009

Agenda Item No. 8: Authorization of the Management Board to acquire own shares and to dispose of those shares by other means than via the stock exchange or a public offering

1. Acquisition of own shares

The Management Board of Erste Group Bank AG ("Erste Holding") requests the authorisation from the 16th ordinary shareholders' meeting of Erste Holding to acquire own shares of the company without being bound to a special purpose and with the prohibition of trading these own shares (§ 65 para 1 No. 8 Stock Corporation Act ("AktG")).

The Management Board requests the authorization to acquire shares of Erste Holding up to a maximum amount of 10 % (ten per cent) of the respective registered capital of the company, whereby own shares acquired according to § 65 para 1 Nos. 1, 4 and 7 AktG shall be included. EUR 2 (two Euros) per share are proposed to constitute the lowest consideration for the acquisition of own shares; EUR 100 (one hundred Euros) per share the maximum consideration.

The authorization shall be valid for a period of 30 months, therefore until 11 November 2011, and shall replace the existing authorization granted in the 15th ordinary shareholders' meeting of Erste Holding.

Erste Holding is in a position to make the necessary reserves for own shares pursuant to § 225 para 5 Commercial Code ("UGB") without its net assets falling below the registered capital and the bound reserves prescribed by law or the articles of association. The issue price of the shares has been fully paid in.

2. Authorization of the Management Board to dispose of own shares of the company by other means than via the stock exchange or a public offering

The Management Board requests the shareholders' meeting's authorization to dispose of its own shares by other means than via the stock exchange or a public offering. To this end the Management Board submits the following written report according to §§ 65 para 1b in connection with 153 para 4 AktG:

The expansion into and the penetration of the central European market is of high importance in the strategy of Erste Holding. To that end the Management Board should be in a position to acquire existing companies, businesses, business divisions or shares in companies in order to prepare its market entry or to strengthen an already existing market presence. The acquisition of existing companies is advantageous because it allows a rapid market entry, building upon an existing customer base and taking over employees who are familiar with the local market.

In the context of the acquisition of companies, businesses, business divisions or shares of a business it may be advantageous to use own shares as consideration, e.g. where shareholders of the target company need to be compensated, or in case the seller prefers to receive shares of Erste Holding instead of cash. Furthermore, it may be possible to achieve a lower purchase price if own shares are used as consideration rather than cash. The liquidity required for acquisitions is reduced and the closing of the transaction is accelerated because existing shares can be used instead of having to create new shares.

The Management Board of Erste Holding shall in this connection be able to use shares of Erste Holding for the financing of the acquisition of enterprises, businesses, business divisions and shares in companies, provided that the acquisition of enterprises, businesses, business divisions and shares in companies is facilitated by the issue of shares.

Therefore, the Management Board should be authorized by the shareholders' meeting according to § 65 para 1b sentence 3 AktG to dispose of own shares by other means than via the stock exchange or a public offering.

The disposal of own shares as well as the determination of all terms and conditions of the disposal must be effected only with the consent of the Supervisory Board.

Vienna, April 2009

The Management Board