

Erste Group – Preliminary 2008 results presentation

27 February 2009, Vienna

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FY 08 financial highlights – Executive summary

– Erste Group reports net profit of EUR 860 million (2007: EUR 1,175 million)

Net profit was impacted by a number of extraordinary effects:

- + EUR 601.8 m sale of the insurance business
- EUR 570 m writedown of goodwill (Serbia, Ukraine, Romania)

Financial Crises:

- Writedown of Lehman Brothers exposure of EUR 33 million
- Writedown of exposure towards defaulted Icelandic banks of EUR 288 million
- Negative revaluation of structured credit portfolio of EUR 158 million

Crises of the real economy:

- Increase of risk costs by EUR 600 m. Distorted risk cost comparison with 2007: previous year benefitted from substantial releases in Austria, Romania

– Operating profit increased by 19.3% to EUR 3 bn (2007: EUR 2.5 bn)

- Based on continued solid performance of the regional Retail & SME business in Austria and CEE (+32.3%); CEE again showing stronger growth (+41.7%)
- Cost/income ratio reaches historic low of 57.2%

– Risk costs rise to 88 bps in relation to average loans (2007: 43 bps)

– Dividend proposal to the AGM: EUR 0.65 (2007: EUR 0.75)

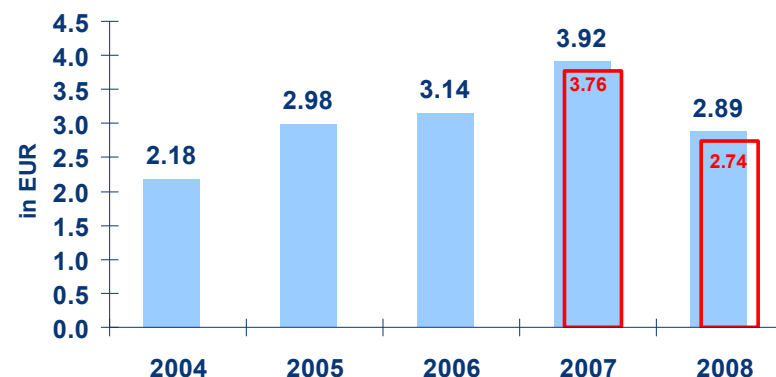
FY 08 financial highlights – Improved capital ratios after insurance sale



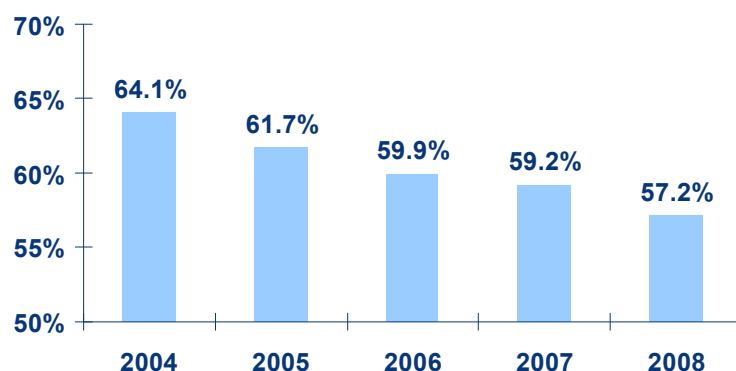
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- Net profit declined by 26.8% yoy to EUR 859.6m including write down of goodwill in Q4 08 offsetting the positive impact of the insurance sale
 - Adjusted for the goodwill write down net profit was up 14.1% (EUR 1340.1m)
- NIM on interest bearing assets (IBA) at 2.8% up from 2.5% at FY 07
 - Based on increasing margins in CEE (up to 4.6%) and Austria (NIM up to 1.8%)
- Total assets unchanged: +0.5% to EUR 201.4bn
- Tier 1 ratio reached 7.2% (7.0% at FY 07)

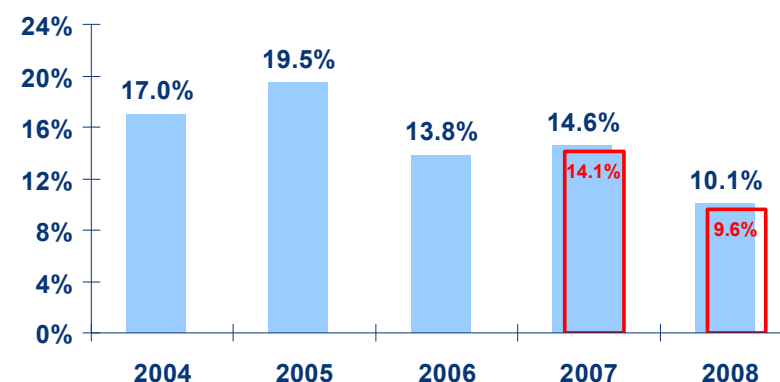
Cash earnings per share *



Cost/income ratio



Cash return on equity *

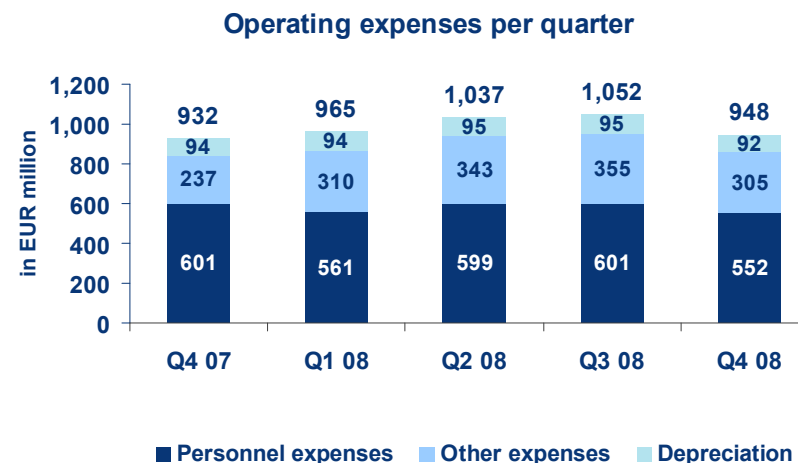
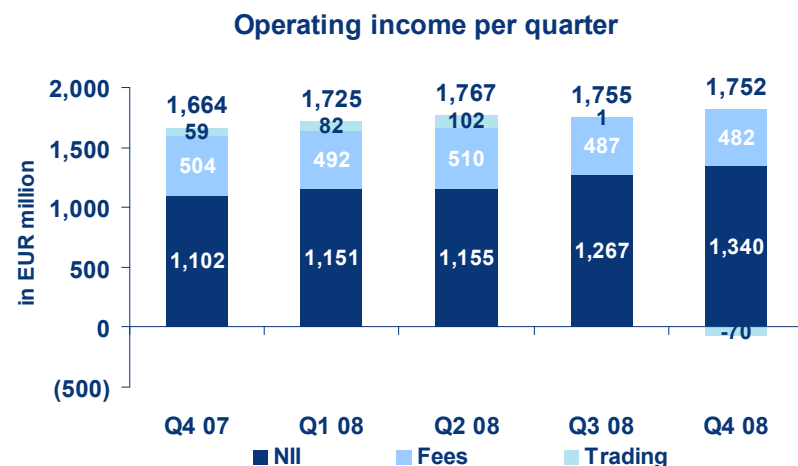


*) Red bars for FY 08 denote reported EPS and ROE respectively. Cash EPS and EPS are adjusted for non cash items amounting to EUR xx in 2009 (linear depreciation of customer relationship value (EUR xxm) and write down of intangible assets of EUR xxm)
EPS calculation based on average number of shares for the period (ex treasury shares and shares owned by savings banks with EB participations).

FY 08 financial highlights – Revenue growth outpaces cost growth



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- **Operating income increases by 13.7% to EUR 7 bn (2007: EUR 6.2 bn)**
 - NII improved strongly by 24.5% to EUR 4.9bn mainly on the back of resilient growth in loans and deposits in CEE and Austria at stable margins;
 - Fee income rose by 6.1% to EUR 2.0bn in a deteriorating market, as a result of decline in Austria but positive performance in CEE
 - Trading result fell by a sharp 67% to EUR 115 million , but remained in positive territory despite unfavourable market conditions in H2 08
- **Operating expenses rise by 9.9% to EUR 4 bn (2007: EUR 3.6 bn)**
 - Mainly due to implementation of cost saving measures in Q4 08, which led to substantially lower quarterly personnel and other expenses
- **Cost/income ratio reaches historic low at 57.2%**

FY 08 financial highlights – Segment operating performance overview



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– **Key Retail & SME segment recorded strongest improvement in operating performance of all segments**

- Excellent NII growth of 23.5%
- Net commission growth of > 5 % (despite weak Q4 in securities and asset management business)
- Moderate cost growth of 7.7% impacted by FX development, branch expansion in Ukraine, Serbia and Romania, IT-investments in Slovakia

– **GCIB also contributed to positive operating performance**

- Strong increase in NII and net fee income

– **Group Markets posts decline in operating result**

- Strong decrease in trading result (due to market turbulences in Q4 08) and net commission income due to difficult markets for structured products and business of Sparinvest (asset management).
- Despite strong increase in NII reflecting successful money market performance in Vienna, Hongkong and New York

– **Corporate Center performance driven by a number of extraordinary effects**

- NII impacted positively by unwinding effect and negatively by ALM (market environment, yield curve development, funding costs)
- Costs driven by split into EB Oesterreich and EB Holding, costs for group projects and set up (increase) of holding functions

Operating result per segment *

in EUR million	2008	2007	Change
Retail & SME	2,622.9	1,982.7	32.3%
Austria	724.7	709.0	2.2%
EB Oesterreich	272.5	275.1	(0.9%)
Savings Banks	452.2	433.9	4.2%
Central and Eastern Europe	1,898.1	1,273.7	49.0%
Czech Republic	773.8	546.1	41.7%
Romania	547.7	270.8	>100.0%
Slovakia	216.3	178.9	20.9%
Hungary	205.7	173.5	18.6%
Croatia	155.0	122.4	26.7%
Serbia	10.7	(5.4)	na
Ukraine	(11.1)	(12.6)	11.9%
GCIB	451.8	370.8	21.9%
Group Markets	221.2	300.2	(26.3%)
Corporate Center	(298.9)	(141.0)	na
Total Erste Group	2,997.0	2,512.8	19.3%

*) 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

Summary financials of CEE subsidiaries

Results (IFRS) as reported by local entities*



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	 97.99%			 69.17%			 100.00%			 99.94%		
in EUR million	2008	2007	Change	2008	2007	Change	2008	2007	Change	2008	2007	Change
Net profit after minorities	626.1	482.8	29.7%	541.0	250.4	>100.0%	136.7	133.1	2.8%	128.8	98.4	30.8%
ROE based on net profit	26.3%	23.8%		38.2%	20.6%		18.7%	19.8%		23.2%	20.6%	
Cost/income ratio	45.8%	50.7%		41.4%	57.5%		49.7%	51.8%		50.7%	52.0%	
	Dec 08	Dec 07	Change	Dec 08	Dec 07	Change	Dec 08	Dec 07	Change	Dec 08	Dec 07	Change
Total assets	32,083	30,293	5.9%	17,174	15,751	9.0%	12,557	10,088	24.5%	9,863	7,823	26.1%
Employees	10,865	10,842	0.2%	9,985	12,224	(18.3%)	4,953	4,763	4.0%	3,255	3,056	6.5%
Net interest margin	4.1%	3.7%		6.8%	5.5%		4.0%	4.0%		4.0%	4.2%	
Loan/deposit ratio	71.4%	70.7%		144.4%	130.8%		66.7%	68.2%		212.9%	161.3%	

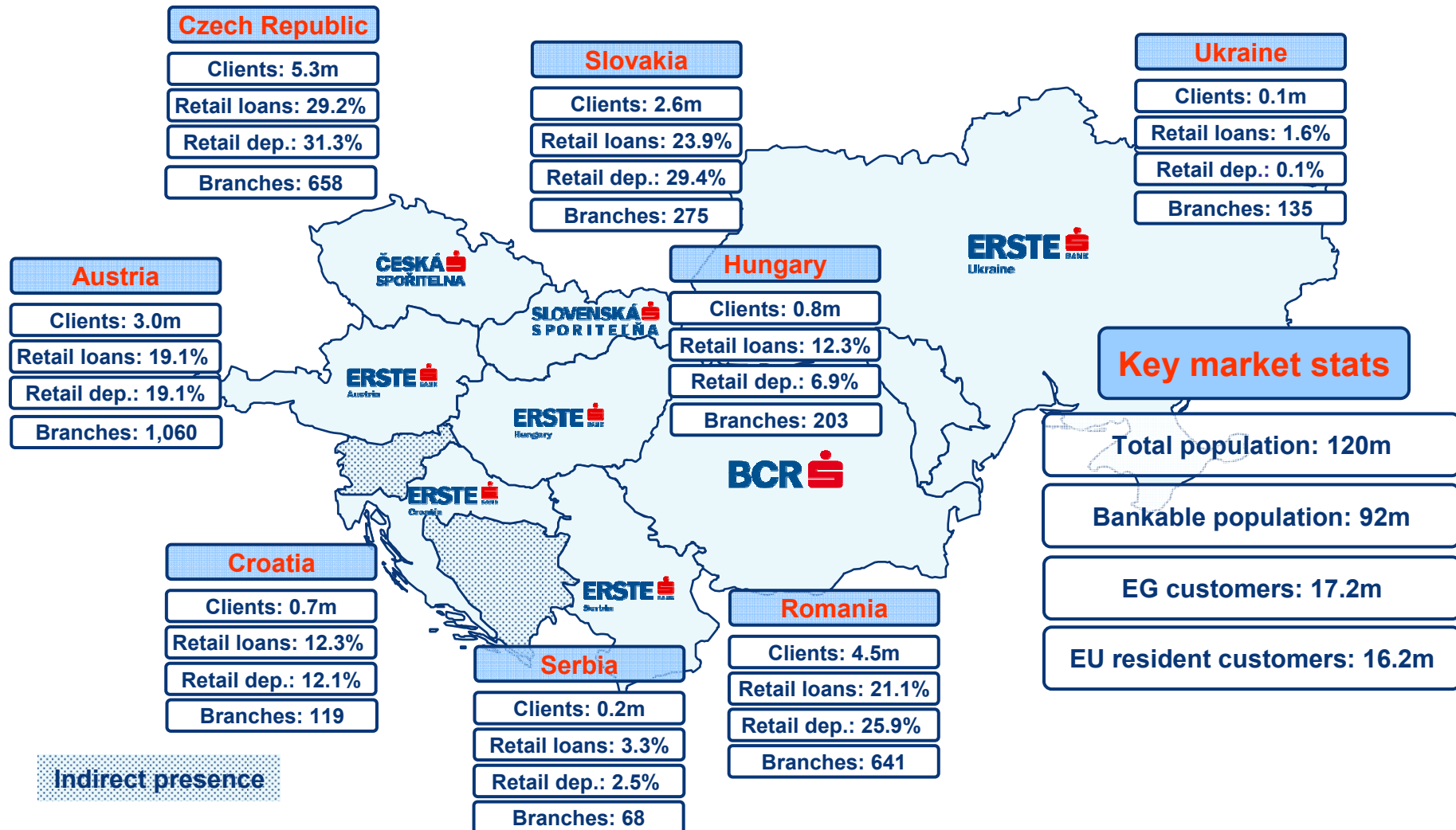
	 65.03%			 80.49%			 100.00%		
in EUR million	2008	2007	Change	2008	2007	Change	2008	2007	Change
Net profit after minorities	112.2	83.4	34.5%	8.2	0.2	>100.0%	(2.9)	(2.2)	34%
ROE based on net profit	17.2%	18.0%		6.5%	0.0		na	na	
Cost/income ratio	41.8%	44.1%		72.5%	na		72.5%	73.8%	
	Dec 08	Dec 07	Change	Dec 08	Dec 07	Change	Dec 08	Dec 07	Change
Total assets	6,202	5,518	12.4%	548	418	31.1%	927	397	>100.0%
Employees	2,061	1,886	9.3%	1,009	958	5.3%	2,120	1,130	87.6%
Net interest margin	3.5%	3.4%		7.6%	5.9%		9.2%	7.9%	
Loan/deposit ratio	107.9%	103.5%		118.2%	111.6%		1373.6%	2338.1%	

*) To eliminate currency effects, 2008 exchange rates were used for P&L and balance sheet conversion.

Pro rata consolidation of Erste Bank Ukraine commenced 24 January 2007.

FY 2008 results
27 February 2009

Erste Group in CEE – The region of choice in a tough environment



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



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in EUR million	2008	2007	Change
Net interest income	4,913.1	3,945.8	24.5%
Risk provisions for loans and advances	(1,071.4)	(454.7)	>100,0%
Net fee and commission income	1,971.1	1,857.9	6.1%
Net trading result	114.7	351.1	(67.3%)
General administrative expenses	(4,001.9)	(3,642.1)	9.9%
Other operating result	(778.8)	(169.3)	na
Result from financial assets - FV	(295.6)	(47.8)	na
Result from financial assets - AfS	(213.8)	51.0	na
Result from financial assets - HtM	(61.2)	0.7	na
Pre-tax profit from continuing operations	576.2	1,892.6	(69.6%)
Taxes on income	(177.3)	(371.0)	(52.2%)
Post-tax profit from discontinued ops	639.7	28.4	>100,0%
Minority interests	(179.0)	(375.3)	(52.3%)
Net profit after minorities	859.6	1,174.7	(26.8%)
Operating income	6,998.9	6,154.8	13.7%
Operating expenses	(4,001.9)	(3,642.1)	9.9%
Operating result	2,997.0	2,512.7	19.3%
Cost/income ratio	57.2%	59.2%	
Cash return on equity	10.1%	14.6%	
Return on equity	9.6%	14.1%	

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



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in EUR million	Dec 08	Dec 07	Change
Cash and balances with central banks	7,556	7,615	(0.8%)
Loans and advances to credit institutions	14,344	14,937	(4.0%)
Loans and advances to customers	126,185	113,956	10.7%
Risk provisions for loans and advances	(3,783)	(3,296)	14.8%
Trading assets	7,534	6,637	13.5%
Financial assets - FV	4,058	4,534	(10.5%)
Financial assets - AfS	16,033	16,200	(1.0%)
Financial assets - HtM	14,145	16,843	(16.0%)
Investments of insurance companies	0	8,054	na
At-equity holdings	260	285	(8.8%)
Intangible assets	4,805	5,962	(19.4%)
Property and equipment	2,386	2,289	4.2%
Tax assets	859	446	92.6%
Assets - discontinued operations	526	0	na
Other assets	6,533	6,057	7.9%
Total assets	201,441	200,519	0.5%
Risk-weighted assets	103,663	95,091	9.0%

*) 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	Dec 08	Dec 07	Change
Deposits by banks	34,672	35,165	(1.4%)
Customer deposits	109,305	100,116	9.2%
Debt securities in issue	30,483	31,078	(1.9%)
Trading liabilities	2,519	1,756	43.5%
Underwriting provisions	0	8,638	na
Other provisions	1,620	1,792	(9.6%)
Tax liabilities	389	329	18.2%
Liabilities - discontinued operations	343	0	na
Other liabilities	4,968	4,653	6.8%
Subordinated liabilities	6,047	5,589	8.2%
Total equity	11,095	11,403	(2.7%)
Shareholders' equity	8,079	8,452	(4.4%)
Minority interests	3,016	2,951	2.2%
Total liabilities and equity	201,441	200,519	0.5%
Tier 1 ratio	7.2%	7.0%	
Solvency ratio	10.1%	10.5%	

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

Erste Group's loan book – Quarterly loan book trends by segments



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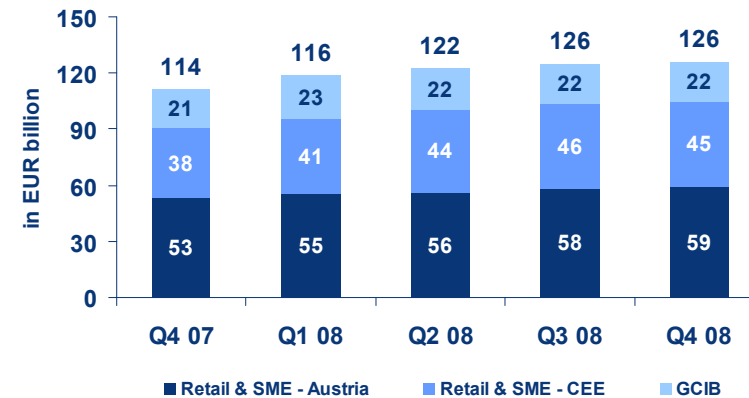
– Loan growth exceeds 10% in 2008

- Retail & SME is main contributor
 - In Austria loan stock grew by EUR 6.1 bn or 11%, on the back of organic growth and wider scope of consolidation (savings banks)
 - In CEE loan stock grew by EUR 7.6 bn or 20%

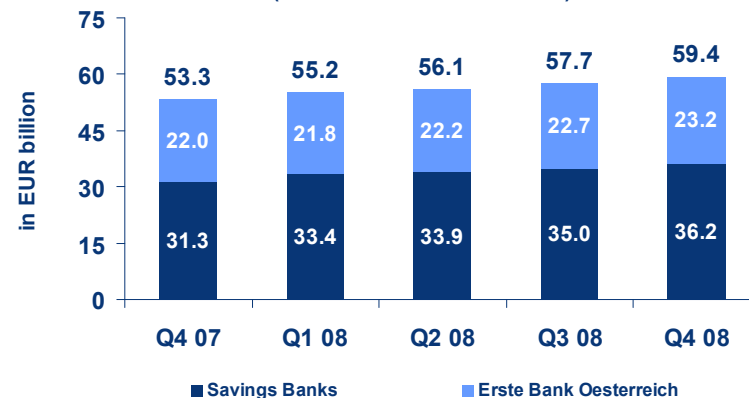
– Q4 08 loan growth driven by Austria

- Driven in equal measure by EB Oesterreich and savings banks
- CEE impacted by currency movements

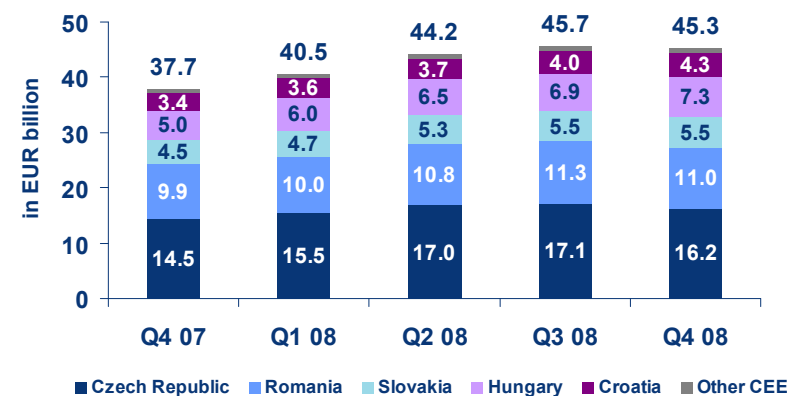
Customer loans by main segments *



Quarterly loan book trends
(Retail & SME detail: Austria)



Quarterly loan book trends
(Retail & SME detail: CEE)



*) Segments do not exactly add up to total due to consolidation effects.

Retail portfolio CEE benefits from risk-mitigating factors

- **High share of secured loans**

- **Healthy LTV levels**

- Average LTV at portfolio level in our 4 largest markets (Czech Republic, Hungary, Romania and Slovakia accounting for 90% of the total retail mortgage book) ranges between 51% (Hungary) and 65% (Czech Republic)

- **Conservative customer indebtedness**

- Monthly repayment obligation to monthly income in our 4 largest markets ranges between 25% (Czech Republic) and 43% (Romania) – calculated on official documented income

- **Stronger customer profile:**

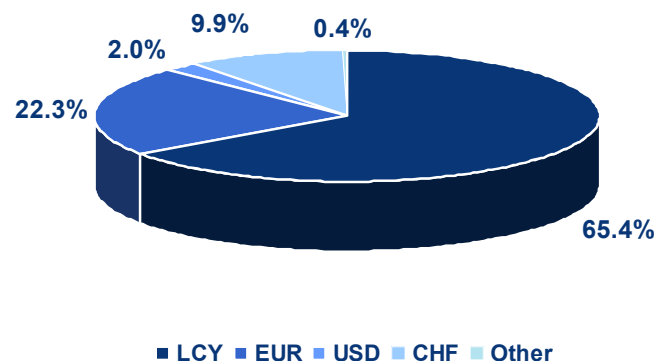
	Tschechien	Ungarn	Rumänien	Slowakei
Ø income of Erste borrowers (EUR)	1.765	567	744	679
Ø income in the country (EUR)	661	537	223	496

- **Secured portfolio with limited CHF and USD exposure**

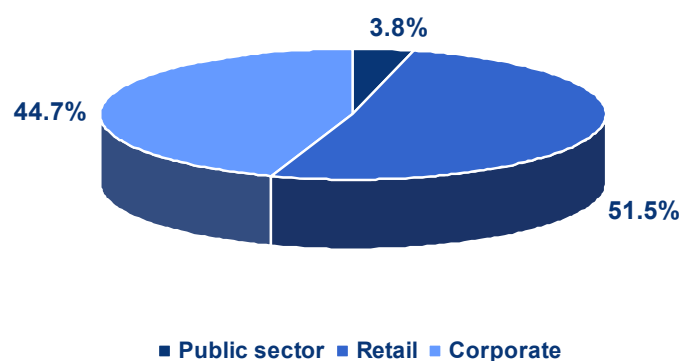
- Foreign exchange denominated loans represent 46% of the mortgage secured retail portfolio
- 22% in CHF and distributed between Hungary (82%) Croatia (18%) and Serbia (0.1%)

Loan book in detail: CEE = EUR 48.2 bn – Local currency loans dominate the book

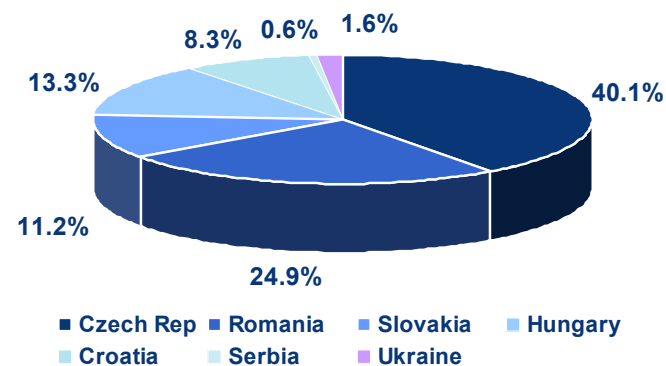
Currency split of CEE loan book
(Q3 08: EUR 48.2 bn)



Customer split of CEE loan book
(Q3 08: EUR 48.2 bn)



CEE retail loans by country
(Q3 08: EUR 24.8 bn)

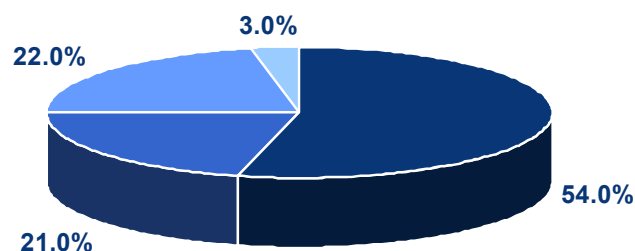


Loan book in detail: CEE retail = EUR 24.8 bn – Retail portfolio benefits from risk-mitigating factors



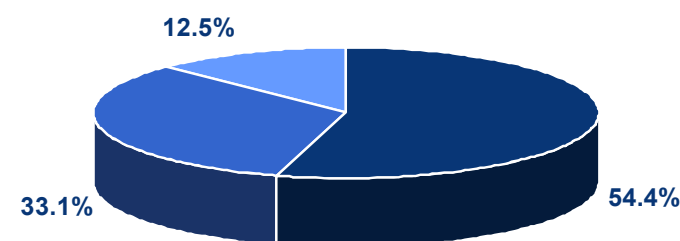
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CEE secured retail loans by currency
(Q3 08: EUR 13.5 bn)



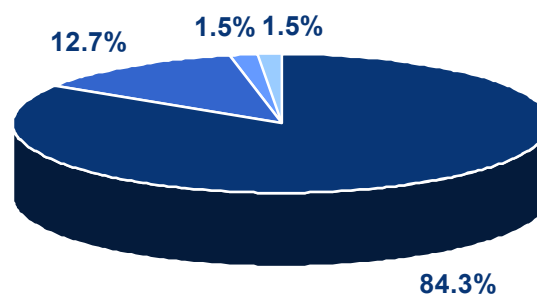
■ LCY ■ EUR ■ CHF ■ USD

Retail loans - secured/unsecured split
(Q3 08: EUR 24.8 bn)



■ Secured loans ■ Unsecured loans ■ Micros

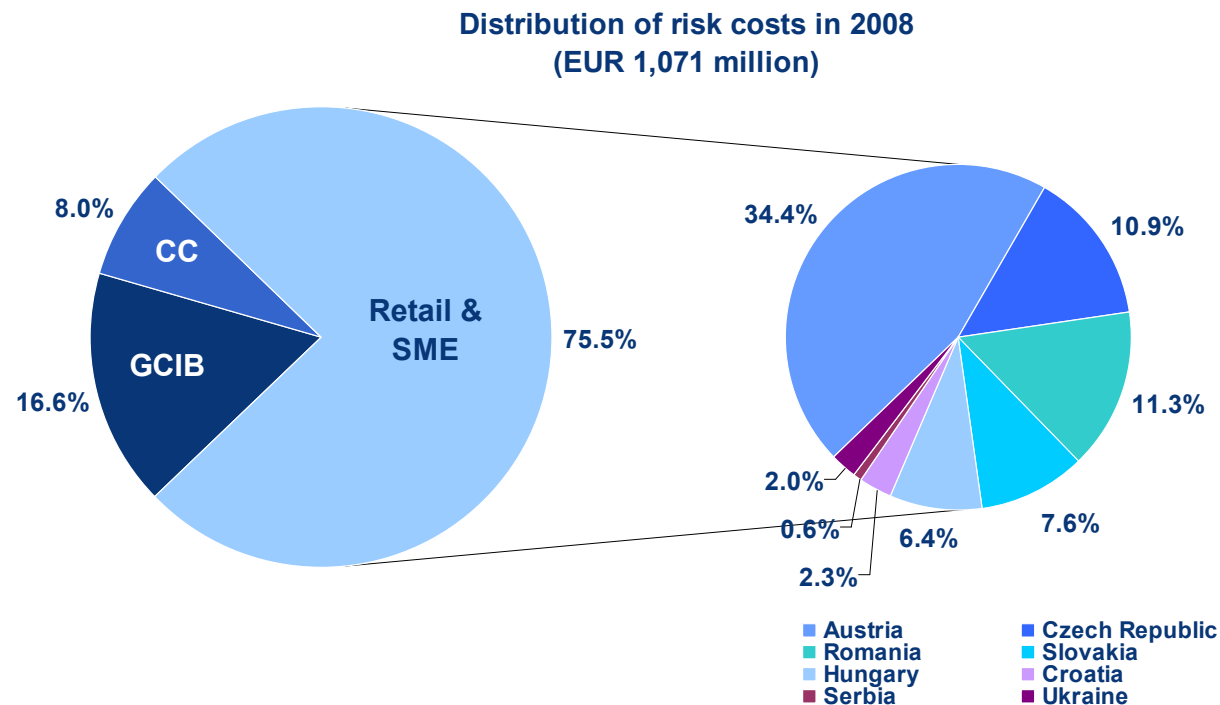
CEE unsecured retail loans by currency
(Q3 08: EUR 8.2 bn)



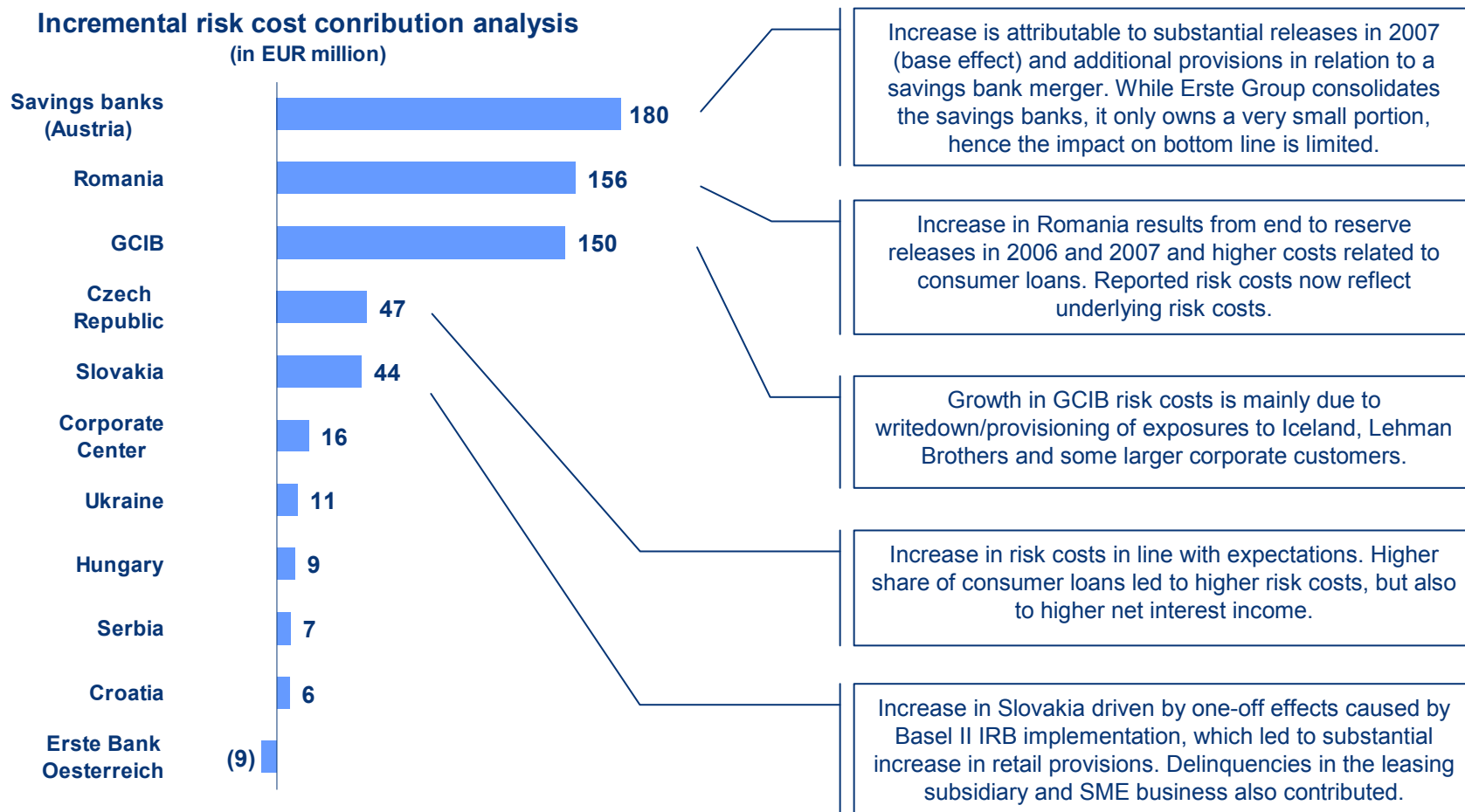
■ LCY ■ EUR ■ CHF ■ USD

Erste Group's risk costs – FY 2008 risk cost composition (segment view)

- Risk costs rose to EUR 1,071m (2007: EUR 455m) and 88 bps (2007: 43 bps)
 - Absence of extraordinary releases at the Austrian savings banks and in Romania in 2008
 - Higher provisioning levels across all geographies due to deterioration in economic outlook
 - Extraordinary negative effects, e.g. writedown of exposure to defaulted Icelandic banks (EUR 66m)
- CEE Retail & SME was responsible for 41% of risk costs booked

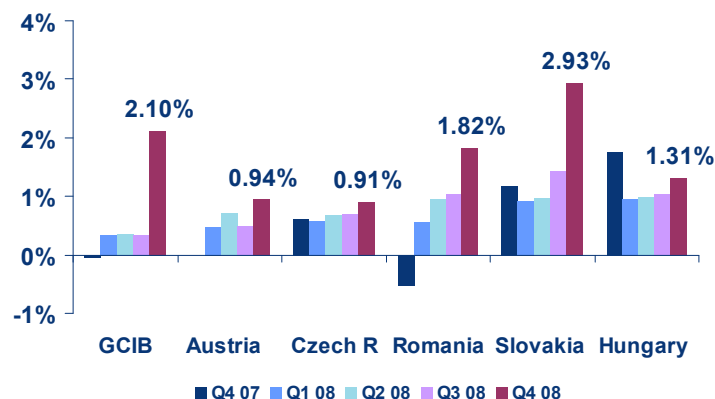


Erste Group's risk costs – Major risk cost drivers in 2008 (segment view)

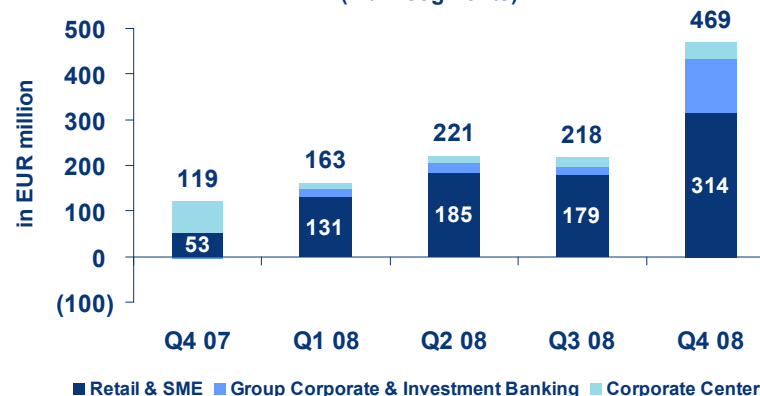


Erste Group's risk costs – Quarterly risk costs (segment view)

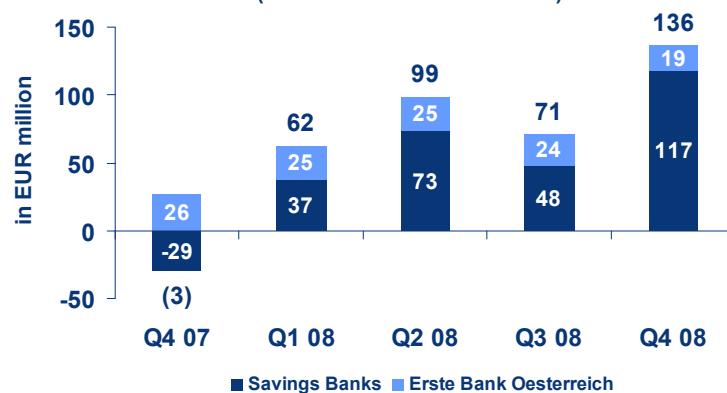
Risk costs in key segments



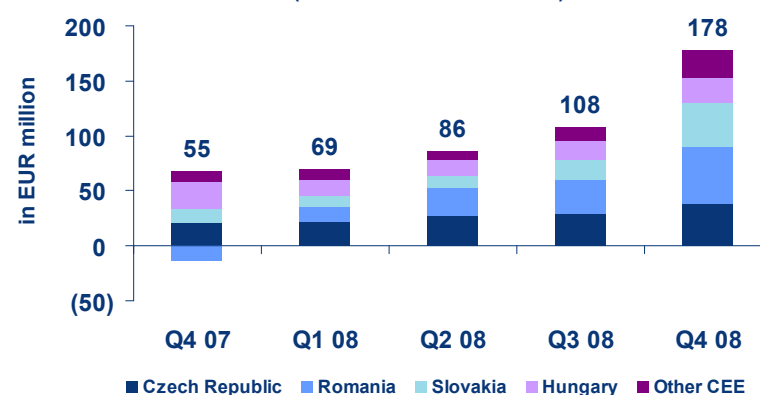
Quarterly risk cost development
(main segments)



Quarterly risk cost development
(Retail & SME detail: Austria)

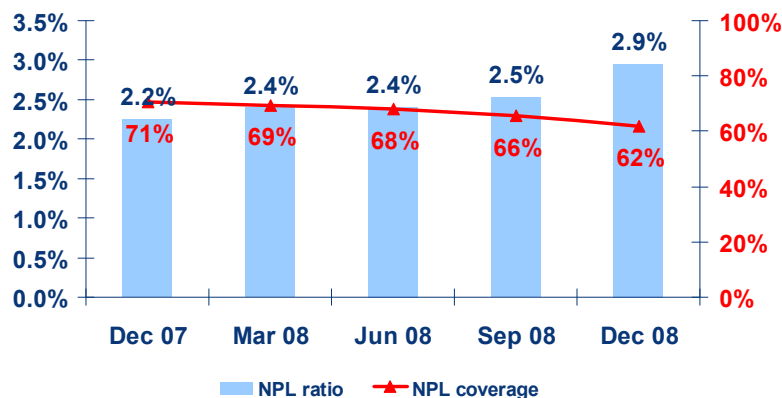


Quarterly risk cost development
(Retail & SME detail: CEE)

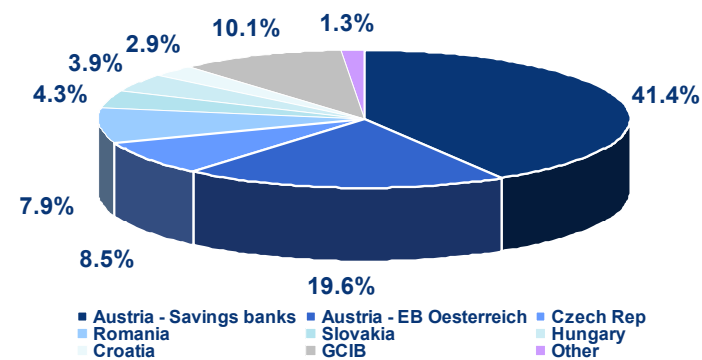


Erste Group's asset quality – Non-performing loans and NPL coverage

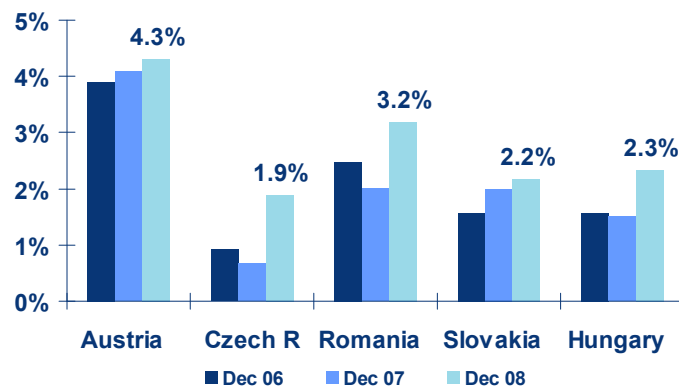
Group NPL ratio vs group NPL coverage



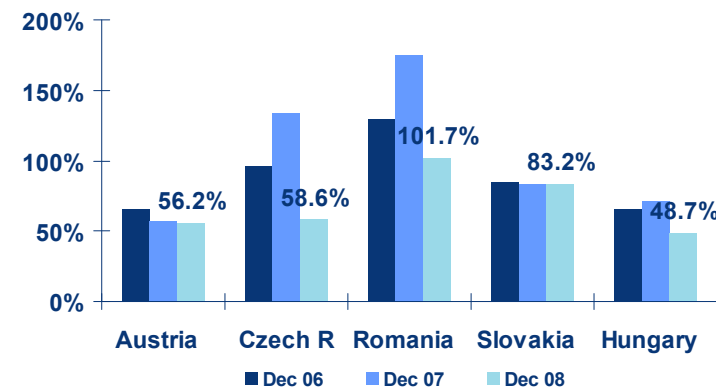
NPL distribution
(2008: EUR 6.4 bn)



NPL ratios in key markets



NPL coverage ratios in key markets



*) NPL and NPL coverage ratios are based on country of origination concept, not segment view, in order to show longer term developments.

Erste Group's customer deposits – Quarterly deposit trends by segments



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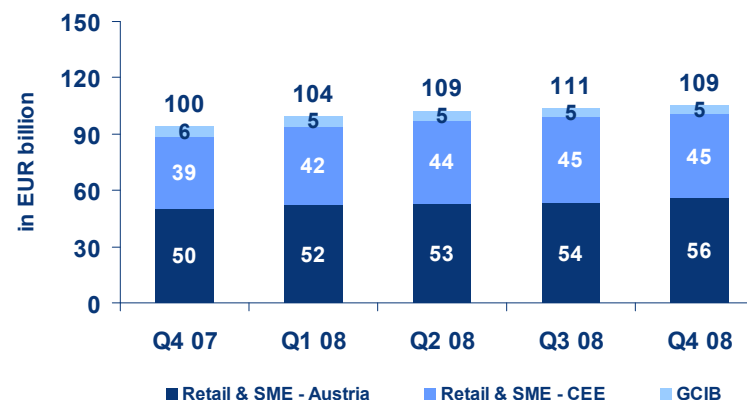
– Stable deposit base throughout 2008

- Deposits grew by more than 9% in 2008
- Steady increases in Austria
- Fastest growth in Central and Eastern Europe

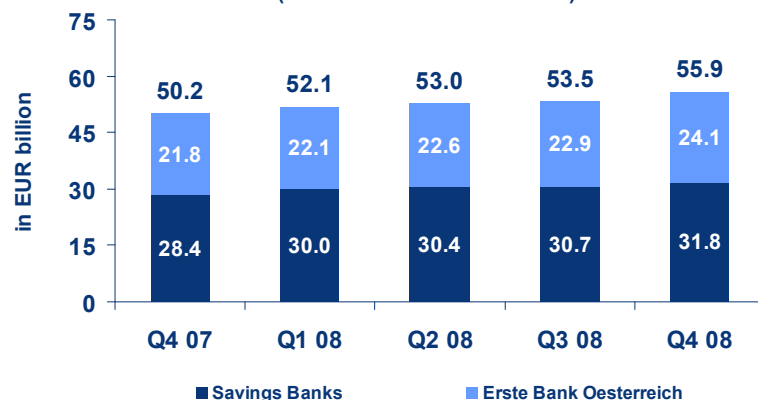
– Solid Retail & SME deposit growth in Q4

- Driven by Austria and Slovakia
- Decline in Czech Republic and Romania due to currency movements

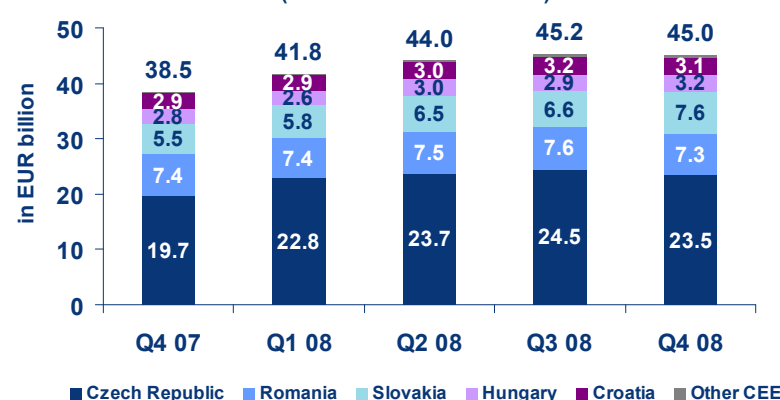
Customer deposit trends by main segments *



Customer deposit trends by subsegments
(Retail & SME detail: Austria)



Customer deposit trends by subsegments
(Retail & SME detail: CEE)



*) Segments do not exactly add up to total due to consolidation effects.

Erste Group historic financials – Quarterly income statement (IFRS)



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in EUR million	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08
Net interest income	903.7	953.8	986.6	1,101.7	1,151.1	1,154.9	1,267.3	1,339.8
Net fee and commission income	438.9	446.0	469.3	503.7	491.9	510.3	486.8	482.1
Net trading result	124.8	94.8	72.4	59.1	82.3	102.1	0.5	(70.2)
Operating income	1,467.4	1,494.6	1,528.3	1,664.5	1,725.3	1,767.3	1,754.6	1,751.7
Personnel expenses	(506.7)	(533.1)	(548.2)	(601.3)	(561.4)	(599.2)	(601.4)	(551.8)
Other administrative expenses	(268.4)	(289.4)	(276.0)	(236.7)	(309.8)	(343.1)	(355.4)	(304.8)
Depreciation and amortisation	(95.5)	(98.7)	(93.9)	(94.2)	(93.6)	(94.5)	(95.3)	(91.6)
Operating expenses	(870.6)	(921.2)	(918.1)	(932.2)	(964.8)	(1,036.8)	(1,052.1)	(948.2)
Operating result	596.8	573.4	610.2	732.3	760.5	730.5	702.5	803.5
Risk provisions for loans and advances	(128.4)	(110.9)	(96.6)	(118.8)	(163.1)	(221.0)	(218.2)	(469.1)
Other operating result	(33.3)	(56.1)	(43.9)	(36.0)	(22.9)	(61.9)	(56.2)	(637.8)
Result from financial assets - FV	11.1	(7.1)	(42.3)	(9.5)	(72.9)	(7.0)	(35.0)	(180.7)
Result from financial assets - AfS	14.3	13.1	17.5	6.1	(12.8)	6.3	(5.1)	(202.2)
Result from financial assets - HtM	0.5	0.0	0.1	0.1	0.0	0.1	(2.0)	(59.3)
Pre-tax profit from continuing operations	461.0	412.4	445.0	574.2	488.8	447.0	386.0	(745.6)
Taxes on income	(99.5)	(88.9)	(95.0)	(87.5)	(97.8)	(89.4)	(77.2)	87.1
Post-tax profit from discontinued ops	12.6	11.1	1.6	3.0	4.8	5.3	600.1	29.5
Net profit before minorities	374.1	334.6	351.6	489.7	395.8	362.9	908.9	(629.0)
Minority interests	(72.0)	(70.7)	(79.7)	(152.9)	(80.2)	(41.9)	(82.5)	25.6
Net profit after minorities	302.1	263.9	271.9	336.8	315.6	321.0	826.4	(603.4)
Cost/income ratio	59.3%	61.6%	60.1%	56.0%	55.9%	58.7%	60.0%	54.1%
Return on equity	15.0%	12.6%	12.9%	15.8%	14.8%	14.7%	34.2%	(27.0%)

Core segment – Austria

Strong NII partly offsetting weaker fee income



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in EUR million	Savings Banks		EB Oesterreich		Austria	
	2008	2007	2008	2007	2008	2007
Net interest income	974.1	864.6	617.4	580.5	1,591.5	1,445.0
Risk provisions	(275.8)	(96.2)	(92.5)	(101.1)	(368.3)	(197.3)
Net fee and commission income	381.9	374.1	292.4	330.4	674.2	704.5
Net trading result	15.8	23.6	16.8	14.1	32.6	37.7
General administrative expenses	(919.6)	(828.3)	(654.1)	(649.9)	(1,573.6)	(1,478.2)
Other result	(155.9)	(17.3)	(84.8)	(15.8)	(240.7)	(33.1)
Pre-tax profit	20.5	320.4	95.2	158.2	115.7	478.7
Taxes on income	(5.4)	(64.9)	(20.0)	(40.7)	(25.4)	(105.7)
Post-tax profit from discontinued ops	0.0	0.0	4.9	9.4	4.9	9.4
Minority interests	(41.2)	(235.4)	1.4	(8.2)	(39.8)	(243.7)
Net profit after minorities	(26.1)	20.0	81.5	118.7	55.4	138.8
Average risk-weighted assets	24,608.5	22,993.6	14,316.3	12,917.0	38,924.9	35,910.6
Average attributed equity	218.7	229.0	981.1	889.0	1,199.9	1,118.1
Cost/income ratio	67.0%	65.6%	70.6%	70.3%	68.5%	67.6%
ROE based on net profit	(12.0%)	8.8%	8.2%	13.4%	4.5%	12.4%
EOP customer loans	36,188.3	31,339.8	23,183.2	22,005.3	59,371.5	53,345.2
EOP customer deposits	31,804.8	28,436.3	24,078.3	21,773.1	55,883.1	50,209.4

Core segment Central and Eastern Europe (1) – Strong margins drive NII growth in CEE



ERSTE GROUP

in EUR million	Czech Republic		Romania		Slovakia		Hungary	
	2008	2007	2008	2007	2008	2007	2008	2007
Net interest income	1,092.7	820.1	741.6	510.8	334.8	291.4	294.3	245.7
Risk provisions	(116.6)	(70.1)	(121.2)	34.5	(81.4)	(37.4)	(69.1)	(59.7)
Net fee and commission income	424.9	342.2	236.3	248.9	108.4	91.9	130.7	121.6
Net trading result	2.6	18.4	27.4	28.1	20.2	13.8	4.5	13.4
General administrative expenses	(746.4)	(634.6)	(457.6)	(516.9)	(247.2)	(218.2)	(223.8)	(207.2)
Other result	(217.2)	(15.2)	13.2	(11.2)	(34.5)	(27.8)	10.8	(10.7)
Pre-tax profit	439.9	460.9	439.8	294.2	100.4	113.6	147.4	103.1
Taxes on income	(89.7)	(92.5)	(73.2)	(48.7)	(17.6)	(10.0)	(37.7)	(26.3)
Post-tax profit from discontinued ops	9.7	14.4	(6.5)	4.6	0.0	0.0	0.0	0.0
Minority interests	(10.1)	(10.5)	(120.0)	(81.8)	(0.0)	(0.0)	(0.2)	(0.2)
Net profit after minorities	349.8	372.3	240.1	168.3	82.7	103.6	109.5	76.5
Average risk-weighted assets	11,484.8	10,512.8	9,375.7	8,457.5	4,263.9	3,825.1	4,674.8	4,129.0
Average attributed equity	808.4	732.1	449.4	412.7	301.3	270.0	320.9	284.8
Cost/income ratio	49.1%	53.7%	45.5%	65.6%	53.3%	55.0%	52.1%	54.4%
ROE based on net profit	43.3%	50.8%	53.4%	40.8%	27.5%	38.4%	34.1%	26.9%
EOP customer loans	16,232.7	14,456.9	11,008.9	9,874.1	5,514.3	4,451.4	7,255.5	5,700.5
EOP customer deposits	23,474.0	19,727.8	7,303.4	7,364.3	7,598.8	5,546.0	3,159.5	2,782.9

Core segment Central and Eastern Europe (2) – Fee income also posts rise in 2008



ERSTE GROUP

in EUR million	Croatia		Serbia		Ukraine		CEE	
	2008	2007	2008	2007	2008	2007	2008	2007
Net interest income	193.6	158.0	33.5	16.2	33.0	8.0	2,723.6	2,050.2
Risk provisions	(24.7)	(18.3)	(6.6)	0.1	(21.0)	(10.3)	(440.6)	(161.1)
Net fee and commission income	77.6	66.0	7.4	5.4	2.6	1.0	987.9	877.1
Net trading result	12.8	10.5	4.1	1.5	9.5	3.7	81.1	89.3
General administrative expenses	(128.9)	(112.2)	(34.3)	(28.4)	(56.2)	(25.3)	(1,894.4)	(1,742.8)
Other result	(1.7)	(5.3)	1.8	1.8	(1.3)	(0.1)	(228.9)	(68.4)
Pre-tax profit	128.7	98.8	5.9	(3.4)	(33.4)	(23.0)	1,228.7	1,044.1
Taxes on income	(25.9)	(21.7)	0.4	0.5	4.7	3.9	(239.0)	(194.8)
Post-tax profit from discontinued ops	0.0	0.0	0.0	0.0	0.0	0.0	3.1	19.0
Minority interests	(36.1)	(25.9)	(1.6)	0.2	0.0	0.0	(168.0)	(118.2)
Net profit after minorities	66.7	51.2	4.7	(2.7)	(28.7)	(19.1)	824.9	750.0
Average risk-weighted assets	3,619.8	3,079.3	815.8	466.6	557.8	225.1	34,792.7	30,695.4
Average attributed equity	158.4	135.2	44.5	26.6	42.8	18.5	2,125.6	1,880.0
Cost/income ratio	45.4%	47.8%	76.2%	123.2%	124.5%	198.5%	50.0%	57.8%
ROE based on net profit	42.1%	37.8%	10.5%	(10.2%)	(67.1%)	(103.1%)	38.8%	39.9%
EOP customer loans	4,324.8	3,390.6	339.6	261.0	616.4	286.0	45,292.3	38,420.4
EOP customer deposits	3,132.4	2,873.1	287.4	233.7	44.9	12.2	45,000.3	38,540.2

Erste Group's capital position – Agreement with the Republic of Austria

- Erste has signed an agreement allowing to issue participation capital and hybrid capital up to EUR 2.7bn
- Participation capital (acc §23 Para 4&5 of Austrian Banking Act) is pari passu with ordinary shares, non-dilutive, non-cumulative and non-convertible
- Erste will offer the participation capital to shareholders, private and institutional investors
 - Offer is expected to run from mid to late April 2009
 - Erste expects to place at least EUR 400m in the market
 - Depending on take-up, the Republic of Austria will subscribe up to a max of EUR 1.89bn
- **Terms of the agreement state that as a result of take-up in a public placement**
 - Coupon for the participation capital will be 8% p.a. after tax
 - There will be no restriction on dividend pay-out
- **Coupon will increase after 5 years**
 - By 0.5% in years 6 & 7; by 0.75% in year 8; by 1% every following year
 - Capped at 12m-Euribor +10% p.a.
- **Package also allows for an issue of hybrid capital by Erste Bank Oesterreich**
 - Coupon of at least 8.15% p.a.