



## Capital Markets Day: Erste Group continues to see solid growth prospects in CEE

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Outlook for 2008 confirmed: 15% increase in operating profit

Outlook for 2009: operating profit to rise by around 10% , cost growth not to exceed 3.5%

At today's Capital Markets Day, the management of Erste Group Bank AG confirmed its target for 2008 of achieving operating profit growth of around 15% compared to the previous year.

In his presentation, Andreas Treichl, CEO of Erste Group, underlined that economic conditions in the respective countries of the extended home market will indeed worsen. Most of the countries in central and eastern Europe will, however, continue to grow, and consequently their economic prospects are notably better than those in Western Europe. In view of the economic outlook for the region - and based on the up to now very successfully implemented retail and SME segment-focused business model with more than 16 million clients - the business is also expected to show positive development in 2009.

"Our client focus combined with the favourable geographic position will continue to have a positive influence on our core loan and deposit business in the coming year", stated Treichl, who continued: "in the current economic environment there is no region in which, as a banker, I would more prefer to be than in our countries. Although the core countries of Erste Group's region like Czech Republic, Slovakia, Romania and Austria, do have their individual problems, overall they are much better placed to manage this crisis than the rest of Europe. In addition, the solid, continuous earnings growth, even in difficult times, shows the strength of a retail-oriented business model."

Overall, Erste Group is forecasting an improvement in operating result of around 10% in 2009. In support of this goal are cost savings initiatives, which will limit cost growth to a maximum of 3.5%.

In view of the economic conditions Erste Group is expecting risk costs of between 90bp - 120bp for 2009 (according to lending volumes).

The negotiations concerning the participation capital offered by the Republic of Austria are not yet finalized, but following the recent EU approval of the Austrian banking measures are expected to be concluded by the beginning of 2009 at the latest.