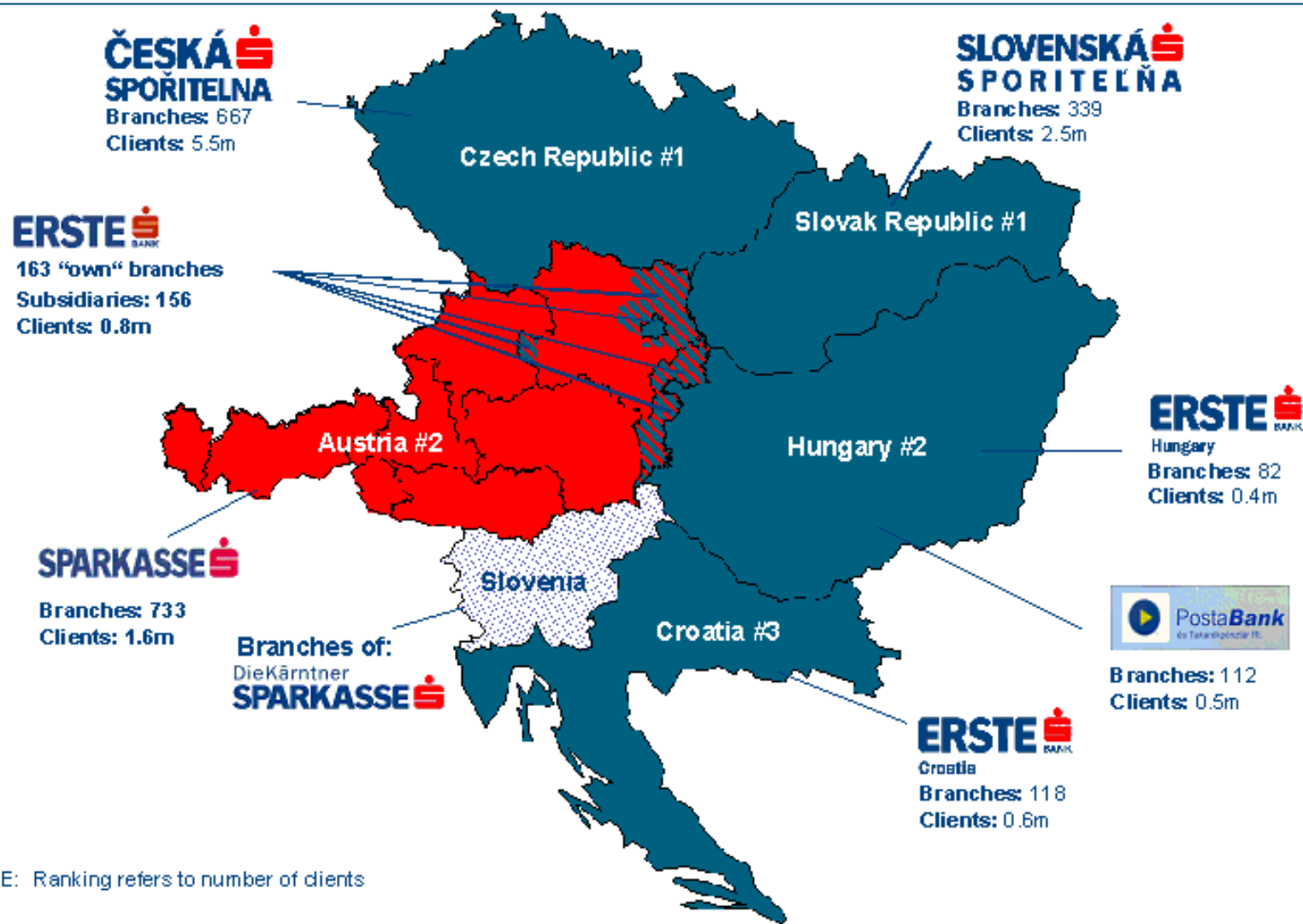


- > Erste Bank –  
maintaining earnings growth

- > Deutsche Bank – German Bank Corporate Conference  
30 March 2004  
Frankfurt
- > Andreas Treichl, CEO

# > Capturing the potential of EU accession

## 11.9 million customers in a close-knit region

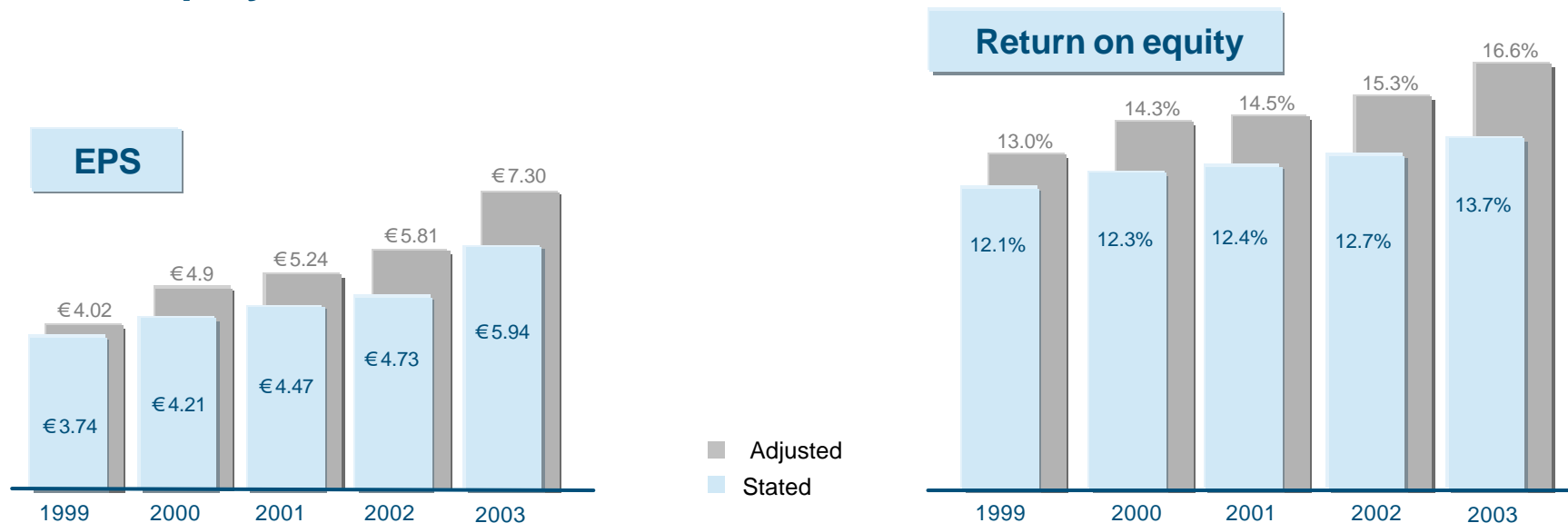


NOTE: Ranking refers to number of clients

# > FY 2003 – Financial highlights (preliminary)

## Erste Bank Group - Key ratios

- » Net profit increases by 38.4% to EUR 353.3m
- » ROE 13.7% up from 12.7% at YE 2002
- » Substantial decrease of CIR to 64.2% from 67.9% at YE 2002
- » EPS up by 25.6% to EUR 5.94



# > FY 2003 EB Group Divisional Figures

## Overview

In EUR m	Austria		CE Subsidiaries		Int. Business		Corp. Center		TOTAL EB GROUP	
	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002
Net interest income	1,622.8	1,604.2	829.4	741.7	146.8	134.7	(12.2)	(17.5)	2,586.8	2,463.0
Risk provisions for loans and adv.	(374.6)	(363.1)	(9.7)	3.9	(26.1)	(51.9)	3.9	4.7	(406.4)	(406.5)
Net commission income	680.2	628.1	345.3	297.2	21.1	15.2	(50.0)	3.6	996.6	944.3
Net trading result	137.1	123.8	71.2	56.6	0.1	0.0	6.2	(13.0)	214.6	167.4
General admin. expenses	(1,655.6)	(1,633.2)	(766.7)	(705.2)	(34.0)	(38.4)	(4.4)	(55.1)	(2,460.8)	(2,432.0)
Income from insurance business	25.9	6.1	10.2	2.3	0.0	0.0	(3.2)	0.0	32.9	8.4
Other operating results	(26.4)	(67.0)	(167.1)	(57.9)	(13.8)	3.6	5.2	41.2	(202.1)	(80.2)
<b>Pre-tax profit</b>	<b>409.4</b>	<b>298.9</b>	<b>312.6</b>	<b>338.7</b>	<b>94.1</b>	<b>63.3</b>	<b>(54.5)</b>	<b>(36.2)</b>	<b>761.6</b>	<b>664.5</b>
Taxes on income	(128.4)	(68.1)	(78.1)	(89.0)	(24.0)	(11.8)	6.3	17.3	(224.2)	(151.4)
Minority interests	(112.3)	(131.4)	(44.7)	(102.0)	0.0	0.0	(27.1)	(24.5)	(184.1)	(258.0)
<b>Net profit after minority interests</b>	<b>168.7</b>	<b>99.4</b>	<b>189.7</b>	<b>147.7</b>	<b>70.1</b>	<b>51.4</b>	<b>(75.3)</b>	<b>(43.4)</b>	<b>353.3</b>	<b>255.1</b>
Average risk-weighted assets	44,771.0	44,674.8	10,162.1	9,157.6	6,387.5	6,128.9	567.3	550.6	61,888.0	60,511.9
Average attributed equity	1,549.1	1,183.1	611.0	481.3	384.0	322.1	34.1	28.9	2,578.1	2,015.4
<b>Cost/Income Ratio</b>	<b>67.1%</b>	<b>69.1%</b>	<b>61.0%</b>	<b>64.2%</b>	<b>20.2%</b>	<b>25.6%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>64.2%</b>	<b>67.9%</b>
<b>ROE on net profit after min.</b>	<b>10.9%</b>	<b>8.4%</b>	<b>31.1%</b>	<b>30.7%</b>	<b>18.3%</b>	<b>16.0%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>13.7%</b>	<b>12.7%</b>
Thereof funding costs	(73.0)	(57.8)	(44.4)	(36.9)	0.0	0.0	(24.5)	(34.7)	(142.0)	(129.4)
Thereof goodwill	(18.5)	(12.9)	(54.4)	(38.1)	0.0	0.0	(8.3)	(7.4)	(81.1)	(58.5)

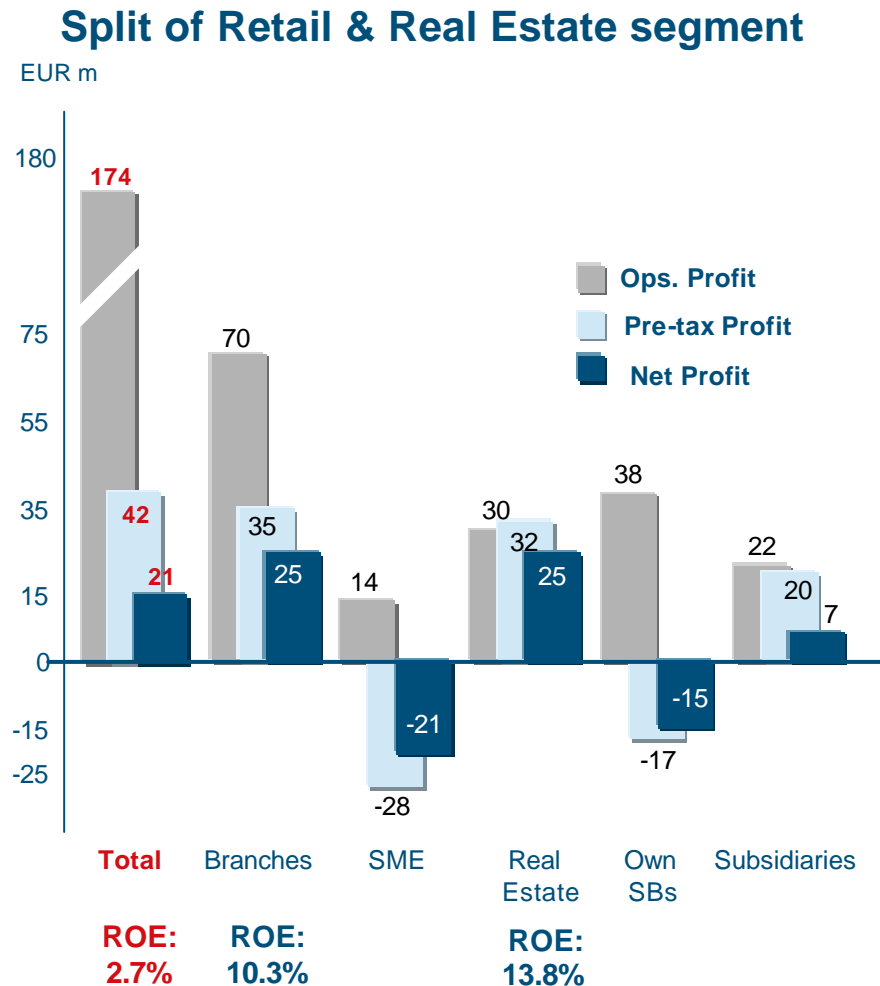
# > FY 2003 EB Group Divisional Figures

## Details - Austria

In EUR m	Savings banks		Retail & Real Est.		Large Corp.		Trading & Inv.B.		TOTAL AUSTRIA	
	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002
Net interest income	841.3	866.6	521.8	531.0	147.7	135.9	112.1	70.7	1,622.8	1,604.2
Risk provisions for loans and adv.	(198.1)	(186.6)	(132.4)	(123.7)	(44.1)	(52.7)	0.0	0.0	(374.6)	(363.1)
Net commission income	321.5	267.5	264.1	266.7	53.1	75.8	41.5	18.1	680.2	628.1
Net trading result	29.3	24.6	16.7	17.3	1.5	2.8	89.6	79.1	137.1	123.8
General admin. expenses	(820.5)	(794.1)	(653.0)	(655.3)	(81.2)	(85.7)	(100.9)	(98.1)	(1,655.6)	(1,633.2)
Income from insurance business	0.0	0.0	25.9	6.1	0.0	0.0	0.0	0.0	25.9	6.1
Other operating results	(22.3)	(10.8)	(2.5)	(39.9)	9.1	(5.9)	(10.8)	(10.3)	(26.4)	(67.0)
<b>Pre-tax profit</b>	<b>151.3</b>	<b>167.1</b>	<b>40.5</b>	<b>21</b>	<b>86.1</b>	<b>70.1</b>	<b>131.5</b>	<b>59.6</b>	<b>409.4</b>	<b>298.8</b>
Taxes on income	(46.7)	(40.8)	(15.5)	(1.4)	(25.6)	(13.0)	(40.6)	(12.9)	(128.4)	(68.1)
Minority interests	(101.5)	(122.9)	(5.3)	(0.2)	(6.0)	(9.5)	0.3	1.2	(112.3)	(131.4)
<b>Net profit after minority interests</b>	<b>3.1</b>	<b>3.3</b>	<b>19.8</b>	<b>0.5</b>	<b>54.6</b>	<b>47.7</b>	<b>91.2</b>	<b>47.8</b>	<b>168.7</b>	<b>99.3</b>
Average risk-weighted assets	22,179.7	22,164.3	12,185.8	12,141.3	6,918.9	6,478.0	3,486.6	3,891.2	44,771.0	44,674.8
Average attributed equity	190.8	0.0	732.7	638.1	416.0	340.5	209.6	204.5	1,549.0	1,183.1
<b>Cost/Income Ratio</b>	<b>68.8%</b>	<b>68.5%</b>	<b>78.8%</b>	<b>79.8%</b>	<b>40.2%</b>	<b>40.0%</b>	<b>41.5%</b>	<b>58.4%</b>	<b>67.1%</b>	<b>69.1%</b>
<b>ROE on net profit after min.</b>	<b>1.6%</b>	<b>n.a.</b>	<b>2.7%</b>	<b>0.1%</b>	<b>13.1%</b>	<b>14.0%</b>	<b>43.5%</b>	<b>23.4%</b>	<b>11.4%</b>	<b>8.4%</b>
Thereof funding costs	(15.3)	(13.2)	(39.5)	(27.0)	(15.7)	(14.2)	(2.5)	(3.4)	(73.0)	(57.8)
Thereof goodwill	(5.9)	(4.9)	(12.6)	(7.8)	0.0	0.0	0.0	(0.2)	(18.5)	(12.9)

# > Austrian core business: Potential for improvement

## Retail initiatives progressing



### Retail branches:

- ✓ Closure of 14 branches by Q1 2004
- ✓ 3% reduction of branch headcount by YE 2004 on track
- ✓ 4% target for reduction of administrative expenses by YE 2004

### SME:

- ✓ SME portfolio successfully reduced to EUR 1.55bn

### Real Estate:

- ✓ Loan volumes up 3.9% to EUR 9.6bn as forecast, margin outlook stable

### Own savings banks (TISPA and SSK):

- ✓ YE 2003 pre-tax profit of EUR 11m for TISPA and SSK combined

## > Challenges going forward

### **AUSTRIA**

#### » **Challenges**

- » Competitive market - low margin environment
- » High labour costs
- » Inflexible economic structures

#### » **Opportunities**

- » Potential for change in market dynamics
  - 75% of the Viennese retail market is controlled by publicly listed banks (BACA and EB)

#### » **Goal**

- » Retail division to achieve ROE >10%
- » Improve ROE of Austrian segment to 15%

# > FY 2003 EB Group Divisional Figures

## Details - Central Europe

In EUR m	CS		SLSP		EB Hungary		Croatia <sup>1</sup>		TOTAL CE	
	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002	YE 2003	YE 2002
Net interest income	460.8	477.3	234.7	161.3	58.5	45.0	75.4	58.1	829.4	741.7
Risk provisions for loans and adv.	1.3	23.0	3.3	(2.4)	(7.5)	(8.2)	(6.9)	(8.6)	(9.7)	3.9
Net commission income	252.3	226.9	51.6	43.4	28.8	17.3	12.5	9.7	345.3	297.2
Net trading result	38.1	29.4	10.8	9.1	11.6	6.3	10.7	11.9	71.2	56.6
General admin. expenses	(474.1)	(458.7)	(157.3)	(145.0)	(69.3)	(54.3)	(66.1)	(47.3)	(766.7)	(705.2)
Income from insurance business	10.2	2.3	0.0	0.0	0.0	0.0	0.0	0.0	10.2	2.3
Other operating results	(75.7)	(30.9)	(81.9)	(30.6)	(7.6)	(1.1)	(1.8)	4.7	(167.1)	(57.9)
<b>Pre-tax profit</b>	<b>212.9</b>	<b>269.4</b>	<b>61.3</b>	<b>35.8</b>	<b>14.7</b>	<b>5.0</b>	<b>23.7</b>	<b>28.5</b>	<b>312.6</b>	<b>338.7</b>
Taxes on income	(75.2)	(84.0)	(5.6)	(2.3)	(1.7)	(0.4)	4.3	(2.3)	(78.1)	(89.0)
Minority interests	(15.2)	(79.9)	(22.9)	(16.7)	0.1	0.3	(6.7)	(5.7)	(44.7)	(102.0)
<b>Net profit after minority interests</b>	<b>122.5</b>	<b>105.5</b>	<b>32.7</b>	<b>16.8</b>	<b>13.2</b>	<b>4.9</b>	<b>21.3</b>	<b>20.5</b>	<b>189.7</b>	<b>147.7</b>
Average risk-weighted assets	6,287.5	6,230.5	1,493.2	1,033.7	920.8	590.9	1,460.6	1,302.5	10,162.1	9,157.6
Average attributed equity	378.0	327.5	89.8	54.3	55.4	31.1	87.8	68.5	611.0	481.3
<b>Cost/Income Ratio</b>	<b>62.3%</b>	<b>62.3%</b>	<b>52.9%</b>	<b>67.8%</b>	<b>70.0%</b>	<b>79.1%</b>	<b>67.1%</b>	<b>59.3%</b>	<b>61.0%</b>	<b>64.2%</b>
<b>ROE on net profit after min.</b>	<b>32.4%</b>	<b>32.2%</b>	<b>36.5%</b>	<b>30.9%</b>	<b>23.8%</b>	<b>15.8%</b>	<b>24.2%</b>	<b>29.9%</b>	<b>31.1%</b>	<b>30.7%</b>
Thereof funding costs	(27.7)	(22.9)	(6.2)	(6.9)	(3.2)	(3.0)	(7.3)	(4.1)	(44.4)	(36.9)
Thereof goodwill	(40.2)	(24.9)	(12.0)	(12.0)	0.0	0.0	(2.2)	(1.2)	(54.4)	(38.1)

1 Rijeka banka included for 8 month only in 2002



## > CE subsidiaries: Drivers of growth

### Postabank – update on integration process

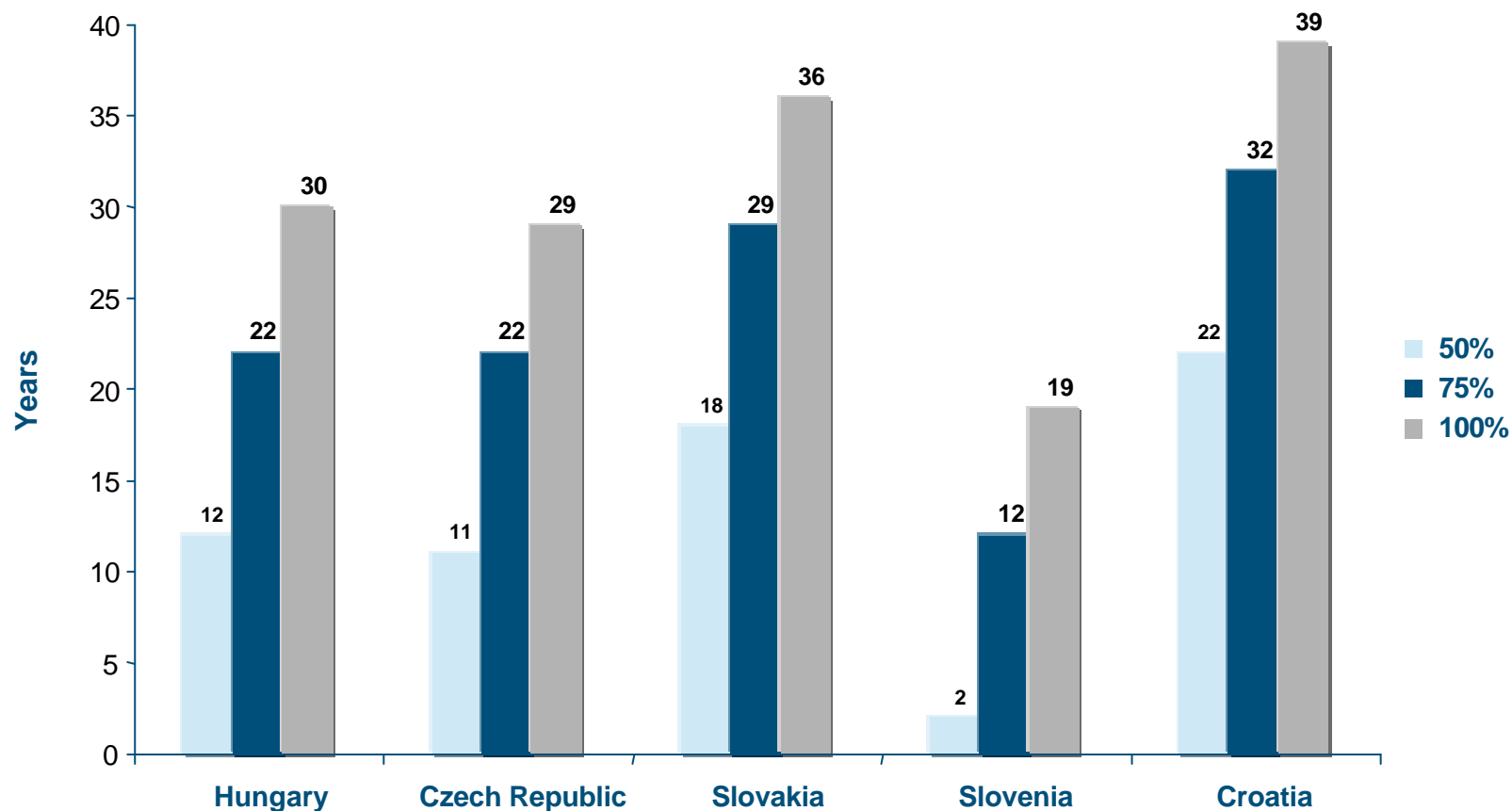
- » **Integration project with 21 integration teams active since Dec 2003**
  - » Detailed master plan implemented – integration to be completed by mid 2005
  - » Branch network rationalization started in January 2004 leading to target of
    - 160 branches (-18%) and
    - headcount of app 2,200 (-28%) by end of 2004
- » **Legal merger planned for end September 2004**
- » **Majority of restructuring and integration costs (EUR 22m) already consumed in 2003**
  - » Leading to revised business plan for 2004 onward:

Key ratios	2004	2005	2006
» Cost/income ratio	86%	65%	< 60%
» ROE	positive	>15%	> 25%
» ROI (ex funding costs)	0.2%	8.2%	13.7%
» ROI (incl. funding costs)	-2.6%	5.4%	10.9%

## > Favourable Economic growth prospects in CE

### Years to Reach EU 2002 Level of GDP/Capita

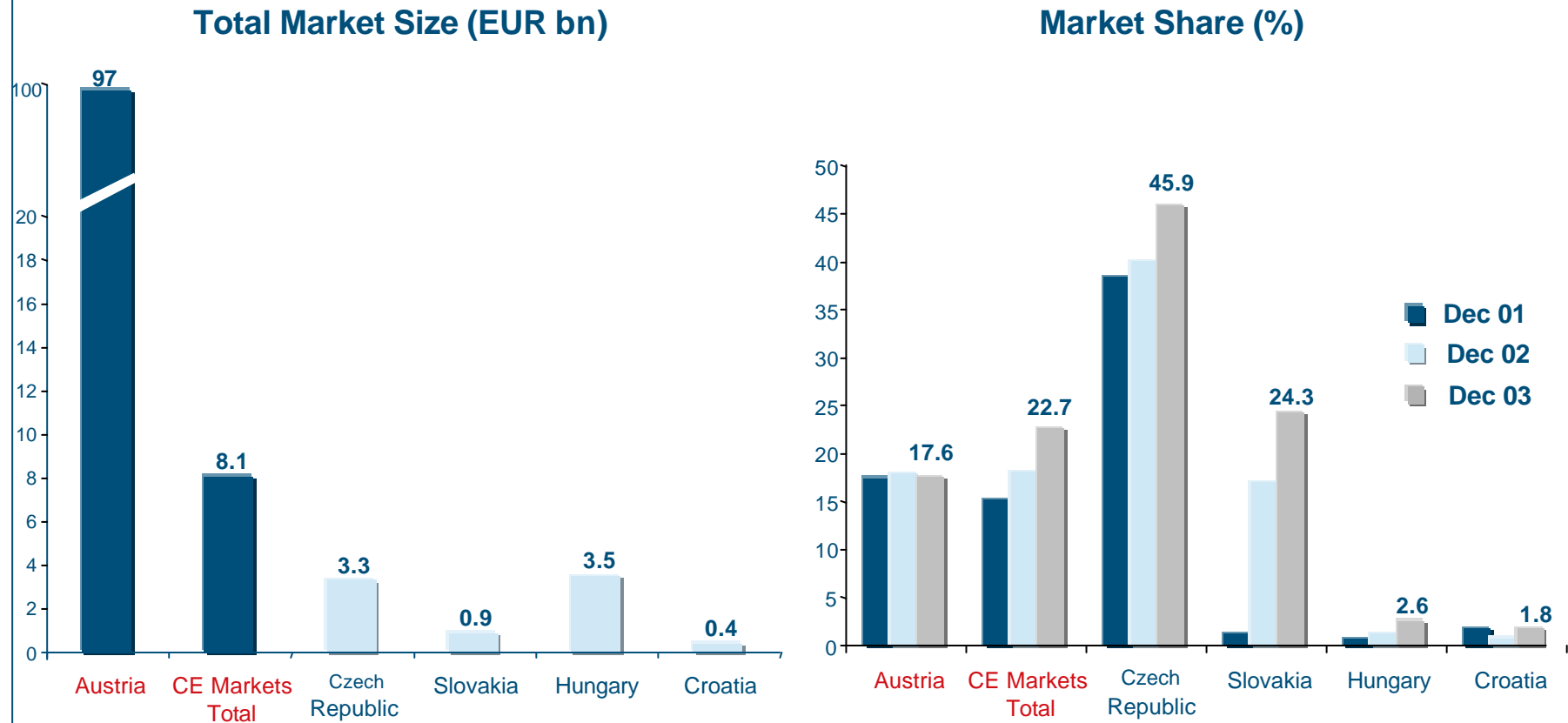
» Assumes CE countries have real growth differential of 4% with EU



Source: EBRD, Citigroup Research

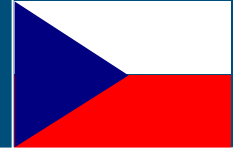
# > Asset gathering in CE: positioned for growth

**Market share stable in Austria, increasing in CE with potential for more**



Source: Erste Bank data

## > Challenges going forward (1)



### **CZECH REPUBLIC**

#### » **Challenges**

- » VAT increase in 2004
- » Low interest rate environment
- » Low loan-deposit ratio (around 45%)
- » Securities portfolio maturing 2004/2005

#### » **Opportunities**

- » Loan growth driven by strong demand for mortgage loans
  - Retail mortgages grew by 56% yoy
- » Growing demand for wealth management products
  - GDP per capita expected to double within next 10 years
- » Reduction in corporate tax rate
- » Ever-improving professional staff

#### » **Goal**

- » Maintain ROE above 20%



## **SLOVAK REPUBLIC**

### » **Challenges**

- » Same scenario as in Czech Republic with a 2-3 year delay
- » Even lower loan to deposit ratio at SLSP (approx. 24%)

### » **Opportunities**

- » Favourable tax regime – flat 19% tax rate
- » Similar to Czech Republic
  - Loan growth driven by mortgages
  - Demand for wealth management products starting from a low level

### » **Goal**

- » Maintain ROE above 20%

## > Challenges going forward (4)



### **HUNGARY**

#### » **Challenges**

- » Maintain momentum of integration process at Postabank
- » Achieve planned cost synergies
- » Less stable economic environment

#### » **Opportunities**

- » Strengthen position and consolidate number 2 position in retail banking
- » Margins above Czech and Slovak levels

#### » **Goal**

- » Achieve positive ROE in 2004; above 15% in 2005 and above 25% as of 2006

## > Challenges going forward (5)



### **CROATIA**

#### » **Challenges**

- » Higher political risk
- » EU membership in 2007 uncertain

#### » **Opportunities**

- » Long-term high margin scenario
- » Growing demand for pension fund products
- » Economic growth supported by strong tourism industry

#### » **Goal**

- » Maintain ROE above 18%

## > Outlook and targets

### **Guidance for 2004-5**

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» **Erste Bank will again report double digit net profit growth in 2004**

» **Outlook 2004 for CE subsidiaries**

» CS and SLSP to maintain Return on Equity above 20%

» EB Croatia ROE to stay above 18%

» EB Hungary expected to achieve a positive ROE based on revised business plan

» **Erste Bank confirms targets for 2005**

» Management is confident of achieving the target of EUR 500m net profit at EB Group

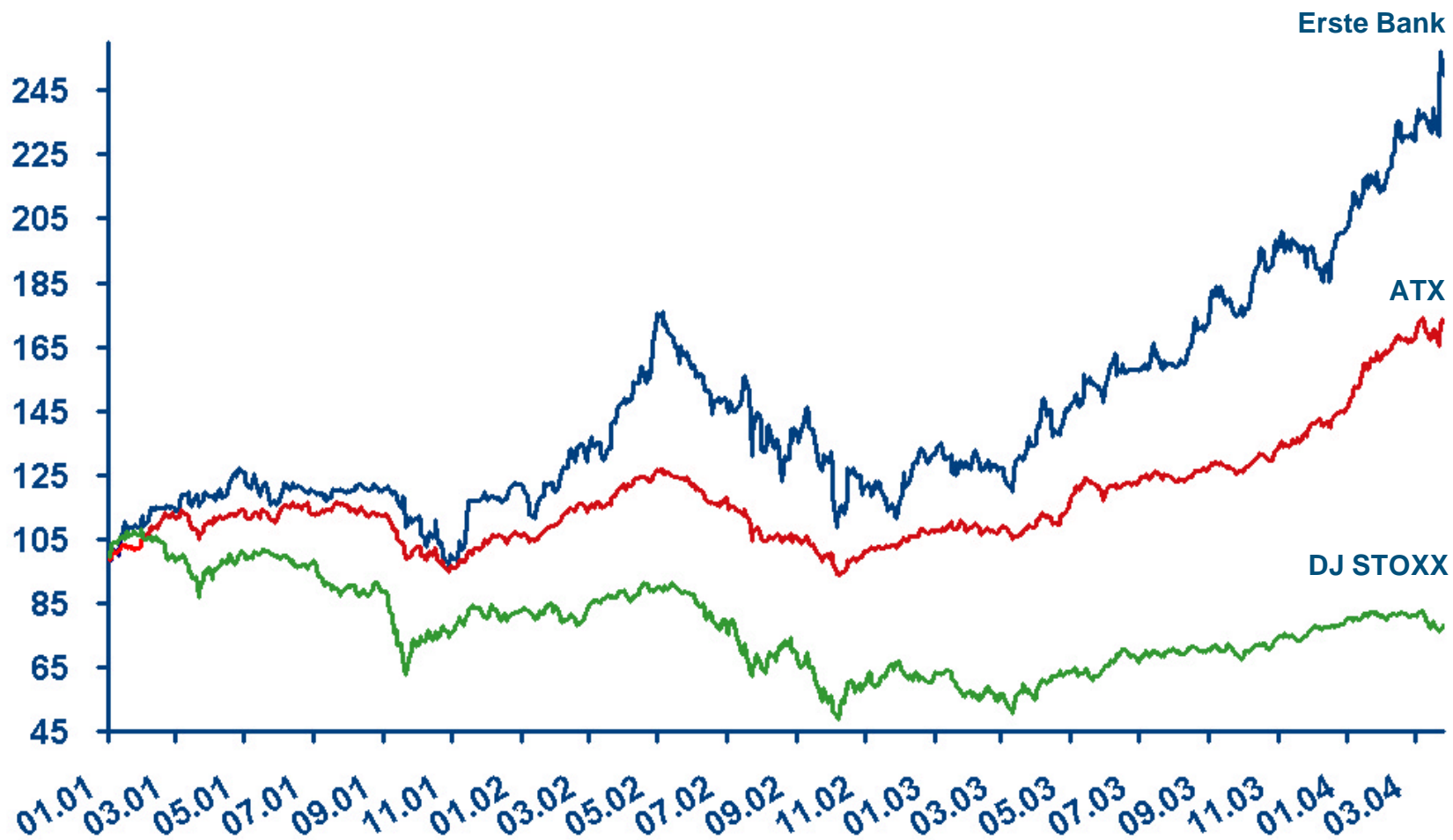
» Based on ROE of at least 16% and

» Cost-income ratio of no more than 62%



## > Erste Bank share price development

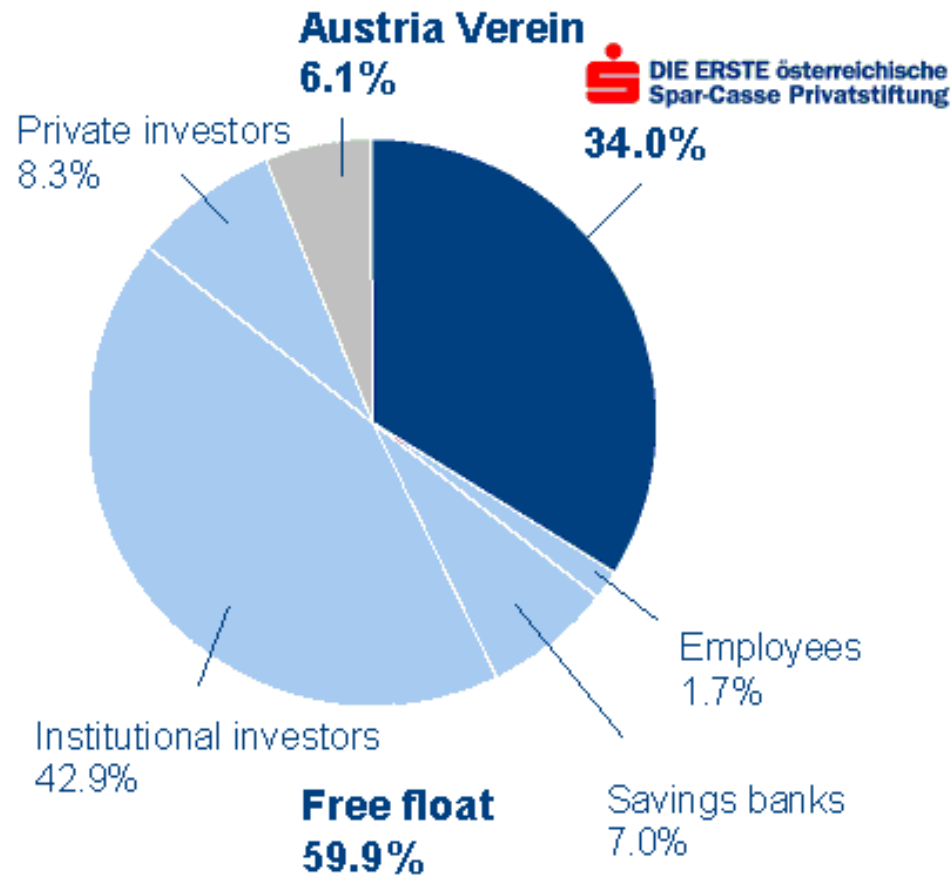
### Erste Bank share vs ATX and DJ Euro Stoxx Index since 1.1.2001



# > Current shareholder structure

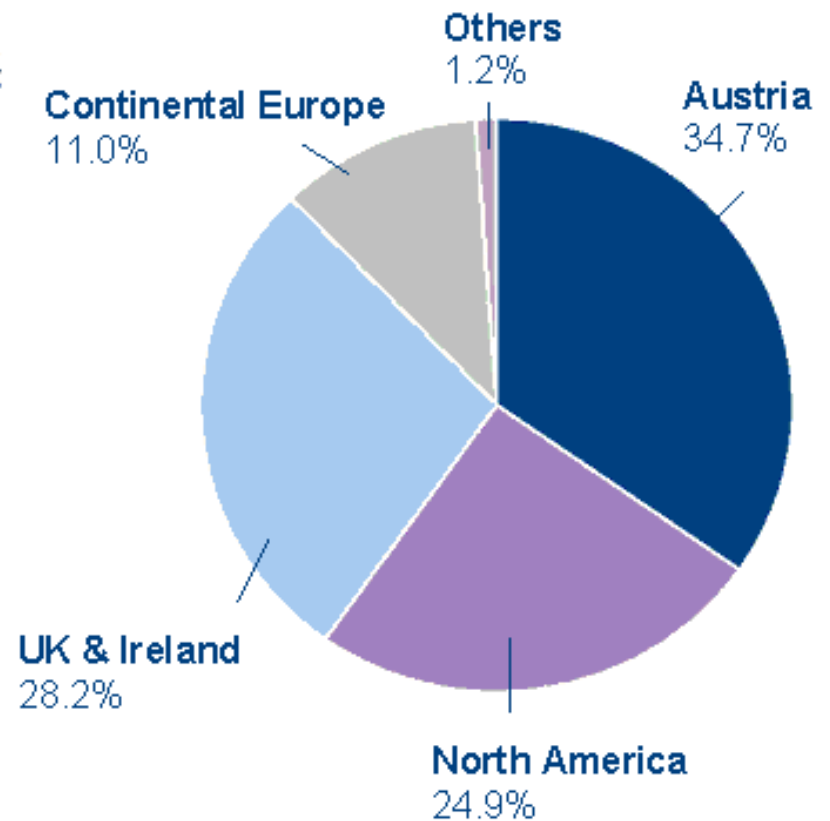
**Total numbers of shares: 59,943,808**

## By Investor Type



\* Die Erste Foundation

## Free Float (59.9%) split by Region



## > Investor relations contacts

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**Reuters:** ERST.VI                      **Bloomberg:** EBS AV  
**Datastream:** O:ERS                      **Securities ID:** 065201

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