

- > Erste Bank
Andreas Treichl, CEO

Finally emerged:
Slicing up the 'new EU' market share

- > Goldman Sachs Financials Conference
June 9 – 11, 2004
Monte Carlo

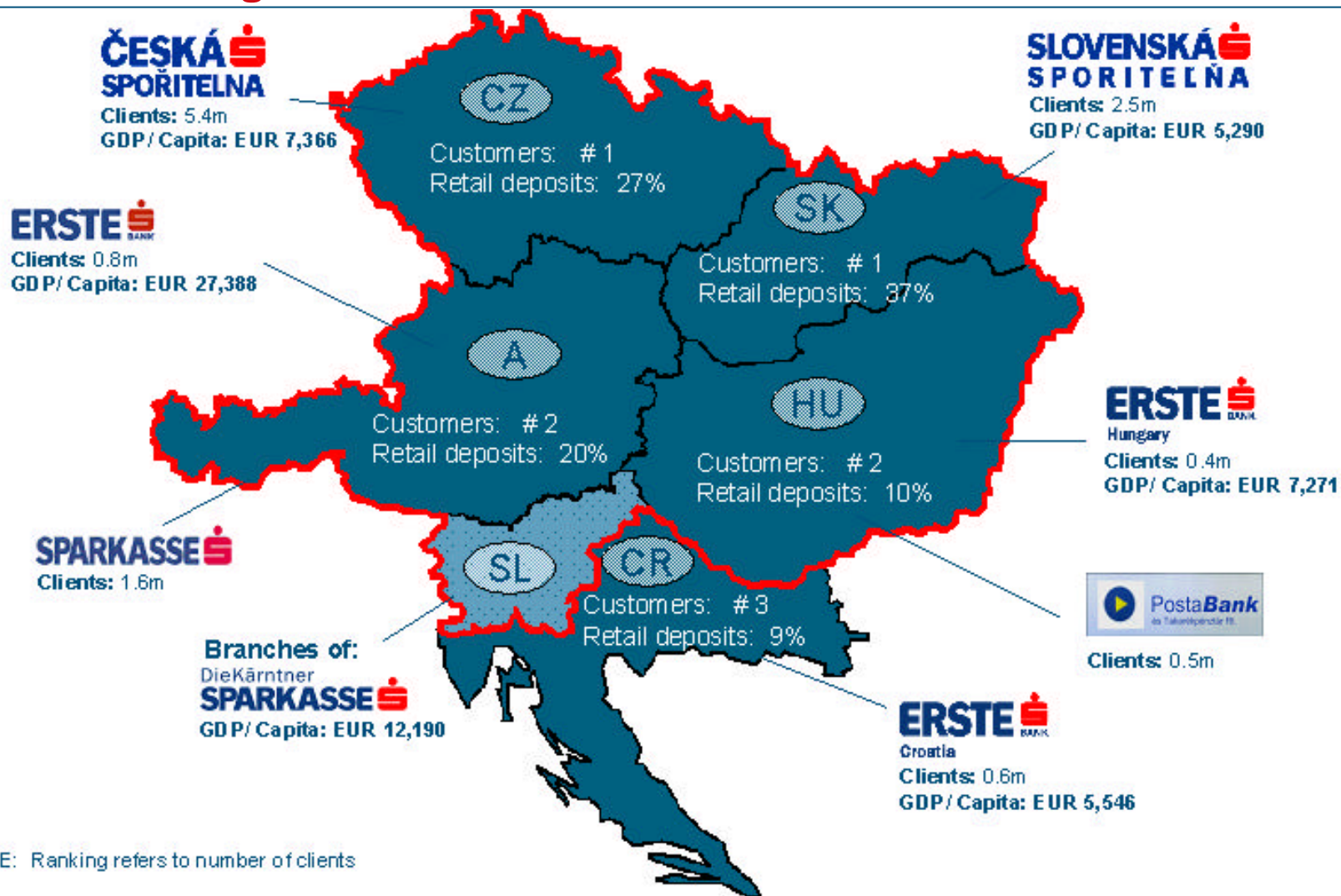
> Erste Bank and the new EU

Presentation focus

- » **Erste Bank's positioning and rationale**
- » **A free market in the heart of Europe?**
- » **Growth prospects in the new EU market**
- » **Financial highlights**
- » **Summing up**

> Erste Bank model – a concentrated region ...

... and a leading retail franchise with 11.9 million customers













> Transforming the model into results

2005 Erste Bank Group targets

- » EB management confident of achieving new 2005 target of at least EUR 600m net profit
- » Based on
 - » ROE of at least 18% and
 - » Cost-income ratio of maximum 62%

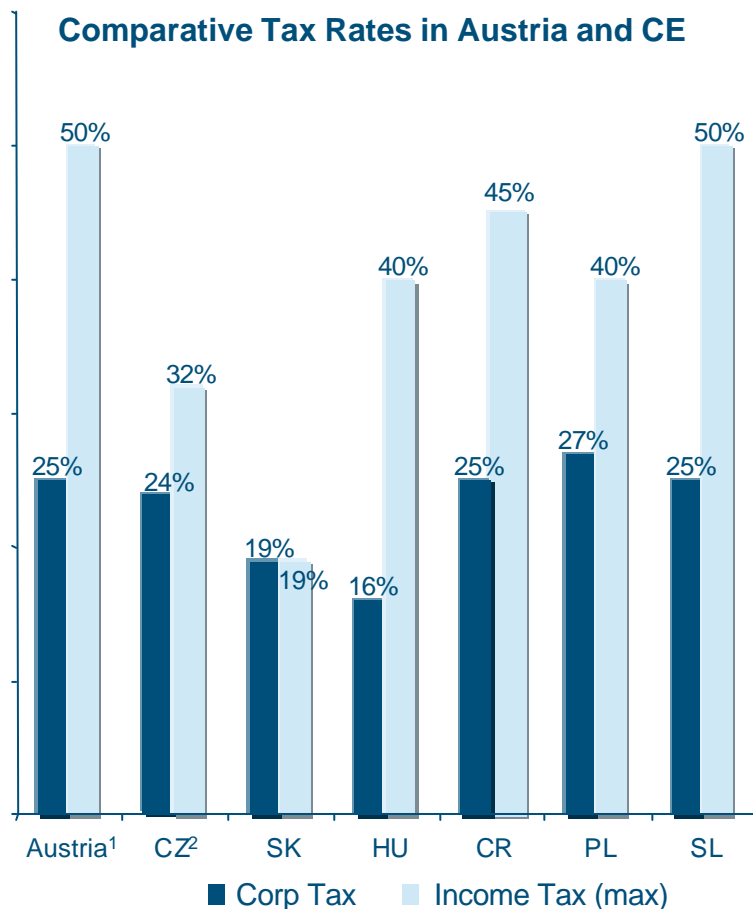
Divisional performance supports increase in Group ROE to 14.6% in Q1 04

	 		 		 		 		 	
	Q1 03	Q1 04	Q1 03	Q1 04	Q1 03	Q1 04	Q1 03	Q1 04	Q1 03	Q1 04
ROE (%)	7.2	15.6	35.4	48.2	72.3	43.7	23.2	28.5	33.4	34.7
CIR (%)	70.0	65.6	59.8	63.7	54.7	60.5	71.9	70.8	55.6	53.8

NB: ROE for Q1 2003 is as reported (including goodwill); Q1 2004 figures are post introduction of IFRS 3 (1 January 2004)

> A free market economy in the heart of Europe?

‘Slovakia is set to become the next Hong Kong or Ireland ...’ (Steve Forbes, July 2003)



1: Corp Tax rate starting Jan 2005 (down from 34%)
 2: Corp Tax rate to decrease gradually from 31% until 2006

GDP growth (%)	2001	2002	2003	2004e	2005e
Czech Republic	3.1	2.0	2.9	3.5	4.0
Slovakia	3.3	4.4	4.2	4.1	4.4
Hungary	3.8	3.5	2.9	3.3	4.1
Croatia	3.8	5.2	4.5	3.9	4.0
Poland	1.0	1.3	3.6	4.8	5.2

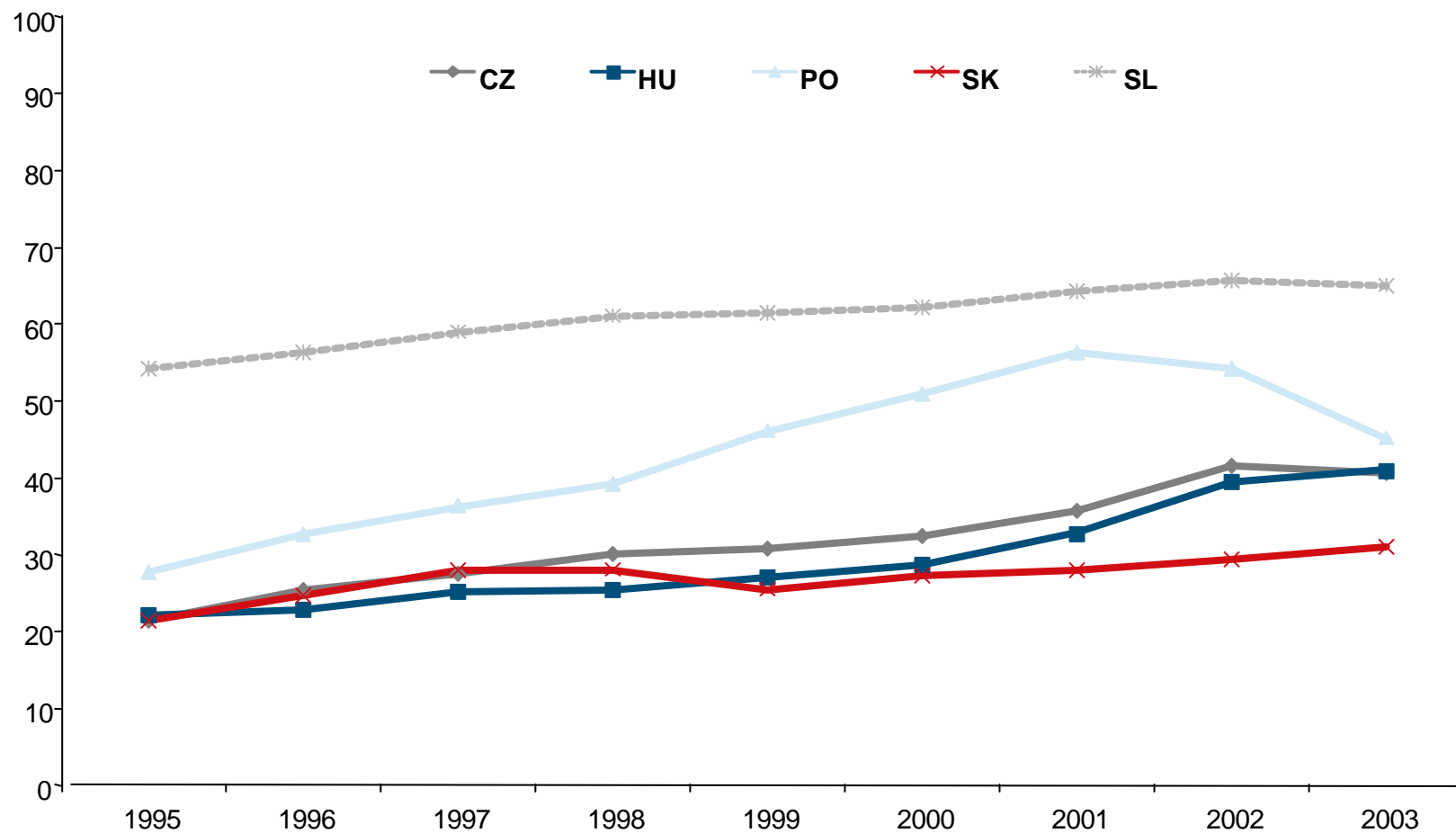
3m int. rate (%)	2001	2002	2003	2004e	2005e
Czech Republic (CZK)	5.1	3.5	2.2	2.4	3.2
Slovakia (SKK)	7.7	7.5	6.1	5.4	4.2
Hungary (HUF)	10.5	7.9	11.8	8.9	7.2
Croatia (HRK)	6.0	2.1	4.3	4.8	3.7
Poland (PLN)	12.0	6.7	5.5	6.5	6.2

CPI (%)	2001	2002	2003	2004e	2005e
Czech Republic	4.1	0.6	1.0	3.5	3.5
Slovakia	6.3	3.4	8.5	8.1	4.3
Hungary	6.8	4.8	5.7	6.0	4.2
Croatia	2.6	2.3	2.0	2.5	3.0
Poland	3.6	0.7	1.7	2.8	3.2

Source: Erste Bank

> Potential for cost synergies

Comparison of unit labour costs



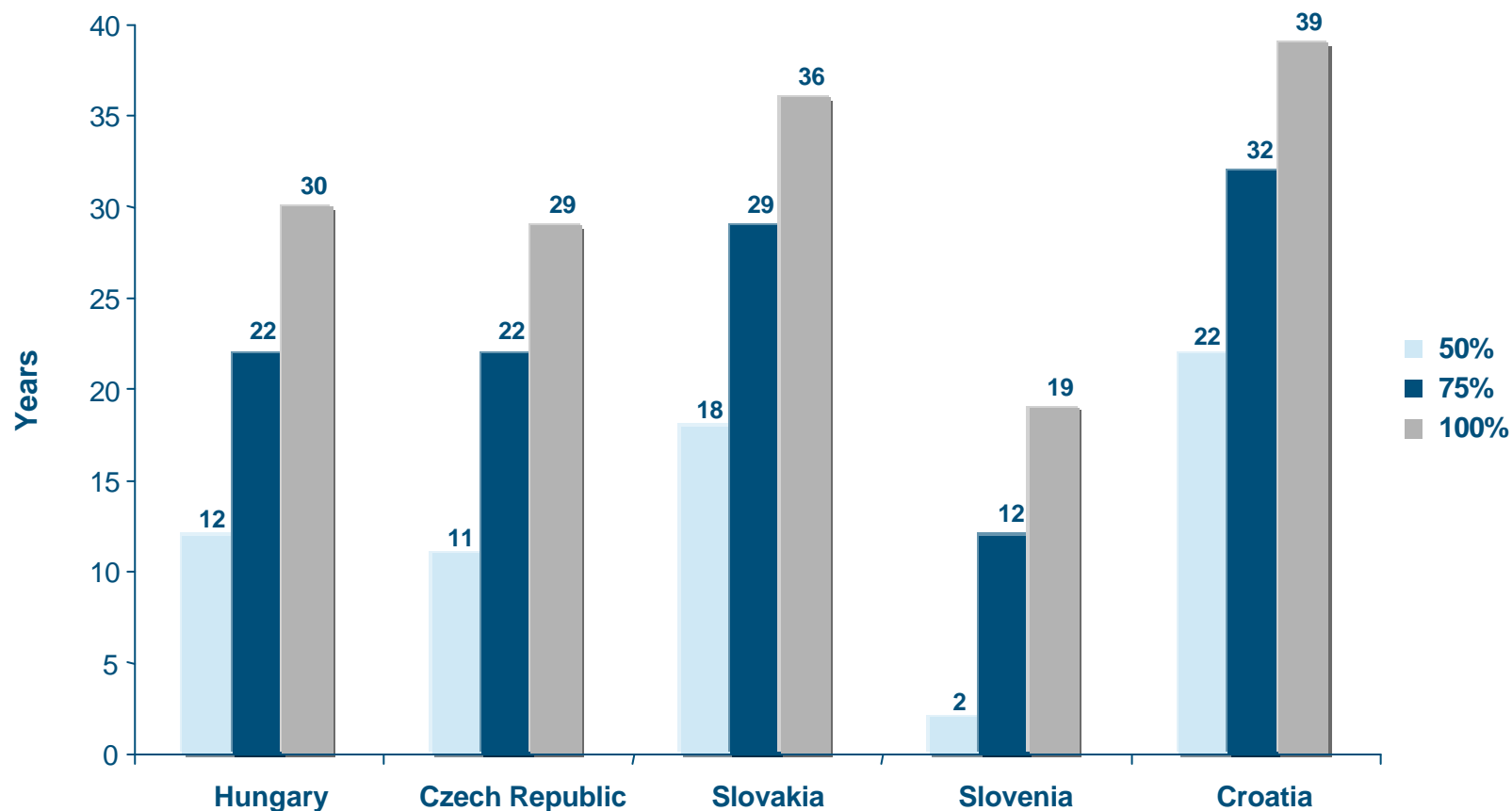
Austria = 100 (PPP adjusted)

> Favourable economic growth prospects in CE

GDP/Capita still significantly lower than EU average

» Years to reach EU 2002 levels

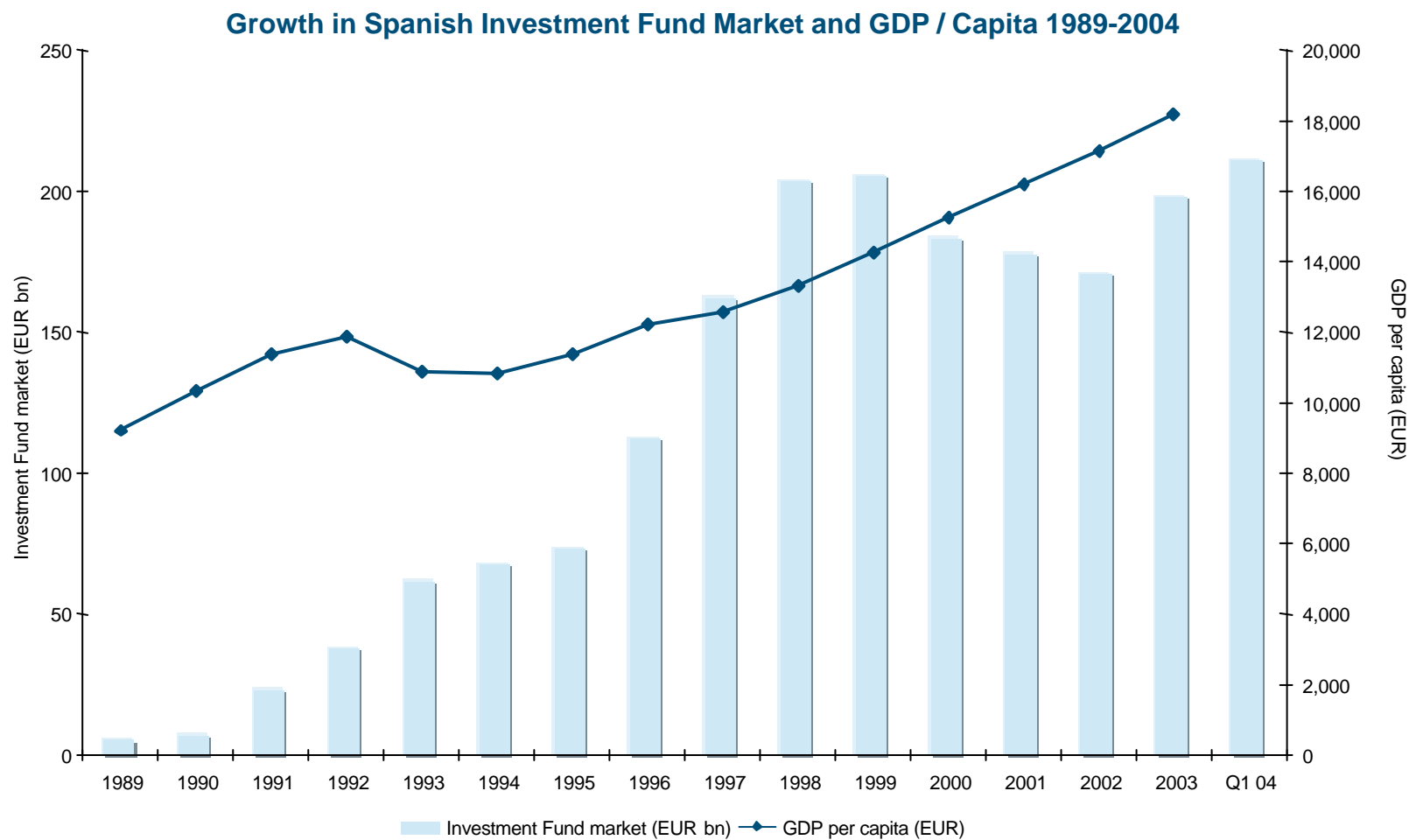
(assumes CE countries have real growth differential of 4% with EU)



Source: EBRD, Citigroup Research

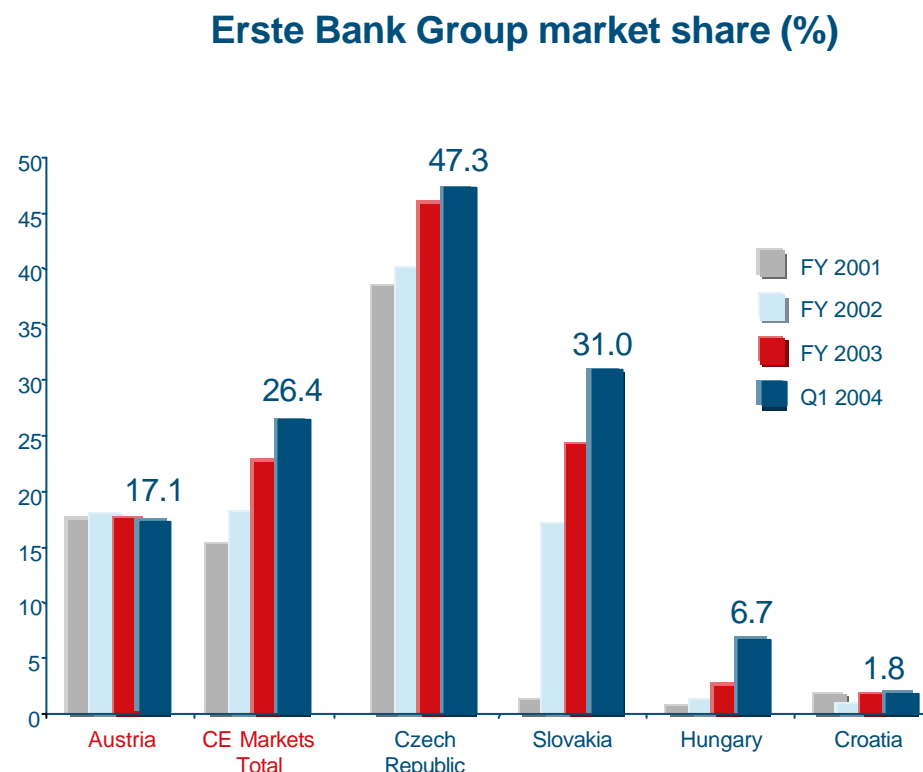
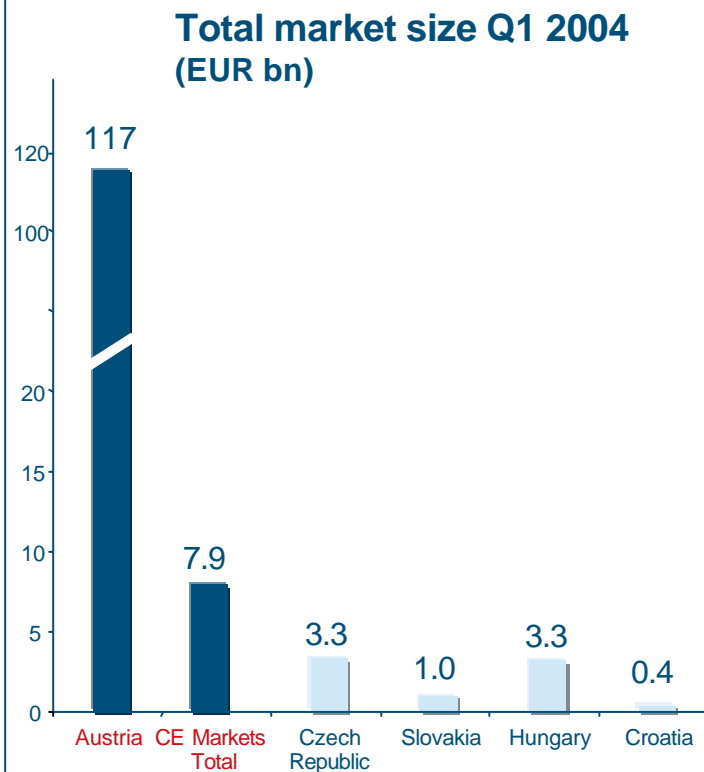
> Following the Spanish example

Investment funds grow inline with GDP/Capita



> Asset gathering – a key growth driver

Notable market growth in Austria, CE market share continues to increase



> Summing up

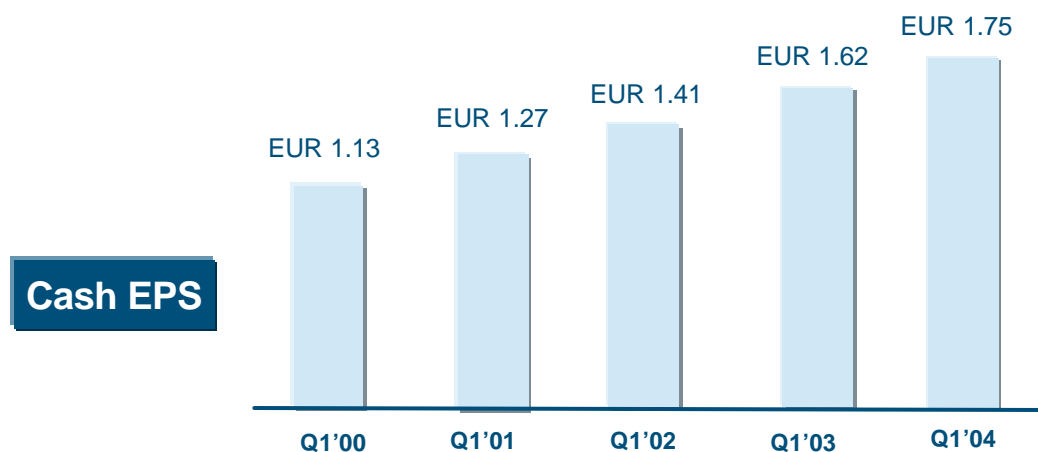
Erste Bank's investment case

- » **The banking market in CE region is attractive with growth prospects above EU-average**
- » **Erste Bank is the leading retail banking franchise in its concentrated region**
 - » Recognised potential early on
 - » Top 3 position in all 5 markets
- » **Focused retail banking business model offers higher and more sustainable growth**

> Q1 2004 – Financial highlights

Erste Bank Group - Key ratios

- » **Net profit increases by 37.5% to EUR 104.2m**
 - » No material effect by one-off items on bottom line
- » **Cash ROE 14.6%**
 - » Following 13.7% at YE 2003¹
- » **Further improvement of CIR to 63.8% from 64.2% at YE 2003**
 - » Revenues increase by 10.5% and costs grow by 6.1%
- » **Tier 1 ratio improves to 6.6% compared to 6.3% at YE 2003**
- » **Cash EPS improves to EUR 1.75**



¹ As reported in 2003 (includes goodwill amortisation)

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