

> **Erste Bank –
“Risk, Return & Growth – Getting the Balance Right”**

- > ML Banking & Insurance Conference
- > London, 4 October 2006
- > Andreas Treichl, CEO

> Disclaimer

Cautionary note regarding forward-looking statements

THE INFORMATION CONTAINED IN THIS DOCUMENT HAS NOT BEEN INDEPENDENTLY VERIFIED AND NO REPRESENTATION OR WARRANTY EXPRESSED OR IMPLIED IS MADE AS TO, AND NO RELIANCE SHOULD BE PLACED ON, THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THIS INFORMATION OR OPINIONS CONTAINED HEREIN.

CERTAIN STATEMENTS CONTAINED IN THIS DOCUMENT MAY BE STATEMENTS OF FUTURE EXPECTATIONS AND OTHER FORWARD-LOOKING STATEMENTS THAT ARE BASED ON MANAGEMENT'S CURRENT VIEWS AND ASSUMPTIONS AND INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN SUCH STATEMENTS.

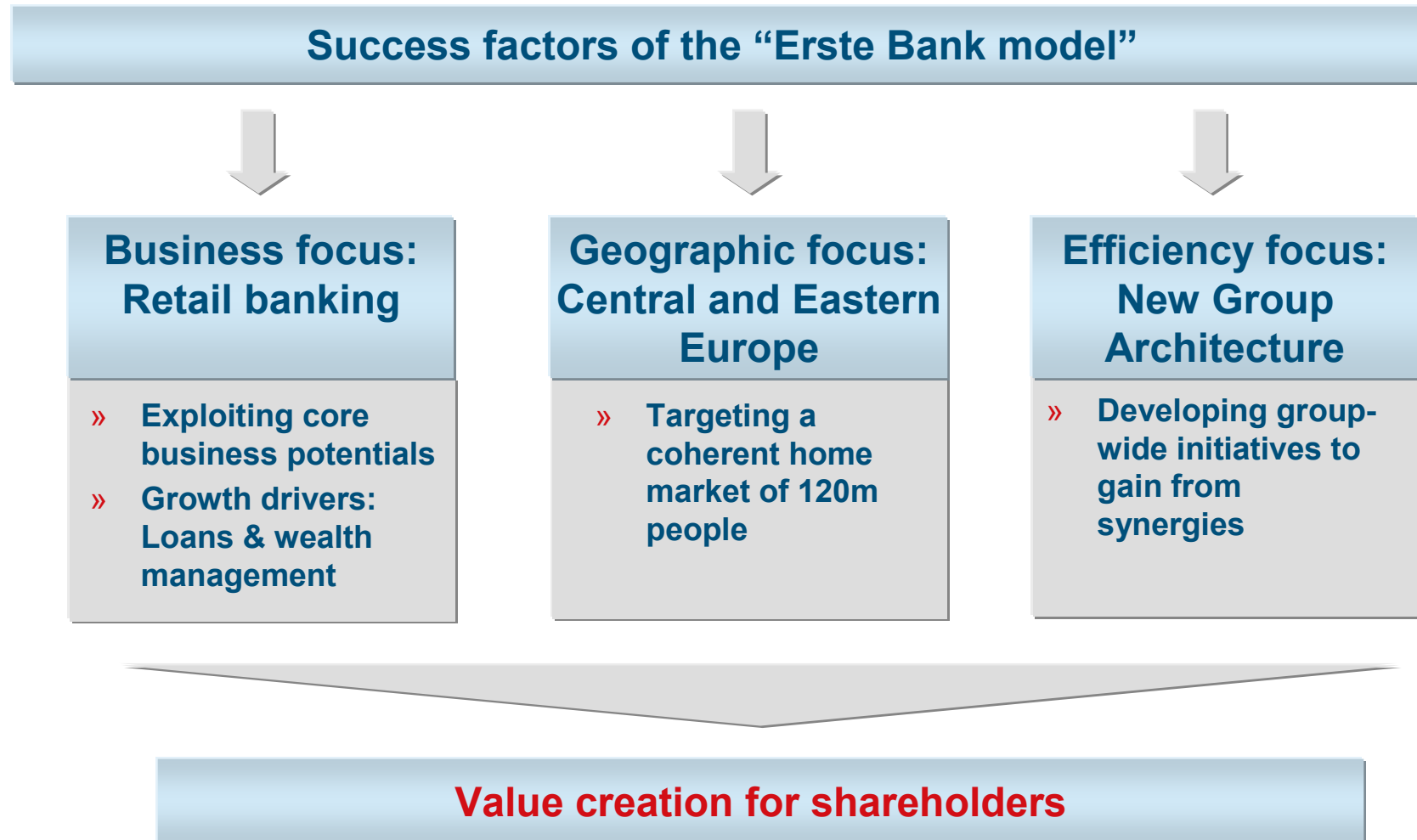
NONE OF ERSTE BANK OR ANY OF ITS AFFILIATES, ADVISORS OR REPRESENTATIVES SHALL HAVE ANY LIABILITY WHATSOEVER (IN NEGLIGENCE OR OTHERWISE) FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS DOCUMENT OR ITS CONTENT OR OTHERWISE ARISING IN CONNECTION WITH THIS DOCUMENT.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR ANY SHARES AND NEITHER IT NOR ANY PART OF IT SHALL FORM THE BASIS OF OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER.

> Presentation topics

- 1. Consistent strategy and focused expansion**
2. Above average growth within the EU
3. Performance & targets
4. Appendix
5. Appendix

> Clear and consistent strategy since 1997



> With a focus on retail banking

Core competence

- » 2,683 branches and 15.2m customers
- » Trusted brand
- » History stretching back to 1819

Comprehensive scope

- » Standard banking products
- » Asset management (FUM: EUR 33.8bn)
- » Life insurance

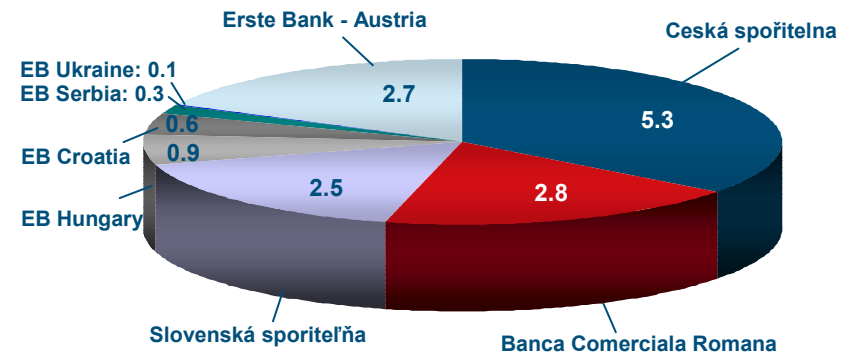
Well-diversified markets

- » Established markets
- » Developed transformation economies
- » Early stage growth markets

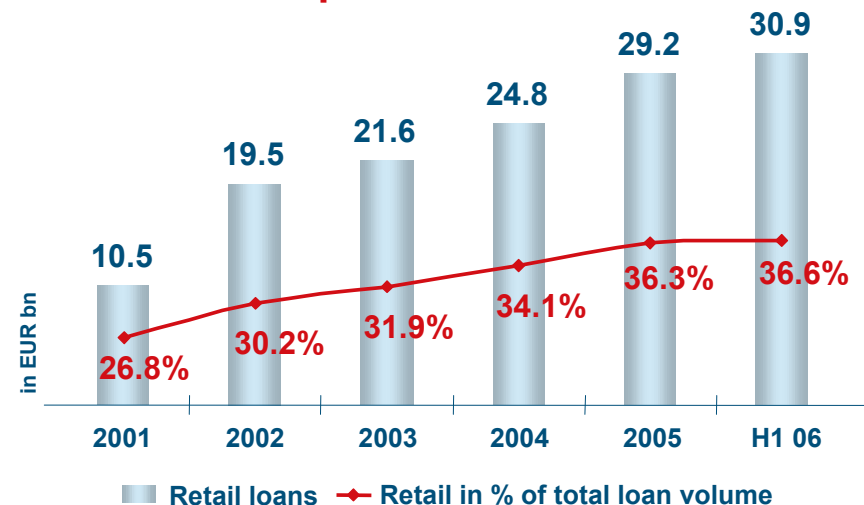
Compelling business case

- » Stable & strong growth
- » Low risk growth
- » Long-term growth

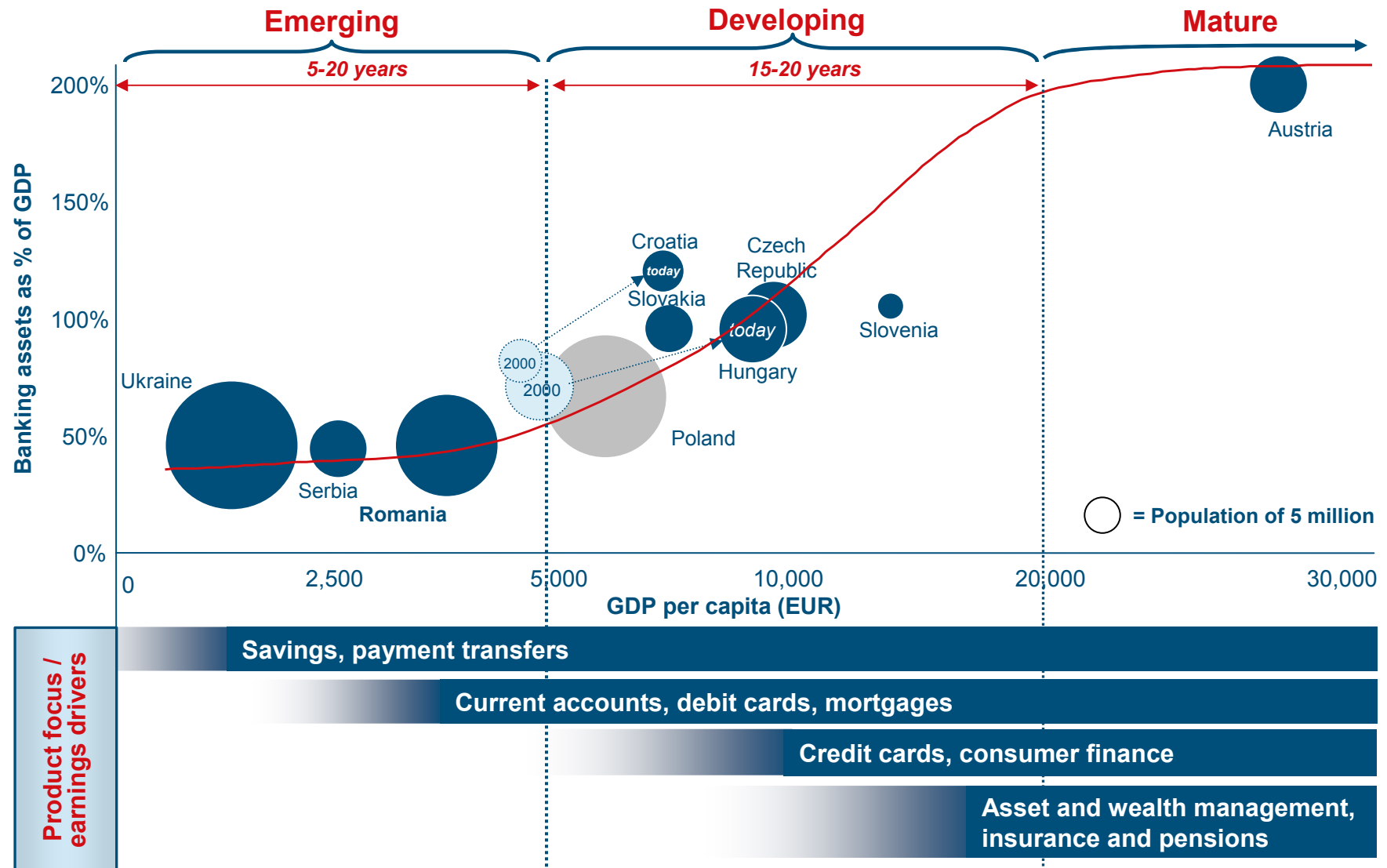
Customer base: 15.2m



EB Group retail loan volume



> Rationale for eastwards expansion



Source: Illustration based on local Central Bank statistics and Eurostat

> **Expansion based on value creation and strategic fit**

Erste Bank uses a variety of criteria to assess targets

» **Market share potential**

» Goal to reach above 15% in EU countries; 5% in non-EU

» **Business focus and client type**

» Mortgage loans and wealth management are key growth drivers
» Leveraging existing expertise

» **Geographic proximity**

» Cultural similarities
» Opportunity for and ability to integrate common processes

» **Stringent financial benchmarks**

» Return on investment
» Return on equity
» Earnings accretion

> 93% of Erste Bank's customers live within the EU

We are No. 1 or 2 by clients in the majority of our markets

ČESKÁ SPORITELNA

Clients: 5.3m; #1
Retail deposits*: 33%
Retail loans*: 32%
Branches: 637

ERSTE BANK

Clients: 1.0m; #2
Retail deposits (inc. SBs): 21%
Retail loans (inc. SBs): 19%
Branches:
- „Own“: 142
- Subsidiaries: 134

SPARKASSE

Clients: 1.7m
Branches: 711

ERSTE BANK

Croatia
Clients: 0.6m; #3
Retail deposits: 11%
Retail loans: 12%
Branches: 124

SLOVENSKÁ SPORITELŇA

Clients: 2.5m; #1
Retail deposits: 32%
Retail loans: 25%
Branches: 300

ERSTE BANK

Hungary
Clients: 0.9m; #2
Retail deposits: 6%
Retail loans: 9%
Branches: 171

ПРЕСТИЖ Комерційний Банк

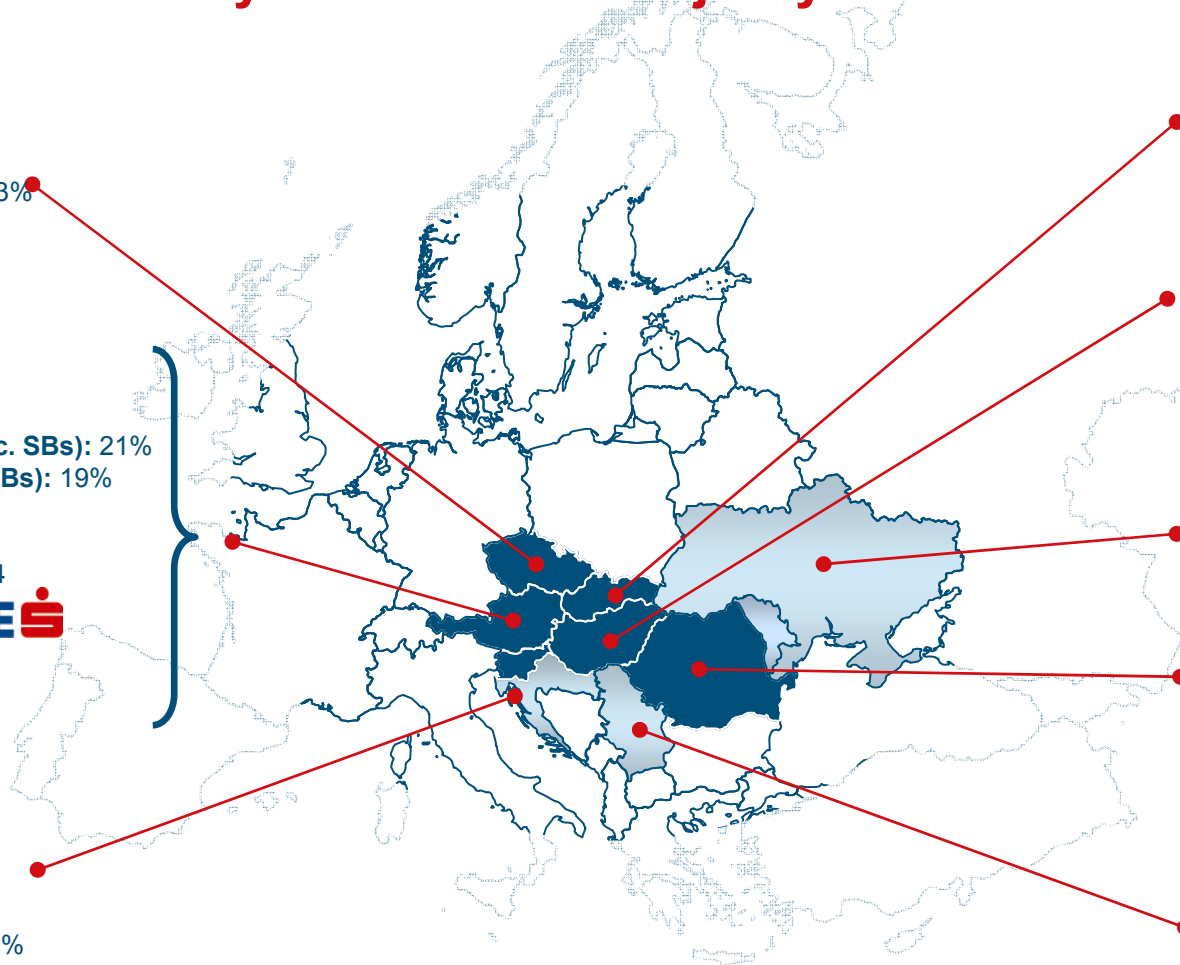
Bank Prestige
Founded in Dec 2005

BANCA COMERCIALA ROMANA

Clients: 2.8m; #1
Retail deposits: 34%
Retail loans: 30%
Branches: 381

ERSTE BANK

Serbia
Clients: 0.3m; ~#9
Retail deposits: 2%
Retail loans: 2%
Branches: 66



> Presentation topics

1. Consistent strategy and focused expansion
- 2. Above average growth within the EU**
3. Performance & targets
4. Appendix
5. Appendix

> **The EU factor – growth with (relative) stability**

Benefits of economic, political and structural convergence

- » **Reduction in interest rate volatility**
 - » Most countries on their path to EUR convergence
- » **Heightened FDI activity**
 - » Slovakia to be largest car producer/capita latest 2008 – more than double the German ratio
- » **Increased trade flows**
- » **Sustainable GDP growth acceleration expected for 2006**
 - » Austria: >3%
 - » CE EU countries: 3.5 – 7%
 - » CE non-EU: 3.5 – 7.5%
- » **Improved legal and regulatory framework**
 - » Land registers, Court reforms, Bankruptcy legislation and Commercial Registry reforms
- » **Decreased political risk**

* Excluding Hungary – 2007 GDP growth expected to slow down to >2% in 2007 due to austerity package

> Translating into strong loan demand

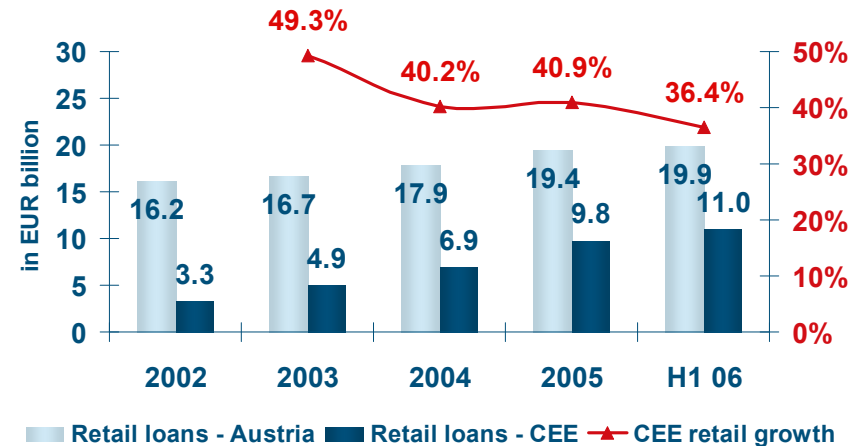
CEE exceeding 50% of retail loans

- » Retail loans in CEE continue to grow > 35%
- » From low base, but loan stock / capita indicates future potential

Key drivers

- » Mortgage loans (2005: ~ +50%)
- » Consumer finance (2005: ~ +30%)
- » Car leasing

CEE retail loans drive growth



Czech Republic - mortgages drive retail growth



Slovakia - mortgages underpin overall growth

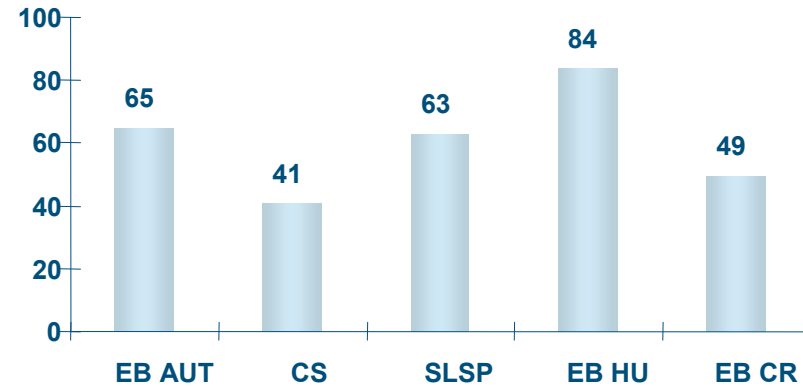


> Focus on retail lending in CEE...

Current Retail Margins



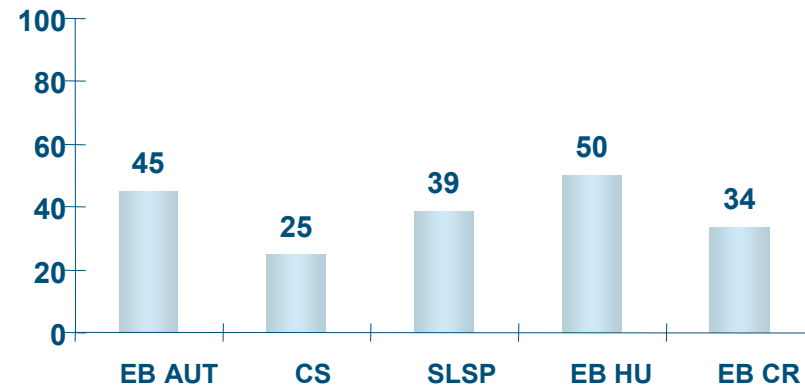
Current retail risk costs (bps)



Current Corporate Margins



Current Corporate risk costs (bps)



> ... keeping overall margins and risk costs stable

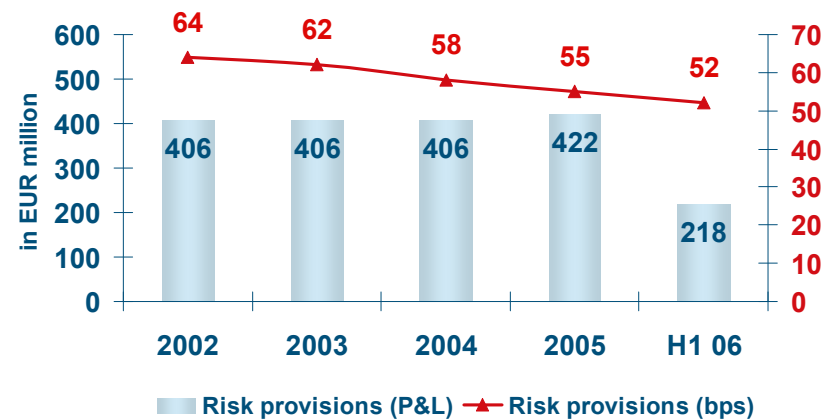
Quality growth in CEE

- » Attractive, broadly stable margins (350+ bps)
 - » Supported by changing asset mix
- » Good repayment record
 - » CEE NPL ratio < 1.5% against Austria's 3.3%
- » Benign risk environment in Austria and CEE leading to constantly declining risk costs
- » Harmonised approach to risk management

Net interest margins at Erste Bank Group

NIM	2002	2003	2004	2005	H106
CZ	3.4	3.6	3.7	3.5	3.5
SLSP	3.9	5.5	4.0	3.2	3.5
EBH	2.9	3.5	4.2	5.0	4.8
EBCR	4.6	4.2	3.8	3.8	2.8
EB Group	2.3	2.3	2.2	2.1	2.1

Risk costs reflect benign environment



> Preparing the ground for wealth creation

Fund management

- » FUM/capita indicates huge opportunity
- » Strong growth in CEE, but from low base
- » Markets will reach scale in the medium term

Life insurance

- » Same scenario as with fund management
- » Premiums/capita show gap to EU levels
- » Growth is steadier, tied to state regulations

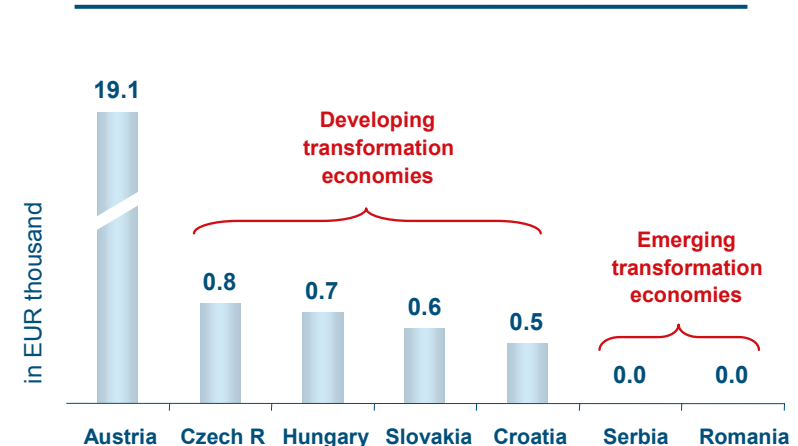
Leading market positions

- » 24.3% FUM share in CEE
- » 18.0% FUM share in Austria
- » Life shares range from 2% - 15%

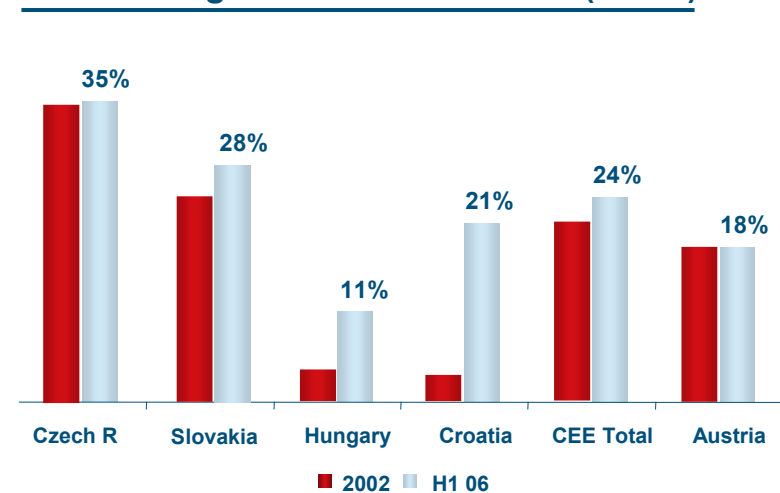
Beneficiary of catch-up process

- » Leveraging existing client base
- » Launch of new, more sophisticated products
- » Increased fee contribution

FUM/capita in CEE (H1 06)



Fund management market shares (H1 06)



> Presentation topics

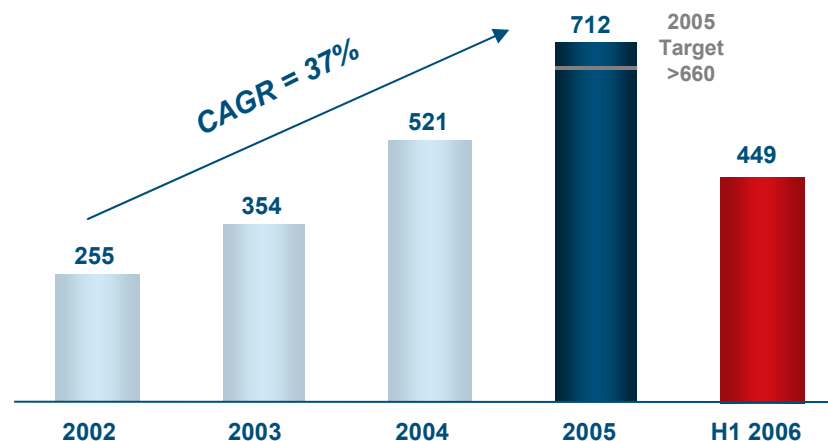
1. Consistent strategy and focused expansion
2. Above average growth within the EU
- 3. Performance & targets**
4. Appendix
5. Appendix

> Strategic position reflected in profit growth

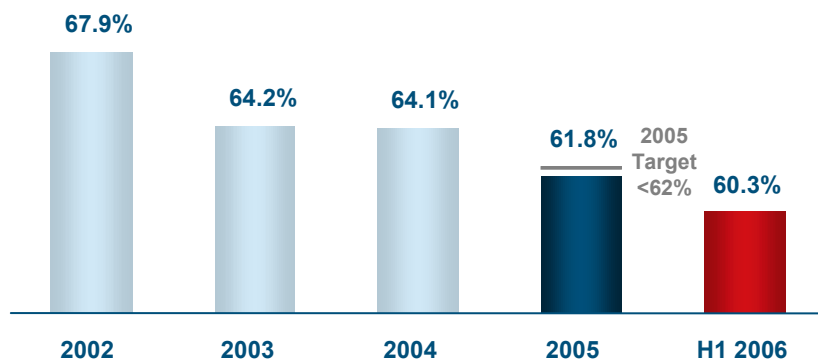
H1 2006 (IFRS) results

- » Net profit: + 33.7% to EUR 448.7m yoy
- » Total assets: + 5.0% to EUR 160.2bn ytd
- » Tier 1 ratio: 9.8%
 - » Tier 1 capital increased by EUR 2.7bn in Jan 06
- » Cost/income ratio: 60.3%
- » Return on equity: 13.9%

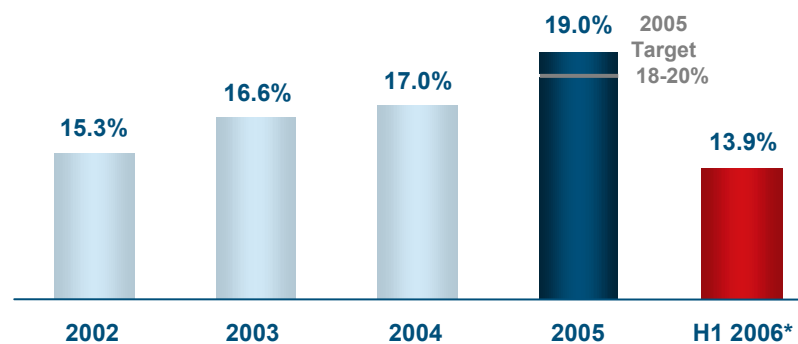
Group net profit (EUR m)



Cost/income ratio



RoE after tax



* After capital increase of EUR 2.7bn in January 06 and before completion of BCR acquisition

> Targeting growth and performance

Erste Bank Group targets

Outlook 2006

Net profit⁽¹⁾ growth

Above 20% in 2006

Mid term targets

Net profit⁽¹⁾ growth

More than 20% p.a. average until 2009

Cost/income ratio

Below 55% in 2009

Return on equity⁽²⁾

18-20% in 2009

(1) Net profit after tax and minorities

(2) Based on a Tier 1 ratio of at least 7%

> Q&A

> **Appendix**

1. **Group financials (IFRS)**
2. **Divisional figures – core segments**
3. **Asset quality**
4. **Current shareholder structure**
5. **Investor Relations contacts**

> Group income statement (IFRS)

Strong operating performance drives net profit growth

EUR m	H1 2006	H1 2005	% Change
Net interest income	1,481.8	1,369.5	8.2
Risk provisions for loans and advances	(218.3)	(209.9)	4.0
Net commission income	697.7	617.0	13.1
Net trading result	136.2	105.2	29.5
General administrative expenses	(1,404.9)	(1,323.1)	6.2
Result from insurance business	15.0	26.9	(44.2)
Other operating result	(0.9)	(9.4)	90.4
Pre-tax profit	706.6	576.2	22.6
Taxes on income	(159.0)	(139.5)	14.0
Minority interests	(98.9)	(101.0)	(2.1)
Net profit after minority interests	448.7	335.7	33.7
Operating income	2,330.7	2,118.6	10.0
Operating expenses	(1,404.9)	(1,323.1)	6.2
Operating result	925.8	795.5	16.4
Cost/Income ratio	60.3%	62.5%	
ROE	13.9%	18.7%	

> Group balance sheet (IFRS)

Assets – Retail loans continue to grow in CEE

EUR m	H1 06	YE 05	% Change
Cash and balances with central banks	2,658	2,728	(2.6)
Loans and advances to credit institutions	19,890	16,858	18.0
Loans and advances to customers	84,474	80,419	5.0
Risk provisions for loans and advances	(2,773)	(2,817)	(1.6)
Trading assets	5,410	5,426	(0.3)
AfS and assets through profit and loss	18,248	18,644	(2.1)
Financial investments	25,292	23,611	7.1
Intangible assets	1,900	1,911	(0.6)
Tangible assets	1,652	1,688	(2.1)
Other assets	3,478	4,192	(17.0)
Total assets	160,229	152,660	5.0
Risk weighted assets	79,247	75,078	5.6

> Group balance sheet (IFRS)

Liabilities – Customer deposits grow in Austria and Czech Republic

EUR m	H1 06	YE 05	% Change
Amounts owed to credit institutions	35,897	33,911	5.9
Amounts owed to customers	77,836	72,793	6.9
Debts evidenced by certificates	18,983	21,291	(10.8)
Provisions	8,830	8,635	2.3
Other liabilities	5,352	5,279	1.4
Subordinated capital	4,294	4,290	0.1
Total equity	9,037	6,461	39.9
thereof: shareholders' equity	6,865	4,129	66.3
thereof: minority interests	2,172	2,332	(6.9)
Total Liabilities	160,229	152,660	5.0
Tier 1 ratio	9.8%	6.8%	
Solvency ratio	13.5%	11.0%	

> Divisional figures – Core segments

Net profit growth in all core divisions

In EUR m	Austria		CEE Subsidiaries		Int. Business		Corp. Center		TOTAL EB GROUP	
	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05
Net interest income	753.5	772.6	624.8	532.8	70.4	75.1	33.1	(10.9)	1,481.8	1,369.5
Risk provisions for loans and adv.	(158.8)	(168.3)	(52.2)	(31.9)	(7.4)	(9.9)	0.2	0.2	(218.3)	(209.9)
Net commission income	456.6	395.2	249.5	225.4	15.3	15.8	(23.8)	(19.4)	697.7	617.0
Net trading result	78.9	57.4	58.2	45.8	0.1	(0.2)	(0.9)	2.1	136.2	105.2
General admin. expenses	(832.3)	(815.1)	(532.5)	(472.2)	(16.7)	(17.9)	(23.4)	(17.9)	(1,404.9)	(1,323.1)
Income from insurance business	10.5	23.1	4.5	3.8	0.0	0.0	0.0	0.0	15.0	26.9
Other operating results	27.1	0.5	(23.6)	7.4	6.7	2.3	(11.1)	(19.6)	(0.9)	(9.4)
Pre-tax profit	335.6	265.3	328.7	311.1	68.4	65.2	(26.0)	(65.4)	706.6	576.2
Taxes on income	(73.9)	(67.8)	(74.0)	(71.4)	(18.6)	(18.7)	7.5	18.4	(159.0)	(139.5)
Minority interests	(88.3)	(74.8)	(12.6)	(13.3)	0.0	0.0	2.0	(12.9)	(98.9)	(101.0)
Net profit after minority interests	173.4	122.7	242.1	226.4	49.8	46.5	(16.5)	(59.9)	448.7	335.7
Average risk-weighted assets	49,365.6	45,668.8	20,653.8	15,120.9	7,524.7	6,308.4	357.0	321.9	77,901.1	67,420.0
Average attributed equity	2,062.5	1,938.4	1,510.5	1,149.6	550.3	479.6	2,349.4	24.5	6,472.7	3,592.0
Cost/Income ratio	64.0%	65.3%	56.8%	58.5%	19.5%	19.7%	n.a.	n.a.	60.3%	62.5%
ROE on net profit after minorities	16.8%	12.7%	32.1%	39.4%	18.1%	19.4%	n.a.	n.a.	13.9%	18.7%
Thereof funding costs	(28.1)	(32.4)	(28.5)	(32.2)	0.0	0.0	(8.2)	(10.4)	(64.8)	(75.0)

> Core Segment Austria

Austria – Strong performance in all business segments

In EUR m	Savings banks		Retail & Mortgage		Large Corp.		Trading & Inv.B.		TOTAL AUSTRIA	
	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05
Net interest income	395.8	409.1	257.3	257.3	72.6	73.0	27.8	33.2	753.5	772.6
Risk provisions for loans and adv.	(87.2)	(86.8)	(48.9)	(52.6)	(22.6)	(28.9)	0.0	0.0	(158.8)	(168.3)
Net commission income	187.5	167.6	174.9	154.5	45.2	35.4	49.0	37.8	456.6	395.2
Net trading result	11.2	7.8	5.3	5.0	1.7	0.7	60.7	43.9	78.9	57.4
General admin. expenses	(415.8)	(412.6)	(317.7)	(314.6)	(47.4)	(42.6)	(51.5)	(45.3)	(832.3)	(815.1)
Income from insurance business	0.0	0.0	10.5	23.1	0.0	0.0	0.0	0.0	10.5	23.1
Other operating results	10.3	(4.4)	(1.5)	5.3	14.6	0.9	3.7	(1.4)	27.1	0.5
Pre-tax profit	101.9	80.6	79.9	77.9	64.1	38.5	89.6	68.3	335.6	265.3
Taxes on income	(22.4)	(21.6)	(17.4)	(18.8)	(14.1)	(9.4)	(20.0)	(17.9)	(73.9)	(67.8)
Minority interests	(74.7)	(58.3)	(9.1)	(11.7)	(4.5)	(4.9)	0.0	0.0	(88.3)	(74.8)
Net profit after minority interests	4.7	0.7	53.5	47.4	45.5	24.2	69.6	50.4	173.4	122.8
Average risk-weighted assets	25,498.1	23,453.7	13,013.1	12,023.1	7,522.2	6,530.0	3,332.2	3,662.0	49,365.6	45,668.8
Average attributed equity	317.0	249.5	951.7	914.1	550.1	496.4	243.7	278.4	2,062.5	1,938.4
Cost/Income ratio	69.9%	70.6%	70.9%	71.5%	39.6%	39.0%	37.5%	39.4%	64.0%	65.3%
ROE on net profit after minorities	3.0%	0.6%	11.2%	10.4%	16.6%	9.7%	57.2%	36.2%	16.8%	12.7%
Thereof funding costs	(6.7)	(7.5)	(14.1)	(16.4)	(7.1)	(7.8)	(0.1)	(0.8)	(28.1)	(32.4)

> Core segment Central Europe

CEE subsidiaries – continuing strong increase in net profit contribution

In EUR m	Czech Republic		Slovakia		Hungary		Croatia		Serbia		TOTAL CEE	
	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05	H1 06	H1 05
Net interest income	352.8	285.3	107.0	92.8	109.8	97.6	53.7	57.1	1.5	-	624.8	532.8
Risk provisions for loans and adv.	(22.1)	(13.4)	(7.6)	(5.1)	(14.1)	(9.2)	(7.3)	(4.3)	(1.1)	-	(52.2)	(31.9)
Net commission income	161.8	144.7	40.4	41.1	31.9	29.7	13.1	10.0	2.3	-	249.5	225.4
Net trading result	26.5	21.6	6.9	7.5	17.5	17.4	7.3	(0.6)	(0.0)	-	58.2	45.8
General admin. expenses	(294.4)	(267.3)	(89.1)	(83.9)	(93.4)	(86.7)	(41.5)	(34.3)	(14.2)	-	(532.5)	(472.2)
Income from insurance business	4.5	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	4.5	3.8
Other operating results	(12.3)	22.1	(1.4)	(2.5)	(9.1)	(10.3)	(0.6)	(1.9)	(0.3)	-	(23.6)	7.4
Pre-tax profit	216.9	196.8	56.4	49.9	42.6	38.5	24.6	25.9	(11.8)	-	328.7	311.1
Taxes on income	(52.3)	(52.6)	(8.4)	(6.5)	(8.9)	(7.4)	(4.8)	(4.9)	0.4	-	(74.0)	(71.4)
Minority interests	(5.3)	(4.6)	0.2	0.0	(0.1)	(0.1)	(7.5)	(8.6)	0.2	-	(12.6)	(13.3)
Net profit after minority interests	159.3	139.6	48.1	43.4	33.6	31.1	12.4	12.3	(11.3)	-	242.1	226.4
Average risk-weighted assets	10,896.7	8,653.0	3,096.3	2,181.2	3,630.9	2,190.7	2,898.7	2,095.9	131.2	-	20,653.8	15,120.9
Average attributed equity	796.9	657.9	226.4	165.8	265.5	166.6	212.0	159.3	9.6	-	1,510.5	1,149.6
Cost/Income ratio	54.0%	58.7%	57.7%	59.4%	58.7%	59.9%	56.0%	51.7%	n.a.	-	56.8%	58.5%
ROE on net profit after minorities	40.0%	42.4%	42.5%	52.4%	25.3%	37.4%	11.7%	15.5%	n.a.	-	32.1%	39.4%
Thereof funding costs	(8.8)	(11.5)	(6.6)	(8.2)	(9.4)	(10.2)	(2.0)	(2.3)	(1.7)	-	(28.5)	(32.2)

> Asset quality

NPL cover ratio at Erste Bank Group continues to improve

	Low Risk		Mgmt. Att'n		Substandard		NPL		Total ¹		Risk Provisions		NPL Coverage ²	
	H1 06	YE 05	H1 06	YE 05	H1 06	YE 05	H1 06	YE 05	H1 06	YE 05	H1 06	YE 05	H1 06	YE 05
Austria Total	79,771	75,544	11,206	12,267	2,143	2,431	3,184	3,275	96,305	93,517	2,149	2,168	67.5%	66.2%
CEE Total	36,548	32,915	1,796	1,699	484	470	527	500	39,355	35,584	581	602	110.2%	120.4%
Int'l Business	18,939	16,439	734	784	62	72	38	58	19,773	17,353	104	116	274.1%	199.8%
Corp. Centre	429	397	1	1	0	0	0	0	430	398	0	0	-	-
Total	135,687	125,296	13,737	14,751	2,690	2,973	3,749	3,833	155,863	146,853	2,834	2,886	75.6%	75.3%

- » **NPL's decrease by 2.2% ytd (4.8% yoy) - decline of NPL ratio to 2.4% (compared to 2.6% at YE 2005)**
 - » Total credit exposure increases by 5.8%
- » **EB Group NPL coverage slightly improved in H1 2006: up to 75.6% (vs. 75.3% at YE 2005)**
 - » Further improvement in Austria due to stronger decline in NPL's (-2.8%) compared to risk provisions (-0.9%)
 - » CEE coverage down to 110% - due to slightly lower provisions (release of general reserve at CS) and 5% increase in NPL's
- » **Provision charge at EB Group down to 52 BP (-4 BP yoy) on total customer loans**
 - » FY 2003: 62 BP / FY 2004: 58 BP / FY 2005: 55 BP / Q1 06: 54 BP

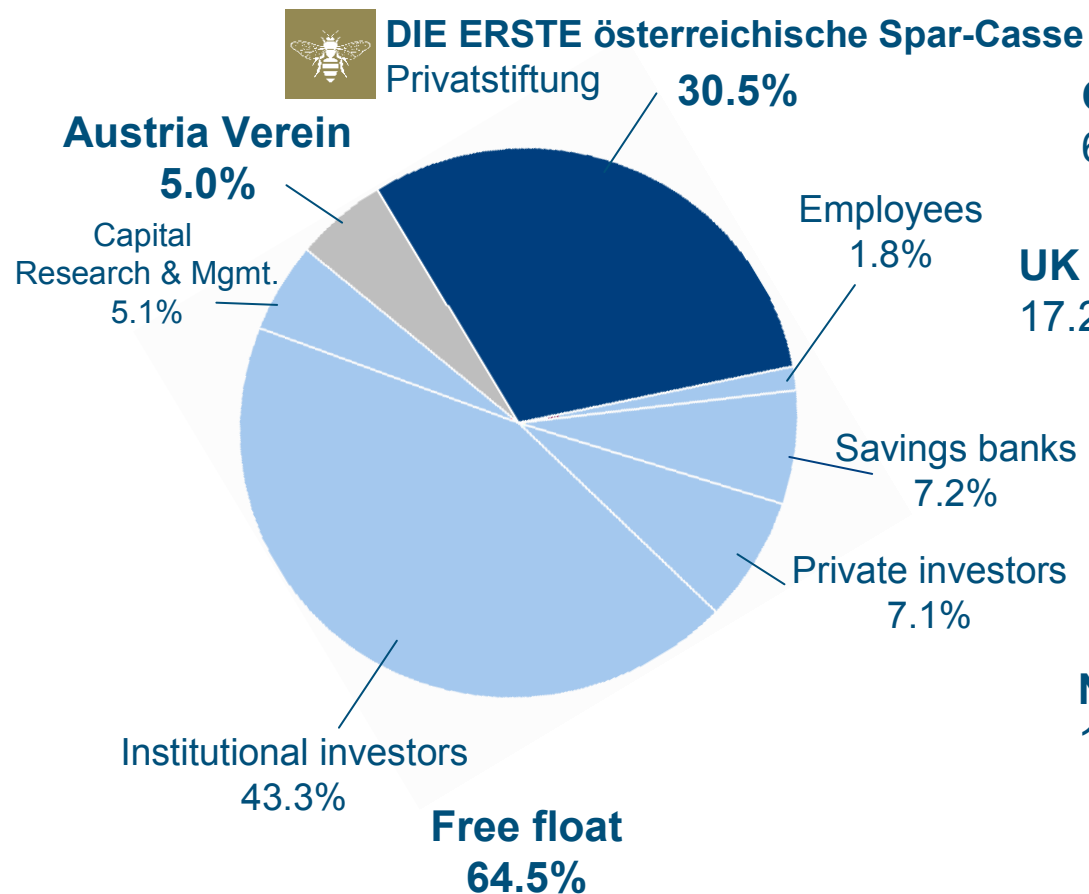
1 Including all loans and advances to customers and banks and all fixed income securities (in trading portfolio, investments available for sale or financial investments) as well as off-balance sheet credit risks (warranties, guarantees and letters of credit)

2 Without taking account of existing collateral

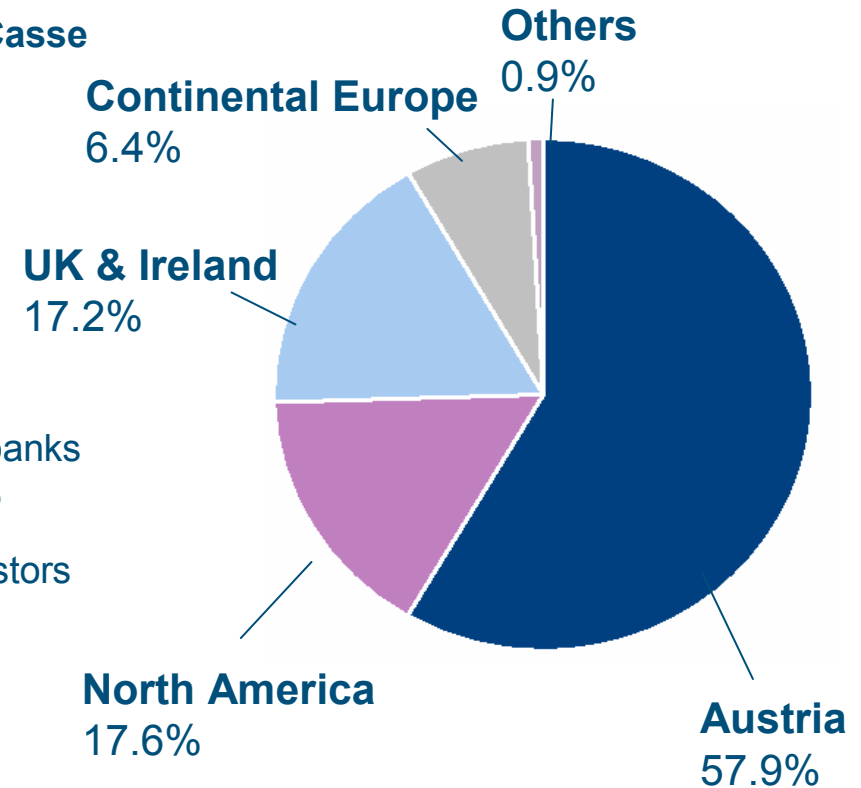
> Current shareholder structure

Total number of shares: 308,946,175*

By Investor Type



By Region



* As at July 2006

> Investor relations contacts

Erste Bank, Graben 21, 1010 Vienna

Fax +43 (0)5 0100-13112
E-mail: investor.relations@erstebank.at
Internet: www.erstebank.com

Reuters: ERST.VI **Bloomberg:** EBS AV
Datastream: O:ERS **ISIN:** AT0000652011

Investor relations

Gabriele Werzer

Tel: +43 (0)5 0100-11286

E-Mail: gabriele.werzer@erstebank.at

Thomas Sommerauer

Tel: 43 (0)5 0100-17326

E-Mail: thomas.sommerauer@erstebank.at

Josef Kerekes

Tel: +43 (0)5 0100-16878

E-Mail: josef.kerekes@erstebank.at