

14th Annual General Meeting

Erste Bank der oesterreichischen Sparkassen AG

31 May 2007
Austria Center
Vienna

Heinz Kessler
President of the Supervisory Board

First item on the agenda

Presentation of the audited and approved financial statements, the status reports of the Management Board and the report of the Supervisory Board for the financial year 2006, as well as the presentation of the consolidated financial statements and the Group status report for the financial year 2006

Report

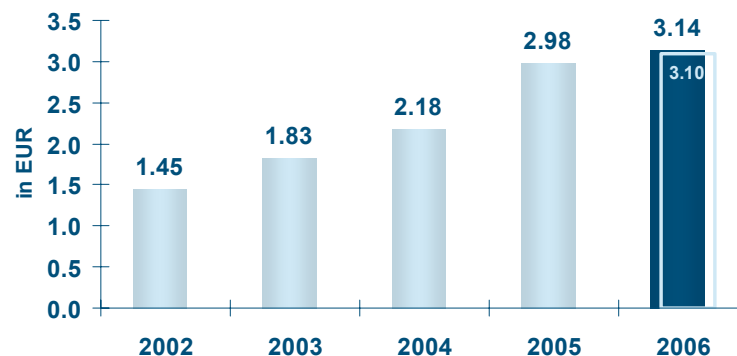
on the financial year 2006 for
Erste Bank der oesterreichischen Sparkassen AG

Andreas Treichl
Chairman of the Management Board

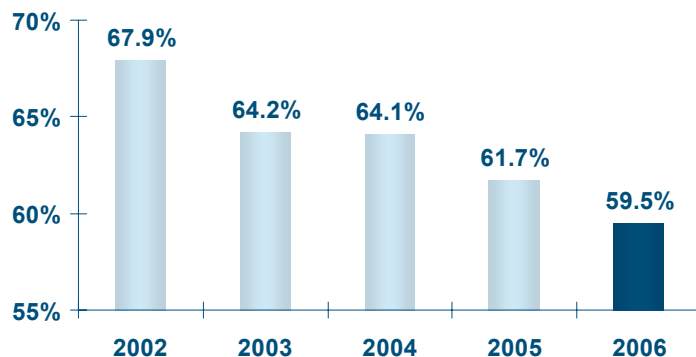
2006 financial highlights

- » **Net profit up 30.1% to EUR 932.2m**
(2005: EUR 716.7m)
» Up 26.2% to 904.8m excluding BCR contribution
- » **Total assets up 19.0% to EUR 181.7bn**
» Up 8.4% excluding BCR contribution
- » **Tier 1 ratio at 6.6%**
» After closing of BCR acquisition in Oct 2006
- » **Cash EPS reached EUR 3.14**
» Excluding EUR 18m depreciation for value of BCR customer base
- » **Cash ROE at 13.8%**

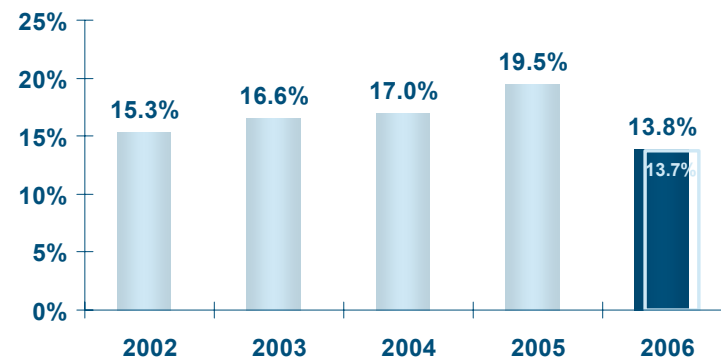
Cash earnings per share *



Cost/income ratio



Cash return on equity *



*) Light blue bars in 2006 denote reported EPS and ROE respectively. Decline in reported and cash ROE reflects 2006 capital increase.
EPS calculation based on average number of shares for the period (ex treasury shares and shares owned by savings banks with EB participations).

2006 Group balance sheet – assets (IFRS)

in EUR million	Dec 06	Dec 05*	Change
Cash and balances with central banks	7,378	2,728	>100.0%
Loans and advances to credit institutions	16,616	16,858	(1.4%)
Loans and advances to customers	97,107	80,419	20.8%
Risk provisions for loans and advances	(3,133)	(2,817)	11.2%
Trading assets	6,188	5,426	14.0%
Financial assets - FV	4,682	4,370	7.1%
Financial assets - AfS	14,927	14,537	2.7%
Financial assets - HtM	16,700	15,122	10.4%
Investments of insurance companies	7,329	7,066	3.7%
At-equity holdings	383	256	1.6%
Intangible assets	6,092	1,911	>100.0%
Tangible assets	2,165	1,688	28.2%
Tax assets	317	264	1.9%
Other assets	4,952	4,852	2.1%
Total assets	181,703	152,681	19.0%
Risk-weighted assets	94,129	75,078	25.4%

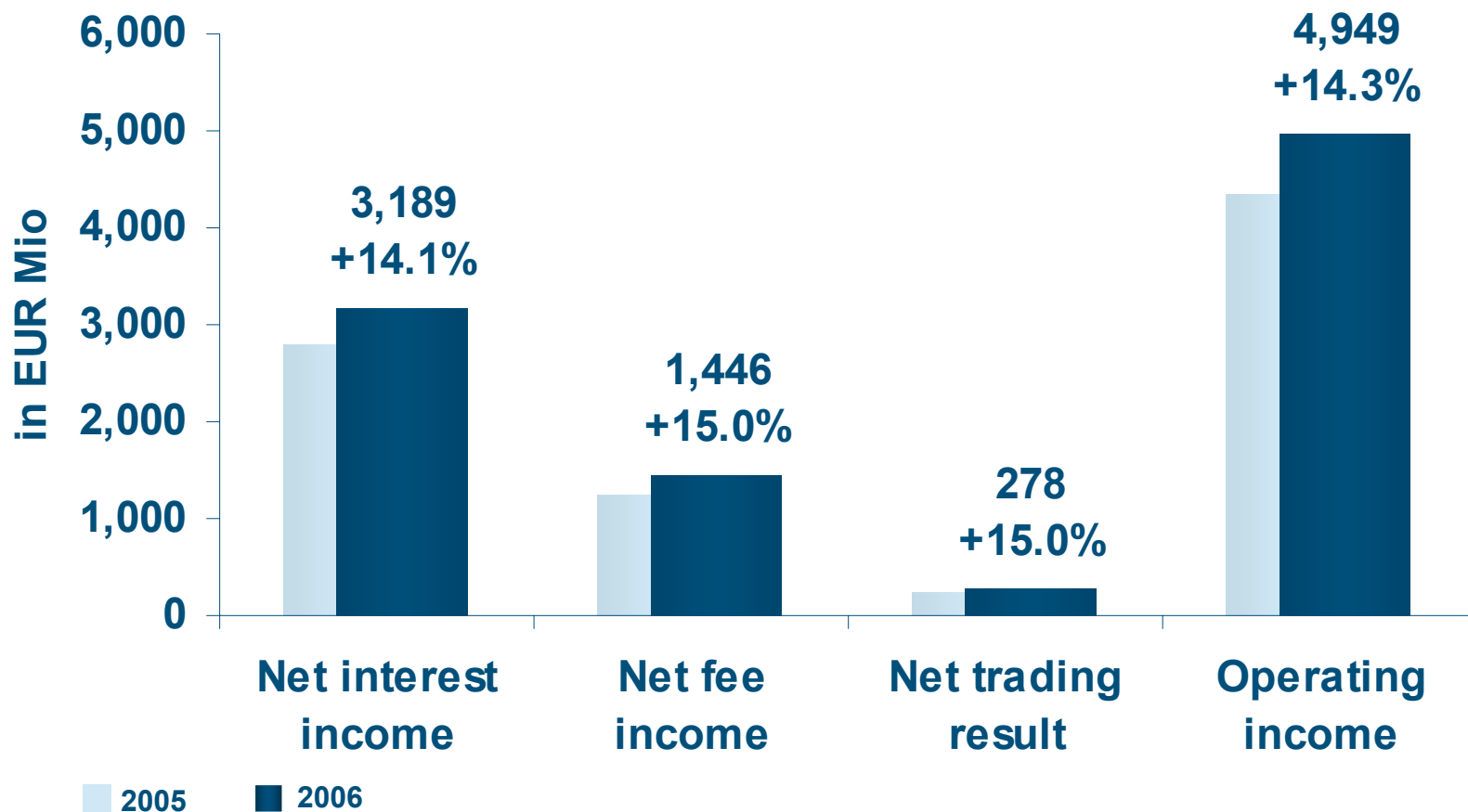
* Restated to reflect the effects of retrospective application of the amended IAS 19, as well as a change in the presentation of individual items in preparation for the application of IFRS 7 on 1 January 2007

2006 Group balance sheet – liabilities (IFRS)

in EUR million	Dec 06	Dec 05 [*]	Change
Amounts owed to credit institutions	37,688	33,911	11.1%
Amounts owed to customers	90,849	72,793	24.8%
Debt securities in issue	21,814	21,291	2.5%
Trading liabilities	1,200	1,304	(8.0%)
Underwriting provisions	7,920	7,056	12.2%
Other provisions	1,780	1,493	19.2%
Tax liabilities	291	188	(0.3%)
Other liabilities	4,047	3,976	1.8%
Subordinated capital	5,210	4,290	21.4%
Total equity	10,904	6,379	70.9%
Shareholders' equity	7,979	4,065	96.3%
Minority interests	2,925	2,314	26.4%
Total liabilities and equity	181,703	152,681	19.0%
Tier 1 ratio	6.6%	6.8%	
Solvency ratio	10.3%	11.0%	

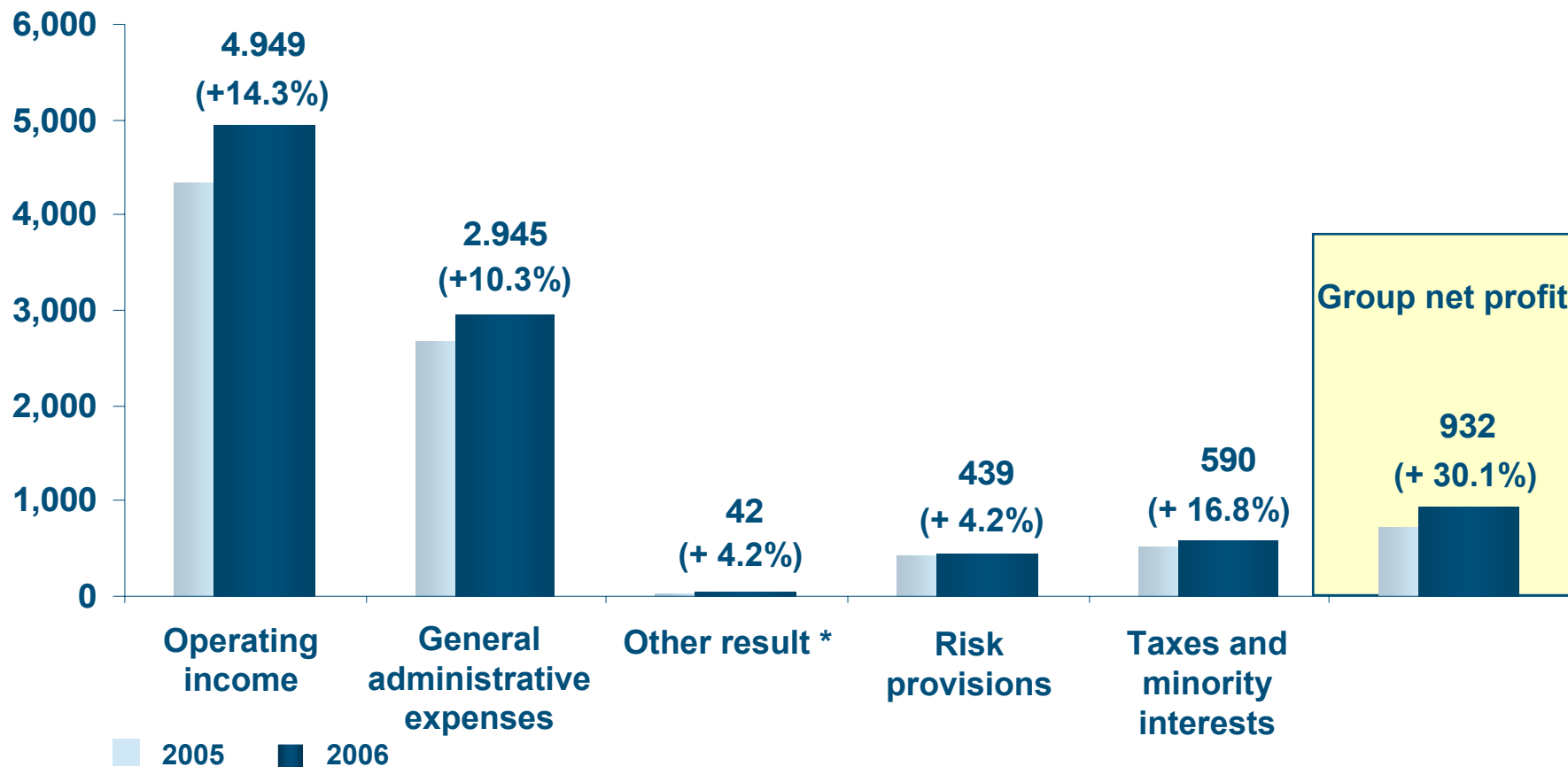
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2006 Group income statement (IFRS)



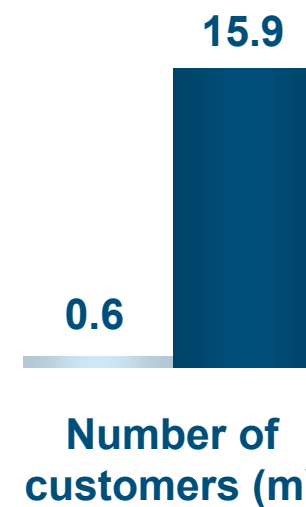
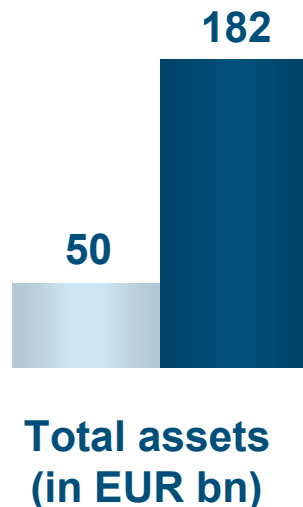
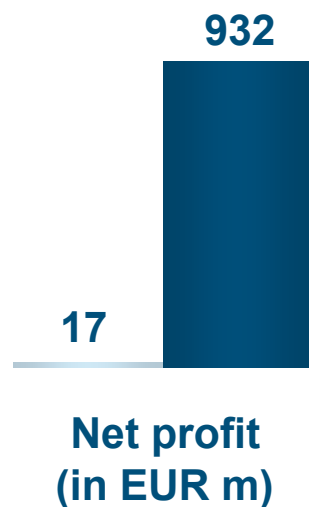
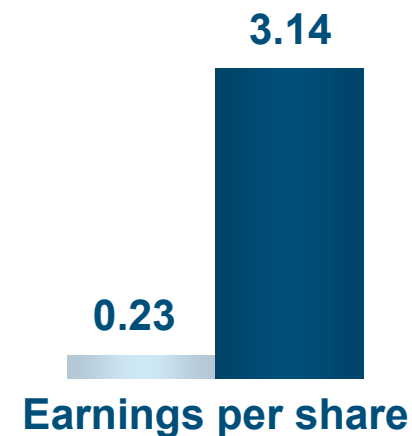
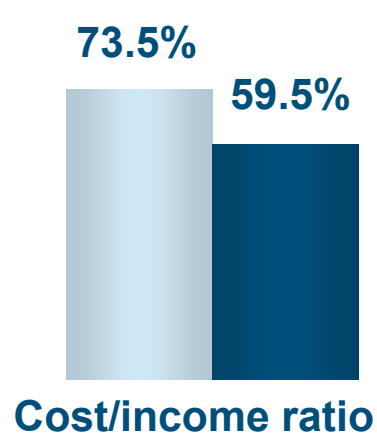
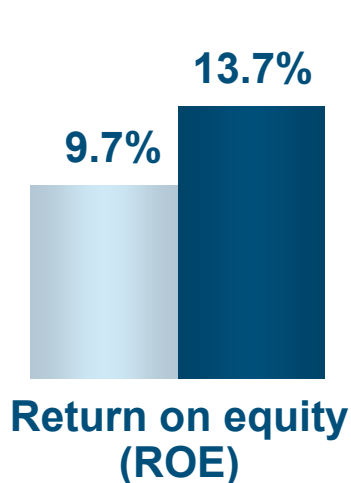
* Including income from insurance business

2006 Group income statement (IFRS)



* Other result = other operating result + income from financial assets

Key performance indicators 2006 versus 1997



Investments in central and eastern Europe

Since 1997 we have invested EUR 7.3bn in CEE

Czech Republic: EUR 1.4bn



Slovakia: EUR 0.6bn



Hungary: EUR 0.6bn



Croatia: EUR 0.3bn



Serbia: EUR 0.1bn



Romania: EUR 4.2bn



Ukraine: EUR 0.1bn



Total: EUR 7.3bn



Close to 16 million customers in CEE

95% of Erste Bank customers are citizens of the EU

ČESKÁ SPORITELNA

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

ERSTE BANK

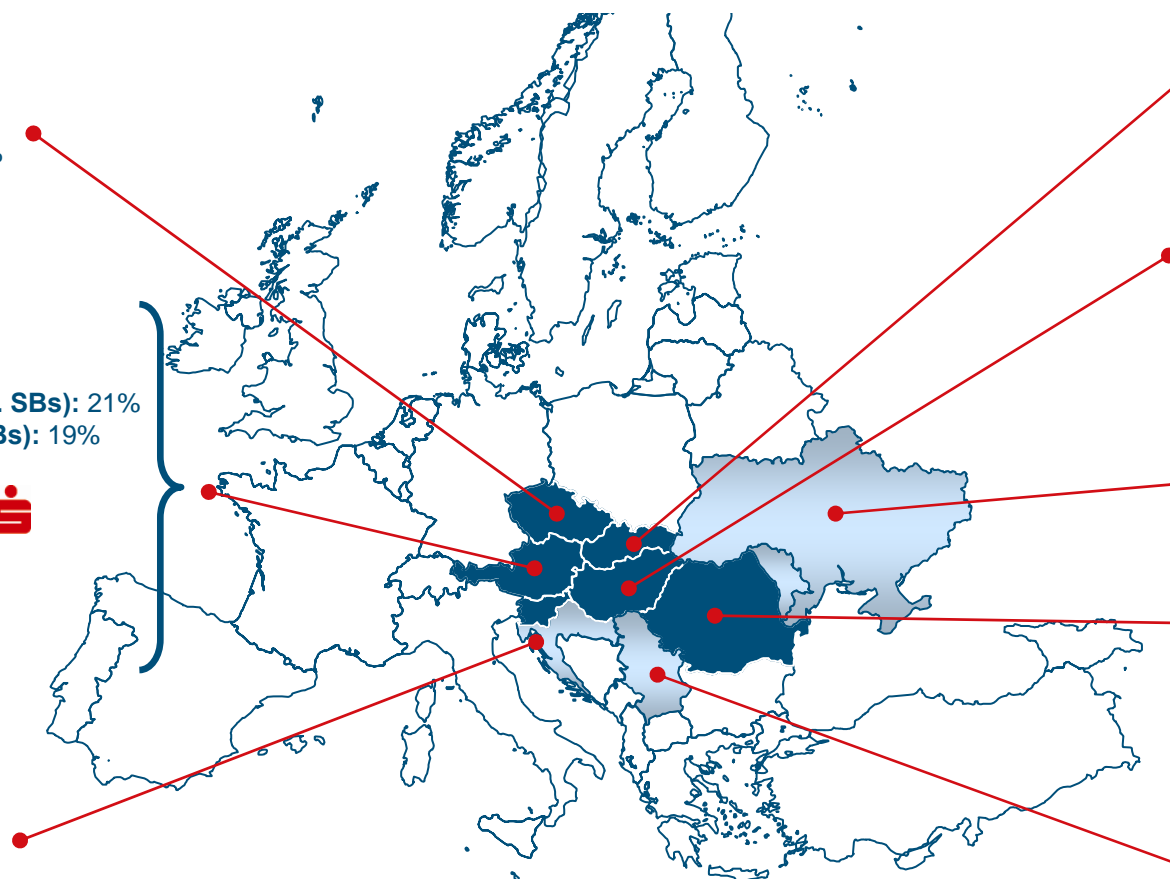
Clients: 0.7m; #2
Retail deposits (inkl. SBs): 21%
Retail loans (inkl. SBs): 19%
Branches: 278

SPARKASSE

Clients: 2.1m
Branches: 708

ERSTE BANK

Croatia
Clients: 0.6m; #3
Retail deposits: 11%
Retail loans: 12%
Branches: 114



SLOVENSKÁ SPORITELNA

Clients: 2.5m; #1
Retail deposits: 32%
Retail loans: 26%
Branches: 279

ERSTE BANK

Hungary
Clients: 0.9m; #2
Retail deposits: 6%
Retail loans: 11%
Branches: 186

ERSTE BANK

Ukraine
Branches: 27
Founded in Dec. 2005

BANCA COMERCIALA ROMANA




Clients: 3.5m; #1
Retail deposits: 31%
Retail loans: 25%
Branches: 485




ERSTE BANK

Serbia
Clients: 0.3m; ~#9
Retail deposits: 2%
Retail loans: 2%
Branches: 60

Update on CEE subsidiaries*

Local FY 2006 results (IFRS)

	 97.99%			 69.15%			 100.00%		
in EUR million	2006	2005	Change	2006	2005	Change	2006	2005	Change
Net profit after minorities	366.7	322.5	13.7%	214.5	184.3	16.4%	103.9	96.1	8.1%
ROE based on net profit	23.0%	22.3%		18.8%	17.6%		20.3%	19.3%	
Cost/income ratio	53.7%	56.9%		55.3%	57.2%		54.1%	55.4%	
	Dec 06	Dec 05	Change	Dec 06	Dec 05	Change	Dec 06	Dec 05	Change
Total assets	26,501	23,797	11.4%	14,020	10,117	38.6%	8,651	7,521	15.0%
Employees	10,856	10,755	0.9%	13,492	13,573	(0.6%)	4,797	4,836	(0.8%)

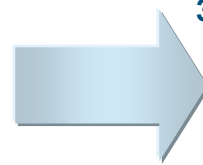
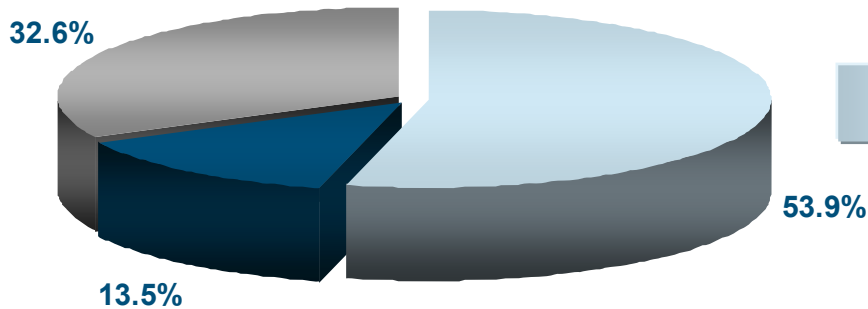
	 99.94%			 64.94%			 99.99%		
in EUR million	2006	2005	Change	2006	2005	Change	2006	2005	Change
Net profit after minorities	88.4	71.5	23.6%	56.0	47.5	17.9%	(28.3)	(7.5)	>100.0%
ROE based on net profit	25.2%	26.2%		18.7%	20.2%		nm	nm	
Cost/income ratio	54.8%	57.4%		50.7%	50.1%		nm	85.6%	
	Dec 06	Dec 05	Change	Dec 06	Dec 05	Change	Dec 06	Dec 05	Change
Total assets	7,069	5,770	22.5%	4,854	4,125	17.7%	288	153	88.2%
Employees	2,881	2,551	12.9%	1,759	1,604	9.7%	871	915	(4.8%)

*) To eliminate the currency effects, 2006 exchange rates have been used for P&L and balance sheet conversion.
 Pro rata consolidation of BCR and Erste Bank Serbia commenced 12 October 2006 and 1 August 2005 respectively.
 BCR figures include restructuring costs.

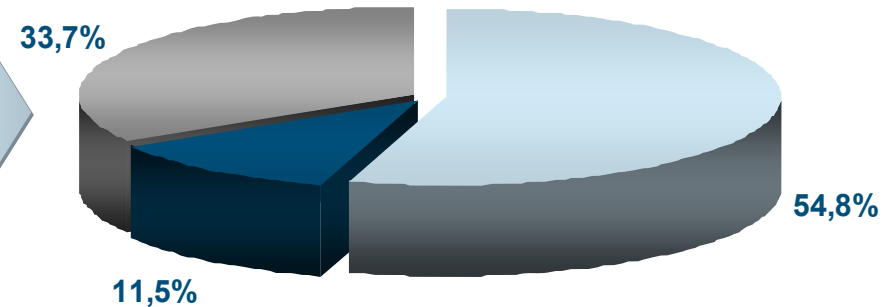
Growing importance of the emerging markets

Group net profit

2005

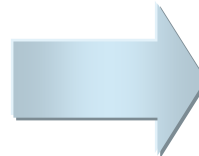
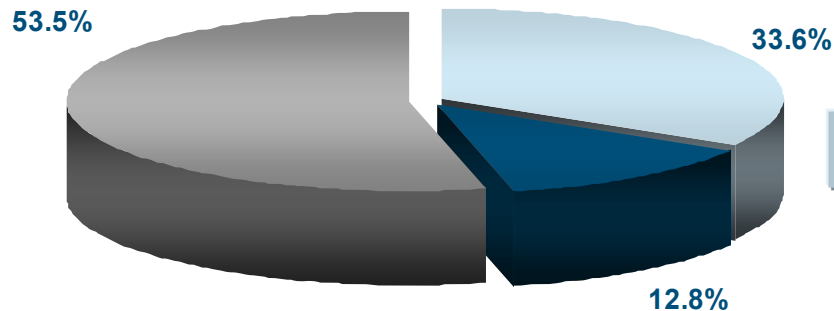


2006

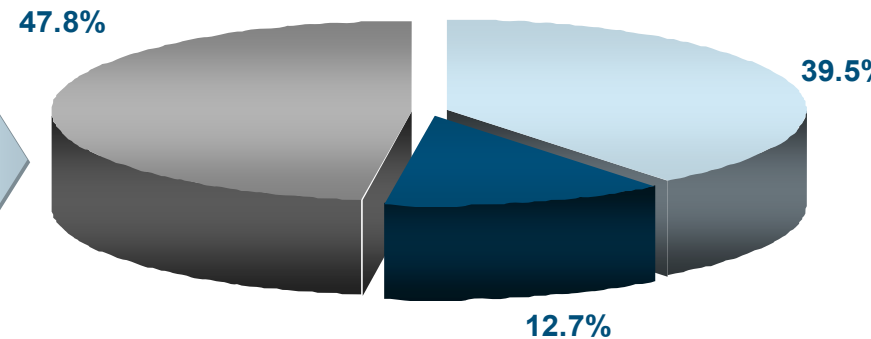


Shareholders' equity

2005



2006



CEE

Austria

International

Key developments 2006

Q1 2006

Successful placement of Vienna's largest ever capital increase in the amount of EUR 2,918 m for financing of the BCR acquisition

Q2 2006

Erste Bank increases its shareholding in Erste Bank a.d. Novi Sad from 95.6% auf 99.9 %

Q3 2006

Signing of a contract for the acquisition of a majority share in Ukraine's Bank Prestige

Share settlement dispute at Erste Bank subsidiary "ectra"

Q4 2006

Erste Bank officially becomes owner of 61.9% of BCR

Through the high acceptance levels of the employee share offer Erste Bank increases its share in BCR from 61.9% to 69.2%

S&P raises short term Rating to A1 und assigns long term "A" Rating to Erste Bank

Key developments 2006/7

Q1 2007

Die Erste Bank closes the acquisition of 100% in Ukrainian Bank Prestige for a purchase price of EUR 80m

Erste Bank acquires 100% of Diners Club Adriatic in Croatia. Purchase price: EUR 150m

Q2 2007

Decision by Austrian Supreme Court regarding the Haftungsverbund (cross-guarantee scheme) and business combination of the savings banks

New appointments/designations to Erste Bank Group management boards in 2006/2007

Austria:	Bernhard Spalt Péter Kisbenedek Herbert Juranek Johannes Kinsky Thomas Uher Peter Bosek
Serbia:	Sava Dalbokov Slavko Carić
Hungary:	Imre Sztanó
Czech Republic:	Gernot Mittendorfer
Romania:	Manfred Wimmer Oana Petrescu Martin Škopek Helmuth Hintringer
Ukraine:	Jozef Sikela Pavel Cetkovsky

Q1 2007 highlights

Net interest income +24.8 % to EUR 903.7m (EUR 724.0m in Q1 06)

Net commission income +28.3 % to EUR 438.9m (EUR 342.2m in Q1 06)

Operating income +27.3 % to EUR 1.483.0m (EUR 1.165.1m in Q1 06)

Operating result +29.3 % to EUR 612.4m (EUR 473.8m in Q1 06)

Pre-tax profit +24.4 % to EUR 476.6m (EUR 383.0m in Q1 06)

Net profit +25.1% to EUR 302.1m (EUR 241.5m in Q1 06)

Q1 2007 highlights

Cost/income ratio 58.7% (59.5% in FY 2006)

ROE 15.0% (13.7% in FY 2006)

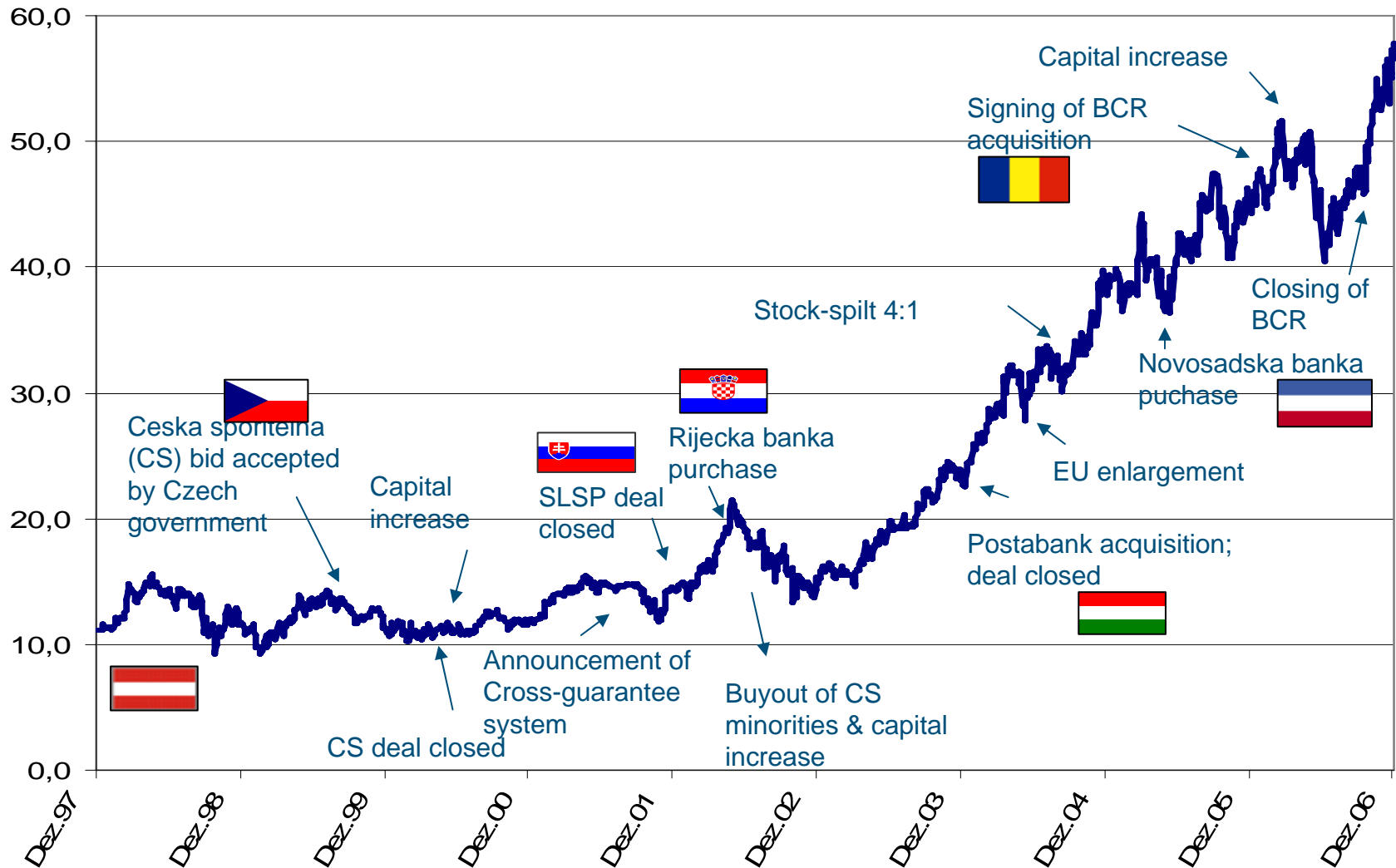
Total assets +4.9% to EUR 190.6bn (EUR 181.7bn at YE 2006)

Tier 1 ratio 6.8% (according to Basel II starting 2007) after 6.6% at YE 2006

Quarterly EPS EUR 0.97 (EUR 0.84 in Q1 06)

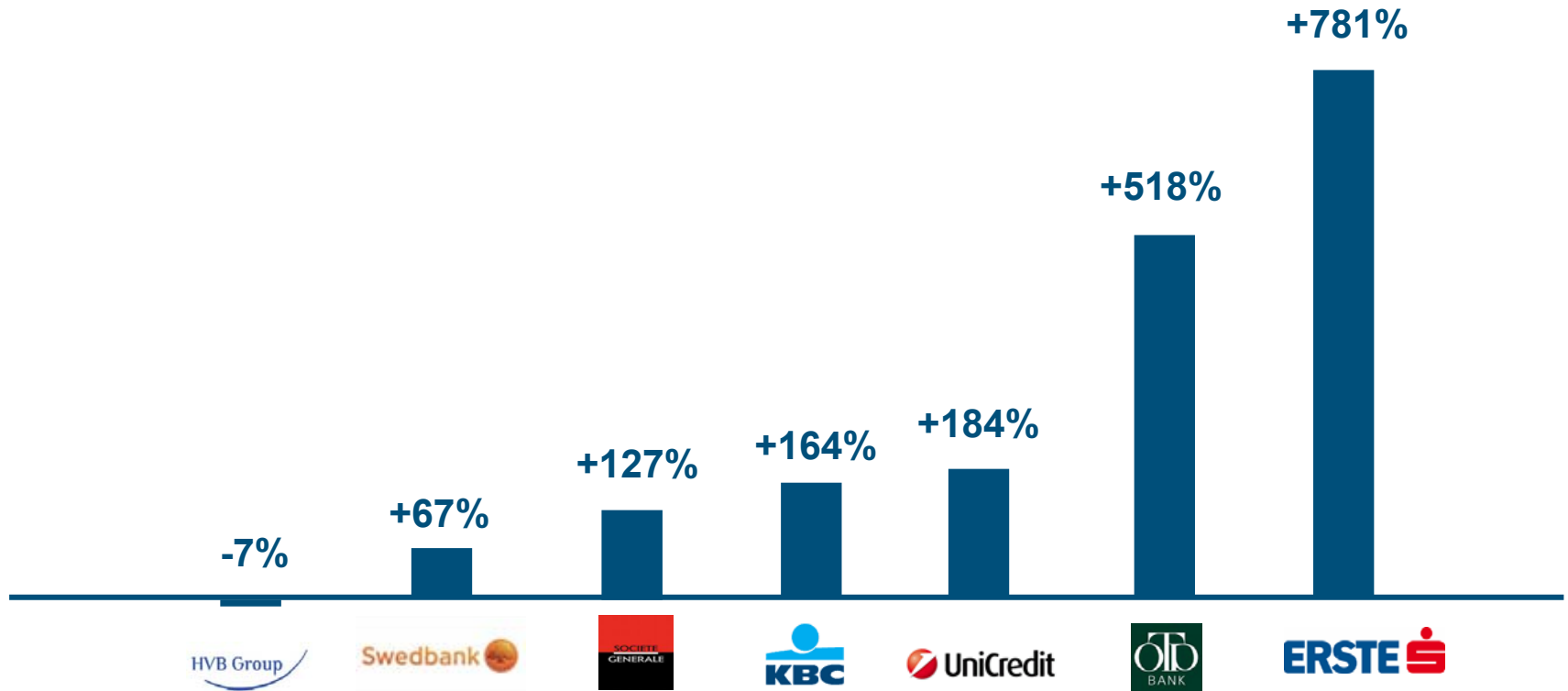
Share price development

in EUR



Market development since 2000

Peer group: CEE retail banks % increase in market value

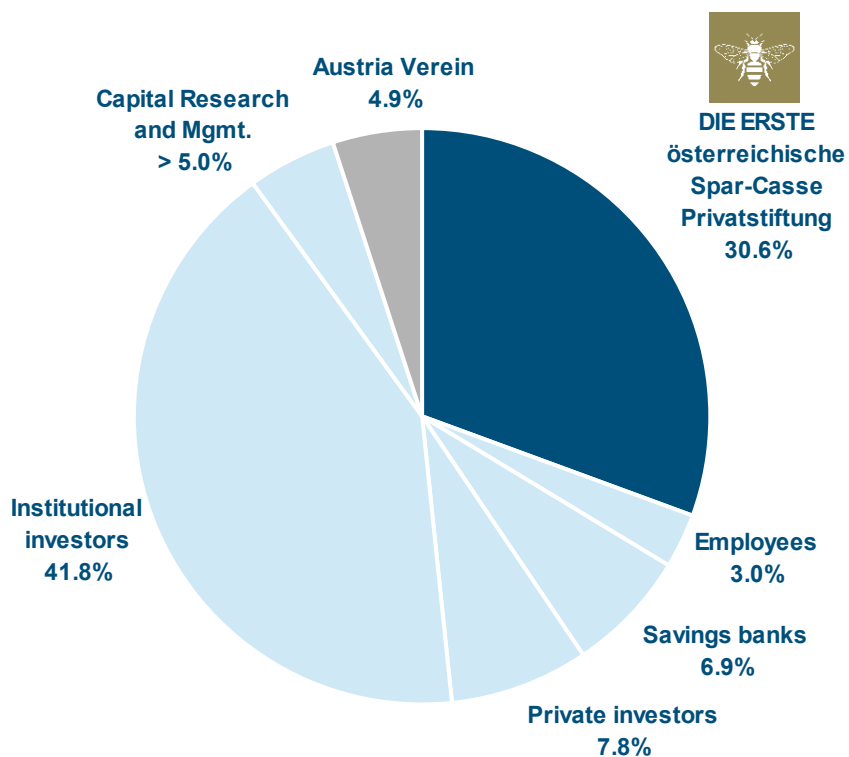


(*) Raiffeisen International not included as only listed since 2005

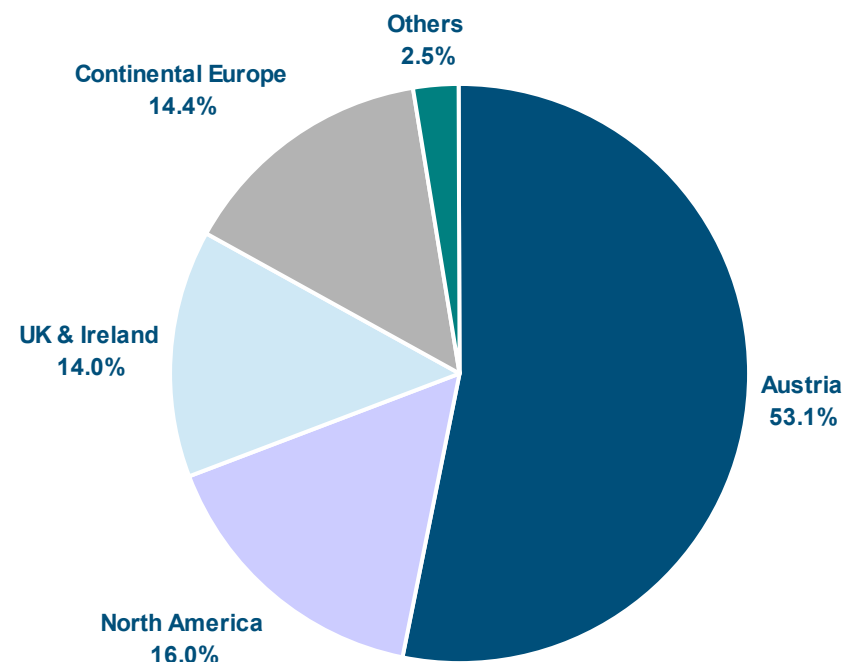
Current shareholder structure

Total number of shares: 315,296,185 (Dec 2006)

By investor



By region



Employee share ownership

It is a declared goal of Erste Bank to offer our employees the opportunity to participate in the increase in value of the Group

Since the approval of the 2002 AGM to 2007 five employee share purchase schemes and two options programmes have been implemented

Employees currently hold about 3% of the share capital

ESOP 2007 Result: Groupwide 680,000 new shares

Serbia and Ukraine will participate once regulations permit

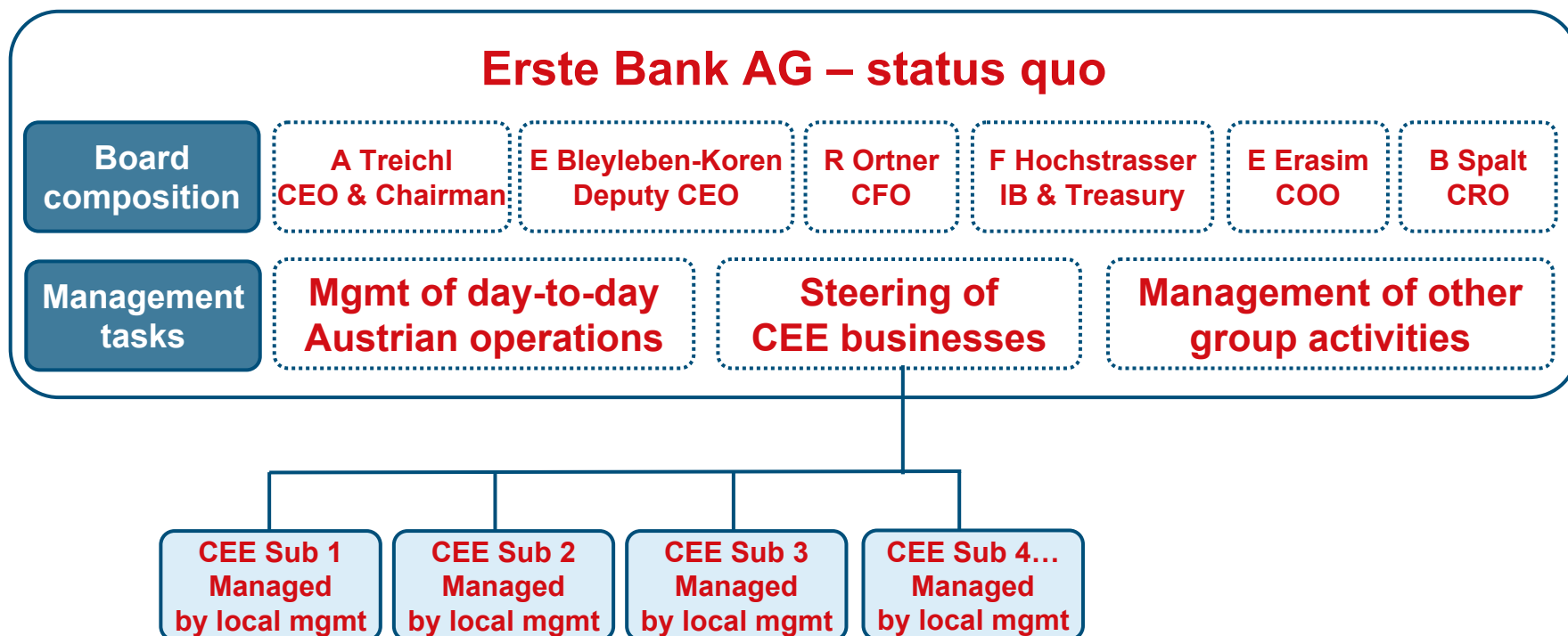
Existing governance structure

No change in Corporate Governance for 10 years

Increasing overlap of group and local management tasks

Limits to scalability became evident as group continued to grow

Erste Bank AG – status quo



Intermediate governance structure

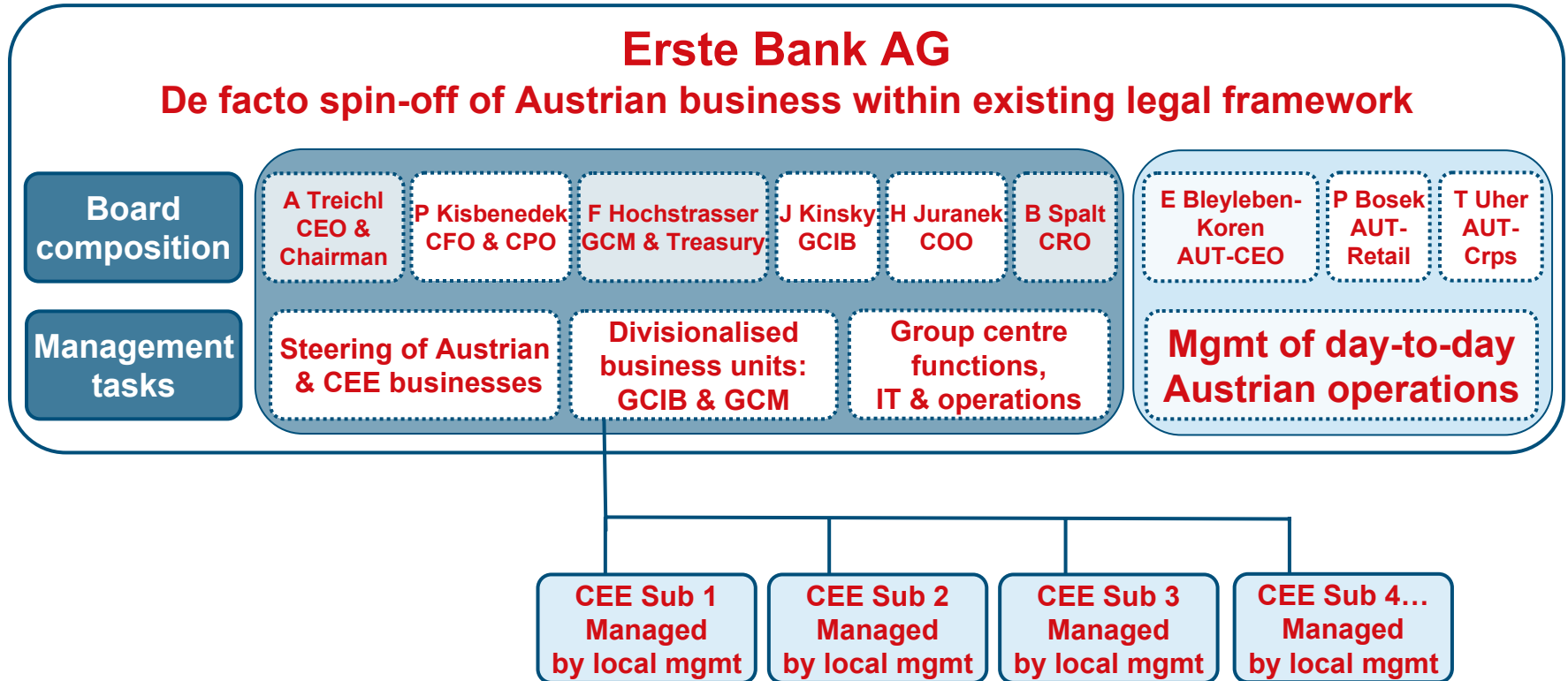
Virtual holding as of 1 July 2007

Two board members in Austria retire

Austria and Group board committees set up

Implementation of two divisionalised business units

Establishment of group centre functions covering IT & operations



New governance structure

Legal separation of businesses as of mid-2008



Major benefits of the new governance structure

Clear corporate governance

Local banks manage retail and SME customer business

Holding involvement only in selected group-wide business initiatives

Payment cards etc

Divisionalised business segments managed and steered on group level

Transparency, internal and external

Improved comparability of intra-group operating performance

Clear-cut responsibilities

Group versus local business

Conscious combination of centralised and decentralised elements

Freeing up of management capacity for retail and SME business/client activities

Increased activity in HR development and performance management

Simultaneous focus on group synergies and local entrepreneurship

Erste Bank outlook and targets

Outlook 2007:

Net profit of EB Group expected to increase by at least 25%

» Based on YE 2006 net profit of 932m

Mid term Group 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%

Heinz Kessler
President of the Supervisory Board

Second item on the agenda

Resolution on the distribution of profits

Proposed distribution of earnings:

Dividend of Euro 0.65 per share

Third item on the agenda

Grant of discharge to the members of

(a) the Management Board

(b) the Supervisory Board

with regard to the financial year 2006

Request to speak

On agenda items 1, 2 and 3:

- **Report on the financial year 2006**
- **Resolution on the distribution of profits**
- **Grant of discharge to the members of the Management Board and Supervisory Board**

Fourth item on the agenda

Approval of the remuneration of the Supervisory Board

Proposal:

EUR 350,000 for the Supervisory Board

Fifth item on the agenda

Elections to the Supervisory Board

Proposed candidates:

Dr. Heinz Kessler

John James Stack

Brian Deveraux O'Neill

Sixth item on the agenda

Appointment of an additional auditor and group auditor for the financial year 2008 in addition to the Savings Bank Auditors Association (Sparkassen-Prüfungsverband) as the statutory auditor

Proposal:

Ernst & Young Wirtschaftsprüfungsgesellschaft mbH

Seventh item on the agenda

Approval of the acquisition by Erste Bank of own shares for the purpose of securities trading

Eighth item on the agenda

Authorisation of the acquisition by Erste Bank of own shares for no designated purpose, excluding the acquisition of such shares for trading purposes, (“share buy-back“) as well as the authorisation to use these shares as consideration for the acquisition of enterprises, businesses or parts thereof or shares in one or more companies in Austria or abroad, and thus to dispose of these shares in a manner other than via the stock exchange or in public offering

Ninth item on the agenda

Approval of amendments of the articles of association:

- a) Item 7 (Adaptation in respect of 2006 act - change in take-over rules)**
- b) Item 10.1 (Increase of maximum number of members of the management board from 8 to a maximum of 9)**
- c) Item 17.2 (Cover of nominal value of mortgage bonds)**

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