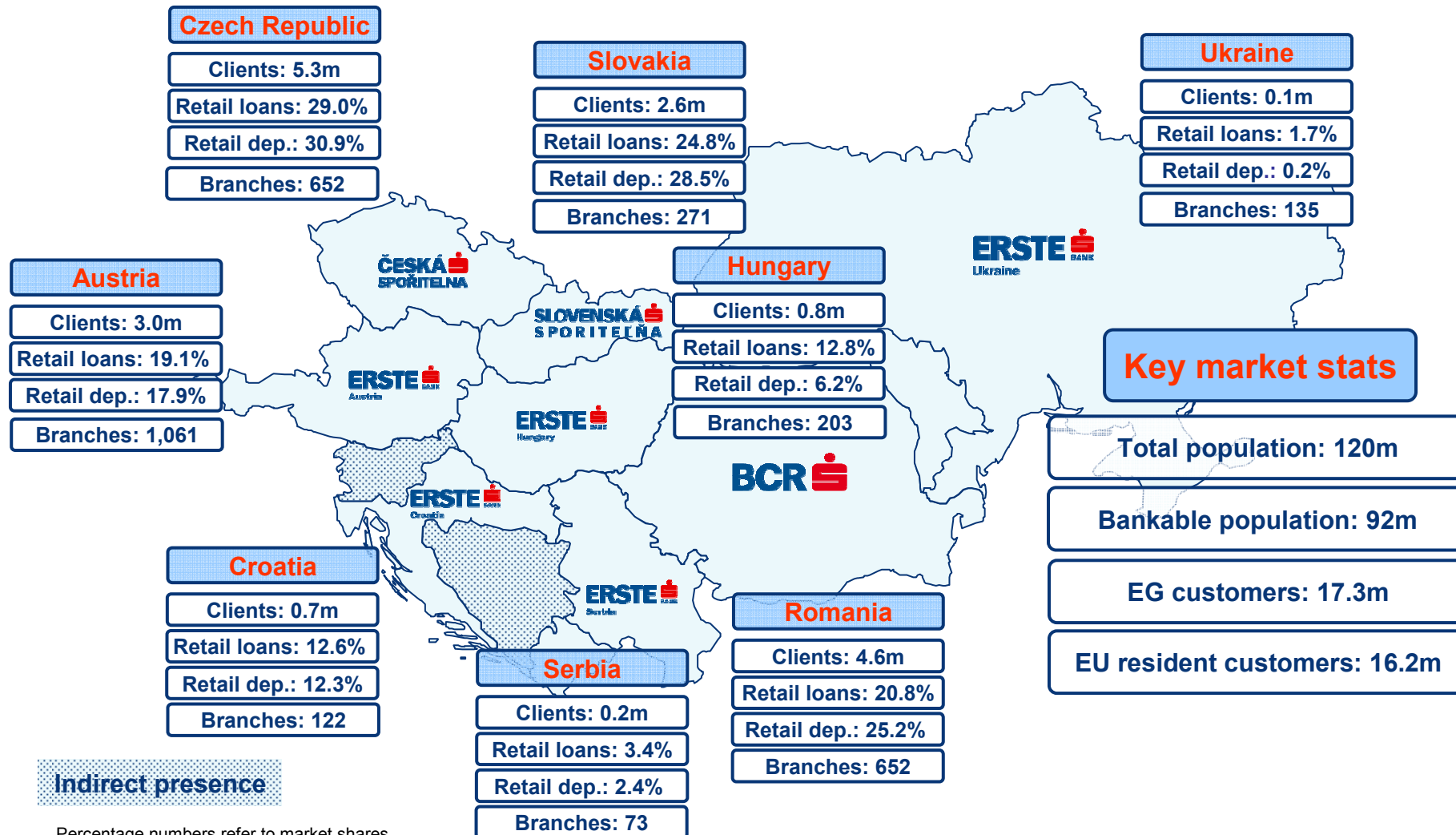


Erste Group – H1 09 results presentation

30 July 2009, Vienna

Andreas Treichl
Franz Hochstrasser
Manfred Wimmer
Bernhard Spalt
Johannes Leobacher

Erste Group – Overview of key ratios



Q2 09 financial highlights



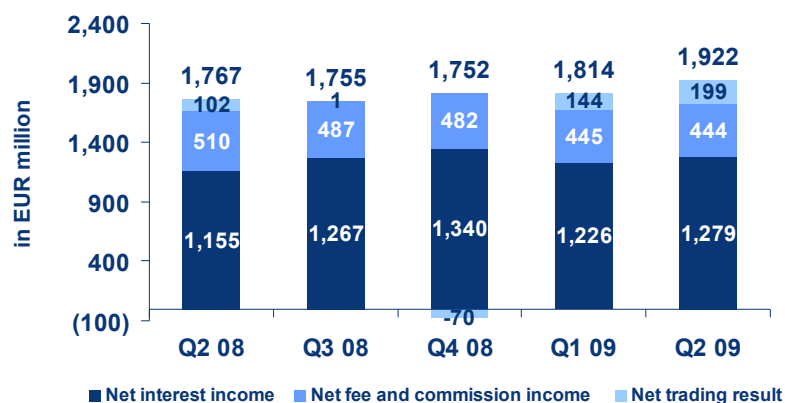
ERSTE GROUP

in EUR million	1-6 09	1-6 08	Change	Q2 09	Q1 09	Q2 08
Retail & SME	1,295.4	1,227.1	5.6%	678.8	616.6	586.0
Austria	355.5	334.9	6.1%	166.1	189.4	137.8
EB Oesterreich	147.8	132.1	11.9%	76.2	71.6	67.3
Savings Banks	207.7	202.8	2.4%	89.9	117.7	70.5
Central and Eastern Europe	939.9	892.1	5.4%	512.7	427.2	448.1
Czech Republic	395.5	358.9	10.2%	213.6	181.8	170.8
Romania	266.0	275.7	(3.5%)	133.9	132.1	138.8
Slovakia	94.0	98.1	(4.2%)	51.1	42.9	50.6
Hungary	105.8	93.3	13.4%	72.6	33.2	50.2
Croatia	73.3	70.9	3.4%	39.9	33.4	38.5
Serbia	6.4	2.9	>100.0%	3.3	3.1	2.5
Ukraine	(1.0)	(7.6)	87.0%	(1.8)	0.8	(3.3)
GCIB	262.7	209.4	25.4%	131.4	131.3	105.6
Group Markets	342.0	203.9	67.7%	174.3	167.7	118.9
Corporate Center	(123.6)	(149.4)	17.3%	(46.6)	(77.0)	(80.1)
Total Erste Group	1,776.4	1,490.9	19.1%	937.8	838.6	730.4

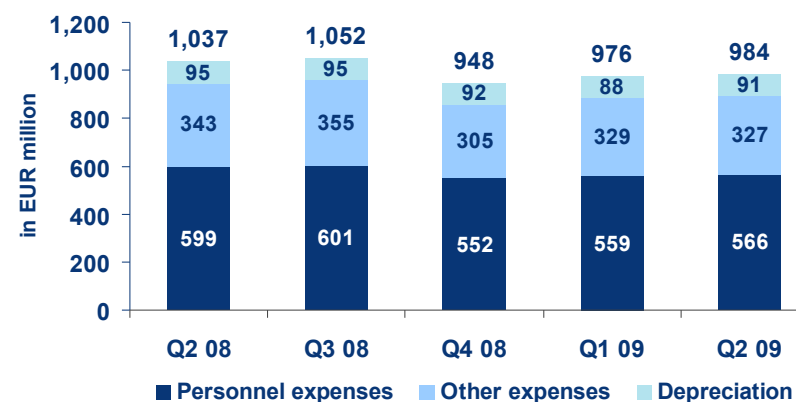
*) Changes in scope of consolidation leading to only minor distortion: 1 additional savings bank (Kufstein) joined the Haftungsverbund in Jan 2009; Investbanka, Macedonia was acquired by the Styrian savings bank in Oct 2008

H1 09 financial highlights – Solid NII and strong trading result - costs under control

Operating income per quarter



Operating expenses per quarter



– Operating income up 7.0% on H1 08 and 5.9 qoq

- NII continued its solid performance (+8.6% yoy / +4.3% qoq) supported by improving asset margins in CEE and positive contribution from Group Markets division offsetting higher funding costs, low loan demand as well as negative effect of lower interest rates on liability margins mainly in CZ and SK.
- Fee income was down 11.4% compared to H1 08, but stabilising on Q1 09 (-0.2% qoq) with continued impact of weak securities business in Austria and lower transaction and lending volumes in CEE
- Trading result continued to outperform in Q2 09 (+38.6% on strong Q1 09) up 86.1% yoy on H1 08 mainly supported by positive contribution from customer business and fixed income as well as money market desks

– Operating expenses declined by 2.1% on H1 08 (+0.9% qoq)

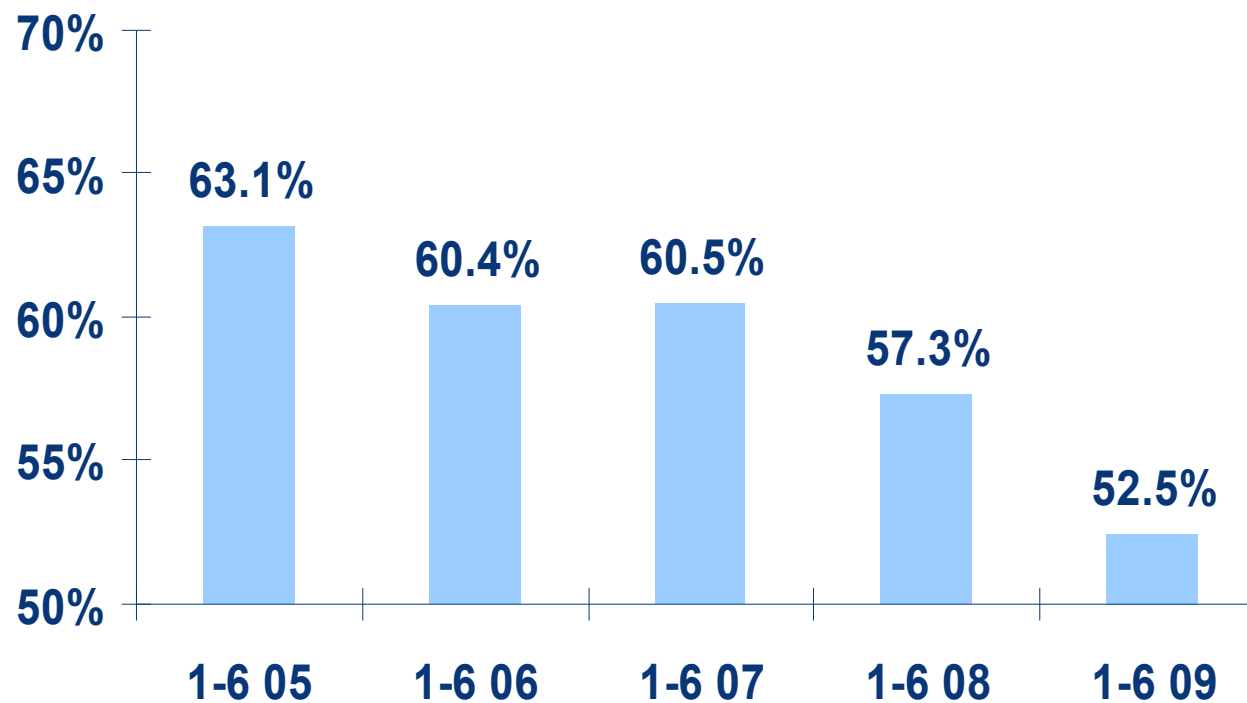
- Strong cost control resulting in declining personnel costs (-3.1% yoy) and depreciation (-4.7% yoy) and nearly unchanged other administrative expenses (+0.6% yoy)
- Focus on cost management to continue throughout 2009

1) Operating result = Operating income (NII + fee & commission income + trading result) minus general administrative expenses

Cost/income ratio

reaches historical low of 52,2%

Cost/income ratio



Group income statement (IFRS) – Higher risk costs impact bottom line performance

in EUR million	1-6 09	1-6 08	Change	Q2 09	Q1 09	Q2 08
Net interest income	2,505.3	2,306.0	8.6%	1,279.3	1,226.0	1,154.9
Risk provisions for loans and advances	(892.1)	(384.1)	>100.0%	(521.9)	(370.2)	(221.0)
Net fee and commission income	888.2	1,002.2	(11.4%)	443.6	444.6	510.3
Net trading result	343.1	184.4	86.1%	199.3	143.8	102.1
General administrative expenses	(1,960.2)	(2,001.6)	(2.1%)	(984.3)	(975.9)	(1,036.8)
Other operating result	(87.5)	(84.8)	(3.2%)	(47.6)	(39.9)	(61.9)
Result from financial assets - FV	(12.1)	(79.9)	84.9%	32.0	(44.1)	(7.0)
Result from financial assets - AfS	(18.7)	(6.5)	na	(7.9)	(10.8)	6.3
Result from financial assets - HtM	(0.9)	0.1	na	(0.8)	(0.1)	0.1
Pre-tax profit from continuing operations	765.1	935.8	(18.2%)	391.7	373.4	447.0
Taxes on income	(191.3)	(187.2)	2.2%	(107.3)	(84.0)	(89.4)
Post-tax profit from discontinuing ops	0.0	10.1	na	0.0	0.0	5.3
Minority interests	(81.7)	(122.1)	(33.1%)	(24.4)	(57.3)	(41.9)
Net profit after minorities	492.1	636.6	(22.7%)	260.0	232.1	321.0
Operating income	3,736.6	3,492.6	7.0%	1,922.2	1,814.4	1,767.3
Operating expenses	(1,960.2)	(2,001.6)	(2.1%)	(984.3)	(975.9)	(1,036.8)
Operating result	1,776.4	1,491.0	19.1%	937.9	838.5	730.5
Cost/income ratio	52.5%	57.3%		51.2%	53.8%	58.7%
Return on equity	11.2%	14.7%		11.0%	11.4%	14.7%

Group balance sheet (IFRS) –

Loan growth remained – RWA driven by recalibration

in EUR million	Jun 09	Dec 08	Change
Cash and balances with central banks	6,897	7,556	(8.7%)
Loans and advances to credit institutions	13,800	14,344	(3.8%)
Loans and advances to customers	128,110	126,185	1.5%
Risk provisions for loans and advances	(4,311)	(3,783)	14.0%
Trading assets	8,147	7,534	8.1%
Financial assets - FV	3,574	4,058	(11.9%)
Financial assets - AfS	17,586	16,033	9.7%
Financial assets - HtM	13,968	14,145	(1.3%)
At-equity holdings	261	260	0.4%
Intangible assets	4,738	4,805	(1.4%)
Property and equipment	2,363	2,386	(1.0%)
Tax assets	838	859	(2.4%)
Assets held for sale	60	526	(88.6%)
Other assets	8,136	6,533	24.5%
Total assets	204,167	201,441	1.4%
Risk-weighted assets	107,834	103,663	4.0%

Group balance sheet (IFRS) –

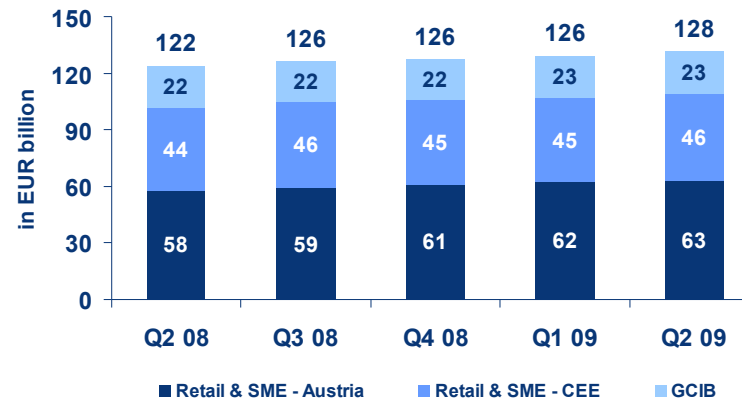
Solid deposit growth - also supported by stabilising FX

in EUR million	Jun 09	Dec 08	Change
Deposits by banks	29,776	34,672	(14.1%)
Customer deposits	113,489	109,305	3.8%
Debt securities in issue	30,130	30,483	(1.2%)
Trading liabilities	2,690	2,519	6.8%
Other provisions	1,681	1,620	3.8%
Tax liabilities	302	389	(22.4%)
Liabilities associated with assets held for sale	0	343	na
Other liabilities	6,665	4,968	34.2%
Subordinated liabilities	6,141	6,047	1.6%
Total equity	13,293	11,095	19.8%
Shareholders' equity	10,098	8,079	25.0%
Minority interests	3,195	3,016	5.9%
Total liabilities and equity	204,167	201,441	1.4%
Tier 1 ratio	8.4%	7.2%	
Solvency ratio	11.1%	10.1%	

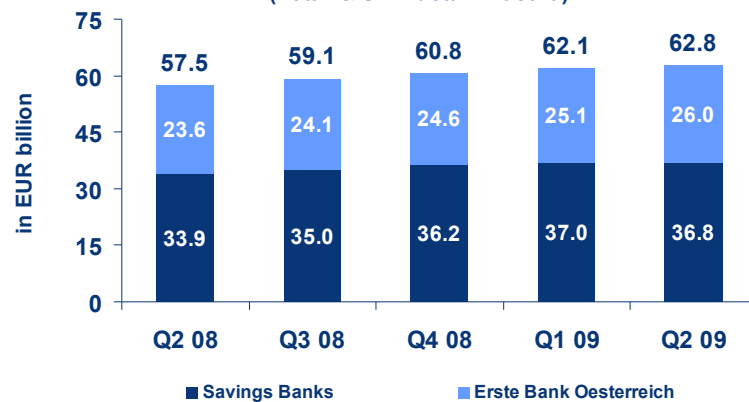
Erste Group's loan book – Quarterly loan book trends by segment

- **Total customer loans increased by 5.2% yoy on continued low demand in first half of 2009**
 - Low growth of 1.5% on YE 08 also impacted by strong decline of all CEE currencies in Q1 09
- **Loans in core Retail & SME increased by 7.1% yoy**
 - Mainly driven by solid growth in Austria (+ 9.2% yoy) while CEE retail & SME lending increased at a lower pace (+ 4.4% yoy) also due to the negative FX impact
- **GCIB loan stock grew by 3.4% yoy**
 - Loan growth accelerated in H1 09 (+ 6% ytd)

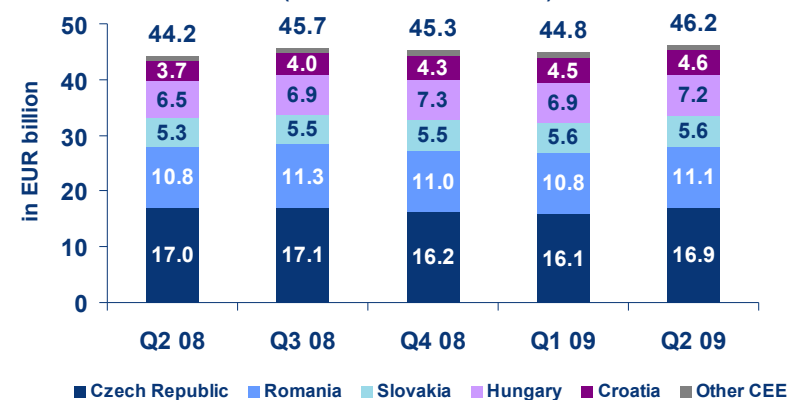
Customer loans by main segments *



Quarterly loan book trends
(Retail & SME detail: Austria)



Quarterly loan book trends
(Retail & SME detail: CEE)



*) Segments do not exactly add up to total due to consolidation effects

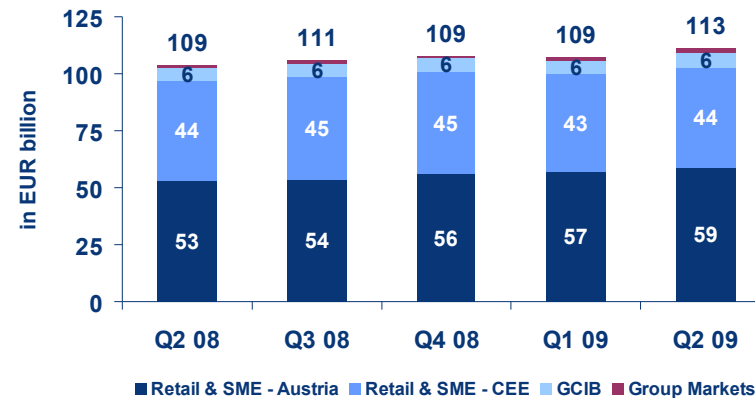
Erste Group's customer deposits



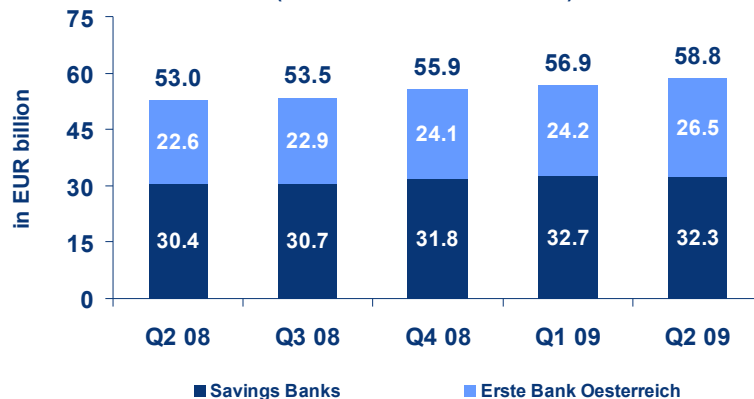
ERSTE GROUP

- **Total customer deposits increased by 4.4% yoy**
 - Deposit inflows and stabilising CEE currencies supported deposit growth of 3.8% ytd
- **Retail & SME deposit growth of 5.5% yoy**
 - Strong inflows in Austria (+ 10.8% yoy) – supported by + 17.3% yoy at EB Oesterreich
 - Deposits slightly declined by 1% yoy in CEE due to weaker currencies, while they increased in local currency throughout the region (with the exception of SLSP)
- **Continued strong growth in GCIB (+ 13% yoy)**

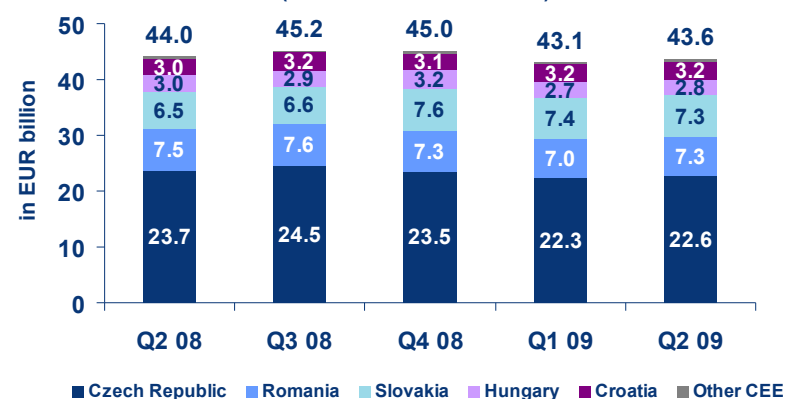
Customer deposit trends by main segments *



Customer deposit trends by subsegments
(Retail & SME detail: Austria)



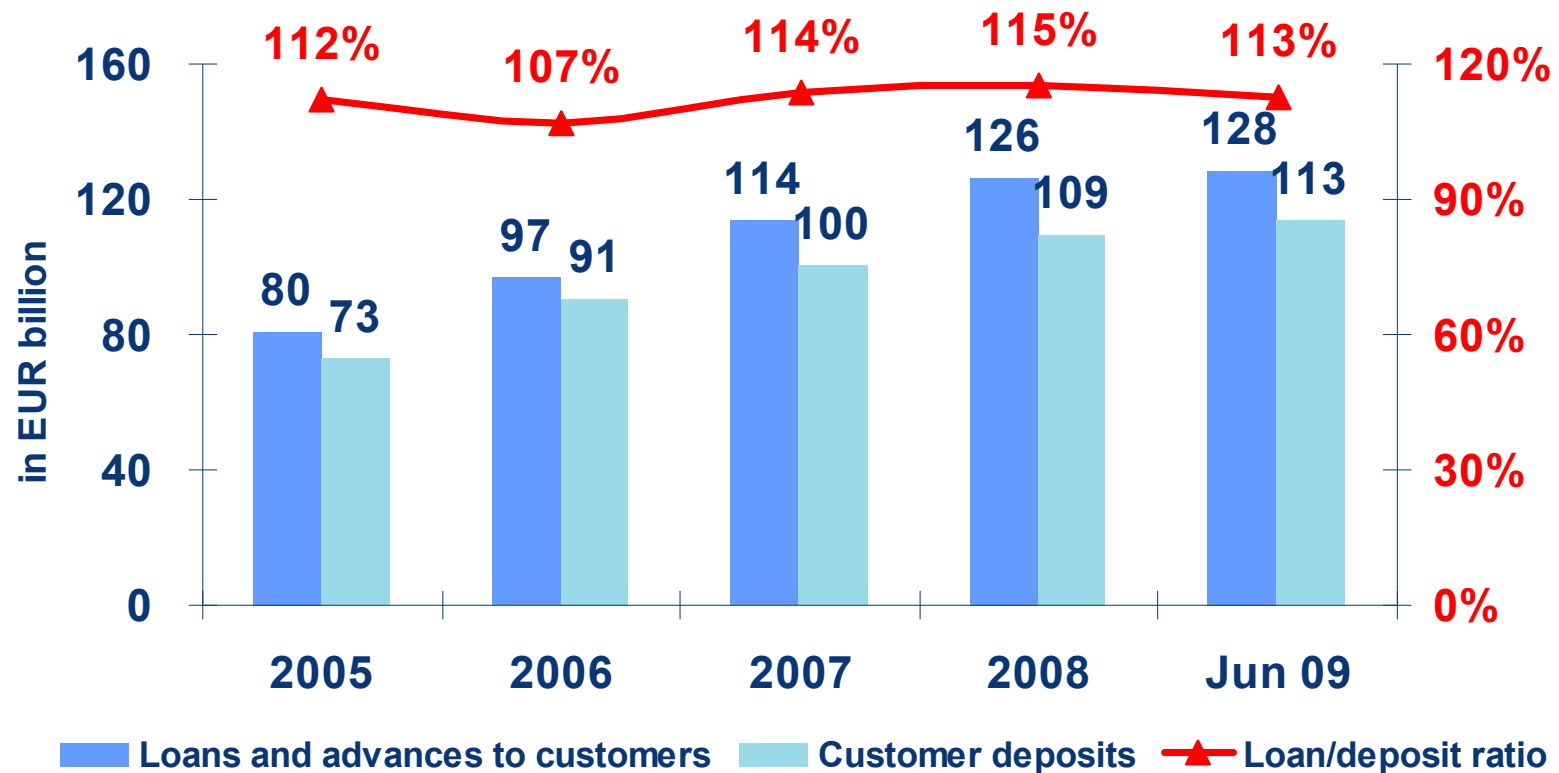
Customer deposit trends by subsegments
(Retail & SME detail: CEE)



*) Segments do not exactly add up to total due to consolidation effects.

Loan to deposit ratio – Supported by solid deposit growth

Loan vs deposit development



Erste Group's asset quality (1)



ERSTE GROUP

- **Slight increase in total exposure by 3.3% ytd to EUR 222.8bn (YE 08: EUR 215.7 bn)**
 - Industry distribution of exposure remained well diversified with households and finance/insurance industries contributing the largest shares
 - Asset quality varies considerably across CEE mainly affected by deteriorating macro and rise in unemployment
- **NPL ratio increased to 3.6% (YE 08: 2.9%)**
- **NPL coverage (excluding collateral) declined to 55.5% (61.6% at YE 08)**
 - Including collateral coverage ratio remains at close to 100 % in CEE
 - Decrease in NPL coverage mainly driven by CEE, in particular by BCR and EBH

Erste Group asset quality (2)



ERSTE GROUP

– Risk costs rose to 141 bps on average loans (Q2 08: 66 bps)

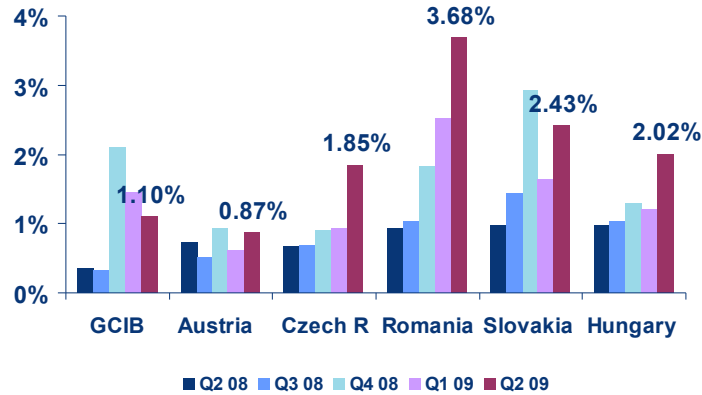
- As anticipated risk costs rose by > 100% to EUR 892.1m in 1-6 09, increases were posted across all the geographies but strongest in CEE from still low levels in the previous year;
- Increase in Austria was mainly driven by the savings banks while risk provisions at Erste Bank Oesterreich remained unchanged qoq

– Special Effects in Q2:

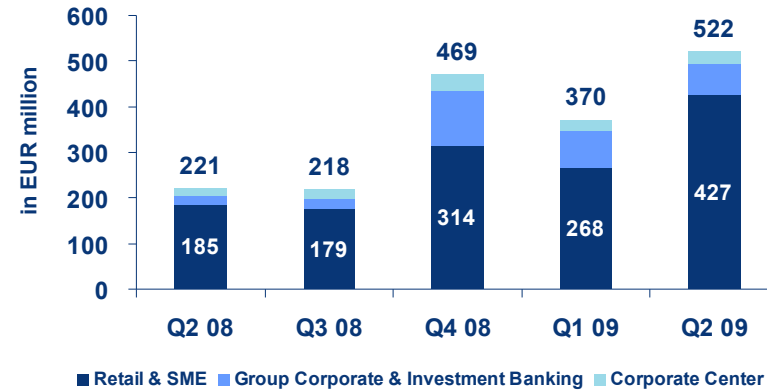
- Heavy FX deterioration in Q1 09 spills over into NPL-Formation in Q2. Stabilization in currencies expected to lead to flattening of new NPL
- Marked increase in portfolio provisions in GCIB serving as a buffer going forward
- Restructuring and collections initiatives will lead to improved recoveries going forward

Erste Group's risk costs – Quarterly risk costs (segment view)

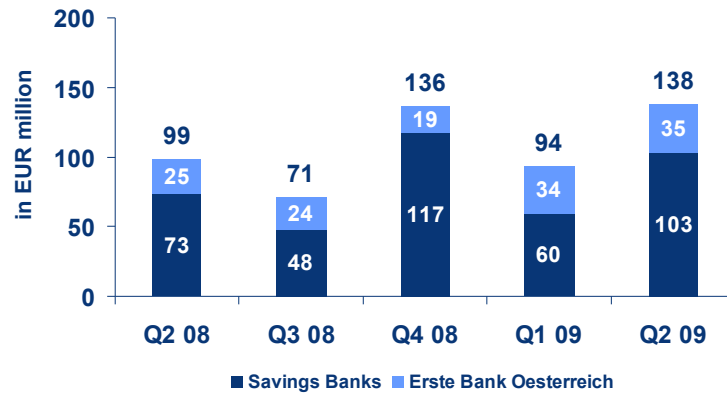
Risk costs in key segments



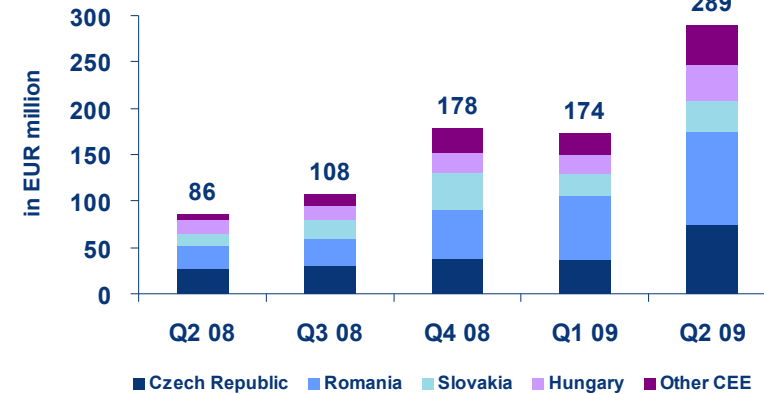
Quarterly risk cost development
(main segments)



Quarterly risk cost development
(Retail & SME detail: Austria)

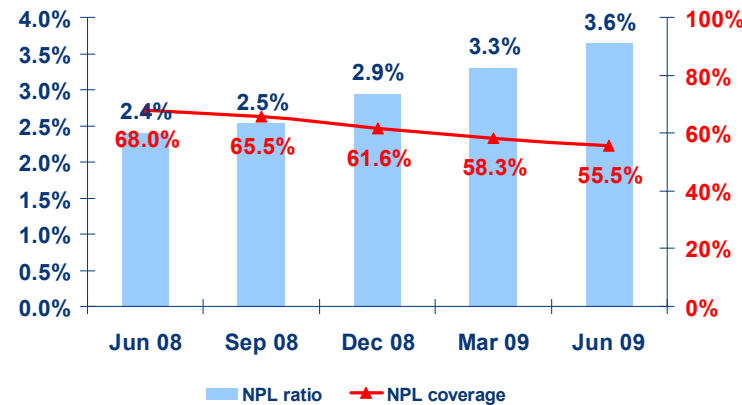


Quarterly risk cost development
(Retail & SME detail: CEE)

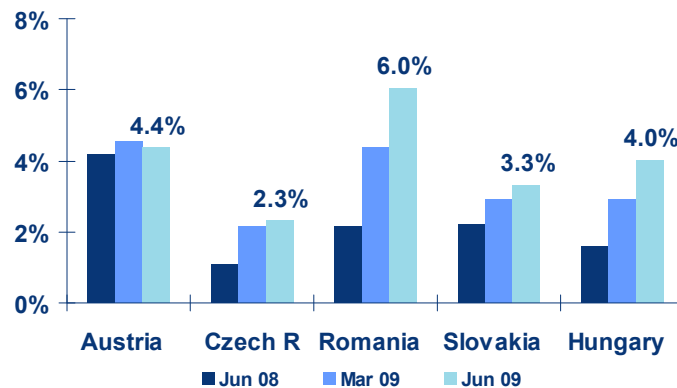


Erste Group's asset quality – Non-performing loans and NPL coverage

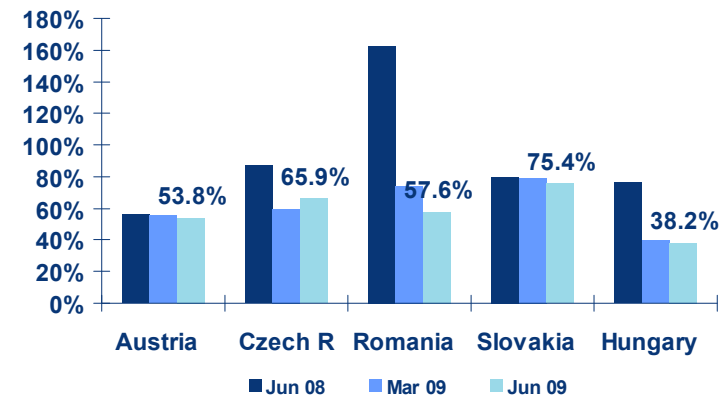
Group NPL ratio vs group NPL coverage



NPL ratios in key markets *



NPL coverage ratios in key markets *



*) NPL and NPL coverage ratios are based on country of origination concept, not segment view, in order to show longer term developments.

Core segment – Austria

Solid performance of Erste Bank Oesterreich

in EUR million	Savings Banks		EB Oesterreich		Austria	
	1-6 09	1-6 08	1-6 09	1-6 08	1-6 09	1-6 08
Net interest income	455.6	461.0	319.6	291.2	775.2	752.2
Risk provisions	(162.6)	(110.7)	(68.9)	(50.1)	(231.5)	(160.7)
Net fee and commission income	189.5	196.5	140.4	158.1	329.9	354.5
Net trading result	31.8	10.1	5.3	13.4	37.2	23.5
General administrative expenses	(469.2)	(464.7)	(317.6)	(330.5)	(786.8)	(795.3)
Other result	(30.3)	(22.2)	3.8	(17.5)	(26.5)	(39.7)
Pre-tax profit	14.7	69.9	82.7	64.6	97.4	134.5
Taxes on income	(6.9)	(35.5)	(19.7)	(12.2)	(26.6)	(47.7)
Post-tax profit from discontinuing ops	0.0	0.0	0.0	4.3	0.0	4.3
Minority interests	(19.1)	(29.7)	(3.5)	0.6	(22.6)	(29.2)
Net profit after minorities	(11.2)	4.7	59.5	57.3	48.3	62.0
Average risk-weighted assets	24,762.3	24,200.9	13,824.7	13,935.5	38,587.0	38,136.4
Average attributed equity	289.9	223.4	1,119.5	953.4	1,409.3	1,176.7
Cost/income ratio	69.3%	69.6%	68.2%	71.4%	68.9%	70.4%
ROE based on net profit	(7.7%)	4.2%	10.6%	12.0%	6.9%	10.5%
EOP customer loans	36,792.8	33,916.6	26,003.9	23,592.9	62,796.7	57,509.5
EOP customer deposits	32,253.2	30,420.5	26,528.6	22,618.9	58,781.7	53,039.4

Core segment Central and Eastern Europe (1) – NII continues to improve in Q2 09 ...

in EUR million	Czech Republic		Romania		Slovakia		Hungary	
	1-6 09	1-6 08	1-6 09	1-6 08	1-6 09	1-6 08	1-6 09	1-6 08
Net interest income	520.7	511.7	383.9	356.7	175.1	160.6	159.8	135.0
Risk provisions	(111.6)	(48.9)	(169.8)	(39.0)	(55.0)	(22.4)	(60.1)	(29.0)
Net fee and commission income	203.2	206.4	77.7	128.5	50.7	51.2	38.8	65.2
Net trading result	21.2	13.2	5.1	15.6	1.5	9.9	12.4	8.1
General administrative expenses	(349.7)	(372.4)	(200.7)	(225.1)	(133.4)	(123.5)	(105.3)	(115.0)
Other result	(58.4)	(51.4)	38.1	0.5	(16.5)	(6.7)	9.5	1.2
Pre-tax profit	225.5	258.6	134.3	237.3	22.4	69.0	55.3	65.5
Taxes on income	(45.8)	(53.4)	(22.9)	(38.9)	(4.3)	(11.1)	(13.9)	(17.5)
Post-tax profit from discontinuing ops	0.0	7.5	0.0	(1.7)	0.0	0.0	0.0	0.0
Minority interests	(4.1)	(6.7)	(37.4)	(63.1)	(0.3)	(0.0)	(0.0)	(0.0)
Net profit after minorities	175.6	206.1	74.0	133.6	17.9	57.9	41.3	47.9
Average risk-weighted assets	10,906.0	11,048.4	9,768.9	8,666.0	5,190.8	3,858.5	4,568.7	4,562.8
Average attributed equity	910.7	782.8	554.8	418.5	435.0	277.0	377.8	314.8
Cost/income ratio	46.9%	50.9%	43.0%	44.9%	58.7%	55.7%	49.9%	55.2%
ROE based on net profit	38.6%	52.6%	26.7%	63.9%	8.2%	41.8%	21.9%	30.4%
EOP customer loans	16,912.5	17,026.9	11,063.3	10,840.5	5,578.8	5,306.2	7,192.3	6,516.7
EOP customer deposits	22,565.9	23,747.5	7,304.5	7,523.6	7,264.8	6,489.5	2,841.9	2,983.2

Core segment Central and Eastern Europe (2) –

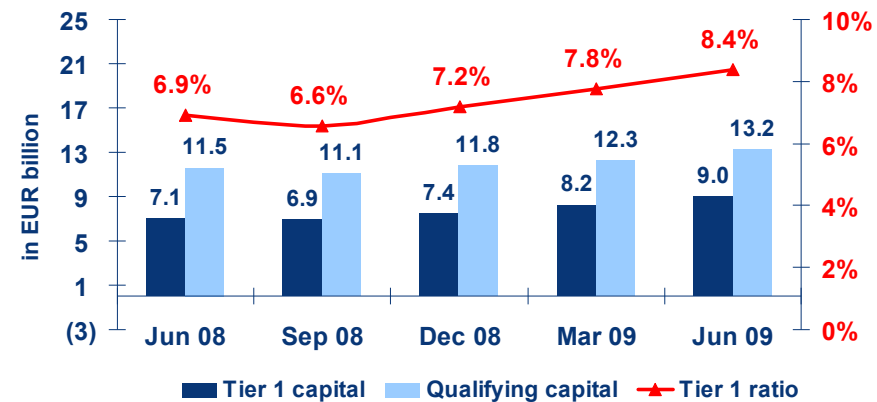
... but bottom line impacted by rising risk costs

in EUR million	Croatia		Serbia		Ukraine		CEE	
	1-6 09	1-6 08	1-6 09	1-6 08	1-6 09	1-6 08	1-6 09	1-6 08
Net interest income	100.9	91.9	15.8	14.6	14.3	12.3	1,370.7	1,282.6
Risk provisions	(24.0)	(10.5)	(4.0)	(2.9)	(38.4)	(2.3)	(462.8)	(155.1)
Net fee and commission income	36.5	37.3	4.8	3.4	0.1	1.6	411.7	493.5
Net trading result	1.4	4.8	1.5	1.1	3.7	4.1	46.7	56.8
General administrative expenses	(65.5)	(63.0)	(15.6)	(16.3)	(19.1)	(25.5)	(889.2)	(940.8)
Other result	(2.9)	(0.1)	(0.5)	4.4	(0.4)	0.1	(31.1)	(52.0)
Pre-tax profit	46.5	60.2	1.9	4.3	(39.8)	(9.8)	446.1	685.0
Taxes on income	(9.6)	(12.1)	(0.2)	0.4	1.6	3.0	(95.1)	(129.6)
Post-tax profit from discontinuing ops	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.8
Minority interests	(13.9)	(18.7)	(0.4)	(1.2)	0.0	0.0	(56.1)	(89.7)
Net profit after minorities	23.0	29.4	1.3	3.5	(38.2)	(6.8)	294.9	471.6
Average risk-weighted assets	3,668.3	3,504.7	759.5	789.0	541.5	473.2	35,403.7	32,902.6
Average attributed equity	194.3	154.5	50.2	43.9	46.6	36.8	2,569.3	2,028.3
Cost/income ratio	47.2%	47.1%	70.9%	85.0%	105.5%	142.5%	48.6%	51.3%
ROE based on net profit	23.6%	38.0%	5.3%	16.1%	(164.1%)	(36.9%)	23.0%	46.5%
EOP customer loans	4,570.1	3,705.5	331.6	311.3	556.5	515.6	46,154.9	44,222.9
EOP customer deposits	3,236.5	3,020.7	321.0	240.3	72.9	29.1	43,607.5	44,033.8

Erste Group's capital position – Regulatory capital versus equity

- **Total participation capital at EUR 1.760m**
 - Republic of Austria has subscribed to EUR 1.22bn
 - EUR 540m placed with institutional and private investors

Regulatory capital development (ABA)



– Reported Tier 1 ratio at 8.4% (7.2% at YE 08)

- Tier 1 ratio - including market & operational risk at 7.3%
- Core Tier 1 ratio improved to 6.4% (excluding hybrid capital and including market & operational risk)

Erste Group's long-term funding profile

– 2009 funding completed



ERSTE GROUP

- Total funding needs for 2009 – estimated to be maximum EUR 5-7bn - already raised
- Possibility of issuing up to EUR 6bn of Government guaranteed bonds
 - EUR 4bn already issued at around EURIBOR + 53-65bps and 90bps guarantee fee
- Cover pools for Pfandbrief issues will reach EUR 6bn by year end 2009
 - Successful issuance of first Austrian Jumbo Pfandbrief : EUR 1bn, 7 years, at EURIBOR +117bps

Funding structure 2008

in € mn	Amounts	Total issues	Ave. Maturity
Senior	5,073	186	2.7
Pfandbrief	770	26	4.7
LT2	577	10	11.4
UT2	97	1	8.5
T1	3	1	6.0
TOTAL	6,519	224	3.8

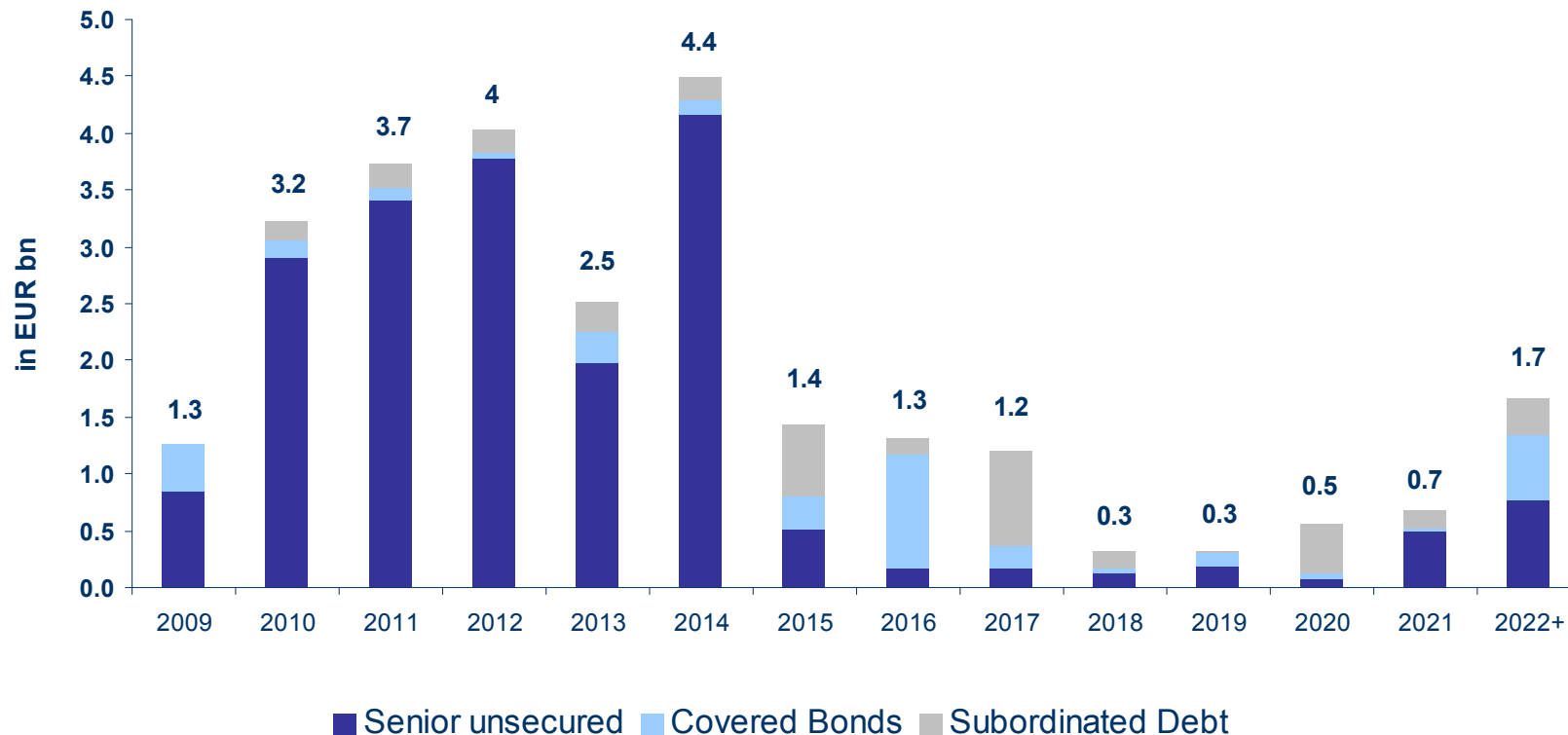
Funding structure YTD 2009

in € mn	Amounts	Total issues	Ave. Maturity
Senior	1,938	162	4.8
Pfandbrief	1,317	24	7.5
GGB	4,050	4	3.1
LT2	113	2	12.0
UT2	-	-	-
T1	-	-	-
TOTAL	7,418	192	4.5

Long-term funding in detail –

Only 1 year has redemptions exceeding EUR 4bn

Redemption Profile of Erste Group



Conclusion –

Remaining positive, but cautious

– Our core markets are EU-member states

- We are market leaders in all our core markets and thus have pricing power
- We are operating in underpenetrated retail banking markets
- We are operating in markets with floating currencies, converging towards the Euro

– NPLs are rising and risk costs will remain high

- Driven by downward migration, but also technical effects (workout vs sale of NPLs)
- Promising workout and collection efforts will support containment of NPL growth
- Risk cost are well covered by stable margins

– Operating performance remains strong

- Backed by so far record operating income and continued strong focus on cost control
- We have control over our businesses and our growth will remain selective

– Long-term growth prospects remain unchanged

- We are in a strong position to support our more than 17 million customers through the crisis and after the crisis

