

UniCredit International Investors Conference

21 - 24 January 2009, Kitzbühel

Continuing to do what we do best

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Erste Group



- Taking a step back**

- Reflections on our strategy**
 - Business focus: retail banking
 - Geographic focus: Central and Eastern Europe
 - Efficiency focus: cost consciousness

- What can you expect from us in 2009?**

Taking a step back – Is our business model still right and working?

Consistent but evolving strategy since 1997 IPO

**Business
focus:**

Retail banking

**Geographic
focus:**

**Central and
Eastern Europe**

**Efficiency
focus:**

**Cost
consciousness**

Value creation for shareholders and all other stakeholders

Reflections on our strategy – Business focus: retail banking

– Why does retail make sense?

- Stable and sustainable business flows
- Less volatile risk profile
- Well-diversified customer base

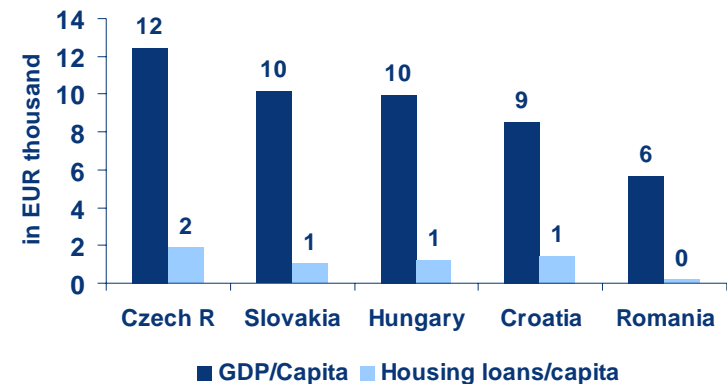
– No credit excesses in CEE

- Low per capita indebtedness in CEE
- Despite strong growth per capita household debt is still insignificant in relation to GDP
- Per capita mortgage debt is a fraction of GDP and levels in developed Western economies

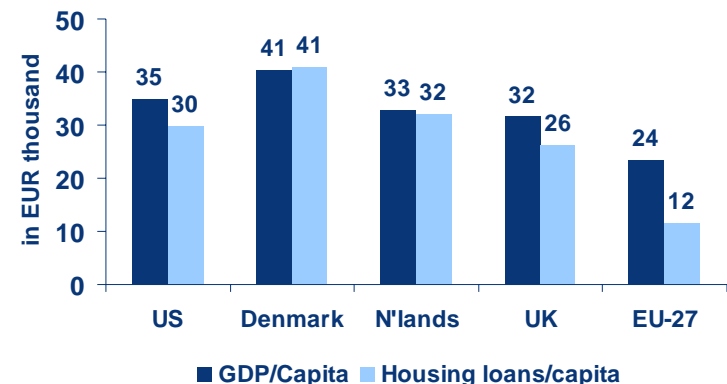
– Long-term growth story is intact

- Slowdown will be temporary phenomenon
- Unbanked population still sizeable
- Product penetration comparatively low

GDP and housing loans in CEE (2007)

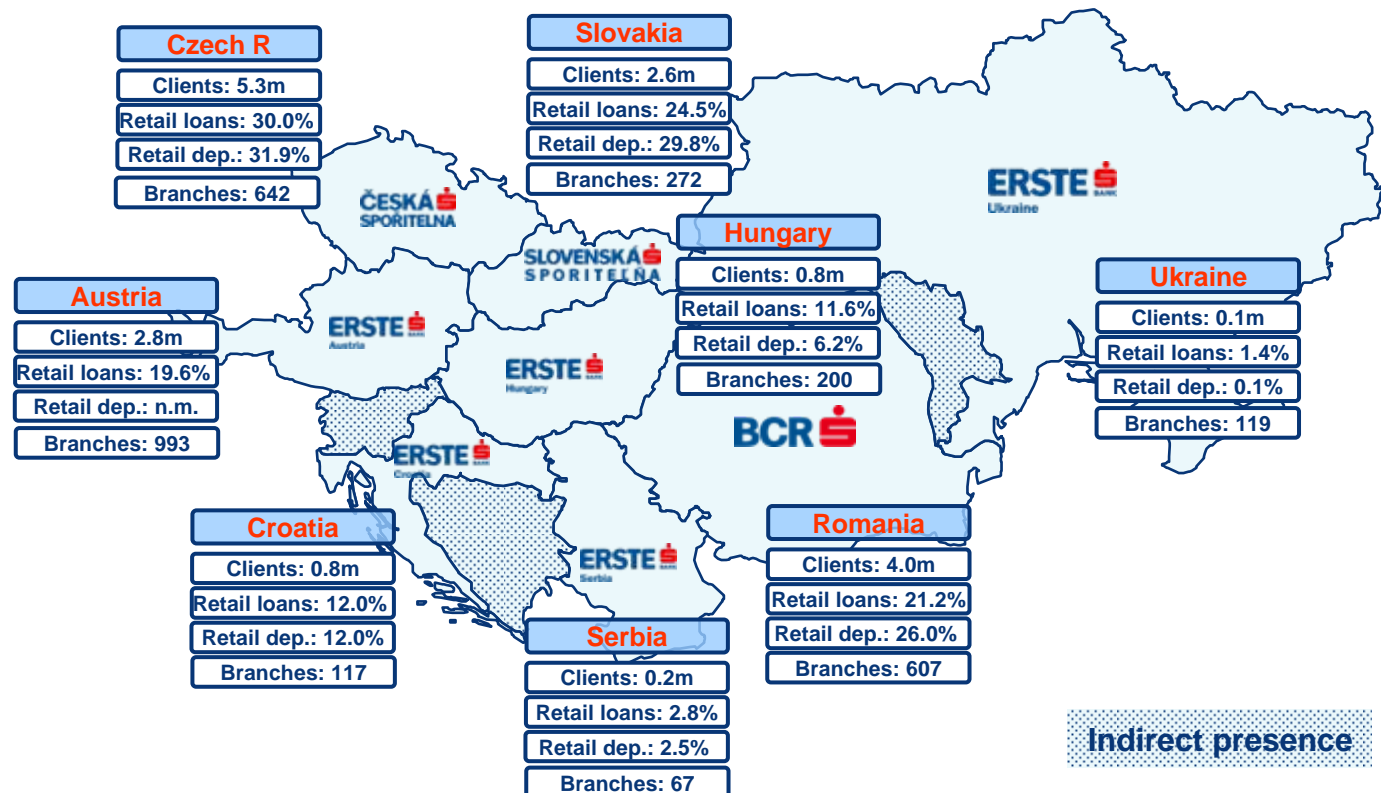


GDP and housing loans in developed markets (2006)



Reflections on our strategy – Geographic focus: Central and Eastern Europe

- Risk-conscious expansion over the past 10 years
 - Focus on risk/reward: large investments in EU member or accession states
 - Limited exposure to higher risk countries
- Central and Eastern Europe continues to have the best prospects within Europe



Reflections on our strategy – Efficiency focus: cost consciousness

– Quick wins to reduce cost growth in 2008

- Headcount and spending freeze in Holding
- Review forecasts in all entities
- Review initiatives for possible spending cuts

– Optimise 2009 budget

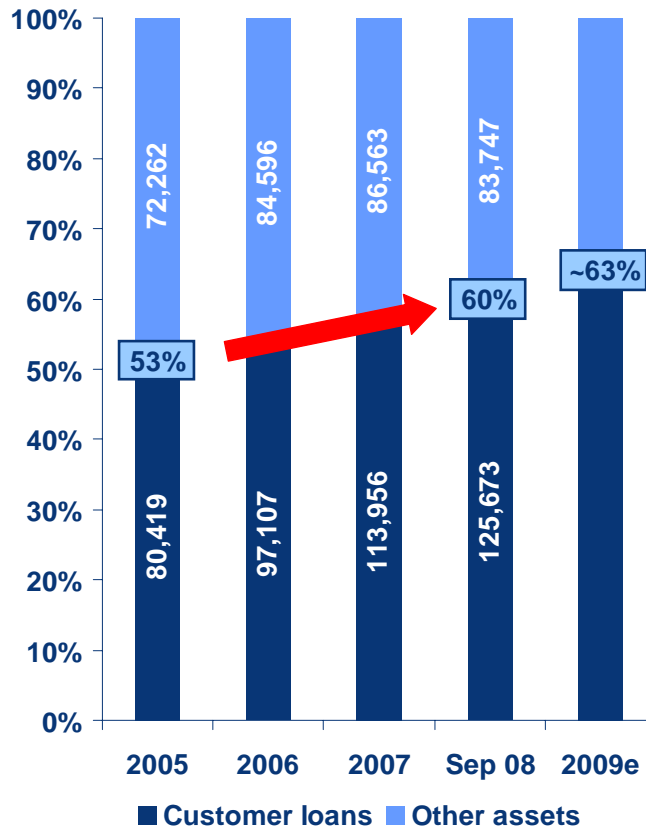
- Increase efficiency in group centre functions
- Review and prioritise budgeted projects and initiatives
- Review business models
- Complete ongoing projects, reduce complexity

– Align business needs and investments in strategic budgeting for 2010-2012

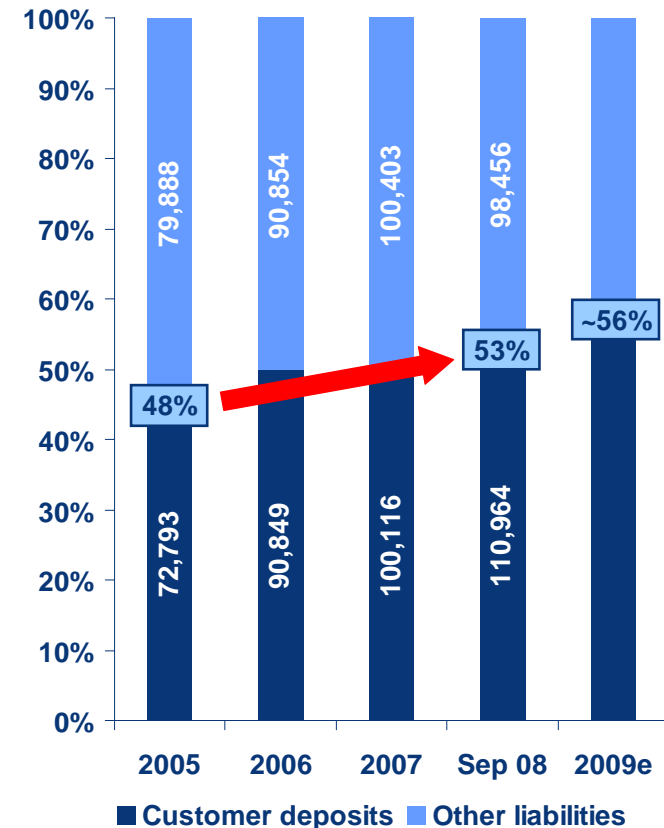
- Business needs to drive infrastructure investments
- Rigid prioritisation and development of traceable business cases
- Creation of group-wide synergies through increased cooperation
- Harmonise processes throughout Erste Group

What can you expect from us in 2009? – Responsible business growth

Consistent focus on core lending business

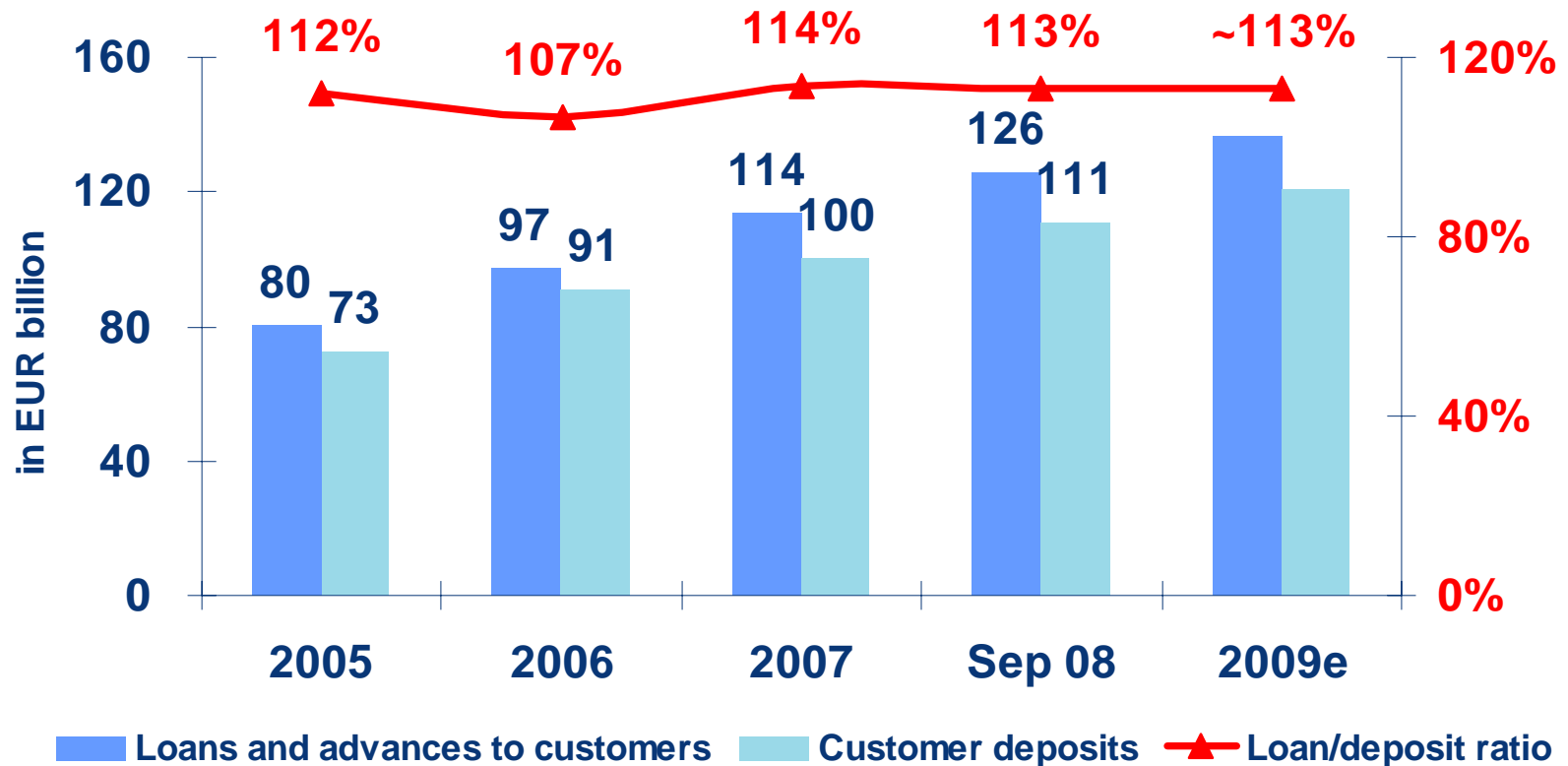


Sustainable deposit funding underpins asset growth



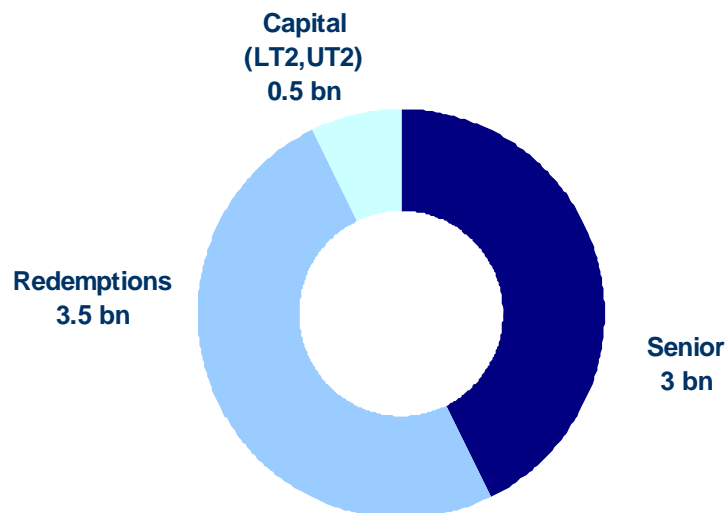
What can you expect from us in 2009? – Focus on sustainable customer business

Loan vs deposit development

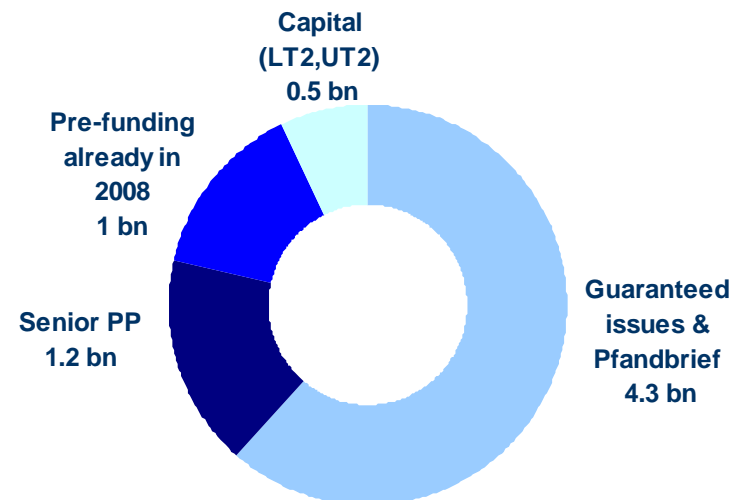


What can you expect from us in 2009? – Focus on guaranteed and/or Pfandbrief issues

Funding needs 2009



Expected Funding Structure 2009



- **Erste Group issued first state guaranteed bond in Austria**
 - EUR 1.5bn have been successfully placed on 16 January 2009
- **Pfandbrief cover pool amounts to EUR 6bn**

What can you expect from us in 2009? – Loan growth and risk cost outlook

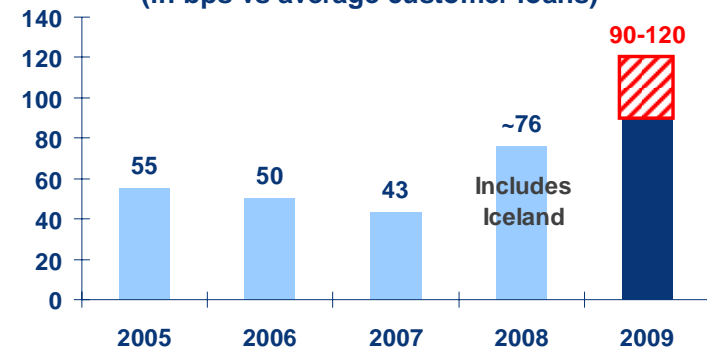
– Main risk cost drivers:

- Economic slowdown
- Seasoning of portfolio
- Product mix (secured/unsecured)
- Potentially rising unemployment
- Potential FX-fluctuations

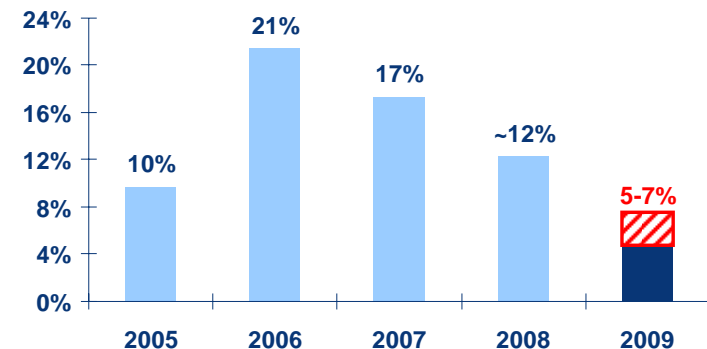
– Main loan growth drivers

- Growth will slow down substantially, but continue to be driven by CEE
- Retail loans expected to grow faster than corporate segment
- Higher share of local currency business as CHF lending stopped in Hungary and Austria

Expected risk cost development for Erste Group
(in bps vs average customer loans)



Expected customer loan growth for Erste Group



What can you expect from us in 2009?

Moderate growth, continued profitability

- Operating profit growth target of 15% for 2008 confirmed
- New guidance for 2009 reflecting slower growth environment, covering:
 - Operating result growth
 - Operating expense growth
 - P&L risk costs

**Operating
result growth**

2008: +15%
2009: about +10%

Operating expenses

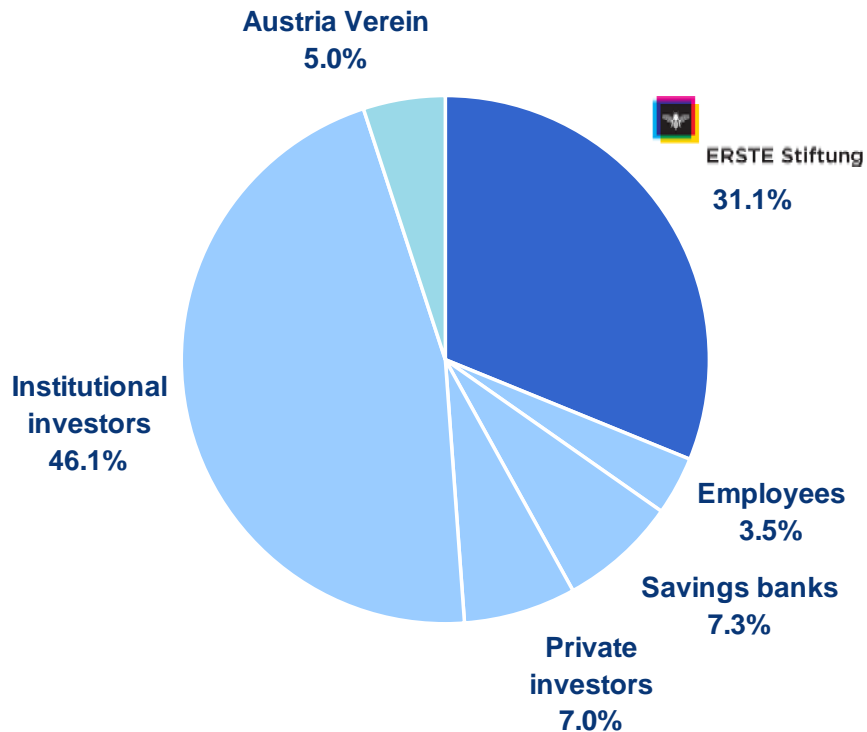
2009: max +3.5%

Risk costs

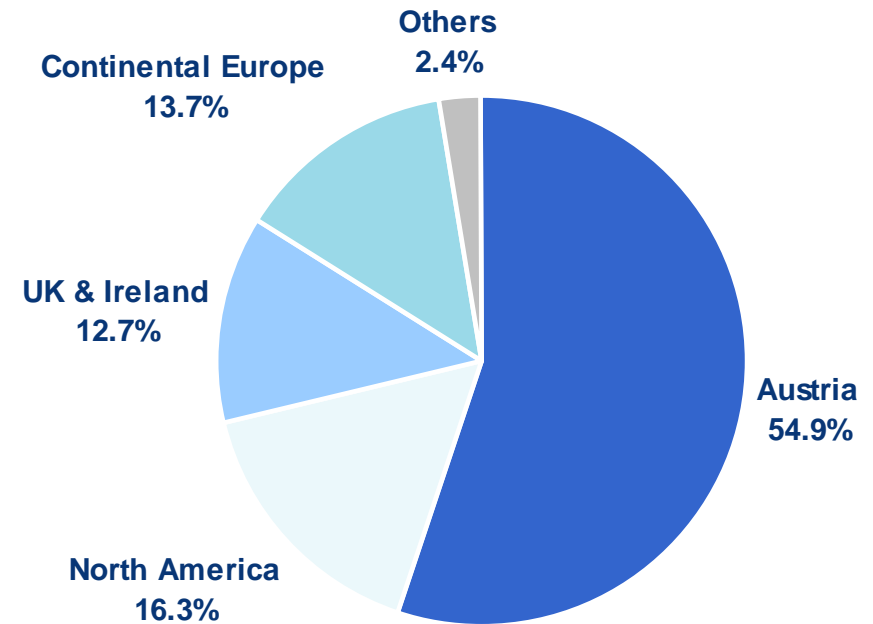
2009: 90-120 bps (based on average customer loans)

Shareholder structure – Total number of shares: 317,012,763

By investor



By region



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