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Erste Group –
Managing successfully through the crisis

Dominic Bruynseels, CEO

Banca Comerciala Romana

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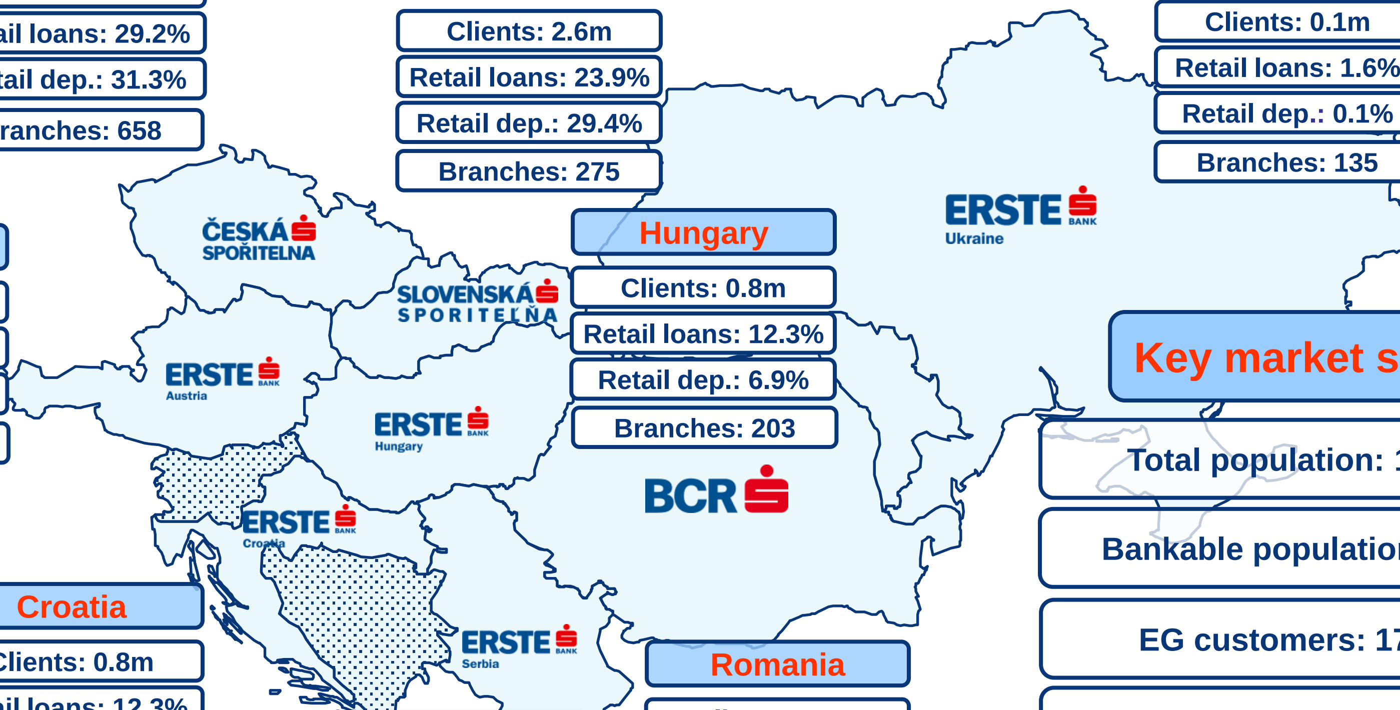
Presentation topics

ERSTE GROUP

- Erste Group in the CEE region
- Erste Group's Q1 09 Financial highlights
- Assessing the situation – case study Romania
- Fundamentals remain unchanged

Erste Group in the region –
Strong presence in core markets within the EU



Czech Republic
- Clients: 5.3m
- Retail loans: 29.2%
- Retail dep.: 31.3%
- Branches: 658

Slovakia
- Clients: 2.6m
- Retail loans: 23.9%
- Retail dep.: 29.4%
- Branches: 275

Ukraine
- Clients: 0.1m
- Retail loans: 1.6%
- Retail dep.: 0.1%
- Branches: 135

Austria
- Clients: 3.0m
- Retail loans: 19.1%
- Retail dep.: 19.1%
- Branches: 1060

Hungary
- Clients: 0.8m
- Retail loans: 12.3%
- Retail dep.: 6.9%
- Branches: 203

Croatia
- Clients: 0.8m
- Retail loans: 12.3%
- Retail dep.: 12.1%
- Branches: 119

Serbia
- Clients: 0.2m
- Retail loans: 3.3%
- Retail dep.: 2.5%
- Branches: 68

Romania
- Clients: 4.5m
- Retail loans: 21.1%
- Retail dep.: 25.9%
- Branches: 641

Key market stats

- Total population: 120m
- Bankable population: 92m
- EG customers: 17.3m
- EU resident customers: 15.7m

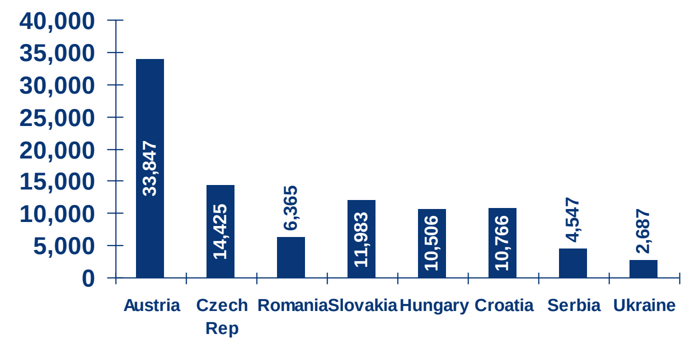
Indirect presence

Percentage numbers refer to market shares

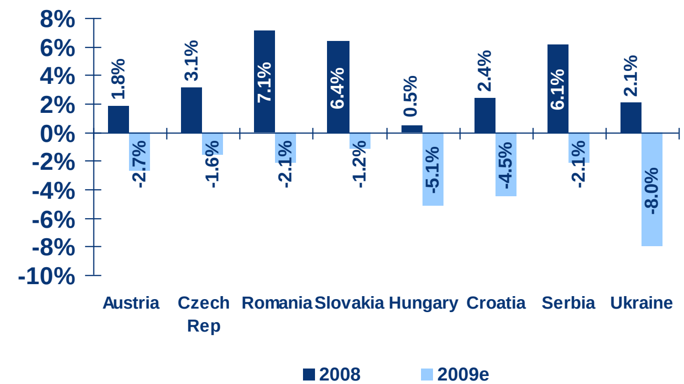
Erste Group in the region – Changes in the macro environment

- **Economies will contract in 2009 but intensity of macro shock is easing**
  - GDP growth outlook remains challenging but first signs of recovery in manufacturing and sustainability of capital inflows are being witnessed
- **External support has stabilising impact on currencies and will support economies**
  - Preventive packages provided by IMF, EU and other IFIs for Hungary, Romania and Serbia as well as Ukraine
- **Fundamental differences between countries become more important**
  - Open economies like CZ and SK more exposed to EU slowdown but are well positioned for recovery
  - Romania to benefit from large home market and infrastructure investments
    - CAD expected to decline substantially

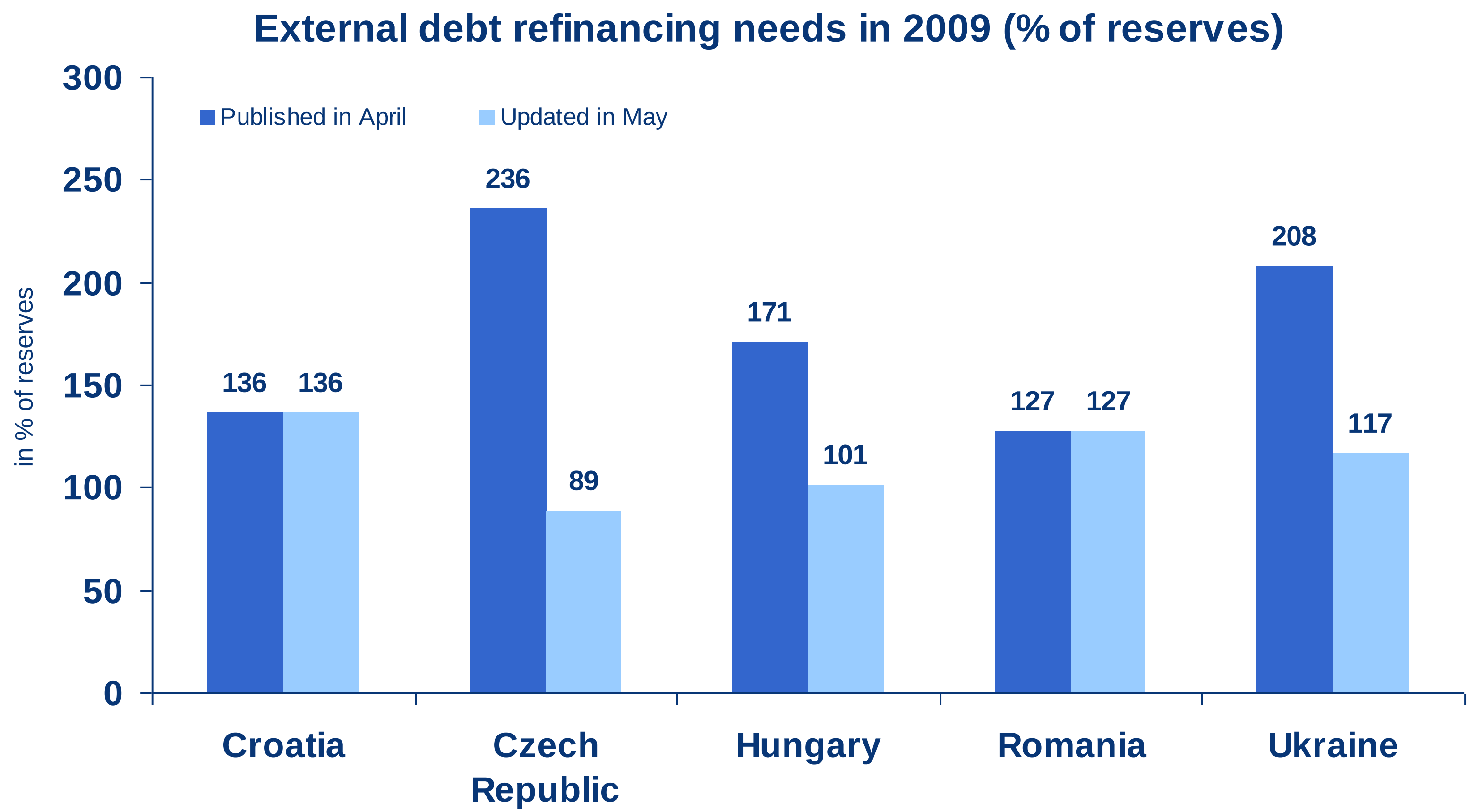
GDP per capita in the CEE in EUR (2008)



Real GDP growth outlook for CEE



Erste Group in the region – Correcting some misperceptions



Source: IMF Financial Stability Report May 2009

Erste Group in the region – Solid liquidity position and improved capital ratios

ERSTE GROUP

- **Strength of deposit franchise sustaining growth and market share**
  - Erste Group has excess liquidity in all local currencies
  - Loan to deposit ratio expected to remain balanced – at around 115%

- **Erste Group's long-term funding for 2009 already covered**
  - Total funding needs for 2009 expected to be maximum EUR 5 – 7bn
  - EUR 1bn has been pre-funded in 2008
  - Total of EUR 5.4bn already raised in 2009

- **Capital strengthened through agreement with Austrian government**
  - Completion of deal with the Austrian government (EUR 2.7bn) will improve Erste Group's Tier 1 (7.8% as reported in Q1 09) by additional 170bps
    - Participation capital to reach approx. EUR 1.75bn after completion (inc. EUR 540m from public offering)
    - Hybrid capital of up to EUR 1bn to be issued in the coming months

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Q1 09 financial highlights – Strong operating performance – up 10.3% yoy

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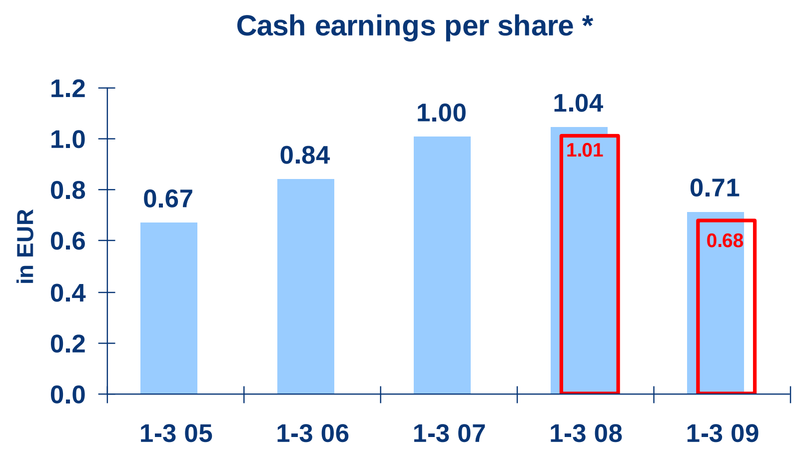
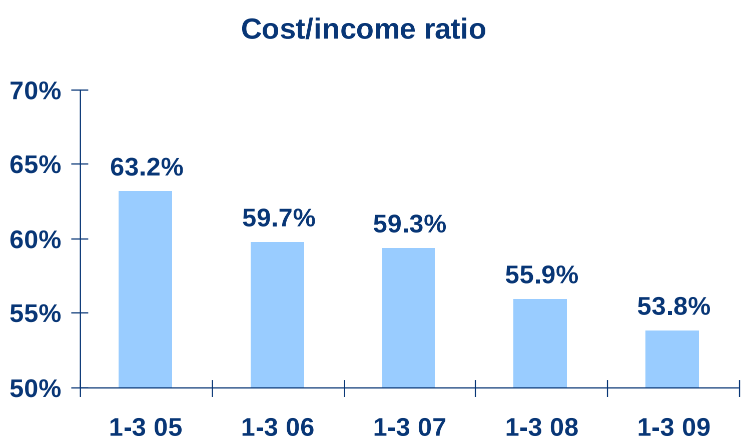
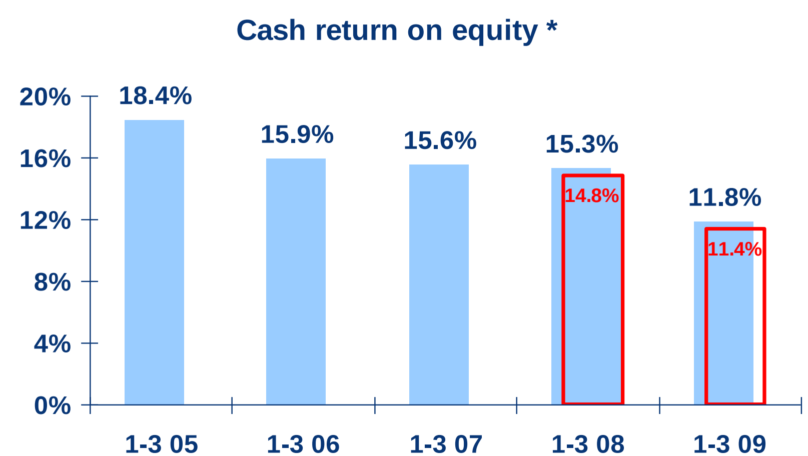
- **Operating profit increased by 10.3% to EUR 838.5m (Q1 08: EUR 760.5m)**
  - Backed by a record operating income (up 5.2% yoy to EUR 1.8bn) and contained cost growth (up 1.2% yoy to EUR 975.9m)
- **NIM on interest bearing assets (IBA) stable at 2.9% from 2.8% at FY 08**
- **Net profit declined by 26.5% to EUR 232.2m yoy**
  - Impacted by higher risk costs and negative m-t-m valuations
- **Total assets declined by 1.2% to EUR 199.1bn**
  - Mainly due to weaker CEE currencies and a reduction of interbank business
- **Cost/income ratio at historic low of 53.8%**

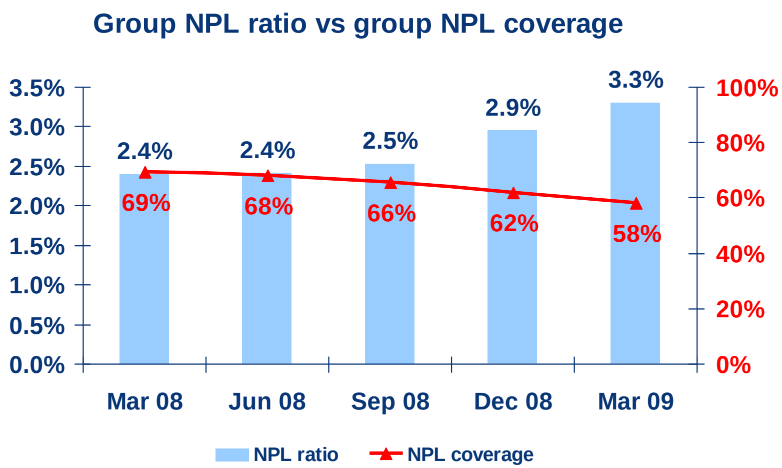


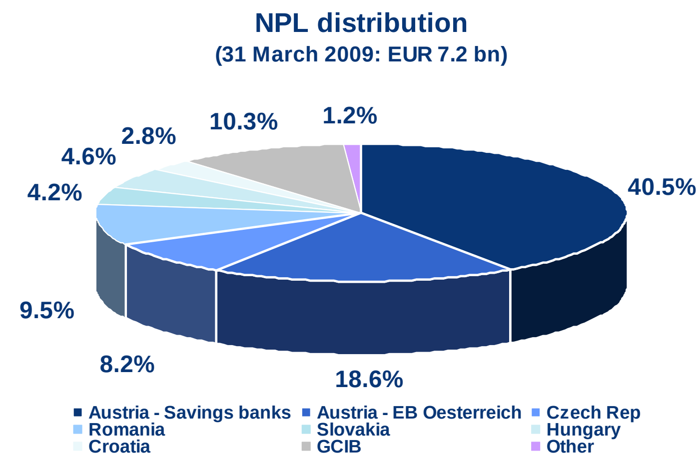


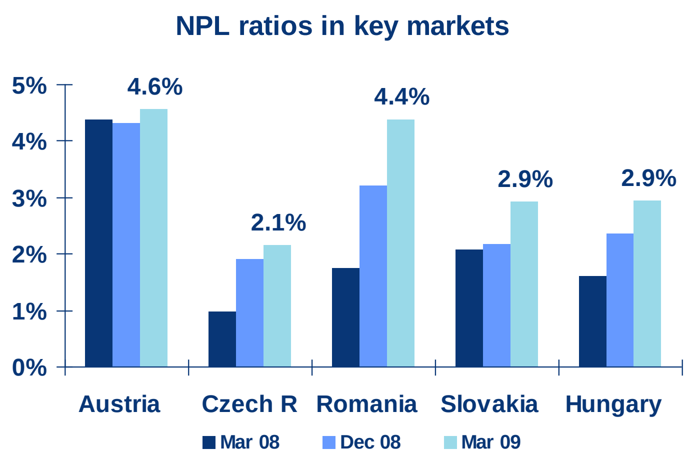


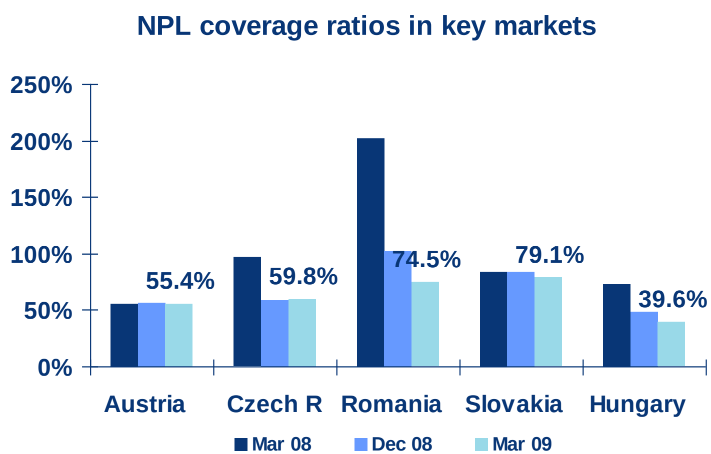
*) Red bars denote reported EPS and ROE respectively.
Cash EPS and EPS are adjusted for non cash items amounting to EUR 15.8m in Q1 09 (linear depreciation of customer relationship value). EPS calculated on average number of shares for the period (ex treasury shares and shares owned by savings banks with EB participations).

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









*) NPLs and NPL coverage ratios (as percentage of total risk assets) are based on country of origination, not segment view, in order to show longer term developments.

Erste Group's risk costs –
Risk costs up to 117bps reflecting macro environment

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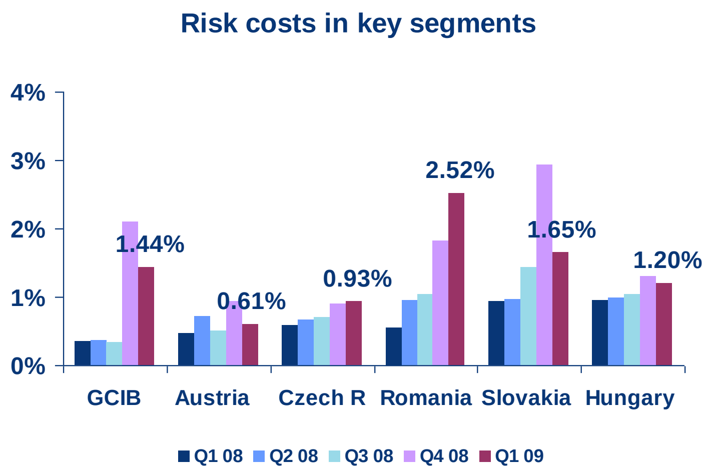

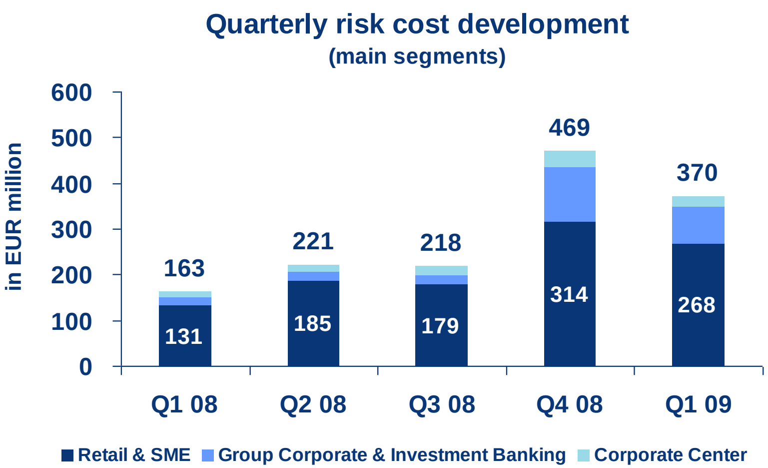

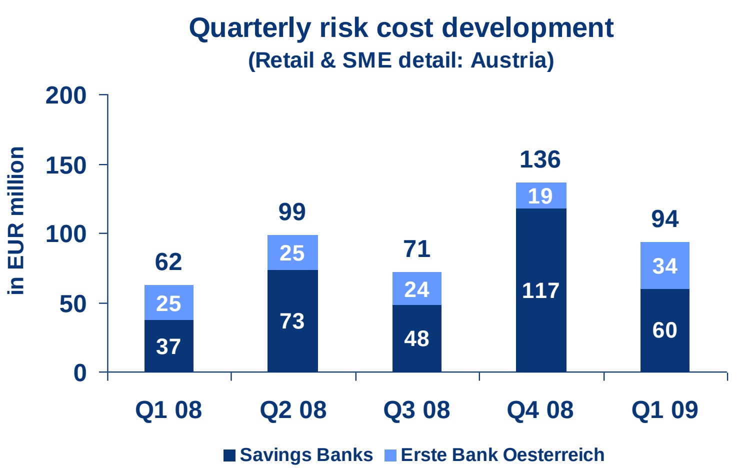

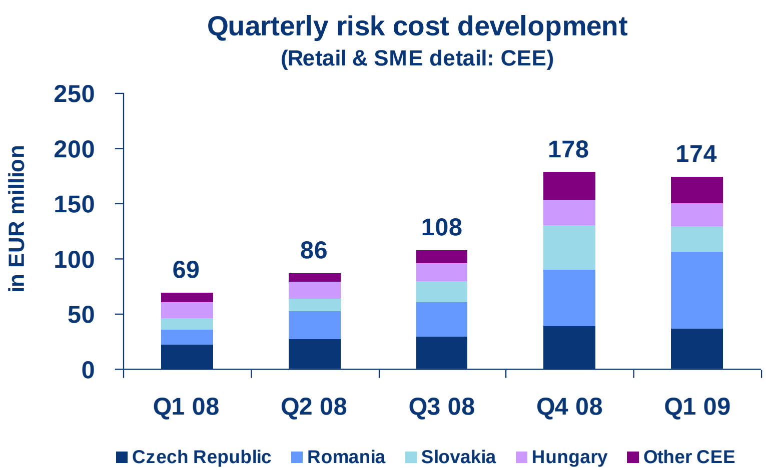

*) Quarterly risk costs on average customer loans by segment

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ERSTE GROUP

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– **Assessing the situation – case study Romania**

– Fundamentals remain unchanged

Case study Romania –
IMF & EU agreement to stabilise economy

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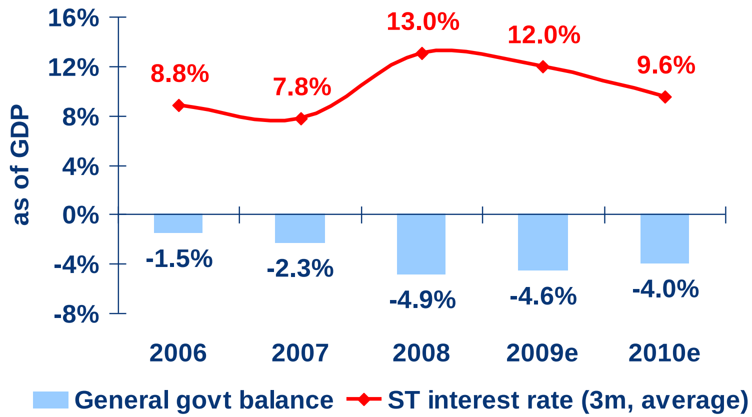
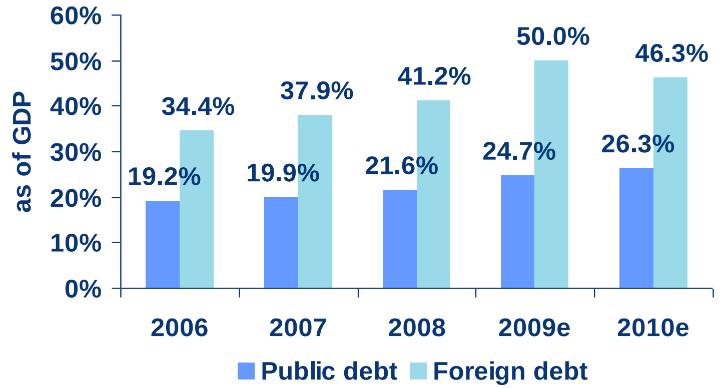
- **Agreed package of EUR 20bn covers external funding needs until mid 2010**
  - EUR 12.9bn under IMF stand-by agreement (added to National Bank's reserves)
  - EUR 5bn from EU (to Min. of Finance to fund budget deficit)
  - EUR 1bn from World Bank
  - EUR 1bn from EBRD to support industry and large corporates
- **Major objectives**
  - Gradual adjustment of budget deficit to meet Maastricht criteria by 2010
  - Adjusting public spending
  - Encouraging foreign banks to maintain funding lines in local subsidiaries and transfer medium into long-term debt
  - Supporting the National Bank to fight inflation and stabilise the RON
- **EUR 30bn of EU accession funds are earmarked for Romania**

Interest rates vs government balance

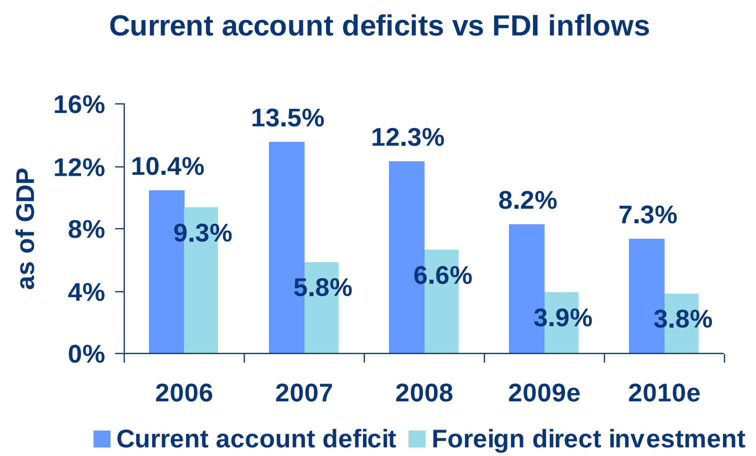


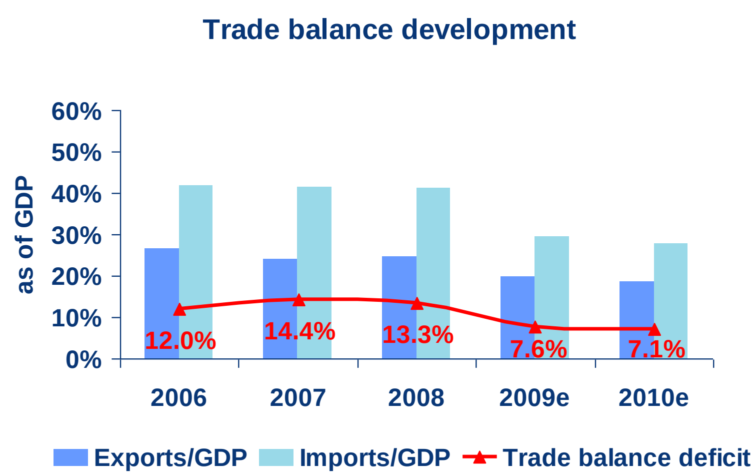
Public and foreign indebtedness



Case study Romania –
Adjusting external imbalances

- **March CAD down 60.9% yoy to EUR 566m**
  - On considerably lower trade deficit due to fast drop in imports (-35% yoy) versus exports (-19% yoy)
  - Lowest level in 4 years
- **FDI at EUR 1.4bn (+38% yoy) – mainly in automotive, metallurgy and financial sectors**
  - 62% equity participations and reinvested profits
  - Tax exemption on reinvested profit starting Q2 09
  - CAD coverage > 200% compared to 40% last year
- **BNR's monetary policy remains restrictive, gradual easing likely under IMF & EU agreement**
  - Key rate lowered by 50bps to 9.5% in May
  - High interest rate differential to EUR likely to stay
  - EUR 27.4bn international reserves before additional IMF funds of 12.9bn (9.4 months of imports)





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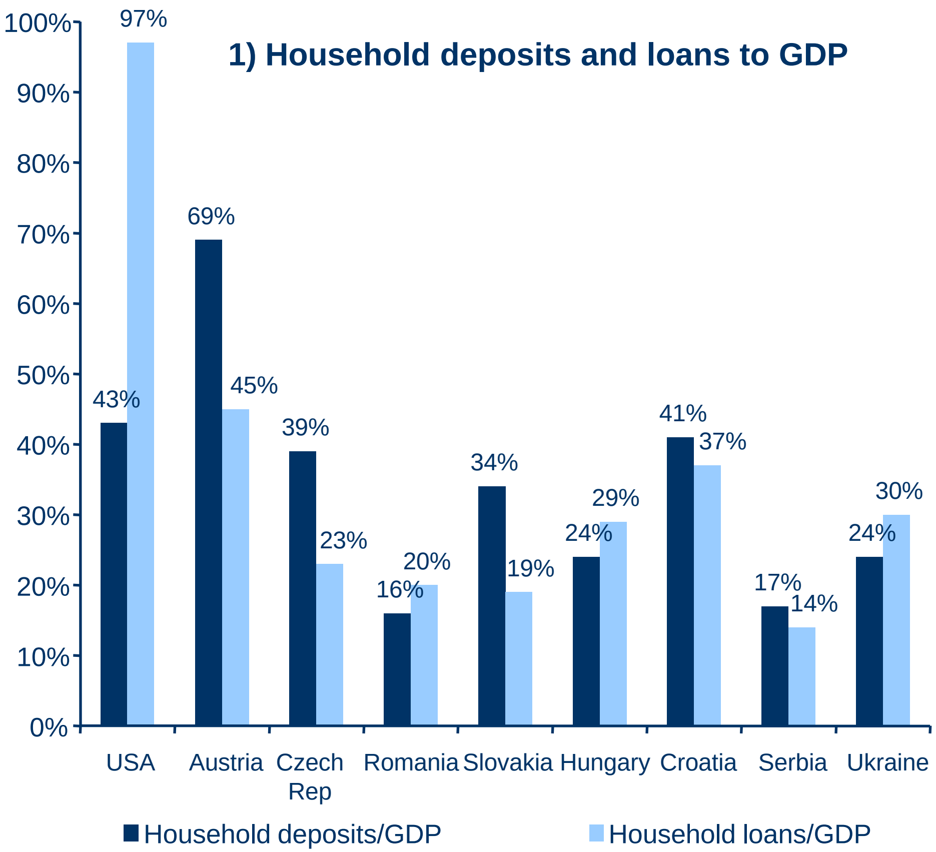
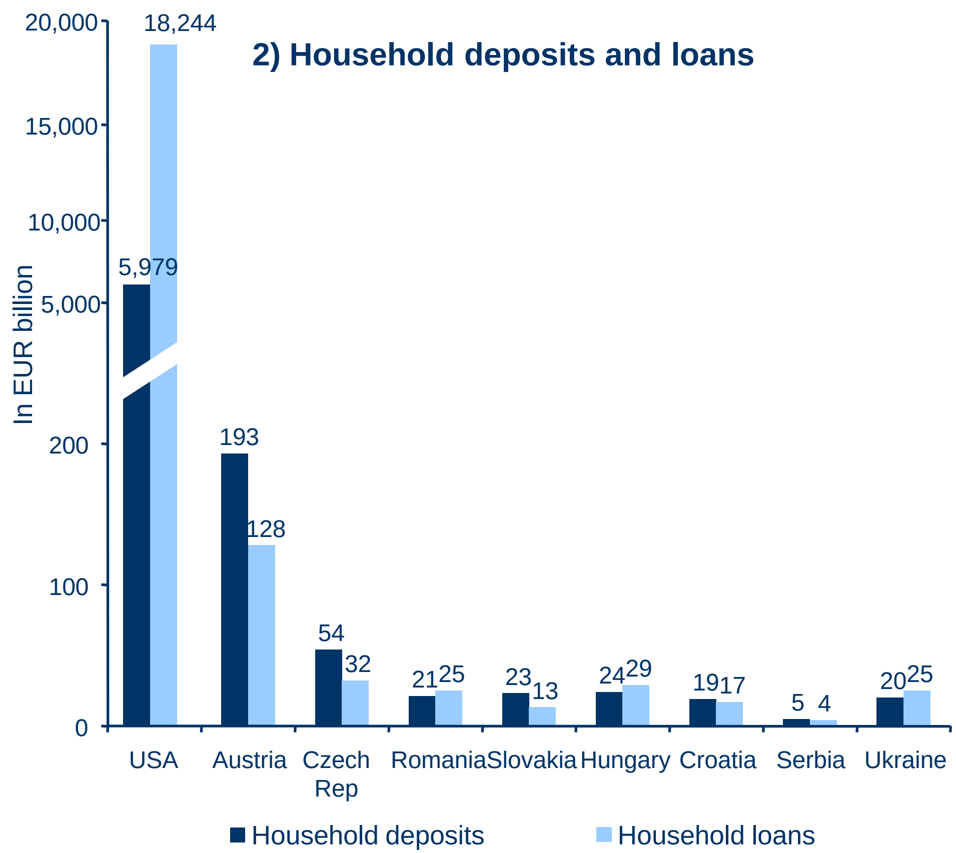
Retail banking in CEE – Growth opportunities remain in place

Financial intermediation in the US and CEE (2008)





USA figures do not include money market funds;
including these, deposit penetration would be 54%

Conclusion

ERSTE GROUP

– **Challenging outlook but …..**

  – **Our core markets are EU-member states converging towards the Euro**

  – **We are market leaders in most of our chosen markets**

  – **We are operating in underpenetrated retail banking markets**

  – **Our growth remains selective**

  – **Long-term growth prospects remain unchanged**

Investor relations contacts

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