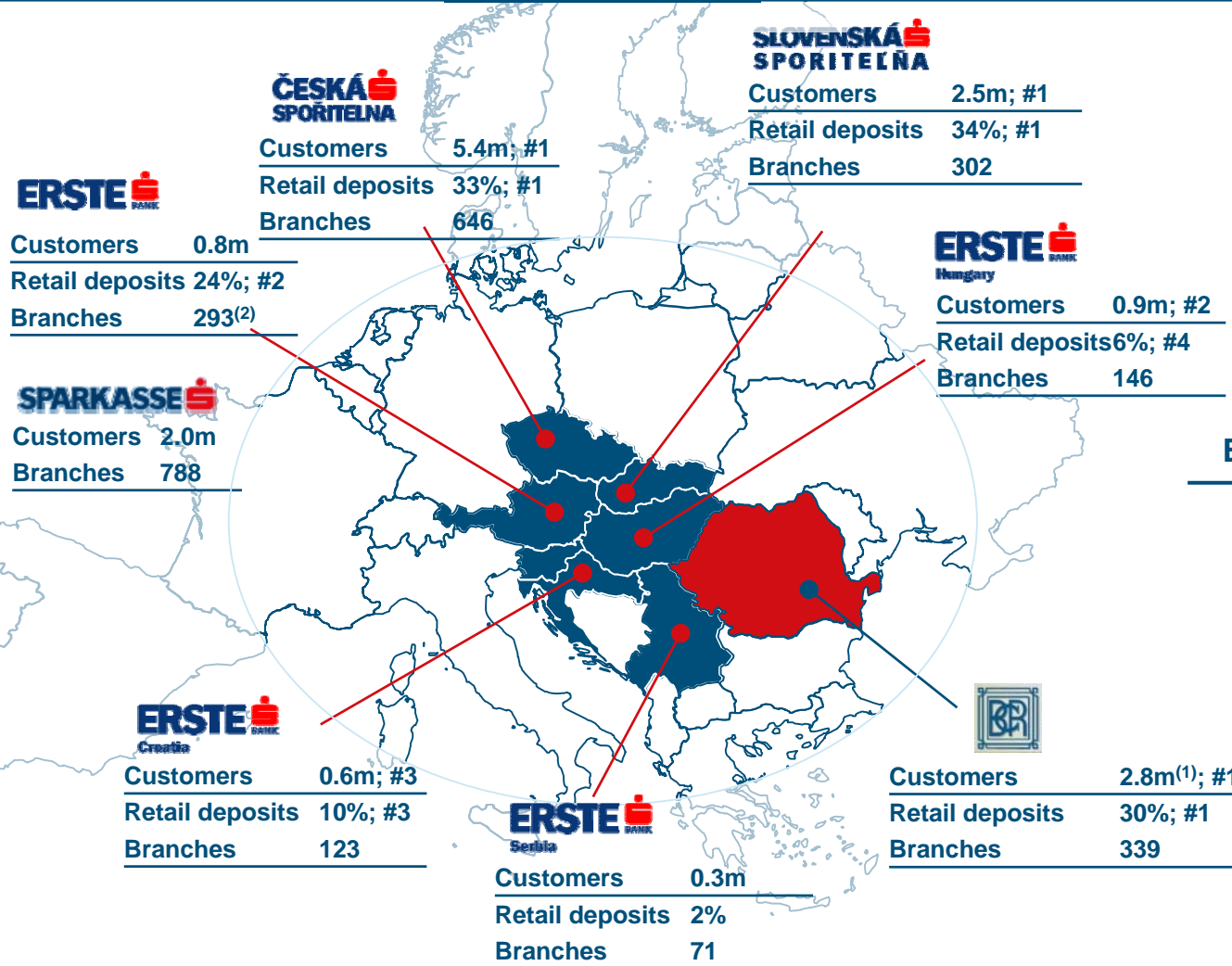


mortgage lending – a regional approach

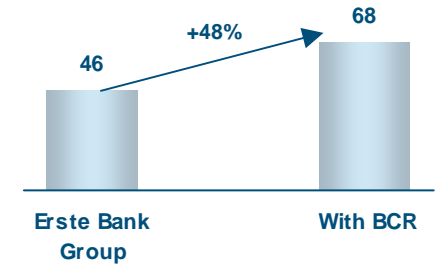
Astrid Kratschmann

Erste Bank AG – s Bausparkasse AG

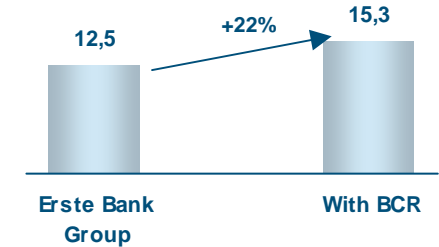
> Erste Bank model – a concentrated region



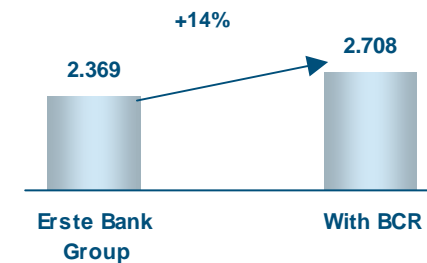
Population in extended home market (million)⁽³⁾



Erste Bank customers (million)⁽⁴⁾



Erste Bank branches⁽⁴⁾



Note: Market share based on number of clients and retail deposits
Sources: Local Central Banks, Erste Bank and its local subsidiaries
(1) Approximately 5 million account holders, translating into an estimated 2.8 million customers

(2) Including branches of majority owned regional savings banks
(3) Eurostat as per 2004
(4) As of 30 September 2005

> 4 core strategies

1. Focus on core business potential
2. Building a strong joint brand with the Austrian savings banks
3. Targeting a home market of 68 million people in Central Europe
4. Transferring the multi-channel distribution model throughout Central Europe

> 3rd core strategy

Targeting a home market of 68 million people in Central Europe (CE)

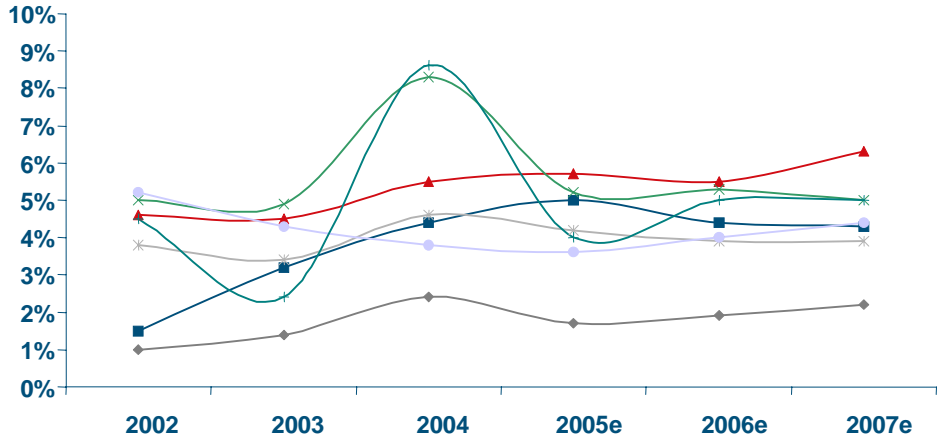
- » The new EU-member countries (Czech Republic, Slovak Republic, Hungary, Slovenia), Croatia, Serbia and Romania are an attractive extension of our home market
- » They are the only real growth market in Europe
- » To establish Erste Bank as the leading financial services provider in Central Europe
- » Application of the successful strategies in the core business in the extended home market

> Erste – successful growth

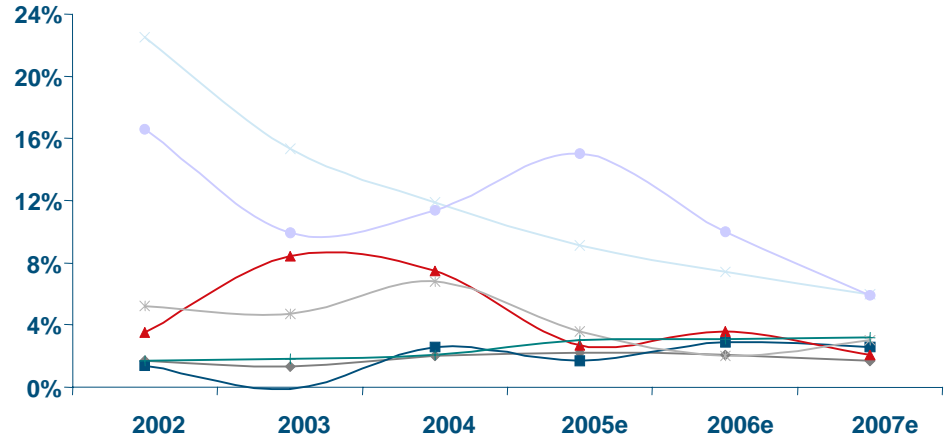


> Macro overview

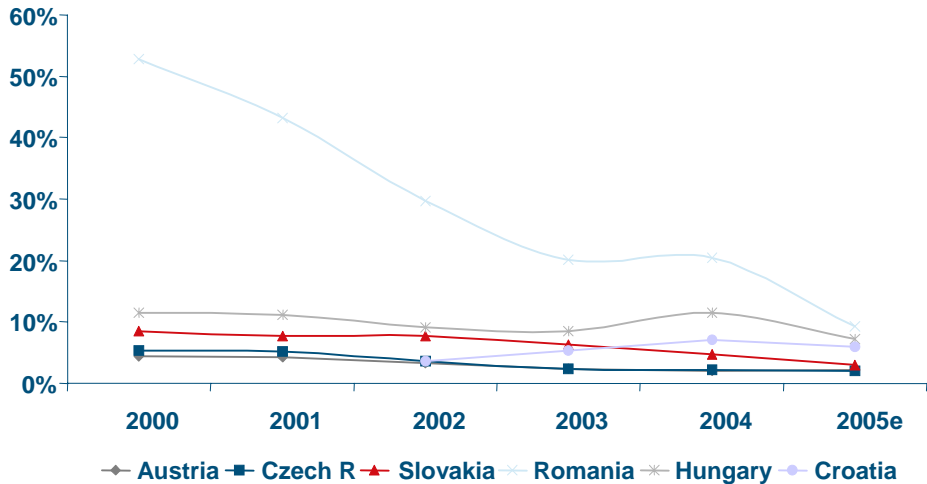
Real GDP growth



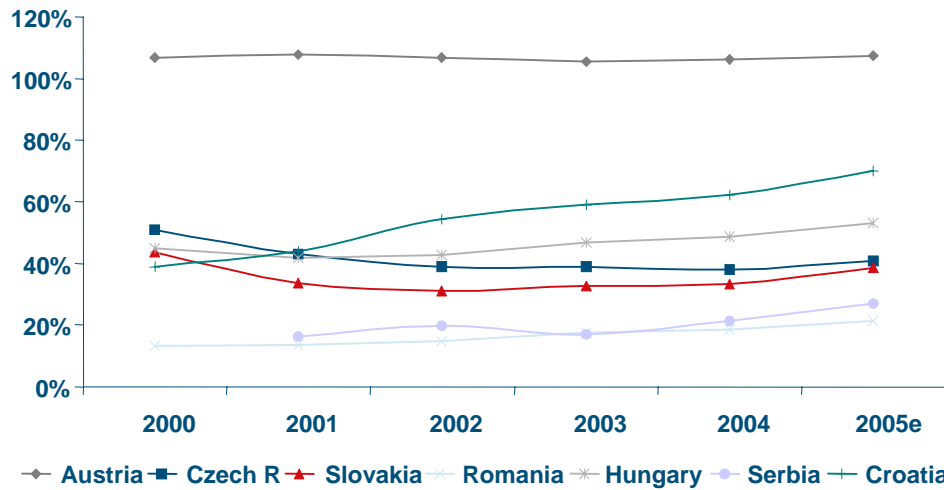
Consumer price inflation (annual average)



Short-term interest rates (1m, average)

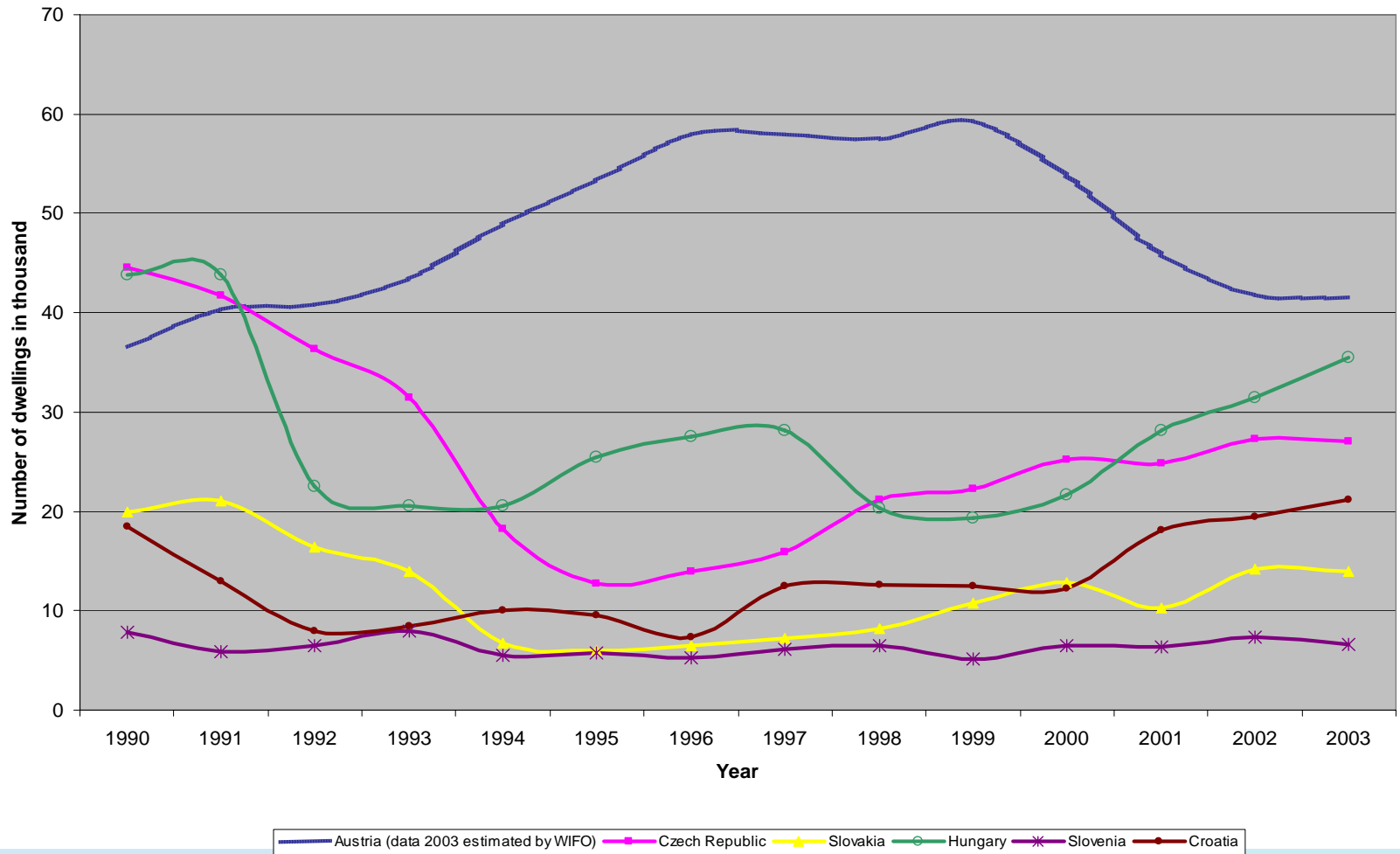


Loan-to-GDP Ratio



> Finished dwellings since 1980

Number of finished dwellings
Comparison Austria - selected CEE-countries

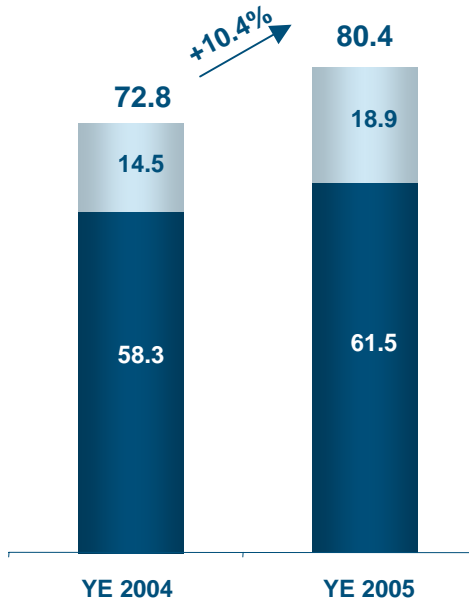


> Loan growth by region

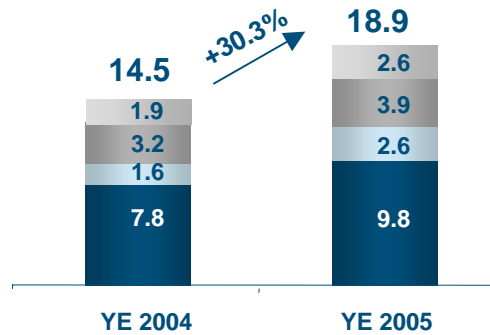
Strong loan growth in Central Europe: +30.3%

- » Loan growth in CE subsidiaries main driver of Erste Bank Group's lending business growth
- » Strong demand for retail lending products supports 30% overall loan growth in CE
 - » Based on continuing strong GDP growth and declining interest rates
- » Moderate growth in Austria and Int'l (+5.5%) based on mortgage and retail volume increase

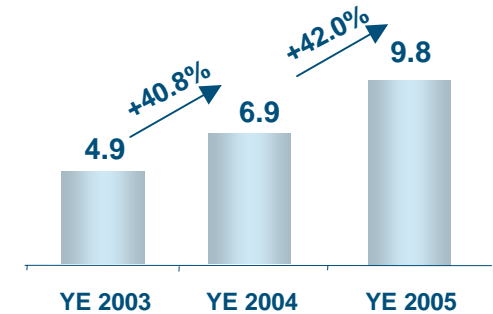
Loans to customers by segment (EUR bn)



Loans to customers by CE subsidiary (EUR bn)



Retail loans in CE (EUR bn)



■ Austria, Int'l. & Corp.Center ■ Central Europe ■ CS ■ SLSP ■ EBH ■ EBCR

> Erste Bank's Business Model

Erste Bank Group wants to establish the first

„Financial Franchise“ System in Europe based upon:

- Central production
- Common branding
- Harmonized controlling and IT-Systems
- Joint product development

Independent legal entities with full entrepreneurial responsibility
are conducting their business and
act autonomously according to their local markets
and client structure

“... Group Rulebook contains mutual expectations, standards, and coordination procedures. ... binding ... will require continuing discussions about ... reasonableness and any necessary adjustments It will therefore be necessary ... that all ... managers actually implement them in day-to-day business and, above all, that they communicate with each other....

... is a basic requirement for Erste Bank Group’s development of an unmistakable quality ... forms the basis for individual regional action, while at the same time further developing the group’s identity.

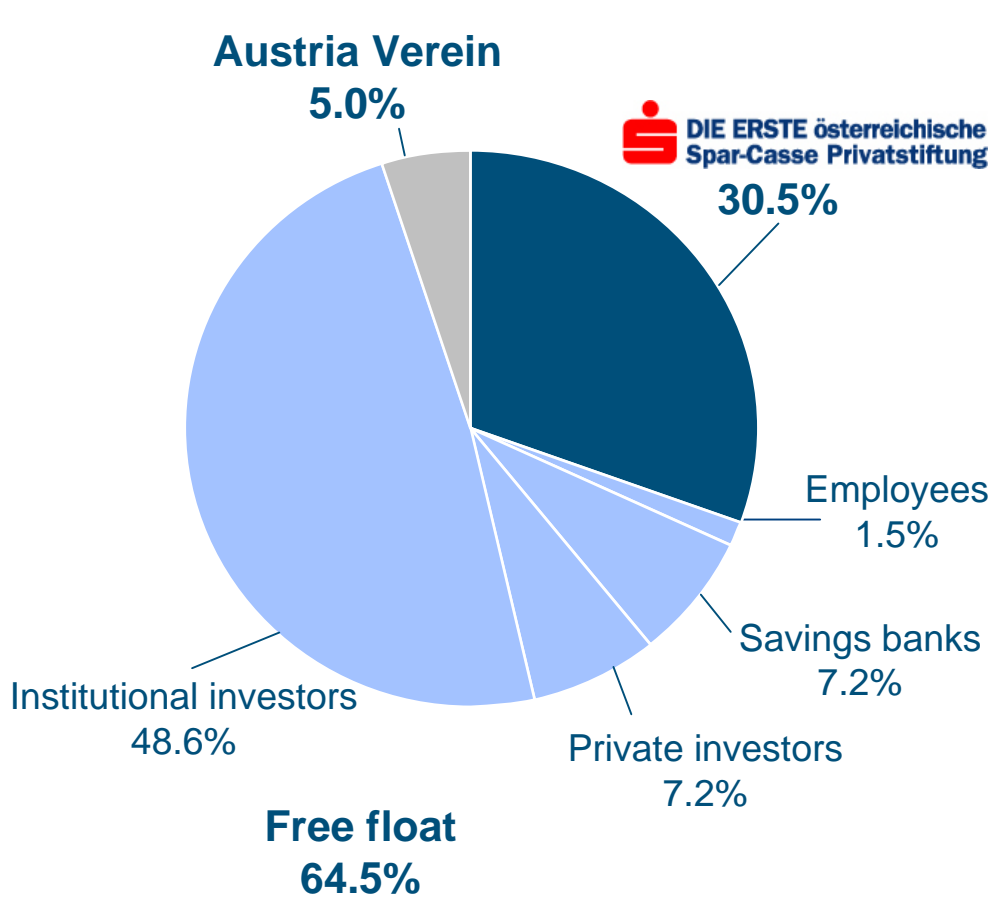
...achieve the goal of “Unity in Diversity,” and will cooperate accordingly. ”

- **integration of Erste Bank business policy „housing & real estate finance“ in the CE subsidiaries and Austrian savings banks**
- **know how transfer within the Erste Bank Group**
- **backup for Austrian customers when expanding their business to CE countries**
- **partner for CE subsidiaries and Austrian savings banks in all questions of „housing finance“, especially large scale mortgages**
- **platform for mortgage finance topics in CE (legal, risk mgmt., market, EU regulation, aso)**

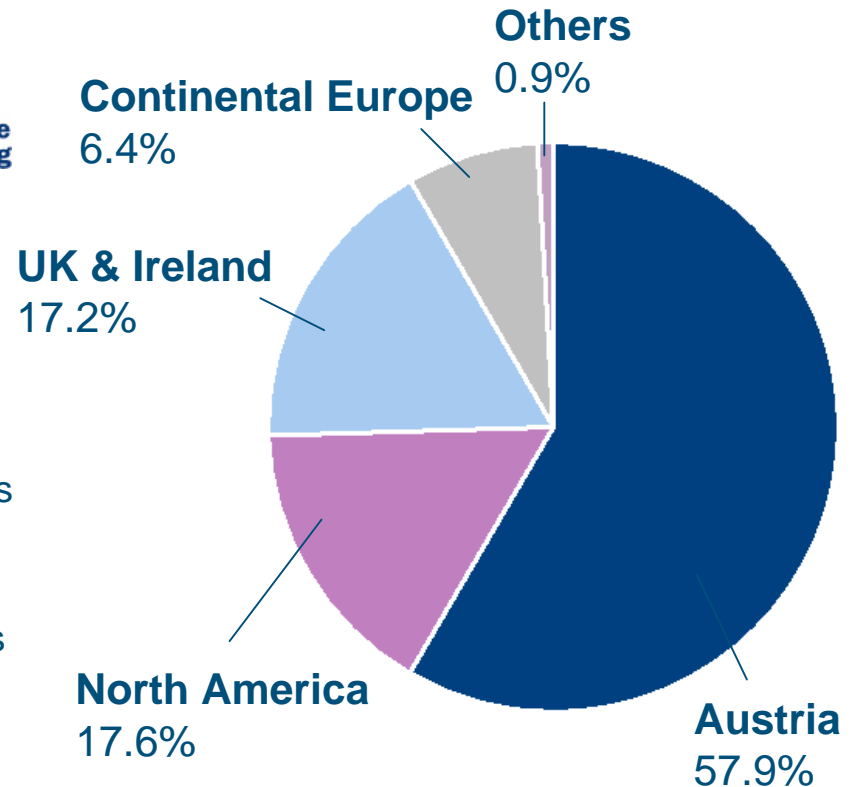
> Current shareholder structure

Total numbers of shares: 308,032,560*

By Investor Type



By Region

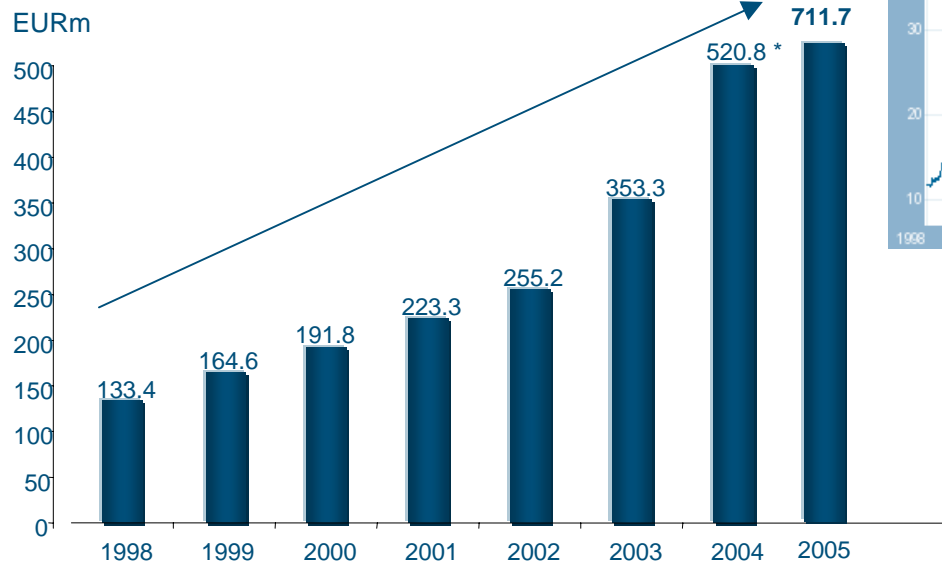


* As at February 2006

> EB has delivered > 25% CAGR since 1998

Erste Bank since 01/01/1998

EB targets an average net profit growth of at least 15 %



Erste Bank Group Net Profit after minorities 1998 – 2005

* Restated