

## INVESTOR INFORMATION

Vienna, 4 October 2010

# Summary on Erste Group's 7th Capital Markets Day

At today's Capital Markets Day in Dubrovnik, Croatia, Erste Group Bank AG provided an in-depth update on its operations in Austria and the eastern part of the European Union. The main focus was the macroeconomic environment in Erste's region and its impact on the local businesses as well as the implications of the changed regulatory frameworks for the Group's overall strategy and balance sheet.

In his presentation on asset quality, Erste Group's Chief Risk Officer, Bernhard Spalt, reiterated the Group's outlook on risk costs for 2010: they are expected to be broadly unchanged compared to 2009. The gradual improvement which should be visible in the second half of 2010 is expected to continue in 2011 – in line with the economic recovery.

Summarising the day of presentations, Andreas Treichl, CEO of Erste Group reconfirmed the bank's positive long-term view on its region and re-stated the Group's strategy to build on its already strong position in the eastern part of the European Union.

In the short-term, he confirmed Erste Group's conviction that the strong operating performance of the first six months of 2010 should recur in the second half of the year. For 2011, Treichl sees opportunities for continued revenue growth in the Group's core business. This expectation is based on the ongoing recovery of the CEE economies, resulting in the return of mid-single digit loan growth for the Group which should be supported by low double-digit growth in some countries. In addition, resilient net interest margins in its core business, rising fee income and continued strict cost management will contribute to the operating performance.

Talking about the changed regulatory environment and new capital requirements following next years approval of BIS III regulations, Treichl stated that Erste Group already now meets the core Tier 1 ratio of 7% (including the capital conservation buffer) required for 2019. Thus Erste is in a comfortable position to consider the repayment of the government sponsored participation capital without having to raise equity.

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