

Press release

29 October 2008

Statement to financial measures introduced by Hungarian Authorities

Erste Group appreciates the steps the Hungarian government and the National Bank of Hungary together with the IMF and EU have taken in order to restore confidence in Hungary's financial system. Erste Group will continue to support the Hungarian economy both in forint and where appropriate also in Euro lending.

Andreas Treichl, CEO of Erste Group comments: *"We firmly believe that current negative sentiments surrounding Central and Eastern Europe in general and Hungary in particular do not reflect the tremendous opportunities and underlying potential of this region. We have made a long term strategic investment in Hungary and are determined to continue to support the Hungarian economy and specifically to meet our clients' needs."*

Since 2007 Hungary has already made significant progress in reducing its government budget deficit (2008: 3.4% of GDP). With this, the country will be able to stabilize its debt to GDP ratio at a level that is comparable to debt levels in Western Europe. Beyond this the current slowing of the economy will further reduce Hungary's current account deficit (2008: 6.2% of GDP), which already today is well below CEE average (2008: 8.8% of GDP)¹.

The measures taken by the Hungarian government and the National Bank of Hungary, IMF and EU will help Hungary to stabilize its currency, to maintain financial stability and to keep track on its consolidation path. As this consolidation process has already started, we are optimistic that Hungary will meet the ambitious lower deficit targets suggested by the IMF and EU.

¹ Without Russia.

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Erste Group is with its more than 54.000 employees one of the leading financial providers in CEE, serving over 16 million clients in almost 3,000 branches in 8 countries (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia, Ukraine). As of 30 June 2008 Erste Group has reached EUR 214.2 billion in total assets, a half-year net profit of EUR 636.6 million and an after-tax ROE of 14.7%.