

SYNTHETIC DOCUMENT

for the admission to trading of the shares of
Erste Bank der oesterreichischen Sparkassen AG
on the spot regulated market – International Shares Category
operated by the Bucharest Stock Exchange

25 January 2008

This Synthetic Document was prepared on the issuer's liability, has not been approved by CNVM and does not represent a form of appraisal by CNVM on the opportunity, advantages or disadvantages, profit or risks entailed by the transactions with the shares issued by Erste Bank der oesterreichischen Sparkassen AG.

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This Synthetic Document does not constitute an offer of, or an invitation by or on behalf of Erste Bank or any shareholders of Erste Bank to invest in the Shares. Neither the publication or delivery of this Synthetic Document nor any transaction made thereafter shall, under any circumstances, imply that there has been no change in the affairs of Erste Bank or its subsidiaries or that the information contained herein is correct as of any date subsequent to the earlier of the date hereof or any date specified with respect to such information.

This Synthetic Document has been prepared by Erste Bank der oesterreichischen Sparkassen AG ("**Erste Bank**" or the "**Issuer**") in connection with the application for admission to trading of all the ordinary shares issued by Erste Bank ("**Shares**") on the International Shares Category of the spot regulated market operated by the Bucharest Stock Exchange S.A. ("**BVB**"). This Synthetic Document has been prepared in accordance with the provisions of the Romanian Capital Markets Law no. 297/2004, the Romanian CNVM Regulation no. 1/2006, Directive (EC) No. 71/2003 of 4 November 2003 and Commission Regulation (EC) No 809/2004 of 29 April 2004. Erste Bank accepts responsibility for the information contained in this Synthetic Document. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Synthetic Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Synthetic Document should be read as an introduction to and as an updated summary of the prospectus prepared for the public offer of 64,848,960 Shares for the financing of the acquisition of Banca Comercială Română SA, duly approved by the Austrian Financial Market Authority (*Finanzmarktaufsicht*) ("**FMA**") with decree of 9 January 2006 (File number FMA-PA051081/0001-WAM/2005) ("**Latest Prospectus on Erste Shares**"). The Latest Prospectus on Erste Shares can be accessed at the premises of Erste Bank and will be transmitted upon request by Erste Bank's Investors Relations department, but is not incorporated by reference into this Synthetic Document.

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This Synthetic Document has been solely prepared to meet the Romanian law requirements for admission to trading of the Shares on the BVB and therefore does not, and does not purport to, contain all the information that investors need to consider in connection with any investment decision in respect of the Shares. In making an investment decision, investors must rely on their own examination of Erste Bank, including the merits and risks involved. Any decision to purchase the Shares should not be based solely on the information contained in this Synthetic Document.

Neither the publication of nor any information in this Synthetic Document shall be construed as a representation by Erste Bank or any of their representatives to any person deciding to purchase Shares as to the legality of an investment by such person under applicable investment or similar laws. Each person contemplating the acquisition of any Shares should consult with his own advisors as to the legal, tax, business, financial and related aspects of the purchase of the Shares.

This Synthetic Document has not been approved as a prospectus or as a summary to the Latest Prospectus on Erste Shares (or any other or in any other form) by the Romanian National Securities Commission (Rom. *Comisia Nationala a Valoriilor Mobiliare*) ("**CNVM**"), the FMA, the BVB or any other authority from any jurisdiction. This Synthetic Document has only been filed with the CNVM and the BVB.

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Erste Bank's Shares are admitted to listing on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (Austria) and on the Prague Stock Exchange (Czech Republic). As a result of the listing on the Vienna Stock Exchange, Erste Bank is subject to the informational reporting requirements of the Austrian Stock Exchange Act and the Prime Market regulation (*Regelwerk Prime Market*), pursuant to which Erste Bank is required to file (i) three quarterly reports as well as annual financial statements, (ii) a corporate action timetable and (iii) notices of shareholders' meetings and of dividend distributions, issuance of new shares, exercise of

subscription or conversion rights, modification of shareholders' rights, substantial modifications in stakeholdings formerly published, if known, the name of and changes of the Austrian paying agent, buy-back programs relating to the Shares and any new facts likely to have a significant influence on the price of the Shares ("**Ad Hoc Information**"). Most of these filing requirements comprise an additional communication to the FMA. Information relating to quarterly reports, annual reports, shareholders' meetings and notices of new price-sensitive information can be found on the Vienna Stock Exchange's website at www.wienerborse.at and on Erste Bank AG's website at www.erstebank.at, but do not form part of this Synthetic Document.

The distribution of this Synthetic Document may, in certain circumstances and jurisdictions, be restricted by law. Persons who come into possession of this Synthetic Document are required by Erste Bank to comply with any such restrictions.

Unless otherwise stated, statistical and other data provided in this Synthetic Document have been extracted from the audited consolidated financial statements of Erste Bank for the financial years ended 31 December 2006 and 2005 and the Annual Reports thereon, and the unaudited consolidated financial statements for the financial half year ended 30 September 2007. Information in this Synthetic Document which is based on third-party sources has been accurately reproduced and, as far as Erste Bank is aware and able to ascertain from information by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Subject to the foregoing, Erste Bank cannot assure investors of the accuracy and completeness of, and take no responsibility, for such data.

This Synthetic Document contains statements that are, or may be deemed to be, "forward-looking statements". The forward-looking statements contained herein include certain "targets". These targets reflect goals that Erste Bank Group is aiming to achieve and do not constitute forecasts. The forward-looking statements contained in this Synthetic Document include all matters that are not historical facts and include statements regarding Erste Bank Group's intentions, beliefs or current expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industries and markets in which Erste Bank Group operates. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, actual results may vary materially from those

anticipated, believed, estimated or expected. Erste Bank does not intend, and does not assume any obligation, to update forward-looking statements set forth herein.

In this Synthetic Document, unless otherwise specified or the context otherwise requires, references to €, Euro or EUR are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended from time to time), references to CZK are to Czech Koruna, SKK to Slovak Koruna, HUF to Hungarian Forint, HRK to Croatian Kuna, PLN to Polish Zloty, UAH to Ukrainian Hryvnya, RON are to Romanian Leu, BUR are to Bulgarian Lev, SLO to Slovenia Tollar and references to "US dollars" and US\$ are to the currency of the United States of America.

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DEFINITIONS

Whenever used in this Synthetic Document, the following terms and expressions shall have the meanings provided below, unless otherwise specified or unless the context otherwise requires:

Admission to Trading on BVB	shall mean the admission to trading of the Shares issued by Erste Bank on the spot regulated market operated by the BVB – International Shares Category.
BVB	shall mean the Bucharest Stock Exchange (Rom. <i>Bursa de Valori București</i>), headquartered in 34 - 36 Carol I Bd., 14 floor, sector 2, postal code 020922, Bucuresti, ROMANIA, Trade Register Code: J40/12328/2005, Fiscal Code / CUI: 17777754, or shall mean, depending on the context, the spot regulated market operated by this entity.
BCR	shall mean SC Banca Comercială Română SA, a Romanian credit institution, headquartered at Bucharest, 5 Regina Elisabeta Blvd., RO-030016 Bucharest.
Capital Markets Law no. 297/2004	shall mean the Law no. 297/2004 regarding the capital market and adopted by the Parliament of Romania, published in the Official Gazette of Romania - First Part - no. 571 of 29 June 2004.
Central Depository	shall mean the Romanian Central Depository (Rom. <i>Depozitarul Central SA</i>), the Romanian competent body in the area of clearing and settlement of transactions in securities admitted to trading on the regulated markets.
CNVM	shall mean the Romanian National Securities Commission (Rom. <i>Comisia Nationala a Valorilor Mobiliare</i>), the Romanian supervisory and regulatory authority in the capital market field.
CNVM Regulation no. 1/2006	shall mean CNVM Regulation no. 1/2006 on issuers and operations with securities, as approved by CNVM Order no. 23/09.03.2006 published with the Official Gazette of Romania no. 312/06.04.2006.
Erste Bank Group or Issuer's Group	shall mean Erste Bank together with its consolidated subsidiaries and associates (which are stated at equity and where Erste Bank Group has a significant influence), including the savings banks consolidated by Erste Bank

	Group under the Haftungsverbund agreement.
EU	shall mean the European Union.
€, Euro or EUR	shall mean the lawful currency of the EU, introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended from time to time).
FMA	shall mean the Austrian Financial Market Authority (Ger. <i>Österreichische Finanzmarktaufsicht</i>).
Haftungsverbund	<p>shall mean the agreement between Erste Bank and the majority of the Austrian savings banks signed on September 26, 2001, which came into force on 1 January 2002, based on three pillars: (i) the joint product development and centralisation of processing functions, a uniform risk policy (including standardised credit risk classification), co-ordinated liquidity management and common standards of control; (ii) a joint early-warning system, designed to identify financial difficulties at member savings banks which provides support mechanisms, including intervention in management to avoid such members becoming bankrupt; and (iii) a cross-guarantee of certain liabilities of member savings banks.</p> <p>Pursuant to the Haftungsverbund, s Haftungs- und Kundenabsicherungs GmbH (the "Steering Company") is vested with the power to set the common risk policies of its members and to monitor adherence to these policies. In addition, if a member encounters serious difficulties (which may be discerned from the information that is required to be continually generated by members and provided to the Steering Company), the Steering Company has the authority to provide assistance and/or intervene in the management (by appointing or removing the members of the management board) of the affected member savings bank and to require other member savings banks to support and contribute to such assistance as the Steering Company determines. Erste Bank is required to hold at least 51 per cent. of the share capital in the Steering Company (as at 31 December 2006 it held 55.6 per cent.).</p>

Initial Prospectus	shall mean the initial public offering prospectus dated 2 December 1997 based on which Erste Bank has been admitted firstly to trading on the Official Market (<i>Amtlicher Handel</i>) of VSE, authorized by the Vienna Stock Exchange; the Initial Prospectus was published on 2 December 1997 by making it available to potential investors in hard copy, free of charge, at the headquarters of Erste Bank in Vienna.
Latest Prospectus on Erste Shares	shall mean the prospectus prepared for the public offer of 64,848,960 Shares for the financing of the acquisition of Banca Comercială Română SA duly approved by the Austrian Financial Market Authority (<i>Finanzmarktaufsicht</i>) with decree of 9 January 2006 (File number FMA-PA051081/0001-WAM/2005) comprising data regarding Erste Bank as at 30 September 2005; the Latest Prospectus on Erste Shares was published on 10 January 2006 by making it available to potential investors in hard copy, free of charge, at the headquarters of Erste Bank at Graben 21, A-1010 Vienna, Austria.
OeKB	<i>Oesterreichische Kontrollbank Aktiengesellschaft</i> , Austria's central provider of financial services and information to capital markets, depository of Erste Bank shares.
Prospectus Directive	shall mean the Directive No. 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.
PSE	shall mean the Prague Stock Exchange (Czech: <i>Burza cenných papírů Praha</i>).
Shares	all the ordinary shares issued by Erste Bank, <i>i.e.</i> a number of 316,288,945 shares having the characteristics described in the table below regarding the <i>MAIN CHARACTERISTICS OF ERSTE BANK SHARES ENVISAGED TO BE ADMITTED TO TRADING ON BVB</i> and in Section VI below.
VSE	shall mean the Vienna Stock Exchange (Ger. <i>Wiener Börse</i>).

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MAIN CHARACTERISTICS OF ERSTE BANK SHARES ENVISAGED TO BE ADMITTED TO TRADING ON BVB

The main characteristics of the Shares are the following (for further details please see Section VI. herein):

Share capital	EUR 632,577,890 (six hundred and thirty-two million five hundred and seventy-seven thousand eight hundred and ninety euros)
Number of shares	Erste Bank has issued 316,288,945 (three hundred and sixteen million two hundred and eighty-eight thousand nine hundred and forty-five) shares.
Value of shares	The shares have no nominal value.
Class of shares	<p>The shares are fully paid, ordinary, voting, bearer shares (ordinary shares).</p> <p>All the shares are represented by global certificates deposited with the clearing system of Oesterreichische Kontrollbank Aktiengesellschaft (<i>OeKB</i>). The articles of association of Erste Bank exclude the right of shareholders to request individual share certificates.</p> <p>"Bearer shares" under Austrian law are shares that are not registered in the name of the holder; rather, bearer shares are owned by the possessor of the share certificates or, if there are no physical share certificates (as in Erste Bank's case) the owner of the brokerage account, where the shares are registered by electronic book entry. Proof of ownership of Erste Bank shares is supplied by presenting a certificate of the relevant custodian/brokerage firm, which maintains the brokerage account to which the shares are credited through the clearing system.</p>
ISIN Code allocated to the shares	AT0000652011
Issue currency of Shares	The shares are issued in EUR.
Trading currency of shares	<p>The shares are traded on the Vienna Stock Exchange in Euro.</p> <p>The shares are traded on the Prague Stock Exchange in Czech Koruna.</p> <p>It is envisaged for the shares to be traded on the BVB in</p>

Romanian Lei.

Shareholders' rights

The main rights attached to the shares are the following:

- Participation rights and voting rights: Each share entitles its holder to participate in general or extraordinary meetings of shareholders and to one vote in such meeting;
- Dividend rights and liquidation proceeds: each shareholder is entitled to receive, in relation to the number of shares held, dividends from the distributable profits and a pro-rata quota of the assets remaining after a liquidation of Erste Bank AG;
- Subscription rights: allow the shareholders to subscribe, within a determined period, any newly issued shares (or other related financial instruments) in view of maintaining their existing equity quota in Erste Bank AG;
- Challenge rights: under certain conditions, the shareholders may challenge before the Commercial Court (*Handelsgericht*) in Vienna the resolutions of the meetings of shareholders;
- Special rights: Shareholders or groups of shareholders with an aggregate shareholding exceeding certain thresholds (*e.g.* 20%, 10%, 5% of Erste Bank's share capital) have special rights (*e.g.* blocking rights for certain measures, information rights, the right to request a special audit, the right to demand a convocation of shareholders' meeting).

Transfer of shares

The shares are freely transferable without the prior approval of the corporate bodies of Erste Bank AG. As the shares are already admitted to trading on VSE and PSE, title to the shares is transferred by book entry (i.e. electronic registration of the shares on a brokerage account).

Applicable law to corporate matters

All corporate matters regarding Erste Bank are governed by the Austrian law and the articles of association of Erste Bank AG.

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I. KEY INFORMATION ON THE ADMISSION TO TRADING ON BVB

This Synthetic Document is prepared by Erste Bank in connection with the application for listing of all its Shares on the International Shares Category of the spot regulated market operated by the BVB.

A. REASONS FOR SEEKING ADMISSION TO TRADING ON BVB

Erste Bank's decision to seek the Admission to Trading on BVB is a consequence of Erste Bank's acquisition of the majority of the shares of Banca Comercială Română SA ("BCR"). Initially, Erste Bank acquired a 61.9% stake in BCR from the Romanian government, the European Bank for Reconstruction and Development and the International Finance Corporation after emerging as the best bidder in a public tender process. After signing the pertinent acquisition agreement on 21 December 2005, the transaction was completed on 12 October 2006. Shortly thereafter, Erste Bank launched an offer to the employees of BCR to exchange their shares in BCR into new Shares of Erste Bank. The offer was taken up by many employees of BCR and allowed Erste Bank to increase its stake in BCR to 69.2%.

Although the Shares are already listed on the Vienna Stock Exchange (since 1997) and the Prague Stock Exchange (since 2002), Erste Bank decided to apply for a listing on the BVB in order to enable the BCR employees who now own Shares to hold and trade their Erste Bank Shares without creating additional burdens normally associated with holding shares listed outside of Romania.

For such purpose, the Management Board of Erste Bank has approved the Admission to Trading and all the related actions by its resolution dated 19 September 2007.

Also, the intention to apply for a listing of its shares on the BVB is in line with Erste Bank's strategy of increasing its presence in the South – Eastern European emerging markets.

The Admission to Trading on BVB does not have an impact on the shareholder structure of Erste Bank, as it is not combined with a public offer of (existing or new) Shares or any other procedure that would lead to an increase of the share capital of Erste Bank or to transfer of Shares between shareholders and third parties.

B. LISTING PROCEDURE

The Admission to Trading on BVB shall be performed by "administrative" means only (*i.e.* not by way of a public offer of its Shares). Under Romanian law, an application for listing on the BVB usually requires the preparation and publication of a prospectus and the use of the services of a financial intermediary, who is a member of BVB.

Due to the fact that Erste Bank is already listed on two other regulated markets in the EU and based on the provisions on cross-border “passporting” admission to trading comprised by CNVM Regulation no. 1/2006 (art. 89 paragraph (3) letter h)) which implement the provisions of the Prospectus Directive (art. 4 paragraph (2) letter h)) and also by CNVM Decision no. 633/26.04.2007, Erste Bank does not have to comply with these requirements. Rather it is – among others - required to publish this Synthetic Document, have the Shares registered with CNVM and the Central Depository in accordance with applicable law and file an application for the admission of its Shares with BVB.

The decision to admit the Shares to trading on the BVB solely rests with BVB's Council. There can be no guarantee that the BVB's competent bodies will approve the listing of the Shares.

II. SUMMARY OF RISK FACTORS RELATING TO ERSTE BANK GROUP

Erste Bank Group is exposed to a number of risks and uncertainties which have the potential to adversely affect Erste Bank Group's business, results of operations, financial condition, prospects and its ability to meet its targets.

The risk factors listed below relating to Erste Bank Group's business should be carefully considered together with the other information contained in this Synthetic Document, prior to any investment decision. Prospective investors should note that the list of risks described below is not exhaustive. Erste Bank has described only those risks relating to its business, operations, financial condition or prospects, of which it is currently aware and that it considers being material. There may be additional risks that Erste Bank currently considers not to be material or of which it is not currently aware, and any of these risks could have material adverse effects to Erste Bank Group's business, financial position, results of operations, prospects or ability to meet its targets. The order in which the following risks are presented is not indication of the possibility of their occurrence or the importance of the respective risks.

A. RISKS RELATING TO ERSTE BANK GROUP'S BUSINESS

- Economic or political developments in Central and Eastern Europe or a downturn of the Austrian economy could have a material adverse effect on Erste Bank Group's business.
- Defaults by customers or counterparties may lead to losses that exceed Erste Bank Group's provisions and the maximum probable losses envisaged by Erste Bank Group's risk management procedures.
- The integration of past acquisitions may require additional resources or may take longer than originally contemplated.
- Future acquisitions may contain hidden liabilities and/or unexpected losses due to undetected liabilities and may prove to be difficult to integrate into Erste Bank Group.
- Erste Bank Group's ability to grow may be restricted by slower growth in the banking markets in which it operates or by difficulties in making further acquisitions and/or identifying new suitable acquisition targets.
- Erste Bank Group may not be able to achieve its goal of growing its wealth management business in Central and Eastern Europe, for which it plans to expend considerable effort in the future.
- Erste Bank Group could be required to write down the value of goodwill resulting from previous acquisitions on its balance sheet.

- Erste Bank Group operates in highly competitive markets and competes against large international financial institutions as well as established local competitors; if Erste Bank Group is not able to meet the needs of its customers or to compete effectively, it may lose market shares; also, increased competition may lead to reduced fees or lower profit margins for Erste Bank Group.
- Interest rate volatility may adversely affect the results of operations of Erste Bank Group.
- Fluctuations in currencies in which Erste Bank Group generates revenues and incurs expenses could adversely affect its earnings and cash flow.
- Erste Bank Group's risk management strategies and procedures may leave it exposed to unidentified or unanticipated risks.
- Erste Bank is exposed to significant operational risks inherent in the banking business, in particular client or employee fraud, employee errors or misconduct as well as counterparty failure, which may lead to losses, even though risk management procedures and internal controls have been put in place to address these risks.
- Resignation or loss of key personnel could adversely affect Erste Bank Group's ability to execute its strategy. Erste Bank Group may also have difficulty recruiting or retaining qualified employees, which are required to facilitate its targeted growth.
- Erste Bank Group is increasingly dependent on sophisticated information technology systems and it is exposed to a number of risks, in particular to the failure or malfunctioning of its IT systems.
- Market risks could impair the value of Erste Bank assets and adversely impact its financial position and results of operations.

B. RISKS RELATING TO ERSTE BANK'S SHAREHOLDING AND CORPORATE STRUCTURE

- Erste Bank may be required to provide financial support to troubled banks in the Savings Banks Group and Haftungsverbund, which could result in significant costs and a diversion of resources from other activities.
- Erste Bank's major shareholder may be able to control shareholder actions. Additionally, future sales or distributions of Erste Bank Shares by major shareholders could depress the market price of the Shares. Furthermore, due to various factors, the price of the Shares could prove to be volatile in the future.

C. RISKS RELATING TO REGULATORY AND LEGAL MATTERS

- Changes in existing, or the introduction of new laws or regulations in the countries in which Erste Bank Group operates may have a material impact on its results of operations.
- An amendment to the Haftungsverbund to comply with EU competition law might adversely affect the financial condition and results of operations of Erste Bank Group.
- Increased costs required for complying with stricter regulations or fines or other penalties in case of non-compliance with applicable laws or regulations could adversely affect Erste Bank Group's business, results of operations or financial condition.
- Applicable bankruptcy laws in various Central European countries may limit Erste Bank Group's ability to obtain payments on defaulted credits.
- Compliance with anti-money laundering and anti-terrorism financing rules involves significant costs and efforts and non-compliance may have severe legal and reputational consequences.
- Changes in consumer protection laws might limit the fees Erste Bank Group may charge for certain banking transactions.

III. ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG

A. INTRODUCTION

Erste Bank Group's ultimate parent company, Erste Bank is Austria's oldest savings bank. Erste Bank Group is a leading retail bank in its "Extended Home Market", which includes Austria and adjacent Central and Eastern Europe — the Czech Republic, Slovakia, Hungary, Slovenia and Romania, as well as Croatia, Serbia and Ukraine. As of 21 September 2007, Erste Bank Group had approximately 16 million customers. Erste Bank Group currently includes 47 Austrian savings banks (the "Savings Banks") that are required under IFRS to be consolidated into Erste Bank Group's results as a result of their membership in the Haftungsverbund and in which Erste Bank holds either a minority interest or no equity stake at all. Financial and operating data for Erste Bank Group includes data for these Savings Banks.

Erste Bank Group was the second largest banking group in Austria (by total assets) with EUR 200.6 billion as of 30 September 2007, on the basis of the consolidation of the Savings Banks pursuant to the Haftungsverbund.

Erste Bank Group provides a full range of banking and financial services, including deposit taking, lending, mortgage lending, investment banking, securities trading and derivatives business (on its own account and for its customers), portfolio management, project finance, international trade finance, corporate finance, capital and money market services, foreign exchange, leasing, factoring and bank assurance.

Comprising some 2,800 branches, Erste Bank Group employed approximately 52,000 people as of 21 September 2007 and is represented in many countries, with a particular focus on its Extended Home Market in Central and Eastern Europe as well as operating in the major financial centres of the world, such as New York, London and Hong Kong.

B. STRATEGY

At the time of the initial public offering of its shares in 1997, Erste Bank had the following four core strategies: (i) focusing on core business potentials in retail banking; (ii) building a strong brand amongst the Austrian savings banks; (iii) targeting a home market of 40 million people in Central Europe; and (iv) transferring the multi-channel distribution model throughout Central Europe.

Following successful implementation, the core strategies have been fine-tuned to reflect the evolution of Erste Bank and its goals as well as changes in the operating environment. Erste Bank now has the following strategies: (i) focusing on the retail banking business; (ii) targeting the Central and Eastern European markets; and (iii) increasing efficiency within Erste Bank Group.

C. BACKGROUND

Erste Bank is a stock corporation (*Aktiengesellschaft*) established under Austrian law registered with the Austrian Companies Register (*Firmenbuch*) at the Vienna Commercial Court (*Handelsgericht Wien*) under the name "Erste Bank der oesterreichischen Sparkassen AG" with the registration number 33209m. The registered office of Erste Bank is Graben 21, 1010 Vienna, Austria and its telephone number is +4350100-0.

DIE ERSTE österreichische Spar-Casse Bank Aktiengesellschaft ("**Die Erste**") changed its name to "Erste Bank der oesterreichischen Sparkassen AG" on 4 October 1997, following the merger of GiroCredit Bank Aktiengesellschaft der Sparkassen, the third largest Austrian bank, with Die Erste, the fifth largest Austrian banking group, thus creating what is currently the second largest Austrian banking group (Source: 2006 Annual Reports of relevant leading financial institutions). Die Erste was established in 1819 as a Vereinssparkasse (association of savings bank) and, as the name suggests, was the first savings bank in Austria ("erste" means "first" in German).

D. STRUCTURE OF ERSTE BANK GROUP

1. Current structure of Erste Bank Group

Erste Bank Group consists of Erste Bank and its majority owned financial and non-financial subsidiaries and participations, including Česká spořitelna, a.s. in the Czech Republic ("**Česká spořitelna**"), Slovenská sporiteľňa, a.s. in the Slovak Republic ("**Slovenská sporiteľňa**"), ERSTE Bank Hungary Rt. in Hungary ("**Erste Bank Hungary**"), BCR in Romania, Erste & Steiermärkische banka, d.d. in Croatia ("**Erste Bank Croatia**"), Erste Bank a.d., Novi Sad in Serbia ("**Erste Bank Serbia**"), JSC Erste Bank in the Ukraine ("**Erste Bank Ukraine**"), Salzburger Sparkasse Bank AG ("**Salzburger Sparkasse**"), Tiroler Sparkasse Bankaktiengesellschaft Innsbruck ("**Tiroler Sparkasse**"), ERSTE-SPARINVEST Kapitalanlagengesellschaft m.b.H. ("**Erste SparInvest**"), Bausparkasse der österreichischen Sparkassen Aktiengesellschaft ("**S-Bausparkasse**"), Sparkassen Versicherung AG, EBV-Leasing Gesellschaft mbH & Co KG ("**EBV-Leasing**"), IMMORENT AG ("**IMMORENT**"), S-Wohnbaubank AG ("**S-Wohnbaubank**") and others. As of 30 September 2007, the term "**Erste Bank Group**" also includes the 47 Austrian Savings Banks consolidated by Erste Bank under the Haftungsverbund agreement.

The table below provides an overview of income per segment for the nine month period ended 30 September 2007:

	Austria		CEE		Int'l Business		Corp. Center	
	1-9 07	1-9 06	1-9 07	1-9 06	1-9 07	1-9 06	1-9 07	1-9 06
in EUR million								
Net interest income	1,219.8	1,177.7	1,538.2	947.5	112.0	109.6	-25.9	26.7
Risk provisions	-218.2	-252.1	-114.3	-79.2	-3.5	0.2	0.1	0.0
Net fee and commission income	698.0	661.5	650.2	379.8	23.6	25.1	-17.7	-30.0
Net trading result	100.4	98.8	178.8	88.9	-0.1	0.0	12.9	0.1
General administrative expenses	-1,275.3	-1,242.7	-1,328.2	-804.3	-25.3	-25.2	-81.1	-32.1
Income - insurance business	11.5	15.7	20.8	9.6	0.0	0.0	0.0	0.0
Other result	-15.0	34.4	-54.5	-23.7	3.6	9.9	-60.1	-49.9
Pre-tax profit	521.2	493.2	891.1	518.6	110.3	119.7	-171.9	-85.3
Taxes on income	-118.8	-106.9	-175.5	-123.4	-29.8	-31.4	33.7	26.0
Minority interests	-134.2	-135.9	-107.5	-21.6	0.0	0.0	19.3	2.1
Net profit after minorities	268.2	250.5	608.1	373.6	80.5	88.3	-118.8	-57.1
Average risk-weighted assets	48,848.3	49,524.4	34,155.4	21,394.8	6,775.4	7,704.8	1,204.4	347.8
Average attributed equity	1,965.3	1,888.5	2,071.5	1,416.3	440.7	501.0	3,802.7	2,778.1
Cost/income ratio	62.8%	63.6%	55.6%	56.4%	18.7%	18.7%	na	na
ROE based on net profit	18.2%	17.7%	39.1%	35.2%	24.4%	23.5%	na	na

Source: Erste Bank Report for the third quarter of 2007

2. New structure of Erste Bank Group

At its meeting in December 2006, the Supervisory Board of Erste Bank gave approval for an adjustment of Erste Bank's organisational structure to reflect the Group's significantly expanded geographic presence. Through its systematic expansion in Central and Eastern Europe over recent years, the Group has reached a scale that necessitates a more centralised and coordinated approach towards its most important management and information processes and a structure that will enable and safeguard efficient enterprise-wide decision-making and execution.

The key element towards the new Group structure lies in the new structural setup in Austria, which separates a new "operating holding" from a dedicated Austrian regional bank.

The (operative) holding company will have three areas of activity:

- Firstly, it will combine all major steering functions of the Group (e.g. strategy, performance management, strategic risk management, HR/talent development etc.);
- Secondly, it will manage the two divisionalised businesses on Group level, Global Markets ("GM") and Group Corporate and Investment Banking ("GCIB");
- Thirdly, it will provide the infrastructure (IT and Operations) for the centralised Group as well as the local customer businesses.

The new Group structure will be implemented in two phases. Phase one, the "Factual Holding", was completed by the end of June 2007 (separation of Group and

Austrian activities within the existing legal entity "Erste Bank der oesterreichischen Sparkassen AG") and phase two, the "Legal Separation" into a holding company and a regional Erste Bank in Austria is to be completed by mid 2008 (subject to approval by shareholders, regulators and the registration in the commercial register at the Commercial Court of Vienna). Three members of the current Management Board of Erste Bank are designated to form the management board of the new Austrian subsidiary after the legal separation. These are Elisabeth Bleyleben-Koren, Peter Bosek and Thomas Uher (please see Section V. below).

E. BUSINESS OVERVIEW

Erste Bank Group's operations are organised in four primary business segments: Austria, Central and Eastern Europe, International Business and Corporate Centre, with the Austria segment further subdivided into four business sub-segments and the Central and Eastern Europe segment subdivided according to geography. If not stated otherwise, all figures are per end of September 2007.

1. Austria

The Austria segment includes most banking activities in Austria and additional activities conducted on a group-wide basis. It is divided into four sub-segments: Savings Banks, Retail and Mortgage, Large Corporates, and Treasury and Investment Banking.

- *The Savings Banks* segment encompasses the 47 Austrian savings banks with 708 branches that were consolidated as a result of their membership in the Haftungsverbund (see Section III. G. herein) and in which Erste Bank holds little or no equity interest. Savings banks that are majority-owned by Erste Bank are included in the Retail and Mortgage segment. Erste Bank and the savings banks cooperate on such key operational issues as common product development; the projection of a unified identity through a one-brand strategy; the standardisation of business and marketing strategies for retail and corporate banking; the development of common management information and control systems and integration of central functions. They also work together on a large number of joint projects in administration and information technology and on legal requirements.
- *The Retail and Mortgage* segment comprises all activities outside the savings banks segment in Austria relating to retail, mortgage and small and medium-sized corporate customers. More specifically, it includes Erste Bank's 144-strong branch network in Eastern Austria, the three savings banks majority-owned by Erste Bank (Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg- Bruck-Neusiedl) and Erste Bank's Austrian real estate and mortgage business, covering retail mortgages, non-profit, subsidised and commercial housing

finance, property management and brokerage. A portion of the investment fund business, namely private banking and portfolio management to retail clients, and of the life insurance business is also included in this sub-segment.

- *The Large Corporate Customers* sub-segment serves companies with annual revenues in excess of EUR 175 million operating in one or several of Erste Bank's core markets. A comprehensive service range is provided by competence centres for real estate and project financing, structured financing as well as corporate finance, export financing, trade finance and derivatives. It includes a portion of the investment fund business, namely private banking and portfolio management for institutional clients. Since 2006, this sub-segment also includes Immorent Aktiengesellschaft, which offers comprehensive solutions for real estate related financing, investments and services as well as equipment and real estate leasing services.
- *The Trading and Investment Banking* sub-segment comprises third-party and proprietary trading activities in Vienna, London, New York and Hong Kong, as well as asset-liability management. This sub-segment also deals with management of asset-liability risk (interest rate and liquidity risks) for Erste Bank Group, foreign currency, for all client groups, and the development of structured products, particularly in relation to Central and Eastern European markets.

2. Central and Eastern Europe

Initially, Erste Bank's Extended Home Market consisted of Austria's neighbouring countries in Central Europe, with a total population of more than 40 million people. Since then, in the next phase of its strategic development, Erste Bank has expanded its home market to adjacent regions in Europe (including the second wave of countries aspiring to EU accession in Eastern and South-Eastern Europe and further potential EU candidates). Following the integration of 10 major acquisitions in Central and Eastern Europe, the home market of Erste Bank now covers a region with a total population of nearly 120 million people. Erste Bank's long-term strategic objective is to attain a market share of 15-20 per cent. in each country of its Extended Home Market, through both targeted acquisitions and organic growth.

The Central and Eastern Europe segment is divided into the following sub-segments:

- *The Czech Republic sub-segment* includes Česká spořitelna and its subsidiaries. Since its privatisation in 2000, the former state savings bank has become a universal bank serving some 5.3 million retail, SME and large corporate clients; it operates a network of 636 branches. Česká spořitelna's services include fund management, securities trading, factoring and foreign exchange dealing. Česká spořitelna continued to rank among the three leading banks in terms of

total assets with a market share of 22% in 2006. In terms of retail products Česká spořitelna maintained its dominant position owning almost one third of the retail loan and deposit market (Sources: Erste Bank Annual Report, Czech National Bank, www.cnb.cz).

- *The Romania sub-segment* comprises BCR and its subsidiaries. BCR is the leading financial services group in Romania with approximately 3.5 million retail and corporate customers and a fast growing network of 526 branches as of October 2007. In addition to banking, BCR is also the No. 1 in leasing, and asset management and is well positioned in the developing insurance and brokerage markets (Source: Erste Bank Annual Report). BCR is also an important player in neighbouring Moldova. The Integration and Development Programme launched upon completion of the acquisition to ensure the alignment of BCR's processes and organisational structures to Erste Bank's standards is in full progress, with the most important projects expected to be finalised in 2007.
- *The Slovakia sub-segment* comprises Slovenská sporiteľňa and its subsidiaries. The former state savings bank serves some 2.5 million clients (roughly 50% of the Slovakian population) through a network of 270 branches. In 2006, it was the market leader in retail and total deposits, as well as in retail and total loans. Through its subsidiaries, Slovenská sporiteľňa also provides asset management and life insurance products and services.
- *The Hungary sub-segment* includes the operations of Erste Bank Hungary and its subsidiaries. Erste Bank Hungary has grown into the second largest retail bank with a market share of over 10% and the fifth biggest in respect of its balance sheet total in 2006 (Source: Erste Bank Annual Report, Hungarian National Bank, www.mnb.hu). Erste Bank Hungary serves nearly 900,000 private customers in its nationwide network of 188 branches. It cooperates with Magyar Posta Rt. (the Hungarian post office), which it supplies with modern banking products in exchange for using their outlets as a secondary distribution network.
- *The Croatia sub-segment* includes the operation of Erste Bank Croatia and its subsidiaries. It is one of the largest universal banks in Croatia serving more than 670,000 clients through a nationwide network of 116 branches. Erste Bank Croatia has double-digit market shares in most segments (Source: Erste Bank Annual Report, National Bank of Croatia, www.hnb.hr). In addition to a comprehensive portfolio of banking services, Erste Bank Croatia distributes a wide array of para-banking products in the areas of asset management, life insurance, securities brokerage, leasing and pension funds. Since April 2007,

the sub-segment also includes Diners Club Adriatic d.d., one of the leading Croatian credit card companies.

- *The Serbia sub-segment* includes the operations of Erste Bank Serbia, one of Serbia's smaller banks with a market share by total assets of about 2% (Source: National Bank of Serbia, www.nbs.yu). Erste Bank Serbia has some 260,000 clients and a network of 60 branches. Offering a wide range of financial products and services to a broad retail and mid-market corporate client base, Erste Bank Serbia is particularly well represented in the north of Serbia. Vojvodina, its traditional home market is one of the most developed regions in the country.
- *The Ukraine sub-segment* includes the operations of Bank Prestige (now JSC Erste Bank) which was fully acquired in January 2007. JSC Erste Bank has a full service banking licence in the Ukraine and will operate as a universal bank, focusing on both corporate and retail business. By the end of 2006, the total assets of the bank amounted to around EUR 143 million. As of June 2007, the number of operating branches amounted to 26 and is expected to reach 100 by the end of 2007. An integration and development program was set up to support the development of the infrastructure, the establishment of group standards and the targeted rapid organic development of JSC Erste Bank. In the medium term the market share of JSC Erste Bank is expected to reach some 4 percent to 5 percent in retail business, supported by a branch network by 2010 of more than 400 branches, covering all major cities. In order to support the development of the business in the Ukraine, Erste Bank expects to invest additional EUR 230 million into the share capital of the bank until 2010.

3. International Business

The International Business segment covers commercial lending to foreign banks, leasing companies and sovereign debtors of Erste Bank's branches in London, New York and Hong Kong, Erste Bank Vienna and Erste Bank Malta, excluding the treasury-related inter-bank business.

Erste Bank's London Branch is a wholesale banking operation focusing on the European market, with a range of activities extending from leveraged and acquisition finance, asset backed securities, structured trade and commercial property to aircraft finance. The New York Branch engages in corporate, project and trade finance, mainly through the acquisition of debt securities, bonds and structured obligations resulting from mergers and acquisitions, leveraged buyouts, refinancing or recapitalisation activity on the corporate side. The Hong Kong Branch concentrates on building up a diversified credit portfolio and engaging in proprietary trading activities in the FX and money markets. The Vienna Profit Centre

concentrates on lending to financial institutions and sovereign debtors. Approximately 96% of Vienna's loan book in this segment relates to these customer groups.

The activities of International Business segment are intended to balance out the loan books of the home market and to achieve the greatest possible group-wide diversification of the credit portfolio as well as corresponding credit risk. The strategic focus remains on the participation in primary credit syndications as well as asset generation from the secondary market.

4. Corporate Centre

The Corporate Centre segment encompasses those banking activities that do not qualify for direct allocation to business lines, including non-banking subsidiaries, e-business and subsidiaries that provide marketing, organisation, information technology and other support services. The Corporate Centre segment also includes intra-group profit and loss eliminations and one-off effects, which make line-item and period-to-period comparisons of the results of this segment not meaningful.

By reporting the one-time effects of business disposals and expenses for group-wide projects in the Corporate Centre segment, Erste Bank Group seeks to improve the period-to-period comparability of the results of its core business segments.

F. MATERIAL AGREEMENTS

1. Haftungsverbund

On 26 September 2001, the majority of the Austrian savings banks signed an agreement called the Haftungsverbund. The Haftungsverbund came into force on 1 January 2002. Since then, all of the savings banks which signed the Haftungsverbund are consolidated into Erste Bank Group's financial statements in accordance with IFRS. The Haftungsverbund, as an integral part of the joint marketing strategy and co-operation between the savings banks, is based on three pillars:

- the joint product development and centralisation of processing functions, a uniform risk policy (including standardised credit risk classification), co-ordinated liquidity management and common standards of control;
- a joint early-warning system, designed to identify financial difficulties at member savings banks which provides support mechanisms, including intervention in management to avoid such members becoming bankrupt; and
- a cross-guarantee of certain liabilities of member savings banks.

Pursuant to the Haftungsverbund, s Haftungs- und Kundenabsicherungs GmbH (the "**Steering Company**") is vested with the power to set the common risk policies of its members and to monitor adherence to these policies. In addition, if a member

encounters serious difficulties (which may be discerned from the information that is required to be continually generated by members and provided to the Steering Company), the Steering Company has the authority to provide assistance and/or intervene in the management (by appointing or removing the members of the management board) of the affected member savings bank and to require other member savings banks to support and contribute to such assistance as the Steering Company determines. Erste Bank is required to hold at least 51% of the share capital in the Steering Company (as at 31 December 2006 it held 55.6%). Assistance may be in the form of injections of liquidity, the granting of loans, the assumption of guarantees or claims, the assignment of claims and injections of equity. To support the Steering Company, member savings banks each consent to contribute funds up to a maximum cumulative amount of 1.5% of the member's risk-weighted assets from time to time, determined on a non-consolidated basis, plus 75% of the member's anticipated pre-tax profits for the current financial year.

Once a member becomes bankrupt, members guarantee, through the Steering Company, the payment of all amounts owed to customers by the bankrupt member, including:

- (a) all deposits (as defined in §1 Section 1 No. 1 of the Austrian Banking Act);
- (b) all monetary claims based on credit balances from banking transactions; and
- (c) all monetary claims from the issuance of securities,

except to the extent that the relevant amounts are owed to a credit institution. Such guarantee is also subject to the cumulative limit on members' obligations referred to above.

2. Other material agreements

Since 30 September 2007 Erste Bank Group has not entered into material contracts, other than contracts entered into in the ordinary course of business. In addition, and other than contracts entered into in the ordinary course of business, there are no contracts entered into by Erste Bank Group under which any member of Erste Bank Group has any obligation or entitlement material to Erste Bank Group as of the date of this Synthetic Document, except for the Haftungsverbund agreement (see Haftungsverbund above).

G. LITIGATION AND ARBITRATION PROCEEDINGS

Erste Bank is party to a number of legal disputes which have arisen in the course of its ordinary banking business. These proceedings are not unusual for banks and are not expected to have a significant impact on the financial position of the Group.

Erste Bank is also subject to the following ongoing proceedings:

1. Haftungsverbund

In 2002 Erste Bank formed the Haftungsverbund on the basis of a set of agreements with the majority of the Austrian savings banks. While the primary purpose of the Haftungsverbund was to establish a joint early-warning system as well as a cross-guarantee for certain liabilities (mostly deposits) of member savings banks, and to strengthen the Group's cooperation in the market, the Haftungsverbund agreements also allow Erste Bank and the other member institutions to qualify as a 'credit institute group' within the meaning of the Austrian Banking Act. This permits Erste Bank to consolidate the "Qualifying Capital" (required under Sec. 24 of the Austrian Banking Act) and the risk-weighted assets (required under Sec. 22 of the Austrian Banking Act) of the members of the Haftungsverbund.

In competition proceedings before the Austrian Cartel Court, both a competitor of the Group and the Austrian Federal Competition Authority requested the court to set aside the Haftungsverbund agreements because of an alleged infringement of Article 81 of the EC Treaty. On 21 March 2007, the Supreme Court handed down a resolution in this case against which no further appeal is possible. In this decision, the Supreme Court confirmed that the agreements which constitute the Haftungsverbund are for the most part in compliance with Article 81 of the EC Treaty, because, among other things, they provide benefits to consumers. This relates in particular to the joint product development policy within the Haftungsverbund as well as to the early warning system and the cross-guarantee system.

However, the Supreme Court also held that certain aspects of the agreements (notably the fact that, on the basis of the agreements, the savings banks disseminate a considerable amount of sensitive information not only to the Steering Company, which is qualified as legitimate, but also to Erste Bank) could be critical under competition aspects.

The Supreme Court did not stipulate any explicit consequences from its findings which need to be implemented by Erste Bank and the other parties to the proceedings. Rather, in order to specify the conclusions to be drawn from the court ruling, the proceeding will now be continued at the court of first instance.

The Supreme Court's decision does not affect the consolidation of the Qualifying Capital of the savings banks as part of Erste Bank's balance sheet yet.

In December 2004, Erste Bank, together with some other members of the Haftungsverbund, filed an application with the Austrian Cartel Court for a declaratory decision that the Haftungsverbund qualifies as a "Zusammenschluss" (merger) within the meaning of the Austrian Cartel Act.

In November 2005, this application was widened to also encompass a Supplementary Agreement to the Haftungsverbund, entered into by Erste Bank, the s-Haftungs- und Kundenabsicherungs GmbH and another Sparkasse as a test case. On 21 March 2007, in parallel with the above mentioned ruling in the competition proceedings, the Supreme Court handed down its respective ruling, which is legally binding. In this ruling, which was welcomed by Erste Bank as being very favourable, the Supreme Court determined that the Supplementary Agreement of November 2005 qualifies as a Zusammenschluss (merger) within the meaning of the Austrian Cartel Act. Erste Bank has entered into similar agreements with all other Sparkassen willing to take this step. The application for the first 34 Sparkassen has led to the formal authorisation of this Zusammenschluss (merger) by the competition authorities on 25 October 2007. For the further participating Sparkassen this application procedure will be done as soon as possible. All participating members will qualify as a group in the meaning of competition law, to the effect that (according to the Viho-case law of the European courts) the internal relations between Erste Bank and the respective Sparkassen will no longer be subject to scrutiny under anti-trust rules.

2. State aid Erste Bank Hungary

In the course of its review of past state aid granted by the governments of newly acceded EU member states, the European Commission has initiated the formal investigation procedure laid down in Article 88 (2) of the EC Treaty against Hungary, as it has serious doubts about the compatibility of an "indemnity for unknown claims", granted by the Republic of Hungary to Erste Bank in relation to the acquisition of Postabank, with the *acquis communautaire*.

This investigation, in which Erste Bank participates as an affected third party, is still pending and no decision has yet been taken. Erste Bank does not expect the outcome of this investigation to be of material relevance to Erste Bank, especially as since the acquisition of Postabank no "unknown claims" have materialised.

3. Lombard ruling

In December 2006 the Court of First Instance of the European Communities dismissed the action of Erste Bank for annulment of the so called "Lombard" decision of the EU-Commission and stated that the fine imposed in 2002 in the amount of EUR 37.7 million was justified and appropriate. Erste Bank has filed an appeal against this decision with the European Court of Justice. Erste Bank has already paid the amount of the fine imposed in 2002.

4. Potential law suit by Deloitte Hungary against Erste Bank Hungary

Deloitte Hungary has been sued by the Hungarian State alleging that, as the majority shareholder of Postabank, the Hungarian State suffered substantial losses

as a result of negligence by Deloitte Hungary in respect of its work as auditor of Postabank's financial statements for the year ended 31 December 1997, as well as the six-month period ended 30 June 1997 and the period ended 31 July 1998. The Hungarian State alleges that Deloitte Hungary was negligent in not uncovering certain transactions which disguised losses suffered by Postabank, as well as uncertainties in relation to Postabank's provisioning and certain other matters. After the court of first instance had found that Deloitte Hungary and the Hungarian State were each 50% liable the court of appeal overturned the ruling and sent the case back to the court of first instance. In its ruling it stated, with final and binding effect, that some moneys lost by the State may as a matter of law not be seen as damages. The remaining amount requested is in the region of HUF 130 billion.

Deloitte Hungary has indicated to Erste Bank Hungary that, if it is found liable, it will bring a claim against Erste Bank Hungary as the successor to Postabank alleging that any errors in the financial statements of Postabank were the result of erroneous data provided by Postabank to Deloitte Hungary. Erste Bank currently expects that Deloitte Hungary would not file a law suit until the case between Deloitte Hungary and the Hungarian State is resolved in a final judgment, which is not expected to occur for at least two years. However, there is no certainty as to whether, and if so when, such a law suit would be filed.

5. Ruling of the Supreme Court concerning the adjustment of saving deposit rates

In a ruling published in January 2006, the Austrian Supreme Court has declared certain clauses used by an Austrian competitor in its terms and conditions for savings books to be contrary to consumer protection law. One of these clauses deals with the right of the credit institution to unilaterally change the savings deposit rate. This clause is not only used by the competitor, but by most Austrian credit institutions, including Erste Bank. According to the ruling of the Supreme Court a credit institution may not adjust the interest rate of a savings book unilaterally and without having more closely stipulated the conditions for such adjustment in advance, unless such adjustment is reasonable, in particular if the change is only minor and objectively justified.

In public statements Austrian consumer protection organisations argue that, as a result of this landmark decision, there exists not only a duty on the part of the credit institutions affected to change the interest rate adjustment clause used so far for savings books, but consider that this ruling also provides grounds for review as to whether past adjustments of the applicable interest rates for savings books were objectively justified, including reviewing the possibility of consumers making claims against credit institutions retroactively. The consumer protection organisations have announced that they expect Austrian banks to take a positive attitude towards

justified claims made by customers on this ground and that in the absence of an appropriate honouring of the implications of this landmark ruling by a bank they will file further test cases in relation to the issue of interest rate adjustment for savings books.

6. Ecetra settlement case

Ecetra, the internet broker subsidiary of Erste Bank, is affected by a legal dispute involving several parties. The financial consequences of this dispute, which is related to the settling of transactions in securities for customer accounts, have adversely affected risk provisions for loans and advances and other operating results of Erste Bank in 2006. Overall, however, there should be no repercussions on forecasts for the following years. The transactions and activities of the parties involved in the trading leading to this situation are also the subject of investigations by the Austrian Financial Market Authority.

7. Banca Comercială Română

Several lawsuits are pending against BCR which result from the merger of the former Bancorex into BCR in 1999. In the course of the due diligence before acquiring BCR, Erste Bank examined these proceedings and the guarantee mechanism in place, namely a system by which the Romanian Government provides guarantees in favour of BCR in relation to this litigation and certain new disputes, and has ensured in the acquisition process that this shall not create an undue risk for Erste Bank, for example by ensuring that the measures granted shall not be qualified as state aid.

8. Česká spořitelna – Consumer protection claims

In 2006, a Czech consumer protection organisation initiated legal proceedings, initially against a competitor bank and then also against Česká spořitelna as test cases, challenging the practice of charging certain fees in relation to maintaining current accounts and for closing an account. In organising these law suits and the campaign related thereto, in the course of which consumers were encouraged to participate, the consumer protection organisation has been enjoying the backing of politicians and of the media.

IV. CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Erste Bank Group is required to publish three unaudited quarterly reports as well as annual audited financial statements at and for the end of each business year. Erste Bank's business year corresponds to the calendar year. Erste Bank prepares its consolidated annual financial statements as well as the unaudited quarterly reports on the basis of International Financial Reporting Standards ("IFRS"). Additionally, Erste Bank is also required to prepare unconsolidated financial statements under Austrian GAAP. Erste Bank Group presents its financial statements in Euro, unless otherwise specified or the context otherwise requires. For information on the availability of Erste Bank Group's financial statements and information on Erste Bank Group's auditors, see Section VII. herein.

A. Selected financial information

The financial data provided below has been derived from Erste Bank Group's audited consolidated financial statements, which were prepared in accordance with IFRS. The minority interests include, among others, 47 savings banks at year end 2006 in which Erste Bank AG holds a minority interest or no interest but over which it exercises control under the Haftungsverbund. The restated year end information included below reflects the effects of retrospective application of the amended IAS 19 (Employee Benefits), as well as changes in the presentation of individual items in preparation for the application of IFRS 7 (Financial Instruments: Disclosure) effective for annual periods beginning on 1 January 2007.

1. Balance sheet

in EUR million	As of 30 September	As of 30 June	As of 31 December	
	2007 (unaudited)	2007 (unaudited)	2006 (audited)	2005 (audited)
Assets				
Cash and balances with central banks	7,311	6,753	7,378	2,728
Loans and advances to credit institutions	21,261	21,405	16,616	16,858
Loans and advances to customers	107,218	104,389	97,107	80,419
Risk provisions for loans and advances	(3,314)	(3,239)	(3,133)	(2,817)
Trading assets	6,358	6,682	6,188	5,426
Financial assets – at fair value through profit or loss	4,754	5,045	4,682	4,370
Financial assets – available for sale	15,784	15,200	14,927	14,537
Financial assets – held to maturity	18,396	18,139	16,700	15,122
Investments of insurance companies	7,878	7,556	7,329	7,066
Equity holdings in associates accounted for at equity	384	389	383	256

in EUR million	As of 30 September	As of 30 June	As of 31 December	
	2007 (unaudited)	2007 (unaudited)	2006 (audited)	2005 (audited)
Intangible assets	6,246	6,528	6,092	1,911
Tangible assets	2,273	2,252	2,165	1,688
Tax assets	364	349	317	264
Other assets	5,659	5,905	4,952	4,853
Total assets	200,572	197,353	181,703	152,681
Liabilities and equity				
Amounts owed to credit institutions	40,400	40,989	37,688	33,911
Amounts owed to customers	98,184	93,235	90,849	72,793
Debt securities in issue	27,834	29,128	21,814	21,291
Trading liabilities	1,942	1,704	1,200	1,304
Underwriting Provisions	8,396	8,260	7,920	7,056
Other provisions	1,737	1,749	1,780	1,493
Tax liabilities	320	286	291	188
Other liabilities	5,029	5,150	4,047	3,976
Subordinated capital	5,423	5,484	5,210	4,290
Total equity	11,307	11,368	10,904	6,379
<i>Shareholders' equity</i>	<i>8,438</i>	<i>8,483</i>	<i>7,979</i>	<i>4,065</i>
<i>Minority interests</i>	<i>2,869</i>	<i>2,885</i>	<i>2,925</i>	<i>2,314</i>
Total liabilities and equity	200,572	197,353	181,703	152,681

2. Income statement and key ratios

Income statement and key ratios	For the nine months ended 30 September		For the six months ended 30 June		For the year ended 31 December	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)	2006 (audited)	2005 (audited)
in EUR million						
Net interest income	2,844.1	2,261.5	1,857.5	1,481.8	3,189.3	2,794.2
Risk provisions for loans and advances	(335.9)	(331.2)	(239.3)	(218.3)	(439.1)	(421.6)
Operating income ⁽¹⁾	4,522.6	3,511.1	2,991.5	2,330.7	4,948.9	4,329.4
General administrative expenses	(2,709.9)	(2,104.3)	(1,791.8)	(1,399.6)	(2,945.3)	(2,670.0)
Operating result	1,812.7	1,406.8	1,199.7	931.1	2,003.6	1,659.4
Pre-tax profit for the period	1,350.7	1,046.2	902.9	711.9	1,522.2	1,221.7
Profit for the period	1,060.3	810.6	708.8	551.6	1,182.4	920.0
Net profit after minority interests	837.9	655.3	566.0	452.6	932.2	716.7
Earnings per share in EUR ⁽²⁾	2.69	2.20	1.82	1.54	3.10	2.98
Return on equity (ROE) ⁽³⁾ in %	13.5	13.3	13.8	14.1	13.7	19.5
Cost Income Ratio ⁽⁴⁾ in	59.9	59.9	59.9	60.1	59.5	61.7

Income statement and key ratios	For the nine months ended 30 September		For the six months ended 30 June		For the year ended 31 December	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)	2006 (audited)	2005 (audited)
in EUR million						
%						
Net interest margin ⁽⁵⁾ in %	2.4	2.2	2.4	2.2	2.3	2.2
Return on Assets (ROA) ⁽⁶⁾ in %	0,58	0,54	0.60	0.57	0.57	0.48
(1)	<i>Operating income includes net interest income, net commission income, net trading result and income from insurance business.</i>					
(2)	<i>Adjusted for the four-to-one stock split in 2004. The earnings per share are calculated using the weighted average number of Shares outstanding in each period.</i>					
(3)	<i>The return on equity is the ratio of profit for the year after taxes and minority interest to average shareholder's equity.</i>					
(4)	<i>The cost income ratio is the ratio of operating expenses (general administrative expenses) to operating income (the sum of net interest income, net commission income, trading result and income from insurance business).</i>					
(5)	<i>Net interest margin is the ratio of net interest income to average interest bearing assets.</i>					
(6)	<i>ROA is the ratio of net profit after taxes and minority interests for the period to the average total assets.</i>					

3. Capitalisation

in EUR million, except as otherwise indicated	As of 30 September		As of 30 June		As of 31 December	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)	2006 (audited)	2005 (audited)
Subscribed Capital	632	618	632	618	630	486
Capital reserves	4,554	4,229	4,554	4,227	4,514	1,464
Retained earnings and other reserves	3,252	2,268	3,297	1,956	2,835	2,115
Shareholders' equity	8,438	7,115	8,483	6,801	7,979	4,065
Minority interests	2,869	2,249	2,885	2,154	2,925	2,314
Total equity (including minority interests)	11,307	9,364	11,368	8,955	10,904	6,379
Total hybrid capital	1,238	1,260	1,236	865	1,249	911
Total subordinated debt						
Total secured debt						
Total long-term unsecured debt						
Total Capitalisation ⁽¹⁾						
Qualifying Capital as determined pursuant to the Austrian Banking Act⁽²⁾	Basel II	Basel I	Basel II	Basel I	Basel I	Basel I
Core Capital (Tier 1)	5,942	8,177	6,028	7,757	6,185	5,112
thereof hybrid capital	1,238	1,260	1,236	865	1,249	911
Qualifying supplementary capital (Tier 2)	4,111	3,805	4,226	3,245	3,820	3,381
Short-term subordinated capital (Tier 3)	268	307	267	308	331	331
Total qualifying capital	10,321	12,289	10,522	11,310	10,336	8,824
Deductions according to sections 23 (13) and 29 (1,2) of the	331	211	320	206	225	213

in EUR million, except as otherwise indicated Austrian Banking Act	As of 30 September		As of 30 June		As of 31 December	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)	2006 (audited)	2005 (audited)
Total eligible qualifying capital	9,990	12,078	10,202	11,104	10,111	8,611
Total capital requirement	8,651	6,938	8,522	6,783	7,952	6,390
Surplus capital	1,339	5,140	1,680	4,320	2,159	2,221
Cover Ratio in %	115.5	174.1	119.7	163.7	127.1	134.8
Core Capital (Tier 1) ratio in % ⁽²⁾	6.2	10.0	6.4	9.8	6.6	6.8
Solvency ratio in % ⁽³⁾	9.4	14.3	9.8	13.5	10.3	11.0

(1) Figures are based on financial statements in accordance with IFRS.

(2) The core capital (Tier 1) ratio is the ratio of core capital to risk-weighted assets (pursuant to the Austrian Banking Act).

(3) The solvency ratio is the ratio of the sum of Tier 1, Tier 2 and Tier 3 capital to risk-weighted assets (pursuant to the Austrian Banking Act).

B. KEY FACTORS AND TRENDS THAT IMPACT ERSTE BANK GROUP'S BUSINESS

Erste Bank Group's business and the results of its operations are affected by a range of economic, political and other external factors and trends that affect the banking business in general and Erste Bank Group's operations in particular. Erste Bank Group believes that the following factors have been or will be the principal drivers for the development of its business, its results of operations and its financial condition:

1. Loan growth

In many countries Erste Bank Group operates in, retail lending was non-existent just a couple of years ago. In developing transformation economies interest rates are in the process of convergence or have already converged, disposable incomes have risen strongly on the back of overall GDP growth, and most state banks have been sold to foreign strategic investors fostering product innovation and competition. This powerful combination underlies current growth trends and will fuel future growth. Within the overall loan growth trend, Erste Bank Group intends to benefit from its focus on the retail customer. Retail lending, particularly in the form of residential mortgages, is expected to increase significantly in all our Central and Eastern European markets.

2. Wealth management

The market for wealth management services in the countries of Central and Eastern Europe is still relatively small. Growth in wealth management typically occurs at a later stage of economic development. Based on historic experience, Erste Bank Group expects that demand for wealth management services begins significant growth when a country's nominal GDP per capita reaches a level of about EUR 10,000. The Czech Republic, Hungary and Slovakia are approaching this threshold.

Erste Bank Group believes that wealth management provides significant long-term growth potential in the Extended Home Market. It intends to utilise the expertise it has gained from wealth management activities in the more mature Austrian market and to apply these in the Extended Home Market.

3. Regional expansion

Regional expansion was, and will continue to be, a key growth driver for Erste Bank Group's business. Since 1997, Erste Bank acquired ten banks and invested about EUR 7 billion into Central and Eastern Europe. Erste Bank Group expects to continue its strategy of growth through selected acquisitions in Central and Eastern Europe as well as Southeastern Europe. In markets where political and economic risks are higher, typically countries that are not scheduled to join the European Union in the near future, Erste Bank Group generally limits its investments (as exemplified by its acquisition of a greenfield operation in Ukraine and a regional bank in Serbia), whereas it is prepared to commit substantial resources in markets with lower political and economic risks (as exemplified by the acquisition of BCR in Romania).

C. DISCUSSION OF THE FINANCIAL RESULTS AS AT AND FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Although the third quarter is traditionally weak it turned out stronger this year: net profit after minority interests amounted to EUR 271.9 million, 3.0% higher than in the previous quarter (EUR 263.9 million) despite unfavourable market conditions. Net profit after minority interests for the first three quarters of 2007 of EUR 837.9 million was up 27.9% compared to the same period in the previous year.

Despite restructuring and transformation costs of EUR 36.4 million at BCR, the operating result rose 28.9% to EUR 1,812.7 million compared to the same period in the previous year. Net interest and commission income were the major contributors highlighting the improved quality of growth. On the income side, all components improved: operating income grew by 28.8% from EUR 3,511.1 million to EUR 4,522.6 million (excluding BCR up by 9.5%). Operating expenses rose by 29.1% from EUR 2,104.3 million to EUR 2,709.9 million.

The cost/income ratio for the period from January to September 2007 remained at 59.9%, the same level as in the comparable period of 2006 despite the restructuring and transformation costs mentioned above. Other operating result deteriorated markedly from EUR -86.3 million in the first half of 2006 to EUR -133.3 million. This is directly related to pro rata amortisation charges for intangible value of customer stock as of this year, especially related to BCR (in total EUR 57.7 million).

Total income from the various categories of financial assets declined in the first half of 2007 by 36.5% from EUR 56.9 million to EUR 7.2 million, primarily due to lower

income from sales of securities allocated the available-for-sale portfolio and additional write-downs in securities of the fair value portfolio.

Return on equity (ROE) declined from 13.7% overall in 2006 to 13.5%. Cash ROE (ROE adjusted for amortisation of BCR customer relationships) was 14.4% in the first half in 2007 (13.8% for FY2006).

Earnings per share (cash) in the first three quarters of 2007 was at EUR 2.80 (reported: EUR 2.69) compared to EUR 2.20 (cash and reported) in the same period of the previous year.

Compared to 31 December 2006, total assets rose by 10.4% from EUR 181.7 billion to EUR 200.6 billion. At the same time loans and advances to customers climbed by 10.4% from EUR 97.1 billion to EUR 107.2 billion and amounts owed to customers by 8.1% from EUR 90.8 billion to EUR 98.2 billion.

Due to the first-time inclusion of new acquisitions (Erste Bank Ukraine, Diners Club Adriatic, Croatia and - through Steiermärkische Sparkasse - ABS Banka, Bosnia) in the first half of 2007, the tier 1 ratio (in relation to credit risk) declined to 6.2%, down from 6.6% at the end of 2006.

The solvency ratio went down to 9.4% (end of 2006: 10.3%), but remained well above the statutory minimum level of 8%. In this context, the adoption of the solvency calculation according to Basel II as of 1 January 2007 led to a reduction of risk-weighted assets (associated with credit risk), especially in the retail and international businesses.

V. MANAGEMENT, EMPLOYEES AND SUPERVISION

Erste Bank, in accordance with Austrian law, has a two-tiered board comprised of the Supervisory Board (*Aufsichtsrat*) and the Management Board (*Vorstand*).

Day-to-day management of Erste Bank is vested in the Management Board, which represents Erste Bank with respect to third parties and delegates some of its tasks to employees. The Management Board is appointed by the Supervisory Board for a maximum period of five years (however, the members may be re-elected). The Management Board has no obligation to obey orders or directives originating either from the shareholders' meeting or from the Supervisory Board. Nevertheless, certain transactions require the prior consent of the Supervisory Board (*e.g.* the acquisition or disposal of participations, investments above a certain threshold, the granting of stock options to members of the Management Board).

The Supervisory Board supervises the Management Board, but it may not actively engage in the management of a company. Supervision is exercised by the examination of regular reports which must be provided by the Management Board. No member of the Supervisory Board may be elected for a term of office exceeding five years; however, re-election is permissible. The Austrian Stock Corporation Act does not permit simultaneous membership of both the Management Board and the Supervisory Board of the same company.

Two-thirds of the members of the Supervisory Board are elected (appointed) by the shareholders of Erste Bank. The remaining one-third is delegated by the Employee Council, as required by Austrian law. Members of the Supervisory Board that are delegated by the Employee Council are full-time employees of Erste Bank unlike the members elected (appointed) by the shareholders. DIE ERSTE österreichische Spar-Casse Privatstiftung has the right to appoint up to one-third of the members of the Supervisory Board, who were not delegated by the Employee Council. Two members of Erste Bank's Supervisory Board are representatives of minority shareholders, which are chosen in separate election among minority shareholders held prior to the shareholders meeting and elected pursuant to a motion of Erste Bank AG's major shareholder, DIE ERSTE österreichische Spar-Casse Privatstiftung.

A. MANAGEMENT BOARD MEMBERS

Name	Position	Appointment expires on
Andreas Treichl	Chairman (CEO)	30 June 2012
Elisabeth Bleyleben-Koren	Vice Chairman (Deputy CEO)	30 June 2012
Peter Kisbenedek	Member	30 June 2012
Peter Bosek	Member	30 June 2012
Johannes Kinsky	Member	30 June 2012
Thomas Uher	Member	30 June 2012
Herbert Juranek	Member	30 June 2012
Bernhard Spalt	Member	30 June 2012
Franz Hochstrasser	Member	30 June 2012

The members of the Management Board can be reached at Erste Bank's business address: Graben 21, A-1010 Vienna, Austria.

B. SUPERVISORY BOARD MEMBERS

The current members of the Supervisory Board are listed below:

Name	Position	Principal activities outside Erste Bank Group	Appointment expires on
Heinz Kessler	Chairman	retired CEO of Nettingsdorfer Papierfabrik AG	AGM ⁽¹⁾ 2011
Georg Winckler	First Deputy Chairman	Rector of the University of Vienna	AGM 2010
Theresa Jordis	Second Deputy Chairman	Attorney at law	AGM 2008
Bettina Breiteneder	Member	Businesswoman	AGM 2009
Elisabeth Gürtler	Member ⁽²⁾	Businesswoman	AGM 2010
Jan Homan	Member	CEO of Teich AG	AGM 2008
Brian D. O'Neill	Member	Retired Vice-Chairman, Investment Banking, JPMorgan Chase & Co	AGM 2011
John James Stack	Member	Retired CEO of Česká spořitelna	AGM 2011
Gabriele Zuna-Kratky	Member	Director of Technisches Museum Wien	AGM 2010
Wilhelm Rasinger	Member ⁽²⁾	Businessman	AGM 2010
Friedrich Rödler	Member	Public Accountant and Tax Consultant	AGM 2009
Hubert Singer	Member	CEO of Dornbirner Sparkasse AG	AGM 2008
Günter Benischek	Employees' representative	Chairman of the Central Employee Counsel	n/a
Erika Hegmala	Employees' representative	Vice-Chairman of the Central Employee Counsel	n/a
Ilse Fetik	Employees' representative	Member of the Central Employee Counsel	n/a
Friedrich Lackner	Employees' representative	Member of the Central Employee Counsel	n/a
Christian Havelka	Employees' representative	Member of the Central Employee Counsel	n/a
Anton Janku	Employees' representative	Member of the Central Employee Counsel	n/a

(1) Annual general meeting (ordinary shareholders' meeting) of Erste Bank AG

(2) Minority shareholders' representative

The members of the Supervisory Board can be reached at Erste Bank's business address: Graben 21, A-1010 Vienna, Austria.

C. REPRESENTATIVES OF THE SUPERVISORY AUTHORITY

Pursuant to Austrian law, the Austrian Minister of Finance is required to appoint representatives, which monitor Erste Bank's compliance with certain legal requirements. The current representatives are listed below:

Name	Position
Robert Spacek	Chief Senate Councillor, State Commissioner
Dietmar Griebler	Senate Councillor, Vice State Commissioner
Erhard Moser	Councillor, Commissioner for Covered Bonds
Irene Kienzl	Councillor, Trustee for <i>Pfandbriefe and</i>

Name	Position
Anton Rainer	<i>Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)</i> Councillor, Deputy Trustee for <i>Pfandbriefe</i> and <i>Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)</i>

D. EMPLOYEES

As of 30 June 2007 Erste Bank Group had 51,788 employees, of whom 15,124 were employed in Austria and 36,664 outside Austria. The following table lists the number of employees on the payroll as of the dates stated below (in full time equivalents):

Employees	As of 30 June 2007	As of 31 December 2006
Erste Bank Group	51,788	50,164
Austria	15,124	14,709
thereof Haftungsverbund savings banks	6,880	6,705
International	36,664	35,455
thereof Banca Comercială Română	13,068	13,492
thereof Ceska sporitelna	10,733	10,856
thereof Slovenska sporitelna	4,816	4,797
thereof Erste Bank Hungary	2,906	2,881
thereof Erste Bank Croatia	1,810	1,759
thereof Erste Bank Serbia	909	871
thereof Erste Bank Ukraine	637	n.a.
thereof other subsidiaries and foreign branch offices	1,785	799

E. EMPLOYEE STOCK OWNERSHIP PROGRAMME AND MANAGEMENT STOCK OPTION PLANS

Since 2002, the Management Board has annually resolved to implement an employee stock ownership programme ("ESOP") with the consent of the Supervisory Board. Under the ESOP, employees and Management Board members of Erste Bank Group are entitled to subscribe for a certain number of shares of Erste Bank at a discount.

Also, Erste Bank Group developed two management stock options plans ("MSOP") to commit executives and top-performing employees to Erste Bank Group and to increase their motivation and identification with the aims of Erste Bank Group. Under the MSOP 2002, a total of 937,891 options for 4 shares of Erste Bank each were granted of which 89,653 options are still outstanding. Under the MSOP 2005, options for a total of 929,521 shares were granted (of which options for 780,892 shares are still outstanding).

In the financial year 2006, a total of 976,389 shares were subscribed under the ESOP 2006 and pursuant to the exercise of options under the MSOP 2002 and the MSOP 2005.

In the financial year 2007, 663,349 shares were subscribed within the framework of the ESOP 2006, options for 244,856 shares were exercised under the MSOP 2002 and

options for 84,555 shares were exercised under the MSOP 2005. In total 992,760 ordinary bearer shares with a nominal value of EUR 1,985,520 were subscribed.

F. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

Erste Bank is not aware of any conflicts of interests in respect of either member of the Management Board or the Supervisory Board between his or her duties to Erste Bank and his or her private duties and/or other duties.

Erste Bank has granted loans and advances to members of the Management Board and loans to members of the Supervisory Board. The applicable interest rates and other terms are in line with typical market practice. Companies related to two members of the Supervisory Board have invoiced fees to Erste Bank in 2006. Details on these related party transactions were published in the Consolidated Financial Statements of Erste Bank Group as of 31 December 2006.

VI. SHARE CAPITAL, SHAREHOLDERS STRUCTURE AND SHAREHOLDERS' RIGHTS

A. REGISTERED SHARE CAPITAL AND SHARES

As of 12 December 2007, the registered share capital of Erste Bank amounted to EUR 632,577,890 and it is divided into 316,288,945 ordinary no-par value, voting, bearer shares, created under Austrian law. All issued shares are fully paid.

The articles of association of Erste Bank exclude the right of shareholders to request individual Share certificates.

The Shares are freely transferable without the prior approval of the Management Board and/or the Supervisory Board. All the Shares are represented by global certificates deposited with the clearing system of OeKB. Title to the Shares will therefore be transferred by book entry.

All of the Shares are listed on the VSE and on the PSE.

B. AUTHORISED AND CONDITIONAL SHARE CAPITAL

The shareholders' meetings of Erste Bank passed several resolutions pertaining to (potential) future capital increases:

First, the shareholders meeting resolved a conditional capital increase by up to 24,000,000 shares which shall only be carried out to the extent that the creditors of convertible bonds make use of their right to exchange.

Second, the shareholders meeting authorised the Management Board to resolve – with the consent of the Supervisory Board – a conditional capital for the purpose of granting stock options under the MSOPs or shares under the ESOPs of Erste Bank Group. The Management Board fully utilised this authorisation. The conditional capital increase has been partially completed with 3,139,071 shares still outstanding as of 31 December 2007. New shares will only be issued out of the resolved conditional capital, if (a) the holders of stock options exercise their option rights or participants under the ESOP decide to subscribe for new shares, which in both cases can only happen during the respective exercise periods and (b) the issue price for these shares is fully paid. Pursuant to Austrian law, the Management Board has to report the number of new shares issued out of a conditional capital once per year.

Third, the shareholders meeting authorised the Management Board to resolve – with the consent of the Supervisory Board – a conditional capital increase by up to 10,000,000 shares for the purpose of granting stock options under the MSOPs of Erste Bank Group.

Finally, the shareholders meeting authorised the Management Board to – with the consent of the Supervisory Board – increase the share capital by up to 83,712,764 Shares until 5 July 2011 against contributions in cash (without the possibility of

excluding the statutory subscription right of the shareholders) or in kind (with the possibility of excluding the statutory subscription right of the shareholders).

Detailed information on the MSOPs and ESOPs of Erste Bank (including details on the shareholdings of the members of the Management Board and Supervisory Board) are included in the audited consolidated financial statements and in Section V.E of this Synthetic Document.

Shares from future capital increases may be either bearer shares or registered shares. If the resolution on a capital increase does not contain a provision to the contrary, the shares are bearer shares.

C. ERSTE BANK SHAREHOLDER STRUCTURE

The table below provides an overview of Erste Bank's shareholder structure by investor type and region as of 30 June 2007. As shareholders are not required under Austrian law to notify Erste Bank about their shareholdings provided that they are below 5%, the information listed below is partially based on Erste Bank's reasonable estimates:

Shareholder	Percentage of shares
<i>By Investor Type</i>	
DIE ERSTE österreichische Spar-Casse Privatstiftung	30.6%
Capital Research and Management	more than 5.0%
Austria Versicherungsverein auf Gegenseitigkeit	4.9%
Private and institutional investors (free float)	59.5%
<i>Thereof</i>	
– Institutional investors	41.8%
– Private investors	7.8%
– Savings Banks	6.9%
– Employees	3.0%
<i>By region</i>	
Austria	53.1%
Continental Europe	14.4%
North America	16.0%
UK & Ireland	14.0%
Others	2.5%

Erste Bank's major shareholder, DIE ERSTE österreichische Spar-Casse Privatstiftung, is a private foundation which was created by the transformation of DIE ERSTE Österreichische Spar-Casse Anteilsverwaltungssparkasse, a special form of savings bank holding company, with effect as of 19 December 2003. Such type of transformation is provided for under the Savings Bank Act. Pursuant to its founding charter, the aims of DIE ERSTE österreichische Spar-Casse Privatstiftung are to safeguard the future of Erste Bank as an independent organisation and to donate part of its income to the common welfare of the region Erste Bank Group operates in.

D. SHAREHOLDERS' RIGHTS

The shareholders' rights are governed by Austrian law and by the articles of association of Erste Bank.

All shareholders must, under equal circumstances, be treated equally, unless the affected shareholders have consented to unequal treatment; measures affecting shareholders' rights, such as capital increases and the exclusion of subscription rights, generally require a shareholders' resolution.

1. Voting rights

Each Share entitles its holder to one vote in shareholders' meeting.

In general, shareholders may pass resolutions in a shareholders' meeting by a simple majority of the votes cast or, in the event that the majority of the share capital present is required to approve a measure, by a simple majority of the share capital present, unless Austrian law or the articles of association of Erste Bank require a qualified majority vote.

As per the applicable legal provisions, a special majority of at least 75% of the share capital present at a shareholders' meeting (which may not be reduced by the Articles of Association of Erste Bank) is required for the following significant corporate resolutions:

- change of the business purpose;
- increase of the share capital with a simultaneous exclusion of subscription rights;
- approval of authorised or conditional capital;
- decrease of the share capital;
- exclusion of subscription rights for convertible bonds, participating bonds, and participation rights;
- dissolution of the company, or continuation if the company has already been dissolved;
- transformation of the company into a company with limited liability (*Gesellschaft mit beschränkter Haftung*);
- approval of a merger or a demerger;
- transfer of all of the assets of the company; and
- approval of profit pools or agreements on the operation of the business.

In addition, as per the Articles of Association, a majority of 75% of the votes cast and (other than as provided by law) a majority of 75% of the share capital present at such meeting is required for the following resolutions:

- (i) a revocation of the appointment of members of the Supervisory Board before the end of their respective term; and
- (ii) the amendment of the Articles of Association as concerns the provision regulating the abovementioned increased majority requirement for the revocation of Supervisory Board members.

Shareholders or groups of shareholders with an aggregate shareholding exceeding certain thresholds (*e.g.* 20%, 10%, 5% of Erste Bank's share capital) have special rights (*e.g.* blocking rights for certain measures, information rights, the right to request a special audit, the right to demand a convocation of shareholders' meeting).

2. Dividend rights and liquidation proceeds

Each shareholder is entitled to receive dividends, if and to the extent Erste Bank has distributable profits (as defined by the Austrian Stock Corporation Act and the Austrian Commercial Code) and the distributions of dividends is resolved by the annual shareholders' meeting.

In case of dissolution of Erste Bank the assets remaining after the discharge of liabilities and supplementary capital will be distributed pro-rata to the shareholders.

3. Subscription rights

Holders of Shares have subscription rights (*Bezugsrechte*) allowing them to subscribe, within no less than a two weeks period, any newly issued Shares (including securities convertible into shares, securities with warrants to purchase Shares, securities with profit participation or participation certificates) in view of maintaining their existing equity quota in Erste Bank. Subscription rights of shareholders can be freely transferred and may be traded within the subscription period. The aforementioned subscription rights will not apply if (i) the respective shareholder does not exercise his subscription rights, or (ii) the subscription rights are excluded by a resolution of the shareholders' meeting (in case of any ordinary capital increase) or a resolution of the Management Board and the Supervisory Board (in case of the exercise of approved or conditional capital, where the underlying resolution of the shareholders' meeting so provides). Subscription rights may also be excluded and replaced by intermediate subscription rights, if new shares are subscribed by a credit institution (an underwriter) who undertakes to offer the new shares to shareholders. The rights of shareholders against such credit institution are fully substituted for and are treated as subscription rights.

4. Shareholders' meetings

Erste Bank must hold at least one shareholders' meeting per year, which must be held within the first eight months of any business year and must cover the key financial issues of the company (*i.e.* distribution of the annual profit, approval of the actions of the Management Board and the Supervisory Board for the preceding business year and election of the independent auditors for the current business year). Shareholders' meetings of Erste Bank are held in Vienna. At least 21 days prior notice must be given for the meeting to be validly held. The invitation to a shareholders meeting has to be published – together with the agenda of the meeting – in the Official Journal of the Vienna Gazette (*Amtsblatt zur Wiener Zeitung*). The invitation is also published on Erste Bank AG's website. The shareholders' right to participate in shareholders' meetings and to exercise voting rights is conditional upon either (i) the prior deposit of their Shares with the institutions specified in the invitation to the respective meeting or (ii) by blocking their Shares into the securities account where the shares are credited through the clearing system, maintained by a custodian/brokerage firm with the consent of one of the aforementioned depositories. The Shares of the shareholders that intend to participate in the meeting need to be deposited/blocked from a date specified in the invitation until the date of the shareholders' meeting. The shareholders' meeting has no quorum requirements.

Under certain conditions, the shareholders may challenge before the Commercial Court (*Handelsgericht*) in Vienna the resolutions adopted by the shareholders' meeting.

5. Redemption/Conversion of Shares

Redemption of shares is possible either (i) pursuant to the resolution of the shareholders' meeting in the course of a decrease of the stated capital of Erste Bank (passed with a majority of at least 75% of the share capital present at the shareholders' meeting) or (ii) by a purchase by Erste Bank of its own shares.

Pursuant to the Austrian Stock Corporation Act, Erste Bank may acquire its own shares only in the following limited circumstances:

- upon approval of the shareholders' meeting, for a period not exceeding 18 months and limited to a total of 10% of the share capital, as long as the shares are listed on a regulated market (such as the Official Market of the Vienna Stock Exchange), or if the shares are intended to be offered to Erste Bank employees or employees of certain affiliated companies, or for the purpose of trading in Erste Bank's own shares (the trading portfolio must not exceed 5% of Erste Bank's share capital at the close of any business day; the resolution must determine a minimum and a maximum consideration);

- in case where the shares are acquired without payment of consideration or when acting as agent on a commission basis;
- to prevent substantial, immediately impending damage to Erste Bank (subject to the limitation of a total of 10% of the share capital);
- by way of universal succession (*i.e.* succession by merger);
- for the purpose of indemnifying minority shareholders; and
- as part of a redemption of shares in accordance with the rules for capital decreases approved by the shareholders' meeting.

In the shareholders' meeting of 31 May 2007, Erste Bank AG was authorised to acquire own shares until 30 November 2008 in the following circumstances:

- for the purpose of trading in its own shares, provided that the amount of shares purchased for this purpose does not exceed 5% of the share capital at the end of each day and consideration for each share is not less than EUR 10.00 and not higher than EUR 120.00; and
- for any purpose; provided that (i) the acquisition is approved by the Supervisory Board, (ii) the amount of shares purchased (and other own shares held) does not exceed 10 % of the share capital and (iii) the consideration for each share is not less than EUR 10.00 and not higher than EUR 120.00. Erste Bank AG has to publish the respective resolution of the Management Board, the share buy-back program based on this resolution and the duration of the program. Erste Bank AG was also authorised to (a) dispose own shares acquired pursuant to this authorisation other than via the stock exchange or in a public offering, and (b) redeem own shares so acquired without any further approval of the shareholders' meeting.

The Shares can be converted into a different class of shares (*e.g.* non-voting preferred shares), but only with the consent of the respective holder or, in case the conversion negatively affects other shareholders whose Shares are not converted, the consent of such shareholders.

6. Mandatory takeover and squeeze-out rules

According to the Austrian Takeover Act, a mandatory takeover bid is required when a shareholder or a group of shareholders or any third person or persons acting in concert gain a direct or indirect controlling interest over a listed company. The Austrian Takeover Act contains a rebuttable presumption that any shareholding which grants the right to exercise more than 30% of the voting rights of a company constitutes a controlling interest.

The acquisition of a shareholding below this threshold will under no circumstances trigger a mandatory takeover bid. In case of a shareholding between 26% and 30%, the voting rights exceeding a participation of 26% are suspended unless explicitly lifted by the Takeover Commission upon application. Also, the "passive acquisition" of a controlling interest will not trigger a mandatory bid, if the acquirer could not have reasonably expected the obtaining of control at the time it acquired the participation. The provisions regarding the suspension of voting rights exceeding 26% or the imposition of other conditions also apply in this case, except that no relief can be granted regarding the suspension of voting rights exceeding 30%.

Also, a shareholder or a group of shareholders or any third person or persons acting in concert who own a controlling interest but not the majority of the voting rights are required to make a mandatory takeover bid, if they increase their shareholding by 2% within 12 months after acquiring the controlling interest. The articles of association may provide for a threshold for a controlling interest below the threshold set forth by law. The Articles of Association of Erste Bank provide that the threshold for the presumption of a controlling participation leading to a mandatory offer under the Austrian Takeover Act is 20% of the voting shares.

The offer price for a mandatory bid (or a voluntary bid aimed at the acquisition of a controlling interest) must be at least equal to the average stock price during the last six months and must be at least equal to the highest share price paid or agreed to be paid by the bidder during the last 12 months.

Pursuant to the Austrian Squeeze-Out Act (*Gesellschafter-Ausschlussgesetz*), a shareholder holding not less than 90% of the entire (voting and non-voting) share capital of a stock corporation under Austrian law with its corporate seat in Austria can request a squeeze-out the remaining shareholders at an equitable price. The squeeze-out right is general and not limited to a preceding takeover bid. The squeeze-out needs to be resolved by the shareholders' meeting. The minority shareholders are not be entitled to block the squeeze-out on grounds that they did not receive an equitable compensation for their shares, but will have the right of separate judicial review of the fairness of the compensation. Where a squeeze-out follows a takeover bid, the consideration offered in the takeover bid shall be presumed to be fair where the bidder has acquired 90% of the shares subject to the bid.

7. Notification of Changes in Shareholdings

If natural persons or legal entities, directly or indirectly, acquire or sell shares in Erste Bank AG, then these entities are obliged to notify the FMA and the Vienna Stock Exchange as well as Erste Bank within two stock exchange trading days of the acquisition or disposal of a major shareholding. Such an event is deemed to exist if,

as a consequence of the acquisition or disposal, the proportion of the voting rights held reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90%.

Erste Bank is obliged to publish any such event in the Official Gazette of the Vienna Newspaper (*Amtsblatt zur Wiener Zeitung*) within two stock exchange trading of being notified thereof. Any relevant information on changes in the shareholding structure must be published without delay.

VII. ADDITIONAL INFORMATION

A. DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected at the website of Erste Bank (www.erstebank.at):

- (a) Unaudited consolidated financial statements for Erste Bank Group at and for the period ended 30 September 2007;
- (b) Audited consolidated financial statements for Erste Bank Group at and for the year ended 31 December 2006;
- (c) Audited consolidated financial statements for Erste Bank Group at and for the year ended 31 December 2005; and
- (d) Audited consolidated financial statements for Erste Bank Group at and for the year ended 31 December 2004; and
- (e) Articles of Association of Erste Bank;

B. ADVISERS AND AUDITORS

1. Advisers

- **SCA Ţuca Zbârcea & Asociații**, Romanian law firm, headquartered at Victoriei Square, 4-8 Nicolae Titulescu Ave, America House, West Wing, 8th Floor, Sector 1, Bucharest 011141, Romania, Web: www.tuca.ro
- **Wolf Theiss**, Austrian law firm, headquartered at Schubertring 6, A-1010 Vienna, Austria, Web: www.wolftheiss.com

2. Auditors

The audited consolidated financial statements of Erste Bank as of and for the years ended 31 December 2004, 2005 and 2006, and the notes thereto have been audited – as prescribed by the Austrian Savings Bank Act - by **Sparkassen-Prüfungsverband** (the auditing agency of the Savings Banks Audit Association), Grimmelshausengasse 1, A-1030 Vienna, Austria, as indicated in the audit opinions with respect thereto.

The independent auditor of Erste Bank for the years ended 31 December 2004, 2005 and 2006 was **Deloitte Wirtschaftsprüfungs GmbH**, Renngasse 1/Freyung, A-1030 Vienna, Austria, a member of the Austrian Chamber of Chartered Accountants. Deloitte issued an unqualified audit opinion on each of the audited consolidated financial statements.

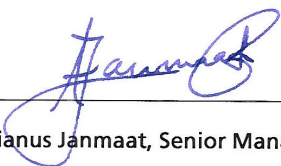
In the annual general meeting of Erste Bank on 31 May 2007, the shareholders appointed **Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.**, Wagramer Straße 19, IZD-Tower (Postfach 89), A-1220 Vienna, Austria, a member of the Austrian

Chamber of Chartered Accountants, as the independent auditor of Erste Bank for the year ending 31 December 2007. Sparkassen-Prüfungsverband will continue to be the statutory auditor of Erste Bank for this period.

ERSTE BANK DER
OESTERREICHISCHEN SPARKASSEN AG

Graben 21,
A-1010 Vienna
Austria

After reviewing the content of this Synthetic Document, Erste Bank der oesterreichischen Sparkassen AG as issuer hereby confirms that, to the best of its knowledge, the information contained herein are presented according to the facts and no significant omissions have been made, which may materially affect the content of this Synthetic Document.



Adrianus Janmaat, Senior Manager - Group Strategy
Empowered representative