

For immediate release

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Quarterly results: Erste Bank remains profitable in turbulent times

"The first three quarters of this year were without doubt the most difficult that the banking sector has experienced in many years," said Andreas Treichl, CEO of Erste Bank, commenting on Erste Bank's quarterly results. "The further improvement in our earnings is therefore all the more gratifying. It shows that we have adopted an appropriate competitive positioning, applied our strengths profitably and adapted rapidly to the challenging economic environment in Western Europe."

Treichl described the 9 month results as "very satisfactory", especially given the current competitive situation. "Even though we expect no change in the economic environment, we see the Bank as very well positioned for the full year 2002 and remain positive about our forecasts".

Highlights – results for first nine months of 2002

- Group¹ **total assets** were 45.1% higher than at 31 December 2001, rising from EUR 86.0 billion to EUR 124.8 billion (Erste Bank Core Group: +9.7% to EUR 94.4 billion).
- **Net interest income** was up by 73.3% from EUR 1,058.7 million to EUR 1,835.0 million (Core Group: +10.2% to EUR 1,166.8 million).
- **Net commission income** was up by 65.3% from EUR 420.6 million to EUR 695.2 million (Core Group: +15.6% to EUR 486.2 million).
- The **operating result** increased by 66.3% from EUR 506.1 million to EUR 841.5 million (Core Group: +9.7% to EUR 555.4 million).
- **Pre-tax profit** was up 76.9% from EUR 279.7 million to EUR 494.8 million (Core Group: +20.2% to EUR 336.1 million).
- **Group net profit after tax and minority interests** rose by 7.2% from EUR 150.8 million to EUR 161.7 million (Core Group: +3.1% to EUR 155.5 million).
- The **return on equity** (RoE) was 11.5% (Core Group: 9.8%) compared to 12.4% for full-year 2001 and 11.3% for the first nine months of 2001; this must be viewed against the 18% increase in Erste Bank's capital in July 2002.
- The **cost/income** ratio was 68.3% (Core Group: 68.4%), somewhat above the full-year 2001 level (67.1%) and the ratio for the first three quarters of 2001 (67.8%)
- The **tier 1 ratio** as defined by Austrian banking law was 6.1% as at 30 September 2002.

1: Group financial information includes the Austrian savings banks participating in the cross guarantee system, unless specifically stated. Information which does not include these savings banks is termed "Core Group". The Core Group consists of the Group (including subsidiaries) as it existed prior to the creation of the cross guarantee system.

"While we are, of course, not immune to the economic slowdown in Western Europe, our subsidiary banks in Central Europe are developing strongly, not least because we are progressing more quickly than planned with the transformation measures already initiated," explained CFO Reinhard Ortner.

"In the course of the past year all four subsidiary banks in Central Europe have strengthened their position in their local markets, gained new customers and continued to improve their earnings situation. This also applies to Rijecka banka, acquired this spring, which is already making a positive contribution to the Group's good results. As a result of our regional expansion we have an extremely strong competitive position, which enables our customers and shareholders to benefit greatly from EU enlargement", Ortner added.

Development of the Erste Bank Group in the first three quarters of 2002

The newly acquired Tiroler Sparkasse and Rijecka banka have been included in the Group accounts since 28 December 2001 and 29 April 2002 respectively. This should be taken into account when interpreting rates of change for the Core Group. In addition, since 1 September 2002 the members of the cross guarantee scheme for Austrian savings banks, which Sparkasse Baden joined effective 1 July 2002, must under Austrian banking legislation (BWG) be consolidated in the calculation of the Erste Bank Group's capital.

Balance sheet development

Total assets of the Erste Bank Group grew by 45.1% from EUR 86.0 billion to EUR 124.8 billion in the first nine months of 2002 compared with year-end 2001. This exceptional growth was principally attributable to the implementation of the cross guarantee scheme which came into effect on 1 January 2002. However, the Core Group also achieved a strong increase of 9.7% from EUR 86.0 million to EUR 94.4 million.

In EUR millions	30/09/2002	31/12/2001	% change	Core Group 30/9/202
Loans and advances to credit institutions	19,956	18,912	5.5	22,895
Loans and advances to customers	64,283	39,210	63.9	40,644
Risk provisions	- 3,113	- 1,875	66.0	- 1,891
Investments available for sale and other financial assets	32,991	21,093	56.4	23,726
Other assets	10,680	8,693	22.9	8,987
Total assets	124,797	86,033	45.1	94,361
Amounts owed to credit institutions	28,293	28,642	- 1.2	28,511
Amounts owed to customers	61,572	37,175	65.6	40,801
Debts evidenced by certificates and subordinated capital	19,015	12,707	49.6	16,265
Equity	2,443	1,904	28.3	2,684
Other liabilities	13,474	5,605	140.4	6,100
Total liabilities	124,797	86,033	45.1	94,361

Loans and advances to customers rose by 63.9% from EUR 39.2 billion to EUR 64.3 billion. After adjusting for the effects of the cross guarantee scheme, the growth rate was significantly lower at 3.7%. This was mainly driven by the growth in retail business. The exceptional increase in the volume of risk provisions (up by 66.0% to EUR 3.1 billion) was also due to the inclusion of the savings banks in the cross guarantee scheme.

The growth in **investments** (up 56.4% overall and by 12.5% in the Core Group) was mainly attributable to a further increase in securities holdings (particularly fixed-income securities). In addition, the change in the scope of consolidation has meant that the financial investments

of the Group's insurance companies (approx. EUR 4.2 billion) were also included from 1.1.2002 onwards.

On the liabilities side the strong growth in **customer deposits**, which rose by around 65.6% from EUR 37.2 billion to 61.6 billion, was also mainly attributable to the implementation of the cross guarantee scheme. However, the Core Group also achieved substantial growth of 9.8%. This was primarily a result of the increase in other amounts owed to customers (institutional deposits and deposits by commercial customers at home and abroad). Savings deposits remained practically unchanged at EUR 21.2 billion.

The ratio of customer deposits to net loans and advances to customers (less loan provisions) was 101% (the cover ratio in the Core Group was even higher at 105%) and reflects the Group's clear retail banking bias.

Refinancing provided by own issues of securities (debts evidenced by certificates and subordinated capital) increased substantially, rising 49.6% from EUR 12.7 billion to EUR 19.0 billion (Core Group: +28.0% to EUR 16.3 billion). This reflects the Erste Bank Group's efforts to diversify and optimise its funding sources

The cross guarantee scheme also has a major impact on the Erste Bank Group's shareholders' equity. The deduction of Erste Bank shares held by the savings banks involved in the cross guarantee scheme results in a reduction in shareholders' equity (of around EUR 0.24 billion as at 1.1.2002 compared with 31.12.2001). Minority interests in shareholders' equity on the other hand rose sharply (by around EUR 1.5 billion to EUR 2.7 billion), because Erste Bank holds only a small or zero stake in many of the savings banks in the cross guarantee scheme (such equity stakes are therefore accounted for as minority interests).

On 30 September 2002 total **capital** of the Erste Bank Group as defined by Austrian banking legislation (BWG), which since 1 September 2002 also includes the savings banks in the cross guarantee scheme, was approximately EUR 6.8 billion (compared with a statutory minimum of EUR 5.1 billion, resulting in a cover ratio of 133%). Core capital (tier 1) was approximately EUR 3.6 billion (EUR 2.3 billion as at 31.12.2001).

The **tier 1 capital ratio** was therefore 6.1%, while the solvency ratio of 10.8% was well above the statutory minimum of 8%.

The third quarter of 2002 saw the positive impact of the capital increase carried out in July 2002 – the gross proceeds were approximately EUR 642 million while the net proceeds after deduction of issuing costs were around EUR 618 million. This and the consolidation effects from the cross guarantee scheme were partially offset by the strong rise in risk-weighted assets and the acquisition of additional shares in Česká spořitelna, in which Erste Bank now holds 94.9% of the voting rights.

It is important to note that, under Austrian banking legislation, it is not possible to count profits realised during the financial year towards equity as they arise. Instead, such profits are included at year-end as part of the allocations to reserves. According to current estimates this will mean an increase in the core capital and solvency ratios at year-end of approximately 30 - 40 basis points, as compared with 30.9.2002.

P&L trends during the first three quarters – impact of cross guarantee scheme

As previously reported, since 1 January 2002 the savings banks in the cross guarantee scheme have had a significant impact on individual line items, but only influence group net profit after minority interests to the extent that Erste Bank owns a stake in the savings banks in this scheme.

P&L in detail

in EUR Millions	Jan-Sep 2002	Jan-Sep 2001	% change	Core Group Jan-Sep 2002
Net interest income	1,835.0	1,058.7	73.3	1,166.8
Provisions for loans and advances	-272.2	-147.6	84.4	-138.9
Net commission income	695.2	420.6	65.3	486.2
Net trading result	126.5	90.9	39.2	105.6
General administrative expenses	-1,815.8	-1,064.1	70.6	-1,203.2
Result from insurance business	0.6			
Other operating results	-74.5	-78.8	-5.5	-80.4
Pre-tax profit	494.8	279.7	76.9	336.1
Net profit after minority interests	161.7	150.8	7.2	155.5

"Of course we in Austria, like most of our competitors in Western Europe, have also felt the effects of the economic slowdown. Our clear focus on retail banking and our strong position in Central Europe, where economies are forecast to continue to grow at between 2% and 5% per annum, are expected to ensure significant growth in the medium term in the areas of interest and commission income, representing a solid stream of income", said Treichl, commenting on the Bank's income statement.

The largest income item remained **net interest income**, which grew by 73.3% to EUR 1,835.0 million, largely due to the cross guarantee scheme. However, growth in the Core Group was a very respectable 10.2%. This figure was influenced in particular by the trends in the Central European subsidiaries, where it was possible to achieve significantly better **interest margins** than in Austria. During the first nine months of 2002 the interest margin (net interest income as a percentage of average total assets) was 2.04% for the Group and 1.72% in the Core Group. Over the full year 2001 Erste Bank Group earned a margin of 1.78%. In Austria the interest margin was lower at 1.4%, among the lowest in Europe.

Commission income also grew strongly, rising 65.3% to EUR 695.2 million (Core Group up 15.6% to EUR 486.2 million), with practically all business areas reporting positive growth.

The results of the insurance companies included in the Group accounts (Sparkassen Versicherung AG and s Pojištovna České sporitelny, a.s.) are now reported under "**result from insurance business**"². These were negatively affected in the first nine months of the year by developments on the capital markets. Also, claims resulting from flood damage had a negative impact in the Czech Republic. The total damages resulting from the floods in August 2002 are estimated at around CZK 30 billion (EUR 980 million) for the Czech insurance market as a whole. This year and in 2003 s Pojištovna České sporitelny expects to face claims in the order of CZK 2.4 billion (around EUR 78 million), which are covered to a high degree by reinsurance.

Despite difficult market conditions, the **net trading result** grew by 39.2% from EUR 90.9 million to EUR 126.5 million, while the Core Group reported growth of 16.2%. These increases were mainly achieved in securities and derivatives trading.

General administrative expenses increased due to the impact of the cross guarantee scheme by 70.6% from EUR 1,064.6 million to EUR 1,815.8 million. However, the upward

² A further result of the implementation of the cross guarantee scheme is that Sparkassen Versicherung AG is now fully consolidated. As is customary in international accounting for significant items, earnings from insurance business are reported as a separate P&L item, although the interim results of Sparkassen Versicherung AG are prepared in accordance with the standards defined in Austrian commercial legislation (HGB) and insurance legislation (VAG) as currently applicable. This reporting, which has changed in comparison with the previous year, became necessary as a result of the inclusion of Sparkassen Versicherung AG in the cross guarantee scheme, since the savings banks and Erste Bank together hold around 70% of Sparkassen Versicherung AG.

trend was reversed as expected in the third quarter of 2002 compared with the second quarter (- 3.3% quarter on quarter). The growth rate in the Core Group was 13.1%, with around half of this amount attributed to the first-time consolidation of the Rijecka banka and the Tiroler Sparkasse. Special effects resulting from exchange rate movements in Central Europe (particularly the Czech Crown, which so far this year has risen by over 10% against the Euro) also tended to drive costs upwards. Other cost drivers were the necessary expansion of Group corporate centre and the costs involved in the successful standardisation of the IT platform, which was introduced in July 2002. Despite these effects, administrative expenses in the Core Group fell by 2.6% in the third quarter compared with the second quarter.

The development of individual expense items was as follows. **Personnel expenses** grew by 86.7% from EUR 539.1 million to EUR 1,006.6 million (Core Group: +15.7% to EUR 623.5 million), **administrative expenses** by 55.3% from EUR 375.0 million to EUR 582.2 million (Core Group: +12.1% to EUR 420.2 million) and **fixed asset depreciation** by 51.3% from EUR 150.0 million to EUR 227.0 million (Core Group: +6.3% to EUR 159.5 million).

In the fourth quarter of 2002 Erste Bank expects to see moderate cost trends and general administrative expenses in the second half of 2002 will be lower than in the first half of the year. For the coming year, at a Core Group level Erste Bank expects an increase in general administrative expenses in the order of 5%, compared with growth of 13% in the first nine months of 2002. One of the key cost drivers is expected to be the merger of the two Croatian subsidiaries. This moderate forecast for cost progression assumes a decline in both general administrative and personnel expenses in Austria, where the coming year will see the implementation of particularly strict cost controls.

Total **operating income** (net interest income, net commission income, net trading result and result from insurance business) grew during the first three quarters of 2002 by 69.2%, from EUR 1,570.2 to EUR 2,657.3 million (Core Group +12.0% to EUR 1,758.6 million). General administrative expenses grew by 70.6% from EUR 1,064.1 to 1,815.8 million (Core Group +13.1% to EUR 1,203.2 million). The **operating result**, the balance of these two figures, therefore rose by 66.3% from EUR 506.1 to EUR 841.5 million (Core Group +9.7% to EUR 555.4 million).

The **cost/income ratio** (of general administrative expenses to operating income) was 68.3% (Core Group 68.4%), which was somewhat higher than that for the full year 2001 (67.1%) and the first three quarters of the previous year (67.8%).

The marked increase of 84.4% (from EUR 147.6 million to EUR 272.2 million) in net allocations to **loan provisions** resulted exclusively from the effects of the cross guarantee scheme. In the Core Group there was a reduction in net terms of 5.9% to EUR 138.9 million.

Increases in **risk provisions** took place almost exclusively in domestic business (including the international business of Erste Bank AG). In the Central European subsidiaries, where restructuring of the loan portfolio has been largely completed and credit risk management brought in line with Group requirements, provisions in the amount of approx. EUR 24 million were written back. For the full year 2002 Erste Bank expects that the risk provision requirement of the Core Group will remain at approximately the same level as last year.

Other operating results mainly consist of valuation changes and sales proceeds from participations and securities investments, which are not included in the trading book, as well as goodwill amortisation and payments for deposit protection. In the first nine months other operating results were practically unchanged from the previous year at EUR -74.5 million (Core Group EUR -80.4 million). Expenses arising from EU anti-trust proceedings and the increase in goodwill amortisation from acquisitions (+39%) were key negative items, while there were improvements in the Bank's portfolio of corporate investments and other financial investments.

Pre-tax profit was up by 76.9% from EUR 279.7 million to EUR 494.8 million. The Core Group also produced a strong increase of 20.2%.

During the first nine months of 2002 **Group net profit after tax and minority interests** rose by 7.2% compared with the same period last year to EUR 161.7 million, while net profit in the Core Group also rose, by 3.1%.

"To be able to announce an increase in Group net profit in the current trading environment is particularly pleasing and demonstrates that, as a savings bank group based in Austria, it is possible to meet the challenges of a competitive international banking market by concentrating on our core business," said Treichl.

Despite the fact that shareholders' equity has grown substantially as a result of the capital increase, the **return on equity** in the first nine months of 2002 was 11.5% (Core Group 9.8%), compared with 12.4% for the full year 2001 and 11.3% in the first nine months of 2001.

Outlook

Management continue to expect earnings for the full year 2002 to exceed last year's figure.

The target for Group net profit in 2005 is over EUR 500 million, representing a return on equity of around 15% on the basis of the shareholders' equity as substantially increased since July 2002. The cost/income ratio target for 2005 is between 60% and 62%.

EU enlargement will lead to a further wave of privatisations of financial institutions in Central Europe in the next few years. If, in the new EU countries (in the first or second wave of EU enlargement), there are banks for sale which have a broad customer base, a high volume of savings deposits and a limited loan portfolio with a low risk profile (as for example appears to be the case for the Bulgarian savings bank Banka DSK), Erste Bank will look closely at the fundamentals of selected banks and will, if appropriate, make an offer.

Segment reporting – first nine months 2002

In the segment reporting, the consolidation process has an impact on valuation considerations. In particular, the results published by individual Group companies cannot be compared on a one for one basis with segment results. In particular, for subsidiaries in Central Europe refinancing costs and goodwill amortisation are deducted from segment figures.

The **savings bank segment** includes all 54 savings banks participating in the cross guarantee scheme. In 2001 the segment only included the 9 savings banks in which Erste Bank then had a stake. The negative contribution to earnings from this segment (EUR 22.6 million) is due, as expected, to the allocation of segment-related funding costs (EUR 21.1 million) and goodwill amortisation charges (EUR 9.8 million). An additional factor depressing earnings was the transformation process at Tiroler Sparkasse, which is ongoing. The market conditions and changes to tax regulations in Germany and Italy (and the associated outflow of savings deposits) have also exerted a negative influence, in particular on the savings banks in Western Austria. The increase in risk weighted assets to EUR 25,489 million was due to consolidation in line with new Austrian regulations that took effect on 1 September 2002. Previously these assets were not attributed in the segment reporting.

In the **retail and real estate segment** net profit increased more than fourfold. The cost/income ratio fell from 80.1% to 73.4%, while the return on equity jumped sharply from 4.2% to 20.2%. This favourable result was largely due to the strong increase in contributions from Česká sporitelna and Rijecka banka. The latter was fully consolidated effective 29 April 2002. This positive performance was somewhat offset by increased risk provisions. One should, however, bear in mind the fact that this item also contains the loan provisions of the subsidiary banks in Hungary and Croatia.

In the **large corporate clients segment** net profits were up by more than half, compared with the same period in 2001. The cost/income ratio was 35.7% (compared to 38.6% for the year-earlier period), while the return on equity was 18.5% (against 11.9%). The increased

contribution from Česká spořitelna deserves special mention, but even without this, the results are above last year's figure. The 29% increase in earnings from commission-based business (especially in international business) was especially positive. Another favourable development was the marked increase in the earnings contribution to EUR 37.6 million from leasing company Immorent Group.

There was a decline from EUR 76.4 million to EUR 26.7 million in net profit from the **trading and investment banking segment**, bringing the return on equity down from 38.5% to 12.5%. The contribution from Česká spořitelna to this segment is not significant. The contraction in earnings was caused by the negative trend in the financial markets (equities and yield curve) and the resulting impact on interest income and portfolio gains. Growth was, however, achieved in trading income, which increased from EUR 70.3 million to EUR 85.5 million.

The **asset gathering segment** now includes earnings of EUR 2.1 million from the insurer s-Versicherung and s Pojišťovna České spořitelny, a.s., which are reported under "income from insurance business". The lacklustre mood in the international capital markets also had a significant impact on this segment, with earnings down by EUR 3.8 million from last year to EUR 28.3 million in the first nine months of this year.

The **corporate centre segment** reported slightly increased losses, compared with the same period last year. Apart from provisions relating to the EU anti-trust ruling, there were one-time negative effects from the introduction of the Euro and the standardisation of the IT platform throughout the savings bank sector.

Due to the ongoing transformation process, **Slovenská spořitelna** is still reported as a separate segment. Earnings were up by 30% in terms of pre-tax profit before minority interests. The Slovak bank accounted for around 8% or EUR 12.2 million of Group net profit, which is approximately the same as last year. This also includes refinancing costs of EUR 5.2 million and goodwill amortisation of EUR 9.0 million.

Background information on Erste Bank and detailed financial tables are provided below.

For further information please contact:

Gabriele Werzer, Investor Relations + 43 5 0100 11286 gabriele.werzer@erstebank.at
Thomas Schmee, Investor Relations + 43 5 0100 17326 thomas.schmee@erstebank.at

Fax: 0043 50 100 13112
Graben 21, A-1010 Vienna, Austria

Background information on Erste Bank

Erste Bank – Highlights

- **The leading financial services provider in Central Europe**, ideally positioned to benefit from EU enlargement. Erste Bank's powerful position is underpinned by a Central European customer base of 10.6 million including about 1.8 million customers of Austrian savings bank partners.
- **History of strong growth**: Total assets increased by more than 130% since 1997, while customer numbers have grown sharply from 0.6 million.

Strategy

Erste Bank has four key strategic objectives:

- (i) to exploit its core business potential in **Austria** and focus on its **key competencies** in retail and SME banking,
- (ii) to build on its role as the lead bank of the **Austrian savings banks sector** and to seek increasingly closer co-operation and co-ordination within the sector, creating further opportunities for cost reduction and revenue growth,

- (iii) to grow its business in an **extended home market in Central Europe** with a potential customer base of some 40 million people and maintain its position as the leading retail financial institution in that market, and
- (iv) to transfer the **multi-channel distribution model** throughout Central Europe.

Customer and product focus

The Erste Bank Group's customer focus is on the retail market as well as small to medium-sized enterprises. The product focus is moving increasingly towards higher margin commission-based business where Erste Bank has achieved particular success, including asset management, insurance and leasing.

Savings bank strategy

The pioneering partnership approach adopted in Austria has enabled Erste Bank to leverage its core competencies across the large distribution network offered by the Austrian savings banks, offering new sources of growth potential in a mature market. Key recent achievements were:

- An agreement among member savings banks on a cross-guarantee scheme ("Haftungsverbund"), giving customers in Austria unparalleled deposit protection as well as enhancing risk management in the savings bank sector.
- The acquisition of a majority stake in the Tyrolean savings bank Tiroler Sparkasse.

Central Europe

Within only four years, Erste Bank successfully implemented plans announced in 1997 of acquiring or establishing significant operations in the neighbouring markets of Central Europe. To date, significant operations have been established in the Czech and Slovak Republics, Hungary and Croatia.

Erste Bank's advanced banking capabilities based in Austria have proven their ability to generate exceptional operational leverage when applied to the transformation of leading brands and large scale operations in Central Europe.

The **largest acquisitions** in the region were in the Czech Republic, the Slovak Republic and Croatia:

- In January 2000 Erste Bank acquired a majority stake in Česká spořitelna, the leading Czech retail bank with 4 million customers then – and 4.9 million customers today. After acquiring further shares in August 2002, Erste Bank now owns around 88% of Česká spořitelna's share capital.
- At the start of 2001 Erste Bank signed an agreement to acquire a majority stake in Slovenská spořitelna, the largest bank in the Slovak Republic with 1.9 million customers (2.3 today).
- In April 2002 Erste Bank agreed to acquire a majority stake in Riječka banka of Croatia, lifting Erste Bank's market share in the region to more than 10%, measured by total assets.

Financial targets

In August 2002 Erste Bank set the following targets for 2005:

- Net income of over EUR 500m, representing a return on equity of around 15%, based on the significantly enlarged equity following the capital increase in July 2002
- Cost/income ratio between 60% to 62%

Erste Bank Group results for the first nine months 2002

I. Balance Sheet according to IAS

in EUR m		Core Group				
Assets	30/09/02	31/12/01	+/- %	30/09/02	+/- %	
1. Cash and balances with central bank	3,161	2,573	22.9	2,725	5.9	
2. Loans and advances to credit institutions	19,956	18,912	5.5	22,895	21.1	
3. Loans and advances to customers	64,283	39,210	63.9	40,644	3.7	
4. Risk provisions for loans and advances	(3,113)	(1,875)	66.0	(1,891)	0.9	
5. Trading assets	3,426	3,451	(0.7)	3,281	(4.9)	
6. Investments available for sale	6,707	2,912	>100.0	3,999	37.3	
7. Financial investments	22,858	14,730	55.2	16,446	11.6	
8. Intangible fixed assets	1,513	932	62.3	1,444	54.9	
9. Tangible fixed assets	1,887	1,318	43.2	1,375	4.3	
10. Other assets	4,119	3,870	6.4	3,443	(11.0)	
Total assets	124,797	86,033	45.1	94,361	9.7	
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Liabilities	30/09/02	31/12/01	+/- %	30/09/02	+/- %	
1. Amounts owed to credit institutions	28,293	28,642	(1.2)	28,511	(0.5)	
2. Amounts owed to customers	61,572	37,175	65.6	40,801	9.8	
3. Debts evidenced by certificates	15,041	9,751	54.3	12,958	32.9	
4. Provisions	5,421	953	>100.0	1,046	9.8	
5. Other liabilities	5,326	3,393	57.0	4,063	19.7	
6. Subordinated capital	3,974	2,956	34.4	3,307	11.9	
7. Minority interests	2,727	1,259	>100.0	991	(21.3)	
8. Equity	2,443	1,904	28.3	2,684	41.0	
Total liabilities	124,797	86,033	45.1	94,361	9.7	

II. Income Statement according to IAS

in EUR m		Core Group				
	1.1.- 30.09.02	1.1.- 30.09.01	+/- %	1.1.- 30.09.02	1.1.- 30.09.01	+/- %
I. Net interest income	1,835.0	1,058.7	73.3	1,166.8	1,058.7	10.2
Risk provisions for loans and advances	(272.2)	(147.6)	84.4	(138.9)	(147.6)	(5.9)
Net commission income	695.2	420.6	65.3	486.2	420.6	15.6
Net trading result	126.5	90.9	39.2	105.6	90.9	16.2
General administrative expenses	(1,815.8)	(1,064.1)	70.6	(1,203.2)	(1,064.1)	13.1
Result from insurance business	0.6	--	--	--	--	--
Other operating results	(74.5)	(78.8)	(5.5)	(80.4)	(78.8)	2.0
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
II. Pre-tax profit for the period	494.8	279.7	76.9	336.1	279.7	20.2
Taxes on income	(117.6)	(55.9)	>100.0	(67.2)	(55.9)	20.2
III. Profit for the period	377.2	223.8	68.5	268.9	223.8	20.2
Minority interests	(215.5)	(73.0)	>100.0	(113.4)	(73.0)	55.3
IV. Net profit after minority interests	161.7	150.8	7.2	155.5	150.8	3.1

Erste Bank Group Divisional Reporting for first 9 months 2002 (1)

Incorporates banks in cross guarantee scheme.

EUR m	Savings banks		Retail and Real estate					
	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
			EB "domestic"		CS		Total	
Net interest income	735.9	51.0	373.3	339.9	308.2	240.2	681.5	580.1
Risk provisions for loan and adv.	(153.1)	(9.8)	(74.9)	(62.2)	(3.2)	(11.0)	(78.1)	(73.2)
Net commission income	244.6	31.0	98.9	90.6	144.2	120.4	243.1	211.0
Net trading result	18.9	1.5	23.2	16.3	3.9	3.0	27.1	19.3
General administrative expenses	(729.9)	(66.2)	(403.1)	(379.6)	(294.6)	(269.3)	(697.7)	(648.9)
Income from insurance business	0.0	0.0	0.0	0.0	(1.5)	0.0	(1.5)	0.0
Other operating results	(12.3)	(1.8)	(10.1)	6.9	(5.6)	(41.8)	(15.7)	(34.9)
Pre-tax profit	104.1	5.7	7.2	11.9	151.5	41.5	158.7	53.4
Taxes on income	(30.5)	(1.0)	7.0	(2.0)	(34.1)	(6.9)	(27.1)	(8.9)
Minority interest	(96.2)	0.0	(6.5)	(2.1)	(47.9)	(24.5)	(54.4)	(26.6)
Net profit after minority interests	(22.6)	4.7	7.7	7.8	69.5	10.1	77.2	17.9
Average risk-weighted assets	25,489.2	2,139.3	9,687.1	9,646.2	1,687.2	1,757.9	11,374.3	11,404.1
Average attributed equity	183.7	107.5	376.5	484.6	132.5	88.3	509.0	572.9
Cost/Income Ratio	73.0%	79.3%	81.4%	85.0%	64.8%	74.1%	73.4%	80.1%
ROE based on net profit	(16.4%)	5.8%	2.7%	2.1%	70.0%	15.2%	20.2%	4.2%
Thereof goodwill (based on pre-tax profit)	(9.8)	(4.1)	(0.9)	0.0	(4.1)	(4.0)	(5.0)	(4.0)

EUR m	Large Corporate Customers					
	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
	EB "domestic"		CS		Total	
Net interest income	214.1	194.7	63.0	45.3	277.1	240.0
Risk provisions for loan and adv.	(68.3)	(45.1)	21.9	(14.1)	(46.4)	(59.2)
Net commission income	58.6	45.4	14.5	10.4	73.1	55.8
Net trading result	2.3	3.7	0.3	0.0	2.6	3.7
General administrative expenses	(95.5)	(82.2)	(30.5)	(33.3)	(126.0)	(115.5)
Income from insurance business	0.0	0.0	0.0	0.0	0.0	0.0
Other operating results	1.7	(19.2)	(10.6)	(9.1)	(8.9)	(28.3)
Pre-tax profit	112.9	97.3	58.6	(0.8)	171.5	96.5
Taxes on income	(25.0)	(16.4)	(11.5)	(0.7)	(36.5)	(17.1)
Minority interest	(6.8)	(4.9)	(23.2)	(7.3)	(30.0)	(12.2)
Net profit after minority interests	81.2	76.0	23.8	(8.8)	105.0	67.2
Average risk-weighted assets	12,484.1	13,077.4	2,384.7	1,953.2	14,868.8	15,030.6
Average attributed equity	570.5	656.9	187.3	98.1	757.8	755.0
Cost/Income Ratio	34.7%	33.7%	39.2%	59.8%	35.7%	38.6%
ROE based on net profit	19.0%	15.4%	17.0%	(12.0%)	18.5%	11.9%
Thereof goodwill (based on pre-tax- profit)	0.0	0.0	(5.7)	(4.5)	(5.7)	(4.5)

Erste Bank Group Divisional Reporting for first 9 months 2002 (2)

Incorporates banks in cross guarantee scheme.

	Trading and Investment Banking					
EUR m	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
	EB "domestic"		CS		Total	
Net interest income	47.3	77.9	(9.6)	13.0	37.7	90.9
Risk provisions for loan and adv.	0.0	(0.3)	0.0	0.2	0.0	(0.1)
Net commission income	13.2	18.9	3.8	8.9	17.0	27.8
Net trading result	56.4	52.8	29.1	17.5	85.5	70.3
General administrative expenses	(75.6)	(66.1)	(20.5)	(31.6)	(96.1)	(97.7)
Income from insurance business	0.0	0.0	0.0	0.0	0.0	0.0
Other operating results	(5.8)	9.8	0.8	3.4	(5.0)	13.2
Pre-tax profit	35.6	93.0	3.5	11.4	39.1	104.4
Taxes on income	(6.9)	(15.6)	(2.5)	(4.2)	(9.4)	(19.8)
Minority interest	1.0	0.0	(4.0)	(8.2)	(3.0)	(8.2)
Net profit after minority interests	29.6	77.4	(3.0)	(1.0)	26.7	76.4
Average risk-weighted assets	4,045.7	4,138.9	1,413.6	1,123.1	5,459.3	5,262.0
Average attributed equity	173.2	208.0	111.0	56.4	284.2	264.4
Cost/Income Ratio	64.6%	44.2%	88.2%	80.2%	68.5%	51.7%
ROE based on net profit	22.8%	49.6%	(3.6%)	(2.4%)	12.5%	38.5%
Thereof goodwill (based on pre-tax profit)	0.0	0.0	(3.7)	(2.6)	(3.7)	(2.6)

	Asset Gathering				Corporate Center			
EUR m	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
	EB "domestic"		CS		Total			
Net interest income	(0.7)	2.0	(9.5)	(2.7)	(0.4)	0.4	(9.9)	(2.3)
Risk provisions for loan and adv.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net commission income	67.1	69.7	19.5	3.5	(0.0)	0.0	19.5	3.5
Net trading result	0.0	0.0	(15.0)	(16.5)	0.0	0.1	(15.0)	(16.4)
General administrative expenses	(29.2)	(30.3)	(40.1)	(12.9)	0.1	2.2	(40.0)	(10.7)
Income from insurance business	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating results	(0.2)	(0.3)	(8.6)	(23.6)	(0.6)	(0.1)	(9.2)	(23.7)
Pre-tax profit	39.1	41.1	(53.7)	(52.2)	(0.9)	2.6	(54.6)	(49.6)
Taxes on income	(9.4)	(6.9)	8.3	8.8	(0.6)	(0.1)	7.7	8.7
Minority interest	(1.4)	(2.1)	(17.3)	(17.5)	(0.8)	(1.4)	(18.1)	(18.9)
Net profit after minority interests	28.3	32.1	(62.7)	(60.8)	(2.3)	1.1	(65.0)	(59.8)
Average risk-weighted assets	13.9	13.0	977.3	542.7	711.8	48.8	1,689.1	591.5
Average attributed equity	0.7	0.6	35.1	27.1	55.9	2.5	91.0	29.6
Cost/Income Ratio	42.6%	42.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE based on net profit	>100.0%	>100.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Thereof goodwill (based on pre-tax profit)	0.0	0.0	(4.8)	(4.5)	(1.7)	(0.1)	(6.5)	(4.6)

	SLSP		EB "domestic"		CS		Erste Bank Group³	
EUR m	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
			Total		Total		Total	
Net interest income	113.4	97.0	624.5	611.8	361.2	298.9	1,835.0	1,058.7
Risk provisions for loan and adv.	5.4	(5.3)	(143.2)	(107.6)	18.7	(24.9)	(272.2)	(147.6)
Net commission income	30.8	21.9	257.3	228.1	162.5	139.7	695.2	420.6
Net trading result	7.4	12.4	66.9	56.4	33.3	20.6	126.5	90.9
General administrative expenses	(96.9)	(94.7)	(643.5)	(571.2)	(345.5)	(332.0)	(1,815.8)	(1,064.1)
Income from insurance business	0.0	0.0	2.1	0.0	(1.5)	0.0	0.6	0.0
Other operating results	(23.2)	(3.0)	(23.0)	(26.4)	(16.0)	(47.6)	(74.5)	(78.8)
Pre-tax profit	36.9	28.3	141.1	191.0	212.7	54.7	494.8	279.7
Taxes on income	(12.3)	(10.9)	(26.1)	(32.1)	(48.7)	(11.9)	(117.6)	(55.9)
Minority interest	(12.4)	(4.9)	(31.0)	(26.6)	(75.9)	(41.5)	(215.5)	(73.0)
Net profit after minority interests	12.2	12.5	84.0	132.4	88.1	1.3	161.7	150.8
Average risk-weighted assets	1,012.0	904.0	27,208.2	27,418.2	6,197.2	4,883.0	59,906.6	35,344.5
Average attributed equity	49.9	45.4	1,156.0	1,377.2	486.7	245.3	1,876.3	1,775.4
Cost/Income Ratio	63.9%	72.1%	67.7%	63.7%	62.2%	72.3%	68.3%	67.8%
ROE based on net profit	32.6%	36.7%	9.7%	12.8%	24.1%	0.7%	11.5%	11.3%
Thereof goodwill (based on pre-tax profit)	(9.0)	(8.0)	(5.7)	(4.5)	(15.2)	(11.2)	(39.7)	(27.8)

³ Total of Savings banks, SLSP, EB "domestic" and CS

Erste Bank Core Group nine months 2002 Divisional Reporting (1)

Adjusted to exclude banks in cross guarantee scheme.

EUR m	Savings banks		Retail and Real estate					
	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
			EB "domestic"		CS		Total	
Net interest income	92.8	51.0	349.5	339.9	308.2	240.2	657.7	580.1
Risk provisions for loan and adv.	(25.8)	(9.8)	(68.9)	(62.2)	(3.2)	(11.0)	(72.1)	(73.2)
Net commission income	47.7	31.0	95.5	90.6	144.2	120.4	239.7	211.0
Net trading result	2.6	1.5	18.2	16.3	3.9	3.0	22.1	19.3
General administrative expenses	(145.2)	(66.2)	(386.7)	(379.6)	(294.6)	(269.3)	(681.3)	(648.9)
Income from insurance business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating results	(14.7)	(1.8)	(10.6)	6.9	(7.1)	(41.8)	(17.7)	(34.9)
Pre-tax profit	(42.6)	5.7	(3.1)	11.9	151.5	41.5	148.4	53.4
Taxes on income	11.0	(1.0)	10.7	(2.0)	(34.1)	(6.9)	(23.4)	(8.9)
Minority interest	2.0	0.0	(1.8)	(2.1)	(47.9)	(24.5)	(49.7)	(26.6)
Net profit after minority interests	(29.6)	4.7	5.7	7.8	69.5	10.1	75.3	17.9
Average risk-weighted assets	3,736.5	2,139.3	9,687.1	9,646.2	1,687.2	1,757.9	11,374.3	11,404.1
Average attributed equity	207.1	107.5	424.4	484.6	149.4	88.3	573.8	572.9
Cost/Income Ratio	>100.0%	79.3%	83.5%	85.0%	64.5%	74.1%	74.1%	80.1%
ROE based on net profit	(19.0%)	5.8%	1.8%	2.1%	62.1%	15.2%	17.5%	4.2%
Thereof goodwill ⁴	(8.7)	(4.1)	(0.9)	0.0	(4.1)	(4.0)	(5.0)	(4.0)

Large Corporate Customers						
EUR m	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
	EB "domestic"		CS		Total	
Net interest income	214.1	194.7	63.0	45.3	277.1	240.0
Risk provisions for loan and adv.	(68.3)	(45.1)	21.9	(14.1)	(46.4)	(59.2)
Net commission income	58.6	45.4	14.5	10.4	73.1	55.8
Net trading result	2.3	3.7	0.3	0.0	2.6	3.7
General administrative expenses	(95.5)	(82.2)	(30.5)	(33.3)	(126.0)	(115.5)
Income from insurance business	0.0	0.0	0.0	0.0	0.0	0.0
Other operating results	1.7	(19.2)	(10.6)	(9.1)	(8.9)	(28.3)
Pre-tax profit	112.9	97.3	58.6	(0.8)	171.5	96.5
Taxes on income	(23.2)	(16.4)	(11.5)	(0.7)	(34.7)	(17.1)
Minority interest	(6.8)	(4.9)	(23.2)	(7.3)	(30.0)	(12.2)
Net profit after minority interests	82.9	76.0	23.8	(8.8)	106.8	67.2
Average risk-weighted assets	12,484.1	13,077.4	2,384.7	1,953.2	14,868.8	15,030.6
Average attributed equity	643.1	656.9	211.2	98.1	854.3	755.0
Cost/Income Ratio	34.7%	33.7%	39.2%	59.8%	35.7%	38.6%
ROE based on net profit	17.2%	15.4%	15.0%	(12.0%)	16.7%	11.9%
Thereof goodwill ⁴	0.0	0.0	(5.7)	(4.5)	(5.7)	(4.5)

⁴ based on pre-tax profit

Erste Bank Core Group nine months 2002 Divisional Reporting (2)

Adjusted to exclude banks in cross guarantee scheme.

	Trading and Investment Banking					
EUR m	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
	EB "domestic"		CS		Total	
Net interest income	46.0	77.9	(9.6)	13.0	36.4	90.9
Risk provisions for loan and adv.	0.0	(0.3)	0.0	0.2	0.0	(0.1)
Net commission income	13.1	18.9	3.8	8.9	16.9	27.8
Net trading result	56.7	52.8	29.1	17.5	85.8	70.3
General administrative expenses	(74.1)	(66.1)	(20.5)	(31.6)	(94.6)	(97.7)
Income from insurance business	0.0	0.0	0.0	0.0	0.0	0.0
Other operating results	(5.8)	9.8	0.8	3.4	(5.0)	13.2
Pre-tax profit	36.0	93.0	3.5	11.4	39.5	104.4
Taxes on income	(6.1)	(15.6)	(2.5)	(4.2)	(8.6)	(19.8)
Minority interest	(0.0)	0.0	(4.0)	(8.2)	(4.0)	(8.2)
Net profit after minority interests	29.8	77.4	(3.0)	(1.0)	26.9	76.4
Average risk-weighted assets	4,045.7	4,138.9	1,413.6	1,123.1	5,459.3	5,262.0
Average attributed equity	195.3	208.0	125.1	56.4	320.4	264.4
Cost/Income Ratio	63.9%	44.2%	88.2%	80.2%	68.0%	51.7%
ROE based on net profit	20.4%	49.6%	(3.2%)	(2.4%)	11.2%	38.5%
Thereof goodwill ⁴	0.0	0.0	(3.7)	(2.6)	(3.7)	(2.6)

	Asset Gathering		Corporate Center					
EUR m	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
			EB "domestic"		CS		Total	
Net interest income	(1.4)	2.0	(8.8)	(2.7)	(0.4)	0.4	(9.2)	(2.3)
Risk provisions for loan and adv.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net commission income	67.1	69.7	10.9	3.5	(0.0)	0.0	10.9	3.5
Net trading result	0.0	0.0	(14.9)	(16.5)	0.0	0.1	(14.9)	(16.4)
General administrative expenses	(29.2)	(30.3)	(30.1)	(12.9)	0.1	2.2	(30.0)	(10.7)
Income from insurance business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating results	(0.2)	(0.3)	(10.1)	(23.6)	(0.6)	(0.1)	(10.7)	(23.7)
Pre-tax profit	36.3	41.1	(53.0)	(52.2)	(0.9)	2.6	(53.9)	(49.6)
Taxes on income	(6.0)	(6.9)	7.6	8.8	(0.6)	(0.1)	7.0	8.7
Minority interest	(1.6)	(2.1)	(16.9)	(17.5)	(0.8)	(1.4)	(17.7)	(18.9)
Net profit after minority interests	28.7	32.1	(62.3)	(60.8)	(2.3)	1.1	(64.6)	(59.8)
Average risk-weighted assets	13.9	13.0	977.3	542.7	711.8	48.8	1,689.1	591.5
Average attributed equity	0.8	0.6	39.6	27.1	63.0	2.5	102.6	29.6
Cost/Income Ratio	44.4%	42.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE based on net profit	>100.0%	>100.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Thereof goodwill ⁴	0.0	0.0	(4.8)	(4.5)	(1.7)	(0.1)	(6.5)	(4.6)

	SLSP		EB "domestic"		CS		Core Group⁵	
EUR m	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001	1-3 Q. 2002	1-3 Q. 2001
			Total		Total		Total	
Net interest income	113.4	97.0	599.4	611.8	361.2	298.9	1,166.8	1,058.7
Risk provisions for loan and adv.	5.4	(5.3)	(137.2)	(107.6)	18.7	(24.9)	(138.9)	(147.6)
Net commission income	30.8	21.9	245.2	228.1	162.5	139.7	486.2	420.6
Net trading result	7.4	12.4	62.3	56.4	33.3	20.6	105.6	90.9
General administrative expenses	(96.9)	(94.7)	(615.6)	(571.2)	(345.5)	(332.0)	(1,203.2)	(1,064.1)
Income from insurance business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating results	(23.2)	(3.0)	(25.0)	(26.4)	(17.5)	(47.6)	(80.4)	(78.8)
Pre-tax profit	36.9	28.3	129.1	191.0	212.7	54.7	336.1	279.7
Taxes on income	(12.3)	(10.9)	(17.2)	(32.1)	(48.7)	(11.9)	(67.2)	(55.9)
Minority interest	(12.4)	(4.9)	(27.1)	(26.6)	(75.9)	(41.5)	(113.4)	(73.0)
Net profit after minority interests	12.2	12.5	84.8	132.4	88.1	1.3	155.5	150.8
Average risk-weighted assets	1,012.0	904.0	27,208.2	27,418.2	6,197.2	4,883.0	38,153.9	35,344.5
Average attributed equity	56.2	45.4	1,303.2	1,377.2	548.7	245.3	2,115.2	1,775.4
Cost/Income Ratio	63.9%	72.1%	67.9%	63.7%	62.0%	72.3%	68.4%	67.8%
ROE based on net profit	28.8%	36.7%	8.7%	12.8%	21.4%	0.7%	9.8%	11.3%
Thereof goodwill ⁴	(9.0)	(8.0)	(5.8)	(4.5)	(15.2)	(11.2)	(38.7)	(27.8)

⁴ based on pre-tax profit

⁵ Total of Savings banks, SLSP, EB "domestic" and CS