

Interim Report HY/2003

Erste Bank

The leading financial services provider in Central Europe

Leadership: More than 11 million customers

Expansion: Bidding for Hungary's Postabank

Partnership: Stake in Kärntner Sparkasse increased

Boosted: Employee share ownership

Key figures (IFRS)

in EUR million	30 Jun 2003	31 Dec 2002
Balance sheet		
Total assets	129,153	121,222
Loans and advances to customers	65,358	64,435
Amounts owed to customers	63,934	61,308
Shareholders' equity	2,543	2,481
Solvency ratio pursuant to Sec. 22 Banking Act	11.5%	11.0%
of which core capital ratio	6.6%	6.3%
	Jan-Jun 2003	Jan-Jun 2002
Income statement		
Operating result	676.9	579.8
Pre-tax profit	410.3	342.0
Net profit after minority interests	165.1	110.9
	Jan-Jun 2003	Jan-Dec 2002
Profitability		
Interest margin in % of interest-bearing assets	2.33%	2.30%
Cost-income ratio	64.4%	67.9%
Return on equity (ROE)	13.1%	12.7%
Earnings per share (in EUR)	2.78	4.73

Ratings

FITCH

Long-term	A
Short-term	F1
Individual	C

Moody's Investors Service

Long-term	A1
Short-term	P-1
Bank Financial Strength Rating	C+

Standard & Poor's

Short-term	A-2
------------	-----

Performance of the Erste Bank share



Highlights

- > Consolidated total assets grew by 6.5% since the end of December 2002, from EUR 121.2 billion to EUR 129.2 billion.
- > Net interest income rose by 5.8% compared to the first half of 2002, expanding from EUR 1,219.2 million to EUR 1,290.1 million.
- > Operating income was boosted by 6.6% year-on-year, from EUR 1,783.0 million to EUR 1,899.8 million.
- > General administrative expenses trended downward in Austria while rising by a modest 1.6% for the Group as a whole from EUR 1,203.2 million to EUR 1,222.9 million.
- > Operating result increased by 16.7% from EUR 579.8 million to EUR 676.9 million.
- > Pre-tax profit climbed by 20.0% from EUR 342.0 million to EUR 410.3 million.
- > Net profit after minority interests grew by 48.9% from EUR 110.9 million to EUR 165.1 million.
- > Return on equity, despite the capital increase in 2002, was pushed higher to 13.1% in the first half of 2003 (compared to 12.7% in the full year 2002).
- > The cost-income ratio was improved substantially from 67.9% in the 2002 financial year to 64.4% in the first half of 2003.
- > The Tier 1 ratio under the Austrian Banking Act stood at 6.6% on 30 June 2003 (versus 6.3% at the end of 2002).

_____ The fact that Erste Bank has been able to increase its net interest income and commission income substantially in a period of falling interest rates and sluggish economic growth is further impressive evidence that the Bank made the right strategic decisions in recent years. The focus on the savings bank business in a geographically homogeneous region that is growing ever closer, coupled with the market shares built up there, has made Erste Bank the leading financial services provider in Central Europe. In addition, the growing contributions from Slovenská sporiteľňa and Erste Bank Hungary to the outstanding results demonstrate that Erste Bank has the ability to reorganise and reposition banks.

_____ Meanwhile, the rigorous cost control that continues in the Austrian business has also begun to pay dividends: Both other administrative and personnel expenses were reduced in the first six months of the year. In addi-

tion, the further potential for savings in personnel costs and in branch operations is to be fully utilised by 2005 (a detailed analysis of the branch business is in progress). But on the income side as well, the coming months are to bring growth, to be achieved through a greater emphasis on sales.

_____ Against the backdrop of the excellent figures for the first half of the year and the expectation that in the coming years, Erste Bank will benefit from the EU's enlargement like no other financial services provider in the region, the Managing Board reaffirms its outlook: Net profit after minority interests is expected to grow at a double-digit rate in the full year 2003. For the 2005 financial year the goal is to reach net profit after minority interests of EUR 500 million, which corresponds to a return on equity of at least 15%.

Landmark achievements

Erste Bank bids for Hungary's Postabank

_____ On 25 June 2003 Erste Bank presented a non-binding offer to buy about 100% of the shares of Hungary's Postabank (Postabank és Takarékpénztár Rt.), which is to be privatised. Erste Bank was then invited by the privatisation agency, ÁPV (Állami Privatizációs és Vagyonkezelő Rt.), to take part in the second round of the bank's privatisation. On 12 September, after conducting its due diligence in August, Erste Bank can submit a binding bid for the purchase of Postabank.

_____ With 115 outlets, Postabank has the third largest distribution network in Hungary. The long-term co-operation agreement with Magyar Posta also gives it the use of an extensive retail network of more than 3,000 post offices. By virtue of this strong positioning in the retail segment, the acquisition of Postabank is a good opportunity for Erste Bank Hungary to round out and expand its market presence. Thus, its market share would be doubled to 8 to 10%, creating the second largest retail bank in Hungary and a strong base for further growth. Postabank has total assets of about EUR 1.7 billion.

_____ By acquiring Postabank, Erste Bank would take an important step in Hungary towards the strategic goal of reaching a market share of about 20% in its extended home market.

Erste Bank and Kärntner Sparkasse deepen their partnership

_____ Against the backdrop of the intensive co-operation in the Austrian savings bank sector, Kärntner Sparkasse has long been a close partner of Erste Bank. By funding a capital increase of Kärntner Sparkasse in May 2003, Erste Bank raised its equity interest in the regional savings bank from 10 to 25% and thus further strengthened the ties between the two institutions. With the proceeds from the capital increase, Kärntner Sparkasse will expedite especially the expansion of its activities in the neighbouring market of Slovenia.

Erste Bank's first loan securitisation

_____ In May 2003 Erste Bank carried out its first loan securitisation, in the form of asset-backed securities for its auto leasing subsidiary, EBV-Leasing.

_____ To this end, a portfolio of about 20,000 lease contracts from the loan book of EBV-Leasing, with a value of approximately EUR 220 million, was sold to a special purpose company. To fund lending operations, this company issues rated, exchange-listed bonds and places them with international investors. The business relationship with and servicing of the lease customers remain with EBV-Leasing / s Autoleasing, the uncontested market leader in brand-independent automotive leases.

_____ With this transaction, Erste Bank successfully expanded its funding facilities by an up-to-date tool, demonstrating once more its ability to operate in step with the current needs of the financial industry.

Employee ownership in Erste Bank increased

_____ "Creating Value", the employee stock ownership programme launched in 2002, was continued in May of this year. Almost 1,800 employees of the Erste Bank Group in Austria and abroad used the opportunity to acquire Erste Bank shares at preferential terms and thus to benefit from the Group's rising market value. The subscription result again documents the staff's strong confidence in Erste Bank's growth and earnings potential. At the same time, the second tranche of the management stock option plan for executives and high performers of the Erste Bank Group was allotted.

_____ A total of about 1.7% of the share capital of Erste Bank is already owned by management and employees. Erste Bank is thus well on its way to meeting its objective of about 5% employee share ownership.

The Erste Bank share

Performance of equity indices

After the Iraq war, which had a profound effect on international stock markets in the first quarter of 2003, investors' attention in the second quarter returned to the global economic trend and corporate profits. Rebounding from the losses sustained earlier in the year, nearly all financial markets charted double-digit gains since the end of March, closing the second quarter on a significant advance. In addition to the general improvement in stock market sentiment, the main factors driving the rally were interest rate cuts by the US Federal Reserve and the European Central Bank as well as rekindled hopes of an economic upswing. These expectations were fuelled primarily by the fact that most companies' quarterly reports fulfilled or exceeded expectations, and by certain positive economic indicators.

Buoyed by relief over the swift end to the war – a sentiment which was reflected in the breadth and strength of the equity market rally – the share prices of European banks surged more vigorously than most stock indices. Bank shares were lifted especially by the slight improvement in corporate operating results in the first quarter of 2003. This trend was reinforced by the second-quarter results which some financial institutions

already published in late July. Thus, in the second quarter of 2003 the DJ Euro Stoxx Bank Index climbed 23.6%; by the end of July it thus showed an increase of 17.8% compared to the beginning of the year.

Performance of the Erste Bank share

The run-up of the Erste Bank share continued in the second quarter of 2003 with a brisk price gain of 17.7%. Thanks to the rally in the European banking sector, Erste Bank climbed by 21.4% from the beginning of January to the end of July, closing at EUR 77.90 on 31 July. This was within the range of EUR 77 to EUR 81 that had formed the share's trading band for the preceding weeks. The Erste Bank share thus significantly outperformed the Vienna stock exchange's ATX index, which rose by 14.9%, and the DJ Euro Stoxx Bank Index.

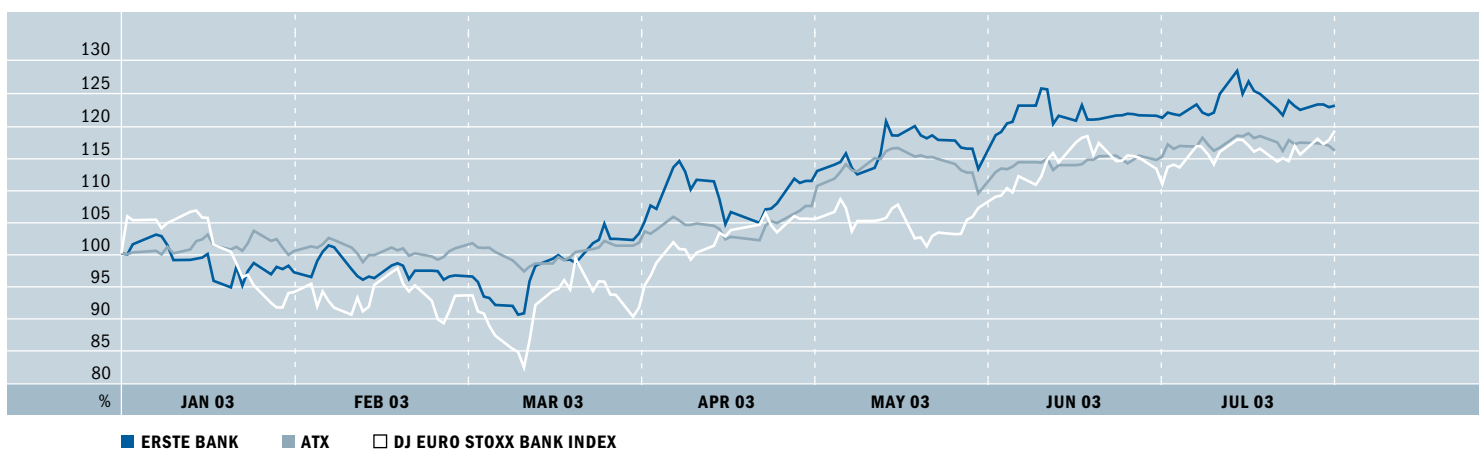
Among the drivers of the sustained rise in the share price were new analyst reports that revised the share's target price upward, in response mainly to the growing profit contributions made by the Central European subsidiaries. As a result, the position of the Erste Bank share as a core investment in the European banking sector was once again confirmed.

Key figures for the Erste Bank share

Share price at 31 July 2003	EUR 77.90
High for year to date (14 July 2003)	EUR 81.13
Low for year to date (11 March 2003)	EUR 58.45
Price-earnings ratio at 31 July 2003 ¹⁾	13.99
Trading volume (to 31 July 2003)	EUR 1,029.3 million
Market capitalisation at 31 July 2003	EUR 4.7 billion

1) Earnings per share: EUR 5.57 (IBES/consensus forecast for 2003)

Erste Bank share price performance compared to DJ Euro Stoxx Bank Index and ATX (indexed)



Investor Relations

_____ In May 2003 Erste Bank held its traditional spring road show. Two teams with four Managing Board members of Erste Bank and Česká spořitelna spent two weeks travelling across Europe and the United States to familiarise investors with the Erste Bank Group's quarterly results and current developments. Given the strong demand for one-on-one meetings and the tight schedule, it was not possible to satisfy all requests for meetings. This backlog of demand will be met at the autumn road show scheduled for November.

_____ Erste Bank was also invited to the investor conferences of two highly respected investment banks. After attending the banking convention of France's BNP Paribas, Erste Bank presented its Central European activities to a diverse audience of international investors at a banking conference held by investment bank Goldman Sachs in Rome. Here too there was keen interest in one-on-one meetings with the management.

_____ For the middle of September 2003 Erste Bank plans an international capital markets day where equity analysts and investors can discuss the details of the Group's strategies and latest operational developments with the Managing Board and the heads of the business and service units of Erste Bank.

Research reports covering the Erste Bank share¹⁾

- > BNP Paribas
- > Bank Austria Creditanstalt
- > Deutsche Bank
- > Dresdner Kleinwort Wasserstein
- > Fox-Pitt, Kelton
- > Goldman Sachs
- > HSBC
- > ING
- > JP Morgan
- > Lehman Brothers
- > Main First
- > Merrill Lynch
- > Patria
- > Raiffeisen Centrobank
- > Schroder Salomon Smith Barney
- > UBM UniCredit Banca Mobiliare
- > UBS Warburg

1) This list comprises all institutions known to Erste Bank at the editorial deadline that prepare research reports on the Erste Bank share.

Developments at Erste Bank Group

Since the beginning of 2002, the financial results reported for the Erste Bank Group include the savings banks that are members of the cross-guarantee system.

Earnings developments

The second quarter of 2003 saw a continuation of the positive results achieved by the Erste Bank Group in the first quarter of the year. Overall, this led to a strong 48.9% rise in Group net profit for the first half of 2003 compared to the equivalent period last year.

As in the previous periods, the continued improvements at our Central European subsidiaries have enhanced the quality of our results.

Any comparisons to last year should take into account that Riječka banka has only been included in the consolidated financial statements from 29 April 2002 and that the increase in Erste Bank's stake in Česká spořitelna to 87.9% was made in the summer of 2002. (Erste Bank AG now holds 97.9% of the share capital of Česká spořitelna.) This resulted in a higher goodwill amortisation compared to the equivalent period last year. On the other hand, minority interests have been reduced accordingly.

Net interest income, by far the most significant income item, increased by 5.8% in the first half of the year, from EUR 1,219.2 million to EUR 1,290.1 million. Beside the positive results achieved in Austria – the leasing subsidiary Immorent increased net interest income by 30.4% – the above-average rises in Slovenská sporiteľňa (+56.3%) and Erste Bank Hungary (+50.3%) accounted for much of this income, mainly due to an

in EUR million	Jan–Jun 2003	Jan–Jun 2002	Change in %
Net interest income	1,290.1	1,219.2	5.8
Risk provisions for loans and advances	(205.9)	(183.5)	12.2
Net commission income	481.9	469.5	2.6
Net trading result	114.6	89.6	27.9
General administrative expenses	(1,222.9)	(1,203.2)	1.6
Income from insurance business	13.2	4.7	> 100.0
Other operating result	(60.7)	(54.3)	(11.8)
Pre-tax profit	410.3	342.0	20.0
Profit for the period	291.2	263.7	10.4
Net profit after minority interests	165.1	110.9	48.9
Cost-income ratio (in %)	64.4%	67.5%	–

expansion of business volume. Furthermore, in the Slovak Republic a positive contribution was made by the at equity valuation of the local building society subsidiary (PSS).

The interest margin – in respect of average interest-bearing assets (total assets less cash reserve, trading assets, tangible assets, intangible assets and other assets) – was 2.33% in the first half of the year (compared to 2.30% for the full year 2002). The interest margin in Austria remained stable at just below 2%. In Central Europe, interest margins either improved (Slovenská sporiteľňa and Erste Bank Hungary) or eased slightly (Česká spořitelna).

Net commission income improved by 2.6% in the first half of 2003, from EUR 469.5 million to EUR 481.9 million despite the difficult market situation. The reduction in net commission income in the securities business was more than offset by a very positive development in lending business and payment services (particularly for the Central European subsidiaries), currency and foreign exchange trading as well as in building society business.

The 27.9% rise in the net trading result, from EUR 89.6 million in the previous year to EUR 114.6 million, was pleasing. Here Austria achieved the strongest rise, particularly in the area of the derivatives and securities business.

_____ Earnings growth in the insurance business (this comprises all net income from the insurance companies included in the Group's consolidated financial statements) improved considerably in the second quarter of 2003. This is due, among other things, to the now somewhat more favourable situation in the capital markets.

_____ Despite an above-average rise in the depreciation and amortisation of fixed assets (+ 11.5%), administrative expenses rose only by a moderate 1.6% overall, from EUR 1,203.2 million to EUR 1,222.9 million. As a further positive sign, in Austria a strong reduction was achieved compared to the equivalent period of the previous year: general administrative expenses decreased by almost 2%, other administrative expenses by nearly 9%.

_____ There was a downward trend in the number of employees in the first half of 2003. The Group as a whole employed 36,529 staff (weighted by extent of employment) as at 30 June 2003, compared to 36,923 at 2002 year-end. Here again the number of employees decreased in Austria (down 2.3% from 15,654 to 15,296).

_____ Personnel expenses increased by 4.1% to EUR 692.7 million. The subsidiaries in Central Europe registered above-average growth due to quality improvements in the area of personnel and the related adjustments of salaries to the market level. The inclusion of Riječka banka impacted the figure from the second quarter of 2002 accordingly.

_____ A significant reduction compared to the previous year was achieved in the area of other administrative expenses, which were reduced by 6.6% to EUR 358.9 million. Both Česká spořitelna (down 14.1%), and the domestic business (down 9%) registered a decrease.

_____ Depreciation and amortisation of fixed assets rose by 11.5%, from EUR 153.7 million to EUR 171.3 million. This was mainly due to the IT investments over the past months in connection with the synchronisation of the IT platform between Erste Bank and the savings banks and the implementation of a joint IT strategy in Central Europe. The bulk of the investments have now been finalised in Austria.

_____ Total operating income (net interest income, net commission income, net trading result and income from insurance business) grew by 6.6% in the first half of 2003, from EUR 1,783.0 million in the first half of 2002 to EUR 1,899.8 million. As previously mentioned, administrative expenses rose only by a moderate 1.6%, to EUR 1,222.9 million. During the same period, the operating result was EUR 676.9 million, which is 16.7% above the previous year's figure (EUR 579.8 million). The contribution of the Central European subsidiaries remains unchanged from 2002 at 40%.

_____ The moderate increase in administrative expenses and the significant increase in operating income in the first half of 2003 resulted in a cost-income ratio of 64.4%. This is a very clear improvement compared to the first quarter of 2003 (66.4%) and the full year 2002 (67.9%).

_____ Risk provisions for loans and advances amounted to EUR 205.9 million in the first half of 2003, 12.2% higher than the equivalent figure of the previous year. However, as provisions were increased in the second half of 2002, no year-on-year increase is forecast for the full year 2003.

_____ The domestic business continues to suffer from the generally poor economic climate. The subsidiaries in Central Europe, however, benefited not only from a more favourable economic situation, but also from the largely completed restructuring of the lending portfolio, the uniform risk management system now implemented for the whole Group and a very conservative lending policy in general.

_____ Other operating result largely consists of revaluation results and income from the sale of participations and securities not deemed to be part of the trading assets, provisions from the non lending business, goodwill amortisations and payments for deposit protection insurance in Central Europe.

_____ The result for the first half of 2003 was EUR -60.7 million (previous year: EUR -54.3 million), with this year's figure impacted in particular by substantial rises in goodwill amortisation (EUR 40.1 million after EUR 23.1 million in the first half of 2002). These were due, amongst other things, to an increase in the stakes in Česká spořitelna, Tiroler Sparkasse and Sparkassen Versicherung during the previous year as well as to the purchase of Riječka banka.

_____ The EUR 410.3 million pre-tax profit for the first half of 2003 was thus 20.0% up on the previous year's figure (EUR 342.0 million).

_____ For the whole Group, tax on income is currently calculated at 29%, higher than in the previous year. This higher tax rate for 2003 can be explained by changes in taxation law, which led to positive extraordinary effects at the end of 2002, and the significant increase in non tax-deductible goodwill amortisation.

_____ Group net profit after tax and minority interests increased by an above-average 48.9%, from EUR 110.9 million to EUR 165.1 million. The successful Central European subsidiaries accounted for 54% of Group net profit.

_____ Return on equity (ROE) showed a strong rise to 13.1% (compared to 12.1% in the first quarter of 2003 and 12.7% for full year 2002).

_____ Erste Bank is confident in confirming the forecasts for the full year 2003 for double digit growth in Group net profit.

_____ The goal for 2005 Group net profit after tax and minority interests continues to be EUR 500 million. This is based on a return on equity of at least 15% and a targeted cost-income ratio of 60% to 62%.

Balance sheet developments

_____ The total assets of the Erste Bank Group increased to EUR 129.2 billion in the first half of 2003, 6.5% higher than at year-end 2002.

_____ Loans and advances to customers increased by a moderate 1.4% compared to full year 2002, to EUR 65.4 billion with particularly the international business and Central Europe registering a rise.

_____ Securities and other financial investments grew by an above-average 14.8% to EUR 37.7 billion in the first half of 2003. This was due to a substantial increase in debt instruments and other fixed-income securities in trading assets and available-for-sale portfolio, as well as in financial investments.

_____ On the liabilities side, amounts owed to customers rose by 4.3% to EUR 63.9 billion, although savings deposits declined slightly (down 0.7%) to EUR 36.6 billion. The increase in other client deposits was mainly

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Loans and advances to credit institutions	18,146	15,492	17.1
Loans and advances to customers	65,358	64,435	1.4
Risk provisions for loans and advances	(3,004)	(2,983)	0.7
Securities and other financial investments	37,665	32,795	14.8
Other assets	10,988	11,483	(4.3)
Total assets	129,153	121,222	6.5
Amounts owed to credit institutions	28,483	26,425	7.8
Amounts owed to customers	63,934	61,308	4.3
Debts evidenced by certificates and subordinated capital	18,909	17,577	7.6
Shareholders' equity	2,543	2,481	2.5
Other liabilities	15,284	13,431	13.8
Total liabilities and shareholders' equity	129,153	121,222	6.5

attributable to the subsidiaries in Central Europe and the international business.

_____ The refinancing base in respect of debts evidenced by certificates rose by an above-average 9.2% to EUR 15.5 billion in the first half of 2003. Including subordinated liabilities, the increase was 7.6% to EUR 18.9 billion. The bank increased the issuance policy due to the attractive market situation.

_____ The Erste Bank Group's qualifying capital as defined under the Austrian Banking Act – which since 1 September 2002 also includes savings banks belonging to the cross-guarantee system – amounted to about

EUR 7.2 billion at 30 June 2003. This compares to a statutory minimum of EUR 5.1 billion, giving a cover ratio of about 141%.

_____ The core capital (Tier 1) amounted to about EUR 3.9 billion at end June, resulting in a Tier 1 ratio of 6.6% (compared to 6.3% at 2002 year-end).

_____ As at 30 June 2003, the solvency ratio, as defined under the Austrian Banking Act, was about 11.5% (compared to 11.0% at 2002 year-end), thus once again well above the statutory minimum of 8.0%.

_____ In connection with its strategy of focusing on the core banking business, Erste Bank Group is successfully concentrating on the life in-

insurance business in Central Europe. Non-life insurance in the individual countries is managed through cooperations with partners who fit in with the strategic concept of Erste Bank. After Croatia, Hungary and the Slovak Republic, a decision has now also been taken as to the future insurance partner in the Czech Republic. As in Austria, Croatia and Slovakia, it will be Wiener Städtische Versicherung who will handle the non-life insurance business for the Erste Bank subsidiary Česká spořitelna in the Czech Republic through its subsidiary Kooperativa pojišťovna, a.s. After stream-

lining its holdings in Austria in 2002 (notably Donau-Versicherung and s Versicherung) with the sale of the Czech non-life insurance business to Kooperativa, Erste Bank has now successfully completed its final strategic positioning within the insurance business.

_____ The contracts and approvals for the transaction in the Czech Republic are currently being prepared, and the transaction itself will be finalised in the fourth quarter, at which point the full details will be made public.

Consolidated Financial Statements for the first half of 2003 (IFRS)

_____ The accompanying notes form an integral part of the financial statements.

Group Balance Sheet of Erste Bank at 30 June 2003

in EUR million	Notes	30 Jun 2003	31 Dec 2002	Change in %
Assets				
1. Cash and balances with central banks		2,721	3,181	(14.5)
2. Loans and advances to credit institutions	(1)	18,146	15,492	17.1
3. Loans and advances to customers	(2)	65,358	64,435	1.4
4. Risk provisions for loans and advances	(3)	(3,004)	(2,983)	0.7
5. Trading assets	(4)	4,298	3,487	23.3
6. Investments available for sale	(5)	8,280	6,736	22.9
7. Financial investments	(6)	25,087	22,572	11.1
8. Intangible assets		1,585	1,596	(0.7)
9. Tangible assets		1,843	1,866	(1.2)
10. Other assets		4,839	4,840	0.0
Total assets		129,153	121,222	6.5
Liabilities and shareholders' equity				
1. Amounts owed to credit institutions	(7)	28,483	26,425	7.8
2. Amounts owed to customers	(8)	63,934	61,308	4.3
3. Debts evidenced by certificates		15,492	14,191	9.2
4. Provisions	(9)	5,872	5,488	7.0
5. Other liabilities		6,381	5,220	22.2
6. Subordinated capital		3,417	3,386	0.9
7. Minority interests		3,031	2,723	11.3
8. Shareholders' equity		2,543	2,481	2.5
Total liabilities and shareholders' equity		129,153	121,222	6.5

Group Income Statement of Erste Bank from 1 January to 30 June 2003

in EUR million	Notes	Jan-Jun 2003	Jan-Jun 2002	Change in %
1. Interest and similar income		2,610.7	2,893.6	(9.8)
2. Interest paid and similar expenses		(1,320.6)	(1,674.4)	(21.1)
I. Net interest income	(10)	1,290.1	1,219.2	5.8
3. Risk provisions for loans and advances	(11)	(205.9)	(183.5)	12.2
4. Fee and commission income		568.7	540.2	5.3
5. Fee and commission expenses		(86.8)	(70.7)	22.8
<i>Net commission income (Net of 4 and 5)</i>	(12)	481.9	469.5	2.6
6. Net trading result	(13)	114.6	89.6	27.9
7. General administrative expenses	(14)	(1,222.9)	(1,203.2)	1.6
8. Income from insurance business	(15)	13.2	4.7	> 100.0
9. Other operating result	(16)	(60.7)	(54.3)	(11.8)
10. Extraordinary result		0.0	0.0	-
II. Pre-tax profit for the period		410.3	342.0	20.0
11. Taxes on income		(119.1)	(78.3)	52.1
III. Profit for the period		291.2	263.7	10.4
12. Minority interests		(126.1)	(152.8)	(17.5)
IV. Net profit after minority interests		165.1	110.9	48.9

Earnings per share

_____ Earnings per share represents net profit after minority interests divided by the average number of ordinary shares outstanding. Diluted earnings per share represents the maximum possible dilution in the event that the average number of shares covered by subscription or conversion rights granted has increased or may increase.

in EUR	Jan-Jun 2003	Jan-Jun 2002	Change in %
Earnings per share	2.78	2.36	17.8
Diluted earnings per share	2.77	2.35	17.9

Statement of Changes in Shareholders' Equity

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Shareholders' equity at 1 January	2,481	1,704¹⁾	45.6
Translation differences	(16)	34	> (100.0)
Net profit after minority interests	165	111	48.9
Dividends	(74)	(63)	17.5
Erste Bank shares	(47)	(43)	9.3
Cash flow hedge	30	(12)	> 100.0
Other changes	4	14	(71.4)
Shareholders' equity at 30 June	2,543	1,745	45.7

1) For ease of comparison, the presentation of the effect from the holdings of Erste Bank shares was adapted from that used in the report for the first quarter of 2002. The total effect of EUR -218 million reported in the prior year is now divided into the effect from the holdings of such own shares at 1 January (an effect of EUR -175 million, which is contained in the opening balance) and the effect of the revaluation and change in quantity of these shares during the reporting period (this effect amounts to EUR -43 million).

Cash Flow Statement

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Cash and cash equivalents at the beginning of period	3,181	2,573	23.6
Cash flows from operating activities	2,087	124	> 100.0
Cash flows from investing activities	(2,472)	(833)	> 100.0
Cash flows from financing activities	(93)	405	> (100.0)
Effect of changes in exchange rates	18	26	(30.8)
Cash and cash equivalents at the end of period	2,721	2,295	18.6

Notes to the Consolidated Financial Statements of Erste Bank Group for the first half of 2003

_____ The consolidated financial statements of the Erste Bank Group are prepared in accordance with the International Financial Reporting Standards (IFRS – formerly IAS) as interpreted by the International Financial Reporting Interpretations Committee (IFRIC – formerly SIC). This report for the first half of 2003 complies with IAS 34 (Interim Financial Reporting). No changes were made to accounting policies or measurement methods for this reporting period.

Major business events during the reporting period

_____ In May 2003 Erste Bank der oesterreichischen Sparkassen AG (Erste Bank AG) increased its stake in Kärntner Sparkasse from 10% to 25% plus one share. This was achieved through a capital increase at Kärntner Sparkasse and the purchase of one share from Privatstiftung Kärntner Sparkasse. This transaction has an effect on the item minority interests in Erste Bank's consolidated financial statements.

Events after the balance sheet date

_____ On 25 June 2003 Erste Bank AG entered a non-binding bid to purchase Hungary's Postabank és Takarékpénztár Rt. As a result, Erste Bank AG along with other prospective buyers was invited by the privatisation agency, Állami Privatizációs és Vagyonkezelő Rt. (ÁPV), to perform due diligence. Once this analysis and appraisal is completed, Erste Bank AG may, at its discretion, present a binding purchase offer. Postabank is a retail bank with total assets of about EUR 1.7 billion and a market share of approximately 5%.

_____ The two Croatian subsidiaries, Erste & Steiermärkische Banka d.d. and Riječka banka d.d., were merged effective 1 August to form Erste & Steiermärkische Bank d.d. This created the third largest bank in Croatia, with total assets of EUR 2.1 billion at 30 June 2003. Erste Bank AG and Steiermärkische Bank und Sparkassen AG respectively hold 77.3% and 15.1% of the merged institutions' share capital.

Information on the Group Balance Sheet

1) Loans and advances to credit institutions

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Loans and advances to domestic credit institutions	3,136	3,462	(9.4)
Loans and advances to foreign credit institutions	15,010	12,030	24.8
Total	18,146	15,492	17.1

2) Loans and advances to customers

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Loans and advances to domestic customers	45,709	46,413	(1.5)
<i>Public sector</i>	3,083	3,116	(1.1)
<i>Commercial customers</i>	26,357	26,990	(2.3)
<i>Private customers</i>	16,156	16,157	0.0
<i>Other</i>	113	150	(24.7)
Loans and advances to foreign customers	19,649	18,022	9.0
<i>Public sector</i>	2,820	3,090	(8.7)
<i>Commercial customers</i>	12,867	11,402	12.8
<i>Private customers</i>	3,810	3,314	15.0
<i>Other</i>	152	216	(29.6)
Total	65,358	64,435	1.4

3) Risk provisions

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Risk provisions for loans and advances			
At 1 January	2,983	1,875	59.1
Change in scope of consolidation (2002: cross-guarantee system)	-	1,236	(100.0)
Use	(154)	(111)	38.7
Net allocation of risk provisions	190	164	15.9
Changes in exchange rates	(15)	39	> (100.0)
At 30 June	3,004	3,203	(6.2)
Risk provisions for off-balance credit risk and for other risks (included in provisions)	81	102	(20.6)
Risk provisions at 30 June	3,085	3,305	(6.7)

4) Trading assets

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Bonds and other fixed-income securities	2,842	2,156	31.8
Shares and other variable-yield securities	421	450	(6.4)
Positive fair value of derivative financial instruments	1,035	881	17.5
Total	4,298	3,487	23.3

5) Investments available for sale

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Bonds and other fixed-income securities	5,437	4,020	35.2
Shares and other variable-yield securities	2,843	2,716	4.7
Total	8,280	6,736	22.9

6) Financial investments

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Bonds and other fixed-income securities (held to maturity)	17,917	15,750	13.8
Variable-yield securities	880	956	(7.9)
Investments	521	463	12.5
Investments of insurance companies	4,699	4,294	9.4
Other financial investments (particularly carrying amounts of assets subject to operating leases and rental agreements)	1,070	1,109	(3.5)
Total	25,087	22,572	11.1

7) Amounts owed to credit institutions

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Amounts owed to domestic credit institutions	8,137	6,860	18.6
Amounts owed to foreign credit institutions	20,346	19,565	4.0
Total	28,483	26,425	7.8

8) Amounts owed to customers

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Savings deposits	36,639	36,880	(0.7)
Other	27,295	24,428	11.7
Total	63,934	61,308	4.3

9) Provisions

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Long-term employee provisions	1,100	1,117	(1.5)
Insurance reserves	4,455	4,072	9.4
Other	317	299	6.0
Total	5,872	5,488	7.0

Information on the Group Income Statement

10) Net interest income

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Interest income from			
Lending and money market transactions with credit institutions	378.5	556.9	(32.0)
Lending and money market transactions with customers	1,480.1	1,573.9	(6.0)
Fixed-income securities	568.4	604.9	(6.0)
Other interest and similar income	25.2	28.9	(12.8)
Current income from			
Shares and other variable-yield securities	79.3	74.4	6.6
Investments	45.6	29.8	53.0
Property used by outside parties	33.6	24.8	35.5
Total interest and similar income	2,610.7	2,893.6	(9.8)
Interest expenses for			
Amounts owed to credit institutions	(287.0)	(452.8)	(36.6)
Amounts owed to customers	(632.8)	(809.6)	(21.8)
Debts evidenced by certificates	(363.1)	(350.1)	3.7
Subordinated capital	(32.2)	(50.9)	(36.7)
Other	(5.5)	(11.0)	(50.0)
Total interest and similar expenses	(1,320.6)	(1,674.4)	(21.1)
Net interest income	1,290.1	1,219.2	5.8

11) Risk provisions for loans and advances

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Net allocation to risk provisions in lending business	(190.2)	(163.8)	16.1
Direct write-off for loans and advances less amounts recovered on loans and advances written off	(15.7)	(19.7)	(20.3)
Total	(205.9)	(183.5)	12.2

12) Net commission income

in EUR million	Jan-Jun 2003	Jan-Jun 2002 ¹⁾	Change in %
Lending business	85.5	74.9	14.2
Payment transfers	182.0	159.5	14.1
Securities transactions	114.0	119.2	(4.4)
<i>Investment fund transactions</i>	51.9	49.0	5.9
<i>Custodial fees</i>	19.5	20.3	(3.9)
<i>Brokerage</i>	42.6	49.9	(14.6)
Insurance business	24.4	25.8	(5.4)
Building society agency operations	13.0	8.4	54.8
Foreign exchange operations	25.1	23.5	6.8
Other	37.9	58.2	(34.9)
Total	481.9	469.5	2.6

1) Some 2002 income under this item was reclassified among its constituent categories in order to facilitate comparison between years.

13) Net trading result

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Securities and derivatives trading	68.3	35.7	91.3
Foreign exchange	46.3	53.9	(14.1)
Total	114.6	89.6	27.9

14) General administrative expenses

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Personnel expenses	(692.7)	(665.1)	4.1
Other administrative expenses	(358.9)	(384.4)	(6.6)
Depreciation and amortisation of fixed assets	(171.3)	(153.7)	11.5
Total	(1,222.9)	(1,203.2)	1.6

15) Income from insurance business

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Earned premiums	434.0	475.9	(8.8)
Investment income on underwriting business	116.5	57.8	> 100.0
Claims incurred	(122.1)	(190.2)	(35.8)
Change in underwriting provisions	(336.2)	(253.5)	32.6
Expenses for profit-linked premium reimbursements	(28.4)	(13.4)	> 100.0
Operating expenses	(53.0)	(49.6)	6.9
Other underwriting result	(4.3)	(22.2)	(80.6)
Net underwriting income	6.5	4.8	35.4
Net investment income	123.2	57.7	> 100.0
Carried to underwriting account	(116.5)	(57.8)	> 100.0
Total	13.2	4.7	> 100.0

16) Other operating result

in EUR million	Jan-Jun 2003	Jan-Jun 2002	Change in %
Other operating income	49.8	65.3	(23.7)
Other operating expenses	(150.9)	(108.1)	39.6
<i>Amortisation of goodwill</i>	<i>(40.1)</i>	<i>(23.1)</i>	73.6
<i>Other operating expenses</i>	<i>(110.8)</i>	<i>(85.0)</i>	30.4
Income from securities held as investments available for sale	39.8	(22.3)	> 100.0
Income from investments and related companies	0.6	10.8	(94.4)
Total	(60.7)	(54.3)	(11.8)

Other information

17) Contingent liabilities and other obligations

in EUR million	30 Jun 2003	31 Dec 2002	Change in %
Contingent liabilities	6,452	5,918	9.0
<i>Contingent liabilities</i>	6,367	5,809	9.6
<i>Other</i>	85	109	(22.0)
Other obligations	14,923	14,972	(0.3)
<i>Undrawn credit and loan commitments</i>	13,694	13,549	1.1
<i>Amounts owed resulting from repurchase transactions</i>	775	1,063	(27.1)
<i>Other</i>	454	360	26.1

18) Number of employees (weighted by extent of employment)

	30 Jun 2003	31 Dec 2002	Change in %
Employed by Group	36,529	36,923	(1.1)
Domestic	15,296	15,654	(2.3)
Abroad	21,233	21,269	(0.2)
thereof Česká spořitelna Group	12,766	12,994	(1.8)
thereof Slovenská sporiteľňa	5,266	5,248	0.3

____ In addition to the above number of employees, 256 persons were employed in non-bank enterprises of the Group (hotel and leisure sector) at 30 June 2003.

19) Segment reporting

Compared with the first half of the preceding year, the equity allocated to the segments under IFRS was up by over 40% mainly due to Erste Bank's successful capital increase in July 2002. For this reason and due

to a change of allocation in the savings bank segment in the second quarter, the ROE figures are not directly comparable with last year's figures.

Austria

Savings Banks

In the Savings Banks segment, net interest income was up slightly due to a volume increase, despite the fall in interest rates compared with the prior year. At EUR 92.0 million in the first half of 2003, risk provisions were higher than in the first half of 2002, while administrative expenses increased by 4.3% to EUR 405.6 million. However, the comparison of risk provisions and administrative expenses is of limited validity due to the first-time consolidation of the savings banks in the cross-guarantee system last year. Compared with the overall 2002 full-year results, risk provisioning is in line with the year-earlier figures and the administrative expenses in the first half of 2003 are slightly above (2.2%) the prior year figures.

The increase in commission income by 13% to EUR 152.4 million was achieved mainly in the payment services, securities and lending business. The positive valuation of the available for sale portfolio under other operating income also contributes to the improvement in the pre-tax result.

Retail and Real Estate

This segment covers retail and commercial business in Austria, the majority-owned savings banks and the subsidiaries largely allocated to retail operations (s Bausparkasse, Sparinvest, EBV-Leasing). The increases in the consolidated profit by 30% to EUR 8.5 million and in the

in EUR million	Savings Banks HY/2003	Savings Banks HY/2002	Retail and Real Estate HY/2003	Retail and Real Estate HY/2002
Net interest income	423.3	419.4	259.3	266.0
Risk provisions for loans and advances	(92.0)	(84.6)	(66.3)	(61.4)
Net commission income	152.4	134.9	134.2	133.9
Net trading result	15.2	9.3	8.9	6.5
General administrative expenses	(405.6)	(388.7)	(328.4)	(330.0)
Income from insurance business	0.0	0.0	9.5	3.0
Other operating result	20.6	(9.5)	4.3	(3.3)
Pre-tax profit for the period	113.9	80.9	21.5	14.7
Taxes on income	(32.5)	(15.9)	(7.9)	(8.5)
Minority interests	(78.0)	(63.8)	(5.2)	0.3
Net profit after minority interests	3.4	1.2	8.5	6.5
Average risk-weighted assets	22,208.4	21,322.0	12,177.6	12,337.0
Average attributed equity	215.1	0.0	748.3	511.9
Cost-income ratio (in %)	68.6%	69.0%	79.7%	80.6%
ROE based on net profit (in %)	3.2%	n.a.	2.3%	2.6%

pre-tax result by 46% to EUR 21.5 million are due to the buoyant performance of the insurance business and an improvement in other operating income (in particular in majority owned savings banks). Risk provisioning is slightly above the figures for the first half of 2002 due to a more conservative assessment policy. Net interest income was impacted by higher refinancing costs for the purchase of s Versicherung as well as a slight decrease in volume. Commission income rose slightly to EUR 134.2 million and administrative expenses were down on the first half of 2003 (down 0.5% to EUR 328.4 million).

Large Corporates

— In addition to the large corporate clients business of Erste Bank AG, this segment covers the leasing subsidiary Immorent. While net interest income was up sharply in this segment on account of margin improvements (+18.5% to EUR 75.6 million), commission income fell to EUR 22.3 million against the very good result in the first half of 2002. It should also be noted that costs were significantly down in this segment. While risk provisions were above the level of the first half of 2002 because of more conservative assessments, they are nonetheless in line with the overall level for the preceding year.

Trading and Investment Banking

— Apart from the relevant business areas in Vienna, Trading and Investment Banking includes the treasury functions of the branches in New York and Hong Kong. This segment's consolidated profit was up strongly to EUR 43.9 million compared with EUR 20.1 million in 2002; this increase was due to a very buoyant trading result (EUR 58.3 million after EUR 34.5 million), and a sharp rise in commission income from the sale of structured products as well as reduced costs.

Large Corporates HY/2003	Large Corporates HY/2002	Trading and Investment Banking HY/2003	Trading and Investment Banking HY/2002	Austria Total HY/2003	Austria Total HY/2002
75.6	63.8	43.0	40.2	801.2	789.5
(26.6)	(18.5)	0.1	0.0	(184.8)	(164.4)
22.3	34.4	18.9	11.5	327.9	314.7
0.9	1.6	58.3	34.5	83.3	51.8
(38.5)	(42.2)	(52.2)	(54.2)	(824.7)	(815.1)
0.0	0.0	0.0	0.0	9.5	3.0
(1.9)	(0.3)	(5.3)	(7.7)	17.7	(20.7)
31.8	38.8	62.8	24.3	230.1	158.8
(9.4)	(7.9)	(19.2)	(4.8)	(69.1)	(37.1)
(4.9)	(6.0)	0.3	0.6	(87.8)	(68.9)
17.5	25.0	43.9	20.1	73.2	52.9
6,451.4	7,013.1	3,416.9	4,077.9	44,254.3	44,750.0
397.6	272.7	208.0	162.6	1,569.1	947.2
38.9%	42.3%	43.4%	62.9%	67.5%	70.3%
8.8%	18.3%	42.2%	24.8%	9.3%	11.2%

Central Europe

Česká spořitelna

_____ The fall in net interest income (EUR 230.1 million after EUR 247.6 million) at Česká spořitelna was due to higher funding costs (buy-out of minorities at mid-year 2002), a weaker Czech Crown compared with the first half of 2002 and the sharp decline in interest rates. This fall could only be partly offset by the 12% increase in commission income. The increased goodwill depreciation and a trading result that was below the very good preceding year contributed to the drop in the pre-tax result. In the group net profit (EUR 58.2 million after EUR 44.3 million), the increase in Erste Bank's holding in Česká spořitelna, resulting in lower minority interests, considerably improved the result.

Slovenská sporiteľňa

_____ The main part of the improvement in group net profit of Slovenská sporiteľňa from EUR 6.3 million to EUR 15.0 million relates to the significant improvement in net interest income (EUR 122.2 million after EUR 76.6 million), which was due to increases in volume and a strong at equity result from the building society (PSS). The decline in other operating income is mainly due to the provisions outside the lending business and exceptional software depreciation. The cost-income ratio fell from 61.3% to 48.3%.

in EUR million	Česká spořitelna HY/2003	Česká spořitelna HY/2002	Slovenská sporiteľňa HY/2003	Slovenská sporiteľňa HY/2002
Net interest income	230.1	247.6	122.2	76.6
Risk provisions for loans and advances	4.3	11.1	(1.6)	(4.6)
Net commission income	119.1	106.4	23.7	19.1
Net trading result	16.0	28.3	4.9	3.8
General administrative expenses	(237.4)	(231.6)	(72.8)	(61.0)
Income from insurance business	3.7	1.7	0.0	0.0
Other operating result	(28.1)	(21.7)	(46.9)	(11.5)
Pre-tax profit for the period	107.8	141.9	29.4	22.4
Taxes on income	(40.5)	(33.8)	(3.1)	(8.7)
Minority interests	(9.1)	(63.9)	(11.3)	(7.3)
Net profit after minority interests	58.2	44.3	15.0	6.3
Average risk-weighted assets	6,039.6	5,675.7	1,224.3	900.1
Average attributed equity	370.9	320.1	75.2	44.5
Cost-income ratio (in %)	64.3%	60.3%	48.3%	61.3%
ROE based on net profit (in %)	31.4%	27.6%	39.8%	28.5%

Erste Bank Hungary

At Erste Bank Hungary too, net interest income was up significantly, from EUR 18.5 million to EUR 28.6 million, due to a sharp rise in business volume (client loans +39%). When comparing these figures, one should note that Erste Bank Hungary now also contains the results of the investment bank. Particularly welcome was the doubling in commission income compared to the first half of 2002 to EUR 13.0 million. This was due to higher revenue in payment services and volume growth in the lending business. The increase in administrative expenses was chiefly due to the expansion of the branch network.

Erste Bank Croatia

The acquisition of Riječka banka in the second quarter of 2002 was the reason for the increase in group net profit in this segment. The current business year will be characterised by the merger of Riječka banka and Erste & Steiermärkische Banka which will take place in the third quarter.

Erste Bank Hungary HY/2003	Erste Bank Hungary HY/2002	Erste & Steier- märkische Banka, Riječka banka HY/2003	Erste & Steier- märkische Banka, Riječka banka HY/2002	Central Europe Total HY/2003	Central Europe Total HY/2002
28.6	18.5	35.2	22.5	416.1	365.2
(4.5)	(3.1)	(1.9)	(2.9)	(3.6)	0.5
13.0	6.8	5.7	2.7	161.5	135.0
3.5	3.0	4.6	6.6	29.0	41.8
(33.8)	(25.2)	(27.6)	(15.7)	(371.6)	(333.5)
0.0	0.0	0.0	0.0	3.7	1.7
(0.7)	(0.6)	0.9	0.1	(74.8)	(33.7)
6.1	(0.6)	17.0	13.3	160.2	177.0
(1.3)	(0.2)	(1.2)	(0.8)	(46.1)	(43.5)
0.2	0.2	(4.5)	(3.2)	(24.7)	(74.2)
5.0	(0.6)	11.3	9.2	89.5	59.2
723.2	597.7	1,391.5	1,302.5	9,378.6	8,476.0
44.4	27.0	85.5	58.7	576.0	450.3
74.9%	89.0%	60.6%	49.4%	60.9%	61.3%
22.4%	(4.4%)	26.5%	31.5%	31.1%	26.3%

International Business

_____ Apart from the relevant business area in Vienna, the International Business segment covers the commercial activities of the overseas offices in London, New York and Hong Kong. An improvement in net interest income was achieved despite a decreasing business volume. Combined with significantly reduced general administrative expenses this resulted in an increase in group net profit by 23% to EUR 35.9 million.

Corporate Centre

_____ The Corporate Centre segment covers among others the costs of the Group's overall management, all units not directly allocated to the individual segments (e.g. auxiliary units, Spardat, internet subsidiary ecetra) and general consolidation items. An improved allocation of cost and income components has resulted in differences between the first half of 2003 and the comparative period of 2002, making a comparison of the individual positions less consistent. The comparable pre-tax profit and net group profit remain at last year's level.

in EUR million	International Business HY/2003	International Business HY/2002	Corporate Centre HY/2003	Corporate Centre HY/2002	Erste Bank Group Total HY/2003	Erste Bank Group Total HY/2002
Net interest income	73.0	68.9	(0.3)	(4.4)	1,290.1	1,219.2
Risk provisions for loans and advances	(17.3)	(19.4)	(0.1)	(0.2)	(205.9)	(183.5)
Net commission income	9.8	9.8	(17.3)	10.1	481.9	469.5
Net trading result	0.0	0.5	2.4	(4.4)	114.6	89.6
General administrative expenses	(17.0)	(21.8)	(9.6)	(32.9)	(1,222.9)	(1,203.2)
Income from insurance business	0.0	0.0	0.0	0.0	13.2	4.7
Other operating result	(2.1)	(0.9)	(1.5)	1.1	(60.7)	(54.3)
Pre-tax profit for the period	46.5	37.0	(26.5)	(30.8)	410.3	342.0
Taxes on income	(10.6)	(7.9)	6.6	10.2	(119.1)	(78.3)
Minority interests	0.0	0.0	(13.5)	(9.8)	(126.1)	(152.8)
Net profit after minority interests	35.9	29.1	(33.5)	(30.4)	165.1	110.9
Average risk-weighted assets	5,811.0	6,295.7	217.6	991.8	59,661.5	60,513.5
Average attributed equity	357.0	280.3	13.4	35.9	2,515.5	1,713.7
Cost-income ratio (in %)	20.5%	27.5%	n.a.	n.a.	64.4%	67.5%
ROE based on net profit (in %)	20.1%	20.8%	n.a.	n.a.	13.1%	12.9%

Earnings performance at Erste Bank Group: Quarterly results

in EUR million	Q1/2002	Q2/2002	Q3/2002	Q4/2002	Q1/2003	Q2/2003
Net interest income	584.8	634.4	615.8	628.0	617.6	672.5
Risk provisions for loans and advances	(89.1)	(94.4)	(88.7)	(134.2)	(97.2)	(108.7)
Net commission income	244.0	225.5	225.7	249.1	228.9	253.0
Net trading result	50.9	38.7	36.9	40.9	60.1	54.5
General administrative expenses	(570.0)	(633.2)	(612.6)	(616.1)	(605.1)	(617.8)
Income from insurance business	8.1	(3.4)	(4.1)	7.8	4.4	8.8
Other operating result	(55.8)	1.5	(20.2)	(5.7)	(22.6)	(38.1)
Pre-tax profit for the period	172.9	169.1	152.8	169.8	186.1	224.2
Taxes on income	(46.0)	(32.3)	(39.3)	(33.8)	(54.4)	(64.7)
Profit for the period	126.9	136.8	113.5	136.0	131.7	159.5
Minority interests	(61.0)	(91.8)	(62.7)	(42.5)	(55.9)	(70.2)
Net profit after minority interests	65.9	45.0	50.8	93.5	75.8	89.3

Development in Erste Bank Group's qualifying capital at 30 June 2003

in EUR million	30 Jun 2003	31 Dec 2002	30 Jun 2002
Subscribed capital (less shares held in own portfolio)	436	435	368
Reserves and minority interests	3,943	3,839	2,297
Intangible assets	(458)	(474)	(315)
Core capital (Tier 1)	3,921	3,800	2,350
Eligible subordinated liabilities	2,799	2,764	2,115
Revaluation reserve	195	185	90
Qualifying supplementary capital (Tier 2)	2,994	2,949	2,205
Short-term subordinated capital (Tier 3)	325	325	292
Total qualifying capital	7,240	7,074	4,847
Deductions acc. to Sections 23 (13) and 29 (1-2) Austrian Banking Act	(71)	(91)	(287)
Total eligible qualifying capital	7,169	6,983	4,560
Capital requirement	5,097	5,146	3,418
Surplus capital	2,072	1,837	1,142
Cover ratio (in %)	140.6%	135.7%	133.4%
Tier 1 ratio (in %)	6.6%	6.3%	6.0%
Solvency ratio (in %)	11.5%	11.0%	10.9%
Risk-weighted basis acc. to Section 22 Austrian Banking Act	59,654	60,257	39,074
Thereof 8% minimum capital requirement	4,772	4,821	3,126
Capital requirement for open foreign exchange position acc. to Section 26 Austrian Banking Act	11	9	2
Capital requirement for the trading book acc. to Section 22b (1) Austrian Banking Act	314	316	290
Total capital requirement	5,097	5,146	3,418

Financial calendar

17 September 2003 ¹⁾	International capital markets day
13 November 2003 ¹⁾	Release of results for the first three quarters of 2003

1) Preliminary dates

Erste Bank Investor Relations

Graben 21, A-1010 Vienna/Austria

E-MAIL: investor.relations@erstebank.at

FAX: from within Austria 05 0100-13112
international +43 5 0100-13112

INTERNET: www.erstebank.com/ir

Gabriele Semmelrock-Werzer

PHONE: from within Austria 05 0100-11286
international +43 5 0100-11286

E-MAIL: gabriele.werzer@erstebank.at

Thomas Schmee

PHONE: from within Austria 05 0100-17326
international +43 5 0100-17326

E-MAIL: thomas.schmee@erstebank.at

Nina Higtzberger

PHONE: from within Austria 05 0100-17795
international +43 5 0100-17795

E-MAIL: nina.higtzberger@erstebank.at

Ticker symbols

Reuters	ERST.VI
Bloomberg	DESC AV
Datastream	O:ERS
ISIN	AT0000652011
ADR Cusip-Code	296 036 304

Erste Bank

PHONE: from within Austria 05 0100-10100
international +43 5 0100-10100

INTERNET: www.erstebank.at

