

Erste Group Bank AG

Financial Statements 2010



ERSTE GROUP

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Imprint

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Erste Group Bank AG MANAGEMENT REPORT 2010

Summary Financial Review of Erste Group Bank AG for the year ended 31 December 2010

Business trend and economic situation

2010 saw a continuation of the global economic recovery, which had begun in autumn 2009, resulting in a growth of 4.8%. One of the main drivers of this recovery was economic growth in Asia, where foreign trade and industrial production exceeded their pre-crisis levels. The economic recovery in the US and Europe was sluggish by comparison and failed to reverse the trend towards high crisis-induced public spending and high unemployment rates in all countries. European economic growth figures were mixed. Export-driven economies, such as Germany, saw a marked upturn in economic growth towards year-end, with a reduction in unemployment and relatively small budget deficits. At the same time, economic growth stagnated or declined in the peripheral countries, which had to deal with their own home-grown issues, including low competitiveness and slumping property prices, on top of the repercussions of the worldwide recession. There, unemployment rose and budget deficits were high despite very tight fiscal policies.

When the Greek situation escalated in April, it sent the international financial markets tumbling and caused the euro to fall against all other major currencies. The situation only stabilised when the EU and IMF jointly announced that they would give financial aid to Greece, and the ECB decided to buy government bonds of selected Eurozone countries through the market. While the DAX, ATX and the Dow Jones Industrial Average enjoyed gains in 2010, the stock markets in the countries hit by the euro crisis incurred significant losses. The difference in the speed of economic recovery across the world's economies also manifested itself in diverging inflation rates and partly contradictory monetary policies. Thus, the Chinese central bank raised its key interest rate twice in 2010, while the Federal Reserve responded to an impending relapse into recession by engaging in another round of government bond purchases. In nearly all developed economies the key interest rates remained at a historic low.

Economic growth also returned to Austria owing to a strong demand for Austrian exports. In real terms, GDP growth in 2010 was 2% higher year-on-year, due to the strong performance in exports. Demand from private households was strengthened by a rise in employment not only in the services sector but also in the industrial sector. The unemployment rate declined steadily throughout the year: by the end of 2010, Austria's unemployment rate of 4.5% was well below the EU average of 10.1%. At the same time consumer price inflation for 2010 remained low, weighing in at 1.8%. In the second half of the year, the government launched an austerity package to rein in the growing public deficit.

Exports were a key factor in driving the economic recovery in Central and Eastern Europe. The open economies in particular, such as the Czech Republic and Slovakia, benefited from the strong economic growth in Germany. Real GDP growth in most of Erste Group's core markets in Central and Eastern Europe ranged from 1.2% (Hungary) to 4.3% (Ukraine). The only countries to shrink further were Croatia and Romania, where real GDP contracted by 1.6% and 2.1%. Generally, unemployment remained high in the region, causing domestic demand to falter. Nonetheless, the second half of the year showed the beginnings of a positive trend for domestic demand in some countries. Consumer price inflation in Central and Eastern Europe was generally low, rising slightly towards the end of the year. Higher prices for energy and raw materials in the global markets have yet to translate into any long-term increase in consumer prices.

Financial performance indicators

Operating income of Erste Group Bank AG increased by 42.7 percent to EUR 1,661.2 million (prior year: EUR 1,164.3 million).

Operating expenses decreased by 6.0 percent to EUR 394.2 million (prior year: EUR 419.4 million).

Operating income (operating income less operating expenses) grew by 70.0 percent to EUR 1,267.0 million (prior year: 744.9 million).

The **cost-income ratio** (operating expenses as a percentage of operating income) was 23.7 percent, significantly below the previous year's figure of 36.0 percent.

Taking into account the charges to and releases from impairment adjustments for receivables, securities and participating interests (with a year-on-year increase in receivables and income from the release of value adjustments of securities valued as financial fixed assets), **pre-tax profit for the year** was EUR 1,071.6 million, or 115.7 percent above the previous year's figure (EUR 496.8 million). Net profit for the year before changes in reserves was EUR 1,094.0 million – 112.3 percent higher than in the previous year (EUR 515.4 million).

Return on equity (ROE, net profit for the year before changes in reserves expressed in proportion to average equity capital, which consists of share capital, reserves less treasury shares and profit available for distribution) 10.1 percent (prior year: 6.0 percent).

The **core (Tier 1) capital** of Erste Group Bank AG, pursuant to Section 23 (14) no. 1 BWG, totaled EUR 11.4 billion on 31 December 2010 (comparable to prior year: EUR 10.7 billion), or EUR 11.3 billion after deductions pursuant to Section 23 (13) nos. 3 and 4 BWG (comparable to prior year: EUR 10.5 billion).

The **core (Tier 1) ratio** of Erste Group Bank AG expressed in proportion to credit risk – regulatory core (Tier 1) capital pursuant to BWG after deductions, expressed as a percentage of the risk-weighted assets pursuant to Section 22 (2) BWG – totaled 30.2 percent at 31 December 2010 (prior year: 28.0 percent).

The **qualifying capital** of Erste Group Bank AG, pursuant to Section 23 BWG, including non-credit-risk-related risk requirements (in particular operational risk and position risk for securities and foreign exchange) amounted to EUR 14.5 billion at 31 December 2010 (prior year: EUR 14.0 billion).

The legal minimum requirement was approx. EUR 3.6 billion at the balance sheet date, resulting in a coverage ratio of approx. 404 percent (prior year: approx. 383 percent).

The **solvency ratio**, in relation to credit risk (own funds less risk requirements other than for credit risk, in particular operational risks and position risk for securities and foreign currency, expressed as a percentage of risk-weighted assets pursuant to Section 22 (2) BWG) totaled 32.3 percent at 31 December 2010 (prior year: 30.6 percent). This is markedly higher than the 8 percent minimum requirement pursuant to Section 22 (1) BWG.

Erste Group Bank AG applies the Basel II solvency rules. The advanced IRB (internal-rating-based) measurement approach is used for retail business; for corporate business, sovereigns and interbank business, the standardised approach based on the internal rating system is employed. In addition, certain asset categories are measured according to the standardised approach in accordance with statutory transition regulations.

The banking **operation GLC & GRE Austria** – consisting of the two sub-segments Group Large Corporates Austria and Group Real Estate Austria – was transferred from Erste Bank der oesterreichischen Sparkassen AG to Erste Group Bank AG on 8 August 2010 with retroactive effect from 31 December 2009 under tax and debt law. As largest item in the transfer, loans and advances to customers, which amounted to EUR 5,149.3 million, stand against the liabilities to credit institutions in the amount of EUR 4,311.6 million and the liabilities to customers in the amount of EUR 871.9 million.

Details on earnings

Net interest income grew by 72.7 percent to EUR 369.3 million (prior year: EUR 213.9 million).

Income from securities and participating interests showed a marked increase of 59.8 percent to EUR 1,048.1 million (prior year: 655.9 million). The main reason for this increase is that income from shares in affiliated undertakings rose to EUR 999.8 million (prior year: EUR 626.6 million).

Net commission income declined by 10.7 percent from EUR 113.9 million to EUR 101.7 million and was mainly derived from commission charged on guarantees in the amount of 64.1 million and commission on the securities portfolio which increased by 40.4 million.

Net profit on financial operations exhibited a 27.5 percent decrease – from EUR 174.4 million in the previous year to EUR 126.4 million – which can be attributed chiefly to the depreciation of securities in the trading book.

In addition to salaries (both fixed and variable) and social expenses, expenses for long-term employee provisions, as well as pension expenses and pension fund contributions are included in **personnel expenses**, a sub-item of **operating expenses**. In total, personnel expenses grew by only 0.2 percent to EUR 235.5 million (prior year: 235.1 million); this increase is the result of salary adjustments based on the Collective Bargaining Agreement and the partial reversal of pension provisions.

The **number of employees** at Erste Group Bank AG (weighted according to their number of man hours worked) grew by 3.3 percent in the fiscal year.

	Date 31/12/2010	Date 31/12/2009
Domestic	1,697	1,641
International	67	66
<i>London</i>	38	38
<i>New York</i>	19	18
<i>Hong Kong</i>	10	10
Total	1,764	1,707
<i>of which on unpaid leave</i>	98	88

Other administrative expenses decreased by 11.0 percent to EUR 137.6 million (previous year: EUR 154.6 million). Above-average increases were registered in IT, legal and consulting expenses.

Value adjustments on tangible fixed assets have decreased by 5.6 percent from EUR 19.7 million last year to EUR 18.6 million this year.

With EUR 1,267.0 million this year, last year's **operating result** of EUR 744.9 million was considerably improved (increase by 70.1%).

In 2010, the net allocation to **risk provisions** for receivables (including receivables write-offs offset against income from written-off receivables and cancellation of valuation allowances and risk provisions) was lower than that of 2009.

Current asset securities' valuation and price earnings, as well as the income and value adjustment positions on **participating interests** and **fixed-asset securities** as a whole was negative in 2010 (just as in the prior year).

Tax situation: Pursuant to Section 9 of the Austrian Corporate Tax Act ("Körperschaftsteuergesetz", KStG), Erste Group Bank AG and its main domestic subsidiaries constitute a tax group. Due to the high proportion of tax-exempt income – particularly income from participating interests – and tax payments for the permanent establishments abroad, no Austrian corporate income tax was payable in fiscal year 2010. At 31 December 2010, there still remained a tax loss from previous years, which was carried forward once again.

Tax on profit mainly comprised expenses from foreign capital gains and other income-related taxes, as well as tax revenue from the tax allocation to subsidiary companies that form a tax group together with Erste Group Bank AG under group taxation regulations.

Changes in reserves during the year resulted in the net allocation of EUR 688.2 million (prior year: allocation to reserves of EUR 128.6 million), **net income for the year** was at EUR 405.8 million, nearly attaining the 2009 level of EUR 386.8 million. Together with prior year's profit brought forward from, the **profit available for distribution** amounts to EUR 405.8 million.

At the Annual General Meeting, the Management Board will propose a dividend payout of EUR 0.70 per share (prior year: 0.65) from **net profit for the year**, which was EUR 405.8 million for 2010, and an interest rate of 8% to service the participation capital.

Explanatory notes on the balance sheet

Erste Group Bank AG divisions Group Capital Markets and Group Capital Investment Banking, as well as the three international branches in New York, London and Hong Kong generated a total business volume (**balance sheet total**) of EUR 76.9 billion in 2010 – this represents an decrease of 3.2 percent year-on-year (prior year: EUR 79.5 billion).

Loans and advances to credit institutions decreased by 11.2 percent from EUR 36.8 billion to EUR 32.7 billion. This decrease primarily concerns investments in foreign credit institutions and Erste Bank der oesterreichischen Sparkassen AG. Mainly on account of the de-merger of the business division Erste Bank der oesterreichischen Sparkassen, **loans and advances to customers** grew by 32.0 percent to EUR 15.4 billion (prior year: EUR 11.7 billion).

Total **securities investments** (treasury bills as well as fixed-interest and variable-yield securities) decreased by 5.8 percent to EUR 12.1 billion (prior year: EUR 12.8 billion).

The group has a sovereign **exposure** of EUR 703 million to **Greece** which equals 0.3% of the total credit risk exposure of Erste Group Bank AG and hence **does not form a concentration risk**. The duration profile of this portfolio will lead to a substantial decrease until end of 2013 and is protected by the European measures put in place to prevent sovereign defaults. Erste Group Bank AG monitors public debt restructuring discussions and potential haircuts as well as includes the exposure in stress tests. Additionally, hedging opportunities are being observed and applied if deemed appropriate.

The carrying value of **participating interests and shares in affiliated undertakings** remained at last year's level of EUR 9.9 billion (slight improvement by 0.7 percent).

Other assets include interest accruals, accrued premiums and receivables from participating interests and affiliated undertakings. The reporting year saw a decrease by 27.2 percent to EUR 4.6 billion (prior year: EUR 6.4 billion) attributable primarily to the change in the way claims arising from securities transactions are accounted.

On the liabilities side, **liabilities to credit institutions** decreased by 9.3 percent to EUR 24.2 billion (prior year: EUR 26.7 billion). This decrease has primarily affected international FX liabilities.

Liabilities to customers increased by 11.2 percent from EUR 5.4 billion in the previous year to EUR 6.0 billion.

Refinancing through **own issues** (debts evidenced by certificates, subordinated liabilities and supplementary liabilities) exhibited growth by 4.5 percent to EUR 31.1 billion (year: EUR 29.8 billion).

Other liabilities decreased by 46.1 percent to EUR 3.1 billion (prior year: EUR 5.7 billion). The largest items included interest and commission accruals, accrued premiums from derivatives trading and other offsetting liabilities. The decrease in other liabilities was primarily brought about by a change in the accounting of in securities transactions.

Investor information pursuant to Section 243a of the Austrian Commercial Code (“Unternehmensgesetzbuch”, UGB)

With regard to the statutory disclosure requirements in the Management Report, special reference is made to the relevant information in the notes to the financial statements.

Art. 15.4 concerning the appointment and dismissal of members of the Management Board and the Supervisory Board is not directly prescribed by statutory law: a three-quarter majority of valid votes cast and a three-quarter majority of the subscribed capital represented at the meeting considering the proposal are required to pass a motion for dismissal of Supervisory Board members.

The Articles of Association contain no restrictions in respect of voting rights or the transfer of shares. A holding period of one year applies with regard to the employee share ownership programmes (MSOP and ESOP).

Art. 19.10 of the Articles of Association concerning amendments to the Articles of Association contains a provision that is not prescribed directly by statutory law: amendments to the Articles of Association, in so far as they do not alter the business purpose, may be passed by simple majority of votes cast and simple majority of the subscribed capital represented at the meeting considering the amendment. Where higher majority votes are required in individual provisions of the Articles of Association, these provisions can only be amended with the same higher majority vote. Moreover, amendments to Art. 19.10 require a three-quarter majority of the votes cast and a three-quarter majority of the subscribed capital represented at the meeting considering the proposal.

The following paragraph lists **important agreements** which the company is party to, and which become effective, are amended or are rendered ineffective when there is a change in the control of the company as a result of a takeover bid, as well as their effects:

The **share option plan** of Erste Group Bank AG includes the following special provisions (Art. 17 of the share option plan) in the event of a takeover bid:

- (1) Should a takeover offer for the shares of Erste Group Bank AG be announced to the public, all options that have been granted to the Management Board members and eligible managers at the time but have not yet vested will immediately vest for those Management Board members and eligible managers who fulfil the personal participation requirements.
- (2) In such cases, the Management Board of Erste Group Bank AG will determine the vesting date, the end of the exercise window and the value date. These dates should be set in such a way that it is possible to exercise the options and sell the shares during the takeover procedure.
- (3) In such cases, no key employees will be chosen from among the employees and/or they will not be granted any options.
- (4) All allocated and delivered options may be exercised by eligible recipient one day following delivery; the provisions of Art. 11 (1) no. 2 (minimum holding period for options) and Art. 12 (1) no. 1 (exercise window) do not apply. The shares obtained may be offered for sale during the takeover procedure; Art. 16 (holding period) does not apply
- (5) The holding period of shares previously obtained (Art. 16) ends with the announcement of the takeover bid.
- (6) If the takeover bid is withdrawn without a competitor having issued a takeover bid, options allocated pursuant to Art. 1 but not yet exercised become subject to a holding period of one year as of the day the withdrawal of the takeover bid becomes known. This corresponds to the holding period under Art. 1, which applies to the shares obtained on the basis of allocated options. The holding period(s) terminated under sub-sec. 5 are not re-applied.

Preferred co-operation between Erste Foundation and Criteria

Erste Foundation and Criteria Caixa Corp SA (Criteria) have concluded a Preferred Partnership Agreement (PPA), which gives Criteria the status of a friendly investor and preferred partner for participations. Under this agreement, PPA Criteria is authorised to nominate a person for appointment to the Supervisory Board of Erste Group Bank AG. In return, Criteria has undertaken not

to participate in a hostile takeover bid for Erste Group Bank AG's shares, and to give Erste Foundation the right of pre-emption and an option right to the Erste Group Bank AG shares owned by Criteria. Under the PPA, Erste Foundation undertakes not to grant any rights to third parties that are more favourable than those granted to Criteria, except in certain circumstances. Erste Foundation's and Criteria's voting rights at Erste Group Bank AG remain unaffected by the PPA. The PPA has been approved by the Austrian Takeover Commission.

The **agreement in principle of the Haftungsverbund** provides for the possibility of early cancellation for material reasons. A material reason allowing the respective other contracting parties to cancel the agreement is deemed to exist if the ownership structure of a party to the contract changes in such a way – particularly by transfer or capital increase – that one or more third parties from outside the savings bank sector directly and/or indirectly gain a majority of the equity capital or voting rights in the contracting party.

The Haftungsverbund's agreement in principle and supplementary agreement expire if and as soon as any entity that is not a member of the savings bank sector association acquires more than 25% of the voting power or equity capital of Erste Group Bank AG in any manner whatsoever and a member savings bank notifies the Haftungsverbund's steering company and Erste Group Bank AG by registered letter within twelve weeks from the change of control that it intends to withdraw from the Haftungsverbund.

Directors and Officers Insurance

Changes in control

(1) In the event that any of the following transactions or processes occur during the term of the insurance policy (each constituting a "change in control") in respect of the insured:

- a) the insured ceases to exist as a result of merger or consolidation, unless the merger or consolidation occurs between two insured parties, or
- b) another company, person or group of companies or persons acting in concert, who are not insured parties, acquire more than 50% of the insured's outstanding equity or more than 50% of its voting power (giving rise to the right to control the voting power represented by the shares, and the right to appoint the Management Board members of the insured), then the insurance cover under this policy remains in full force and effect for claims relating to unlawful acts committed or alleged to have been committed before this change in control took effect. However, no insurance cover is provided for claims relating to unlawful acts committed or allegedly committed after that time (unless the insured and insurer agree otherwise). The premium for this insurance cover is deemed to be completely earned.

(2) In the event that a subsidiary ceases to be a subsidiary during the insurance period, the insurance cover under this policy shall remain in full force and effect for that entity for the remainder of the insurance period or (if applicable) until the end of the extended discovery period, but only in respect of claims brought against an insured in relation to unlawful acts committed or alleged to have been committed by the insured during the existence of this entity as a subsidiary. No insurance cover is provided for claims brought against an insured in relation to unlawful acts committed or allegedly committed after this entity ceased to exist.

Additional disclosures pursuant to Section 243a UGB

Pursuant to the following provisions, members of the Management Board have the right to repurchase shares, where such a right is not prescribed by statutory law:

As per decision of the Annual General Meeting of 12 May 2010:

- the company is entitled to purchase treasury shares under Section 65 (1) no. 7 of the Austrian Stock Corporation Act ("Aktiengesetz", AktG) for trading purpose. However, the trading portfolio of these shares may not exceed five percent of the subscribed capital at the end of any calendar day. The market price for the shares to be purchased must not be lower than 50% of the closing price at the Vienna Stock Exchange on the last trading day prior to the purchase

and must not exceed 200% of the closing price at the Vienna Stock Exchange on the last trading day prior to the purchase. This authorisation is valid for 30 months, i.e. until 11 November 2012.

- The Management Board is entitled, subject to approval by the Supervisory Board, to purchase treasury shares pursuant to Section 65 (1) no. 8 of the Austrian Stock Corporation Act (AktG). However, the shares purchased under this authorisation and under Section 65 (1) nos. 1, 4 and 7 AktG may not exceed ten percent of the subscribed capital. The market price of each of the shares to be purchased may not be below EUR 2.00 or above EUR 100.00. The company is obliged to publish the relevant Management Board resolution and the details of the repurchase programme, as well as its duration. The purchased shares can be sold, upon approval by the Supervisory Board, in the form of an issue of shares as consideration and financing for the acquisition of companies, businesses, business units or shares in one or more domestic or foreign companies. Such an offering would be conducted outside the stock markets and would not constitute a public offering. Furthermore, the Management Board is entitled to draw shares without resolution at the Annual General Meeting. This authorisation is valid for 30 months, i.e. until 11 November 2012.

All sales and purchases were carried out as authorised at the Annual General Meeting.

Other information

Moreover, it should be noted that Erste Group Bank AG – as well as nearly all Austrian savings banks – are members of the **Haftungsverbund of Sparkassengruppe**.

Sparkassengruppe sees itself as an association of independent, regionally established savings banks which strives to bolster its market position by strengthening common product development, harmonising its market appearance and advertising concepts, pursuing a common risk policy, engaging in co-ordinated liquidity management and applying common controlling standards.

In addition, the purpose of this agreement is:

- to identify any business issues of its member banks at an early stage and to provide effective assistance to its members in the resolution of business issues - which can range from offering technical assistance or giving guarantees to providing borrowed or qualifying capital, and
- to provide customers with a deposit guarantee system that goes beyond the legal deposit guarantee requirement (Section 93 ff BWG), which only guarantees certain types of customer deposits, by creating a suitable obligation to service the liabilities of other participating savings banks if the need arises.

s Haftungs- und Kundenabsicherungs-GmbH is responsible for implementing such measures and analysing the business situation of every member bank of the Haftungsverbund. Overall, the participating savings banks hold a maximum 49% stake (assuming all savings banks participate) in s Haftungs- und Kundenabsicherungs-GmbH and Erste Group Bank AG always holds a minimum stake of 51%.

As per the requirements of the BWG, individual members of the Haftungsverbund may need to provide assistance to other members (by giving liquidity assistance, granting loans or guarantees and providing equity capital, for instance), and, in the case of Section 93 (3) no. 1 BWG, to service the guaranteed customer deposits of a Haftungsverbund member. The scope of the individual services to be provided by individual Haftungsverbund members where needed cannot therefore not be determined beforehand. At any contributions made by Haftungsverbund members under the statutory deposit guarantee system pursuant to Section 93 ff BWG are likewise taken into account.

Disclosures pursuant to Section 243 (3) UGB

The first instalment of the **banking tax** payable as of 2011 was made on 31 January 2011. Otherwise, there were **no further events of major significance** after the balance sheet date.

As Erste Bank Group AG does not conduct any independent and regular research was for new scientific and technical findings and no leading development work for commercial production or use, it does not engage in any research and development activities pursuant to Section 243 (3) no. 3 UGB. In order to provide customers with improvements **in retail business** and in the ongoing services, **innovation and research** is promoted and fostered in the bank's business operations.

Erste Group Bank AG maintains **three branches in London, New York and Hong Kong** that provide commercial lending to foreign banks, leasing companies and sovereign debtors.

As of 2011, **two more branches will be available in Germany** (Berlin and Stuttgart) - their main focus will be on institutional sales.

Disclosures pursuant to Section 243a (2) UGB

Erste Group Bank AG has a complex internal **control system** with mechanisms that include, in particular, the 4-eye principle, IT-supported controls, and decision-making powers geared toward risk exposure and surveillance instruments. The reporting scheme for accounting procedures has been summarised in the IFRS Accounting Manual for Erste Group. It is mandatory for the relevant units to comply with the accounting and measurement methods applicable for capturing, posting and accounting transactions.

In organisational terms, the areas Group Accounting and Group Performance Management are assigned to the CFO of Erste Group Bank AG. Monthly and quarterly reports to the Management Board and the Supervisory Board ensure regular financial reporting and surveillance of the internal control system.

Reporting is all but fully automated using input systems and automatic interfaces, and warrants that the data for controlling, (segment) and earnings accounting as well as other evaluations are up to date. The information used by the accounting department is based on the same database and is reconciled monthly for reporting. Close collaboration between the accounting department and controlling ensures a constant comparison of target and the actual data. This guarantees that mutual supervision and co-ordination between the departments.

External reporting involves the publication of consolidated quarterly financial statements of Erste Group Bank AG as well as the ongoing regulatory reporting obligations.

The quality of the internal control system is assessed by Internal Audit on an ongoing basis. Internal Audit works closely together with the responsible Management Board members and managing directors, and reports regularly to the Audit Committee of the Supervisory Board. Moreover they are focusing on keeping quality standards especially if there are organisational changes.

Outlook

All of Erste Group's markets in Central and Eastern Europe are expected to record moderate economic growth in 2011. The Czech Republic and Slovakia are set to build on the solid performance of 2010, while Romania should successfully emerge from recession in 2011, with meaningful growth not expected before the second half of the year. Hungary should benefit from an accelerating economic growth, albeit from a very low base. Nevertheless, in both countries risk costs are expected to remain elevated in 2011.

At group level, the macroeconomic improvement should result in gradually declining risk costs and higher profitability. The latter is expected to be supported by a solid operating performance as a result of mid-single digit loan growth, resilient margins and strict cost management. Rising fee income on

the back of increased demand for asset management products, insurance products as well as debt capital market transactions should have an additional positive impact on the operating result. However, net profit will be adversely affected by extraordinary items such as the banking tax in Austria (c. EUR 100 million post-tax in 2011) and Hungary (c. EUR 35 million post-tax in 2011). Overall, Erste Group's improved ability to generate retained earnings enables it to retire participation capital with no need to raise equity.

Explanations on the risk profile of Erste Group and its risk management objectives and methods

As a consequence of Erste Group's business model, our risk profile is pervaded particularly by credit, market and operational risk. At the same time, the focus is on liquidity risk and general business risk – especially in view of the global financial crisis over the past few years. In addition to the types of risk indicated above, the Group's risk management system also monitors a range of other, lesser risks. The main types of risk can be summarised as follows:

Credit risk	is the risk of loss from the potential collapse of counterparties, particularly of borrowers in the conventional lending business, and any related credit losses.
Market risk	generally describes the risk of loss from unfavourable price changes in saleable and traded products, such as shares, fixed-income securities and derivatives, as well as from interest and foreign exchange fluctuations and fluctuations in raw material prices.
Operational risk	describes the risk of loss as a result of human error, the malfunction of internal procedures or systems, or external events.
Liquidity risk	describes the risk that the bank has insufficient liquidity or is unable to make funds available in a timely manner to service its debts.
Business risk	describes the bank's risk of being unable to reach its financial business objectives.

Risk management objectives and methods

Knowingly and selectively accepting risks and managing them professionally are core functions of every bank. Erste Group pursues a proactive risk policy and risk strategy that also aims to establish an optimal balance between risks and returns in order to earn a sustained high return on equity.

Erste Group has an established, pro-active **controlling and risk management system** that is tailored specifically to its corporate and risk profile. It is based on a clearly defined risk strategy derived from the Group's business strategy and places a special focus on the early identification and targeted control of risks and trends. Apart from meeting the internal requirement of ensuring effective and efficient risk management, the controlling and risk management system of Erste Group is also intended to take care of external, particularly regulatory, tasks.

In line with international practice, the risk **management process** at Erste Group consists of the following stages: risk identification, risk assessment, risk aggregation, risk mitigation and risk reporting.

For **credit risk**, by far the most important risk category, Erste Group has been using the Basel II IRB measurement approach since 2007, and thus has in place all the methods and processes required for this advanced measurement approach.

For a number of years, the **market risk exposure** of the trading book has been assessed using the bank's own model.

For Erste Group Bank AG und the most important subsidiaries, **operational risk** has been assessed using the AMA (advanced measurement approach) since 2009. Ever since, its application has been continually expanded in the group.

In order to provide a comprehensive overview of current and future risk and cover pools of the Group, the bank's risk-absorbing capacity is determined in the framework of the **Internal Capital Adequacy Assessment Process (ICAAP)**. This process provides regular updates on the risk profile and capital adequacy, creating a basis for defining and implementing any necessary measures.

The risk management structure

An organisational chart with clearly defined duties and responsibilities, including a schedule of delegated authorisations and risk limits, is in place for the purpose of monitoring and controlling risk.

Generally, it is the Management Board, and in particular the Chief Risk Officer (CRO) of the Group, who oversees his or her responsibilities with due care. The CRO is responsible for market-independent risk controlling and for managing all risk types throughout all business areas.

Risk management is conducted according to a business and risk strategy adopted by the group's Management Board as well as the bank's aggregate risk schedule. Committees with explicit strategic and operative controlling functions have been formed to ensure effective and optimal management of the Group. At the top of the risk hierarchy within Erste Group is the Risk Committee (RC).

The main responsibilities of the **Risk Committee**, which consists of the Management Board and other senior managers, are to approve the risk management methods and processes and to oversee the proper functioning of the risk infrastructure. Moreover, this Committee decides about capital allocation at the macro level, as well as the bank's aggregate risk schedule. The Risk Committee acts as the central control unit and is constantly and regularly informed about the bank's risk situation (both backward- and forward-looking and across all types of risk). It is also charged with analysing the current situation and existing trends, and taking decisions at the highest management level.

The operative units identify, assess, monitor, manage and limit risk, and decide what measures are to be taken. These are banded together in the CRO division and are therefore independent from the business units at Management Board level. The following **sections** are directly answerable to the CRO:

- Group Risk Management
- Group Corporate Risk Management
- Group Retail Risk Management
- Group Corporate Workout,
- Group Legal,
- Group Compliance and
- Group Security Management.

Group Strategic Risk Management – in its risk control function – is essentially charged with managing the risk portfolio at macro-level, providing adequate risk measurement methods and tools and drawing up comprehensive risk guidelines and control rules. This section comprises the departments Group OpRisk and Credit Risk Reporting, Group Enterprise-wide Risk Management and Reporting and Group Market and Liquidity Risk Management as well as the staff position Basel II.

Group Corporate Risk Management is responsible for operative credit risk management for the divisionalised large corporates business of Erste Group. It is in charge of the formal and material evaluation, recommendation and approval of all credit risk to which Erste Group Bank AG is exposed as a holding company. Risk Management Risk Management is also responsible for credit risk management in the GCIB segment, as well as for all loan applications for amounts that exceed the limit for which the respective subsidiary companies is authorised. This unit analyses country risk, states, other credit institutions, securitisations (ABSs and CDOs), corporates and real estate risk.

Group Retail Risk Management's focus is on retail business, i.e. the primary business segment of Erste Group. Procedures and standards for Retail Risk Management are co-ordinated at Group level; in addition, Group-wide credit risk reports are provided for retail business. The operative risk management functions for the retail activities of Erste Group are taken care of at local level.

Group Corporate Workout is responsible for the restructuring of the segments Group Large Corporates (GLC) and Group Real Estates (GRE). Over and beyond this, this division is responsible for a uniform process and business policy for restructuring and handling across the entire Erste Group.

Group Legal, as central legal department, advises and supports the Management Board, the business divisions and central offices in legal matters, also reducing the legal risk through the legal dispute management. In its Group function, Group Legal is responsible for legal risk management and reporting; its aim is to identify and reduce to a minimum, to limit or avoid any legal risk.

Group Compliance includes the departments Securities Compliance, AML (Anti Money-Laundering) Compliance and Fraud Management and is responsible for handling compliance risk. Compliance risk comprises the risk of legal or regulatory sanctions, major financial losses or damage to reputation that Erste Group may suffer if it fails to comply with laws, ordinances, rules or standards.

Group Security Management is responsible for the strategic orientation, definition of security standards, quality assurance, the monitoring and further development of security-related issues in Erste Group.

Corporate Social Responsibility

Introduction

As the leading bank in Central and Eastern Europe, Erste Group is confronted with the concerns and expectations of various interest groups. Erste Group's business decisions affect customers, suppliers, investors, employees, supervisory bodies and municipalities alike.

Corporate Social Responsibility (CSR) means dealing with the points of view of outsiders and making them part of the decision-making process. This is one of the tenets of responsible corporate governance, and one that has a positive effect on Erste Group's long-term, sustainable financial bottom-line.

The bank's endeavours and successes in this domain are rewarded by the good ratings received from external entities for sustainability and CSR. Erste Group has been listed in VÖNIX – the sustainability index of the Vienna Stock Exchange – since its inception in 2008. In 2010, Erste Group's shares were for the first time listed in the ASPI Eurozone® Index, which features the 120 best companies, as determined by VIGEO, the CSR experts.

Customers

Erste Group aims to create and maintain long-term partnerships with its customers. Customer satisfaction is of the greatest importance to Erste Group. The bank puts a lot of effort into continuously improving the quality of its customer service and constantly adapting its product range to suit its customers' needs. The bank's commitment to continuous improvement in financial services for retail customers as well as small and medium enterprises – which together form the bank's core group of customers – is key in promoting customer loyalty.

Retail

Erste Bank Oesterreich and oesterreichische Sparkassen strive to be the leaders among Austrian banks in terms of service quality. Periodical market surveys and direct customer contact are the tools routinely used to better fulfil customer needs. For this reason, the bank once again carried out the "Quality Check" survey in 2010, which was created to enable the bank to respond quickly to changes in customer satisfaction. The results were encouraging. Customers gave the bank top marks for the quality of the information provided to customers, and noted that they were happier with Erste Bank Oesterreich and Sparkassen than with other comparable companies.

In line with the bank's objective of becoming a reliable long-term financial partner to its customers, Erste Group also stood by its customers in the difficult economic climate prevailing in 2010. The "Helping Hands" initiative, launched in 2009, was extended.

Measures were extended in all Erste Group countries to help customers who had lost their jobs or whose financial situation had deteriorated. This not only entailed providing continued access to financial services, but also individual aid where needed.

Small and medium enterprises (SMEs)

Small and medium-sized enterprises constitute one of the most important customer categories for Erste Group. These customers are often focused on the domestic market, but can be highly successful regionally and even internationally.

In 2010, customers in the SME category once again benefited from an agreement concluded between Erste Group and the European Investment Bank (EIB). The EIB provided financing facilities for SMEs in Central and Eastern Europe through four Erste Group subsidiaries – Česká spořitelna, Erste Bank Oesterreich, Erste Bank Hungary and Immorent – amounting to a total of EUR 440 million. This made it easier for SMEs to obtain medium- and long-term loans at favourable conditions, helping them to partly absorb the effects of the recent global economic slump.

Separate initiatives were launched for SMEs and start-ups. As part of the “s Oesterreich Initiative”, account managers from Erste Bank Oesterreich advised SMEs together with experts from various external support organisations. In 2010, loans awarded to SMEs amounted to EUR 3 billion – a large share was used for financing investments.

Ethical investments

Sustainable capital investments are one of the core competencies of Sparinvest KAG, Erste Group’s Austrian fund management company. For a growing number of customers, sustainability is an additional consideration when making investments – a trend that is reflected in the increasing volume of ethical investments. The ethical investment segment grew to a volume of EUR 1.3 billion in 2010, which is 15 percent above the 2009 level.

In 2010, Sparinvest’s sustainability experts managed nine investment funds and a number of specialist funds. *Espa Vinis Stock Global* continues to be the flagship amongst investment funds, and was named one of the best global sustainability funds in Austria, Germany and Switzerland by the German consultancy Feri. In 2010, the new *Espa Vinis Microfinance* investment fund was launched to finance microloans awarded to recipients in emerging markets throughout the world – mainly individual borrowers.

Erste Sparinvest was the first large investment fund company in Austria to adopt the UN Principles of Responsible Investment (PRI). This underlines the company’s commitment to sustainable investments.

Financial inclusion

good.bee Holding (good.bee), which is jointly held by Erste Group Bank AG (60%) and ERSTE Stiftung (40%), was set up to give individuals in Central and Eastern Europe access to financial services. In the markets in which Erste Group is active, more than 35 million people still do not have a bank account.

In 2010, good.bee doubled its efforts to provide financial solutions to people who have not had access to any banking facilities. However, good.bee’s activities are not limited to microbanking. Social undertakings are given support, too, with a special emphasis on the financing needs of the social welfare sector.

Good.bee initiatives

In 2010, Romania – where statistics show that eight million people do not use banking services – was once again one of the focal points of good.bee’s activities.

good.bee Credit, the company responsible for micro-financing activities, and the Center for Economic Development, a renowned local micro-finance organisation that is set up as a foundation, together provided micro-loans to recipients in the rural areas of Romania. Borrowers consisted mainly of small-scale farmers and other small agricultural enterprises. At the end of 2010, the total volume of good.bee Credit loans amounted to EUR 5 million, compared to EUR 1 million at the end of 2009. In addition to awarding loans, good.bee Credit’s activities also extended to teaching people the basics of finance.

Civil society

For many years, Erste Group has been putting its time and money into developing civil society. Erste Group’s activities in this area have not been limited to cash donations, contributions in kind and Matched Giving, but have also included voluntary work. Employees are encouraged to do their part to promote civil society. Through its sponsorships, Erste Group wishes to use some of the profit generated in Central and Eastern Europe to help the people in the region. The *Added Value* sponsorship programme combines the relevant activities of the entire Group and highlights the bank’s commitment to its social responsibility.

Art, culture and sports

Erste Group has for been cooperating with the Secession for many years – the world's oldest independent exhibition venue dedicated exclusively to contemporary art.

Since 2005, Erste Group has been acting as the main sponsor of *VIENNAFAIR*, the international trade fair for contemporary art with a focus on Central and Eastern Europe.

In 2010, Erste Bank Oesterreich was the main sponsor of the *Viennale* for the seventh time. The *Viennale* is Austria's biggest international film festival and one of the oldest and best-known in the German-speaking world.

Erste Group funded the Students4Excellence network in 2010. This network arranges internships and mentorships for selected students and organises events that bring together students and managers. In 2011, the programme will be launched in four CEE countries.

Children should be taught how to manage money from an early age. Erste Bank Oesterreich, sponsor of the ZOOM Children's Museum in Vienna, organised the exhibition "Cash, Quid and Bucks", which teaches children aged 6 to 12 about the basics of cash management and finance.

In addition, Erste Bank Oesterreich is a long-standing sponsor of track racing events. As part of Austria's biggest track racing initiative – the Erste Bank Sparkasse Running – more than 200 races were held throughout the country in 2010. Erste Bank Oesterreich once again supported the Vienna City Marathon 2010, the largest marathon in Austria with more than 30,000 participants. The bank also financed the Erste Bank Vienna Night Run, a charity race, for the third time running. Also, the *kidsrun4kids* initiative was again sponsored by Erste Group. More than 20,000 primary school children participated in this event, which included ten races in total.

Key figures - Employees (Austria, without savings banks)

	2010	2009	2008
Employee turnover	6.7%	4.5%	6.2%
Sick days per year	6.7	6.9	5.9
Training days per year	1.7	1.3	1.1
Percentage of women in management positions	26.7%	18.4%	18.1%
Percentage of part-time employees	25.3%	15.6%	15.7%
Percentage of women part-time employees	79.8%	74.3%	70.0%

Since 2007, staff redundancies have been a necessary response across the globe to the changed economic situation. Rather than going down this path, Erste Group initially launched an international cost reduction programme to avoid, to the extent possible, any staff redundancies for operational reasons. The bank developed measures aimed at increasing efficiency, as well as optimised processes and systems, which helped to realise productivity gains. In the end, however, the combination of moderate growth forecasts and an anticipated increase in competition among banks made it necessary to reduce the workforce so as to remain competitive in the coming years.

Erste Bank Hungary therefore had to let 193 employees go in 2010 (250 redundancies were originally planned). Česká spořitelna reduced the number of Management Board members from seven to five in the past year and there are plans to adjust the employee figure to the changed situation in the first half of 2011. Management considers that the optimal employee figure, taking into account the required capacities of the bank and its customers, is 550 (5 percent) below the current level. An outplacement programme and severance packages are offered to those affected by the cutbacks.

In Austria, 239 employees opted for various alternative cost reduction schemes in 2010, such as sabbaticals, part-time work, the gradual retirement and part-time work for older employees.

Environment

Erste Group's environmental policy is defined by one core objective and two organisational measures, which constitute its main elements:

- A 15% reduction in carbon dioxide emissions within 3 years in cooperation with the WWF climate group
- Appointment of an environment manager
- Implementation of the international ISO 14001 Environmental Management Standard

Medium-term environmental focus

- Ecological buildings: integrating sustainability standards in new buildings and conversions
- Sustainable supply chain: updating procurement guidelines by including social and ecological criteria and minimum requirements for suppliers
- Green IT: introducing an efficient measurement system for energy management, energy- and resource-efficient software solutions, implementing internal guidelines for purchasing sustainable hardware, resource-efficient redesign of the data centre, continuous optimisation of IT processes
- Resource & waste management: setting up electronic document management, optimising the internal waste separation process, providing information and training in waste management practices to employees
- Sustainable business processes: drawing up criteria for sustainable loans and investments, guidelines for awarding loans to socially and ecologically sensitive sectors, participating in international agreements
- Product development with a focus on sustainability
- Environmental sponsorships: selecting projects related to the core business of Erste Group that have a regional focus

Vienna, 1 March 2011

Management Board

Andreas Treichl mp

Chairman

Franz Hochstrasser mp

Vice Chairman

Herbert Juranek mp

Member

Gernot Mittendorfer mp

Member

Bernhard Spalt mp

Member

Martin Škopek mp

Member

Manfred Wimmer mp

Member

Balance sheet at 31 December 2010
Erste Group Bank AG

Assets

	€	€	in € thousand previous year	in € thousand previous year
1. Cash in hand and balances with central banks		558.715.409,28		515.374
2. Treasury bills and other bills eligible for refinancing with central banks				
a) treasury bills and similar securities	3.392.952.612,84		2.666.767	
b) other bills eligible for refinancing with central banks	0,00	3.392.952.612,84	0	2.666.767
3. Loans and advances to credit institutions				
a) repayable on demand	1.245.461.499,38		962.895	
b) other loans and advances	31.432.331.400,49	32.677.792.899,87	35.841.291	36.804.186
4. Loans and advances to customers		15.405.702.996,18		11.669.247
5. Debt securities and other fixed-income securities				
a) issued by public bodies	851.445.365,28		1.161.242	
b) issued by other borrowers	7.841.379.345,98	8.692.824.711,26	9.007.145	10.168.387
of which: own debt securities	0,00		0	
6. Shares and other variable-yield securities		1.299.575.071,63		1.109.933
7. Participating interests		285.565.275,31		283.943
of which: in credit institutions	158.774.726,15		172.282	
8. Shares in affiliated undertakings		9.649.198.134,04		9.578.326
of which: in credit institutions	849.150.029,72		923.726	
9. Intangible fixed assets		33.110.490,47		32.753
10. Tangible fixed assets		36.442.861,15		39.574
of which: land and buildings used by the credit institution for its own business operations	23.199.630,73		24.196	
11. Own shares and shares in a controlling company		6.132.552,72		391
of which: par value	599.896,00		391	
12. Other assets		4.628.636.123,80		6.357.930
13. Subscribed capital called but not paid		0,00		0
14. Prepayments and accrued income		282.178.994,23		290.332
Total Assets		76.948.828.132,78		79.517.143
Off-balance-sheet items				
1. Foreign assets		38.912.213.000,91		40.309.967

Balance sheet at 31 December 2010
Erste Group Bank AG

Liabilities and Equity

	€	€	in € thousand previous year	in € thousand previous year
1. Liabilities to credit institutions				
a) repayable on demand	1.357.171.992,14		1.295.770	
b) with agreed maturity dates or periods of notice	22.863.511.385,68	24.220.683.377,82	25.397.228	26.692.998
2. Liabilities to customers (non-banks)				
a) savings deposits	0,00		0	
of which:				
aa) repayable on demand	0,00		0	
bb) with agreed maturity dates or periods of notice	0,00		0	
b) other liabilities	5.991.414.773,59		5.388.642	
of which:				
aa) repayable on demand	1.473.517.404,13		1.020.976	
bb) with agreed maturity dates or periods of notice	4.517.897.369,46	5.991.414.773,59	4.367.665	5.388.642
3. Securitised liabilities				
a) Debt securities issued	22.785.521.940,04		22.129.333	
b) other securitised liabilities	3.556.799.137,68	26.342.321.077,72	2.613.152	24.742.485
4. Other liabilities		3.083.870.154,88		5.723.238
5. Accruals and deferred income		88.062.418,02		83.584
6. Provisions				
a) provisions for severance payments	0,00		0	
b) pension provisions	332.508.044,00		343.839	
c) provisions for taxes	12.771.056,47		11.887	
d) other	226.424.562,12	571.703.662,59	354.388	710.114
6.A Special fund for general banking risks		0,00		0
7. Subordinated liabilities		2.507.823.493,67		2.517.551
8. Supplementary capital		2.272.590.516,63		2.512.188
9. Subscribed capital		756.353.442,00		755.850
9.A Participation capital		1.763.744.000,00		1.763.744
10. Capital reserves				
a) committed	6.151.714.000,00		6.145.455	
b) uncommitted	260.000.000,00		260.000	
c) for own shares and shares in a controlling company	0,00	6.411.714.000,00	0	6.405.455
11. Retained earnings				
a) statutory reserve	34.156.000,00		34.156	
b) reserves provided for by the bye-laws	0,00		0	
c) other reserves	1.548.169.991,16		848.969	
d) for own shares and shares in a controlling company	90.495.000,00	1.672.820.991,16	98.548	981.673
Carry forward		75.683.101.908,08		78.277.522

Balance sheet at 31 December 2010
Erste Group Bank AG

Liabilities and Equity

Carry forward

12. Reserve pursuant to Section 23 (6) of the Austrian Banking Act (BWG)

13. Net profit or loss for the year

14. Untaxed reserves

- a) valuation reserve resulting from special depreciation
- b) other untaxed reserves of which:
 - aa) investment reserve pursuant to Section 9 of the Austrian Income Tax Act (EStG) 1988
 - bb) investment allowance pursuant to Section 10 of the Austrian Income Tax Act (EStG) 1988
 - cc) rent reserve pursuant to Section 11 of the Austrian Income Tax Act (EStG) 1988
 - dd) reserve transferred pursuant to Section 12 (7) of the Austrian Income Tax Act (EStG) 1988

Total Liabilities and Equity

€	€	in € thousand previous year	in € thousand previous year
	75.683.101.908,08		78.277.522
	851.000.000,00		841.000
	405.823.224,70		386.751
8.903.000,00		11.870	
0,00	8.903.000,00	0	11.870
0,00		0	
0,00		0	
0,00		0	
0,00		0	
0,00		0	
	76.948.828.132,78		79.517.143

Off-balance-sheet items

1. Contingent liabilities

of which:

- a) acceptances and endorsements
- b) guarantees and assets pledged as collateral security
- c) credit derivatives

2. Commitments

of which: commitments arising from repurchase agreements

3. Commitments arising from agency services

4. Eligible capital pursuant to Section 23 in conjunction with Section 29 of the Austrian Banking Act (BWG)

of which: capital pursuant to Section 23 (14) 7 of the Austrian Banking Act (BWG)

5. Capital requirement pursuant to Section 22 (1) of the Austrian Banking Act (BWG)

of which: capital required pursuant to Section 22 (1) 1 and 4 of the Austrian Banking Act (BWG)

6. Foreign liabilities

	15.169.673.143,11		19.496.126
0,00		0	
6.811.833.438,43		11.052.311	
8.357.839.704,68		8.443.815	
	5.289.877.522,26		4.554.283
0,00		0	
	2.878.205,43		2.841
	14.484.859.133,68		14.040.379
513.172.000,00		559.558	
	3.588.807.984,69		3.670.362
3.075.606.984,69		3.108.503	
	22.582.939.274,90		22.247.824

Profit and Loss Account 2010

Erste Group Bank AG

	€	€	in € thousand previous year	in € thousand previous year
1. Interest and similar income		1.635.700.386,03		1.622.801
of which: from fixed-income securities	318.819.809,29		420.496	
2. Interest and similar expenses		- 1.266.413.542,58		- 1.408.916
I. NET INTEREST INCOME		369.286.843,45		213.885
3. Income from securities and participating interests				
a) income from shares, other ownership interests and variable-yield securities	38.732.816,64		19.953	
b) income from participating interests	9.551.191,25		9.379	
c) income from shares in affiliated undertakings	999.804.998,01	1.048.089.005,90	626.594	655.926
4. Commissions income		260.051.627,10		293.431
5. Commissions expenses		- 158.383.962,53		- 179.519
6. Net profit or net loss on financial operations		126.383.712,96		174.369
7. Other operating income		15.772.224,30		6.162
II. OPERATING INCOME		1.661.199.451,18		1.164.254
8. General administrative expenses		- 373.112.703,89		- 389.690
a) staff costs	- 235.542.258,28		- 235.089	
of which:				
aa) wages and salaries	- 164.827.608,11		- 142.879	
bb) expenses for statutory social-security contributions and compulsory contributions related to wages and salaries	- 31.835.765,78		- 28.918	
cc) other social expenses	- 1.841.714,52		- 2.013	
dd) expenses for pensions and assistance	- 44.219.674,71		- 47.375	
ee) allocation to the pension provision	11.331.106,00		- 10.861	
ff) expenses for severance payments and contributions to severance and retirement funds	- 4.148.601,16		- 3.043	
b) other administrative expenses	- 137.570.445,61		- 154.601	
9. Value adjustments in respect of assets items 9 and 10		- 18.645.714,48		- 19.651
10. Other operating expenses		- 2.480.445,89		- 10.018
III. OPERATING EXPENSES		- 394.238.864,26		- 419.359
IV. OPERATING RESULT		1.266.960.586,92		744.895

Profit and Loss Account 2010

Erste Group Bank AG

	€	in € thousand previous year
Carry forward (IV. Operating result)	1.266.960.586,92	744.895
11. Value adjustments of loans and advances and allocations to provisions for contingent liabilities and commitments	- 305.463.361,77	- 288.999
12. Value re-adjustments of loans and advances and provisions for contingent liabilities and commitments	150.721.672,74	154.207
13. Value adjustments of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings	- 72.912.345,70	- 156.914
14. Value re-adjustments of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings	32.302.489,60	43.570
V. PROFIT OR LOSS ON ORDINARY ACTIVITIES	1.071.609.041,79	496.759
15. Extraordinary income	0,00	0
of which: withdrawals from the special fund for general banking risks	0,00	0
16. Extraordinary expenses	- 4.877.656,00	- 5.014
of which: allocation to the special fund for general banking risks	0,00	0
17. Extraordinary result (sub-total of items 15 and 16)	- 4.877.656,00	- 5.014
18. Tax on profit or loss	33.460.185,03	41.347
19. Other taxes not reported under item 18	- 6.197.780,69	- 17.712
VI. PROFIT OR LOSS FOR THE YEAR AFTER TAX	1.093.993.790,13	515.380
20. Changes in reserves	- 688.182.245,43	- 128.629
off which: allocation to liability reserve pursuant to Section 23 (6) of the Austrian Banking Act (BWG)	0,00	61.000
reversal of liability reserve pursuant to Section 23 (6) of the Austrian Banking Act (BWG)	0,00	0
VII. NET INCOME FOR THE YEAR	405.811.544,70	386.751
21. Profit brought forward from previous year	11.680,00	0
22. Profit transferred on the basis of profit transfer agreement	0,00	0
VIII. NET PROFIT OR LOSS FOR THE YEAR	405.823.224,70	386.751

Notes to the financial statements of Erste Group Bank AG 2010

I. General Information

The 2010 financial statements of Erste Group Bank AG have been prepared in accordance with the regulations of the Austrian Commercial Code ("Unternehmensgesetzbuch", UGB) and in conjunction with the applicable provisions of the Austrian Banking Act ("Bankwesengesetz", BWG).

Pursuant to Section 59a BWG, Erste Group Bank AG prepared the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) on the same balance sheet date.

1. Ongoing legal cases

Erste Group Bank AG and some of its subsidiaries are involved in legal disputes, most of which have arisen in the course of ordinary banking business. These legal proceedings are not expected to have any substantially detrimental effect on the financial position or profitability of Erste Group and/or Erste Group Bank AG. Erste Group is currently also involved in the following legal cases:

In 2002, Erste Group Bank AG and the majority of Austria's savings banks ("Sparkassen") set up the cross-guarantee system ("Haftungsverbund"). The purpose of this cross-guarantee system is to create an early-warning system, expand deposit guarantee arrangements and strengthen cooperation within Austria's savings banks sector. In competition proceedings before the Austrian Cartel Court, a competitor of Erste Group Bank AG and the Austrian Federal Competition Authority requested that the court prohibit the Haftungsverbund on the grounds of alleged infringement of Article 81 of the EC Treaty (now Article 101 of the Treaty on the Functioning of the European Union/TFEU). In March 2007 the Supreme Court (OGH) handed down a resolution and confirmed that the Haftungsverbund in its material provisions is compliant with Article 81 of the EC Treaty. However, the Supreme Court held that certain aspects of the agreements could be critical under competition aspects. The Supreme Court did not specify any explicit consequences that needed to be implemented by Erste Group Bank AG and the other parties. Erste Group Bank AG and the Cartel Court reached an agreement in April 2008 concerning the changes that needed to be made. This agreement (undertakings within the meaning of section 27 Austrian Cartel Act ["Kartellgesetz", KartG) was contested by the competitor before the Supreme Court. In October 2008, the Supreme Court reversed the decision of the Cartel Court due to a procedural error and referred the case back to the Cartel Court. Neither the undertakings (if confirmed) nor the earlier decision of the Supreme Court have any bearing on the validity of the consolidation of own funds of members of the Haftungsverbund.

In 2009, a former business customer in Stockholm instituted arbitration proceedings against a group of lenders, including Erste Group Bank AG. The claimant argues that a transaction concluded between the claimant and the lenders at the height of the financial crisis is null and void after the claimant defaulted on the loan. The transaction involved an exchange of the receivables from the loan – the loan amount of Erste Group Bank AG's was SEK 400 million – for shares of a listed Swedish company. The claimant is demanding the current value of these shares; in addition, the claimant is seeking compensation for other purported losses from the relevant transaction. The claimant is demanding that Erste Group Bank AG pay approx. SEK 1 billion and has readjusted this claim numerous times over time. Erste Group Bank AG has rejected the claim in its entirety as unfounded.

In 2010, lawyers acting on behalf of a group of Jewish Holocaust victims and their descendants made claims against Hungarian banks in connection with the persecution in 1944 in what was then Greater Hungary. Erste Group Bank AG is also listed as one of the defendants in the case. In essence, the plaintiffs assert that Hungarian banks have been retaining Jewish assets held by them in 1944 to the present day. The plaintiffs estimate that the value of these assets was 2 billion US dollars in 1944. They also allege that Erste Group Bank AG is the legal successor of a number of these banks which operated in Greater Hungary in 1944. Erste Group Bank AG rejects these claims. Neither Erste Group Bank AG nor its Hungarian subsidiary bank, founded decades after the end of the Second World War, consider themselves the legal successors of any of the banks named in the lawsuit. Erste Group Bank AG sees no basis to justify the jurisdiction of any US court of law in this case.

II. Notes to accounting and measurement methods

1) The financial statements have been prepared in accordance with **generally accepted accounting principles** and according to the standard principle that the financial statements should give a fair and accurate view of the financial position, income and expenses of the company. The principle of individual measurement was applied in the assessment of the company's assets and liabilities, and it was assumed that the company would continue to operate (going concern). The particularities of the banking business were taken into account in the application of the principle of prudence.

- 2) **Receivables and liabilities in foreign currency** were measured at the ECB reference rates as at the balance sheet date. Notes and coins were measured at their purchase as at the balance sheet date. All currencies other than the EURO were considered foreign currencies.
- 3) **Interests and shares in affiliated undertakings** were recognised at cost of acquisition. Where permanent impairments resulted from sustained losses or other circumstances, valuations were revised downward accordingly. Where necessary, adequate provisions were established to cover the losses incurred by the subsidiaries.
- 4) For **bonds and other fixed-income securities**, the difference between acquisition cost and redemption value was amortised pro rata temporis pursuant to Section 56 (2) BWG, or, in accordance with Section 56 (3) BWG, recognised as income pro rata temporis over the residual time to maturity until redemption. Sustained depreciation was written off pursuant to Section 204 (2) UGB at the lower present value as at the balance sheet date. **Securities in the trading portfolio** and other **securities in the available for sale portfolio** were measured at market value pursuant to Section 207 UGB and Section 56 (5) BWG.
- 5) **Loans and advances to credit institutions and customers, bills of exchange and other assets were** measured pursuant to Section 207 UGB. Appropriate value adjustments have been made to account for recognisable risk. Write-ups have been made from the reversal of value adjustments. Loans were measured in consideration of statistical risk factors while provisions have been made where applicable in the form of portfolio corrections. Loans and advances to debtors in high-risk countries were assessed conservatively in consideration of the opinion of the Expert Senate for Commercial Law and Auditing (Fachsenat für Handelsrecht und Revision) of the Chamber of chartered public accountants and tax consultants (Kammer der Wirtschaftstreuhänder).
- 6) **Intangible and tangible assets** were measured at purchase or production cost less depreciation and impairment. Straight-line depreciation was employed where planned. The useful life for buildings is 25 to 50 years and for fixtures and fittings it is 5 to 20 years; the amortisation period for intangible assets is 4 to 15 years. Low-value assets were fully written off in the year of purchase.
- 7) **Securitised and subordinated liabilities** were recognised in the balance sheet with their repayment values or the pro rata annual values (zero coupon bonds).
- 8) **Issuing costs** of securities were expensed immediately; **premiums and discounts on issues** were amortised over the term of the securities.
- 9) **Provisions** were made in the amounts deemed necessary in standard commercial practice.

The **provisions for company pension plans** for those in retirement were measured based on actuarial expertise according to IFRS principles. The pension entitlements were measured in accordance with IAS 19 using the Projected Unit Credit Method and in application of the corridor method. The defined defined benefit obligation as at 31 December 2010 was EUR 346,332,124.00. In the reporting year, the parameters used in the calculations were adapted as follows to take into account the changed market conditions: the discount rate was decreased from 5.0% to 4.25% and the statutory increase in pension benefits was reduced from 2.5% to 2.0%. The mortality tables based on the AVÖ 2008 P-Rechnungsgrundlagen (the actuarial basis for pension insurance of the Austrian Association of Actuaries) were taken into account.

The pension expectancies of Erste Bank Group AG employees who were in active employment on 31 December 2010 and those who have entered retirement since 1 January 1999, who have tenure or have accrued pension rights, have been transferred to the company VBV-Betriebliche Altersvorsorge AG.

Severance payment entitlements outsourced to S-Versicherung AG were measured based on an actuarial expertise according to IFRS principles. Entitlements to severance payments were measured in accordance with IAS 19 using the Projected Unit Credit Method. In the reporting year, the parameters used in the calculations were adapted as follows to take into account the changed market conditions: the discount rate was decreased from 5.0% to 4.25%, and the statutory increase in pension benefits was reduced from 2.5% to 2.0%. Severance entitlements measured in compliance with commercial law and based on the above parameters amounted to EUR 36,215,808.00 and are posted as a contingent liability in the balance sheet. The credit intended for the performance of outsourced severance obligations with the insurer as at 31 December 2010 amounted to EUR 39,377,510.00. The outsourcing of severance entitlements to S-Versicherung AG does not result in any change to employee claims against Erste Group Bank AG, which continues to be liable for the severance entitlements of employees.

The **provision for anniversary bonuses** was measured in the same way as the severance payment provision, and an ancillary wage cost supplement of 8% was added.

- 10) Recoverable **trust assets** were declared off-balance sheet in accordance with section 48 (1) BWG.

11) In derivatives trading, the assets and liabilities were measured as follows:

Hedging products and their underlying asset or liability were shown as one valuation unit in the balance sheet. Interest flows on other products of the non-trading portfolio (strategic positions) were accrued over the period in which they occur. Negative market values were recognised in the income statement, while positive market values were not recognised. Trading portfolios were measured mark-to-market.

12) In 2010 changes were made to the way in which the **securities lending transactions** are posted in the financial statements. As before, loaned securities are disclosed in the balance sheet. However, the recovery claim, until now included in the balance sheet item Other assets (and the corresponding equalising item in Other liabilities) is no longer recognised as a balance sheet extension. Similarly, the liability to return borrowed securities (and the corresponding equalising item in Other assets) is no longer posted as a balance sheet extension. In the prior year, the recovery claim included in Other assets and other liabilities amounted to EUR 2,761,582,628.83 each. The corresponding figure for 2010 was EUR 3,255,658,928.49.

III. Notes to the balance sheet

(Unless indicated otherwise, amounts for the reporting year are stated in EURO, for the previous year in thousand EURO).

1) Maturity structure of loans and advances as well as liabilities to credit institutions and customers (by remaining maturities):

a) Loans and advances

	31/12/2010	31/12/2009
Loans and advances to credit institutions	32,677,792,899.87	36,804,186
up to 3 months	11,785,842,371.85	17,949,372
more than 3 months and up to 1 year	3,982,368,402.78	3,830,720
more than 1 year and up to 5 years	12,037,375,347.63	10,702,551
more than 5 years	3,626,745,278.20	3,359,913
payable on demand	1,245,461,499.41	961,630
Loans and advances to customers	15,405,702,996.18	11,669,247
up to 3 months	860,167,891.46	3,430,995
more than 3 months and up to 1 year	1,993,205,308.50	1,036,613
more than 1 year and up to 5 years	5,715,348,834.37	2,286,356
more than 5 years	5,852,605,248.19	4,209,947
payable on demand	984,375,713.66	705,336

b) Liabilities

	31/12/2010	31/12/2009
Liabilities to credit institutions	24,220,683,377.82	26,692,998
up to 3 months	14,480,303,775.38	17,821,924
more than 3 months and up to 1 year	526,231,949.63	2,821,088
more than 1 year and up to 5 years	3,523,376,864.00	2,547,850
more than 5 years	4,333,598,796.48	2,206,366
payable on demand	1,357,171,992.33	1,295,770
Liabilities to customers (non-banks)	5,991,414,773.59	5,388,642
Savings deposits	0.00	0
up to 3 months	0.00	0
more than 3 months and up to 1 year	0.00	0
more than 1 year and up to 5 years	0.00	0
more than 5 years	0.00	0
payable on demand	0.00	0
Other	5,991,414,773.59	5,388,642
up to 3 months	3,066,656,143.58	3,915,836
more than 3 months and up to 1 year	296,241,739.05	38,829
more than 1 year and up to 5 years	740,000,000.00	3,000
more than 5 years	415,000,000.00	410,000
payable on demand	1,473,516,890.96	1,020,977
Securitised liabilities	26,342,321,077.72	24,742,485
up to 3 months	2,305,667,963.13	1,676,429
more than 3 months and up to 1 year	3,329,006,449.00	5,361,952
more than 1 year and up to 5 years	15,827,206,382.42	13,032,697
more than 5 years	4,880,440,283.17	4,671,407
payable on demand	0.00	0

2) Debt securities due within one year

As at 31 December 2010, **debt securities including fixed-income securities** which will mature within one year after the balance sheet date amounted to EUR 923,996,031.17 (prior year: EUR 4,594,955 thousand).

As at 31 December 2010, **debt securities in issue which will mature** within one year after the balance sheet date amounted to EUR 5,636,636,574.09 (prior year: EUR 7,038,381 thousand).

3) Assets and liabilities in foreign currencies

	Assets		Liabilities	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Total of Erste Group Bank AG	26,138,748,728.47	27,183,589	14,028,584,084.26	13,821,852

4) Loans and advances as well as liabilities to affiliated undertakings and companies in which participating interest is held

	Loans and advances to affiliated undertakings		Loans and advances to companies in which participating interest is held	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Loans and advances to credit institutions	22,801,412,127.00	25,363,246	398,973.86	805,910
Loans and advances to customers	3,798,929,611.02	4,857,053	0.00	218,464
Debt securities and other fixed-income securities (incl. securitised loans and advances to credit institutions)	1,972,187,841.77	1,918,978	0.00	20,066
Shares and other variable-yield securities	160,805,088.60	258,107	0.00	59,037

	Liabilities to affiliated undertakings		Liabilities to companies with participating interests	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Liabilities to credit institutions	11,286,733,376.52	8,224,230	836,886.88	1,129,822
Liabilities to customers (non-banks)	2,716,680,305.19	3,296,728	0.00	33,659

Among these, the most important companies are:

Loans and advances to affiliated undertakings:

Erste Bank der oesterreichischen Sparkassen AG, Vienna
 Erste Bank Hungary Rt, Budapest
 Steiermärkische Bank und Sparkassen Aktiengesellschaft, Graz
 Banca Comerciala Romana SA, Bucharest

Loans and advances to companies with participating interests:

Erste Bank der oesterreichischen Sparkassen AG, Vienna
 Slovenska sporitelna, a. s., Bratislava
 Ceska Sporitelna a.s., Prague

5) Subordinated assets

	31/12/2010	31/12/2009
a) Loans and advances to credit institutions	1,470,362,495.77	1,477,131
thereof:		
to affiliated undertakings	1,469,506,340.77	1,476,286
to companies with participating interests	0.00	0

	31/12/2010	31/12/2009
b) Loans and advances to customers	216,896,164.64	207,606
thereof:		
to affiliated undertakings	0.00	6,325
to companies with participating interests	0.00	570
c) Debt securities incl. other		
fixed-income securities	206,710,256.10	576,428
thereof:		
to affiliated undertakings	11,981,482.15	11,222
to companies with participating interests	0.00	0

6) Fiduciary business

No fiduciary business was disclosed as at the balance sheet date.

7) Participating interests and shares in affiliated undertakings

Holdings as at 31 December 2010:

The indicated figures generally comply with IFRS; dividends received in the same year are deducted from equity capital.

Company name, company location	Share (%) (interest of Erste Group)	Equity capital (EUR)	Profit/Loss (EUR)	Balance sheet date
1.) Credit institutions				
Erste Bank der oesterreichischen Sparkassen AG, Vienna	100.00	936,254,880.00	99,239,000.00	31/12/2010
Prvá stavebná sporiteľna, a.s., Bratislava	35.00	253,073,000.00	28,104,000.00	31/12/2009
"Spar - Finanz" - Investitions- und Vermittlungs-Aktiengesellschaft, Vienna	50.00	3,808,711.17	77,460.63	31/12/2009
2) Financial institutions				
ERSTE CARD CLUB d.d., Zagreb	69.25	44,549,400.00	8,274,750.00	31/12/2010
ERSTE FACTORING d.o.o., Zagreb	86.42	15,047,950.00	3,512,210.00	31/12/2010
Erste Securities Istanbul Menkul Degerler AS, Istanbul	100.00	651,400.00	-1,729,560.00	31/12/2010
Erste Securities Zagreb d.o.o., Zagreb	84.94	1,132,860.00	-89,000.00	31/12/2010
Erste Group Immorent AG, Vienna	100.00	436,226,000.00	27,148,000.00	31/12/2010
Synergy Capital a.d., Belgrade	100.00	1,003.320.00	-190,110.00	31/12/2010
3.) Other holdings				
Capexit Private Equity Invest AG, Vienna	100.00	6,283,000.00	1,731,000.00	31/12/2010
EB-Malta-Beteiligungen Gesellschaft m.b.H., Vienna	100.00	125,920,000.00	7,334,000.00	31/12/2010
EGB e-business Holding GmbH, Vienna	100.00	29,626,290.00	2,471,000.00	31/12/2010
EGB Ceps Beteiligungen GmbH, Vienna	100.00	7,796,429,000.00	857,023,000.00	31/12/2010
Erste Corporate Finance GmbH, Vienna	100.00	282,509.70	363,997.27	31/12/2009
Erste Group Services GmbH, Vienna	100.00	58,000.00	-8,000.00	31/12/2010
Erste Bank Beteiligungen GmbH, Vienna	100.00	206,698,000.00	24,866,000.00	31/12/2010
Erste Reinsurance S.A., Howald	100.00	21,995,000.00	2,931,000.00	31/12/2010
OM Objektmanagement GmbH, Vienna	100.00	93,301,400.00	15,185,000.00	31/12/2010
Erste GCIB Finance I B.V., Amsterdam	100.00	2,706,300.00	307,000.00	31/12/2010
ROMANIAN EQUITY PARTNERS COÖPERATIEF U.A., Amsterdam	33.33	-2,618.00	-412,674.00	31/12/2009
VBV – Betriebliche Altersvorsorge AG, Vienna	26.90	49,592,997.04	3,844,076.44	31/12/2009
s IT Solutions SK, spol. s r.o., Bratislava	99.53	32,135,690.00	-22,884,000.00	31/12/2010

8) Securities.

a) Breakdown of securities admitted for trading on a stock exchange

(pursuant to sec. 64 (1) (10) Austrian Banking Act)

	listed		non-listed	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
a) Debt securities including fixed-income securities	4,177,931,177.90	7,478,177	4,514,893,533.36	2,690,210
b) Shares and other variable-yield securities	237,042,598.86	267,642	356,552,776.34	106,504
c) Participating interests	53,436,158.78	46,759	0.00	0
d) Shares in affiliated undertakings	0.00	0	0.00	0
Total	7,792,578,122.94	7,792,578	4,621,397,359.37	2,796,714

(pursuant to sec. 64 (1) (11) Austrian Banking Act)

	Fixed assets		Current assets	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
a) Debt securities including fixed-income securities	3,650,934,029.71	4,645,729	5,041,890,681.55	5,522,658
b) Shares and other variable-yield securities	311,070,317.26	90,619	282,525,057.94	283,526
Total	3,962,004,346.97	4,736,348	5,324,415,739.49	5,806,184

Allocation pursuant to Section 64 (1) (11) BWG was carried out in accordance with the organisational policies adopted by the Management Board, whereby under fixed assets were positions included that are held due to strategic aspects for a long-term profitable investment.

The difference to the redemption value resulting from the pro-rata write-downs pursuant to Section 56 (2) BWG as at 31 December 2010 amounted to EUR 49,144,992.04 (prior year: EUR 16,598 thousand), while the difference to the redemption value from the pro-rata write-ups pursuant to Section 56 (3) BWG amounted to EUR 78,563,053.40 (prior year: EUR 83,487 thousand).

b) Break-down of the differences of the securities listed for trade on the stock exchange not held as financial fixed assets

	31/12/2010	31/12/2009
Difference between the higher market value at the balance sheet date and the cost of purchase pursuant to Section 56 (5) BWG.	64,952,423.61	67,625

c) Repurchase agreements

The carrying amount of the assets subject to sale and repurchase agreements amounted to EUR 1,350,880,328.67 at the balance sheet date (prior year: EUR 1,900,136 thousand).

d) Breakdown of debt securities including fixed-income securities

	31/12/2010	31/12/2009
issued by public-sector issuers	851,445,365.28	1,161,242
issued by other issuers	7,841,379,345.97	9,007,145
thereof:		
own Issues	3,062,313,515.81	3,085,426
bonds - domestic credit institutions	621,258,754.41	788,511
bonds - foreign credit institutions	1,614,867,468.60	2,062,300
mortgage and municipal securities	352,435,873.33	328,797
convertible bonds	19,964,880.85	12,294
other bonds	2,170,538,852.98	2,729,817

9) Trading book

Erste Group Bank AG kept a trading book pursuant to Section 22 n BWG throughout the fiscal year. The **securities portfolio** assigned to the trading book as at 31 December 2010 was EUR 3,821,952,672.67 (prior year: EUR 3,576,516 thousand).

Money market instruments of EUR 23,388,070,083.00 (31 December 2009: EUR 27,243,978 thousand) were assigned to the trading book on 31 December 2010.

The volume of **other financial instruments** included in the trading book had a par value of EUR 502,561,464,139.60 at 31 December 2010, (prior year: EUR 507,562,487 thousand) and split up as follows.

	Long position		Short position		Total	
	2010	2009	2010	2009	2010	2009
Options	6,216,535,716.22	10,637,977	5,937,900,559.31	10,269,981	12,154,436,275.53	20,907,958
Caps and floors	55,076,145,260.69	61,237,996	56,096,268,800.60	66,192,004	111,172,414,061.29	127,430,000
Currency swaps	43,099,329,224.12	42,862,631	0.00	0	43,099,329,224.12	42,862,631
Interest swaps	227,486,769,204.03	227,804,204	0.00	0	227,486,769,204.03	227,804,204
Fwd rate agreem.	49,711,277,767.39	41,800,704	54,740,74,151.30	42,908,394	104,451,351,918.69	84,709,098
Financial futures	211,982,064.09	112,830	653,793,592.60	253,325	865,775,656.75	366,155
Loan derivatives	1,729,879,264.80	1,828,267	1,601,163,900.35	1,653,192	3,331,043,165.15	3,481,459
Commodity trades	344,634.04	982	0.00	0	344,634.04	982
Total	383,532,263,135.38	386,285,591	119,029,201,004.22	121,276,896	502,561,464,139.60	507,562,487

Please note: Interest and currency swaps, as well as commodity trades, are bilateral transactions but depicted as unilateral (purchase) in the table. All other products are unilateral transactions, so that purchases and sales are disclosed separately.

10) Fixed assets

The consolidated statement of changes in fixed assets pursuant to Section. 226 (1) UGB is disclosed separately in the attachment to the notes.

The carrying amount of developed land was EUR 11,392,952.74 as at 31 December 2010 (prior year: EUR 11,438 thousand).

The carrying amount at 31 December 2010 did not include leased assets.

For the next fiscal year, Erste Group Bank AG will have expenses from the use of tangible assets not disclosed in the balance sheet (rental and leasing contracts) of a total of EUR 12,555,636.68 (prior year: EUR 23.957 thousand), and of a total of EUR 69,377,818.40 for the next five fiscal years (prior year: EUR 130,105 thousand).

Intangible fixed assets include assets of a value of EUR 15,930,436.45 (prior year: EUR 13,386 thousand) that have been acquired from an affiliated undertaking. During the year, EUR 8,173,652.80 worth of such assets were acquired (prior year: EUR 4,161 thousand).

11) Accrued and deferred items

Prepayments and accrued income had decreased to EUR 282,178,994.23 at 31 December 2010 (prior year: EUR 290,332 thousand).

Of these, EUR 53,587,091.96 (prior year: EUR 40,977 thousand) were accruals in connection with derivative instruments, and EUR 153,442,621.60 (prior year: EUR 165,246) were prepayments of commissions.

12) Other assets

	31/12/2010	31/12/2009
Total:	4,628,636,123.80	6,357,930
thereof from securities transactions	12,624,963.41	2.766.990 ¹⁾
thereof from derivative products	2,721,211,764.34	2,214,587
thereof from accrued interest and commission income	625,306,975.53	661,831
thereof from receivables from participating interests and affiliated undertakings	1,046,905,110.49	535,387

¹⁾ The change of accounting methodology regarding to securities lending business in 2010 amounted as at 31 December 2009 to EUR 2,761,583 thousand.

13) Securitised liabilities

	31/12/2010	31/12/2009
Total:	26,342,321,077.72	24,742,485
thereof funded loans and bank bonds	961,767,283.42	857,267
thereof non-funded loans and bank bonds	16,028,745,742.63	17,635,120
thereof mortgage bonds and local government bonds	7,358,282,713.45	5,084,065
thereof certificates of deposit and commercial paper	1,928,525,338.22	1,131,033

14) Other liabilities

	31/12/2010	31/12/2009
Total:	3,083,870,154.88	5,723,238
thereof from derivative products	2,208,374,529.71	1,641,166
thereof from securities transactions	111,768,450.09	3,343,203
thereof from interest and commission expenses	546,539,617.60	529,425

15) Provisions

	31/12/2010	31/12/2009
Provisions for pensions	332,508,044.00	343,839
Provisions for taxation	12,771,056.47	11,887
Risk provisions	120,601,264.84	261,493
Other	105,823,297.28	92,895
Total	571,703,662.59	710,114

The decrease in the **provisions for pensions** during the reporting year of EUR 11,331,106.00 was mainly the result of changes to entitlements and parameters for the calculation as described in section II.9 of these notes.

For the **risk provisions** please refer to item III/29 of the notes.

Severance obligations have been outsourced to Sparkassen Versicherung Aktiengesellschaft since 2007.

16) Subordinated liabilities

Subordinated liabilities at 31 December 2010 totalled EUR 4,780,414,010.30 (prior year: EUR 5,029,740 thousand), thereof EUR 1,037,840.74 was attributed to 14,281 GIRO CREDIT participation certificates issued in 1984 (participation rights pursuant to Section 174 Austrian Stock Corporation Act (AktG)). The participation certificates securitise a share in profit and loss, but not in capital, and do not give the holder any voting rights.

No subordinated liability taken by Erste Group Bank AG during the reporting year (including supplementary capital) was above the limit of 10 percent of total subordinated liabilities.

Movements in total subordinated liabilities were as follows:

Increase due to new issues	EUR	277,889,407.89
Disposals due to maturity	EUR	576,899,286.38
Disposals due to partial extinguishment	EUR	34,800,000.00
Increase in carrying amount caused by valuation price fluctuations	EUR	84,357,305.52

At the balance sheet date, the bank held no own issues from subordinated liabilities that were not admitted for trading on a stock exchange.

In 2010, Erste Group Bank AG expenses for subordinated liabilities and supplementary capital were EUR 200,564,406.02 (prior year: EUR 209,840 thousand).

The term "subordinated" is defined in Section 45 (4) and Section 51 (9) BWG.

17) Subscribed capital and participation capital

Subscribed capital was EUR 756,353,442.00 at 31 December 2010 (prior year: EUR 755,850 thousand), represented by 378,176,721 voting bearer shares (ordinary shares).

In addition, a par value of EUR 1,763,744,000.00 (prior year: EUR 1,763,744 thousand) in participation capital was disclosed pursuant to Section 23 (4) BWG, which the Management Board was authorised to raise in the amount of EUR 2,700,000,000 subject to approval at the extraordinary Annual General Meeting on 2 December 2008. This authorisation is valid for five years starting from the day the resolution was passed. In 2009, the participation capital was subscribed by the Republic of Austria, as well as by private and institutional investors.

Capital increases 2010

Under ESOP 2010, 251,635 shares were subscribed to at a price of EUR 26.50 between 3 and 14 May 2010.

The proceeds from the issue of EUR 6,668,327.50 plus EUR 92,931.75 (from the difference between the issue price of EUR 26.50 and the price on the value date 27 May 2010 of EUR 29.59 for 30,075 shares subscribed to by employees of Erste Group Bank AG, charged to the item 8 a. Personnel expenses in the income statement), thus, a total of EUR 6,761,259.25 was allocated as follows: EUR 503,270.00 to the subscribed share capital (item 9 under Liabilities) and EUR 6,257,989.25 to additional paid-in capital (item 10 under Liabilities). Subscription of these shares increased the subscribed capital and decreased the contingent capital accordingly.

18) Employee share ownership programme and management share option programme

MSOP 2005: The MSOP comprises a maximum of 2,000,000 ordinary shares of Erste Group Bank AG, represented by 2,000,000 options. The tables below show the amounts of vested options distributed to Management Board members, managers and other eligible staff of Erste Group Bank AG.

Conditions: Each of the options granted free of charge entitles the holder to subscribe to one share; the transfer of options inter vivos is not permitted. The 2005 options were granted on the following dates: for the Management Board and other managers, 1 June 2005; for other key staff, options were granted in three tranches, on 1 September 2005, 1 September 2006 and 31 August 2007. Options granted in three tranches were credited to the recipient's accounts as of the following days: 1 September 2005, 1 September 2006 and 31 August 2007. The exercise price for all three tranches was set at the average market price of Erste Group Bank AG shares quoted in April 2005, plus a 10% premium and rounded down to the nearest half euro which was EUR 43.00 per share. The option term begins at the grant date and ends on the value date of the last exercise window of the fifth calendar year after the year in which the option was vested. Every year, notices of the intention to exercise may be submitted within 14 days from the day of publication of the quarterly results for the first, second and third quarter of each financial year (three exercise windows per year). The holding period runs for one year from the value date of the share purchase. Up to 25% of the purchased shares may be sold during this holding period.

The **MSOP 2005** options granted, vested and exercised had the following distribution among recipients:

	granted and credited	expired 2010	not yet exercised
Andreas Treichl	9,000	0	6,000
Franz Hochstrasser	9,000	0	6,000
Herbert Juranek	5,000	1,000	4,000
Johannes Leobacher	3,000	1,000	2,000
Bernhard Spalt	5,000	1,000	4,000
Martin Škopek	9,000	0	6,000
Manfred Wimmer	3,000	1,000	2,000
<hr/>			
Total received by Management Board members:	43,000	4,000	30,000
Other management	716,500	98,890	490,000
Employees	676,361	115,468	461,321
<hr/>			
Total options	1,435,861	218,358	981,321

19) Capital authorised and contingent as at 31 December 2010

Authorised capital:

Clause 5 of the Articles of Association authorises the Management Board, subject to approval by the Supervisory Board, – if necessary in several tranches – to increase the company's subscribed capital until 12 May 2015 by up to EUR 200,000,000.00 by issuing up to 100,000,000 shares as follows (the type of share, issuing price, terms of issuing and – if intended – exclusion of subscription rights are to be determined by the Management Board with the approval of the Supervisory Board): by issuing shares against cash contributions without exclusion of the subscription rights of existing shareholders; however, where the capital increase is used for the issuance of shares to employees, managers or members of the Management Board of the company or an affiliated undertaking, the subscription rights of existing shareholders are excluded; by issuing shares against contributions in kind, while excluding the subscription rights of existing shareholders.

Contingent capital:

Pursuant to clause 6.3 of the Articles of Association, contingent capital from Management Board resolutions passed in 2002 and 2010 is of a par value of EUR 22,502,590.00, and may be utilised by issuing up to 11,251,295 bearer or registered shares at an issue price of at least EUR 2.00 per share, payable in cash, while excluding the subscription rights of the existing shareholders. This contingent capital is

used to grant share options to employees, managers and members of the Management Board of the company or of an affiliated undertaking.

According to clause 6.4 of the Articles of Association, the company has additional contingent capital of EUR 124,700,000.00 from the issuance of up to 62,350,000 ordinary bearer shares. This contingent capital is used to grant conversion or subscription rights to holders of convertible bonds.

Authorised contingent capital:

According to clause 7 of the Articles of Association no authorisation currently exists to grant contingent capital.

20) Major shareholders

At 31 December 2010, the foundation DIE ERSTE oesterreichische Spar-Casse Privatstiftung (hereinafter referred to as "the Privatstiftung") held a direct participating interest of approximately 25.3% in Erste Group Bank AG. This makes the Privatstiftung the biggest sole investor in Erste Group Bank AG.

The Privatstiftung received a dividend of EUR 64.1 million (prior year: EUR 64.1 million) on its stake in Erste Group Bank AG in 2010 (for fiscal year 2009). The purpose of the Privatstiftung, to be achieved notably by way of the participating interest in Erste Group Bank AG, is to support social, scientific, cultural and charitable institutions as well as to generally promote the guiding principles of the savings bank philosophy. At 31 December 2010, the members of the Privatstiftung's Management Board were Andreas Treichl (Chairman of the Management Board of Erste Group Bank AG), Dietrich Karner, Richard Wolf and Boris Marte. The Privatstiftung's Supervisory Board had nine members at the end of 2010, three of whom are also members of the Supervisory Board of Erste Group Bank AG.

Under clause 15.1 of the Articles of Association, for the duration of its assumption of liability for all current and future debts in the event of their default on payment, DIE ERSTE oesterreichische Spar-Casse Privatstiftung is entitled, pursuant to Section 92 (9) BWG, to nominate up to one-third of the Supervisory Board members to be elected at the Annual General Meeting. Until now, the Privatstiftung has not exercised this right.

As at 31 December 2010, Erste Group Bank AG has accounts receivable in the amount of EUR 92.41 in respect of the Privatstiftung. In addition, standard derivative transactions for hedging purposes were in place between Erste Group Bank AG and the Privatstiftung, namely interest rate swaps in the nominal amount of EUR 103,000,000.00. In 2010, the interest income of Erste Group Bank AG resulting from said derivative transactions for the reporting period amounted to EUR 2,346,264.25 while interest expenses amounted to EUR 1,711,833.33.

Criteria Caixa Corp S.A., located in Barcelona, Spain, holds a total of 38,170,433 Erste Group shares, equivalent to 10.10% of the share capital of Erste Group Bank AG. Juan Maria Nin, the Deputy Chairman of Criteria Caixa Corp S.A. is a member of the Supervisory Board of Erste Group Bank AG.

Provisions concerning the appointment and dismissal of members of the Management Board and the Supervisory Board that are not prescribed by statutory law concern clause 15.4 of the Articles of Association, pursuant to which a majority of three quarters of valid votes cast and a majority of three quarters of the subscribed capital existing at the time of resolution are required to decide on the revocation of members of the Supervisory Board.

The Articles of Association contain no restrictions in respect of voting rights or the transfer of shares. The Management Board has no knowledge of limitations agreed between partners. The sole exception is the holding period of one year in connection with the employee share ownership programmes (MSOP and ESOP).

Clause 19.10 of the Articles of Association (amendments to the Articles of Association) contains a provision that does not follow directly from statutory law: amendments of the articles association, in so far as they do not alter the purpose of the company, may be passed with simple majority of votes cast and simple majority of the subscribed capital represented at the Annual General Meeting considering the amendment. Where higher majority votes are required in individual provisions of the Articles of Association, these provisions can only be amended with the same higher majority vote. Furthermore, clause 19.10 of the Articles of Association can only be amended with a majority of three-quarters of votes cast and with a majority of three-quarters of the subscribed capital represented at the meeting considering the resolution.

21) Reserves

a) Changes in capital reserves:

The capital reserve at 31 December 2010 totalled EUR 6,411,714,000.00 (prior year: EUR 6,405,455 thousand). The increase in the capital reserves by EUR 6,259,000.00 is the result of the share premium of the capital increases described in section III. 17 of these notes.

b) Changes in retained earnings:

As at 31 December 2010, retained earnings amounted to EUR 1,672,820,991.16. This includes a reserve for own shares of EUR 90,495,000.00.

c) Changes in the liability reserve:

As at 31 December 2010, the total liability reserve was EUR 851,000,000.00.

d) Changes in untaxed reserves

The reduction in untaxed reserves to EUR 8,903,000.00 (prior year: EUR 11,870 thousand) is the result of the reversal of valuation reserves due to special depreciations pursuant to Section 12 EStG 1988.

22) Own supplementary capital

At the 2010 balance sheet date, Erste Group Bank AG held supplementary own capital with a carrying amount of EUR 6,967,447.79 (prior year: EUR 3,364 thousand).

23) Own subordinated capital

At the 2010 balance sheet date, Erste Group Bank AG held subordinated own capital with a carrying amount of EUR 13,750,044.72 (prior year: EUR 3,059 thousand).

24) Own shares

Treasury shares held by Erste Group Bank AG

	No. of shares	par value (EUR)
Portfolio at 1 January 2010	0	0
Total additions	166,948	333,896.00
Total disposals	0	0
Portfolio as at 31 December 2010	166,948	333,896.00
Highest level of treasury shares held	170,068	340,136.00

Participation capital of a par value of EUR 266,000 was disclosed as own capital as at the balance sheet date.

Ordinary shares of Erste Group Bank AG are also held by the following affiliated undertakings:

Kärntner Sparkasse Aktiengesellschaft
Steiermärkische Bank und Sparkassen AG
Weinviertler Sparkasse AG
SPK Immobilien- und Vermögensverwaltungs GmbH
Sparkasse Mühlviertel-West Bank AG
Sparkasse Kremstal-Pyhrn AG

25) Own funds

Since 1 January 2007, Erste Group Bank AG has been applying the Basel II solvency rules. The advanced IRB (internal-rating-based) approach is used for retail business while the basic approach based on the internal rating system is used in corporate business, for sovereigns and in interbank business. In addition, some asset categories are measured according to the standardised approach in accordance with statutory transition regulations.

a) Risk weighted assets pursuant to Section 22 (2) BWG:

	unweighted	weighted
Standardised approach	34,651,659,576.08	17,855,295,819.28
Internal ratings based (IRB) approach	39,500,015,003.40	19,346,641,489.29
Risk weighted assets by exposure class at 31 December 2010 according to Basel II regulation:	74,151,674,579.48	37,201,937,308.57

b) Minimum capital requirement pursuant to Section 22 (1) BWG

	31/12/2010	31/12/2009
1. Minimum capital requirement for credit risk pursuant to Section 22 a–h BWG	2,976,154,984.69	3,004,887
a) Standardised approach	1,428,423,665.55	1,491,251
b) Internal-ratings-based (IRB) approach	1,547,731,319.14	1,513,636
2. Settlement risk	29,000.00	32
3. Minimum capital requirement for position risk	513,172,000.00	561,827
4. Minimum capital requirement for operational risk	99,452,000.00	103,616
5. Minimum qualifying capital requirement due to adoption of Basel II rules	0.00	0
6. Minimum capital requirement for qualified non-financial investments	0.00	0
Total minimum capital requirement	3,588,807,984.69	3,670,362

c) Own funds pursuant to Section 23 BWG

	31/12/2010	31/12/2009
Core (Tier 1) capital		
Paid-up capital	2,520,097,442.00	2,519,594
Deduction of treasury shares	-6,132,552.72	-391
Reserves	8,944,437,991.16	8,239,998
Hybrid (tier 1) capital	17,476,868.79	0
Intangible assets	-33,110,490.47	-32,753
Core (tier 1) capital pursuant to Section 23 (14) 1 BWG (before deductions)	11,442,769,258.76	10,726,448
Qualifying supplementary (Tier 2) capital		
Supplementary capital	764,064,507.01	815,648
Revaluation reserve	55,002,499.62	55,435
Excess loan loss provision for IRB items	0	54,231
Subordinated capital	2,199,952,123.47	2,313,082
Qualifying supplementary (Tier 2) capital	3,019,019,130.10	3,238,396
Eligible short-term subordinated capital (Tier 3)	0.00	0
Rededication of own-fund components no longer eligible	513,172,000.00	559,558
Eligible short-term subordinated (Tier 3) capital	513,172,000.00	559,558
Deductions from core (Tier 1) capital pursuant to Section 23 (13) 3 and 4 BWG	-153,416,266.95	-161,724
Deductions from own funds pursuant to Section 23 (13) (3) and (4) BWG	-153,416,266.95	-161,724
Deductions from own funds pursuant to Section 23 (13) (4a) BWG	-93,596,214.88	-95,036
Deductions from core (Tier 1) capital pursuant to Section 23 (13) (4c) BWG	-18,191,207.79	0
Deductions from own funds pursuant to Section 23 (13) (4c) BWG	-18,191,207.79	0
Deductions from core (Tier 1) capital pursuant to Section 23 (13) (4d) BWG	-26,645,045.41	-32,769
Deductions from own funds pursuant to Section 23 (13) (4d) BWG	-26,645,045.41	-32,769
Eligible capital pursuant to Section 23 BWG	14,484,859,133.68	14,040,379
Minimum capital requirement	3,588,807,984.69	3,670,362
Qualifying capital surplus	10,896,051,148.99	10,370,017
Cover ratio	403.6%	382.5%
Solvency ratio (1), in relation to credit risk	37.29%	35.6%
thereof core (Tier 1) ratio (2), in relation to credit risk	30,23%	28.0%

(1) Total eligible capital pursuant to Section 23 BWG less risk requirements other than for capital risk (settlement risk, operational risk and position risk for trading book and foreign currencies) in relation to the assessment base for credit risk pursuant to Section 22 (1) BWG.

(2) Core (Tier 1) capital after deductions relative to the credit risk assessment base pursuant to Section 22 (2) BWG.

26) List of assets pledged as collateral for liabilities pursuant to Section 64 (1) (8) BWG

Assets	31/12/2010	pledged as collateral for liabilities related to the following transactions
Fixed interest securities	42,732,890.21	Arrangement collateral for the benefit of Oesterr. Kontrollbank AG
		Collateral for loans to companies of Erste Group Bank AG Group:
	49,614,726.00	of Slovenská Sporitelna a.s.
	4,961,472.60	of Česká Sporitelna a.s.
	79,894,300.19	Premium reserve for funded Erste Group Bank AG bonds
	12,880,000.00	Collateral for other liabilities
	364,647,579.49	Margin requirements
	200,334,742.80	Premium reserve for mortgage and municipal bonds
Loans and advances to customers	1,529,977,416.04	Premium reserve for mortgage and municipal bonds
Loans and advances to credit institutions	210,713,285.65	Collateral for loans of Erste & Steiermärkische Bank d.d to companies of the Erste Group Bank AG Group
	883,940,000.00	Collateral for other liabilities
	3,589,059.48	Margin requirements

27) Total volume of unsettled derivatives

as at 31/12/2010		Notional amounts by remaining maturity			
		< 1 year	1-5 years	> 5 years	Total
INTEREST RATE CONTRACTS		463,526,640,946.93	146,689,417,203.19	95,258,575,328.18	705,474,633,478.30
<u>OTC products:</u>					
Interest rate options	purchase	17,408,247,419.29	27,756,638,735.82	10,275,583,010.59	55,440,469,165.70
	sale	18,366,121,689.75	28,319,744,030.67	11,405,211,698.85	58,091,077,419.27
Interest rate swaps	purchase	153,866,055,992.20	50,255,503,740.82	38,621,322,153.11	242,742,881,886.12
	sale	169,226,707,632.01	39,677,637,281.98	33,838,536,972.14	242,742,881,886.12
FRAs	purchase	49,423,456,216.75	287,821,550.64	0.00	49,711,277,767.39
	sale	54,560,185,682.16	179,888,469.15	0.00	54,740,074,151.31
<u>Listed products:</u>					
Futures		625,600,000.00	0.00	0.00	625,600,000.00
Interest rate options		50,266,314.78	212,183,394.11	1,117,921,493.50	1,380,371,202.39
CURRENCY CONTRACTS		97,543,329,369.22	3,939,957,020.79	850,799,810.92	102,334,086,200.93
<u>OTC products:</u>					
Currency options	purchase	4,487,249,103.92	311,774,052.77	4,140,000.00	4,803,163,156.69
	sale	3,799,145,707.28	239,294,936.17	4,140,000.00	4,042,580,643.45
Currency swaps	purchase	44,970,898,997.41	1,410,110,363.14	608,715,590.97	46,989,724,951.51
	sale	44,275,477,135.75	1,978,321,489.63	226,641,019.95	46,480,439,645.32
<u>Listed products:</u>					
Futures		10,504,424.86	423,679.09	0.00	10,928,103.95
Currency options		54,000.00	32,500.00	7,163,200.00	7,249,700.00
PRECIOUS METAL CONTRACTS		5,744,377.14	28,500,000.00	0.00	34,244,377.14
<u>OTC products:</u>					
Precious metal options	purchase	2,234,344.91	28,500,000.00	0.00	30,734,344.91
	sale	1,454,205.07	0.00	0.00	1,454,205.07
Precious metal swaps	purchase	0.00	0.00	0.00	0.00
	sale	0.00	0.00	0.00	0.00
<u>Listed products:</u>					
Futures		1,824,577.16	0.00	0.00	1,824,577.16
Precious metal options		231,250.00	0.00	0.00	231,250.00
SECURITIES-RELATED CONTRACTS		730,343,164.31	801,475,243.87	592,106,778.26	2,123,925,186.44
<u>OTC products:</u>					
Share options	purchase	137,911,388.89	576,515,533.94	534,480,101.09	1,248,907,023.92
	sale	97,706,261.41	104,731,268.90	26,800,000.12	229,237,530.43
<u>Listed products:</u>					
Futures		227,011,094.72	411,880.92	0.00	227,422,975.63
Share options		267,714,419.29	119,816,560.12	30,826,677.05	418,357,656.46
CREDIT DERIVATIVE CONTRACTS		983,636,849.38	6,446,995,516.50	2,735,330,504.41	10,165,962,870.29
<u>OTC products:</u>					
Credit default swaps	purchase	385,503,909.60	855,831,724.00	578,350,546.34	1,819,686,179.94
	sale	598,132,939.78	5,591,163,792.50	2,156,979,958.07	8,346,276,690.35
GESAMTSUMME		562,789,694,706.97	157,906,344,984.35	99,436,812,421.78	820,132,852,113.10
thereof OTC products		561,606,488.63	157,573,476.97	98,280,901.05	817,460,866.65
thereof listed products		1,183,206.08	332,868.01	1,155,911.37	2,671,985.47

28) Derivative financial instruments and fixed-asset financial instruments
pursuant to the Fair-Value Valuation Act ("Fair-Value-Bewertungsgesetz", FVBG)

Derivative financial instruments					
as at 31/12/2010	Notional amount purchase	Notional amount sale	Carrying amount	Positive fair value	Negative fair value
Interest rate contracts					
OTC products					
Interest rate options	55,440,469,165.70	58,091,077,419.27	23,392,636.59	1,789,207,313.44	-1,846,945,834.13
Interest rate swaps	242,742,881,886.12	242,742,881,886.12	261,790,106.69	9,463,643,495.70	-8,685,432,380.51
FRAs	49,711,277,767.39	54,740,074,151.31	557,999.68	28,594,021.89	-28,036,022.21
Listed products					
Futures	79,600,000.00	546,000,000.00			
Interest rate options	0.00	1,380,371,202.39	-36,160,552.12	0.00	-36,160,552.12
Currency contracts					
OTC products					
Currency options	4,803,163,156.69	4,042,580,643.45	10,778,298.39	196,691,722.45	-185,164,467.13
Currency swaps	46,989,380,317.47	46,480,076,145.32	62,665,088.49	591,110,152.22	-610,881,501.46
Listed products					
Futures	5,361,641.22	5,566,462.73			
Currency options	0.00	7,249,700.00	-125,775.58	0.00	-125,775.58
Securities-related contracts					
OTC products					
Share options	1,238,048,824.21	220,500,857.27	-816,499.52	124,945,844.71	-125,064,809.13
Listed products					
Futures	122,750,856.19	88,681,091.03			
Share options	136,485,175.89	281,872,480.59	-2,558,996.10	2,657,107.55	-5,216,103.65
Precious metal contracts					
OTC products					
Precious metal options	30,734,344.91	1,454,205.07	85,409.94	3,432,753.10	-3,347,343.15
Precious metal swaps	0.00	0.00	0.00	0.00	0.00
Listed products					
Futures	684,216.43	1,140,360.72			
Precious metal options	0.00	231,250.00	-10,148.16	0.00	-10,148.16
Commodity and other contracts					
OTC products					
Commodity options	10,858,199.70	8,736,673.15	528.53	912,167.31	-911,638.78
Commodity swaps	344,634.04	363,500.00	-18,865.35	0.00	-18,865.35
Listed products					
Futures	3,585,350.25	12,405,678.17			
Commodity options	0.00	0.00	0.00	0.00	0.00
Credit derivative contracts					
OTC products					
Credit derivative options	0.00	0.00	0.00	0.00	0.00
Credit derivative swaps	1,819,686,179.94	8,346,276,690.35	18,097,411.86	76,953,825.94	-452,636,446.45
OTC products	402,786,844,476.17	414,674,022,171.31	376,532,115.30	12,275,491,296.75	-11,938,439,308.31
Listed products	348,467,239.98	2,323,518,225.64	-38,855,471.96	2,657,107.55	-41,512,579.51
Total	403,135,311,716.15	416,997,540,396.95	337,676,643.35	12,278,148,404.31	-11,979,951,887.82

Financial instruments held as fixed assets

as at 31/12/2010	Carrying amount	Fair value	Hidden liabilities	Hidden reserves
Treasury bills	783,878,224.60	766,308,314.88	17,569,909.72	
	738,141,346.18	759,173,602.40		21,032,256.22
Loans and advances to credit institutions	1,947,319,098.17	1,872,727,647.20	74,591,450.97	
	635,033,373.19	638,369,226.83		3,335,853.64
Loans and advances to customers	1,495,313,364.43	1,395,012,560.28	10,300,804.15	
	403,400,638.68	406,564,744.96		3,164,106.28
Debt securities	2,099,589,450.29	1,790,064,111.92	309,525,338.37	
	1,241,468,395.09	1,267,353,470.25		25,885,075.16
Shares	182,769,030.02	170,934,665.04	11,834,364.98	
	340,235,493.82	353,546,473.40		13,310,979.58
Total	6,508,869,167.51	5,995,047,299.32	513,821,868.19	
	3,358,279,246.96	3,425,007,517.84		66,728,270.88

Assets were not impaired, since the impairment is not presumed to be permanent. The fair value is the amount that could be attained in an active market through the sale of a financial instrument, or correspondingly the amount that would be payable for its purchase. Market prices were used to determine fair value where available. Where no market price was available, valuation models were used, particularly the net present value method.

29) Risk provisions

Changes in risk provisions (loans and advances to credit institutions and loans and advances to customers as well as contingent liabilities)

	2010	2009
At the beginning of the year	506,166,707.54	300,951
Less: use	-39,121,712.71	-49,743
Less: releases	-106,926,890.71	-25,302
Plus: additions	199,076,860.62	240,915
Plus: transfer	-3,261,869.53	42,980
Changes in valuation of foreign currency	12,207,830.53	-3,634
At end of year	568,140,925.74	506,167

IV. Notes to the profit & loss account:

(Unless indicated otherwise, amounts for the reporting year are stated in EURO, for the previous year in thousand EURO).

1) Profits of affiliated undertakings (subsidiaries that are considered a tax group with Erste Group Bank AG under the group taxation regulations of 2005), which were posted in the income statement of Erste Group Bank AG under income from **participating interests and shares in affiliated undertakings**, reached a value of EUR 981,245,118.00 (prior year: EUR 475,070 thousand). Of this, EUR 857,000,000.00 originated from EGB Ceps Beteiligungen GmbH and EUR 76,430,120.00 from Erste Bank der oesterreichischen Sparkassen AG. During the reporting year, there were no requirements for impairment, nor other expenses for group members (prior year: EUR 0 thousand) nor profits from sales (prior year: EUR 0 thousand)

2) The breakdown by region (according to the location of entities) of **gross income** of Erste Group Bank AG was as follows:

	Domestic	International	2010 total	Domestic	International	2009 Total
Interest and similar income	1,463,122,563.36	172,577,822.67	1,635,700,386.03	1,415,092	207,709	1,622,800
Income from securities and participating interests	1,047,777,606.27	311,399.63	1,048,089,005.90	655,786	141	655,927
Commission income	236,006,475.53	24,045,151.57	260,051,627.10	265,452	27,979	293,431
Income from financial operations	127,398,860.07	-1,015,147.11	126,383,712.96	173,027	1,341	174,369
Other operating income	15,074,296.44	697,927.86	15,772,224.30	5,956	206	6,162
Total	2,889,379,801.67	196,617,154.62	3,085,996,956.29	2,515,313	237,376	2,752,689

3) Commission income included EUR 10,975,299.69 (prior year: EUR 6,704 thousand) from **administrative and agency services** on behalf of third parties.

4) **Other operating income** of EUR 15,772,224.30 (prior year: EUR 6,162 thousand) included income from insurance compensation and rental income.

5) In terms of personnel expenses, the item Expenses for severance payments and payments to severance-payment funds included expenses for severance payments of EUR 3,183,546.91 (prior year: EUR 2,223 thousand). Changes in pension provisions were in part the result of changes in calculation parameters.

6) **Other operating expenses** of Erste Group Bank AG of EUR 2,480,445.89 (prior year: EUR 10,018 thousand) essentially consisted of an allocation to other reserves for losses (EUR 2,151,735.38).

7) **Value adjustments in respect of securities held as financial fixed assets, participating interests and shares in affiliated undertakings** included write-offs for s IT Solutions SK, spol. s r.o. in the amount of EUR 15,000,000.00, for EB-Malta-Beteiligungen Gesellschaft m.b.H. the amount of EUR 9,250,000.00, of Erste Reinsurance S.A. the amount of EUR 7,000,000.00 and of Open Joint Stock Company Commercial Bank "Center Invest" the amount of EUR 6,077,960.52.

8) As in the previous year, the reported net **amount of extraordinary income and extraordinary expenses** of EUR -4,877,656.00 (prior year: EUR -5,014 thousand) was the result of expenses incurred to close the pension provision gap and the proportional amortisation of the difference from the transfer of pension expectancies for active employees to the pension fund, which was also reported as a deferred expense.

9) Under the item **taxes on profit or loss**, a tax income of EUR +33,460,185.03 (prior year: EUR +41,347 thousand) was reported.

Since 2005, Erste Group Bank AG and its main domestic subsidiaries have formed a tax group in accordance with Section 9 of the Austrian Corporate Tax Act ("Körperschaftsteuergesetz", KStG), with Erste Group Bank AG as the group parent ("Gruppenträger"). Group and tax equalisation agreements were concluded with all members of the group. Under these agreements, group members allocate amounts equivalent to the corporation tax on taxable profits to Erste Group Bank AG. Since tax losses from prior years are recorded and offset against their current tax liability by the group member companies themselves, there is no obligation to make tax allocation payments to Erste Group Bank AG. Moreover, Erste Group Bank AG undertakes to make compensatory payments for any tax losses utilised up to that point to group member companies leaving the group. Future tax liabilities resulting from these constellations were allocated to reserves, if their realisation was probable. Liabilities with a low probability of occurrence were not allocated to reserves, due to their quasi-permanent character.

Net income from taxes on profit or loss was EUR +43,466,319.15 (prior year: EUR +40,525 thousand) under the current tax allocation system as well as EUR +1,200,862.13 (prior year: EUR -34 thousand) pursuant to Section 9 KStG on group taxation while tax revenue

from foreign taxes on income of previous years amounted to EUR 2,811,573.31. The principal expenses under this item are foreign income tax and other foreign income-related taxes of EUR 14,016,207.63.

10) General administrative expenses also include fees for auditing and tax advisory services. The table below lists the fees charged by the auditors (mainly Sparkassen-Prüfungsverband and Ernst & Young):

in EUR	2010	2009
Fees charged for the auditing of the financial statements	2,441,886.67	2,404
Fees charged for audit-related services	248,379.67	4,438 ¹⁾
Fees charged for tax advisory services	404,191.09	942
Total	3,094,457.43	7,784

1) Fees for the capital increase and participation capital amounted to EUR 4.2 million.

V. Information on board members and employees

1) Employees

The average number of employees at Erste Group Bank AG (weighted, excluding employees on leave and members of the Management Board) was 1,607.5 during fiscal year 2010 (prior year: 1,608).

Of these, 234 employees (prior year: 228) worked for other companies in exchange for reimbursed expenses. The total reimbursement was EUR 22,489,494.00 (prior year: EUR 29,332 thousand) and was recognised under general administrative expenses (staff costs) in the income statement.

2) Board members

Where the law or the articles of association do not require otherwise, the Annual General Meeting will pass resolutions by a simple majority of the votes cast or, in cases where a majority of the capital is required, by a simple majority of the subscribed capital represented at the time of voting. The Annual General Meeting shall resolve on amendments to the Articles of Association by simple majority of the votes cast and by simple majority of the subscribed capital represented at the resolution, provided that the objects of the Company are not changed. Where higher majority votes are required in individual provisions of the Articles of Association, these provisions can only be amended with the same higher majority vote. This provision can only be amended with a majority of three fourths of cast votes and a majority of three fourths of the subscribed capital represented at the time of passing the resolution.

At the end of 2010, loans and advances to members of the Management Board by Erste Bank der oesterreichischen Sparkassen AG totalled EUR 165,877.29 (prior year: EUR 899 thousand). Loans to members of the Supervisory Board amounted to EUR 251,353.65 (prior year: EUR 259 thousand). The applicable interest rates and other terms (maturity dates and collateral) represent market terms. In 2010 members of the Management Board made loan repayments totalling EUR 429,167.40. With regard to members of the Supervisory Board, no substantive repayments were made.

In 2010, the members of the Management Board received cash and non-cash compensation in their capacity as Management Board members totalling EUR 8,827,411.31 (prior year: EUR 4,671 thousand).

In the fiscal year 2010, EUR 924,083.77 (prior year: EUR 916 thousand) was paid to former members of the Management Board or their surviving dependants.

The breakdown of Management Board compensation paid in 2010 was as follows:

	2010	2009
Performance bonus	3,684,562.08	0
Base salary	4,121,905.74	3,779
Other compensation	1,020,943.49	892
Total	8,827,411.31	4,671

The item Other compensation includes pension fund contributions and contributions to Vorsorgekasse (at severance payments – new) various types of non-cash compensation. In 2010, the Management Board of Erste Group Bank AG did not receive board emoluments or other compensation from fully consolidated subsidiaries of Erste Group Bank AG. The compensation of Management Board members is based on the individual's responsibilities, the achievement of corporate targets and the group's financial situation.

The Supervisory Board is constituted by a minimum of three and a maximum of twelve members, who are appointed by the Annual General Meeting. For as long as DIE ERSTE oesterreichische Spar-Casse Privatstiftung is liable for all of the company's present and future liabilities in the event of the latter's insolvency pursuant to Section 92 (9) BWG, DIE ERSTE oesterreichische Spar-Casse Privatstiftung is granted the right to nominate up to one third of the members of the Supervisory Board to be elected by the Annual General Meeting. Unless the Annual General Meeting has determined a shorter term of office for individual, several or all Supervisory Board members at the occasion of their appointment, the term of office of the members of the Supervisory Board shall end at the end of the Annual General Meeting which resolves on the approvals of their actions for the fourth business year following the election; a re-election shall be admissible. In addition, membership in the Supervisory Board ceases by death, by revocation, by withdrawal or in the event of a defined impediment. To revoke membership, a three-fourths majority of valid votes and a three-fourths majority of the subscribed capital represented at the time of passing the resolution shall be required.

In the reporting year, the Supervisory Board members of Erste Group Bank AG were paid EUR 511,500.00 (prior year: EUR 479 thousand) in the reporting year for their board function. Members of the Supervisory Board received the following compensation for board positions in fully consolidated subsidiaries of Erste Group Bank AG: Heinz Kessler EUR 43,979.90, Friedrich Rödler EUR 13,000.00, Werner Tessmar-Pfohl EUR 24,000.00, and Georg Winckler EUR 800.00. No other legal transactions were concluded with members of the Supervisory Board. The following amounts were invoiced for other legal transactions by companies related to members of the Supervisory Board: DORDA BRUGGER JORDIS Rechtsanwälte GmbH, with Theresa Jordis as one of its partners, invoiced Erste Group a total of EUR 348,775.69 for several orders in 2010. Friedrich Rödler is senior partner of PricewaterhouseCoopers Austria. Companies of this group invoiced Erste Group a total of EUR 54,726.00 in 2010.

The breakdown of compensation paid to the Supervisory Board members was as follows:

Supervisory Board member:	2010	2009
Supervisory Board compensation	350,000.00	326
Attendance fees	161,500.00	155
Total	511,500.00	481

The compensation of Supervisory Board depends on the individual's responsibilities, the business volume and the company's financial situation.

Pursuant to the decision at the Annual General Meeting of 12 May 2010, the Supervisory Board adopted the following compensation structure in its constituent meeting:

in EUR '000	Number of persons	Compensation per person	Total compensation
President	1	50,000.00	50,000.00
Vice President	2	37,500.00	75,000.00
Members	9	25,000.00	225,000.00
Total	12		350,000.00

Information on Erste Group Bank AG shares held by Management Board and Supervisory Board members, as well as transactions carried out with Erste Group Bank AG shares (numbers of shares):

Members of the Management Board:

	as at 31/12/2009	additions 2010	disposals 2010	as at 31/12/2010
Management Board member				
Andreas Treichl	209,640	0	25,000	184,640
Franz Hochstrasser	33,260	0	8,000	25,260
Herbert Juranek	656	0	0	656
Johannes Leobacher	2,500	0	2,500	0
Bernhard Spalt	6,376	0	0	6,376
Martin Škopek	0	950	0	950
Manfred Wimmer	18,132	0	0	18,132

For members of the Management Board whose office term began or ended during the financial year 2010, their holdings in Erste Group Bank AG shares as of the date of inception or termination of the office term were considered as an addition or disposal.

The following Management Board members held Erste Group Bank AG participation capital at the balance sheet date of 31 December 2010:

Management Board member:	Notional amount
Andreas Treichl	30,000
Herbert Juranek	30,000
Bernhard Spalt	10,000
Manfred Wimmer	30,000

The breakdown of Supervisory Board members' holdings in Erste Group Bank AG shares at the balance sheet date of 31 December 2010 was as follows:

Supervisory Board member:	No. of shares
Georg Winckler	2,500
Jan Homan	4,400
Wilhelm Rasinger	13,735
Theresa Jordis	2,900
Friedrich Rödler	1,502
John James Stack	32,761
Werner Tessmar-Pfohl	1,268
Elisabeth Gürtler	700
Christian Havelka	1,851
Andreas Lachs	52
Friedrich Lackner	500
Bertram Mach	95
Barbara Smrcka	281
Karin Zeisel	35
Markus Haag	160

Supervisory Board members have not received options in Erste Group Bank AG shares due to their function.

Persons related to members of the Management Board or Supervisory Board held 6,920 Erste Group Bank AG shares at 31 December 2010.

The following Supervisory Board members held the following participation capital at the balance sheet date of 31 December 2010:

Supervisory Board member:	Notional amount
Heinz Kessler	30,000
Georg Winckler	5,000
Wilhelm Rasinger	28,000
Friedrich Rödler	82,000
Elisabeth Gürtler	59,000

Persons related to members of the Management Board or Supervisory Board held Erste Group Bank AG participation capital of EUR 81,000.00 (notional amount) at 31 December 2010.

Expenses for severance payments, pension severance payments and pensions of Erste Group Bank AG have a bearing on the income statement items "Wages and salaries", "Expenses for retirement benefits", "Allocation to/reversal of the pension provision", "Expenses for severance payments and payments to severance-payment funds" and, as far as they pertain to pro rata catch-up requirements, "Extraordinary expenses". Expenses for severance payments and pensions for members of the Management Board and managers amounted to EUR 6,142,026.58 (prior year: EUR 7,581 thousand). Expenses for severance payments and pensions for other employees amounted to EUR 35,722,799.28 (prior year: EUR 58,575 thousand). Each of the amounts indicated includes the required expenses for surviving dependants.

Information pursuant to Section 239 (2) UGB regarding Management Board and Supervisory Board members is disclosed separately in the attachment to the notes.

VI. Appropriation of profit

Pursuant to Section 65 (5) Stock Corporation Act, the Management Board will propose paying out a dividend of EUR 0.70 per share at the Annual General Meeting (prior year EUR 0.65), resulting in a total dividend payment of EUR 264,723,704.70. The holders participation capital may receive a dividend of 8% on the notional value, namely EUR 141,099,520.00.

Attachment to the Notes

Executive bodies of Erste Group Bank AG

Supervisory Board

Heinz Kessler

President

Retired CEO

Georg Winckler

1st Vice President

Rector of the University of Vienna

Professor of Economics at the University of Vienna

Theresa Jordis

2nd Vice President

Attorney at law

Bettina Breiteneder

Businesswoman

Elisabeth Gürtler

Businesswoman

Jan Homan

Chief Executive Officer of Teich AG

Juan María Nín Génova

President and CEO of "La Caixa"

Brian D. O'Neill

Vice Chairman of Lazard International

Wilhelm Rasinger

Consultant

Friedrich Rödler

Public accountant and tax consultant

John James Stack

President and retired CEO

Werner Tessmar-Pfohl

Retired businessman

Representatives of the Employees' Council:

Friedrich Lackner

Chairman of the Employees' Council

Markus Haag

Member of the Employees' Council

from 16/06/2010 until 17/09/2010

Christian Havelka

Member of the Employees' Council

Andreas Lachs

Member of the Employees' Council

Bertram Mach

Vice Chairman of the Employees' Council

until 16/06/2010 and since 17/09/2010

Barbara Smrcka

Vice Chairwoman of the Employees' Council

Karin Zeisel

Vice Chairwoman of the Employees' Council

Representatives of the Supervisory Authority

Robert Spacek

State Commissioner

Dietmar Griebler

Deputy State Commissioner

Tamara Els

State Controller for Premium Reserve

Erhard Moser

Deputy State Controller for Premium Reserve

Irene Kienzl

Trustee under Mortgage Bank Act (Hypothekenbank- und Pfandbriefgesetz)

Thomas Schimetschek

Deputy Trustee under Mortgage Bank Act (Hypothekenbank- und Pfandbriefgesetz)

Management Board

Andreas Treichl

Chairman

Franz Hochstrasser

Deputy Chairman

Herbert Juranek

Member of the Management Board

Johannes Leobacher †

Member of the Management Board

until 14/10/2010

Gernot Mittendorfer

Member of the Management Board

since 01/01/2011

Bernhard Spalt

Member of the Management Board

Martin Škopek

Member of the Management Board

since 01/07/2010

Manfred Wimmer

Member of the Management Board

**Attachment to the
Notes**

**Statement of changes
in fixed assets and
long-term assets 2010**

in EUR millions	At cost 1 January 2010	Additions	Disposals	At cost 31 December 2010	Write-ups (Sec. 56 (3) BWG) Currency translations	Accumulated depreciation 31/12/2010	Carrying amount 31/12/2010	Carrying amount 01/01/2010	Depreciation 2010
1. Participating interests	293,120,902.09	10,259,692.88	10,925,958.38	303,789,560.51	0.00	18,224,285.20	285,565,275.31	283,943,022.95	8,149,202.83
		11,334,923.92 S							
2. Shares in affiliated undertakings	9,984,910,263.48	239,391,018.38	303,243,830.50	9,921,071,985.93	0.00	271,873,851.89	9,649,198,134.04	9,578,326,355.77	32,435,366.16
		14,534.57 S							
3. Intangible assets	81,881,806.60	16,651,219.10	3,253,709.86	96,088,279.84	0.00	62,977,789.37	33,110,490.47	32,753,096.73	14,768,345.41
		808,946.00 S							
4. Tangible assets	226,939,851.10	1,751,007.37	112,426,264.88	116,264,593.59	0.00	79,821,732.45	36,442,861.15	39,574,474.03	3,877.369,07
5. Securities									
Treasury bills and similar securities	966,456,378.04	756,089,799.00	186,943,640.26	1,535,602,536.78	2,704,277.28	16,294,243.28	1,522,012,570.78	952,439,974.35	6,740,781.56
Loans and advances to credit institutions	3,516,956,314.10	4,491,338,400.68	5,437,404,088.36	2,570,890,626.42	21,362,656.43	9,900,811.47	2,582,352,471.38	3,503,970,483.79	57,537.98
Loans and advances to customers	2,168,116,467.87	106,571,055.14	381,043,918.89	1,893,643,604.12	11,753,925.88	6,683,526.89	1,898,714,003.11	2,162,479,415.50	1,825,247.00
Debt securities incl. fixed-income securities	4,225,149,045.66	945,801,749.63	1,719,110,312.24	3,451,840,483.05	5,631,692.87	116,414,330.53	3,341,057,845.39	4,085,213,703.08	25,240,312.69
Shares and other variable-yield securities	341,482,716.67	254,310,930.40	72,633,571.00	523,160,076.07	242,419.82	397,972.05	523,004,523.84	341,123,313.77	501,555.66
	11,218,160,922.34	6,554,111,934.85	7,797,135,530.75	9,975,137,326.44	41,694,972.28	149,690,884.22	9,867,141,414.50	11,045,226,890.49	34,365,434.89
Total	21,805,013,745.61	6,834,323,295.07	8,226,985,294.37	20,412,351,746.31	41,694,972.28	582,588,543.13	19,871,458,175.46	20,979,823,839.97	93,595,718.39

S Addition from split

Vienna, 1 March 2011

Management Board

Andreas Treichl mp

Chairman

Franz Hochstrasser mp

Vice Chairman

Herbert Juranek mp

Member

Gernot Mittendorfer mp

Member

Bernhard Spalt mp

Member

Martin Škopek mp

Member

Manfred Wimmer mp

Member

Auditors' report (Report of the Independent Auditors)

Report on the Financial Statements

Sparkassen-Prüfungsverband and Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, have audited the accompanying financial statements, including the accounting system, of Erste Group Bank AG, Vienna, for the financial year from 1 January 2010 to 31 December 2010. These financial statements comprise the balance sheet as at 31 December 2010, the income statement for the financial year ended 31 December 2010, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The management of Erste Group Bank AG is responsible for the accounting system as well as the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with Austrian Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Erste Group Bank AG's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. Based on the results of our audit in our opinion, the financial statements present fairly, in all material respects, the financial position of the Erste Group Bank AG as of 31 December 2010 and of its financial performance for the financial year from 1 January 2010 to 31 December 2010 in accordance with Austrian Generally Accepted Accounting Principles.

Statement on the Management Report

Laws and regulations applicable in Austria require us to perform audit procedures to determine whether the management report is consistent with the financial statements and whether the other disclosures made in the management report are misleading to the bank's position. The audit report must also include a statement as to whether the management report is consistent with the financial statements and if the disclosures pursuant to section 243a UGB are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to section 243a UGB are appropriate.

Vienna, 1 March 2011

Austrian Savings Bank Auditing Association
(Audit Agency)

(Bankprüfer)

Mag. Gerhard Margetich
Wirtschaftsprüfer

MMag. Herwig Hierzer
Revisor

Ernst & Young Wirtschaftsprüfungsges.m.b.H.

Mag. Gerhard Grabner
Wirtschaftsprüfer

Dr. Elisabeth Glaser
Wirtschaftsprüferin

This report is a translation of the original report in German, which is solely valid.
Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Statement of all members of the management board

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, 1 March 2011

Management Board

Andreas Treichl mp
Chairman

Franz Hochstrasser mp
Vice Chairman

Herbert Juranek mp
Member

Gernot Mittendorfer mp
Member

Bernhard Spalt mp
Member

Martin Škopek mp
Member

Manfred Wimmer mp
Member