

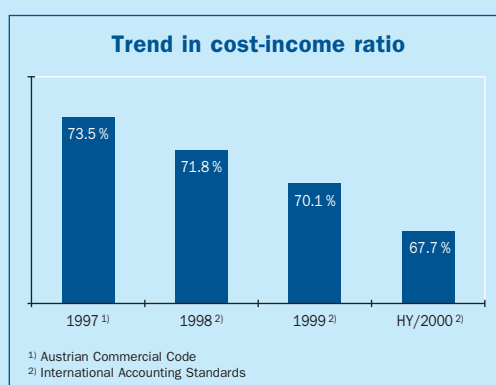
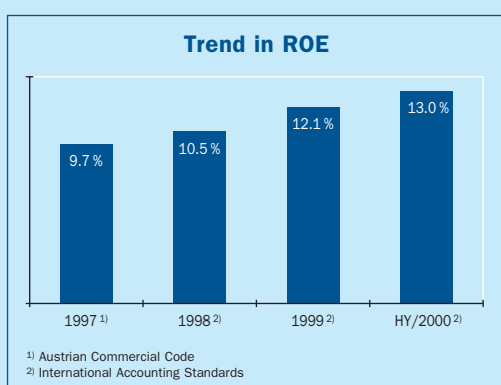
The leading
retail bank in
Central Europe

Interim Report

as of 30 June 2000

Key figures

	1998	1999	HY/2000
Earnings per share (in EUR)	3.02	3.74	2.12
Net profit after minority interests in % of risk-weighted assets (RWA)	0.50 %	0.59 %	0.67 %
Cost-income ratio	71.8 %	70.1 %	67.7 %
Return on Equity (ROE)	10.5 %	12.1 %	13.0 %



Ratings as of 31 July 2000

FITCH	
Long-term	A
Short-term	F1
Individual	C/D
Moody's Investors Service	
Long-term	A2
Short-term	P1
Bank financial strength	C
Standard & Poor's	
Short-term	A-2
Thomson Bankwatch	
Short-term	TBW-1

Highlights

- Net interest income up 5.8 % to EUR 376.8 million
- Net commission income up 13.9 % to EUR 179.3 million
- Net profit after minority interests up 24.8 % to EUR 93.5 million
- Cost-income ratio down to 67.7 %, against 70.1 % for 1999 full year (Q1/2000: 67.2 %)
- Return on equity has risen to 13.0 %, against 12.1 % for 1999 full year (Q1/2000: 12.8 %)

The financial figures delivered by Erste Bank in the first half of 2000 are the best in its history, far surpassing the performance of its legal predecessors as well. Exceeding the outstanding results of 1999, the first half of 2000 was marked by further strengthening of the Bank's market position. The strong trend in the earnings figures is the direct result of Erste Bank's decision to focus on its four core strategies – concentration on the core business, co-operation with the savings bank sector, establishing an extended home market in Central Europe and e-business. In all four endeavours, Erste Bank passed further important milestones during the first six months of this year.

Progress in the four core strategies

Rigorous cost reduction

The majority interest in Česká spořitelna and the investments in e-business and e-finance as fourth core strategy have resulted in an additional increase of the cost base of Erste Bank. The successful implementation of rigorous cost reduction measures has countered this trend. Launched in 1999, the cost reduction project implemented to save EUR 73 million in general administrative expenses by 2001 is on track. On balance, the cost base of Erste Bank has been greatly improved since implementation of the project began in June 1999. The cost-income ratio has been brought down from 71.1% to 67.7% in the first half of 2000.

The new distribution mix: a blend of personal and electronic banking

The future of banking services distribution will be marked by the burgeoning importance of electronic access channels. The classic branch business will evolve into a center of customer care and competence in personal banking. Erste Bank has acted on this new paradigm and geared its distribution model to customers' changing needs. Customers will be more and more flexible in choosing the channels through which they will access the financial services offered by Erste Bank Group. The personal advice so crucial to a successful customer relationship is being clearly separated from the daily routine of processing transactions.

Highest customer satisfaction

The realignment of distribution is designed to safeguard what Erste Bank has always stood for: quality of service and customer benefit. An award from EUCUSA (European Customer Satisfaction Association), an independent organisation for the promotion of customer satisfaction, documents the success of Erste Bank's endeavours. In the distinction awarded in May 2000 for all-round customer satisfaction, Erste Bank placed first in the category of "Austria – customer satisfaction – financial services".



Effective product innovation in real estate finance

Erste Bank innovates not only in distribution, but on the product side. In the form of “Erste Finance Management” (EFM), the Bank is first in Austria to offer an actively managed finance portfolio. The holdings of EFM, which most closely resembles a mutual fund on the investing side, consist of building society loans, variable- and fixed-interest financing instruments as well as foreign exchange components.

www.sparkasse.at - the first stop in all things finance

The joint marketing of Erste Bank and the savings bank sector under a unified brand that signifies top-quality nation-wide service also requires a customer-centered internet presence. The solution was devised in a concerted effort by Erste Bank and the savings banks. In future, existing and prospective customers need remember only a single internet address to reach all savings banks and financial services providers in the Erste Bank Group. The home page at www.sparkasse.at contains an extensive offering of finance-related information.

Erste-obileBanking – the bank at your fingertips

Another technological step ahead in making banking more flexible is Erste-obileBanking. A distinctive feature is that Erste-obileBanking is continuously being refined with direct involvement of customers. In addition, Erste-obileBanking is being fully integrated into Erste Netbanking.

Restructuring of Česká spořitelna (ČS) has begun

In order to ensure that the process of acquiring and integrating Česká spořitelna remains on schedule, Erste Bank decided to complete the closing (the transfer of shares in ČS to Erste Bank) for the whole 52.07 % stake by itself, without any involvement of Capital Z, a private equity fund. Erste Bank became the owner of the 52.07 % interest in ČS on 3 August 2000. In return, Erste Bank paid EUR 280 million, the first tranche of the purchase price (less the deposit of EUR 50 million provided earlier at signing of the contract). The balance of the purchase price, EUR 263 million, will become due at the end of 2001. However, subject to a discount, the National Property Fund has the option of calling in the amount early, from November 2000. Via the swift staff changes on the ČS managing board made at the end of June 2000, important steps towards integration have already been prepared or implemented. These changes will ensure that the repositioning of ČS as the Czech Republic's leading retail bank will proceed on schedule.

The outstanding performance of ČS in the first half of 2000 and the increase of about CZK 14 billion (ATS 5.5 billion) in customer deposits are the first signs of success of the repositioning efforts.

ČS will be consolidated into Erste Bank's Income Statement from the closing date. The Balance Sheet consolidation will happen at the same time.

Erste & Steiermärkische Bank: Assembling one of Croatia's largest financial institutions

Croatia is becoming ever more attractive for international investors. At the beginning of the year the country adopted an active strategy of growing closer to the EU; recently it was accepted into the WTO. Erste Bank and Steiermärkische Bank und Sparkassen AG own three very successful local banks: Bjelovarska banka d.d., Čakovečka banka d.d. and Trgovacka banka d.d. In terms of profitability, Bjelovarska banka d.d. was ranking third in the country in 1999. Čakovečka banka d.d. and Trgovacka banka d.d., too were among Croatia's ten most profitable banks. The three banks will be merged on 1 September 2000. The resulting unit will be known as "Erste & Steiermärkische Bank d.d.". Erste Bank and Steiermärkische Bank und Sparkassen AG will each hold a stake of approximately 40 %. With total assets of about EUR 370 million, qualifying capital of EUR 56 million, about 400 employees, 30 branches and some 100,000 customers, Erste & Steiermärkische Bank d.d. will be one of the eight largest financial institutions in Croatia by total assets.

Erste Bank Group Balance Sheet as of 30 June 2000

in EUR million	Notes	30 June 2000	31 Dec. 1999	Change in %
Assets				
1. Cash and balances with central banks		747	940	(20.5)
2. Loans and advances to credit institutions	(1)	12,759	10,295	23.9
3. Loans and advances to customers	(2)	27,266	26,405	3.3
4. Risk provisions for loans and advances	(3)	(983)	(965)	1.9
5. Trading assets	(4)	796	1,397	(43.0)
6. Investments available for sale	(5)	4,516	4,399	2.7
7. Financial investments	(6)	7,975	7,396	7.8
8. Intangible fixed assets		334	328	1.8
9. Fixed assets		584	582	0.3
10. Other assets		1,746	1,666	4.8
Total assets		55,740	52,443	6.3
Liabilities and Equity				
1. Amounts owed to credit institutions	(7)	22,362	20,571	8.7
2. Amounts owed to customers	(8)	18,665	19,533	(4.4)
3. Debts evidenced by certificates		8,127	6,360	27.8
4. Provisions		713	710	0.4
5. Other liabilities		1,723	1,437	19.9
6. Subordinated capital		2,124	1,968	7.9
7. Minority interests		553	428	29.2
8. Equity		1,473	1,436	2.6
Total liabilities and equity		55,740	52,443	6.3

Erste Bank Group Income Statement as of 30 June 2000

in EUR million	Notes	Jan. – June 2000	Jan. – June 1999	Change in %
1. Interest and similar income		1,665.6	1,255.6	32.7
2. Interest and similar expenses		(1,288.8)	(899.5)	43.3
I. Net interest income	(9)	376.8	356.1	5.8
3. Risk provisions for loans and advances	(10)	(60.3)	(66.2)	(8.9)
4. Fee and commission income		253.1	229.3	10.4
5. Fee and commission expenses		(73.8)	(71.9)	2.6
Net commission income (Difference between Position 4 and 5)	(11)	179.3	157.4	13.9
6. Net trading result	(12)	60.0	60.2	(0.3)
7. General administrative expenses	(13)	(417.3)	(410.5)	1.7
8. Other operating results	(14)	(1.5)	14.6	(110.3)
9. Extraordinary result		–	–	
II. Pre-tax profit for the period		137.0	111.6	22.8
10. Taxes on income		(28.8)	(22.7)	26.9
III. Profit for the period		108.2	88.9	21.7
11. Minority interests		(14.7)	(14.0)	5.0
IV. Net profit after minority interests		93.5	74.9	24.8

Statement of Changes in Equity

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Equity at beginning of period	1,436	1,314	9.3
Translation differences	(2)	3	(166.7)
Net profit after minority interests	94	75	24.8
Dividends	(55)	(51)	7.8
Other changes	0	3	(100.0)
Equity at end of period	1,473	1,344	9.6

Cash Flow Statement

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Cash and cash equivalents at beginning of period	940	740	27.0
Cash flows from operating activities	230	266	(13.5)
Cash flows from investing activities	(522)	(176)	196.6
Cash flows from financing activities	99	118	(16.1)
Effect of changes in exchange rates	0	1	(100.0)
Cash and cash equivalents at end of period	747	949	(21.3)

Balance sheet developments

Total assets of the Erste Bank Group grew by 6.3% in the first half of 2000 compared to the end of 1999 and reached about EUR 55.7 billion as of 30 June 2000.

This involved a disproportionately large increase in interbank business, which had been scaled back towards the end of 1999.

On the asset side, loans and advances to customers continued to gain, growing by 3.3% to EUR 27.3 billion. The rise was generated primarily in international business and was caused in part by the strengthening of foreign currencies (above all the US dollar). In the securities portfolio, financial investments increased by 7.8% and investments available for sale rose by 2.7%.

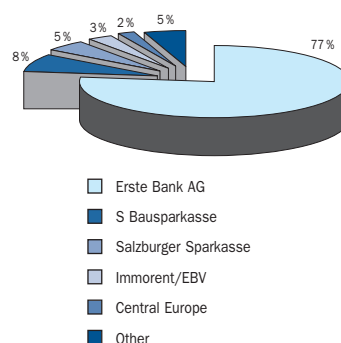
Trading assets declined due to repo transactions (return of assets as a lender under repo agreements).

On the liabilities side, a decrease in amounts due to customers of 4.4% to EUR 18.7 billion chiefly reflected due-date-driven reductions in money market deposits of institutional customers at the New York branch. An additional factor was a 3.1% dip in customer savings deposits.

Strong growth occurred in refinancing by own issues (debts evidenced by certificates were up 27.8% while subordinated capital increased by 7.9%).

The Erste Bank Group's own funds under the Austrian Banking Act reached about EUR 3.7 billion at 30 June 2000, well more than the statutory minimum requirement of EUR 2.6 billion. This translates to coverage of some 144%. Core capital at the same date was approximately EUR 1.9 billion, implying a Tier 1 ratio of 7.1% and solvency ratio of 12.2%. A major such transaction was the sub-Tier 1 issue of EUR 125 million placed at the end of June through a subsidiary of Erste Bank to strengthen the core capital.

Share of largest group companies in balance sheet total as of 30 June 2000



Earnings performance

Like the very profitable 1999, the first half of 2000 yielded superior earnings.

Operating income (net interest income, net commission income and net trading result) grew by 7.4% to EUR 616 million, with net commission income making a particularly strong contribution through an increase of 13.9% to EUR 179 million. The main component was an outstanding rise in securities-related transactions, driven by continuing vigorous demand in investment fund business, higher stock market turnover (notably in the first quarter) and an increase in earnings on initial public offerings.

Net interest income climbed 5.8% to EUR 377 million, thanks largely to volume growth in lending to customers, where interest margins were stable. The net trading result stood at the previous year levels of EUR 60 million; the performance in foreign exchange business in particular was highly gratifying.

General administrative expenses (personnel expenses, other administrative expenses and depreciation of fixed assets) edged up only 1.7% during the same period. Especially personnel costs were held steady (due to a low average employee count), in spite of the development of e-business required by the fourth core strategy. Thanks to this effective cost control, the operating result (operating income less general administrative expenses) increased by a respectable 21.8% compared to the same period one year earlier.

The cost-income ratio improved from 70.1% (for 1999 as a whole) to 67.7% in the first half of 2000.

The net allocation to risk provisions for loans and advances (including direct write-offs) was EUR 60 million in the period under review, and thus lower than twelve months earlier (EUR 66 million).

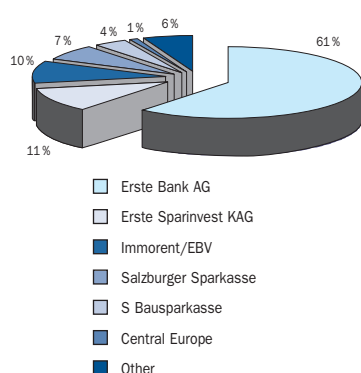
The decrease in other operating result is explained by the fact that in the first half of 1999 part of the income from the sale of branches to regional savings banks was recognised, whereas no comparable income was booked as yet in 2000.

In the first half of this year Erste Bank earned a pre-tax profit of EUR 137 million, surpassing the figure for the first six months of 1999 by 22.8%. The lion's share of this improvement represents the strong performance of the parent company, Erste Bank AG.

After taxes on income and minority interests, net profit amounted to EUR 94 million. This constitutes an improvement of 24.8% on the figure of EUR 75 million recorded for the first half of 1999.

The return on equity thus expanded to 13.0% in the first half of 2000, against 12.1% for the full year 1999.

Share of largest group companies in pre-tax profit in the first half of 2000



Segment reporting

in EUR million	Retail and Real Estate HY/2000	Retail and Real Estate HY/1999	Large Corp. Customers HY/2000	Large Corp. Customers HY/1999
Net interest income	258.1	259.4	108.9	85.0
Risk provisions for loans and advances	(42.7)	(47.4)	(17.6)	(15.4)
Net commission income	83.9	69.5	25.7	21.4
Net trading result	15.7	16.2	5.8	6.0
General administrative expenses	(291.1)	(295.8)	(53.1)	(47.5)
Other operating results	1.0	21.3	1.0	3.5
Pre-tax profit	24.9	23.3	70.7	52.9
Taxes on income				
Minority interests				
Net profit after minority interests				
Average risk-weighted assets	12,512.6	12,406.6	11,911.2	10,709.8
Average attributed equity	654.3	561.0	623.0	483.9
Cost-income ratio	81.4 %	85.7 %	37.8 %	42.3 %
ROE based on pre-tax profit	7.6 %	8.3 %	22.7 %	21.9 %
ROE based on net profit after minority interests				
Business with savings banks				
(based on pre-tax profit)	1.0	5.4	2.0	3.4

Business Segments – Overview

Compared to the same reporting period in 1999 Erste Bank achieved excellent results in the first half of 2000 with the exception of the segment of Corporate Center which saw an increase in general administrative expenses on account of the implementation of e-business as the fourth core strategy. The over-all strong performance derives from a number of developments.

In the segment of Retail and Real Estate pre-tax profit was boosted by 7.0% to EUR 25 million thanks to the decline in general administrative expenses compared to the first half of 1999 as a result of the cost reduction programme and a continuous strong increase in net commission income despite difficult conditions in the second quarter of 2000.

In the segment of Large Corporate Customers the marked improvement in net interest income at foreign branches, as well as higher net commission income from institutional investors and in international business continued from the first quarter. Despite a slight increase in risk

Trading and Investment banking HY/2000	Trading and Investment banking HY/1999	Asset Gathering HY/2000	Asset Gathering HY/1999	Corporate Center HY/2000	Corporate Center HY/1999	Total HY/2000	Total HY/1999
9.6	14.6	(0.1)	0.4	0.3	(3.3)	376.8	356.1
0.0	(0.3)	0.0	0.0	0.0	(3.1)	(60.3)	(66.2)
10.0	1.8	57.6	52.8	2.1	11.9	179.3	157.4
37.2	38.7	0.0	0.0	1.3	(0.7)	60.0	60.2
(41.4)	(44.9)	(21.8)	(19.8)	(10.0)	(2.5)	(417.3)	(410.5)
0.2	(7.5)	0.0	0.1	(3.7)	(2.8)	(1.5)	14.6
15.7	2.4	35.7	33.5	(10.0)	(0.5)	137.0	111.6
						(28.8)	(22.7)
						(14.7)	(14)
						93.5	74.9
2,679.4	5,334.0	12.3	54.0	391.7	452.7	27,507.2	28,957.1
140.2	241.7	0.6	2.5	20.4	20.6	1,438.5	1,309.7
72.7 %	81.5 %	37.9 %	37.2 %	> 100 %	32.0 %	67.7 %	71.6 %
22.4 %	2.0 %	> 100 %	> 100 %	(97.6 %)	(4.4 %)	19.1 %	17.0 %
						13.0 %	11.4 %
10.9	3.1	6.8	6.5	0.0	0.0	20.7	18.4

provisions and administrative expenses as a result of exchange rate fluctuations pre-tax profit rose by a third to EUR 71 million compared to the same period in 1999.

Due to higher commission income from successful stock exchange flotations and equity trading pre-tax profit in the segment of Trading and Investment Banking rose to EUR 16 million.

In the segment of Asset Gathering continuous strong growth was charted in investment fund business via the branch network and the savings banks, resulting in pre-tax profit of EUR 36 million.

ROE based on net profit before tax increased in all segments from 17.0% in the first half of 1999 to 19.1%. Only in the segment of Retail and Real Estate ROE dipped to 7.6%, a slight decrease compared to the first half in the previous year due to an increase in attributed equity.

Notes to the Consolidated Financial Statements of Erste Bank Group

Information on the Group Balance Sheet

(1) Loans and advances to credit institutions

in EUR million	30 June 2000	31 Dec. 1999	Change in %
Loans and advances to domestic credit institutions	6,599	5,739	15.0
Loans and advances to foreign credit institutions	6,160	4,556	35.2
Total	12,759	10,295	23.9

(2) Loans and advances to customers

in EUR million	30 June 2000	31 Dec. 1999	Change in %
Loans and advances to domestic customers			
Public sector	1,984	1,858	6.8
Commercial customers	11,511	11,510	0.0
Private customers	7,562	7,324	3.2
Other	207	197	5.1
Loans and advances to foreign customers			
Public sector	532	527	0.9
Commercial customers	4,958	4,501	10.2
Private customers	250	230	8.7
Other	262	258	1.6
Total	27,266	26,405	3.3

Notes to the Consolidated Financial Statements of Erste Bank Group

(3) Risk Provisions

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Risk provisions for loans and advances			
As of 1 January	965	1,198	(19.4)
Reclassifications (mainly due to the transfer of branches)	0	(61)	(100.0)
Use	(47)	(142)	(66.9)
Net-Allocation of risk provisions	56	48	16.7
Changes in exchange rates	9	5	80.0
As of 30 June	983	1,048	(6.2)
Risk provisions for loans and advances off-balance and other risks (inc. in provisions)	55	54	1.9
Risk provisions as of 30 June	1,038	1,102	(5.8)

(4) Trading assets

in EUR million	30 June 2000	31 Dec. 1999	Change in %
Bonds and other fixed-income securities	369	987	(62.6)
Shares and other variable-yield securities	321	296	8.4
Positive fair value from derivative financial instruments	106	114	(7.0)
Total	796	1,397	(43.0)

(5) Investments available for sale

in EUR million	30 June 2000	31 Dec. 1999	Change in %
Bonds and other fixed-income securities	4,183	4,069	2.8
Shares and other variable-yield securities	333	330	0.9
Total	4,516	4,399	2.7

Notes to the Consolidated Financial Statements of Erste Bank Group

(6) Financial investments

in EUR million	30 June 2000	31 Dec. 1999	Change in %
Bonds and other fixed-income securities	5,736	5,403	6.2
Shares and other variable-yield securities	1,176	1,000	17.6
Investments	490	475	3.2
Other financial investments (particularly carrying amounts of assets subject to operating lease agreements)	573	518	10.6
Total	7,975	7,396	7.8

(7) Amounts owed to credit institutions

in EUR million	30 June 2000	31 Dec. 1999	Change in %
Amounts owed to domestic credit institutions	9,455	9,664	(2.2)
Amounts owed to foreign credit institutions	12,907	10,907	18.3
Total	22,362	20,571	8.7

(8) Amount owed to customers

in EUR million	30 June 2000	31 Dec. 1999	Change in %
Savings deposits	12,572	12,976	(3.1)
Other	6,093	6,557	(7.1)
Total	18,665	19,533	(4.4)

Notes to the Consolidated Financial Statements of Erste Bank Group

Information on the Group Income Statement

(9) Net interest income

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Interest income from			
Lending and money market transactions with credit institutions	476.4	313.9	51.8
Lending and money market transactions with customers	786.3	624.6	25.9
Fixed-income securities	330.4	231.3	42.8
Other interest and similar income	16.3	33.2	(50.9)
Current income from			
Shares and other variable-yield securities	22.5	17.1	31.6
Investments	21.2	22.3	(4.9)
Property used by outside parties	12.5	13.2	(5.3)
Total interest and similar income	1,665.6	1,255.6	32.7
Interest expenses for			
Amounts owed to credit institutions	(685.6)	(407.5)	68.2
Amounts owed to customers	(326.7)	(290.7)	12.4
Debts evidenced by certificates	(214.8)	(139.7)	53.8
Subordinated capital	(56.0)	(47.5)	17.9
Other	(5.7)	(14.1)	(59.6)
Total interest and similar expenses	(1,288.8)	(899.5)	43.3
Net interest income	376.8	356.1	5.8

Notes to the Consolidated Financial Statements of Erste Bank Group

(10) Risk provisions for loans and advances

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Net-Allocation to risk provisions in lending business	(55.6)	(47.8)	16.3
Direct write-off for loans and advances and amounts received against written off loans and advances	(4.7)	(18.4)	(74.5)
Total	(60.3)	(66.2)	(8.9)

(11) Net commission income

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Lending business	19.0	19.3	(1.6)
Payment transfers	25.8	23.3	10.7
Securities transactions	91.1	70.3	29.6
Thereof: Investment fund transactions	55.6	46.9	18.6
Custody fees	6.2	3.1	100.0
Brokerage	29.3	20.3	44.3
Insurance business	10.6	10.9	(2.8)
Other	32.8	33.6	(2.4)
Total	179.3	157.4	13.9

(12) Net trading result

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Securities trading and Derivatives	37.4	51.7	(27.7)
Foreign exchange	22.6	8.5	165.9
Total	60.0	60.2	(0.3)

Notes to the Consolidated Financial Statements of Erste Bank Group

(13) General administrative expenses

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Personnel expenses	(244.6)	(243.9)	0.3
Other administrative expenses	(128.8)	(127.2)	1.3
Depreciation and amortisation of fixed assets	(43.9)	(39.4)	11.4
Total	(417.3)	(410.5)	1.7

(14) Other operating result

in EUR million	Jan. – June 2000	Jan. – June 1999	Change in %
Other operating income	48.1	82.0	(41.3)
Other operating expenses	(49.6)	(67.4)	(26.4)
Total	(1.5)	14.6	(110.3)

(15) Contingent liabilities and other obligations

in EUR million	30 June 2000	31 Dec. 1999	Change in %
Contingent liabilities	3,071	2,994	2.6
from guarantees	2,993	2,913	2.7
Other	78	81	(3.7)
Other obligations	7,105	6,654	6.8
Undrawn credit and loan commitments	5,420	5,002	8.4
Amounts owed resulting from repurchase transactions	1,652	1,041	58.7
Other	33	611	(94.6)

(16) Average number of employees on payroll during reporting period

(weighted according to extent of employment)

	Jan. – June 2000	Jan. – June 1999	Change in %
Employed by Group	8,385	8,847	(5.2)
Domestic	6,899	7,294	(5.4)
Foreign countries	1,486	1,553	(4.3)

Earnings per share

Earnings per share is the amount representing net profit after minority interests divided by the average number of ordinary shares and participation certificates outstanding. Diluted earnings per share is an amount showing the maximum dilution effect possible in case the average number of shares has increased or may increase as a result of the issued subscription and conversion rights.

in EUR	Jan. – June 2000	Jan. – June 1999	Change in %
Earnings per share	2.12	1.70	24.7
Earnings per participation certificate	21.22	17.04	24.7

The diluted earnings per share for the period under review are identical with the above figures.

Development of Erste Bank Group's qualifying capital under the Austrian Banking Act

in EUR million	30 June 2000	31 Dec. 1999	30 June 1999
Subscribed capital (less shares held in own portfolio)	322	322	320
Reserves and minority interests	1,736	1,580	1,547
Intangible fixed assets	(146)	(149)	(145)
Core capital (Tier 1)	1,912	1,753	1,722
Participation capital	0	0	0
Eligible subordinated liabilities	1,536	1,341	1,365
Revaluation reserve	93	91	101
Qualifying supplementary capital (Tier 2)	1,629	1,432	1,466
Short-term subordinated capital (Tier 3)	326	295	299
Total qualifying capital	3,867	3,480	3,487
Deductions according to Section 23 (13) and Section 29 (1-2) Austrian Banking Act	(184)	(184)	(98)
Total eligible qualifying capital	3,683	3,296	3,389
Capital requirement	2,555	2,440	2,444
Surplus capital	1,128	856	945
Cover ratio	144.2 %	135.1 %	138.7 %
Tier 1 ratio	7.1 %	6.3 %	6.1 %
Solvency ratio	12.2 %	10.8 %	10.9 %
Risk-weighted basis according to Section 22 Austrian Banking Act	26,858	27,750	28,306
Thereof 8 % minimum capital requirement	2,149	2,220	2,265
Capital requirement for the open foreign exchange position according to Section 26 Austrian Banking Act	24	28	2
Capital requirement for the trading book acc. to Section 22b (1) Austrian Banking Act	382	192	177
Total capital requirement	2,555	2,440	2,444

Rates of change calculated using rounded figures may differ slightly from percentages that are based on non-rounded figures.

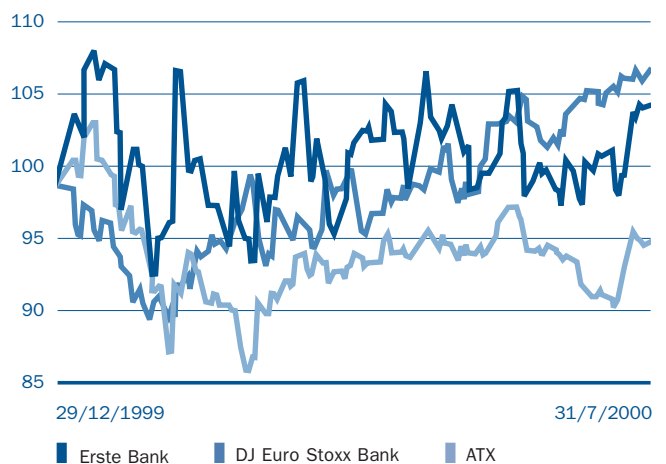
Performance of Erste Bank share to 31 July 2000

Key figures for Erste Bank share

Share price at 31 July 2000	EUR 46.10
High to date for 2000 (10 January 2000)	EUR 47.58
Low to date for 2000 (2 February 2000)	EUR 40.85
P/E ratio at 31 July 2000 ¹⁾	10.59
Stock exchange turnover (First half of 2000)	EUR 562 million
Market capitalisation at 31 July 2000	EUR 2 billion

¹⁾ Based on earnings per share of EUR 4.35
(revised average estimates for 2000 by leading analysts)

Erste Bank share price performance relative to DJ Euro Stoxx Bank and ATX



With an ATX (Austrian Traded Index) weighting of about 10%, the Erste Bank share is one of the three heavyweights of the ATX. The market capitalisation at 31 July 2000 was EUR 2,045 million. In terms of turnover since the beginning of the year, the Erste Bank share is one of the four most liquid of the 21 ATX components.

Even amid the publication of excellent results for the completed year 1999 and a record start in 2000, the Erste Bank share price remained within a narrow band in the second quarter. This was attributable both to the negative performance of the Vienna stock exchange and low demand for European bank shares. The financial segment regained the interest of the investors only at the end of the second quarter. Likewise, the DJ Euro Stoxx Bank index, the benchmark relevant for Erste Bank's performance that comprises 36 European bank listings, followed a weak trend for most of the first half year and was finally up 7.1% on the end of 1999.

The ATX closed at 1,142 on 31 July 2000, or 4.6% below its level at end-1999. With a closing price of EUR 46.10 on the same day, the Erste Bank share was up 4.8% on the end of 1999.

Investor Relations

- Schroder-Salomon Smith Barney, the international investment bank, in an update published in May 2000 after the release of Erste Bank's first-quarter figures, reaffirmed its rating of Erste Bank as "Market Outperformer".
- The rating agency FITCH confirmed the ratings of Erste Bank in early July. In light of the acquisition of Česká spořitelna the agency had earlier announced it would review the ratings in mid-year. The renewed endorsement of the ratings reflects the strategic acumen behind the ČS purchase and the fact that the implementation of the savings banks strategy is unfolding according to plan.
- Erste Bank's placement of a five-year euro floating rate note in the amount of EUR 1 billion marked the largest single bond issue ever by an Austrian issuer. By virtue of its liquidity and fungibility, the note serves as a reference issue for all European banks in this product segment.
- By issuing preference shares with a total volume of EUR 125 million, Erste Bank has further strengthened its capital base. The issuing proceeds were added to equity; the shares were placed exclusively with institutional investors.

Important dates for shareholders

9 November 2000 Publication of results for third quarter of 2000
20 December 2000* Publication of preliminary results for 2000

* Currently scheduled date

The following institutions regularly prepare analyses of Erste Bank

- ABN AMRO Bank (Deutschland) AG
- CA-IB Investment Bank AG
- Credit Suisse First Boston (Europe) Ltd.
- Dresdner Kleinwort Benson Research GmbH
- Fox-Pitt, Kelton
- Goldman Sachs Investment Research
- Lehman Brothers
- Raiffeisen Zentralbank Österreich AG
- Schroder-Salomon Smith Barney
- UBS Warburg

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