

Vienna, 10 May 2004

Erste Bank starts 2004 with a very good quarter

"We are very pleased with our earnings in the first quarter of 2004 for a number of reasons," commented Andreas Treichl, Chief Executive Officer, on the results of Erste Bank der oesterreichischen Sparkassen AG. "First, we are reporting the best quarterly result in the history of Erste Bank. Second, there was strong growth in interest income as well as fee and commission income - key revenue streams for us as a retail bank. Finally, in the Austrian business we are seeing further improvement both on the cost and income side, which underlines the effectiveness of the measures launched in the second half of 2003." Continuing, Treichl stated: "We expect the EU enlargement that is now a reality to boost our performance for the full year 2004 and beyond, and believe it will also further strengthen our position as the leading retail bank in Central Europe."

Note: This quarter saw the first-time application of IFRS 3 (Business Combinations) together with IAS 36 and IAS 38. The effect of this change, together with details of other one-off effects are discussed in more detail on the following page. These items combined have no material impact on the Group net profit figure reported for this quarter.

Highlights

- **Consolidated total assets** up by 5.8% from EUR 128.6 billion at 31.12.03 to EUR 136.1 billion.
- **Net interest income** increased by 6.4% on Q1 2003 from EUR 617.6 million to EUR 656.9 million.
- **Net commission income** increased significantly by 22.9% from EUR 228.9 million to EUR 281.4 million.
- **General administrative expenses** rose 6.1% from EUR 605.1 million to EUR 642.3 million.
- **Operating result** improved by 19.3% from EUR 305.9 million to EUR 364.8 million.
- **Net profit after minority interests** grew 37.5%, rising from EUR 75.8 million to EUR 104.2 million.
- The **cost-income ratio** further improved, from 64.2% for full year 2003 to 63.8%.
- **Return on equity** was at 14.6% following 13.7%¹ in the full year 2003
- The **Tier 1 ratio** under the Austrian Banking Act rose slightly to 6.6% from 6.3% at 31.12.03

¹ As reported in 2003 (includes goodwill amortisation)