

Interim Report

01/2005



Erste Bank 2005

The leading financial services provider in Central Europe

Leading: Largest bank in Central Europe based on assets and number of customers

Central Europe: New ownership structure of Slovenská sporiteľňa and Erste Bank Croatia

Concentration on core activities: Stake in Investkredit divested

Exemplary: New, forward-looking salary system and Preliminary election of private shareholders' representatives to the Supervisory Board

Share: Market Capitalisation expands to more than EUR 10 billion for the first-time

Key figures (IFRS)

in EUR million	31.3.2005	31.12.2004 restated	31.12.2004 published
Balance sheet			
Total assets	148,202	139,812	139,682
Loans and advances to customers	74,585	72,843	72,722
Amounts owed to customers	69,670	68,213	68,213
Shareholders' equity	3,626	3,424	3,347
Solvency ratio pursuant to Sec. 22 Banking Act (in %)	10.2%		10.7%
of which core capital ratio (in %)	6.8%		6.7%
	1.1.-31.3.2005	1.1.-31.3.2004 restated	1.1.-31.3.2004 published
Income statement			
Operating result	396.2	365.9	364.8
Pre-tax profit	292.9	255.1	277.4
Net profit after minority interests	160.3	93.7	104.2
	1.1.-31.3.2005	1.1.-31.12.2004 restated	1.1.-31.3.2004 restated
Profitability			
Interest margin in % of average interest bearing assets	2.12%	2.21%	2.25%
Cost-income ratio (in %)	62.4%	63.5%	63.7%
Return on Equity (RoE) (in %)	18.0%	17.0%	12.9%
Earnings per share (in EUR)	0.67	2.18	0.39

Ratings

FITCH

Long-term	A
Short-term	F1
Individual	B/C

Moody's Investors Service

Long-term	A1
Short-term	P-1
Bank Financial Strength Rating	B-

Standard & Poor's

Short-term	A-2
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Performance of Erste Bank share



In calculating rates of change, small discrepancies may emerge compared with calculations using unrounded figures.

Highlights in figures

From 1 January 2005 the revised IASB standards IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement) are binding. These principally affect how the securities business is presented and how loans are valued. In accordance with the transitional provisions, the values stated for the previous year had to be restated. The rates of change shown here refer to these comparative values. Details of the change-over to the revised IFRS standards were explained in a news release dated 3 May 2005, which can be downloaded from the Erste Bank website at www.erstebank.com.

- > **Net interest income** was up from EUR 657.7 million to **EUR 681.2 million** (+3.6 per cent)
- > **Net commission income** rose from EUR 280.5 million to **EUR 311.1 million** (+10.9 per cent)
- > **Operating income** climbed from EUR 1,009.0 million to **EUR 1,055.1 million** (+4.6 per cent)
- > **General administrative expenses** increased from EUR 643.1 million to **EUR 658.9 million** (+2.5 per cent)
- > **Operating profit** improved from EUR 365.9 million to **EUR 396.2 million** (+8.3 per cent)
- > **Pre-tax profit** increased from EUR 255.1 million to **EUR 292.9 million** (+14.8 per cent)
- > **Net profit after tax and minority interests** rose from EUR 93.7 million to **EUR 160.3 million** (+71.1 per cent)
- > The **cost/income ratio** improved from 63.7 per cent at Q1 04 to **62.4 per cent** (YE 04 63.5 per cent)
- > **Return on equity** was **18.0 per cent**, up from 12.9 per cent at Q1 04 (YE 2004 17 per cent)
- > **Total assets** increased from EUR 139.6 billion (YE 2004) to **EUR 148.2 billion** (+6.0 per cent)
- > The **core capital ratio** improved from 6.7 per cent (YE 2004) to **6.8 per cent**
- > Quarterly **earnings per share** rose from EUR 0,39 to **EUR 0,67** yoy

With its first quarter results Erste Bank Group has made a highly promising start into the 2005 business year. As a retail bank, Erste Bank is particularly well positioned to benefit from the robust economic growth and improving living standards in the new EU member states. This is reflected in the sig-

nificant increase in the bank's commission income and the pleasing rise in net interest income in spite of a fall of interest rates in Central Europe. Efficient cost control and a sharp improvement in Austria have contributed to the good performance.

Erste Bank is the largest bank in Central Europe by number of clients and total assets in the region

_____ The Erste Bank Group's results for 2004 show that the bank has become the biggest financial services provider in Central Europe not only in terms of customer numbers, but also by of total assets, toppling Belgium's KBC from the number-one position.

_____ With a customer base of nearly 12 million, Erste Bank has provided services to more clients in this region than anyone else for almost five years. KBC ranks second with 9.1 million customers, followed by Raiffeisen International with 5 million. In fourth and fifth place are Bank Austria-Creditanstalt – part of Germany's HVB Group – with 4.4 million customers and the French bank Société Générale with 4 million.

_____ With total assets of EUR 33.3 billion in Central Europe at the end of 2004, Erste Bank also clearly tops the assets ranking in Central Europe, leaving Belgian provider KBC (total assets in the region of EUR 31.1 billion) in second place. Italy's UniCredito (EUR 30.6 billion) and HVB subsidiary Bank Austria-Creditanstalt (EUR 30.0 billion) are third and fourth.

_____ The Erste Bank Group conducts retail banking activities in the Czech Republic, Slovakia, Hungary, Croatia and Slovenia. It is the market leader in terms of retail deposits in the Czech Republic and Slovakia (with respective market shares of 27 per cent and 35 per cent) and is second in Hungary (10 per cent) and third in Croatia (also 10 per cent). The Erste Bank Group has made a total of eight acquisitions in the past few years, including Česká spořitelna and Slovenská sporiteľňa, the largest Czech and Slovak banks. The most recent purchase was Hungary's Postabank, which was merged with Erste Bank Hungary effective 1 September 2004. With GDP growth rates in Central Europe running at 4-5 per cent, Erste Bank regards these countries as Europe's only growth markets. For the coming decades, it forecasts double-digit growth in this region in nearly all retail products (from consumer credit all the way to asset management products).

Erste Bank becomes sole owner of Slovenská sporiteľňa

_____ At the beginning of January 2005 Erste Bank exercised its call option to purchase from the European Bank for Reconstruction and Development (EBRD) the 19.99 per cent (1,274,204 shares) of Slovenská sporiteľňa that it did not already own. Erste Bank thus now holds 100 per cent of the shares of this Slovak subsidiary.

_____ After presentation of the audited financial results for 2004 and approval by the Annual General Meeting of Slovenská sporiteľňa, the purchase price amounts to a total of EUR 127.6 million (approximately SKK 4.9 billion). This represents a price/book value ratio of 1.6x based on the equity of Slovenská sporiteľňa according to IFRS at the end of 2004. The overall purchase price paid by Erste Bank for all of Slovenská sporiteľňa (starting with the initial privatization in 2001) therefore amounts to a total of about EUR 527.5 million (approximately SKK 22.2 billion) and represents a weighted price/book ratio of 1.77x.

Shift in ownership structure in Croatia

_____ At the same time, the terms of an agreement with Steiermärkische Bank und Sparkassen AG ("Steiermärkische Sparkasse") regarding the final ownership structure of Erste Bank Croatia were fulfilled. This resulted in an increase in the stake held by Steiermärkische Sparkasse from 35 per cent to 43.8 per cent. Erste Bank remains the majority shareholder with 51 per cent of the share capital, leaving a free float of 5.2 per cent. Directly and indirectly (taking into account the 25 per cent share of Steiermärkische Sparkasse held by Erste Bank) Erste Bank now holds 61.95 per cent of Erste Bank Croatia. The change in ownership composition represents an intra-Group transaction and therefore has no net effect on Erste Bank's consolidated income statement.

Erste Bank sells stake in Investkredit

_____ In line with its strategy to dispose of non-core shareholdings, Erste Bank sold its 11.8 per cent stake in Investkredit Bank AG to Österreichische Volksbanken AG effective 1 February 2005 (Investkredit is a specialist bank based in Vienna with a strategic focus on corporate customers, local government entities and commercial real estate). The price for this transaction was EUR 123 per share, leading to a valuation gain of EUR 68.7m (gross, pre-tax) for Erste Bank which was already reflected in the IFRS-based consolidated financial statements for 2004. As this one-off gain was used predominantly for one-time optional provisioning in order to reduce the impact of asset impairment on future income statements, the gain had no material effect on Erste Bank's net earnings for 2004.

_____ The sale closed in the middle of April following its formal approval by the EU antitrust office and the Austrian supervisory authority.

Erste Bank adopts new, advanced compensation scheme

_____ The Employer/Employee Negotiation Committee of Erste Bank der oesterreichischen Sparkassen AG has agreed on a new set of company regulations that is based on the pay schedule under the savings banks' collective agreement, which came into effect on 1 January 2005.

_____ This solution gives Erste Bank the most forward-looking compensation system in the Austrian financial sector, in that it gives employees a direct share in corporate profits.

_____ This new system represents a model consisting of three pillars: the base salary, a component related to individual performance, and an element based on the Erste Bank Group's net profit.

_____ Regarding base salary, the starting salaries will be increased significantly, but the lifetime income curve will be more gradual than before, as a result of a reduction in the number of automatic annual pay increases.

_____ In the future, the individual-performance-related component – derived from factors such as the employee's proficiency, quality of work, social effectiveness, innovative thinking and specific skills useful to the bank (command of foreign languages, for example) – will have a far greater bearing on pay increases.

_____ The third and completely new element of the pay scheme, the direct participation in the Bank's profits, marks another consistent step in the expansion of the variable portion of the compensation mix built on a foundation of fixed base salaries in line with market rates. This third component of the compensation system accrues as soon as the target for net profit after minority interests set by the Supervisory Board is exceeded. A fixed percentage is then paid out to the group's workforce.

_____ The most significant aspect of the salary reform introduces automatic pay increases and therefore substantially lowers the rate of growth in staff costs. However, as a result of the higher starting salaries and the transitional arrangements put in place, the full effect will only be felt in the medium term.

Preliminary election of private shareholders' representatives to the Supervisory Board

_____ In keeping with the special significance of retail customers and private shareholders for Erste Bank as a retail financial institution, April 2005 saw the completion of the third preliminary election (following earlier ones in 1998 and 2000) of two independent retail shareholder representatives to the Supervisory Board. At the Annual General Meeting (AGM) in 1998, Elisabeth Gürtler (a business woman) and Theresa Jordis (a lawyer) were elected as retail shareholder representatives for the first time after a process of preselection by the retail shareholders. In 2000, in another election by private shareholders, they were confirmed in office for five years. In preparation for the end of the five-year term in May 2005, Erste Bank issued a public call for candidates for these two positions. Interested candidates who fulfilled the criteria had until 11 March 2005 to apply in writing to the notary public, Christoph Bieber. They were then identified as candidates to all private shareholders (these shareholders being any native persons who at the end of February 2005 held Erste Bank shares in an account at an Austrian or Czech financial institution). Irrespective of the size of their shareholding, each private shareholder received one voting ticket with which to vote for two candidates.

_____ After these votes were cast, the two candidates with the greatest number of votes were determined. Both of these preliminary winners are recognised as prominent voices of Austrian industry. Entrepreneur Elisabeth Gürtler was elected for the third time with 22.6 per cent of the valid ballots and Wilhelm Rasinger, a graduate in business administration, was elected for the first time with 40.8 per cent of votes. In total, almost 9,000 votes were cast, 99 per cent of them valid.

_____ The actual election to the Supervisory Board will take place at the AGM of Erste Bank on 11 May 2005. Erste Bank's principal shareholder, DIE ERSTE österreichische Spar-Casse Privatstiftung, a private foundation, will nominate the two candidates for election to the Supervisory Board and will support them with its votes. Both candidates will be recommended for terms ending in 2010.

_____ This pre-selection process is unique in Austria and enables retail shareholders to help influence the representation of their interests on the Supervisory Board. By fielding two of the twelve shareholder representatives on the eighteen-member board, private shareholders enjoy a percentage representation higher than their proportion of Erste Bank's equity.

_____ By this approach, Erste Bank demonstrates its commitment to good corporate governance and underlines its particular focus on retail banking.

The Erste Bank share

Performance of equity indices

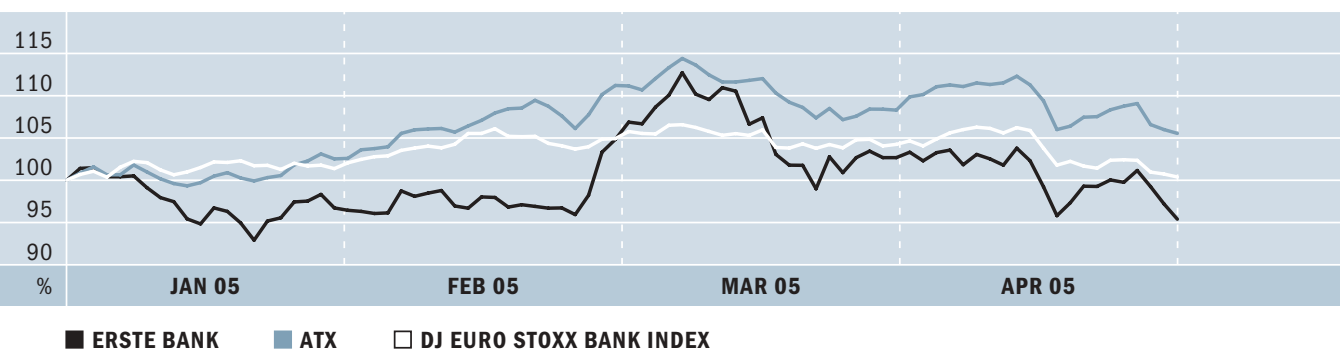
_____ The oil price trend and the tightening of interest rates by the US Federal Reserve had already had a material impact on the performance of international stock indices during the completed 2004 fiscal year. In the four months ended April 30, 2005, a temporary advance in oil prices to new record levels above the USD 55 mark, two more interest rate increases by the Federal Reserve and lower-than-expected growth of the US economy as well as in quarterly earnings compared to the first quarter of the previous year, all weighed on equity markets. While the FTSE Eurotop 300 Index still closed the first quarter of 2005 with a gain of 4.2 per cent, its year-to-date performance by the end of April was only 1.8 per cent. The US stock markets lost ground both in the first quarter of 2005 and to the end of April. The Dow Jones Industrial Average and S&P 500 Index both fell 2.6 per cent by the close of the quarter and about 5 per cent as of 30 April 2005. Technology shares posted even higher losses, with the Nasdaq-Index declining some 8 per cent and 11.7 per cent by the end of the first Quarter 2005 and the end of April, respectively.

_____ Citing growing inflationary pressure, the Federal Reserve raised the overnight rate (its benchmark interest rate) both in February and March by 25 basis points each a time to the present level of 2.75 per cent. News of unexpectedly high US consumer prices in April, in conjunction with the tenor of the Fed's economic report (the Beige Book) dampened sentiment in stock markets. The likely further increase in the key interest rate in the USA – and therefore in the cost of borrowing for companies – is apt to detract from corporate profits (which as it is, are not expected to be very high). These forebodings were given additional substance by the, in some cases, disappointing business results reported for the first quarter of 2005 and by some US firms' reductions in earnings forecasts for this financial year.

_____ Following its superb gain of 57.4 per cent in 2004, Austria's blue-chip ATX index continued its positive showing in the first quarter of 2005, climbing to an all-time high of 2,781.55 points on 7 March. With an advance of 8.3 per cent from the beginning of 2005 to the end of March, the ATX again outpaced all big international stock indices. In April, however, Austria's major index ended the month nearly unchanged as a result of the negative cues from abroad. At the end of April the ATX stood at 2,566.00 points, representing a performance of 5.5 per cent for the year to date.

_____ In the first three months of 2005, the DJ Euro Stoxx Bank Index maintained its positive trend of the previous year thanks to the business results of European banks for 2004, which were largely in line with expectations, and despite the interest rate increases in the USA. This index of European banks rose 4.2 per cent to 300.48 points by the end of the first quarter of 2005. In April, the DJ Euro Stoxx Bank Index then declined along with the international stock markets. At 30 April 2005 the index stood at 289.36 points, resulting in a year-to-date performance of 0.4 per cent.

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



Performance of the Erste Bank share

Building on its record gain of 60.5 per cent in 2004, the Erste Bank share continued to appreciate in the first months of this year. The share's highest closing price to date was recorded on 7 March 2005, at EUR 44.30, boosting the market capitalisation to an unprecedented EUR 10.70 billion. At the end of the first quarter, Erste Bank's share was trading at EUR 40.35, up 5.4 per cent on the level of three months earlier. Ample justification for the dynamic performance of the Erste Bank share was provided in the middle of March with the publication of the record earnings for 2004. After the release of these results, most analysts who regularly report on Erste Bank raised their target price for the share. In the view of the analysts, Erste Bank's strong and successful positioning in the growth markets of Central Europe as well as the restructuring of its domestic business make it "the core investment" in Central Europe. Nonetheless and amid a generally weak stock market environment in April, the Erste Bank share posted a loss of 4.6 per cent at the end of April, closing at EUR 37.49.

Investor relations

In the first months of this financial year, Erste Bank took part in numerous international banking conferences; a joint event staged together with Wiener Börse, as well as the UBS, Morgan Stanley and ING conferences. As well as presenting the strategy and positioning of the Erste Bank Group to a multitude of international investors, the management held many meetings with individuals.

Key figures for the Erste Bank share

Share price at 29 April 2005	EUR 37.49
High for the year to date (29 April 2005)	EUR 44.30
Low for the year to date (29 April 2005)	EUR 36.51
Price/Earnings ratio at 29 April 2005 ¹⁾	13.63
Trading volume (to 29 April 2005)	EUR 1,306.6 million
Market capitalisation at 29 April 2005	EUR 9.1 billion

1) Based on earnings per share of EUR 2.75 (IBES/consensus forecast for 2005)

After the Vienna Stock Exchange's extremely successful year 2004, the Erste Bank subsidiary brokerjet together with the stock exchange launched the "Festival of Austrian Stocks" on 7 April 2005, as a vehicle for heightening the attractiveness of the Austrian capital market for private investors.

On 18 April 2005 Erste Bank staged the sixth Internet chat featuring Chief Executive Officer Andreas Treichl. The participation by current and potential retail shareholders taking advantage of this opportunity to communicate directly with the Erste Bank Group's CEO reached record levels. During the more than two hours of the event, 200 questions were asked concerning current developments at the Group. The participants came from all countries of the extended home market as well as Romania.

Another instalment of Erste Bank's employee share ownership plan will be implemented in May 2005. This year the staff of the Erste Bank Group will be offered shares for subscription from 2 to 13 May 2005. Each employee may buy up to 200 shares on preferential terms. The subscription price will be 20 per cent less than the average price of the Erste Bank share quoted on the Vienna stock exchange in April 2005. The shares are subject to a holding period of five years for tax reasons. Under the share option plan of Erste Bank initiated in 2002, options granted to management and high-performing other staff could be exercised from 2 to 29 April. This exercise of options resulted in the subscription for 1.38 million shares; 75 per cent of all options granted have now been exercised. A new option plan (MSOP 2005) will be proposed to the Annual General Meeting on 11 May 2005.

Research reports covering the Erste Bank share^{*)}

- > Bank Austria Creditanstalt
- > Citigroup
- > Commerzbank
- > CSFB
- > Deutsche Bank
- > Dresdner Kleinwort Wasserstein
- > Fox-Pitt, Kelton
- > HSBC
- > ING
- > JP Morgan
- > Keefe, Bruyette & Woods
- > Komerční Banca
- > Lehman Brothers
- > Merrill Lynch
- > Morgan Stanley
- > Patria
- > Raiffeisen Centrobank
- > Sal. Oppenheim
- > Société Générale
- > UBM UniCredit Banca Mobiliare
- > UBS
- > WestLB

*) The list comprises all institutions known to Erste Bank at press time that prepare research reports on the Erste Bank share.

Developments at Erste Bank Group

From 1 January 2005 the revised IASB standards IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement) are binding. These principally affect how the securities business is presented and how loans are valued. In accordance with the transitional provisions, the values stated for the previous year had to be restated. The rates of change shown here refer to these comparative values.

Performance in detail

Net interest income came in at EUR 681.2 million, 3.6 per cent higher than the previous year's figure of EUR 657.7 m. The net interest margin narrowed to 2.12 per cent (full year 2004: 2.21 per cent), although this was largely attributable to the strong expansion in the low margin interbank business. The additional refinancing costs arising in the first quarter of 2005 in connection with the acquisition of the remaining 19.99 per cent stake in Slovenská sporiteľňa in January 2005 also impact this line item.

The net interest margins achievable in Central Europe – ranging from 3.4 per cent to over 4.5 per cent – continued to remain much higher than those experienced in the Austrian operations, where levels fell further to roughly 1.6 per cent (full year 2004: approx. 1.8 per cent). As mentioned above, the strong expansion in the low margin interbank business was instrumental in this development.

Net commission income sustained its recent positive trend, rising by 10.9 per cent from EUR 280.5 million to EUR 311.1 million. This was mainly due to an above-average increase in income from securities transactions (+19.8 per cent to EUR 92.6 million) and from bank assurance (+23.0 per cent to EUR 21.4 million).

As a result of market conditions the **trading result** fell by 8.3 per cent from EUR 62.4 million to EUR 57.2 million, primarily because of lower revenues from foreign exchange business.

With higher revaluation revenues in the first quarter of 2004, **net income from insurance business** as at end-March 2005 was down to EUR 5.6 million from the previous year's figure of EUR 8.4 million. Nonetheless, s-Versicherung, Erste Bank's insurance business, performed very well both in Austria and Central Europe. In Austria, where it continues to be the market leader in life insurance, s-Versicherung posted healthy increases in insurance premiums (growth in single premium and regular premium segment: 40 per cent and 14 per cent, respectively). In Central Europe the performance was even more encouraging, with double or triple digit growth rates achieved in almost all markets.

Overall, this means that **operating income** climbed 4.6 per cent from EUR 1,009.0 million to EUR 1,055.1 million.

General administrative expenses showed a modest (+2.5 per cent) increase from EUR 643.1 million to EUR 658.9 million. Within this development, contrasting trends were seen in Central Europe (up 10.9 per cent) and Austria (down 1.7 per cent).

in EUR million	1.1.-31.3.2005	1.1.-31.3.2004 restated	Change in %	1.1.-31.3.2004 published
Net interest income	681.2	657.7	3.6	656.9
Loan loss provisions	(101.3)	(108.2)	(6.4)	(108.2)
Net commission income	311.1	280.5	10.9	281.4
Net trading result	57.2	62.4	(8.3)	62.4
General administrative expenses	(658.9)	(643.1)	2.5	(642.3)
Insurance business	5.6	8.4	(33.3)	6.4
Other operating result	(2.0)	(2.6)	23.1	20.8
Pre-tax profit	292.9	255.1	14.8	277.4
Group net profit	160.3	93.7	71.1	104.2
Cost/income ratio	62,4%	63,7%		63,8

Personnel expenses rose 5.0 per cent from EUR 359.5 million to EUR 377.4 million, whereas there was a 1.8 per cent decrease in other administrative expenses from EUR 201.1 million in 2004 to EUR 197.4 million. This latter development was exclusively due to positive cost trends in Austria. The increases in Central Europe were a product of higher VAT rates in the Czech Republic and Slovakia as well as rising exchange rates for the region's currencies. Depreciation of fixed assets rose slightly (+1.9 per cent) from EUR 82.5 million to EUR 84.1 million. Here, too, the figure for Austria fell.

The Group's total headcount (FTEs) as at 31 March 2005 was 35,971, a slight increase on the end-2004 total of 35,862. This is mainly in preparation for further expansion of the Hungarian and Croatian branch networks in Hungary and Croatia (27 new branch openings).

The operating profit (operating income minus general administrative expenses) rose 8.3 per cent from EUR 365.9 million to EUR 396.2 million in the first quarter of 2005.

The cost/income ratio (general administrative expenses divided by operating income) improved from 63.7 per cent in the same period 2004 to 62.4 per cent in the first quarter of 2005.

The other operating result was EUR -2.0 million, largely unchanged on the first quarter 2004 figure of EUR -2.6 million. The first quarter 2005 result showed a higher contribution from securities outside the trading portfolio, up from EUR 14.6 million to EUR 28.5 million.

Risk provisions for loans and advances totalled EUR 101.3 million, 6.4 per cent lower than the figure for the first quarter of 2004, largely due to the positive performance in the domestic lending business.

Pre-tax profit registered a 14.8 per cent rise from EUR 255.1 million to EUR 292.9 million.

In spite of a higher pre-tax profit, taxes on income fell by 19.7 per cent to EUR 68.8 million. This was due in part to tax rate decreases, most notably in Austria and the Czech Republic, but mainly because the figure for the first quarter of 2004 had included a one-off EUR 20 million depreciation of a deferred tax asset owing to the reduction in the Austrian tax rate from 34 per cent to 25 per cent from January 2005.

The decrease in minority interests in the quarterly results is mainly attributable to the increase in the shareholding in Slovenska sporitelna and the non-recurrence of profit arising from last year's sale of the Group's property insurance businesses in the Czech Republic.

in EUR million	1.1.-31.3.2005	1.1.-31.3.2004 restated	Change in %	1.1.-31.3.2004 published
Erste Bank Group				
Personnel expenses	377.4	359.5	5.0	358.7
Other administrative expenses	197.4	201.1	(1.8)	201.1
<i>Subtotal</i>	<i>574.8</i>	<i>560.6</i>	<i>2.5</i>	<i>559.8</i>
Depreciation	84.1	82.5	1.9	82.5
Total	658.9	643.1	2.5	642.3
Austria (incl. Corporate Center and International Business)				
Personnel expenses	275.0	265.3	3.7	266.2
Other administrative expenses	103.8	115.8	(10.4)	115.8
<i>Subtotal</i>	<i>378.8</i>	<i>381.1</i>	<i>(0.6)</i>	<i>382</i>
Depreciation	43.2	48.3	(10.6)	48.3
Total	422.0	429.4	(1.7)	430.3
Central Europe				
Personnel expenses	102.4	94.2	8.7	93.4
Other administrative expenses	93.6	85.3	9.7	85.3
<i>Subtotal</i>	<i>196.0</i>	<i>179.5</i>	<i>9.2</i>	<i>178.7</i>
Depreciation	40.9	34.2	19.6	34.2
Total	236.9	213.7	10.9	212.9

_____ As a result of these changes the **Group net profit** after tax and minority interests for the first quarter of 2005 rose significantly by 71.1 per cent from EUR 93.7 million in 2004 to EUR 160.3 million.

_____ The subsidiaries in Central Europe contributed 68.4 per cent to the Group's net profit for the first quarter. Quarterly **earnings per share** rose from EUR 0,39 to EUR 0,67 yoy.

_____ Earnings per share increased correspondingly, reaching EUR 0.67 for the quarter (first quarter 2004: EUR 0.39).

_____ **Return on equity (RoE)** based on the Group net profit after tax and minority interests was 18.0 per cent in the first quarter of 2005, against 17.0 per cent for the whole of 2004.

Outlook

_____ On the basis of this strong quarterly results Erste Bank is raising its full year forecast for net profit after tax and minority interests to EUR 660 million in 2005.

_____ Erste Bank is well on track to achieve its goal of a Group net profit of EUR 750 million in 2006. This translates into a target (cash) return on equity of at least 18 per cent and a cost/income ratio of no higher than 61 per cent in 2006.

_____ Erste Bank Hungary is now aiming for a RoE of at least 20 per cent in 2005, the target ROE of at least 25 per cent in 2006 remains unchanged.

Balance sheet developments

_____ The consolidated **balance sheet total** for the Erste Bank Group at the end of the first quarter 2005 was EUR 148.2 billion, 6.0 per cent up on the end-2004 total of EUR 139.8 billion. The restatement according to IAS 39 had no material influence on the balance sheet total although it did give rise to differences in the presentation of line items, especially in the case of securities positions.

_____ **Loans and advances to customers** grew by 2.4 per cent from EUR 72.8 billion to EUR 74.6 billion. This was mostly due to loans and advances to foreign customers and particularly related to securitised loans.

_____ Risk provisions rose by 2.2 per cent to EUR 2.9 billion, although new allocations were partly offset by write-backs of existing provisions.

_____ The heading **current investments** now contains the available for sale portfolio, on which valuation profits will now be shown under total equity until the securities are sold or repaid, as well as the new category "Fair value portfolio" on which valuation and realised profits will be booked to the income statement. The fair value and available for sale portfolios are currently valued at EUR 4.4 billion and EUR 12.4 billion, respectively.

_____ The **total assets shown** under the headings trading assets, current investments and financial investments rose by 6.8 per cent from EUR 42.5 billion to EUR 45.4 billion. In virtually all cases, the increases were attributable to holdings of fixed income securities. **Trading assets** posted an above-average increase (+14.5 per cent) from EUR 4.6 billion to EUR 5.3 billion.

_____ The strongest expansion on both sides of the balance sheet was in the interbank business. **Loans and advances to credit institutions** were up 24.6 per cent from EUR 15.7 bn to EUR 19.5 bn, while **amounts owed to credit institutions** increased by 15.9 per cent from EUR 28.6 bn to EUR 33.1 bn.

_____ On the liabilities side, **amounts owed to customers** edged up 2.1 per cent from EUR 68.2 billion to EUR 69.7 billion, with savings deposits showing a marginal contraction (-0.3 per cent) from EUR 38.0 billion to EUR 37.8 billion.

_____ Whereas **subordinated liabilities** were practically unchanged at EUR 3.0 billion, total refinancing in the form of **debts evidenced by certificates** expanded by 5.2 per cent in the first quarter of 2005 from EUR 19.7 billion to EUR 20.7 billion.

_____ The Group's **total equity** increased by 4.0 per cent in the first quarter from EUR 6.7 billion to EUR 6.9 billion. Besides reflecting the first quarter result and other changes, this figure also includes the Group's EUR 0.2 billion hybrid capital issue in March 2005.

_____ **Own funds** of the Erste Bank Group as defined under the Austrian Banking Act (BWG) amounted to EUR 7.1 billion as at 31 March 2005. Given that the statutory minimum requirement at that date was EUR 5.6 billion, the Group's coverage ratio is approximately 125 per cent.

_____ In Q1 2005 a total of EUR 200 million of hybrid tier 1 capital was issued. After accounting for the reduction from the January 2005 purchase of the remaining 19.99 per cent stake in Slovenská sporiteľňa (final purchase price: EUR 127.6 million), the Group's **core capital** at end-March was approximately EUR 4.5 billion, representing a tier 1 ratio of 6.8 per cent (end-2004: 6.7 per cent).

_____ The **solvency ratio** according to the Austrian Banking Act was 10.2 per cent as at end-March 2005, still well above the statutory minimum requirement of 8 per cent.

in EUR million	31.3.2005	31.12.2004 restated	Change in %	31.12.2004 published
Assets				
Loans and advances to credit institutions	19,545	15,684	24.6	15,513
Loans and advances to customers	74,585	72,843	2.4	72,722
Risk provisions for loans and advances	(2,867)	(2,804)	2.2	(2,749)
Securities and other financial investments	45,407	42,521	6.8	42,636
Other assets	11,532	11,568	(0.3)	11,560
Total assets	148,202	139,812	6.0	139,682
Liabilities				
Amounts owed to credit institutions	33,095	28,551	15.9	28,551
Amounts owed to customers	69,670	68,213	2.1	68,213
Debts evidenced by certificates and subordinated capital	23,729	22,704	4.5	22,935
Capital	6,934	6,665	4.0	6,476
Other liabilities	14,774	13,679	8.0	13,507
Total liabilities	148,202	139,812	6.0	139,682

Consolidated Financial Statements for the first quarter of 2005 (IFRS)

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

Consolidated Balance Sheet of the Erste Bank Group at 31 March 2005

in EUR million	Notes	31.3.2005	31.12.2004 restated	Change in %	31.12.2004 published
Assets					
1. Cash and balances with central banks		2,505	2,723	(8.0)	2,723
2. Loans and advances to credit institutions	(1)	19,545	15,684	24.6	15,513
3. Loans and advances to customers	(2)	74,585	72,843	2.4	72,722
4. Risk provisions for loans and advances	(3)	(2,867)	(2,804)	2.2	(2,749)
5. Trading assets	(4)	5,298	4,628	14.5	4,628
6. Investments available for sale	(5)	16,834	15,967	5.4	9,141
7. Financial investments	(6)	23,275	21,926	6.2	28,867
8. Intangible assets		1,852	1,823	1.6	1,823
9. Tangible assets		1,705	1,723	(1.0)	1,723
10. Other assets		5,470	5,299	3.2	5,291
Total assets		148,202	139,812	6.0	139,682
Liabilities and shareholders' equity					
1. Amounts owed to credit institutions	(7)	33,095	28,551	15.9	28,551
2. Amounts owed to customers	(8)	69,670	68,213	2.1	68,213
3. Debts evidenced by certificates		20,744	19,710	5.2	19,887
4. Provisions	(9)	7,758	7,500	3.4	7,328
5. Other liabilities		7,016	6,179	13.5	6,179
6. Subordinated capital		2,985	2,994	(0.3)	3,048
7. Total Equity		6,934	6,665	4.0	6,476
<i>thereof Shareholders' equity</i>		3,626	3,424	5.9	3,347
<i>thereof Minority interests</i>		3,308	3,241	2.1	3,129
Total liabilities and shareholders' equity		148,202	139,812	6.0	139,682

Group Income Statement of Erste Bank Group from 1 January to 31 March 2005

in EUR million	Notes	1.1.-31.3.2005	1.1.-31.3.2004 restated	Change in %	1.1.-31.3.2004 published
1. Interest and similar income		1,380.3	1,290.0	7.0	1,289.2
2. Interest paid and similar expenses		(699.1)	(632.3)	10.6	(632.3)
I. Net interest income	(10)	681.2	657.7	3.6	656.9
3. Risk provisions for loans and advances	(11)	(101.3)	(108.2)	(6.4)	(108.2)
4. Fee and commission income		372.3	329.7	12.9	329.7
5. Fee and commission expenses		(61.2)	(49.2)	24.4	(48.3)
<i>Net commission income (Net of 4 and 5)</i>	<i>(12)</i>	<i>311.1</i>	<i>280.5</i>	<i>10.9</i>	<i>281.4</i>
6. Net trading result	(13)	57.2	62.4	(8.3)	62.4
7. General administrative expenses	(14)	(658.9)	(643.1)	2.5	(642.3)
8. Income from insurance business	(15)	5.6	8.4	(33.3)	6.4
9. Other operating result	(16)	(2.0)	(2.6)	23.1	20.8
II. Pre-tax profit for the period		292.9	255.1	14.8	277.4
10. Taxes on income		(68.8)	(85.7)	(19.7)	(89.4)
III. Profit for the period		224.1	169.4	32.3	188.0
11. Minority interests		(63.8)	(75.7)	(15.7)	(83.8)
IV. Net profit after minority interests		160.3	93.7	71.1	104.2

Earnings per share

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

in EUR	1.1.-31.3.2005	1.1.-31.3.2004 restated	Change in %	1.1.-31.3.2004 published
Earnings per share	0.67	0.39	71.8	0.44
Diluted earnings per share	0.66	0.39	69.2	0.44

Consolidated Statement of Changes in Equity

in EUR million	Subscribed capital	Add. paid-in capital	Retained earnings	Shareholders' equity	Minority Interests	Total Shareholders' equity 1.1.-31.3.2005	Total Shareholders' equity 1.1.-31.3.2004 restated
Equity as of 01.01.	483	1,429	1,512	3,424	3,241	6,665	5,779
Translation differences			29	29	5	34	14
Changes in own shares			13	13	0	13	2
Dividends			0	0	(53)	(53)	(64)
Capital increases			0	0	0	0	0
Profit for the period			160	160	64	224	170
Other changes			0	0	51	51	315
thereof cash flow hedge			(21)	(21)	(1)	(22)	45
thereof Available for Sale Reserve			19	19	(4)	15	117
thereof deferred taxes			1	1	1	2	(54)
thereof Changes of investments			0	0	55	55	206
thereof Other			1	1	0	1	1
Equity as of 31.12.	483	1,429	1,714	3,626	3,308	6,934	6,216

Cash Flow Statement

in EUR million	1.1.-31.3.2005	1.1.-31.3.2004 restated	Change in %	1.1.-31.3.2004 published
Cash and cash equivalents at the beginning of period	2,723	2,549	6.8	2,549
Cash flows from operating activities	974	(15)	>100,0	333
Cash flow from investing activities	(1,245)	(178)	>100,0	(526)
Cash flow from financing activities	29	(166)	>100,0	(166)
Effect of translation differences	24	14	71,4	14
Cash and cash equivalents at end of period	2,505	2,204	13.7	2,204

Notes to the consolidated financial statements of the Erste Bank Group for the first quarter of 2005

_____ The consolidated financial statements of the Erste Bank Group are prepared in accordance with the International Financial Reporting Standards (IFRS – formerly IAS) as interpreted by the International Financial Reporting Interpretations Committee (IFRIC – formerly SIC). These financial statements for the first quarter of 2005 comply with IAS 34 (Interim Financial Reporting).

_____ New standards published at the end of 2003 and in 2004 give rise to important changes in the following areas in particular:

IAS 39 and IAS 32

_____ The revised versions of IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement) have to be applied beginning 1 January 2005.

_____ As required by the transition provisions in the standards, and in the interest of enhanced comparability and transparency, Erste Bank has restated its consolidated financial statements for the 2004 financial year. This means that the data for 2004 is presented as if the changed standards had always been applied in their new form.

_____ These adjustments pertain largely to the securities business and the valuation of lendings and borrowings and do not result in material changes. Under the transition provisions of the revised IAS 39, the value changes resulting from the remeasurement at 1 January 2004 must be recognised in equity retrospectively to that date.

_____ As a result of these remeasurements, consolidated shareholders' equity after deferred taxes at 1 January 2004 increases by EUR 34.7 million to EUR 2,825 million; total minority interests in equity after deferred taxes at 1 January 2004 increase by EUR 73.8 million to EUR 2,953 million.

_____ After taxes and minority interests, consolidated net profit for 2004 decreases by EUR 23.7 million to a total of EUR 520.8 million. The return on equity based on this recalculated net profit after minority interests is now 17.0 per cent rather than 18.0 per cent.

Explanation of the main changes in the consolidated balance sheet at 31 December 2004

in EUR '000	31 Dec 2004 published	31 Dec 2004 restated	Change
Assets			
1. Cash and balances with central banks	2,722,931	2,722,931	
2. Loans and advances to credit institutions	15,513,265	15,684,669	171,404
3. Loans and advances to customers	72,721,800	72,843,380	121,580
4. – Risk provisions for loans and advances	(2,748,775)	(2,804,089)	(55,314)
5. Trading assets	4,628,261	4,628,261	
6. Current investments	9,140,806	15,966,590	6,825,784
7. Financial investments	28,866,928	21,925,746	(6,941,182)
8. Intangible assets	1,823,409	1,823,409	
9. Tangible assets	1,722,576	1,722,576	
10. Other assets	5,290,610	5,298,446	7,836
Total assets	139,681,811	139,811,919	130,108
Liabilities			
1. Amounts owed to credit institutions	28,551,355	28,551,355	
2. Amounts owed to customers	68,212,546	68,212,546	
3. Debts evidenced by certificates	19,886,962	19,710,141	(176,821)
4. Provisions	7,328,240	7,500,472	172,232
5. Other liabilities	6,178,548	6,178,548	
6. Subordinated liabilities	3,048,309	2,994,386	(53,923)
7. Total equity	6,475,851	6,664,471	188,620
thereof Shareholders' equity	3,347,061	3,423,906	76,845
thereof Minority interests	3,128,790	3,240,565	111,775
Total liabilities and shareholders' equity	139,681,811	139,811,919	130,108

Loans and advances to credit institutions and customers

_____ In this item it is now permitted to include securities bought in the secondary market, provided they are not quoted on an active market. Under this new rule, EUR 171.4 million of securities was reclassified from financial investments to loans and advances to credit institutions and EUR 121.6 million of securities was reclassified to loans and advances to customers.

Risk provisions for loans and advances

_____ The introduction of impairment testing at the portfolio level led to the creation of an additional EUR 55.3 million of provisions for bad and doubtful debts. The resulting net deferred tax asset of EUR 13.8 million is reflected in the balance sheet item "other assets".

Current investments / financial investments

_____ In the past the securities in these two balance sheet items were measured by marking them to market, with net disposal and revaluation gains or losses recognised immediately in the income statement within other operating result. This option continues to exist for the fair-value portfolio, a new category that forms one of the two sub-categories of "current investments". In the other sub-category, the available-for-sale portfolio, securities are likewise revalued by marking to market. However, except in the case of impairment losses, unrealised value changes are no longer recognised in the income statement, but are instead recognised directly in equity until the sale or redemption of the asset. On the other hand, effects from foreign currency translation, straight line write-ups and write-downs, interest and dividend income continue to be recognised in profit or loss. The carrying amounts of these sub-categories will from now on be presented in the notes. The treatment of the held-to-maturity portfolio, which is reported in "financial investments", remains largely unchanged. As a result of the new structure (reclassification and remeasurement) of the portfolios, current investments increased by EUR 6,825.8 million and financial investments decreased by EUR 6,941.2 million. As financial investments also include insurance companies' investment portfolios, they reflect the net revaluation gain of EUR 146.4 million on these assets.

Debts evidenced by certificates / subordinated capital

_____ Until recently, repurchased debt securities issued by the Erste Bank Group and quoted on an exchange were reported as assets in the balance sheet. Under the more restrictive new requirements, a company that repurchases its own bonds with the intention of selling them again in the market at a later date must remove the original liability from the balance sheet and recognise any gain from price differences between the issue price and redemption price directly in the income statement. At 1 January 2004 the repurchased issuance volume was EUR 230.7 million, which in accordance with the revised standard was recorded as EUR 176.8 million of debts evidenced by certificates and EUR 53.9 million of subordinated capital.

Provisions

_____ The restructuring of the securities portfolios of the insurance companies fully consolidated in the Erste Bank Group gave rise to a provisioning requirement of EUR 112.5 million at 1 January 2004 for value changes (to cover minimum third party interest in the profit). Provisions also include the deferred tax liabilities of EUR 59.7 million which result primarily from the value changes accompanying the reclassification from fixed assets (held-to-maturity portfolios) to current assets (available-for-sale portfolios).

_____ The changes in the income statement are the result in particular of the new structure of the securities portfolio, as the remeasurement results for the available-for-sale instruments are now recognised directly in equity. In 2004 this led to a decrease of EUR 27.9 million in other operating result and an increase of EUR 2.0 million in income from insurance business.

_____ In addition, the presentation of the results of the Česká sporitelňa Group was standardised, leading to minor shifts between net interest income, net fee and commission income, personnel expenses and other operating result, although the net profit impact was zero.

_____ The overall tax effect (a net increase of EUR 4.1 million in the tax expense) is reflected in taxes on income. On balance, after a correction of EUR 6.3 million in minority interests, the overall change to consolidated net profit in 2004 was a reduction of EUR 23 million.

IAS 1

_____ From 1 January 2005 the revised IAS 1 (Presentation of Financial Statements) requires minority interests in equity to be presented within "total equity". Beginning on 1 January 2005 the reported total equity thus includes minority interests. Total equity is now broken down into two line items, shareholders' equity and minority interests in equity. In the statement of changes in equity, minority interests are now presented as a component of total equity.

_____ Additionally, in the income statement the item "extraordinary result" has been deleted.

Events after the balance sheet date

_____ On 10 January 2005, Erste Bank acquired from the European Bank for Reconstruction and Development (EBRD) the 19.99 per cent of Slovenská sporiteľňa that it did not already own. Erste Bank thus now holds all shares of Slovenská sporiteľňa. The total final purchase price was EUR 127.6 million. This corresponds to a price/book value ratio of 1.6, based on Slovenská sporiteľňa's shareholders' equity at the end of 2004 according to IFRS accounting.

Explanation of the main changes in the income statement

in EUR	1.1.-31.12.2004 published	1.1.-31.12.2004 restated	Change
1. Interest receivable and similar income	5,228,778	5,232,137	3,359
2. Interest payable and similar expenses	(2,533,270)	(2,533,270)	
I. Net interest income	2,695,508	2,698,867	3,359
3. Risk provisions for loans and advances	(406,185)	(406,185)	
4. Fee and commission income	1,358,449	1,358,449	
5. Fee and commission expenses	(217,381)	(223,060)	(5,679)
Net fee and commission income (Balance of 4 and 5)	1,141,068	1,135,389	(5,679)
6. Net trading result	216,481	216,481	
7. General administrative expenses	(2,592,923)	(2,594,938)	(2,015)
8. Income from insurance business	34,819	36,860	2,041
9. Other operating result	(27,737)	(51,342)	(23,605)
II. Pre-tax profit for the year	1,061,031	1,035,132	(25,899)
10. Taxes on income	(273,759)	(277,876)	(4,117)
III. Profit for the year	787,272	757,256	(30,016)
11. Minority interests	(242,751)	(236,406)	6,345
IV. Net profit after minority interests	544,521	520,850	(23,671)

Information on the Group Balance Sheet

1) Loans and advances to credit institutions

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Loans and advances to domestic credit institutions	2,820	2,495	13.0	2,495
Loans and advances to foreign credit institutions	16,725	13,189	26.8	13,018
Total	19,545	15,684	24.6	15,513

2) Loans and advances to customers

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Loans and advances to domestic customers	47,335	47,031	0.6	47,044
Public sector	2,911	2,899	0.4	2,899
Commercial customers	26,159	26,084	0.3	26,147
Private customers	18,112	17,892	1.2	17,892
Unlisted debt securities	50	50	0.0	
Other	103	106	(2.8)	106
Loans and advances to foreign customers	27,250	25,812	5.6	25,678
Public sector	1,838	2,569	(28.5)	2,695
Commercial customers	16,359	14,392	13.7	15,851
Private customers	7,370	6,937	6.2	6,937
Unlisted debt securities	1,497	1,719	(12.9)	
Other	186	195	(4.6)	195
Total	74,585	72,843	2.4	72,722

3) Risk provisions

in EUR million	Jan-Mar 2005	Jan-Mar 2004 restated	Change in %	Jan-Mar 2004 published
Risk provisions for loans and advances				
At 1 January	2,804	2,827	(0.8)	2,772
Use	(47)	(35)	34.3	-35
Net allocation of risk provisions	98	102	(3.6)	102
Changes in exchange rates	12	8	50.0	8
At 31 March	2,867	2,902	(1.2)	2,847
Other risk provisions (off-balance-sheet transactions and other lending commitments)	152	81	87.7	81
Risik provisions at 31 March	3,019	2,983	1.2	2,928

4) Trading assets

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Bonds and other fixed-income securities	3,169	2,852	11.1	2,852
Shares and other variable-yield securities	701	562	24.7	561
Positive fair value of derivative financial instruments	1,428	1,214	17.6	1,215
Total	5,298	4,628	14.5	4,628

5) Investments available for sale

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Fair Value through profit and loss (Fair Value Portfolio)				
Bonds and other fixed-income securities	3,362	3,441	(2.3)	5,844
Shares and other variable-yield securities	1,068	910	17.4	3,297
Fair Value directly in equity (AFS-Portfolio)				
Bonds and other fixed-income securities	9,780	8,983	8.9	0
Shares and other variable-yield securities	2,624	2,633	(0.3)	0
Total	16,834	15,967	5.4	9,141

6) Financial investments

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Bonds and other fixed-income securities (held to maturity)	14,805	13,729	7.8	20,569
Variable-yield securities	471	446	5.6	670
Investments	463	463	0.0	486
Investments of insurance companies	6,367	6,125	4.0	5,979
Other financial investments (particularly carrying amounts of assets subject to operating leases and rental agreements)	1,169	1,163	0.5	1,163
Total	23,275	21,926	6.2	28,867

7) Amounts owed to credit institutions

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Amounts owed to domestic credit institutions	8,364	6,658	25.6	6,658
Amounts owed to foreign credit institutions	24,731	21,893	13.0	21,893
Total	33,095	28,551	15.9	28,551

8) Amounts owed to customers

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Savings deposits	37,840	37,959	(0.3)	37,959
Other	31,830	30,254	5.2	30,254
Total	69,670	68,213	2.1	68,213

9) Provisions

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Long-term employee provisions	1,072	1,080	(0.7)	1,080
Insurance reserves	6,138	5,912	3.8	5,740
Other	548	508	7.9	508
Total	7,758	7,500	3.4	7,328

Information on the Group Income Statement

10) Net interest income

in EUR million	Jan-Mar 2005	Jan-Mar 2004 restated	Change in %	Jan-Mar 2004 published
Interest income from				
Lending and money market transactions with credit institutions	167.3	161.9	3.3	161.9
Lending and money market transactions with customers	800.4	737.6	8.5	737.6
Fixed-income securities	329.0	313.1	5.1	313.1
Other interest and similar income	19.1	16.4	16.5	16.4
Current income from				
Shares and other variable-yield securities	45.9	37.8	21.4	37.8
Investments	5.0	6.7	(25.4)	6.7
Property used by outside parties	13.6	16.5	(17.6)	15.7
Total interest and similar income	1,380.3	1,290.0	7.0	1,289.2
Interest expenses for				
Amounts owed to credit institutions	(165.9)	(117.6)	41.1	(117.6)
Amounts owed to customers	(307.2)	(306.2)	0.3	(306.2)
Debts evidenced by certificates	(173.8)	(153.2)	13.4	(153.2)
Subordinated capital	(50.9)	(48.8)	4.3	(48.8)
Other	(1.3)	(6.5)	(80.0)	(6.5)
Total interest and similar expenses	(699.1)	(632.3)	10.6	(632.3)
Net interest income	681.2	657.7	3.6	656.9

11) Risk provisions for loans and advances

in EUR million	Jan-Mar 2005	Jan-Mar 2004 restated	Change in %	Jan-Mar 2004 published
Net allocation to risk provisions in lending business	(98.3)	(101.8)	(3.4)	(101.8)
Direct write-off for loans and advances less amounts recovered on loans and advances written off	(3.0)	(6.4)	(53.1)	(6.4)
Total	(101.3)	(108.2)	(6.4)	(108.2)

12) Net commission income

in EUR million	Jan-Mar 2005	Jan-Mar 2004 restated	Change in %	Jan-Mar 2004 published
Lending business	44.2	41.0	7.8	41.0
Payment transfers	113.7	106.0	7.3	106.0
Securities transactions	92.6	77.3	19.8	77.3
thereof: Investment fund transactions	32.6	29.2	11.6	29.2
Custodial fees	13.4	12.6	6.3	12.6
Brokerage	46.6	35.5	31.3	35.5
Insurance business	21.4	17.4	23.0	17.4
Building society agency operations	8.4	7.2	16.7	7.2
Foreign exchange operations	9.2	10.0	(8.0)	10.0
Other	21.6	21.6	0.0	22.5
Total	311.1	280.5	10.9	281.4

13) Net trading result

in EUR million	Jan-Mar 2005	Jan-Mar 2004 restated	Change in %	Jan-Mar 2004 published
Securities and derivatives trading	32.9	28.4	15.8	28.4
Foreign exchange	24.3	34.0	(28.5)	34.0
Total	57.2	62.4	(8.3)	62.4

14) General administrative expenses

in EUR million	Jan-Mar 2005	Jan-Mar 2004 restated	Change in %	Jan-Mar 2004 published
Personnel expenses	(377.4)	(359.5)	5.0	(358.7)
Other administrative expenses	(197.4)	(201.1)	(1.8)	(201.1)
Depreciation and amortisation of fixed assets	(84.1)	(82.5)	1.9	(82.5)
Total	(658.9)	(643.1)	2.5	(642.3)

15) Income from insurance business

in EUR million	Jan-Mar 2005	Jan-Mar 2004 adaptiert	Change in %	Jan-Mar 2004 published
Earned premiums	323.9	278.9	16.1	278.9
Investment income on underwriting business	71.3	114.2	(37.6)	104.7
Claims incurred	(69.3)	(62.5)	10.9	(62.5)
Change in underwriting provisions	(294.4)	(262.9)	12.0	(262.9)
Expenses for profit-linked premium reimbursements	(3.1)	(17.4)	(82.2)	(10.0)
Operating expenses	(31.7)	(26.1)	21.5	(25.9)
Other underwriting income	8.2	13.7	(40.1)	13.6
<i>Net underwriting income</i>	4.9	37.9	(87.1)	35.9
Net investment income	72.0	75.2	(4.3)	75.2
Carried to underwriting account	(71.3)	(104.7)	31.9	(104.7)
Total	5.6	8.4	(33.3)	6.4

16) Other operating result

in EUR million	Jan-Mar 2005	Jan-Mar 2004 restated	Change in %	Jan-Mar 2004 published
Other operating income	15.1	114.0	(86.8)	114.0
Other operating expenses	(41.3)	(131.7)	(68.6)	(132.5)
<i>Goodwill impairment/amortisation</i>	0.0	(80.0)	(100.0)	(80.0)
<i>Other operating expenses</i>	(41.3)	(51.7)	(20.1)	(52.5)
Income from securities held as investments available for sale	28.5	14.6	95.2	38.8
<i>Result of assets at Fair Value</i>	9.2	11.4	(19.3)	38.8
<i>Selling gain/loss of assets (AFS Portfolio)</i>	19.3	3.2	>100.0	
Income from investments and related companies	(4.3)	0.5	<(100.0)	0.5
Total	(2.0)	(2.6)	23.1	20.8

Other information

17) Contingent liabilities and other obligations

in EUR million	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Contingent liabilities	8,896	8,692	2.3	7,897
Contingent liabilities	8,783	8,335	5.4	7,789
Other	113	357	(68.3)	108
Other obligations	18,225	19,221	(5.2)	16,103
Undrawn credit and loan commitments	14,737	16,655	(11.5)	14,665
Amounts owed resulting from repurchase transactions	2,767	1,772	56.2	691
Other	721	794	(9.2)	747

18) Number of employees at 31 March 2005 (weighted by extent of employment)

	31 Mar 2005	31 Dec 2004 restated	Change in %	31 Dec 2004 published
Employed by Group	35,971	35,862	0.3	35,862
Domestic	14,670	14,629	0.3	14,629
Abroad	21,301	21,233	0.3	21,233
<i>thereof Česká spořitelna</i>	<i>11,590</i>	<i>11,639</i>	<i>(0.4)</i>	<i>11,639</i>
<i>thereof Slovenská sporiteľňa</i>	<i>5,074</i>	<i>5,083</i>	<i>(0.2)</i>	<i>5,083</i>
<i>thereof Erste Bank Hungary</i>	<i>2,491</i>	<i>2,435</i>	<i>2.3</i>	<i>2,435</i>

_____ In addition to the above number of employees, 63 persons were employed in non-bank enterprises of the Group (hotel and leisure sector) at 31 March 2005.

Segment reporting

_____ Comparisons with the first quarter of 2004 or the end of 2004 are between restated figures only. Results published by group entities are not directly comparable with those reported here, as they, amongst other elements, include equivalent refinancing costs.

Austria

_____ This segment reported profit growth of 3.5 per cent, up from EUR 61.1 million in the same period last year to EUR 63.2 million. There was a marked rise of 8.8 per cent in net commission income, mainly driven by stronger securities business in the Retail & Mortgage and Trading and Investment Banking segments as well as project finance business in the Large Corporates segment. In addition, the cost-cutting programme launched last year led to a 1.4 per cent decrease in general administrative expenses, down from EUR 410.8 million to EUR 405.1 million. Some of this positive performance was offset by reductions in net interest income in the Savings Banks and Treasury segments (due to structural factors), although the cost/income ratio improved from 65.4 per cent to 65.2 per cent. Return on equity in this segment fell from 14.3 per cent to 13.1 per cent, due to the increase in total attributed equity capital.

Savings Banks

_____ Net profit after minority interests was down from EUR 2.8 million to EUR 0.3 million. Although risk provisions were significantly lower at EUR 40.5 million (against EUR 48.6 million for the first quarter of 2004) and operating expenses were down EUR 1.5 million (0.7 per cent) on the year-earlier period, net interest income (-2.9 per cent) and net trading (-26.9 per cent) declined as well. The development of commission income is exclusively driven by a change in intragroup settlement policy for banking support services as of Q4 2004. Nonetheless, commission income in core business areas was clearly positive. The cost/income ratio deteriorated slightly to 69.4 per cent, while return on equity fell to 0.6 per cent.

Retail and Mortgage

_____ Earnings in this segment more than doubled, rising from EUR 8.4 million in the first quarter of 2004 to EUR 19.2 million. Net interest income advanced EUR 2.6 million or 2 per cent. Net commission income rose by EUR 7 million, or 10.0 per cent, to EUR 77.8 million, driven primarily by an excellent securities business performance. The cost-cutting measures put in place

in EUR million	Savings Banks			Retail and Mortgage		
	Q1 2005	Q1 2004 restated	Q1 2004 published	Q1 2005	Q1 2004 restated	Q1 2004 published
Net interest income	204.1	210.2	210.2	128.4	125.8	125.9
Risk provisions for loans and advances	(40.5)	(48.6)	(48.6)	(26.5)	(28.8)	(28.8)
Net commission income	85.1	85.1	85.1	79.8	70.8	70.7
Net trading result	5.1	7.0	7.0	2.1	3.1	3.1
General administrative expenses	(204.2)	(205.7)	(205.7)	(156.9)	(161.9)	(161.8)
Income from insurance business	0.0	0.0	0.0	3.7	6.3	4.3
Other operating result	(1.4)	1.0	16.8	3.4	3.6	3.6
Pre-tax profit for the period	48.1	48.8	64.7	34.0	18.9	17.0
Taxes on income	(12.2)	(13.5)	(18.5)	(8.5)	(5.8)	(4.2)
Minority interest	(35.6)	(32.5)	(40.6)	(4.8)	(4.6)	(4.3)
Net profit after minority interests	0.3	2.8	5.5	20.7	8.4	8.5
Average risk-weighted assets	23,240.0	22,572.5	22,572.5	11,988.8	12,440.8	12,440.8
Average attributed equity	248.3	223.3	219.9	909.5	813.6	801.1
Cost-Income ratio (in %)	69.4%	68.1%	68.1%	73.3%	78.6%	79.3%
ROE based on net profit (in %)	0.6%	5.1%	10.0%	9.1%	4.1%	4.2%

last year had a clear impact on general administrative expenses, which fell EUR 5 million, or 3 per cent, to EUR 156.9 million. The operating result rose 25.0 per cent to EUR 55.1 million (2004: EUR 44.1 million). The cost/income ratio improved from 78.6 per cent to 74.0 per cent compared with the previous year, while return on equity was 8.5 per cent.

Large Corporates

_____ Against the above-average performance in the first quarter of 2004, the operating result for Large Corporates declined, in line with expectations, by 5.4 per cent to EUR 31.1 million. While net commission income grew considerably, up EUR 3.9 million or 26 per cent, to EUR 18.9 million, other operating income declined, as the valuation of securitised debt led to lower income compared with the same period the year before. General administrative expenses climbed 9.2 per cent to EUR 21.3 million solely because of higher expenses in real estate leasing incurred from the expansion of the business across Central and Eastern Europe. Overall net profit after minority interests equalled EUR 14.7 million, against EUR 18.1 million in the same period last year. The cost/income ratio stood at 40.6 per cent, with return on equity at 11.9 per cent.

Trading and Investment Banking

_____ Compared with last year, net profit in this segment fell 9.0 per cent to EUR 28.9 million (2004: EUR 31.7 million). Net interest income fell from EUR 25.0 million to EUR 16.2 million. This was attributable to the overall market environment and negative FX hedging effects. It was, however, at least partially offset by the marginally positive figure for other operating income, due to revaluations under the *current investments* heading. The increase in net commission business from EUR 15.5 million to EUR 21.0 million was largely attributable to increased commission income in securities business and structured products. Erste Bank managed to extend its market share in such structured products for private and institutional investors. Although tight cost management continued in the first quarter and led to a 4.3 per cent reduction in general administrative expenses compared with the previous year, the cost/income ratio worsened from 34.9 per cent to 36.3 per cent. Return on equity declined from 52.7 per cent to 41.4 per cent.

Large Corporate Customers			Trading & Investment Banking			Austria total		
Q1 2005	Q1 2004 restated	Q1 2004 published	Q1 2005	Q1 2004 restated	Q1 2004 published	Q1 2005	Q1 2004 restated	Q1 2004 published
35.5	37.2	37.2	16.2	25.0	25.0	384.2	398.3	398.3
(13.1)	(13.0)	(13.0)	(0.0)	0.0	0.0	(80.1)	(90.4)	(90.4)
18.9	15.0	15.0	19.0	15.5	15.5	202.8	186.4	186.4
(1.9)	0.2	0.2	25.2	27.2	27.2	30.4	37.4	37.4
(21.3)	(19.5)	(19.5)	(22.6)	(23.6)	(23.6)	(405.1)	(410.8)	(410.7)
0.0	0.0	0.0	0.0	0.0	0.0	3.7	6.3	4.3
4.4	7.2	7.2	0.4	(0.7)	0.7	6.7	11.0	28.3
22.4	27.0	27.0	40.1	43.4	44.8	142.7	138.2	153.5
(5.6)	(6.8)	(6.8)	(10.8)	(11.7)	(11.2)	(37.1)	(37.9)	(40.8)
(2.0)	(2.1)	(2.1)	0.0	0.0	0.0	(42.4)	(39.2)	(47.0)
14.7	18.1	18.1	28.9	31.7	33.6	63.2	61.1	65.7
6,517.2	6,660.3	6,660.3	3,675.5	3,678.4	3,678.4	45,421.5	45,352.0	45,352.0
494.4	435.6	428.9	278.8	240.6	236.9	1,931.0	1,713.0	1,686.8
40.6%	37.2%	37.2%	36.3%	34.9%	34.9%	65.2%	65.4%	65.6%
11.9%	16.7%	16.9%	41.4%	52.7%	56.7%	13.1%	14.3%	15.6%

Central Europe

Česká spořitelna

Net profit increased by EUR 22.7 million or 51.9 per cent on the previous year, from EUR 43.8 m to EUR 66.5 million.

In addition to a 15.5 per cent rise in net interest income due to the expansion of the lending business, net commission income was also up significantly on last year's very high levels (+19 per cent to EUR 72.6 million). The net trading result saw a similarly pleasing development, in particular in the area of securities business and interest rates derivatives. The substantial improvement in other operating income can be attributed largely to profits gained from the revaluation and disposal of other assets available for sale. Thanks to a very positive earnings trend and the favourable development of the CZK/EUR exchange rate (+8 per cent), the operating result increased by almost 18 per cent to EUR 92.3 million. The cost/income ratio improved from 60.2 per cent to 59.6 per cent and return on equity was slightly down from 42.4 per cent to 41.4 per cent.

Slovenská sporiteľňa

The two major influences on the results of Slovenská sporiteľňa in comparison with the first quarter of 2004 were the absence of minority interests following the increase in the Erste Bank stake in SLSP's to 100 per cent, and the extremely positive net commission income result. Net interest income recorded only marginal growth of 0.3 per cent, reaching EUR 45.6 million for the quarter. Moderate growth from credit business, lower interest rates and higher refinancing costs associated with the purchase of SLSP's remaining shares, were the main drivers.

Commission income rose by 27.6 per cent to EUR 19.2 million on the same period last year thanks to positive developments in the payment services and lending businesses. Partly due to negative currency effects, general administrative expenses increased by EUR 3.2 million to EUR 41.7 million. The operating result however, still rose almost 6 per cent. The improvement in other operating income can be attributed to the proceeds generated by the sale of fixed income securities. As a result of these developments, return on equity increased from 40.1 per cent to 50.7 per cent, while the cost/income ratio saw a slight rise from 60.5 per cent to 61.1 per cent.

in EUR million	Česká spořitelna			Slovenská sporiteľňa		
	Q1 2005	Q1 2004 restated	Q1 2004 published	Q1 2005	Q1 2004 restated	Q1 2004 published
Net interest income	141.2	122.2	121.5	45.6	45.5	45.5
Risk provisions for loans and advances	(7.0)	(9.4)	(9.4)	(0.1)	0.1	0.1
Net commission income	72.6	61.0	61.9	19.2	15.0	15.0
Net trading result	12.9	11.5	11.5	3.5	3.0	3.0
General administrative expenses	(136.3)	(118.6)	(117.7)	(41.7)	(38.5)	(38.5)
Income from insurance business	1.8	2.1	2.1	0.0	0.0	0.0
Other operating result	8.7	(3.4)	1.8	(3.1)	(6.0)	(4.8)
Pre-tax profit for the period	94.1	65.6	71.7	23.4	19.2	20.4
Taxes on income	(24.1)	(19.9)	(20.7)	(3.0)	(3.0)	(3.0)
Minority interest	(3.5)	(1.9)	(2.0)	0.0	(5.3)	(5.7)
Net profit after minority interests	66.5	43.8	49.0	20.5	10.9	11.7
Average risk-weighted assets	8,479.1	6,315.3	6,315.3	2,133.1	1,665.9	1,665.9
Average attributed equity	643.2	413.0	406.7	161.8	108.9	107.3
Cost-Income ratio (in %)	59.6%	60.2%	59.8%	61.1%	60.5%	60.5%
ROE based on net profit (in %)	41.4%	42.4%	48.2%	50.7%	40.1%	43.7%

Erste Bank Hungary

_____ EBH saw a significant increase in earnings in all areas compared with the first quarter of 2004. Net interest income rose by EUR 8.3 million or 21.5 per cent compared with the same period last year, due largely to strong advances in the credit business. Commission income benefited predominantly from increases in payment services and securities business, rising by EUR 4.8 million or 41.4 per cent. These above-average rates of growth coupled with a moderate increase in general administrative expenses (+3.5 per cent to EUR 42.4 million) caused the operating result to increase significantly, rising by over 76 per cent.

_____ Return on equity rose from 28 per cent to 39.9 per cent, while the cost/income ratio improved from 70.8 per cent to 58.7 per cent.

Erste Bank Croatia

_____ Operating income increased by 24.2 per cent on the previous year to EUR 15.8 million. Due to an increased business volume, interest income rose by 38.2 per cent to 27.4 million, while commission income – above all in the area of payment services – increased by 42 per cent to EUR 4.6 million. The significant decline in the trading result (EUR 0.1 million, following EUR 4.5 million in the same period of last year) is due mainly to the valuation of derivative positions.

_____ The significant increase in risk provisions can be attributed to several special factors that came into play in 2004, including the reduction of the percentage for general provisions by the Croatian National Bank from 2 per cent to 0.8 per cent and the introduction of a new rating system. These changes resulted in the one-off release of provisions last year. General administrative expenses rose by EUR 1.5 million or 10.2 per cent, primarily as a result of the planned expansion of the bank's branch network.

_____ Return on equity fell to 15.9 per cent, due in part to an increase in allocated equity capital, while the cost/income ratio improved significantly from 53.8 per cent to 50.8 per cent.

Q1 2005	Erste Bank Hungary		Erste Bank Croatia			Central Europe total		
	Q1 2004 restated	Q1 2004 published	Q1 2005	Q1 2004 restated	Q1 2004 published	Q1 2005	Q1 2004 restated	Q1 2004 published
47.1	38.7	38.7	27.4	19.8	19.8	261.3	226.3	225.5
(4.7)	(5.5)	(5.5)	(2.1)	5.0	5.0	(13.9)	(9.8)	(9.8)
16.3	11.5	11.5	4.6	3.3	3.3	112.7	90.8	91.7
8.9	7.7	7.7	0.1	4.5	4.5	25.4	26.7	26.7
(42.4)	(41.0)	(41.0)	(16.3)	(14.8)	(14.8)	(236.8)	(212.8)	(212.0)
0.0	0.0	0.0	0.0	0.0	0.0	1.8	2.1	2.1
(4.7)	(2.5)	(2.5)	(0.7)	(0.7)	(0.9)	0.2	(12.6)	(6.5)
20.4	8.9	8.9	13.0	17.0	16.8	150.9	110.7	117.7
(3.8)	(0.4)	(0.4)	(2.5)	(3.3)	(3.3)	(33.3)	(26.6)	(27.3)
(0.0)	(0.1)	(0.1)	(4.3)	(4.7)	(4.6)	(7.8)	(12.0)	(12.4)
16.6	8.4	8.5	6.2	9.0	8.9	109.7	72.2	78.1
2,188.7	1,841.6	1,841.6	2,044.8	1,590.8	1,590.8	14,845.8	11,413.7	11,413.7
166.0	120.4	118.6	155.1	104.0	102.4	1,126.2	746.4	735.0
58.7%	70.8%	70.8%	50.8%	53.8%	53.8%	59.0%	61.5%	61.3%
39.9%	28.0%	28.5%	15.9%	34.8%	34.7%	39.0%	38.7%	42.5%

International Business

International business continues to follow the trend established in previous quarters and performance remains strong. Operating income was up by almost 4 per cent to EUR 34.4 million, while pre-tax profits rose by just under 24 per cent to EUR 27.4 million thanks to other operating income (driven in particular by declining valuation measures applied to other financial investments). The segment posted a profit of EUR 19.7 million for the period under review, an increase of 7 per cent on the first quarter of 2004. The cost/income ratio was up marginally from 19.1 per cent to 20.7 per cent, while return on equity declined from 18.1 per cent to 16.7 per cent.

Corporate Center

The Corporate Center segment encompasses the profits from all companies that cannot be clearly assigned to a business segment, profit consolidation between the segments, and one-off effects not assigned to a business segment in order to allow comparability (see also the one-off effects for the first quarter of 2004).

The development in net commission income and general administrative expenses can largely be attributed to smaller profit consolidations from banking support operations; administrative costs for Group projects started in 2004 also had a negative impact on general administrative expenses.

The decline in other operating income is due primarily to revaluations under the *other participations* segment and additional expenditure on non-banking businesses activities. The significant change in tax expenditure is due to the write-off of a deferred tax asset in the first quarter of 2004; this was done in response to a decrease in Austrian corporation tax from 34 per cent to 25 per cent as of 1 January 2005.

in EUR million	International Business			Corporate Center			Erste Bank Group total		
	Q1 2005	Q1 2004 restated	Q1 2004 published	Q1 2005	Q1 2004 restated	Q1 2004 published	Q1 2005	Q1 2004 restated	Q1 2004 published
Net interest income	36.1	35.3	35.3	(0.5)	(2.2)	(2.2)	681.2	657.7	656.9
Risk provisions for loans and advances	(7.6)	(8.1)	(8.1)	0.2	(0.0)	(0.0)	(101.5)	(108.2)	(108.2)
Net commission income	7.2	5.7	5.7	(11.4)	(2.3)	(2.3)	311.3	280.5	281.4
Net trading result	(0.0)	(0.0)	(0.0)	1.3	(1.7)	(1.7)	57.2	62.4	62.4
General administrative expenses	(9.0)	(7.8)	(7.8)	(8.1)	(11.6)	(11.6)	(658.9)	(643.1)	(642.2)
Income from insurance business	0.0	0.0	0.0	0.0	0.0	0.0	5.6	8.4	6.4
Other operating result	0.6	(3.0)	(3.0)	(9.5)	2.0	2.0	(2.0)	(2.6)	20.8
Pre-tax profit for the period	27.4	22.2	22.1	(28.0)	(15.9)	(15.9)	292.9	255.1	277.5
Taxes on income	(7.7)	(3.8)	(3.8)	9.3	(17.6)	(17.6)	(68.80)	(85.7)	(89.4)
Minority interest	0.0	0.0	0.0	(13.6)	(24.5)	(24.5)	(63.8)	(75.7)	(83.8)
Net profit after minority interests	19.7	18.4	18.4	(32.3)	(58.0)	(58.0)	160.3	93.7	104.2
Average risk-weighted assets	6,197.8	6,218.3	6,218.3	347.4	486.7	486.7	66,812.4	63,470.6	63,470.6
Average attributed equity	470.2	406.7	400.4	26.4	31.8	31.3	3,553.7	2,897.9	2,853.5
Cost-Income ratio (in %)	20.7%	19.1%	19.1%	-	-	-	62.4%	63.7%	63.8%
ROE based on net profit (in %)	16.7%	18.1%	18.4%	-	-	-	18.0%	12.9%	14.6%

Earnings performance at Erste Bank Group: Quarterly results

in EUR million	Q1/2004*	Q2/2004*	Q3/2004*	Q4/2004*	Q1/2005
Net interest income	657.7	660.9	677.4	703.0	681.2
Risk provisions for loans and advances	(108.2)	(88.6)	(110.1)	(99.3)	(101.3)
Net commission income	280.5	283.0	285.3	286.5	311.1
Net trading result	62.4	45.9	47.9	60.3	57.2
General administrative expenses	(643.1)	(650.0)	(660.2)	(641.6)	(658.9)
Income from insurance business	8.4	4.7	12.7	11.1	5.6
Other operating result	(2.6)	(6.7)	(12.6)	(29.5)	(2.0)
Pre-tax profit for the period	255.1	249.2	240.4	290.4	292.9
Taxes on income	(85.7)	(55.8)	(57.1)	(79.3)	(68.8)
Profit for the period	169.4	193.4	183.3	211.1	224.1
Minority interests	(75.7)	(48.8)	(58.0)	(53.9)	(63.8)
Net profit after minority interests	93.7	144.6	125.3	157.2	160.3

* restated

Development in Erste Bank Group's qualifying capital at 31 March 2005

in EUR million	31.3.2005	31.12. 2004	31.3.2004
Subscribed capital (less shares held in own portfolio)	482	482	436
Reserves and minority interests	4,462	4,375	4,227
Less intangible assets	(457)	(480)	(439)
Core capital (Tier 1)	4,487	4,377	4,224
Eligible subordinated liabilities	2,472	2,528	2,670
Revaluation reserve	203	230	192
Qualifying supplementary capital (Tier 2)	2,675	2,758	2,862
Short-term subordinated capital (Tier 3)	347	316	305
Total qualifying capital	7,509	7,451	7,391
Deductions according to Section 23 (13) and Section 29 (1-2) Austrian Banking Act	(427)	(165)	(146)
Total eligible qualifying capital	7,082	7,286	7,245
Capital requirement	5,647	5,594	5,419
Surplus capital	1,435	1,692	1,826
Cover ratio (in %)	125%	130%	134%
Tier 1 ratio (in %)	6,8%	6,7%	6,6%
Solvency ratio (in %)	10,2%	10,7%	10,9%
Risk-weighted basis acc. to Section 22 Austrian Banking Act	66,233	65,384	63,555
of which 8% minimum capital requirement	5,299	5,231	5,084
Capital requirement for open foreign exchange position acc. to Section 26 Austrian Banking Act	6	49	15
Capital requirement for the Trading Book acc. to Section 22 b (1) Austrian Banking Act	342	314	320
Capital requirement	5,647	5,594	5,419

Financial calendar

10.08.2005*	Announcement of H1 2005 results
08.11.2005*	Announcement of Q3 2005 results

*) Provisional dates

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Ticker symbols

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

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