

Mr. President  
Dr. Heinz Kessler  
Chairman of the Supervisory Board of  
Erste Bank der österreichischen  
Sparkassen AG  
Graben 21  
1010 Wien

Date: 2007-05-14  
Our reference: GI/KI (DW 1351)  
Contact: Dr. Elisabeth Glaser

### Information pursuant to sec 270 para 1 Austrian Commercial Act (Transparency statements)

Dear Mr. President Dr. Kessler!

As previously notified in our letter to you dated February 2, 2007 (page 3), we are writing in advance of your May 31, 2007 general meeting of the shareholders, pursuant to the legal requirements in sec 270 para 1 UGB, to inform you that:

With the Gesellschaftsrechtsänderungsgesetz 2005 (GesRÄG 2005), the legal requirements concerning the selection, appointment and the independence of the auditor have changed.

Pursuant to sec 270 Austrian Commercial Act, to present all circumstances which could give rise to conflicts of interest the auditor must deliver an itemized report, subdivided into service categories, detailing the total fees and payments received from the Company for services rendered during the preceding business year and to report on our involvement in a legal quality assurance system prior to rendering a proposal by the supervisory board for the appointment of the auditor.

For the purposes of the required transparency statements and our independence we declare the revenues of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. during 2005/ 2006 of EUR 33.1 million.

The following itemized report includes revenues from **Erste Bank der österreichischen Sparkassen AG** to Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. for the years 2005 and 2006 exclusive of out-of-pocket expenses and VAT:

# 1. Itemization of the total fees and payments received from the Company during the preceding business year

Total revenues 2005 received from Erste Bank der österreichischen Sparkassen AG	TEUR	2
- Auditing	TEUR	0
- Audit related services	TEUR	0
- Tax Consulting	TEUR	0
- Valuation Services (Fairness Opinion)	TEUR	2

Total revenues 2006 received from Erste Bank der österreichischen Sparkassen AG	TEUR	20
- Auditing	TEUR	0
- Audit related services	TEUR	20
- Tax Consulting	TEUR	0
- Valuation Services (Fairness Opinion)	TEUR	0

For the purposes of the required transparency statements we declare the revenues of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. from the Erste Bank Group during 2005 and 2006:

Total revenues 2005 received from Erste Bank Group	TEUR	247
- Auditing	TEUR	174
- Audit related services	TEUR	0
- Tax Consulting	TEUR	23
- Valuation Services (Fairness Opinion)	TEUR	50

Total revenues 2006 received from Erste Bank Group	TEUR	387
- Auditing	TEUR	140
- Audit related services	TEUR	136
- Tax Consulting	TEUR	0
- Valuation Services (Fairness Opinion)	TEUR	111

To address potential share ownership Ernst & Young ensures that conflicts of interest cannot arise through world wide uniform systems. Through these systems the following is assured:

- Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as well as the other entities within the Ernst & Young-Group in Austria do not own shares of companies of the Erste Bank Group.
- Through appropriate systems within the global Ernst & Young-Organization it is ensured that no members of the audit team own shares in companies of the Erste Bank Group respectively will own shares upon joining the audit team.
- Through appropriate systems within the global Ernst & Young-Organization it is ensured that no Ernst & Young partner world wide is allowed to own shares of companies of the Erste Bank Group.

## **2. Inclusion in a statutory quality assurance system**

Pursuant to sec 270 para 1 Austrian Commercial Act, the auditor must report his inclusion in a statutory quality assurance system. The legal basis is the Abschlussprüfungs-Qualitätssicherungsgesetz (A-QSG), which took effect September 1, 2005. The responsible authority (committee for external quality reviews) has established the framework necessary for the execution of external quality reviews in 2006; however, an external quality review according to A-QSG has not yet taken place. With the administrative decision dated April 23, 2007, the committee for external quality reviews has appointed PwC INTERTREUHAND GmbH as the external quality reviewer of Ernst & Young Austria. The external quality review will take place in the third quarter of 2007, thus within the prescribed time frame (December 31, 2007).

At present, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. is part of the voluntary quality assurance system (Peer Review) of the Institut Österreichischer Wirtschaftsprüfer (iwp). The last external quality review (Peer Review) was performed by PwC INTERTREUHAND GmbH for the period July 1, 2003 until June 30, 2004. In the unqualified audit opinion of December 4, 2004, it was confirmed that the quality assurance measures of the audit practice of Ernst & Young Wirtschaftsprüfungsgesellschaft mbH and its affiliated audit practices are appropriate. As a result the iwp has issued a certification on the participation in this quality assurance system. This certification will remain valid until December 3, 2008.

## **3. Impediments and circumstances which could give rise to conflicts of interest**

Pursuant to sec 271 Austrian Commercial Act, as well as sec 62 Austrian Banking Act we are not aware of circumstances which would impede us from performing the audit of Erste Bank Group nor of circumstances which could give rise to conflicts of interest.

Under point 78 of the Austrian Corporate Governance Code the Audit Committee must request from the auditor written declaration in accordance with L-Rule 77. This declaration must confirm the auditor's authority to conduct audits of public limited companies.

As you are aware, pursuant to sec 271 para 1 sentence 1 Austrian Commercial Act ("The auditor can be a statutory auditor or an audit firm"), Ernst & Young Wirtschaftsprüfungsgesellschaft mbH is permitted to audit public limited companies and accordingly can perform the audit of Erste Bank. In addition to this legal regulation we add a confirmation of the Kammer der Wirtschaftstreuhänder (Chamber of Public Accountants and Tax Advisors) which also states that Ernst & Young Wirtschaftsprüfungsgesellschaft mbH is permitted to audit public limited companies.

We hope that this information will provide a sufficient basis for appointment/re-appointment of our firm as auditor and look forward to a continued good working relationship with you.

Please do not hesitate to contact us if you have any questions.

Kind regards,



**WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH**

**MAG. HELMUT MAUKNER**

**DR. ELISABETH GLASER**

Copy:

Management Board  
of Erste Bank der österreichischen  
Sparkassen AG  
(Attention Mr. VD Mag. Reinhard Ortner)