

Financial Statements 2007

Dritte Wiener Vereins-Sparcasse AG

[The German text of the Statements shall be binding. The English translation is for information purposes only.]

Balance Sheet of 31 December 2007				
Dritte Wiener Vereins-Sparcasse AG				
Assets	EUR	EUR	EUR '000 in previous year	EUR '000 in previous year
1. Cash in hand, balances with central banks		0.00		
2. Treasury bills and other bills eligible for refinancing at central banks				
a) treasury bills and similar instruments	0.00		0	0
b) other bills eligible for refinancing at central banks	0.00	0.00	0	0
3. Loans and advances to credit institutions				
a) repayable on demand	108,174.14		5,484	
b) other loans and advances	5,330,000.00	5,438,174.14	0	5,484
4. Loans and advances to customers		0.00		0
5. Bonds and other fixed-income securities				
a) issued by public borrowers	0.00		0	
b) issued by other borrowers, of which: own bonds	0.00	0.00	0	0
6. Shares and other variable-yield securities		0.00		0
7. Equity interests		7,27		0
of which: in credit institutions	0.00		0	
8. Shares in group companies		0.00		0
of which: in credit institutions	0.00		0	
9. Intangible fixed assets		0.00		0
10. Tangible fixed assets		0.00		0
of which: land and buildings used by the credit institution for its own business operations	0.00		0	
11. Own shares and shares in a controlling company		0.00		0
of which: nominal value	0.00		0	
12. Other assets		62,913.98		19
13. Subscribed capital called-up, but not yet paid-in		0.00		0
14. Prepaid expenses		0.00		0
Total assets		5,501,095.39		5,503
Items shown below the Balance Sheet				
1 Foreign assets		0.00		0

Balance sheet of 31 December 2007				
Dritte Wiener Vereins-Sparcasse AG				
Liabilities and Equity	EUR	EUR	EUR '000 in previous year	EUR '000 in previous year
1. Amounts owed to credit institutions				
a) repayable on demand	0.00		0	
b) with agreed maturity date or periods of notice	0.00	0.00	0	0
2. Amounts owed to customers				
a) savings deposits	0.00		0	
of which:				
aa) repayable on demand	0.00		0	
bb) with agreed maturity dates or periods of notice	0.00		0	
b) other liabilities	0.00		0	
of which:				
aa) repayable on demand	0.00		0	
bb) with agreed maturity dates or periods of notice	0.00	0.00	0	0
3. Debts evidenced by certificates				
a) bonds issued	0.00			
b) other debts evidenced by certificates	0.00	0.00	0	0
4. Other liabilities		22,253,40		31
5. Deferred income		0.00		0
6. Provisions				
a) provisions for severance payments	0.00		0	
b) pension provisions	0.00		0	
c) provisions for taxes	0.00		0	
d) other	5,000.00	5,000.00	5	5
6.A Special fund for general banking risks		0.00		0
7. Subordinated liabilities		0.00		0
8. Supplementary capital		0.00		0
9. Subscribed capital		5,400,000.00		5,400
10. Capital reserves				
a) subject to legal restrictions	61,441.99		65	
b) other	0.00		0	
c) for own shares and shares in a controlling company	0.00	61,441.99	0	65

11. Revenue reserves				
a) statutory reserve	0.00		0	
b) reserves provided for by the by-laws	0.00		0	
c) other reserves	0.00		0	
d) for own shares and shares in a controlling company	0.00	0,00	0	0
Carry forward		5,488,695.39		5,501
Liabilities and Equity				
Carry forward		5,488,695.39		5,501
12. Reserve pursuant to sec. 23 (6) Austrian Banking Act (BWG)		12,400.00		12
13. Retained earnings		0.00		- 10
14. Untaxed reserves				
a) valuation reserve resulting from special depreciation	0.00		0	
b) other untaxed reserves of which:	0.00	0.00	0	0
aa) investment reserve pursuant to Section 9 of the Austrian Income Tax Act (EStG) 1988	0.00		0	
bb) investment allowance pursuant to Section 10 of the Austrian Income Tax Act (EStG) 1988	0.00		0	
cc) rent reserve pursuant to Section 11 of the Austrian Income Tax Act (EStG) 1988	0.00		0	
dd) reserve transferred pursuant to Section 12 (7) of the Austrian Income Tax Act (EStG) 1988	0.00		0	
Total Liabilities and Equity		5,501,095.39		5,503
Items below the Balance Sheet				
1. Contingent liabilities		130,000.00		130
of which:				
a) acceptances and endorsements	0.00		0	
b) guarantees and assets pledged as collateral security	130,000,00		130	
2. Commitments		950,000.00		20
of which: commitments arising from repurchase agreements	0.00		20	
3. Liabilities arising from transactions on trust basis		0.00		0

4. Total net capital pursuant to Section 23 in conjunction with Section 29 of the Austrian Banking Act (BWG)	0.00	5,473,841.99		5,467
of which: capital pursuant to sec. 23 (14) 7 of the Austrian Banking Act (BWG)	0.00		0	
5. Capital requirement pursuant to Section 22 (1) of the Austrian Banking Act (BWG)		5,000,000.00		0
of which: capital required pursuant to Section 22 (1) 1 and 4 of the Austrian Banking Act (BWG)	0,00		0	
6. Foreign liabilities		0,00		

Profit and Loss Account 2006	EUR	EUR	EUR '000 in previous year	EUR '000 in previous year
Dritte Wiener Vereins-Sparcasse AG				
1. Interest and similar income of which: from fixed-income securities	0.00	219,735.76	0	0
2. Interest and similar expenses		21.61		0
<u>I. NET INTEREST INCOME</u>		219,714.15		0
3. Income from securities and equity interests				
a) income from shares, other ownership interests and variable-yield securities	0.00		0	
b) income from equity interests	8.77		0	
c) income from shares in group companies	0.00	8.77	0	0
4. Fee and commission income		100.00		0
5. Fee and commission expenses		0.00		0
6. Net profit on trading activities		0.00		0
7. Other operating income		0.00		0
<u>II. OPERATING INCOME</u>		219,822.92		0
8. General administrative expenses		158,260.27		0
a) staff costs	65,000.00		0	
of which:				
aa) wages and salaries	65,000.00		0	
bb) expenses for statutory social-security contributions and compulsory contributions related to wages and salaries	0.00		0	
cc) other employee benefits	0.00		0	
dd) expenses for retirement benefits	0.00		0	
ee) allocation to pension provision	0.00		0	
ff) expenses for severance payments and payments to severance-payment funds	0.00		0	
b) other administrative expenses	93,260.27		0	
9. Depreciation and amortisation of asset items 9 and 10		0.00		0
10. Other operating expenses		0.00		10
<u>III. OPERATING EXPENSES</u>		158,260.27		10
<u>IV. OPERATING RESULTS</u>		61,562.65		- 10

	EUR	EUR '000 in previous year
Carry forward (IV. Operating Result)	61,562.65	- 10
11. Value adjustments on loans and advances and allocations to provisions for contingent liabilities and commitments		
12. Release of value adjustments of loans and advances and provisions for contingent liabilities and commitments	0.00	0
13. Value adjustments of securities valued as financial fixed assets and of equity interests and shares in group companies	0.00	0
14. Release of value adjustments of securities valued as financial fixed assets and of equity interests and shares in group companies	0.00	0
<u>V. RESULTS FROM ORDINARY BUSINESS ACTIVITIES</u>	61,562.65	- 10
15. Extraordinary income of which: withdrawals from the special fund for general banking risks	0.00 0.00	0 0
16. Extraordinary expenses of which: allocated to the special fund for general banking risks	0.00 0.00	0 0
17. Extraordinary results (sub-total of items 15 and 16)	0.00	0
18. Taxes on income	1,092.00	- 1
19. Other taxes not incl. under item 18	54,078.96	- 1
<u>VI. ANNUAL SURPLUS</u>	6,391.69	- 10
20. Movements in reserves of which:	- 4,054.40	0
allocation to reserve pursuant to Section 23 (6) of the Austrian Banking Act (BWG)	0.00	0
withdrawals from reserve pursuant to Section 23 (6) of the Austrian Banking Act (BWG)	0.00	0

<u>VII. PROFIT FOR THE YEAR</u>		10,446.09		- 10
21. Profit brought forward from previous year		-10,446,09		0
VIII. ACCUMULATED PROFIT <input type="checkbox"/>		0.00		- 10

Notes to the Financial Statements 2007
Dritte Wiener Vereins-Sparcasse AG

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1. GENERAL INFORMATION

1.1. Introduction

As stipulated in the agreement on contributions and non-cash contributions of 2 March 2007 between “Dritte Wiener Vereins-Sparcasse”, Vienna, FN 285432 d, as the contributing party and “DORSATA Beteiligungs AG, Vienna, FN 286283 f, as the acquiring company, the name of the acquiring company was changed to “**Dritte Wiener Vereins-Sparcasse AG**” on the contribution date of 31 December 2006. This change was effected pursuant to sec. 92 of the Austrian Banking Act (BWG, Bankwesengesetz) and Art. III of the Austrian Reorganisation Tax Act (UmgrStG, Umgründungssteuergesetz) after the banking business was transferred to the acquiring company.

Through this contribution the title to the banking business is transferred to the acquiring company by way of universal succession pursuant to sec. 92 (4) BWG. In accordance with sec. 92 (6) BWG, the licences and permits pertaining to the banking business of the contributing party are transferred to the acquiring party by way of contribution. The comparative figures of the previous year are from the annual financial statements of DORSATA Beteiligungs AG as of 31 December 2006 as the predecessor in title to Dritte Wiener Vereins-Sparcasse AG after the transfer of the banking business. The financial year of Dritte Wiener Vereins-Sparcasse AG coincides with the calendar year.

The 2007 financial statements have been prepared in accordance with the provisions of the Austrian Commercial Code (UGB) and the relevant provisions of the Austrian Banking Act (BWG), as amended.

2. NOTES ON ACCOUNTING AND VALUATION METHODS

2.1. Standard rule

The financial statements have been prepared in accordance with generally accepted accounting principles and according to the standard rule that the financial statements should present fairly and accurately, in all material respects, the financial position of the company. The principle of item-by-item valuation was applied in the assessment of the company's assets and liabilities, and it was assumed that the company would continue to operate. The particularities of the banking business were taken into account in the application of the principle of prudence.

2.2. Valuation methods

2.2.1. Loans and advances

Loans and advances to credit institutions have been valued in accordance with the provisions of sec. 207 of the Austrian Commercial Code (UGB).

2.2.2. Liabilities and equity

Liabilities have been valued at their repayable amount.

2.2.3. Provisions

Provisions made were of the amount deemed necessary in standard commercial practice.

3. NOTES TO THE BALANCE SHEET

3.1. Maturity breakdown of receivables and credit balances

Maturity breakdown of loans and advances as well as credit balances not payable on demand (sorted by residual terms):

	31/12/2007 EUR	31/12/2006 EUR '000
Loans and advances as well as credit balances not payable on request up to 3 months	5,330,000.00	5,330

3.2. Other assets

Other assets included the following individual items:

	31/12/2007 EUR	31/12/2006 EUR '000
Accrued interest	22,413.98	20
Reclamation of overpaid rent	40,500.00	0

3.3. Other liabilities

Other liabilities included the following individual items:

	31/12/2007 EUR	31/12/2006 EUR '000
Liabilities from transfer of non-staff costs	4,992.80	16
Liabilities from transfer of staff costs	16,250.00	15
Accounts payable to FMA for imposed charges	1,000.00	0

3.4. Other provisions

Other provisions include liabilities that were uncertain at the time of preparation of the balance sheet; these have been valued in the amounts deemed necessary in standard commercial practice. The provision was formed for auditing costs.

3.5. Leasing and rental obligations

In the following financial year, there are obligations totalling EUR 6,500 from leased or rented tangible assets; the sum total of these obligations over the next five years will be EUR 35,750.

3.6. Contingent liabilities

The contingent liabilities declared under the line concern liability credits (performance guarantees).

4. NOTES ON THE PROFIT & LOSS ACCOUNT

4.1. Movements in reserves

The Movements in reserves results from the reversal of the capital reserve to partially cover the existing loss brought forward.

5. INFORMATION ON BOARD MEMBERS AND EMPLOYEES

5.1. Number of employees

In the year under report, only employees seconded from Erste Bank AG worked at the Savings Bank (3.5 FTEs).

5.2. Loans to the Management Board and Supervisory Body

No loans have been granted to members of the Management Board and the Supervisory Board.

5.3. Board emoluments

The Management Board members did not receive remuneration for their work.

5.4. Names of the board members

The following persons were members of the Management Board:

Wolfgang Schopf (Chairman)

Reinhard Karl (Vice Chairman)

The following persons were members of the Supervisory Board:

Andreas Treichl (Chairman)

Heinz Kessler (Vice Chairman)

Johannes Kinsky

Peter Kisbenedek

Statement of changes in fixed assets

Designation	Purchase cost as of 01/01/2007 EUR '000	Additions 2007 EUR '000	Disposals 2007 EUR '000	Transfers 2007 EUR '000	Purchase cost as of 31/12/2007 EUR '000	Write-ups 2007 EUR '000	*) Cumulative write-downs EUR '000	Carrying value as of 31/12/2007	Carrying value as of 31/12/2006	Depreciation 2007 EUR '000
Shares in group companies	0.00	7.27	0.00	0.00	7.27	0.00	0.00	7.27	0.00	0.00
Total fixed assets	0.00	7.27	0.00	0.00	7.27	0.00	0.00	7.27	0.00	0.00

*) balanced after foreign exchange conversion (according to sec. 58 (1) BWG) where applicable

Financial Statements 2007

Dritte Wiener Vereins-Sparcasse AG

Vienna, 29 January 2008

The Management Board:

(signature)
Chairman

(signature)
Vice Chairman

Auditors' Report

The Sparkassen-Prüfungsverband has audited the financial statements and the accounting records of Sparcasse AG for the fiscal year 2007. The management of Sparcasse AG is responsible for the accounting records, the preparation and the content of the financial statements and the management report in accordance with Austrian commercial law and the supplementary provisions of banking laws and the bye-laws. Our responsibility is to express an opinion on these financial statements based on our audit and to state whether the management report is consistent with the financial statements.

We conducted our audit in accordance with the laws and regulations applicable in Austria and in accordance with the Austrian Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement and whether we can state that the management report is consistent with the financial statements. In determining the audit procedures, we considered our knowledge of the business, the economic and legal environment of Sparcasse AG and expectations about potential errors.

An audit involves procedures to obtain evidence about amounts and disclosures in the accounting records and in the financial statements predominantly on a sample basis. An audit also includes assessing the accounting principles applied and significant estimates made by the management as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonably sound basis for our opinion. Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements are in accordance with legal requirements and present fairly, in all material respects, the financial position of Sparcasse AG on 31 December 2007 as well as the earnings situation of the Sparcasse AG for the fiscal year 2007 in accordance with Austrian generally accepted accounting principles.

The company management report is consistent with the annual financial statements.

Vienna, 29 January 2008

Sparkassen-Prüfungsverband
Auditing agency

(signature)
Public accountant

(signature)
Public accountant

Where the consolidated financial statements are published or transferred in a form that deviates from the confirmed version, a new auditors' opinion must be obtained from us insofar as our audit report or parts thereof are quoted, or reference is made to our audit.

Management Report 2007

Dritte Wiener Vereins-Sparcasse AG

Notes to the balance sheet performance

The balance sheet total on 31 December 2007 was EUR 5,501,095.39 with only little change from the previous year. The balance sheet of Dritte Wiener Vereins-Sparcasse essentially consists of the presentation of the initial capital and how it was invested.

On 31 December 2007, the **qualifying capital** of Dritte Wiener Vereins-Sparcasse, as defined in the Austrian Banking Act (BWG), was EUR 5,473,841.99. In this case, the capital requirement as specified under Section 22 (1) of the Austrian Banking Act (BWG) amounted to the minimum capital requirement of EUR 5 million.

Notes to earnings

The Profit and Loss account of Dritte Wiener Vereins-Sparcasse shows **net interest income** of EUR 219,714.15, which is essentially the result of the investment of the initial capital.

Operating income of EUR 219,822.92 is offset by **operating expenses** totalling EUR 158,260.27, resulting in net operating income of EUR 61,562.65.

The **other taxes** item includes company tax expenses. After tax, which totalled EUR 55,170.96, the **annual surplus** was EUR 6,391.69.

In the 2007 financial year, annual surplus was EUR 6,391.69, or EUR 10,446.09 after the reversal of the capital reserve amounting to EUR 4,054.40. This annual profit is used to cover the loss carried forward, which is of the same amount.

Risk management services for Dritte Wiener Vereins-Sparcasse AG are provided by employees of Erste Bank under a service contract.

Outlook for 2008

Our business performance in 2008 will be marked by the restructuring of Erste Bank Group planned for the 2008 financial year. In accordance with Section 1 (2) 2 Austrian Demerger Act (SpaltG), plans are to split off the Austria business from Erste Bank Ag and transfer it to Dritte Wiener Vereins-Sparcasse AG, while ensuring the continuance of the transferring company. Therefore, a large expansion in business volume is to be expected.

29 January 2008

The Management Board

(signature)
Wolfgang Schopf
 Chairman

(signature)
Reinhard Karl
 Vice Chairman