

Report as per §§ 95 para. 6 and 159 para. 2 lit 3 of the Stock Corporation Act

Report from the Supervisory Board of Erste Bank der oesterreichischen Sparkassen AG concerning the granting of share options under the management stock option plan.

Precepts and incentives

The Management Board of Erste Bank der oesterreichischen Sparkassen AG ("Erste Bank") intends to conduct the Management Stock Option Plan 2008. As stipulated in the articles of association, there is currently authorised conditional capital in the nominal value of EUR 6.278.142, which represents 3.139.071 shares, available for the Management Board to conduct the planned Management Stock Option Plan 2008 and the Employee Stock Ownership Programme 2008.

This authorised conditional capital is based on a resolution of the Annual General Meeting of 8.5.2001, whereby the Management Board was entitled to approve authorised conditional capital. It was approved on 21.1.2002.

Furthermore, in the Annual General Meeting of 19.5.2006 the Management Board was authorised to conduct a conditional capital increase with the consent of the Supervisory Board of up to 10.000.000 new shares. The Management Board has not exercised this authorisation yet.

The management stock option plan is intended to commit the management stronger to the Erste Bank Group, increase their motivation and identification with the goals of Erste Bank Group, and also to increase the appreciation of return on equity ("RoE") as a common goal. Further to this, incentives are to be created for selected performers who are employees of Erste Bank Group but do not belong to the management team. The participation in the programme allows the employees to profit from the positive development of Erste Bank Group to a greater degree and, thus, represents a strong incentive that goes beyond the existing bonus programme.

The exercise of options is not dependent on the market price, but on the realisation of a RoE of the Erste Bank Group of at least 16 % after tax.

The intended preclusion of subscription rights of the shareholders is justified according to § 153 para. 5 of the Companies Act.

The Management Board has proposed that the Supervisory Board approves the subsequent Management Stock Option Plan 2008 for the granting of share options. The Supervisory Board intends to approve this Management Stock Option Plan two weeks after the publication of this report.

The spin-off and the used terminology

With regard to the planned spin-off of the Austrian core business from Erste Bank into Dritte Wiener-Vereins-Sparcasse AG, a 100 % subsidiary, and the simultaneously occurring change of the company name of the parent company into "Erste Group Bank AG" with a simultaneous change of the company name of the subsidiary into "Erste Bank der oesterreichischen Sparkassen AG", hereinafter be named "EB Österreich", the following is to be noted:

Any reference made to „Erste Bank“ as issuer of shares and options or subscription rights for shares as well as the company in general is to be regarded as a reference to "Erste Bank Group AG" with the effective date of the spin-off. Any reference to "EB Österreich" prior to

the effective date of the spin-off is to be regarded as a reference to the Austria Committee of the Management Board of Erste Bank and its attributed divisions and employees.

Number and distribution of options

The MSOP 2008 comprises a total of up to 1.000.000 ordinary bearer shares of Erste Bank, of which:

- a. 48,000 options are provided for the members of the Holding Committee of the Management Board of Erste Bank (after the effective date of the spin-off the members of the Management Board of "Erste Group Bank AG") as well as the Chief Executive Officers of Česká Sporitelna, Slovenská Sporitel'na, Erste Bank Hungary, Banca Comerciala Romana, Erste & Steiermärkische banka, Rijeka and EB Österreich (4.000 each);
- b. 93.000 options are provided for the members of the Management Boards who have not been comprised under a. of Česká Sporitelna, Slovenská Sporitel'na, Erste Bank Hungary, Banca Comerciala Romana, Erste & Steiermärkische banka, Rijeka, and EB Österreich as well as the Chief Executive Officers of JSC Erste Bank (Ukraine) and Erste Bank a.d. Novi Sad (3.000 each);
- c. 8.000 options are provided for the members of Management Boards who have not been comprised under b. of JSC Erste Bank (Ukraine) and Erste Bank a.d. Novi Sad (2.000 each);
- d. 540.000 options are provided for managers of Erste Bank Group including the members of the Management Boards of group subsidiaries who have not been comprised under a. to c. (based on the number of managers a certain allotment of options will be assigned to each banking affiliate including its subsidiaries, whereas the Management Board of the respective banking affiliate is in charge of the allocation of these options);
- e. options are provided for selected performers among the employees (approx. 250 each).

Those mentioned in letters a. to d. will hereinafter be known as "entitled managers", those mentioned in letter e. will hereinafter be known as "performers". The number of actual options granted is dependent on the number of persons eligible at the respective time the options are granted and may, thus, differ from the figures stated above. However, the extent of the programme is limited to 1.000.000 options. The options will be allocated in one tranche.

Already granted options

Under the Management Stock Option Plans 2002 and 2005 options for subscription of a total of 5.060.123 shares were granted. Hereof a total of 3.626.136 shares was subscribed until the end of 2007. Under the Management Stock Option Plan 2002 options for subscription of a total of 30.804 shares expired after the duration of five years.

Terms and Conditions

The granting of options is free of charge. The options are not transferable by the living, nor can they be pledged. They represent an exclusively personal right of eligibility for the entitled employee.

Each option provides entitlement to the subscription of one share of Erste Bank der oesterreichischen Sparkassen AG (ISIN AT0000652011). With the effective date of the above-mentioned spin-off and the change of the company name, the entitlement to the subscription will refer to one share of Erste Group Bank AG.

Those who are eligible must (1) hold a valid, unnoticed and uninterrupted contract of employment with Erste Bank or one of the companies of Erste Bank Group that is entitled to participate on the day the options are granted, (2) have ownership of – and prove upon request – at least 400 shares in Erste Bank from the granting date until the first exercise period, whereas this requirement amounts to 100 shares for performers, and performers who are employed outside Austria by a subsidiary of Erste Bank Group in the Czech Republic, Romania, Slovakia, Ukraine, Hungary, Croatia, Serbia, Poland or any other country in Central or South Eastern Europe do not have to prove the ownership of any shares, and (3) have an employee custody account with Erste Bank.

Granting of options

Options will be granted to both the entitled managers and performers on 1.9.2008 and will be allocated in one tranche at the same day on 1.9.2008.

All options may only be exercised from the beginning of the first window of exercise of the year following the allocation if the return on equity of the Erste Bank group in the financial year preceding the year in which the options may first be exercised amounts to or exceeds 16 % (commercially rounded to one decimal digit) according to the consolidated financial group statement. If the exercise condition is not met, the options under the MSOP 2008 may be exercised as soon as the return on equity of the Erste Bank Group amounts to or exceeds during the duration of the options 16 % in one of the following financial years. In this case the options may be exercised for the first time during the first window of exercise in the subsequent year.

In countries where the granting of options is forbidden, impossible, or inappropriate, the granting of options does not occur. Instead, Erste Bank is entitled to grant comparable cash benefits.

Options expire under certain circumstances, e.g. ending of an employment contract for specific reasons, certain criminal activities against Erste Bank etc.

Exercise (Strike) price

The strike price will be determined by the average price of Erste Bank shares during April 2008 on the Vienna Stock Exchange plus a premium of 10 % (and rounded off to nearest half Euro). The strike price applies to all options.

Duration

The duration of the options commences with the allocation and expires on the value date of the last window of exercise of the fifth calendar year following the allocation (that is the end of the last window of exercise in the year 2013).

Exercise period (“windows of exercise”)

Exercise orders are valid during a period of 14 days from the day when the quarterly results are published for the 1st, 2nd and 3rd quarter until the end of the duration. Each option may only be exercised after a period of at least 6 months following the allocation of the options. The subscribed shares will be credited to the eligible persons after the expiry of the window of exercise. The registration of this capital increase in the Commercial Register will be filed within reasonable time by Erste Bank.

The subscribed shares are entitled to dividends from 1 January in the trading year the exercise order is made.

Holding period

Eligible persons are obliged to keep the shares subscribed under the terms of the MSOP 2008 for the period of one year from the respective value date in their employee custody account and not to sell them, to offer them for sale, or to pass them on in any other manner or to pledge them, unless explicitly set out otherwise in the terms and conditions of the Management Stock Option Plan. Notwithstanding the above, eligible persons may sell or pledge a maximum of 25 % of the subscribed shares prior to the expiry of the holding period. In case of violation of the holding period, the benefit derived from the exercise of options will be reimbursed to Erste Bank and the options not exercised will expire.

Other

This report does not constitute an offer for acquisition of shares or share options. It conveys no rights to the subscription or allocation of shares. Any subscription or acquisition of shares or share options will require a separate agreement.

The solely binding language for the Management Stock Option Plan 2008 is the German language; this document is a non-binding translation for convenience only.