Vienna, 29 February 2008

INVESTOR INFORMATION

Erste Bank ends 2007 on a record quarter, beating target with net profit of EUR 1,174.7 million

HIGHLIGHTS[1]:

- **Record profitability and efficiency in 2007.** Net profit after minority interests grew by 26% to EUR 1,174.7 million and operating result rose by 27.2% to EUR 2,547.7 million. The cost/income ratio improved to 58.8%. Cash earnings per share rose to EUR 3.92 (reported: EUR 3.76). Cash return on equity improved to 14.6% (reported ROE: 14.1%). In Q4 2007 Erste Bank achieved the best quarterly net profit in its history (EUR 336.8 million).
- **Outlook for 2008 and 2009 confirmed (earnings growth of at least 20% and 25%, respectively).**
- **BCR achieves targets.** Adjusted net profit for 2007 (BCR Group, IFRS, before restructuring and transformation costs) rose by 42% to EUR 362.1 million (reported net profit in 2007: up 29% to EUR 276.5 million). **Growth target reaffirmed**: Adjusted net profit to grow by more than 40% (CAGR) from 2006 to 2009 in euro terms. In Romania, Erste Bank expects continued strong growth in 2008 based on sound monetary and fiscal policy and a stabilisation in the currency trend.
- **No significant profit impact from ABS/CDO portfolio.** Erste Bank has no exposure to the US mortgage market and thus no exposure to the subprime segment. Therefore there are no impairment losses resulting from direct credit defaults on the underlying assets. Mark-to-market valuations in reaction to the market volatility had a negative effect of EUR 30.2 million on pre-tax profit for the full year 2007 and a negative effect of EUR 10.0 million in Q4 2007 (after taxes: EUR 23 million and EUR 8 million, respectively). **Conservative investment strategy:** 37 rating upgrades, only 1 downgrade in the portfolio since the start of the financial market crisis. Thanks to the quality of the portfolio **no impairment** is expected for 2008 either.
- **Capital base significantly strengthened:** Tier 1 ratio (based on Basel II) surpassed the target range (6.6-6.8%), rising to 7.0%.
- **Dividend proposal** to the annual general meeting: **EUR 0.75** per share, up 15% from EUR 0.65

Unless otherwise indicated, the base data for all comparisons is at or for the year ended December 31, 2006.

Earnings performance in brief

“Despite the turmoil in international capital markets and the – in our view one-sided – criticism of the economic trends in Central and Eastern Europe, the Erste Bank Group not only had an excellent year in terms of net profit, but also closed 2007 with the best quarter it has ever recorded,” said Erste Bank CEO Andreas Treichl in summing up the financial year 2007.

[1] When reviewing the rates of change it should be noted that several subsidiaries were newly added to the consolidated financial statements in 2007 or only in late 2006: Banca Comercială Română (BCR) has been included in the consolidated accounts since 12 October 2006, Erste Bank Ukraine since 24 January 2007, Diners Club Adriatic, Croatia (DCA) since 2 April 2007 and ABS Banka, Bosnia (acquired from Steiermärkische Sparkasse) since 3 April 2007. As the inclusion of BCR had a significant impact (whereas the effect of Erste Bank Ukraine, DCA and ABS Banka was still small), the rates of change in the amounts of income statement items are presented both with and without the effects of BCR’s inclusion. As part of the pro-forma presentation excluding BCR, the prior year’s net interest income was also adjusted to remove the investment income of EUR 56.4 million on the proceeds of the capital increase conducted at the end of January 2006. This investment income was earned during the period ending with the deal's closing in October 2006. For balance sheet items, the comparatives are as at 31 December 2006 and include BCR.

“We have met our forecasts and boosted **net profit after minority interests** by 26.0% from EUR 932.2 million to EUR 1,174.7 million. This growth was driven largely by the superb performance in net interest income and net fee and commission income, which both rose by more than 20%. The net trading result also improved by more than one quarter thanks to a conservative investment strategy that did not include any investments in the US mortgage market and thus no investments in the subprime market. Consistently strong operating profits in 2007 were also recorded by our subsidiaries in Central and Eastern Europe,” continued Treichl.

Operating result (operating income less general administrative expenses) expanded even more strongly by 27.2%, up from EUR 2,003.6 million to EUR 2,547.7 million.

The **cost/income ratio** (general administrative expenses as a percentage of operating income) improved from the prior-year level of 59.5% to 58.8%.

For the full year 2007 this meant a **cash return on equity** of 14.6% after taxes and minority interests (reported value: 14.1%) compared to 13.8% (reported: 13.7%) in 2006. “Cash” means before the amortisation of customer relationships and distribution networks from acquisitions.

Cash earnings per share in 2007 rose to EUR 3.92 (reported: EUR 3.76) compared with EUR 3.14 (reported: EUR 3.10) in the year before.

Total assets grew by 10.4% from EUR 181.7 billion one year earlier to EUR 200.5 billion at the end of 2007.

The **solvency ratio** in respect of credit risk (defined in accordance with Basel II beginning in 2007) increased from 10.3% at the end of 2006 to 10.5% at 31 December 2007. The **Tier 1 capital ratio** in respect of credit risk rose from 6.6% to 7.0%.

“In view of the excellent profit performance, we will propose to the annual general meeting an increase in **dividend** from EUR 0.65 per share to EUR 0.75,” announced Erste Bank’s CFO, Peter Kisbenedek.

Outlook[2]

Erste Bank is convinced that its business model – benefiting from more than 16 million customers in the fastest growing economies of Central and Eastern Europe – will prove resilient even in the current turbulent times, when the crisis in financial markets has the potential to impact the real economy. In view of the sustained positive outlook for growth in Central and Eastern Europe in excess of the EU average, and given the experience in the first two months of this year, **Erste Bank Group** continues to expect growth in net profit after minority interests of at least 20% in 2008 and at least 25% in 2009.

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[2] In the third quarter of 2008 Erste Bank AG plans to split off the **Austria segment** (largely the Austrian retail and corporate banking business including entities allocated to them) into a wholly-owned subsidiary. This intra-group change in structure will have no effect on the financial results of the group as a whole. The remainder of Erste Bank AG will act as a holding company for the major banking subsidiaries and the group's infrastructure functions, as well as for operating-level entities in Global Markets and in the Large Corporates and Investment Banking units.

I. FINANCIAL PERFORMANCE IN DETAIL

in EUR million	2007	2006	Change
Net interest income	3,945.8	3,189.3	23.7%
Risk provisions for loans and advances	-454.7	-439.1	3.6%
Net fee and commission income	1,857.9	1,445.9	28.5%
Net trading result	351.1	277.9	26.4%
General administrative expenses	-3,642.1	-2,945.3	23.7%
Income from insurance business	35.0	35.8	-2.3%
Other result	-165.4	-42.3	na
Pre-tax profit	**1,927.6**	**1,522.2**	**26.6%**
Net profit after minorities	**1,174.7**	**932.2**	**26.0%**

Net interest income

The strong credit demand at the Central and Eastern European subsidiaries combined with rising interest rates led to an increase of 23.7% in net interest income from EUR 3,189.3 million to EUR 3,945.8 million. Even excluding the effect of the consolidation of BCR, the rise of 11.9% to EUR 3,358.8 million was highly satisfactory.

The net interest margin (net interest income as a percentage of average interest-earning assets) improved from 2.31% to 2.49%. The foremost reason for this increase was the inclusion of BCR in the accounts. The average margin in the Austrian business eased slightly to about 1.6%. In the CEE countries, the average net interest margin expanded in 2007 from the prior year's 3.8% to 4.1%.

Net commission income

in EUR million	2007	2006	Change
Lending business	346.3	211.2	64.0%
Payment transfers	742.0	551.0	34.7%
Card business	152.3	102.6	48.4%
Securities transactions	517.8	454.3	14.0%
Investment fund transactions	239.8	212.8	12.7%
Custodial fees	53.2	52.1	2.1%
Brokerage	224.8	189.4	18.7%
Insurance business	59.7	63.9	-6.6%
Building society brokerage	38.2	31.8	20.1%
Foreign exchange transactions	37.2	38.6	-3.6%
Investment banking business	27.8	21.7	28.1%
Other	88.9	73.4	21.1%
Total	**1,857.9**	**1,445.9**	**28.5%**

2007 brought growth of 28.5% in net fee and commission income compared to 2006, from EUR 1,445.9 million to EUR 1,857.9 million (excluding BCR: up 14.3% to EUR 1,601.4 million).

Superior growth rates were achieved especially in the credit business, up 64.0% (17.9% excluding BCR) and in payment services, up 34.7% (15.3% excluding BCR). Within payment services, this growth was led by the card business, up 48.4% (28.7% excluding BCR).

Net trading result

Despite difficult market conditions prevailing especially in the second half of 2007, net trading result increased by more than one quarter (26.3%) from EUR 277.9 million to EUR 351.1 million, (excluding BCR: up 6.1% to EUR 274.6 million). Notably in the first half of 2007, above-average results were achieved in almost all trading areas, more than offsetting negative effects from the market upheaval in the third and fourth quarter that, in any case, had only limited impact thanks to the very conservative business strategy. Most of the trading units in CEE generated compelling profit growth (for example, in currency trading).

Insurance business

At EUR 35.0 million, income from the insurance business was virtually constant compared to last year (EUR 35.8 million). Excluding BCR, the income decreased by 8.3% to EUR 29.7 million. Weighing on results in 2007 were the shift in product mix (a response mainly to the changed interest rate environment in Austria) from single-premium policies to selling regular-premium insurance, as well as expenses related to the revaluation on financial assets and losses realised on disposal of securities.

General administrative expenditures

in EUR million	**2007**	**2006**	**Change**
Personnel expenses	2,189.3	1,750.5	25.1%
Other administrative expenses	1,070.5	848.2	26.2%
Subtotal	3,259.8	2,598.7	25.4%
Depreciation and amortisation	382.3	346.6	10.3%
Total	**3,642.1**	**2,945.3**	**23.7%**

Overall, **general administrative expenses** rose by 23.7% from EUR 2,945.3 million to EUR 3,642.1 million, outperforming the forecast increase of 25%. As one factor in the increase, initial outlays for future efficiency gains made themselves felt in additional expenses for group-level projects (about EUR 58 million), particularly in other administrative expenses. At BCR, the restructuring and transformation costs in 2007 (approximately EUR 68.2 million) had a strong impact on expenses.

Excluding the effects of BCR's consolidation, general administrative expenses were up 9.7% to EUR 3,113.3 million. Excluding smaller subsidiaries newly added in 2007 – Bank Ukraine, Diners Club Adriatic and ABS Banka – the rate of increase eases to 8.0% with a total figure for 2007 of EUR 3,065.6 million.

Personnel expenses went up 25.1% from EUR 1,750.5 million to EUR 2,189.3 million (excluding BCR: up 8.7% to EUR 1,832.4 million). In Central and Eastern Europe, this reflected the increase in performance-related compensation and severance pay (or the provisioning thereof) for outgoing staff at BCR, which represents a major component of the transformation programme. The increase was also due in part to the expansion of the branch network in Romania and Ukraine.

Employee count[3]

	Dec 07	Dec 06	Change
Employed by Erste Bank Group	**52,442**	**50,164**	**4.5%**
Austria incl. Haftungsverbund savings banks	15,658	14,709	6.5%
Erste Bank AG incl. Austrian subsidiaries	8,452	8,004	5.6%
Haftungsverbund savings banks	7,206	6,705	7.5%
Central and Eastern Europe / International	**36,784**	**35,455**	**3.7%**
Česká spořitelna Group	10,842	10,856	-0.1%
Banca Comercială Română Group	12,224	13,492	-9.4%
Slovenská sporiteľňa Group	4,763	4,797	-0.7%
Erste Bank Hungary Group	3,056	2,881	6.1%
Erste Bank Croatia Group	1,886	1,759	7.2%
Erste Bank Serbia	958	871	10.0%
Erste Bank Ukraine	1,130	0	na
Other subsidiaries and foreign branch offices	1,925	799	>100,0%

Excluding Erste Bank Ukraine (first consolidated in January 2007), Diners Club Adriatic (consolidated since April 2007) and ABS Banka, the total number of employees rose only slightly in 2007. As part of the group-wide centralisation of IT activities, 378 employees were transferred to a group subsidiary from Ceska sporitelna, Slovenska sporitelna and Erste Bank Croatia.

General administrative expenses – Austria (including Corporate Center and International Business)

in EUR million	2007	2006	Change
Personnel expenses	1,232.9	1,171.1	5.3%
Other administrative expenses	441.7	385.9	14.5%
Subtotal	1,674.6	1,557.0	7.6%
Depreciation and amortisation	144.2	158.0	-8.7%
Total	**1,818.8**	**1,714.9**	**6.1%**

General administrative expenses – Central and Eastern Europe

in EUR million	2007	2006	Change
Personnel expenses	956.4	579.4	65.1%
Other administrative expenses	628.8	462.3	36.0%
Subtotal	1,585.2	1,041.7	52.2%
Depreciation and amortisation	238.1	188.6	26.2%
Total	**1,823.3**	**1,230.4**	**48.2%**

[3] Data represents end-of-period levels

Other administrative expenses increased by 26.2% from EUR 848.2 million to EUR 1,070.5 million (up 16.2% to EUR 950.1 million excluding BCR)

Within this rise, the Central and Eastern European increase of 36.0% to EUR 628.8 million (excluding BCR: up 17.6% to EUR 508.3 million) was significantly higher than in the rest of the group (up 14.5% to EUR 441.7 million). This was partly due to expenses associated with the conversion of the core banking system and the introduction of the euro in Slovakia, as well as the "Bank of First Choice" programme in the Czech Republic. IT expenses, as the largest cost component, therefore grew by 43.9% to EUR 244.4 million.

Depreciation of tangible assets increased by 10.3% from EUR 346.6 million to EUR 382.3 million. Excluding BCR, however, there was a small decrease of 1.0% to EUR 330.9 million. This is explained by lower investment activity in Austria in the past few years, where this expense item decreased by 8.7% in 2007.

Operating result

Operating income (net interest income, net fee and commission income, net trading result and income from insurance business) grew by 25.1% from EUR 4,948.9 million to EUR 6,189.8 million (excluding BCR: up 12.1% to EUR 5,264.4 million).

General administrative expenses rose by 23.7% from EUR 2,945.3 million to EUR 3,642.1 million (excluding BCR: up 9.7% to EUR 3,113.4 million). The **cost/income ratio** thus fell to 58.8% (prior year: 59.5%).

At EUR 2,547.7 million, the **operating result** was 27.2% higher than in 2006 (EUR 2,003.6 million). Excluding BCR, the operating result was up 15.9% to EUR 2,151.0 million.

Risk provisions for loans and advances

Taking into account both new allocations and releases, amounts written off, and recoveries of amounts previously written off, risk provisions for loans and advances rose by only 3.6% from EUR 439.1 million to EUR 454.7 million. This was mainly due to income from revaluations and disposals of previously written-off loans of about EUR 39.6 million in BCR.

Excluding BCR, risk provisions for loans and advances increased by 11.3% to EUR 479.5 million driven by the recent years' vigorous credit growth in Central and Eastern Europe. In the International Business segment the risk trend remained favourable, leading to a net release of provisions. At the savings banks, the adoption of Basel II methodology resulted in the release of specific risk provisions, while new allocations to portfolio provisions were only small. This effect, however, was largely eliminated by the presence of minority interests and thus had little impact on group net profit.

Other operating result

The amortisation of BCR's customer relationships and the first-time amortisation of the customer relationships and distribution network of Diners Club Adriatic were the main causes of the 17.6% deterioration in other operating result from a deficit of EUR 144.0 million in the prior year to EUR -169.3 million in 2007. In total, this amortisation resulted in an expense of EUR 18 million in 2006 (the straight-line amortisation of BCR's customer relationships started from 12 October 2006), rising to EUR 81.8 million in 2007 (of which BCR accounted for EUR 76.0 million). Excluding BCR, other operating result would have improved from a deficit of EUR 113.8 million to a negative EUR 82.5 million or by 27.5%.

This was due to the fact that in 2006, higher provisions had been booked for claims reported but not yet settled under the group's in-house reinsurance operations.

Results from financial assets

Total results from all categories of financial assets fell sharply from last year's EUR 101.7 million to EUR 3.9 million.

Aside from lower realised gains on available-for-sale securities, this decline was attributable chiefly to required write-downs in the fair value portfolio, particularly structured products and equities. These were partly related to the impact of the US subprime crisis on international capital markets.

The total ABS/CDO exposure of Erste Bank and the savings banks amounts to EUR 3.4 billion. The marking-to-market of fair value assets had a negative effect of EUR 30 million on the result from financial assets through profit and loss. The marking-to-market of available for sale assets led to a decline of EUR 81 million booked against equity. As there was no deterioration in underlying asset quality, no write-downs (impairment) was required for the portfolio.

Pre-tax profit and net profit after minority interests

Pre-tax profit rose from EUR 1,522.2 million in the previous year to EUR 1,927.6 million, an increase of 26.6% (excluding BCR: up 12.9% to EUR 1,594.4 million).

The **tax rate** eased from 22.3% in 2006 to 19.6%. The main underlying factor was the profit contribution (increased compared to 2006) from BCR, which was subject to the lower Romanian tax rate of 16%. A tax rate of about 20% is anticipated for 2008.

Net profit after minority interests grew by 26.0% from EUR 932.2 million to EUR 1,174.7 million (excluding BCR: up 14.2% to EUR 984.6 million)

II. FINANCIAL RESULTS FOR THE FOURTH QUARTER OF 2007

in EUR million	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07
Net interest income	927.8	903.7	953.8	986.6	1,101.7
Risk provisions for loans and advances	-107.9	-128.4	-110.9	-96.6	-118.8
Net fee and commission income	409.4	438.9	446.0	469.3	503.7
Net trading result	90.1	124.8	94.8	72.4	59.1
General administrative expenses	-841.0	-870.6	-921.2	-918.1	-932.2
Income from insurance business	10.5	15.6	13.9	2.8	2.7
Other operating result	-57.7	-33.3	-56.1	-43.9	-36.0
Result from financial assets - FV	-5.0	11.1	-7.1	-42.3	-9.5
Result from financial assets - AfS	48.9	14.3	13.1	17.5	6.1
Result from financial assets - HtM	0.9	0.5	0.0	0.1	0.1
Pre-tax profit	**476.0**	**476.6**	**426.3**	**447.8**	**576.9**
Net profit after minorities	**276.9**	**302.1**	**263.9**	**271.9**	**336.8**

In the fourth quarter of 2007, the Erste Bank Group delivered the **best quarterly profit in its history**.

Net profit after minority interests increased by 23.9% from EUR 271.9 million in the third quarter to EUR 336.8 million.

In the fourth quarter, **net interest income** expanded significantly from EUR 986.6 million to EUR 1,101.7 million, or by 11.7%. It should be noted that the fourth-quarter result includes interest income from the "unwinding effect" under IAS 39 (compound-interest effect from expected cash flows on defaulted loans and advances to customers) of about EUR 62 million.

As the expense for risk provisions for this item rose by the same amount in the fourth quarter, net income was not affected. Excluding this unwinding effect, net interest income in the fourth quarter would have been EUR 1,040.0 million, up 5.4% from the third quarter. The quarterly increase reflects the buoyant influence of the continuing strong credit demand in the Central and Eastern European growth markets.

Net fee and commission income also reached a record level in the fourth quarter, at EUR 503.7 million. This was 7.3% higher than in the preceding quarter. The growth was driven in part by very good results at Česká spořitelna and the Immorent Group.

As expected, given the unusually poor market conditions, the **net trading result** of EUR 59.1 million represented a decrease from the previous quarter (EUR 72.4 million).

Similarly to the third quarter, income from the insurance companies in the fourth quarter was reduced by negative impacts of the market turmoil on securities valuations. As a consequence, **income from insurance business**, at EUR 2.7 million, remained at the previous quarter's low level (EUR 2.8 million).

General administrative expenses rose by 1.5% from EUR 918.1 million to EUR 932.2 million. The **personnel expenses** component added 9.7%, growing from EUR 548.2 million to EUR 601.3 million, with the fourth quarter witnessing higher restructuring expenses than the third quarter due to severance payments at BCR in connection with the staff reduction programme.

Other operating expenses declined from EUR 276.0 million in the preceding quarter to EUR 236.7 million.

Operating result reached a record EUR 735.0 million. This was 19.9% higher than in the previous quarter (EUR 613.0 million). Even excluding the income effect of the unwinding in net interest income, operating result reached its highest ever level of EUR 673.3 million (up 9.8% from the previous quarter).

The **cost/income ratio** declined in the final quarter of 2007 to 55.9% (or 58.1% net of the unwinding effect) compared to 60.0% in the third quarter.

Risk provisions for loans and advances in the fourth quarter were EUR 118.8 million compared to EUR 96.6 million in the previous quarter, a difference that reflected several one-off factors. First, the unwinding effect (see explanation in the context of quarterly net interest income above) raised expenses by approximately EUR 62 million. However, this was largely offset by releases of individually assessed impairment losses in connection with the change-over to Basel II for Haftungsverbund savings banks (the impact on group net profit is very small due to the presence of minority interests). Finally, in the fourth quarter, the item included EUR 15.6 million (prior quarter: EUR 24.0 million) of exceptional gains from revaluations of previously written-off loans of BCR.

The result from securities in the **fair value portfolio** improved materially from a deficit of EUR 42.3 million to a deficit of EUR 9.5 million, with the prior quarter particularly strongly affected by the need for write-downs – notably on structured securities (about EUR 20 million) and on equities – due to the adverse market conditions. Marking-to-market the ABS/CDO portfolio in the fourth quarter resulted in revaluations of about EUR -10 million.

Pre-tax profit for the quarter rose by 28.8% from EUR 447.8 million to EUR 576.9 million.

An unusually high level of EUR 152.9 million (prior quarter: EUR 79.6 million) was posted in net **profit attributable to minority interests**, due both to very high quarterly earnings of the Haftungsverbund savings banks and the already cited release of risk provisions at the savings banks.

Quarterly **net profit after minority interests** marked an all-time high of EUR 336.8 million. This was 23.9% above the prior quarter's level of EUR 271.9 million.

III. BALANCE SHEET DEVELOPMENTS

in EUR million	Dec 07	Dec 06	Change
Loans and advances to credit institutions	14.937	16.616	-10,1%
Loans and advances to customers	113.956	97.107	17,4%
Risk provisions for loans and advances	-3.296	-3.133	5,2%
Trading and other financial assets	44.214	42.497	4,0%
Other assets	30.708	28.616	7,3%
Total assets	**200.519**	**181.703**	**10,4%**

Total assets of the Erste Bank Group rose by 10.4% from EUR 181.7 billion in 2006 to EUR 200.5 billion in 2007.

Loans and advances to customers grew by an above average 17.4% from EUR 97.1 billion to EUR 114.0 billion. Growth in this item in Austria was 10.0%, far ahead of the market. Meanwhile, the increase in loans and advances to customers in Central and Eastern Europe remained much higher, at 32.5%. Customer lending in particular showed a very positive trend in this region, with the loan book in this client segment up by 40.4% in CEE.

Risk provisions increased by 5.2% in the year under review (reflecting new allocations, releases and the use of risk provisions), rising from EUR 3.1 billion to EUR 3.3 billion.

Trading assets increased from EUR 6.2 billion to EUR 6.6 billion, or by 7.2%.

As a result not least of the market situation in the second half of 2007, the **securities** held in the various categories of financial assets grew by less than average, increasing by 3.5% from EUR 36.3 billion to EUR 37.6 billion. Specifically, a rise in fixed-interest bonds was offset by a decrease in other securities.

Investments of insurance companies increased from EUR 7.3 billion in the previous year to EUR 8.1 billion in 2007, an advance of 9.9%.

A decline of 10.1% from EUR 16.6 billion to EUR 14.9 billion was registered in **loans and advances to credit institutions**.

in EUR million	Dec 07	Dec 06	Change
Amounts owed to credit institutions	35,165	37,688	-6.7%
Amounts owed to customers	100,116	90,849	10.2%
Debt securities in issue	31,078	21,814	42.5%
Other liabilities	17,168	15,238	12.7%
Subordinated capital	5,589	5,210	7.3%
Total equity	11,403	10,904	4.6%
Shareholder's equity	8,452	7,979	5.9%
Minority interests	2,951	2,925	0.9%
Total liabilities and equity	**200,519**	**181,703**	**10.4%**

In liabilities, in parallel with the assets side, there was a reduction in **amounts owed to credit institutions**, which fell by 6.7% from EUR 37.7 billion to EUR 35.2 billion.

A welcome trend was seen in **amounts owed to customers**, which rose by 10.2% from EUR 90.8 billion in the prior year to EUR 100.1 billion.

A very strong increase of 42.5%, from EUR 21.8 billion to EUR 31.1 billion occurred in **debt securities in issue**. This resulted primarily from a switch among institutional clients from deposit products to securitised debt products and led to an increase in issuance of commercial paper and certificates of deposit.

Effective 1 January 2007, the approach to **capital adequacy calculation** under the Austrian Banking Act was changed to adopt the **Basel II** framework. This means that from 2007, for the entire credit risk in Austria and the Czech Republic, the Internal Ratings-Based (IRB) Approach was applied to the calculation of qualifying capital. Market risks are covered by an internal model approved by the Austrian supervisory authority. The capital requirement for operational risk was determined by the Basic Indicator Approach.

Despite the strong growth on the assets side of the balance sheet, **credit risk-weighted assets** increased by only 1.02% from EUR 94.1 billion at the end of 2006 (calculated under Basel I) to EUR 95.1 billion at 31 December 2007 (calculated in accordance with Basel II).
This is explained above all by the more favourable risk weights applied to retail assets under Basel II.

At the end of 2007, total **qualifying capital** of the Erste Bank Group of credit institutions as determined under the Austrian Banking Act was EUR 11.1 billion. The coverage ratio, based on the legal minimum requirement at that date (EUR 8.8 billion), remained at the same level as last year at about 127%.

Tier 1 capital after the deduction of items specified by the Austrian Banking Act was EUR 6.7 billion.

The resulting **Tier 1 capital ratio** based on credit risk (Tier 1 capital after deductions under the Act, based on credit risk-weighted assets determined under section 22 (2) of the Act) was 7.0%, versus 6.6% at the end of 2006.

The **solvency ratio** in respect of credit risk (total regulatory capital less the non-credit risk capital requirements – especially settlement risks, operational risks and position risks in the trading book and foreign currency positions – in percent of credit risk-weighted assets as defined in section 22 (2) of the Austrian Banking Act) was 10.5% at 31 December 2007 (2006 year-end: 10.3%) and thus considerably surpassed the statutory minimum requirement of 8%.

V. SEGMENTS[4]

Austria segment

The Austria segment's net profit after minority interests rose by EUR 28.5 million or 8.2% from EUR 345.9 million to EUR 374.5 million. This was driven by an improvement in net interest income (up EUR 56.6 million or 3.6%) and a very strong increase in net fee and commission income (up EUR 45.4 million or 5.1%), as well as by significantly reduced risk provisions for loans and advances (EUR 225.2 million compared to EUR 312.7 million in 2006). While total operating income was up 3.5% from last year, the rise of 2.0% (EUR 33.0 million) in general administrative expenses was, as in the previous financial years, extremely modest. Operating result improved by EUR 58.6 million or 6.0% to EUR 1042.6 million. The cost/income ratio eased from 62.6% to 61.7% in 2007. A drop in other result was caused largely by higher negative revaluation requirements of securities not held for trading, particularly in the third quarter of 2007. Return on equity (based on the new equity allocation method) was driven up not only by the profit growth but also by lower capital requirements thanks to the application of Basel II, notably in Retail and Mortgage and also in the Savings Banks segment. Return on equity improved from 18.3% in the prior year to 18.7% in 2007.

Savings Banks/Haftungsverbund

Net profit after minority interests increased to EUR 20.0 million, a substantial increase of 26.8% over the year before. A significant rise in loans and advances to customers lifted net interest income from EUR 839.7 million to EUR 864.6 million (by 3.0%). Aided by factors such as the continuing benign cost trend (down by EUR 4.1 million or 0.5%), operating result improved from EUR 406.0 million to EUR 433.9 million (up 6.9%). The cost/income ratio improved from 67.0% to 65.6% in 2007. A decline in other result reflected the net value changes from measurement of securities not held for trading and from companies accounted for at equity in 2007. Risk provisions decreased from last year's EUR 171.3 million to EUR 96.2 million (down 43.9%) as a result of Basel II-induced releases of risk provisions for customer segments that were not deemed to be non-performing. Return on equity increased to 8.8%. This was helped by a proportionately lower capital requirement as a consequence of the introduction of Basel II.

Retail and Mortgage

The Retail business continued to perform very well. Net profit after minority interests further improved by EUR 19.6 million (15.9%) from EUR 123.4 million to EUR 143.1 million, thanks especially to a favourable

[4] The published results of the individual subsidiaries cannot be compared directly to the results in the segmental analysis. From the fourth quarter of 2006, a new method of equity allocation has been used in segment reporting. One of its effects is the allocation of investment income from the already mentioned equity allocation to the segments. The comparative data for the previous quarters of 2006 was restated accordingly. In addition, in the segment reporting, the "unwinding effects "under IAS 39 (compound-interest effect from expected cash flows on defaulted loans and advances to customers) of about EUR 62 million – which, although profit-neutral on balance, have implications for net interest income and risk provisions for loans and advances – are all presented under Corporate Center.

trend in operating result and a comparatively favourable risk situation. The expansion in the credit portfolio (particularly in mortgages) boosted net interest income by 2.9% from the previous year to EUR 552.8 million despite persistent heavy margin pressure on the deposits side. Net fee and commission income reached EUR 354.6 million, compared to EUR 335.1 million in the prior year. The increase of 5.8% was driven by the sustained brisk securities business. There was a particularly positive trend in general administrative expenses: despite the intensified business expansion (for instance, in asset management) into the Central and Eastern European region, this item rose by only 0.3% (from EUR 621.0 million in the prior year to EUR 622.8 million in 2007). Operating result in this business segment improved by 10.2% from EUR 279.9 million to EUR 308.4 million. The cost/income ratio improved visibly compared to 2006, from 68.9% to 66.9%. Return on equity was 18.8%, up from 14.1% in the year before.

Large Corporates

In the Large Corporates segment in 2007, net profit after minority interests grew by 47.3% from EUR 83.0 million to EUR 122.2 million. Net interest income rose disproportionately strongly (by 20.3%) from EUR 147.6 million in 2006 to EUR 177.6 million last year. The key factor behind this trend was the expansion of the real estate leasing subsidiary, Immorent, both in Austria and the CEE region. As there were no major defaults or insolvencies, risk provisions declined compared to the previous year. The increase in other result stemmed primarily from gains on the revaluation or sale of investments in companies accounted for at equity. The expansion in the leasing segment in the CEE region contributed to, among other items, the increase in general administrative expenses of 13.7% from EUR 97.6 million to EUR 111.0 million. The cost/income ratio was 39.6% and return on equity went up from 16.4% to 16.9%. A factor which detracted from return on equity was the expected higher capital requirement under Basel II. Both the expansion in business volume and the change in method used to determine the capital requirement for credit risk (particularly in the areas of customer rating and higher weights for unused credit lines) led to a significant increase in risk-weighted assets and the resulting equity allocation.

Treasury and Investment Banking

Compared to 2006, net profit after minority interests fell from EUR 123.7 million to EUR 89.1 million (down EUR 34.6 million or 27.9%). This reflected the fact that, while the profit performance in Treasury's net interest income and net fee and commission income was exceedingly good, there was a – not unexpected – deterioration in the profit contribution from balance sheet management. In net interest income, the decline in asset liability management caused by the general market interest rate trend and the flat yield curve was only partially offset by exceptionally good results from the money market business. Net interest income thus retreated by EUR 13.7 million or 20.1% to EUR 54.5 million. Net fee and commission income rose by EUR 17.6 million or 19.5% from EUR 90.3 million to EUR 107.9 million, thanks primarily to the securities business – notably in structured products – and income from capital market transactions. The reduction in other result (to a deficit of EUR 17.2 million versus a surplus of EUR 14.8 million in the prior year) can be attributed above all to revaluation requirements in the fair value portfolio amid the general market performance and interest rate trend. Driven by the business expansion among other factors, general administrative expenses rose by 13.4% from EUR 102.3 million to EUR 116.0 million in the year under review. The cost/income ratio was 46.9% and return on equity decreased from 51.2% to 31.6%.

Central and Eastern Europe segment

Czech Republic
Česká spořitelna's contribution to the group's net profit after minority interests jumped from EUR 324.4 million in 2006 to EUR 407.3 million last year, an increase of EUR 82.9 million or 25.5%. Operating result also grew markedly by 24.6% from EUR 486.8 million to EUR 606.7 million. This increase was driven mainly by the strong rise in net interest income, which went up by 18.3% (EUR 129.2 million) from EUR 705.6 million to EUR 834.9 million. This was due to an advance in net interest income were growth of more than 20% in loans and advances to customers and rising market interest rates, as well as significantly improved profit contributions from the building society and pension fund activities. A 9.1% increase in net fee and commission income from EUR 324.9 million to EUR 354.5 million reflected the highly satisfactory performance in payment services and securities business. General administrative expenses went up from EUR 613.2 million to EUR 662.9, or by 8.1%, as a result of higher personnel costs (partly due to an increase in weekly working hours) and expenses related to the considerable business expansion. Other result fell to a deficit of EUR 11.7 million from a 2006 surplus of EUR 17.4 million due to the fact that revaluation gains in 2006 on securities not held for trading could not be duplicated in 2007. The cost/income ratio was 52.2% (improving from 55.7% in the prior year) and return on equity amounted to 49.2% (prior year: 40.7%).

Romania
As BCR has only been included in the group's accounts since 12 October 2006, no comparative data for the full year 2006 is available for the segmental analysis. Net profit after minority interests in the full year 2007, which was defined by the transformation projects, reached EUR 218.2 million. Operating result was EUR 377.9 million. This translated into a cost/income ratio of 58.3% and return on equity of 45.7%. Risk provisions for loans and advances were greatly enhanced by the sale of assets that had been written off and by unexpected recoveries on amounts previously written off. A positive effect also came from EUR 74.0 million in partial releases of provisions made at group level on initial consolidation. The restructuring and transformation costs of EUR 68.2 million included in the net profit figure (representing in particular termination benefits, marketing, consulting and training) distorted the result. All these measures will contribute greatly to the achievement of the profit target – a compound annual growth rate to 2009 of more than 40% in net profit after minority interests (in euro terms on a local basis and before restructuring costs). The valuation of customer relationships required by IFRS 3 (using purchase price accounting) with the associated amortisation expense of EUR 76.1 million (recognised in other result) is allocated to Corporate Center, primarily to ensure comparability with all other segments.

Slovakia
Net profit after minority interests at Slovenská sporiteľňa rose by 9.2% compared to 2006, from EUR 107.7 million to EUR 117.6 million. Net interest income improved by 25.5% (EUR 61.0 million) from EUR 239.5 million to EUR 300.5 million. This was attributable in part to a significant increase of 27% in loans and advances to customers. Net fee and commission income (EUR 95.8 million versus EUR 82.8 in 2006) rose on the strong credit demand and higher transaction volume in payment services. General administrative expenses rose by EUR 37.7 million or 20.4% from EUR 185.0 million to a new total of EUR 222.8 million. Contributing to this were both increased expenses for IT projects (the core banking system and introduction of the euro) and the trend in the exchange rate (up 9.0%). Operating result thus improved by almost 23% from EUR 158.1 million to EUR 194.4 million (or by 11.9% excluding the currency effect). The significant increase in risk provisions from EUR 16.5 million in 2006 to EUR 37.5 million resulted partly from the pronounced credit growth in the last several quarters, but also from releases of provisions in the prior year (EUR 9.5 million). The fall in other result from a 2006 deficit of EUR 7.3 million to a negative balance of EUR 27.8 million in 2007 was related primarily to the

exceptional impairment of software triggered by the implementation of a new core banking system and introduction of the euro, as well as revaluations on securities not held for trading. The decline in income tax expense is based on the release of a provision from 2006 that was no longer required as a result of a change in legislation. Return on equity was 38.1% and the cost/income ratio improved from 53.9% to 53.4%.

Hungary

Erste Bank Hungary's operating result grew from EUR 168.0 million to EUR 194.1 million or by 15.5% (EUR 26.1 million). Net interest income showed a small increase of 0.8% (EUR 2.0 million) from EUR 251.2 million to EUR 253.2 million. A factor detracting from net interest income was the correction for interest accrued in the prior year (about EUR 8 million in the first quarter of 2007). In addition, the change in the allocation of up-front commission expense in the leasing business from net fee and commission income resulted in a decrease in the latter. The significant increase in risk provisions from EUR 34.2 million to EUR 59.3 million is consistent with the growth in lending and the overall macroeconomic developments. Furthermore, in the fourth quarter of 2007, portfolio risk provisions of EUR 6.4 million were created for the credit portfolio. Net fee and commission income rose substantially to EUR 133.4 million, from EUR 88.4 million in 2006. This resulted from a significant increase in payment services and securities business and also partly from the presentation changes described above. General administrative expenses rose by 11.2% from EUR 206.9 million to EUR 230.1 million, owing mainly to higher staff costs in connection with the branch network expansion and the legally required employment of temporary staff at the bank. On the other hand other administrative expenses declined by a currency-adjusted 2%. An improvement in other result (to a negative EUR 11.3 million from a deficit of EUR 22.0 million in 2006) was attributable largely to a change in the allocation of the expense for local taxes (municipal and innovation tax) into the line item taxes on income. Net profit after minority interests strengthened by 8.6% from EUR 85.2 million to EUR 92.6 million. The cost/income ratio was 54.2% and return on equity declined from 31.0% to 29.8%.

Croatia

With effect from 2007, Erste Bank Croatia is consolidated as a partial group within the group accounts of Erste Bank. This produced effects in net fee and commission income and in general administrative expenses that almost completely offset each other. From the second quarter of 2007, the results of Diners Club Adriatic d.d. (DCA) are also included in the Croatia segment.

Operating result at Erste Bank Croatia increased markedly compared to 2006, by 68.3% (EUR 52.0 million), rising from EUR 76.1 million to EUR 128.1 million. Net interest income registered considerable growth – in spite of the restrictive legal regime aimed at curbing foreign-currency lending in Croatia and generally limiting credit growth – thanks to accelerating growth in lending and to stronger margins as the retail product mix shifted in favour of higher-interest products. As a consequence, net interest income rose by EUR 48.2 million from EUR 111.1 million to EUR 159.2 million (DCA's contribution: EUR 10.3 million). Net fee and commission income more than doubled from EUR 29.7 million to EUR 68.6 million – buoyed particularly in payments and securities business, but also by the income from credit card subsidiary DCA (which contributed EUR 19.2 million). General administrative expenses increased by EUR 34.1 million or 40.4% from EUR 84.5 million to EUR 118.6 million, due largely to the above-mentioned inclusion of additional subsidiaries. Return on equity rose sharply from 24.1% to 39.2% and the cost/income ratio improved from 52.6% to 48.1%.

Serbia

Net loss after minority interests improved from a deficit of EUR 21.2 million to a net loss of EUR 2.7 million, representing a positive change of EUR 18.5 million or 87.2%. This comparison reflected heavy restructuring activity in the base year 2006. In addition to significant growth in net interest income (to

EUR 16.2 million from the prior year's EUR 9.2 million), which was driven by expansion in customer lending and interbank activity, risk provisions decreased noticeably. In 2007 both net fee and commission income and net trading result improved. General administrative expenses receded somewhat from the previous year's level (to EUR 28.4 million from EUR 30.3 million); costs in 2006 had been higher mainly because of necessary restructuring. The reason for a rise of EUR 2.1 million in other result from EUR -0.3 million to EUR 1.8 million was one-off revenue from the realisation of collateral in the first quarter of 2007.

Ukraine

Following the 100% acquisition of Bank Prestige by the group in January 2007, the focus of activity in this segment has been the expansion of the market position of the bank, renamed "Erste Bank Ukraine". By 2010, the objective is to increase the market share to 4% and enlarge the network of outlets to approximately 400 branches across the country. At the end of 2007, the bank had 1,130 employees and operated 71 branches with preparations to open an additional 52 branches underway.

In comparison to the third quarter of 2007, the fourth continued to show a very pleasing rise in net interest income, driven by growth in loans and advances to customers. General administrative expenses, as anticipated, increased significantly from the third quarter as a result of the rapid business expansion. Net loss after minority interests in the Ukraine segment for the reporting period was EUR 19.1 million.

International Business segment

Net profit after minority interests increased by EUR 3.7 million or 3.1% from EUR 118.2 million to EUR 121.9 million. Other result saw a marked decrease (to EUR 3.3 million from EUR 10.1 million in 2006) owing to positive one-off effects in 2006 totalling EUR 8.1 million from the revaluation of financial assets and sale of written-off loans and receivables. In 2007 risk provisions were released that were no longer required given the improved risk situation in the credit portfolio. Operating result, at EUR 148.4 million, was held at the prior-year level; the cost/income ratio was an impressive 19.7%. Return on equity, amid the lower capital requirement under Basel II, rose from 23.5% to 27.4%.

Corporate Center segment

The Corporate Center segment encompasses the following: the results of those companies which cannot be clearly assigned to a specific business segment; consolidating entries; amortisation of the customer relationships of BCR and DCA; and one-time effects, that, in order to safeguard comparability, have not been allocated to a business segment. Thus, in the 2007 results, the "unwinding effect" (compound-interest effect from expected cash flows from non-performing loans and advances to customers) of about EUR 62 million was allocated to this segment. In the prior-year comparison, this positive effect in 2007 net interest income is fully offset by the absence of the positive effects from the 2006 capital increase. On balance, the unwinding effect was profit-neutral, as the positive effect in net interest income was also accompanied by higher risk provisions. As a result, in 2007 the risk provisions increased by EUR 67.7 million overall.

Most of the change in net fee and commission income and general administrative expenses represented consolidating entries in respect of companies providing banking support services. Important cost items within general administrative expenses were group projects as well as expenses related to the restructuring of the Erste Bank Group. Net trading result grew in the first half of 2007 thanks to gains from the revaluation of strategic positions. Other result includes the newly required amortisation of the customer relationships of both BCR and Diners Club Adriatic d.d. totalling EUR 81.8 million.

V. Foreign exchange rate movements

	End of period rates			Average rates		
Euro FX rates	**Dec 07**	**Dec 06**	**Change**	**2007**	**2006**	**Vdg.**
CZK/EUR	26.63	27.49	3.1%	27.71	28.32	2.1%
RON/EUR	3.61	3.38	-6.6%	3.34	3.53	5.1%
SKK/EUR	33.58	34.44	2.5%	33.82	37.15	9.0%
HUF/EUR	253.73	251.77	-0.8%	251.40	263.25	4.5%
HRK/EUR	7.33	7.35	0.3%	7.34	7.33	-0.1%
RSD/EUR	80.05	79.05	-1.3%	79.81	84.27	5.3%
UAH/EUR	7.42	6.65	-11.6%	6.91	6.32	-9.2%

Positive change = appreciation vs EUR, negative change = depreciation vs EUR

For more information, please contact:
Erste Bank, Investor Relations
Graben 21, 1010 Vienna, Austria, Fax: +43 (0) 50 100 Ext. 913112
Gabriele Werzer, Tel. +43 (0) 5 0100 Ext. 11286, E-mail: gabriele.werzer@erstebank.at
Thomas Sommerauer, Tel. +43 (0) 5 0100 Ext. 17326, E-mail: thomas.sommerauer@erstebank.at
Peter Makray, Tel. +43 (0) 5 0100 Ext. 16878, E-mail: peter.makray@erstebank.at

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Appendix

I. CONSOLIDATED INCOME STATEMENT (IFRS)

in EUR million	2007	2006	Change
Net interest income	3,945.8	3,189.3	23.7%
Risk provisions for loans and advances	-454.7	-439.1	3.6%
Net fee and commission income	1,857.9	1,445.9	28.5%
Net trading result	351.1	277.9	26.4%
General administrative expenses	-3,642.1	-2,945.3	23.7%
Income from insurance business	35.0	35.8	-2.3%
Other operating result	-169.3	-144.0	-17.5%
Result from financial assets - FV	-47.8	-4.5	na
Result from financial assets - AfS	51.0	100.0	-49.0%
Result from financial assets - HtM	0.7	6.2	-88.4%
Pre-tax profit	1,927.6	1,522.2	26.6%
Taxes on income	-377.6	-339.8	11.1%
Net profit before minority interests	1,550.0	1,182.4	31.1%
Minority interests	-375.3	-250.2	50.0%
Net profit after minorities	**1,174.7**	**932.2**	**26.0%**

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II. CONSOLIDATED BALANCE SHEET (IFRS)

in EUR million	Dec 07	Dec 06	Change
ASSETS			
Cash and balances with central banks	7,615	7,378	3.2%
Loans and advances to credit institutions	14,937	16,616	-10.1%
Loans and advances to customers	113,956	97,107	17.4%
Risk provisions for loans and advances	-3,296	-3,133	5.2%
Trading assets	6,637	6,188	7.2%
Financial assets - at fair value through profit or loss	4,534	4,682	-3.2%
Financial assets - available for sale	16,200	14,927	8.5%
Financial assets - held to maturity	16,843	16,700	0.9%
Investments of insurance companies	8,054	7,329	9.9%
Equity holdings in associates accounted for at equity	285	383	-25.5%
Intangible assets	5,962	6,092	-2.1%
Tangible assets	2,289	2,165	5.7%
Tax assets	446	317	40.6%
Other assets	6,057	4,952	22.3%
Total assets	**200,519**	**181,703**	**10.4%**
LIABILITIES AND EQUITY			
Amounts owed to credit institutions	35,165	37,688	-6.7%
Amounts owed to customers	100,116	90,849	10.2%
Debt securities in issue	31,078	21,814	42.5%
Trading liabilities	1,756	1,200	46.3%
Underwriting provisions	8,638	7,920	9.1%
Other provisions	1,792	1,780	0.7%
Tax liabilities	329	291	13.3%
Other liabilities	4,653	4,047	15.0%
Subordinated capital	5,589	5,210	7.3%
Total equity	11,403	10,904	4.6%
Shareholder‘s equity	8,452	7,979	5.9%
Minority interests	2,951	2,925	0.9%
Total liabilities and equity	**200,519**	**181,703**	**10.4%**

III. SEGMENT REPORTING – ERSTE BANK GROUP

Summary*

	Austria		CEE		Int'l Business		Corp. Center		Total	
in EUR million	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Net interest income	1,649.5	1,592.9	2,140.3	1,444.3	152.7	149.0	3.3	3.2	3,945.8	3,189.4
Risk provisions	-225.2	-312.7	-170.2	-126.9	9.9	2.1	-69.3	-1.5	-454.7	-439.1
Net fee and commission income	936.8	891.4	915.1	575.1	32.4	33.3	-26.3	-53.8	1,857.9	1,445.9
Net trading result	122.6	126.9	221.6	149.3	0.0	-0.2	7.0	1.8	351.1	277.9
General administrative expenses	-1,678.1	-1,645.1	-1,816.9	-1,227.5	-36.5	-34.3	-110.7	-38.3	-3,642.1	-2,945.3
Income - insurance business	11.8	17.9	23.2	17.9	0.0	0.0	0.0	0.0	35.0	35.9
Other result	-27.2	27.4	-66.7	-23.7	3.3	10.1	-74.9	-56.2	-165.4	-42.3
Pre-tax profit	790.2	698.7	1,246.4	808.5	161.9	160.0	-270.8	-144.9	1,927.6	1,522.3
Taxes on income	-166.3	-153.6	-232.5	-191.2	-39.9	-41.8	61.1	46.8	-377.6	-339.9
Minority interests	-249.4	-199.1	-144.4	-53.6	0.0	0.0	18.6	2.6	-375.3	-250.2
Net profit after minorities	**374.5**	**345.9**	**869.6**	**563.7**	**121.9**	**118.2**	**-191.2**	**-95.6**	**1,174.7**	**932.2**
Average risk-weighted assets	49,365.8	49,634.7	34,757.9	24,146.7	6,844.8	7,735.9	1,215.3	331.8	92,183.9	81,849.1
Average attributed equity	1,997.5	1,890.8	2,112.0	1,565.8	445.2	503.1	3,784.2	2,857.0	8,338.9	6,816.7
Cost/income ratio	**61.7%**	**62.6%**	**55.1%**	**56.1%**	**19.7%**	**18.9%**	**n.a.**	**n.a.**	**58.8%**	**59.5%**
ROE based on net profit	**18.7%**	**18.3%**	**41.2%**	**36.0%**	**27.4%**	**23.5%**	**n.a.**	**n.a.**	**14.1%**	**13.7%**

* Risk-weighted assets and attributed equity are not directly comparable between periods as a result of the application of Basel II from 1 January 2007.

“Other result” in the Corporate Center segment includes amortisation of customer relationships in the amount of EUR 81.8 million.

Other result consists of four income statement items: other operating result, result from financial assets at fair value through profit or loss, result from financial assets available for sale, and result from financial assets held to maturity.

Austria segment*

in EUR million	Savings Banks 2007	Savings Banks 2006	Retail & Mortgage 2007	Retail & Mortgage 2006	Large Corporates 2007	Large Corporates 2006	Treasury & IB 2007	Treasury & IB 2006
Net interest income	864.6	839.7	552.8	537.3	177.6	147.6	54.5	68.3
Risk provisions	-96.2	-171.3	-95.5	-88.1	-33.6	-53.3	0.0	0.0
Net fee and commission income	374.1	365.0	354.6	335.1	100.2	101.0	107.9	90.3
Net trading result	23.6	25.4	12.0	10.6	2.3	3.0	84.8	87.9
General administrative expenses	-828.3	-824.2	-622.8	-621.0	-111.0	-97.6	-116.0	-102.3
Income - insurance business	0.0	0.0	11.8	17.9	0.0	0.0	0.0	0.0
Other result	-17.3	11.4	-14.5	-13.5	21.9	14.7	-17.2	14.8
Pre-tax profit	320.4	246.1	198.4	178.3	157.4	115.4	114.0	158.9
Taxes on income	-64.9	-51.9	-42.5	-39.4	-34.0	-27.1	-24.8	-35.2
Minority interests	-235.4	-178.4	-12.8	-15.5	-1.1	-5.3	0.0	0.0
Net profit after minorities	**20.0**	**15.8**	**143.1**	**123.4**	**122.2**	**83.0**	**89.1**	**123.7**
Average risk-weighted assets	22,993.6	25,543.6	11,548.8	13,233.1	11,119.7	7,766.0	3,703.7	3,092.1
Average attributed equity	229.0	265.5	761.5	876.8	725.2	507.0	281.8	241.5
Cost/income ratio	**65.6%**	**67.0%**	**66.9%**	**68.9%**	**39.6%**	**38.8%**	**46.9%**	**41.5%**
ROE based on net profit	**8.8%**	**6.0%**	**18.8%**	**14.1%**	**16.9%**	**16.4%**	**31.6%**	**51.2%**

* Risk-weighted assets and attributed equity are not directly comparable between periods as a result of the application of Basel II from 1 January 2007.
Other result consists of four income statement items: other operating result, result from financial assets at fair value through profit or loss, result from financial assets available for sale, and result from financial assets held to maturity.

Central and Eastern Europe (CEE) segment*

	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Ukraine	
in EUR million	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Net interest income	834.9	705.6	568.2	127.8	300.5	239.5	253.2	251.2	159.2	111.1	16.2	9.2	8.0	0.0
Risk provisions	-70.7	-52.5	25.4	-8.2	-37.5	-16.5	-59.3	-34.2	-17.8	-12.3	0.1	-3.3	-10.3	0.0
Net fee and commission income	354.5	324.9	256.4	45.0	95.8	82.8	133.4	88.4	68.6	29.7	5.4	4.3	1.0	0.0
Net trading result	62.5	55.1	76.5	19.0	20.9	20.9	37.6	35.3	18.8	19.8	1.5	-0.8	3.7	0.0
General administrative expenses	-662.9	-613.2	-528.8	-107.6	-222.8	-185.0	-230.1	-206.9	-118.6	-84.5	-28.4	-30.3	-25.3	0.0
Income - insurance business	17.7	14.5	5.5	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other result	-11.7	17.4	-12.3	-11.6	-27.8	-7.3	-11.3	-22.0	-5.3	0.3	1.8	-0.3	-0.1	0.0
Pre-tax profit	524.3	451.7	391.0	67.9	129.1	134.3	123.4	111.8	105.0	64.1	-3.4	-21.3	-23.0	0.0
Taxes on income	-105.8	-114.4	-66.2	-11.5	-11.5	-26.5	-30.6	-26.3	-22.9	-12.6	0.5	0.1	3.9	0.0
Minority interests	-11.3	-12.9	-106.5	-21.8	0.0	-0.1	-0.2	-0.2	-26.5	-18.5	0.2	0.1	0.0	0.0
Net profit after minorities	**407.3**	**324.4**	**218.2**	**34.6**	**117.6**	**107.7**	**92.6**	**85.2**	**55.7**	**32.9**	**-2.7**	**-21.2**	**-19.1**	**0.0**
Average risk-weighted assets	11,971.2	11,572.0	9,977.3	2,100.9	4,415.6	3,387.4	4,467.9	3,949.4	3,234.2	2,970.8	466.6	166.2	225.1	0.0
Average attributed equity	827.1	796.2	477.8	100.1	308.8	240.7	311.1	274.8	142.1	136.4	26.6	17.6	18.5	0.0
Cost/income ratio	**52.2%**	**55.7%**	**58.3%**	**55.1%**	**53.4%**	**53.9%**	**54.2%**	**55.2%**	**48.1%**	**52.6%**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
ROE based on net profit	**49.2%**	**40.7%**	**45.7%**	**34.6%**	**38.1%**	**44.8%**	**29.8%**	**31.0%**	**39.2%**	**24.1%**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

* Risk-weighted assets and attributed equity are not directly comparable between periods as a result of the application of Basel II from 1 January 2007.

Other result consists of four income statement items: other operating result, result from financial assets at fair value through profit or loss, result from financial assets available for sale, and result from financial assets held to maturity.