

**Ceska sporitelna sells non-life insurance business (1)**

As announced at the presentation of H1 2003 results, a contract was signed today in Prague to sell the non-life insurance business of Czech insurer Pojistovna CS to Kooperativa pojistovna a.s., the Czech subsidiary of Austrian insurer Wiener Städtische Versicherung. The completion of the transaction is expected in the first quarter 2004, subject to necessary approvals.

The purchase price was agreed at CZK 4.1 bn (approx. EUR 128.5 m)(2) but could vary by up to 10% either way based on the final 2003 results of Pojistovna CS. Erste Bank Group will realise a profit of approx. CZK 2.9 bn (around EUR 90.9m) pre-tax from this transaction in first quarter 2004. These proceeds may be used to provide for future revaluations and for additional provisions.

The contract includes agreements on strategic cooperation, thus making selected products of Ceska sporitelna available through the Kooperativa network as well as offering CS clients access to standard products of Kooperativa's non-life offering. As the relevant employees of Pojistovna CS will also transfer, this transaction will not affect existing customers, either in their relationships with the insurance advisers or regarding any contractual agreements.

In line with its focus on the core banking business in Central Europe, Erste Bank Group is successfully concentrating on the life insurance business in the region. Non-life insurance in the individual countries is managed through co-operations with selected partners. With the sale of the non-life business in the Czech Republic, Wiener Städtische Versicherung is now the strategic partner of the Erste Bank Group in Austria, Slovakia, Croatia and Czech Republic and Erste Bank has successfully completed its strategic positioning within the insurance business.

Pojistovna Ceske sporitelny, a.s., is the fourth largest insurance company in the Czech Republic with a market share of 6.33 %. Ceska sporitelna owns a 55% stake and 45% is held by Erste Bank subsidiariy s Versicherung AG.

(1) Wiener Städtische is one of the leading Austrian insurance groups in Central Europe and number two among international insurance groups in these countries. Outside Austria, Wiener Städtische is present in twelve countries and serves some 10 million customers.

(2)EUR 1 = CZK 31.9