

Vienna, 29 October 2010

Press release

Erste Group posts net profit of EUR 737 million in the first three quarters of 2010 on strong operating income, strict cost control

Highlights:

- Erste Group sustained its strong performance of the previous quarters and posted an excellent operating result of **EUR 3,028.4 million** in the first three quarters of 2010, up 9.1% on the corresponding period of 2009. Net profit rose by 2.3% to **EUR 736.8 million** in the first nine months of 2010. The cost/income ratio improved to **48.7%**, from 50.9% in the first three quarters of 2009.
- The operating result was driven by record operating income, which rose by 4.3% to EUR 5,900.1 million, and a decline in operating expenses, which fell by 0.3% to EUR 2,871.7 million. **Net interest income** grew by 6.1% to EUR 4,075.5 million on the back of an improving net interest margin, which rose to 3.08%, from 2.98% in the first three quarters of 2009. **Net commission income** performed strongly, growing by 9.7% to EUR 1,440.7 million in the first nine months of 2010, due to increased fees from securities business and payment transfers. The **net trading result** declined by 23.7% to EUR 383.9 million compared to an exceptional result in the first three quarters of 2009.
- **Risk costs** increased by 9.6% to **EUR 1,588.4 million or 162 basis points** of average customer loans (1-9 09: EUR 1,449.2 million and 152 bps, respectively), confirming the significant deceleration in the growth rate already seen in the previous quarters.
- Following strong deceleration in NPL growth seen in the second half of 2009, quarterly new NPL formation in the first nine months of 2010 remained at this lower level. As a result, the **NPL ratio** in relation to customer loans reached **7.6%**, following 6.6% at 31 December 2009. The **NPL coverage ratio improved significantly to 60.9%**, compared to 57.2% at 31 December 2009.
- **Net profit after minorities**¹ advanced by 2.3%, from EUR 720.1 million to **EUR 736.8 million** in the first three quarters of 2010, as the record operating result was offset by a weaker other operating result and increased net profit attributable to minorities. **Cash return on equity** decreased from 10.7% to 7.8% as a result of the significantly enlarged capital base.
- **Total assets** increased by 2.4% year-to-date to EUR 206.5 billion. This was mainly due to solid growth in customer deposits (+2.9% year-to-date to EUR 115.3 billion), which drove interbank and financial asset volumes higher. The loan-to-deposit ratio was **114.0%** (year-end 2009: 115.3%).
- Erste Group's **shareholders' equity**² continued to improve in the first nine months of 2010, driven by rising quarterly earnings and a positive change in the AfS reserve. In the first three quarters of 2010, Erste Group's equity therefore rose by EUR 0.7 billion to EUR 13.4 billion. Alongside stagnant loan volumes, total risk-weighted assets declined from EUR 123.9 billion at year-end 2009 to **EUR 121.7 billion**. Prior to the inclusion of retained earnings, this resulted in a **tier 1 ratio (total risk)** of **9.7%**, compared to 9.2% at year-end 2009 and a **core tier 1 ratio (total risk)** of **8.7%**, up from 8.3% at year-end 2009.

"Erste Group continued to improve profitability in the third quarter of 2010, supported by operating income that topped EUR 2 billion for the first time ever, a reduction in risk costs and the gradual

¹ The term "net profit after minorities" corresponds to the term "net profit attributable to owners of the parent".

² The term "shareholders' equity" corresponds to the term "total equity attributable to owners of the parent".

improvement of economic fundamentals in Central and Eastern Europe”, explained Andreas Treichl, CEO of Erste Group Bank AG, at the results presentation for the first three quarters of 2010. “Our key Czech, Slovak and Austrian markets progressed on the path of recovery, while Romania still faced economic difficulties amid implementation of tough fiscal measures and Hungary introduced a banking tax that will weigh heavily on our local subsidiary’s results”, Treichl continued. “Despite this mixed picture we posted our strongest quarterly net profit since the third quarter of 2008, once again underlining the strength and sustainability of our real economy-focused business model. On the regulatory front, the third quarter brought some clarification in terms of Basel III capital requirements and implementation timelines; which confirmed our conviction that Erste Group is appropriately prepared to meet these new standards well ahead of time”, Treichl concluded.

Earnings performance in brief

During the first nine months of 2010, the **operating result** increased to EUR 3,028.4 million (+9.1% compared to EUR 2,776.9 million in the first nine months of 2009). This was driven mainly by higher net interest income and net commission income as well as decreasing general administrative expenses. At the same time, the net trading result declined.

Overall, **operating income** rose by 4.3% to EUR 5,900.1 million (versus EUR 5,657.2 million in the first nine months of 2009). This was primarily the result of the increase in net interest income (+6.1% to EUR 4,075.5 million) and improved net commission income (+9.7% to EUR 1,440.7 million). The net trading result fell by 23.7% to EUR 383.9 million. The reduction in **general administrative expenses** by 0.3%, from EUR 2,880.3 million to EUR 2,871.7 million also influenced this result. Accordingly, the **cost/income ratio** continued to improve to 48.7% (1-9 2009: 50.9%).

Net profit after minorities was up by 2.3%, from EUR 720.1 million to EUR 736.8 million.

Cash return on equity, i.e. return on equity adjusted for non-cash expenses such as goodwill impairments and the linear depreciation of customer relationships declined from 10.7% (reported value: 10.3%) in 2009 to 7.8% (reported value: 7.5%). The main reason for this development was broadening of the capital base by more than 40% in the last year (average shareholders’ equity in the first nine months of 2009: EUR 9.3 billion; in the first nine months of 2010: EUR 13.2 billion).

Cash earnings per share equalled EUR 1.77 (reported value: EUR 1.68) in the first nine months of 2010, down on the first nine months of 2009 (EUR 2.06; reported value: EUR 1.96). This indicator was also impacted by the broader capital base.

Total assets rose by 2.4% to EUR 206.5 billion since year-end 2009. On the liability side, this was mainly due to the steep increase in customer deposits and debt securities in issue, which triggered a rise in investment securities and customer loans on the asset side. Overall, the rise in total assets was largely due to currency movements in Central and Eastern Europe.

Alongside a decline in risk-weighted assets, the **solvency ratio** improved from 12.7% at year-end 2009 to 13.0% as of 30 September 2010. Therefore, the level remained well above the statutory minimum requirement of 8.0%. The **Tier 1 ratio** in relation to total risk was 9.7% as of 30 September 2010 (versus 9.2% at year-end 2009).

Outlook

Erste Group’s most developed markets in Central and Eastern Europe, such as Austria, the Czech Republic, Slovakia and Hungary, have successfully emerged from recession and are expected to record **at least** moderate growth in 2010. In 2011, economic growth is also expected to return to Romania and Croatia, in line with the recovery in domestic demand. Accordingly, Erste Group expects that the strong

year-to-date operating performance will be sustained in the final quarter of this year. This trend is expected to continue in 2011, as revenues are set to rise on the back of mid-single digit loan growth and resilient margins as well as strict cost management. In line with the economic recovery, risk costs in the second half of 2010 are expected to be below those recorded in the first half of 2010 and should remain at the level of 2009 for the current financial year. The declining risk cost trend is expected to continue in 2011. In addition, Erste Group's continued strong ability to generate retained earnings will enable it to retire participation capital with no need to raise equity.

Quarter-on-Quarter comparison

in EUR million	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Net interest income	1,335.6	1,380.0	1,323.6	1,361.2	1,390.7
Risk provisions for loans and advances	-557.1	-607.4	-531.2	-553.0	-504.2
Net fee and commission income	425.1	459.5	471.5	493.5	475.7
Net trading result	159.9	82.1	141.2	98.8	143.9
General administrative expenses	-920.1	-927.1	-953.1	-945.3	-973.3
Other operating result	-114.3	-154.0	-67.7	-91.1	-124.6
Result from financial assets - FV	68.5	56.8	13.0	-37.6	16.8
Result from financial assets - AfS	-87.7	-97.7	0.1	36.3	-17.9
Result from financial assets - HtM	2.9	-8.8	4.7	-0.1	-3.8
Pre-tax profit from continuing operations	312.8	183.4	402.1	362.7	403.3
Taxes on income	-78.3	-15.1	-92.5	-83.4	-92.8
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0
Net profit for the period	234.5	168.3	309.6	279.3	310.5
Attributable to non-controlling interests	6.5	-15.0	54.4	62.6	45.6
Attributable to owners of the parent	228.0	183.3	255.2	216.7	264.9

Net interest income rose quarter-on-quarter by 2.2%, from EUR 1,361.2 million to EUR 1,390.7 million, based on increased margins in Austria, as well as in Central and Eastern Europe.

Net fee and commission income fell by 3.6% in the third quarter of 2010, from EUR 493.5 million in the previous quarter, to EUR 475.7 million and was therefore somewhat above that for the first quarter. This seasonal development was mainly driven by lower fees from securities and lending business, as well as a decrease in building society brokerage fees.

In comparison to the previous quarter the **net trading result** rose by 45.6%, from EUR 98.8 million to EUR 143.9 million. Trading income from foreign exchange transactions remained stable at EUR 68.5 million and therefore above the first quarter (EUR 42.0 million). The result from securities and derivatives trading improved significantly from EUR 30.0 million to EUR 75.4 million, but was still lower than that for the first quarter (EUR 99.2 million).

General administrative expenses increased by 3.0% in the third quarter of 2010, from EUR 945.3 million to EUR 973.3 million. The rise in **personnel expenses** by 3.9%, from EUR 545.3 million to EUR 566.5 million in the third quarter, was driven on the one hand by the integration of an IT company that was not previously consolidated and, on the other, by the increases in CEE subsidiaries (BCR, SLSP). **Other administrative expenses** also showed an increase of 3.2%, from EUR 302.6 million to EUR 312.3 million, which was particularly due to higher legal and consulting costs in Austria. After an increase in the second quarter, **depreciation and amortisation** fell by 3.0%, from EUR 97.4 million to EUR 94.5 million in the third quarter.

The **operating result** grew by 2.9%, from EUR 1,008.2 million in the previous quarter, to EUR 1,037.0 million in the third quarter of 2010, a new record in Erste Group's history.

At 48.4%, the **cost/income ratio** remained unchanged compared to the previous quarter.

At EUR 504.2 million, **risk provisions for loans and advances** were 8.8% lower than in the second quarter (EUR 553.0 million) – mainly due to a higher releases in the large corporate business – and were also down on the first quarter (EUR 531.2 million).

The balance reported under **other operating result** deteriorated by 36.8%, from EUR -91.1 million in the previous quarter, to EUR -124.6 million. This was mainly due to impairments on Czech real estate, write-downs on IT projects and additional expenses related to the Hungarian banking tax amounting to EUR 6.3 million.

The **result** from all categories of **financial assets** deteriorated from EUR -1.4 million in the second quarter to EUR -4.9 million in the third quarter of 2010. Increased impairments in the AfS and HtM portfolios were not offset by valuation gains in the FV portfolio.

Pre-tax profit from continuing operations increased by 11.2%, from EUR 362.7 million in the second quarter to EUR 403.3 million in the third quarter of 2010.

Net profit after minorities improved by 22.2%, from EUR 216.7 million in the second quarter to EUR 264.9 million in the third quarter of 2010.

Segment reporting ³

Segment Central and Eastern Europe

The segment Central and Eastern Europe includes primarily results from the retail and SME business of Česká spořitelna, Slovenská sporiteľňa, Erste Bank Hungary, Banca Comercială Română, Erste Bank Croatia, Erste Bank Serbia and Erste Bank Ukraine. Contributions from the divisionalised business units Group Markets and Group Corporate and Investment Banking are reported in the respective segments.

Czech Republic

The operating result of Česká spořitelna rose from EUR 634.8 million in the first three quarters of 2009 by EUR 40.0 million or 6.3% (currency-adjusted: +1.6%) to EUR 674.8 million driven by improvements in net commission income and net trading result. Net commission income rose in the first nine months of 2010 from EUR 310.3 million by EUR 37.9 million or 12.2% (currency-adjusted: +7.3%) to EUR 348.2 million, driven mainly by higher fees in the retail segment, as well as in the insurance brokerage and securities business. Influenced by favourable currency trends, the net trading result rose by EUR 15.0 million or 45.2% (currency-adjusted: +38.8%) from EUR 33.1 million to EUR 48.1 million. Net interest income in the Czech retail and SME business dropped by EUR 11.1 million or 1.4% from EUR 821.9 million to EUR 810.8 million in the first three quarters of 2010. Currency-adjusted, this corresponds to a decline of 5.7%. The reasons were declining market interest rates (e.g. the two-week repo rate dropped from 1.25% in the previous year to a low of 0.75%) as well as low new business volumes. Operating expenses rose slightly in comparison to the previous year by EUR 1.8 million or 0.3% to EUR 532.3 million. Currency-adjusted, operating expenses were reduced by 4.1% thanks to the consistent implementation of efficiency measures.

The increase in risk provisions from EUR 203.1 million in 2009 by EUR 81.0 million (+39.8% or currency-adjusted: +33.7%) to EUR 284.1 million reflected the higher risk provisioning requirements in all

³ In the segment report, financial results of the first nine months of 2009 are compared with those of the first nine months of 2010. Unless stated otherwise, terms such as "in the previous year", "in 2009" or "as of the third quarter of 2009" accordingly relate to the first nine months of 2009, and terms such as "this year", "in 2010" or "as of the third quarter of 2010" relate to the first nine months of 2010. The term "net profit after minority interests" corresponds with "net profit attributable to owners of the parent".

business segments. The other result improved by EUR 11.7 million from EUR -74.6 million to EUR -62.9 million. This was an increase of 15.6% (currency-adjusted: +19.3%) which resulted from the negative result in the third quarter of 2009 caused by the high revaluations required on real estate investments. In the third quarter of 2010, revaluations for real estate investments amounted EUR 44.4 million. Net profit after minorities dropped by EUR 25.2 million or 9.0% (currency-adjusted: 13.0%) from EUR 277.8 million to EUR 252.6 million. The cost/income ratio was 44.1% after 45.5% in the first nine months of 2009; return-on-equity was 33.0% (previous year: 37.1%).

Romania

Net interest income in the Romanian retail and SME business rose by 31.4 million or 5.3% (currency-adjusted: +4.2%) from EUR 590.4 million to EUR 621.8 million in the first three quarters of 2010. This improvement was achieved primarily in the corporate business. At the same time net commission income declined by EUR 4.9 million or 4.4% (currency-adjusted: -5.4%) to EUR 108.5 million. The net trading result improved by EUR 2.2 million or 12.1% (currency-adjusted: +10.9%) from EUR 18.2 million to EUR 20.4 million. Higher expenses caused by the network expansion (+10 new branches year-on-year) were more than offset by lower personnel costs, therefore, pushing down operating expenses by 1.9% (currency-adjusted: -2.9%) from EUR 286.7 million in the first nine months of 2009 to EUR 281.3 million. This resulted in a cost/income ratio of 37.5% after 39.7% in the previous year.

The operating result of EUR 469.4 million following EUR 435.3 million in the previous year – an increase of EUR 34.1 million or 7.8% (currency-adjusted: +6.6%) – contrasted with a rise in risk provisions of EUR 53.6 million or 16.1% (currency-adjusted: +14.8%) from EUR 332.4 million in the first three quarters of 2009 to EUR 386.0 million. Higher risk provisions were required due to the sustained adverse macroeconomic situation, which was felt primarily in the SME business.

The drop in other result by EUR 55.3 million from EUR 25.3 million to EUR -30.0 million was caused, on the one hand, by the positive one-time effects in the second quarter of 2009 but also by negative revaluation requirements – primarily in the leasing business – in the current financial year. Net profit after minorities decreased by EUR 42.0 million (-60.8% or currency-adjusted: -61.2%) from EUR 69.2 million to EUR 27.2 million. Return on equity was 7.0%, following 16.7% in the first three quarters of 2009.

Slovak Republic

Net interest income in the Slovak retail and SME business improved over the first nine months of 2009 by EUR 30.7 million or 10.7% from EUR 286.7 million to EUR 317.4 million. The main factor driving this development – apart from a consistent pricing policy – was the increase in new loan volumes in the retail segment. At EUR 76.2 million, net commission income was almost unchanged versus the previous year (EUR 76.9 million). The net trading result declined from EUR 7.0 million to EUR 2.2 million. The reduction in operating expenses by EUR 21.9 million or 11.3% from EUR 194.6 million to EUR 172.7 million was the result of efficiency measures implemented as of the second quarter of 2009. This improved the cost/income ratio from 52.5% in the first nine months of 2009 to 43.6%.

A significantly improved net interest income and lower operating expenses led to an operating result of EUR 223.1 million, a gain of EUR 47.1 million or 26.8% vs. EUR 176.0 million in the first three quarters of 2009. Risk provisions decreased in the current financial year by EUR 13.2 million or 12.0% from EUR 110.7 million to EUR 97.5 million. Net profit after minorities tripled from EUR 28.0 million in the first three quarters of 2009 to EUR 83.9. Return-on-equity was 25.5% after 8.3%.

Hungary

In the Hungarian retail and SME business, net interest income improved from EUR 263.0 million in the first nine months of 2009 to EUR 287.7 million (+9.4% or currency-adjusted: +11.6%) as a result of a consistent pricing policy and currency trends. The increase in net commission income of EUR 12.1 million from EUR 61.4 million to EUR 73.5 million (+19.7% or currency-adjusted: +22.2%) in the first three quarters of 2010 was due mostly to higher fee income from lending business. The decline in the net trading result from EUR 22.8 million in the previous year by EUR 3.4 million to EUR 19.4 million was mainly due to the decline in foreign currency income from lending business. Operating expenses

decreased from EUR 158.6 million in the previous year by EUR 5.9 million (-3.7% or currency-adjusted: -1.7%) to EUR 152.7 million. As a consequence, the operating result rose from EUR 188.6 million by 20.9% (currency-adjusted: +23.4%) to EUR 228.0 million.

The cost/income ratio improved from 45.7% in the first three quarters of 2009 to 40.1%. The effects of the economic contraction and currency developments translated into higher risk provisions at Erste Bank Hungary; risk costs were up by 41.9% (currency-adjusted: +44.9%) from EUR 126.8 million in the previous year to EUR 180.0 million. The other result was influenced heavily in the third quarter by the introduction of the bank tax (pro rata amount for first three quarters of 2010: EUR -37.8 million). This caused a deterioration by EUR 55.2 million from EUR 8.6 million in the previous year to EUR -46.6 million. As a consequence, net profit after minorities declined from EUR 53.0 million in the first three quarters of 2009 to EUR -9.0 million.

Croatia

Net interest income from the retail and SME business in Croatia rose from EUR 165.5 million in the first nine months of 2009 to EUR 182.8 million (+10.4% or currency-adjusted: +8.9%). Erste Bank Podgorica contributed EUR 6.0 million to net interest income during the current financial year. At EUR 54.8 million, net commission income was almost unchanged versus the previous year (EUR -0.1% or currency-adjusted: -1.4%). The increase in net trading result from EUR 6.2 million in the first nine months of 2009 by EUR 1.7 million to EUR 7.9 million was primarily the result of positive contributions by credit card company Erste Card Club.

Operating expenses increased by EUR 5.0 million from EUR 98.9 million to EUR 103.9 million in the current financial year. This was mainly due to the new value added tax law for other financial services providers, such as credit card companies, which must include value added tax for operating expenses as of 2010. The operating result rose by 10.9% or currency-adjusted by 9.4% from EUR 127.6 million to EUR 141.5 million in the first three quarters of 2010. The cost/income ratio improved to 42.3% from 43.9% in the previous year. The rise in risk provisions from EUR 45.4 million in the first three quarters of 2009 by EUR 33.5 million to EUR 78.9 million was due to the generally higher provisioning requirements in the corporate and real estate business. Net profit after minorities decreased from EUR 39.2 million in the previous year by EUR 13.1 million (-33.4% or currency-adjusted: -34.3%) to EUR 26.1 million. Return on equity was 16.3%, following 27.4% in the first nine months of 2009.

Serbia

Net interest income of Erste Bank Serbia decreased from EUR 22.0 million in the first nine months of 2009 to EUR 20.0 million (-8.9% or currency-adjusted: -1.2%). This was caused by the decline in market interest rates, which declined from 13% in the previous year to 9.5%. Net commission income rose from EUR 8.1 million by 2.4% (currency-adjusted: +11.1%) to EUR 8.3 million. The net trading result decreased due to lower income from foreign exchange business by EUR 0.6 million or 27.2% (currency-adjusted: -21.0%) to EUR 1.6 million in the first three quarters of 2010. Operating expenses were practically unchanged at EUR 23.0 million (1-9 2009: EUR 23.1 million); currency-adjusted this was an increase of 8.1%. The cost/income ratio was 77.1% after 71.7% in the first nine months of 2009.

The operating result deteriorated from EUR 9.1 million in the first three quarters of 2009 by EUR 2.3 million to EUR 6.8 million. Risk costs increased as a consequence of the difficult market situation from EUR 6.1 million by EUR 0.5 million to EUR 6.6 million. The other result rose from EUR -0.9 million in the previous year by EUR 0.8 million to EUR -0.1 million as a result of the release of provisions no longer needed. Net profit after minorities declined from EUR 1.2 million in the first three quarters of 2009 to EUR -0.1 million.

Ukraine

The operating result of Erste Bank Ukraine improved by EUR 5.9 million from EUR -1.6 million in the previous year to EUR 4.3 million. This was mainly due to positive developments in net interest income and in the net trading result. Lower lending volumes were offset by higher income from securities business, leading to an increase in net interest income by EUR 4.5 million (+22.1%, currency-adjusted:

+16.5%) from EUR 20.5 million in the first nine months of 2009 to EUR 25.0 million. Higher income from foreign exchange business pushed net commission income up by EUR 2.3 million to EUR 2.9 million in the first three quarters of 2010. The net trading result more than doubled to EUR 10.2 million in the current financial year (1-9 2009: EUR 4.6 million).

Operating expenses rose from EUR 27.3 million in the previous year by EUR 6.5 million or 23.7% (currency-adjusted: +18.0%) to EUR 33.8 million. The substantial decrease in risk provisions by EUR 23.5 million or 50.0% (currency-adjusted: -52.3%) from EUR 47.0 million to EUR 23.5 million was due to the large write-downs required in 2009, while 2010 benefited from continued portfolio stabilisation. Net profit after minorities improved by EUR 27.7 million from EUR 47.8 million to EUR -20.1 million in the first nine months of 2009.

Exchange rate development

Euro FX rates	End of period rates			Average rates		
	Sep 10	Dec 09	Change	1-9 10	1-9 09	Change
CZK/EUR	24.60	26.47	7.1%	25.47	26.64	4.4%
RON/EUR	4.27	4.24	-0.8%	4.18	4.23	1.1%
HUF/EUR	275,75	270.42	-5.8%	275.28	283.92	3.0%
HRK/EUR	7.31	7.30	-0.1%	7.26	7.36	1.4%
RSD/EUR	106.36	95.73	-11.1%	101.76	93.79	-8.5%
UAH/EUR	10.84	11.59	6.5%	10.47	10.97	4.6%

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

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This release is also available on our website at www.erstegroup.com/press.

Appendix

I. PROFIT AND LOSS ACCOUNT (IFRS) OF ERSTE GROUP

in EUR million	1-9 10	1-9 09	Change
Net interest income	4,075.5	3,840.9	6.1%
Risk provisions for loans and advances	-1,588.4	-1,449.2	9.6%
Net fee and commission income	1,440.7	1,313.3	9.7%
Net trading result	383.9	503.0	-23.7%
General administrative expenses	-2,871.7	-2,880.3	-0.3%
Other operating result	-283.4	-201.8	-40.4%
Result from financial assets - FV	-7.8	56.4	na
Result from financial assets - AfS	18.5	-106.4	na
Result from financial assets - HtM	0.8	2.0	-60.0%
Pre-tax profit from continuing operations	1,168.1	1,077.9	8.4%
Taxes on income	-268.7	-269.6	-0.3%
Post-tax profit from continuing operations	899.4	808.3	11.3%
Post-tax profit from discontinuing operations	0.0	0.0	na
Net profit for the period	899.4	808.3	11.3%
Attributable to non-controlling interests	162.6	88.2	84.4%
Attributable to owners of the parent	736.8	720.1	2.3%

II. STATEMENT OF COMPREHENSIVE INCOME

in EUR million	1-9 10	1-9 09	Change
Net profit before minorities	899.4	808.3	11.3%
Available for sale - reserve (including currency translation)	321.0	799.9	-59.9%
Cash flow hedge - reserve (including currency translation)	-53.1	34.3	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	82.8	-39.4	na
Deferred taxes on items recognised directly in equity	-70.7	-320.1	77.9%
Other comprehensive income – total	280.0	474.7	-41.0%
Total comprehensive income	1,179.4	1,283.0	-8.1%
Attributable to non-controlling interests	248.4	355.9	-30.2%
Attributable to owners of the parent	931.0	927.1	0.4%

III. BALANCE SHEET (IFRS) OF ERSTE GROUP

in EUR million	Sep 10	Dec 09	Change
ASSETS			
Cash and balances with central banks	5,030	5,996	-16.1%
Loans and advances to credit institutions	14,464	13,140	10.1%
Loans and advances to customers	131,514	129,134	1.8%
Risk provisions for loans and advances	-6,210	-4,954	25.4%
Trading assets	9,731	8,598	13.2%
Financial assets - at fair value through profit or loss	2,855	2,997	-4.7%
Financial assets - available for sale	18,701	16,390	14.1%
Financial assets - held to maturity	14,477	14,899	-2.8%
Equity holdings in associates accounted for at equity	231	241	-4.1%
Intangible assets	4,762	4,867	-2.2%
Property and equipment	2,388	2,344	1.9%
Tax assets	461	577	-20.1%
Assets held for sale	51	58	-12.1%
Other assets	8,073	7,423	8.8%
Total assets	206,528	201,710	2.4%
LIABILITIES AND EQUITY			
Deposits by banks	22,714	26,295	-13.6%
Customer deposits	115,329	112,042	2.9%
Debt securities in issue	32,013	29,612	8.1%
Trading liabilities	3,564	3,157	12.9%
Provisions	1,568	1,670	-6.1%
Tax liabilities	363	361	0.6%
Liabilities associated with assets held for sale	0	0	na
Other liabilities	8,008	6,302	27.1%
Subordinated liabilities	5,956	6,148	-3.1%
Total equity	17,013	16,123	5.5%
Attributable to non-controlling interests	3,620	3,414	6.0%
Attributable to owners of the parent	13,393	12,709	5.4%
Total liabilities and equity	206,528	201,710	2.4%

IV. SEGMENT REPORTING – ERSTE GROUP

Overview*

	Retail & SME		GCIB		Group Markets		Corporate Center		Total group	
in EUR million	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09
Net interest income	3,459.8	3,372.2	445.5	414.7	86.6	158.8	83.6	-104.8	4,075.5	3,840.9
Risk provisions	-1,390.2	-1,225.7	-198.1	-223.5	0.0	0.0	0.0	0.0	-1,588.4	-1,449.2
Net fee and commission income	1,234.7	1,127.3	124.2	113.1	116.9	90.2	-35.2	-17.3	1,440.7	1,313.3
Net trading result	141.8	146.4	2.6	0.4	225.4	342.7	14.1	13.5	383.9	503.0
General administrative expenses	-2,458.4	-2,491.1	-135.4	-126.1	-169.9	-144.9	-107.9	-118.2	-2,871.7	-2,880.3
Other result	-168.6	-172.4	-8.2	-32.7	7.5	0.4	-102.6	-45.1	-271.9	-249.8
Pre-tax profit	819.0	756.8	230.6	145.8	266.5	447.1	-148.0	-271.8	1,168.1	1,077.9
Taxes on income	-193.1	-166.2	-50.7	-34.0	-57.9	-83.5	33.0	14.1	-268.7	-269.6
Post-tax profit from continuing operations	625.9	590.6	179.9	111.8	208.6	363.7	-115.0	-257.7	899.4	808.3
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	625.9	590.6	179.9	111.8	208.6	363.7	-115.0	-257.7	899.4	808.3
Attributable to non-controlling interests	145.1	74.0	15.5	-3.6	10.6	23.5	-8.6	-5.7	162.6	88.2
Attributable to owners of the parent	480.8	516.6	164.4	115.4	198.0	340.1	-106.4	-252.0	736.9	720.1
Average risk-weighted assets	75,126.5	74,437.1	25,772.1	26,208.2	2,977.6	3,250.8	1,469.4	3,011.8	105,345.6	106,907.9
Average attributed equity	4,133.9	4,109.7	2,062.9	2,058.9	325.2	331.7	6,624.1	2,823.2	13,146.1	9,323.5
Cost/income ratio	50.8%	54.6%	23.7%	24.2%	39.6%	24.5%	n.a.	n.a.	48.7%	50.9%
ROE based on net profit	15.5%	16.8%	10.6%	7.5%	81.2%	136.7%	n.a.	n.a.	7.5%	10.3%

*) The "Other result" for the Corporate Center includes the depreciation for the customer base amounting to EUR 52.6 million.

"Other result" summarises the four P&L positions, Other operating result, Results from financial assets – at fair value through profit or loss, - available for sale and - held to maturity.

Austria segment*

in EUR million	Savings Banks		EB Oesterreich		Austria	
	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09
Net interest income	712.5	717.3	481.8	484.9	1,194.3	1,202.2
Risk provisions	-209.5	-240.7	-124.2	-113.4	-333.8	-354.1
Net fee and commission income	306.6	282.9	255.8	218.9	562.4	501.8
Net trading result	22.3	45.3	9.7	6.9	31.9	52.2
General administrative expenses	-701.9	-704.1	-456.7	-467.2	-1,158.6	-1,171.3
Other result	0.9	-114.4	-6.6	19.2	-5.7	-95.2
Pre-tax profit	130.9	-13.7	159.7	149.3	290.5	135.6
Taxes on income	-33.7	-0.1	-37.4	-34.1	-71.0	-34.2
Post-tax profit from continuing operations	97.2	-13.8	122.3	115.2	219.5	101.4
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	97.2	-13.8	122.3	115.2	219.5	101.4
Attributable to non-controlling interests	94.9	-3.1	4.4	8.5	99.3	5.4
Attributable to owners of the parent	2.3	-10.7	117.9	106.7	120.2	96.0
Attributable to owners of the parent	23,989.7	24,425.6	14,536.6	13,977.4	38,526.3	38,403.1
Average risk-weighted assets	291.7	297.6	1,154.3	1,130.8	1,446.0	1,428.4
Average attributed equity	67.4%	67.3%	61.1%	65.7%	64.8%	66.7%
Cost/income ratio	1.1%	n.a.	13.6%	12.6%	11.1%	9.0%

*) "Other result" summarises the four P&L positions, Other operating result, Results from financial assets – at fair value through profit or loss, - available for sale and - held to maturity.

Central and Eastern Europe (CEE) segment*:

	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Ukraine	
in EUR million	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09	1-9 10	1-9 09
Net interest income	810.8	821.9	621.8	590.4	317.4	286.7	287.7	263.0	182.8	165.5	20.0	22.0	25.0	20.5
Risk provisions	-284.1	-203.1	-386.0	-332.4	-97.5	-110.7	-180.0	-126.8	-78.9	-45.4	-6.6	-6.1	-23.5	-47.0
Net fee and commission income	348.2	310.3	108.5	113.4	76.2	76.9	73.5	61.4	54.8	54.8	8.3	8.1	2.9	0.6
Net trading result	48.1	33.1	20.4	18.2	2.2	7.0	19.4	22.8	7.9	6.2	1.6	2.2	10.2	4.6
General administrative expenses	-532.3	-530.5	-281.3	-286.7	-172.7	-194.6	-152.7	-158.6	-103.9	-98.9	-23.0	-23.1	-33.8	-27.3
Other result	-62.9	-74.6	-30.0	25.3	-20.2	-29.8	-46.6	8.6	-2.9	-4.9	-0.1	-0.9	-0.1	-1.0
Pre-tax profit	327.8	357.1	53.5	128.3	105.4	35.5	1.3	70.4	59.7	77.4	0.1	2.1	-19.3	-49.6
Taxes on income	-66.6	-71.9	-10.6	-21.8	-21.3	-7.1	-10.4	-17.3	-12.4	-15.3	0.0	-0.3	-0.8	1.8
Post-tax profit from continuing operations	261.2	285.2	42.9	106.5	84.1	28.4	-9.0	53.0	47.3	62.1	0.1	1.9	-20.1	-47.8
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	261.2	285.2	42.9	106.5	84.1	28.4	-9.0	53.0	47.3	62.1	0.1	1.9	-20.1	-47.8
Attributable to non-controlling interests	8.5	7.5	15.7	37.2	0.2	0.4	-0.1	0.0	21.2	23.0	0.3	0.6	0.0	0.0
Attributable to owners of the parent	252.6	277.8	27.2	69.2	83.9	28.0	-9.0	53.0	26.1	39.2	-0.1	1.2	-20.1	-47.8
Average risk-weighted assets	12,379.4	11,207.7	9,111.5	9,756.5	5,302.6	5,423.3	4,769.1	4,734.0	3,725.6	3,600.1	663.7	741.8	648.2	570.7
Average attributed equity	1,021.8	997.3	519.3	552.8	438.4	452.0	392.9	390.8	213.8	190.8	44.2	49.1	57.5	48.5
Cost/income ratio	44.1%	46.1%	37.5%	40.4%	43.6%	53.2%	40.1%	46.9%	42.3%	45.7%	77.1%	71.7%	88.7%	106.4%
ROE based on net profit	33.0%	37.1%	7.0%	16.7%	25.5%	8.3%	n.a.	18.1%	16.3%	27.4%	n.a.	3.4%	n.a.	n.a.

*) "Other result" summarises the four P&L positions, Other operating result, Results from financial assets – at fair value through profit or loss, - available for sale and - held to maturity.