ERSTE GROUP

Vienna, 30 July 2013

INVESTOR INFORMATION

Erste Group posts net profit of EUR 301.2 million for first half of 2013; risk costs decline

HIGHLIGHTS

- **Net interest income** decreased to **EUR 2,431.2 million** in H1 2013 (H1 2012: EUR 2,651.7 million) against the backdrop of a continuing challenging environment with subdued credit demand and low market interest rates. **Net fee and commission income** rose from EUR 865.5 million in H1 2012 to **EUR 895.9 million** and the **net trading result** from EUR 121.5 million to **EUR 160.5 million** on the back of higher income from the securities business.
- **Operating income** amounted to **EUR 3,487.6 million** (-4.2% versus H1 2012: EUR 3,638.7 million). Strict cost management reduced **general administrative expenses** by 2.4%, from EUR 1,887.4 million to **EUR 1,842.9 million** in H1 2013. This led to an **operating result** of **EUR 1,644.7 million** (H1 2012: 1,751.3 million) and a **cost/income ratio** of **52.8%** (H1 2012: 51.9%).
- **Risk costs** showed a positive trend and declined by 15.3% to **EUR 831.8 million**, or **128 basis points** of average customer loans in H1 2013, from EUR 981.8 million, or 146 basis points, in H1 2012. The **NPL ratio** rose to **9.7%** as of 30 June 2013 (year-end 2012: 9.2%), driven by the decline in the loan book and NPL inflows in the commercial real estate business. The **NPL coverage ratio** stood at at **61.7%** (year-end 2012: 62.6%).
- **Other operating result** amounted to **EUR -397.7 million** versus EUR -68.1 million in H1 2012. This development was largely attributable to the non-recurrence of – on balance – positive one-off effects in H1 2012 as well as to negative one-off effects (sale of Ukraine subsidiary, extraordinary tax and advance payment of banking tax in Hungary) in the amount of EUR 115.4 million in H1 2013. Banking and financial transaction taxes levied in Austria, Hungary and Slovakia had a negative impact of EUR 184.6 million (H1 2012: EUR 114.5 million). **Taxes on income** benefited from a positive one-off effect in the amount of EUR 127.7 million in Romania.
- **Net profit after minorities**[1] amounted to **EUR 301.2 million** in H1 2013 versus a profit of EUR 453.6 million in the previous year that had been driven by one-off effects.
- **Shareholders' equity**[2] remained almost unchanged at **EUR 12.8 billion**. **Core tier 1 capital** amounted to **EUR 11.9 billion** as of 30 June 2013 (year-end 2012: EUR 11.8 billion). The reduction of **risk-weighted assets** to **EUR 100.9 billion** (year-end 2012: EUR 105.3 billion) was primarily due to the deconsolidation of the Ukrainian subsidiary and lower exposure. The **core tier 1 ratio** (total risk; Basel 2.5) stood at **11.8%** (year-end 2012: 11.2%); adjusted for the effects of the capital increase and the redemption of the participation capital it amounted to 10.7%.
- The **balance sheet total** as of 30 June 2013 was **EUR 210.2 billion**. The slight decline year to date was primarily attributable to valuation changes, but also to declines in the customer business. The deposit base was largely stable at EUR 122.5 billion while loans and advances to customers declined to EUR 129.8 billion year to date. The latter reflected subdued loan demand in most business lines. The **loan-to-deposit ratio** improved to **105.9%** as of 30 June 2013 (year-end 2012: 107.2%).

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

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

"Erste Group posted a net profit of EUR 301.2 million for the first six months of 2013. This is a satisfactory result considering an operating environment that has become increasingly challenging for banks which do exactly what politicians and regulators would like them to do, i.e. taking deposits from and lending to real customers," said Andreas Treichl, CEO of Erste Group Bank AG, when presenting the results for the first half of 2013. "We are happy that following the successful completion of the capital increase in early July Erste Group will be the first Austrian bank to repay the participation capital in full on 8 August 2013" Treichl continued. "We also strongly improved our capital ratios. Excluding half year profit and adjusted for the effects of the capital increase and participation capital repayment our core tier 1 ratio rose to 10.7%," Treichl concluded.

Earnings performance in brief

Despite a reduction of operating costs, the **operating result** declined to EUR 1,644.7 million in the first half of 2013 (-6.1% versus EUR 1,751.3 million in H1 2012) due to lower operating income.

Operating income amounted to EUR 3,487.6 million in the first half of 2013 (H1 2012: EUR 3,638.7 million). The 4.2% decline was mainly due to lower net interest income (-8.3% to EUR 2,431.2 million), which was not fully offset by a rise in the net trading result (+32.1% to EUR 160.5 million) and higher net fee and commission income (+3.5% to EUR 895.9 million).

General administrative expenses were down 2.4% to EUR 1,842.9 million (H1 2012: EUR 1,887.4 million). This resulted in a **cost/income ratio** of 52.8% (H1 2012: 51.9%).

Net profit after minorities declined from EUR 453.6 million in the first half of 2012, which had benefited from – on balance – positive one-off effects, to EUR 301.2 million.

Cash return on equity, i.e. return on equity adjusted for non-cash expenses such as goodwill impairments and straight-line amortisation of customer relationships, stood at 5.3% (reported ROE: 4.6% versus 10.4% in the first half of 2012 (reported ROE: 7.2%). **Cash earnings per share** for the first half of 2013 amounted to EUR 0.71 (reported EPS: EUR 0.59) versus EUR 1.51 (reported EPS: EUR 0.98) in the first half of 2012.

Total assets, at EUR 210.2 billion, were down 1.7% versus year-end 2012. Risk-weighted assets declined by 4.2% to EUR 100.9 billion (year-end 2012: EUR 105.3 billion).

The **solvency ratio** improved to 16.6% as of 30 June 2013 (year-end 2012: 15.5%), well above the legal minimum requirement. The **core tier 1 ratio** relating to total risk and as defined by Basel 2.5, was 11.8% as of 30 June 2013 (year-end 2012: 11.2%).

Outlook

Erste Group expects a slight improvement in economic performance for Central and Eastern Europe in the second half of 2013, even though growth rates in the region are expected to remain moderate. Erste Group expects the operating result to decline by up to 5% in 2013, due to expected lower operating income only being partially off-set by lower operating cost. The risk costs of Erste Group are estimated to decrease by approximately 10-15% in 2013, mainly due to the expected improvement of the risk situation in Romania. Banking taxes (excluding financial transaction taxes) in Austria, Slovakia and Hungary in the amount of approximately EUR 260 million pre-tax (approximately EUR 200 million post-tax) are expected to continue to adversely impact net profit in 2013. Erste Group continues to expect that its Romanian subsidiary BCR will return to profitability in 2013 (irrespective of the extraordinary tax effect).

ERSTE GROUP

I. FINANCIAL PERFORMANCE IN DETAIL

in EUR million	1-6 13	1-6 12	Change
Net interest income	2,431.2	2,651.7	-8.3%
Risk provisions for loans and advances	-831.8	-981.8	-15.3%
Net fee and commission income	895.9	865.5	3.5%
Net trading result	160.5	121.5	32.1%
General administrative expenses	-1,842.9	-1,887.4	-2.4%
Other result	-443.6	-41.8	>100%
Pre-tax profit/loss	**369.3**	**727.7**	**-49.3%**
Net profit/loss for the period	**394.3**	**531.1**	**-25.8%**
Attributable to non-controlling interests	93.1	77.5	20.1%
Attributable to owners of the parent	**301.2**	**453.6**	**-33.6%**

Net interest income: -8.3% versus the first half of 2012

Net interest income declined from EUR 2,651.7 million in the first half of 2012 to EUR 2,431.2 million in the first half of 2013, mainly due to the low interest rate environment and continuing subdued credit demand. At the same time, the net interest margin (net interest income as a percentage of average interest-bearing assets) contracted from 2.83% to 2.67%. Net interest income was also negatively impacted by the changed presentation of the result of the Czech pension fund, which since 2013 is no longer consolidated line by line in the P&L, but shown as one consolidated item in the other operating result. In the first half of 2013, the Czech pension fund would have made a contribution of EUR 20.0 million to net interest income (H1 2012: EUR 19.3 million).

Net fee and commission income: +3.5% versus the first half of 2012

in EUR million	1-6 13	1-6 12	Change
Lending business	130.1	141.6	-8.1%
Payment transfers	438.4	427.0	2.7%
Card business	100.2	103.0	-2.7%
Securities transactions	203.1	173.4	17.1%
Investment fund transactions	99.3	92.8	7.0%
Custodial fees	34.3	15.5	>100%
Brokerage	69.5	65.1	6.8%
Insurance brokerage	47.5	45.1	5.3%
Building society brokerage	16.8	15.2	10.5%
Foreign exchange transactions	11.1	12.6	-11.9%
Investment banking business	8.8	5.7	54.4%
Other	40.1	44.9	-10.7%
Total	**895.9**	**865.5**	**3.5%**

Net fee and commission income grew primarily on the back of an improved securities business from EUR 865.5 million to EUR 895.9 million in the first half of 2013.

Net trading result: +32.1% versus the first half of 2012

The net trading result improved from EUR 121.5 million in the first half of 2012 to EUR 160.5 million in the first half of 2013, mainly on the back of a significant improvement in securities trading.

General administrative expenses: -2.4% versus the first half of 2012

in EUR million	1-6 13	1-6 12	Change
Personnel expenses	-1,126.5	-1,138.6	-1.1%
Other administrative expenses	-538.3	-565.0	-4.7%
Depreciation and amortisation	-178.1	-183.8	-3.1%
Total	**-1,842.9**	**-1,887.4**	**-2.4%**

General administrative expenses decreased by 2.4% (currency-adjusted: -1.9%) from EUR 1,887.4 million to EUR 1,842.9 million.

Personnel expenses declined by 1.1% (currency-adjusted -0.7%) from EUR 1,138.6 million to EUR 1,126.5 million due to a lower headcount. **Other administrative expenses** were reduced significantly, by 4.7% (currency-adjusted: -4.2%), from EUR 565.0 million to EUR 538.3 million. **Depreciation and amortisation** decreased by 3.1% (currency-adjusted -2.6%) from EUR 183.8 million to EUR 178.1 million.

The **headcount** declined by 6.1% versus year-end 2012 to 46,379 employees, mainly as a result of the sale of Erste Bank Ukraine and reorganisation measures.

Headcount[3]

	Jun 13	Dec 12	Change
Employed by Erste Group	**46,379**	**49,381**	**-6.1%**
Erste Group, EB Oesterreich and subsidiaries	8,492	8,612	-1.4%
Haftungsverbund savings banks	7,350	7,448	-1.3%
Česká spořitelna Group	10,621	11,014	-3.6%
Banca Comercială Română Group	7,313	8,289	-11.8%
Slovenská sporiteľňa Group	4,207	4,185	0.5%
Erste Bank Hungary Group	2,750	2,690	2.2%
Erste Bank Croatia Group	2,600	2,629	-1.1%
Erste Bank Serbia	931	944	-1.4%
Erste Bank Ukraine	0	1,530	na
Savings banks subsidiaries & foreign branch offices	1,124	1,145	-1.8%
Other subsidiaries and foreign branch offices	991	895	10.7%

Operating result: -6.1% versus the first half of 2012

Driven by the decline in net interest income, operating income, at EUR 3,487.6 million, was down 4.2% in the first half of 2013 (H1 2012: EUR 3,638.7 million). General administrative expenses were reduced by 2.4% from EUR 1,887.4 million to EUR 1,842.9 million. This led to an operating result of EUR 1,644.7 million (H1 2012: EUR 1,751.3 million).

Risk provisions: -15.3% versus the first half of 2012

Risk provisions (i.e. the balance of the allocation and release of provisions for the lending business together with the costs of direct loan write-offs offset by income received from the recovery of loans already written off) decreased by 15.3% versus the first half of 2012, from EUR 981.8 million to EUR 831.8 million. This was mostly attributable to a significant decline in risk costs in Romania and further improvements of the risk situation in the Czech Republic, Slovakia and Austria, which more than offset the deterioration in

3 End of period values

the commercial real estate business. In the first half of 2013, risk costs in relation to average customer loans were 128 basis points (H1 2012: 146 basis points).

Other operating result

Other operating result declined from EUR -68.1 million in the first half of 2012 to EUR -397.7 million in the first half of 2013. In the previous year, this item had been mainly driven by one-off income of EUR 413.2 million from the buyback of tier 1 and tier 2 instruments and a goodwill adjustment for Banca Comerciala Romana in the amount of EUR 210.0 million. In the first half of 2013, a goodwill adjustment for Erste Bank Croatia was recognised in the amount of EUR 21.9 million.

Other taxes rose from EUR 127.5 million to EUR 197.1 million in the first half of 2013. A large proportion – EUR 80.4 million – of these was levied in Hungary and comprised the following items: an extraordinary financial transaction tax of EUR 16.3 million (H1 2012: EUR 0 million) , the regular financial transaction tax introduced in 2013 and subsequently doubled in the amount of EUR 11.8 million, the advance payment of total banking tax for the year 2013 in the amount of EUR 49.0 million, and the programme subsidising repayment of foreign-currency loans in the amount of EUR 3.3 million. In the first half of 2012, banking tax was only paid for the first six months of 2012 in the amount of EUR 24.5 million. Other taxes also included banking levies charged in Austria in the amount of EUR 83.3 million (H1 2012: EUR 82.9 million) and in Slovakia in the amount of EUR 21.0 million (H1 2012: EUR 7.1 million).

In the first half of 2013, this item was also negatively impacted in the amount of EUR 74.6 million by effects related to the sale of the Ukrainian subsidiary, mainly the negative currency translation effect related to capital and goodwill which was recycled through the income statement. This technical booking did not affect the capital position.

Other operating result also included straight-line amortisation of intangible assets (i.e. customer relationships) of EUR 32.7 million (H1 2012: EUR 33.4 million) as well as deposit insurance contributions of EUR 38.7 million (H1 2012: EUR 43.7 million).

Results from financial instruments

The result from all categories of financial instruments declined from EUR 26.3 million in the first half of 2012 to EUR -45.9 million in the first half of 2013. The positive results in the available-for-sale and held-to-maturity portfolios did not offset the negative valuation effects from the credit spread tightening of own issues in the fair-value portfolio.

Pre-tax profit

Pre-tax profit for the first half of 2013 amounted to EUR 369.3 million, reflecting negative one-off effects (Ukraine, Hungary), versus EUR 727.7 million in the first half of 2012, which had benefited from – on balance – positive extraordinary effects.

Taxes on income

In the first half of 2013, taxes on income benefited from a positive extraordinary effect in the amount of EUR 127.7 million attributable to the release of a deferred tax liability in Romania. The deferred tax liability resulted from the difference between local regulatory and IFRS loan loss provisions upon transition to IFRS.

Net profit for the period after minorities

Net profit after minorities declined by EUR 33.6% from EUR 453.6 million in the first half of 2012, which had benefited from – on balance – positive one-off effects, to EUR 301.2 million in the first half of 2013.

II. FINANCIAL RESULTS: QUARTER-ON-QUARTER COMPARISON

in EUR million	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
Net interest income	1,314.8	1,317.2	1,266.4	1,240.6	1,190.6
Risk provisions for loans and advances	-401.2	-483.5	-514.7	-402.2	-429.6
Net fee and commission income	435.2	418.8	436.5	448.2	447.7
Net trading result	27.9	69.9	82.0	77.8	82.7
General administrative expenses	-942.3	-938.7	-930.6	-931.2	-911.7
Other operating result	-199.3	-145.9	-510.3	-103.3	-294.4
Result from financial instruments - FV	0.9	-6.1	-39.9	-46.5	-12.5
Result from financial assets - AfS	18.4	15.5	37.0	11.4	-0.9
Result from financial assets - HtM	-13.8	0.5	-0.6	6.6	-4.0
Pre-tax profit/loss	**240.6**	**247.7**	**-174.2**	**301.4**	**67.9**
Taxes on income	-89.4	-54.5	80.9	-66.4	91.4
Net profit/loss for the period	**151.2**	**193.2**	**-93.3**	**235.0**	**159.3**
Attributable to non-controlling interests	44.1	49.5	20.5	58.8	34.3
Attributable to owners of the parent	**107.1**	**143.7**	**-113.8**	**176.2**	**125.0**

Net interest income decreased by 4.0% versus the previous quarter, from EUR 1,240.6 million to EUR 1,190.6 million, against the backdrop of a low interest rate environment, continuing subdued credit demand and the deconsolidation of the Ukrainian subsidiary.

Net fee and commission income, at EUR 447.7 million, was almost unchanged versus the previous quarter (Q1 2013: EUR 448.2 million).

The **net trading result** was up 6.3% from EUR 77.8 million in the first quarter of 2013 to EUR 82.7 million in the second quarter of 2013. This was mainly attributable to an improvement in securities and derivatives trading, which more than offset the decline in foreign exchange trading.

General administrative expenses declined from EUR 931.2 million in the first quarter to EUR 911.7 million in the second quarter, as the decrease in other administrative expenses (by 6.2% from EUR 277.7 million to EUR 260.6 million) and in personnel expenses (by 0.5% from EUR 564.6 million to EUR 561.9 million) offset the rise in amortisation and depreciation (by 0.3% from EUR 88.9 million to EUR 89.2 million).

The **cost/income ratio** was almost stable in the second quarter of 2013 at 53.0% versus 52.7% in the first quarter of 2013.

Risk provisions for loans and advances were up 6.8% quarter on quarter from EUR 402.2 million to EUR 429.6 million, mainly as a result of higher provisions in Austria, while the first quarter had benefited from releases.

Other operating result declined to EUR -294.4 million in the second quarter of 2013 versus EUR -103.3 million in the first quarter of 2013. This was partly attributable to the negative one-off impact from the sale of Erste Bank Ukraine in the amount of EUR 74.6 million. Tax measures in Hungary, comprising an extraordinary financial transaction tax in the amount of EUR 16.3 million, the regular financial transaction tax introduced in 2013 and subsequently doubled, in the amount of EUR 6.1 million, the advance payment of the entire banking tax remaining for the year of 2013 in the amount of EUR 36.8 million, and the programme for subsidising repayment of foreign-currency loans in the amount of EUR 1.7 million, all had an adverse effect in the second quarter of 2013. In the first quarter of 2013, banking tax and financial transactions tax had amounted to EUR 12.2 million and EUR 5.7 million, respectively as well as EUR 1.6 million for the programme for subsidising repayment of foreign-currency loans. This item also included banking levies charged in Austria in the amount of EUR 41.6 million (Q1 2013: EUR 41.6

million) and in Slovakia in the amount of EUR 10.5 million (Q1 2013: EUR 10.5 million) as well as a goodwill adjustment for Erste Bank Croatia in the amount of EUR 21.9 million.

The overall **result** from all categories of **financial instruments** improved from EUR -28.5 million in the first quarter of 2013 to EUR -17.4 million in the second quarter of 2013. This was mainly attributable to the result from financial assets – at fair value through profit or loss.

Pre-tax profit for the second quarter of 2013 amounted to EUR 67.9 million, reflecting negative one-off effects (Ukraine, Hungary), versus EUR 301.4 million in the first quarter of 2013.

In the second quarter of 2013, the **taxes on income** item benefited from a positive one-off effect in the amount of EUR 127.7 million attributable to the release of a deferred tax liability in Romania. The deferred tax liability resulted from the difference between local regulatory and IFRS loan loss provisions upon transition to IFRS accounting.

Net profit after minorities amounted to EUR 125.0 million in the second quarter of 2013 versus EUR 176.2 million in the first quarter of 2013.

III. BALANCE SHEET DEVELOPMENT

in EUR million	Jun 13	Dec 12	Change
Loans and advances to credit institutions	10,163	9,074	12.0%
Loans and advances to customers	129,756	131,928	-1.6%
Risk provisions for loans and advances	-7,820	-7,644	2.3%
Trading assets, derivative financial instruments	17,106	18,467	-7.4%
Financial assets	39,664	42,109	-5.8%
Sundry assets	21,332	19,890	7.2%
Total assets	**210,201**	**213,824**	**-1.7%**

Loans and advances to credit institutions rose from a low level of EUR 9.1 billion as of 31 December 2012 to EUR 10.2 billion as of 30 June 2013. This increase was largely attributable to increased interbank activities.

Loans and advances to customers decreased slightly from EUR 131.9 billion as of 31 December 2012 to EUR 129.8 billion as of 30 June 2013. This reflected primarily subdued loan demand in most business lines as well as FX translation effects.

Risk provisions increased from EUR 7.6 billion to EUR 7.8 billion in the first half of 2013 due to additional allocations. The NPL ratio (non-performing loans as a percentage of loans to customers) rose to 9.7% as of 30 June 2013 (year-end 2012: 9.2%), driven by the decline in the loan book and NPL inflows in the commercial real estate business. The NPL coverage ratio stood at 61.7% versus 62.6% at year-end 2012.

Investment securities held within the various categories of financial assets were down 5.8% from EUR 42.1 billion at year-end 2012 to EUR 39.7 billion primarily related to the changed reporting of the Czech pension fund – shown as one consolidated item in “other assets” from 2013 onwards – and reduced sovereign exposures in the core markets.

Other assets, included in the line item **sundry assets**, increased from EUR 2.3 billion to EUR 4.6 billion as of 30 June 2013. EUR 1.5 billion thereof are due to a change in reporting of the Czech pension fund. From 2013 onwards, it is shown as one consolidated item in “other assets”.

in EUR million	Jun 13	Dec 12	Change
Deposits by banks	21,699	21,822	-0.6%
Customer deposits	122,513	123,053	-0.4%
Debt securities in issue	28,826	29,427	-2.0%
Trading liabilities, derivative financial instruments	8,151	11,359	-28.2%
Sundry liabilities	7,615	6,502	17.2%
Subordinated liabilities	5,161	5,323	-3.0%
Total equity	16,234	16,338	-0.6%
Attributable to non-controlling interests	3,453	3,483	-0.9%
Attributable to owners of the parent	12,781	12,855	-0.6%
Total liabilities and equity	**210,201**	**213,824**	**-1.7%**

Customer deposits declined by 0.4%, from EUR 123.1 billion as of 31 December 2012 to EUR 122.5 billion as of 30 June 2013. The underlying increase in customer deposits by EUR 1.1 billion is not reflected in the reported figure due to the change in reporting of the Czech pension fund. The **loan-to-deposit ratio** stood at 105.9% as of 30 June 2013 (31 December 2012: 107.2%).

Debt securities in issue, in particular bonds and certificates of deposit, declined by 2.0% from EUR 29.4 billion to EUR 28.8 billion as of 30 June 2013. **Subordinated liabilities** also decreased slightly, from EUR 5.3 billion to EUR 5.2 billion.

Other liabilities, included in the line item sundry liabilities, were up from EUR 3.1 billion to EUR 5.0 billion as of 30 June 2013 due to a change in reporting of the Czech pension fund. Up to year-end 2012, the fund had been presented in various line items of the balance sheet. Since 2013, a consolidated total is shown in "other liabilities", in the amount of EUR 1.8 billion.

Erste Group's **shareholders' equity** remained almost unchanged at EUR 12.8 billion as of 30 June 2013. **Tier 1 capital** after the deductions defined in the Austrian Banking Act amounted to EUR 12.3 billion (year-end 2012: EUR 12.2 billion). **Core tier 1 capital** increased slightly to EUR 11.9 billion (year-end 2012: EUR 11.8 billion).

Total risk-weighted assets (RWA) declined to EUR 100.9 billion as of 30 June 2013 versus EUR 105.3 billion as of 31 December 2012, primarily due to the deconsolidation of the Ukrainian subsidiary and exposure reductions.

As of 2013, Erste Group has switched from Austrian GAAP to IFRS in the calculation of consolidated regulatory capital. The forecast negative impact of EUR 350 million (January 2012) was offset mainly by the improvement in the AfS reserve. **Total eligible qualifying capital** of the Erste Group credit institution group, as defined by the Austrian Banking Act, increased from EUR 16.3 billion as of 31 December 2012 to EUR 16.8 billion as of 30 June 2013. The **solvency ratio** in relation to total risk (total eligible qualifying capital as a percentage of the assessment base for total risk pursuant to section 22 par. 1 Austrian Banking Act) was 16.6% as of 30 June 2013 (year-end 2012: 15.5%), well above the legal minimum requirement.

The **tier 1 ratio** (total risk), which includes the capital requirements for market and operational risk, stood at 12.2% (year-end 2012: 11.6%). The **core tier 1 ratio** increased to 11.8% as of 30 June 2013 (year-end 2012: 11.2%).

IV. SEGMENT REPORTING[4]

Erste Bank Oesterreich

The Erste Bank Oesterreich sub-segment comprises the retail and SME business of Erste Bank Oesterreich and its subsidiaries, including all the savings banks in which Erste Bank Oesterreich holds majority ownerships (savings banks in Salzburg, Tirol, and Hainburg), as well as s Bausparkasse.

The decline in net interest income from EUR 312.2 million in the first half of 2012 by EUR 14.2 million, or 4.6%, to EUR 298.0 million in the first half of 2013 was mainly attributable to lower income from deposits as well as to a decline in contributions from the banking book due to interest rate developments. Net fee and commission income improved from EUR 163.2 million in the first half of 2012 by EUR 9.2 million, or 5.6%, to EUR 172.4 million on the back of positive developments in the securities business. The rise in the net trading result from EUR -3.1 million in the first half of 2012 by EUR 10.5 million to EUR 7.4 million in the first half of 2013 was attributable to valuation gains. Operating expenses fell from EUR 306.0 million by EUR 4.6 million, or 1.5%, to EUR 301.4 million. The operating result improved from EUR 166.3 million in the first half of 2012 by EUR 10.0 million, or 6.0%, to EUR 176.3 million. The cost/income ratio stood at 63.1% versus 64.8% in the first half of 2012. Risk provisions declined from EUR 54.3 million in the first half of 2012 by EUR 16.7 million, or 30.8%, to EUR 37.6 million in the first half of 2013.

The decline in “other result” by EUR 24.6 million to EUR -6.9 million in the first half of 2013 was mainly due to proceeds from the sale of securities held in the available-for-sale portfolio and from the sale of real estate recorded in the first half of 2012. Banking tax amounted to EUR 4.8 million in the first half of 2013 (H1 2012: EUR 4.7 million). Net profit after minorities declined from EUR 97.9 million in the first half of 2012 by EUR 1.1 million, or 1.1%, to EUR 96.8 million. Return on equity deteriorated marginally from 15.1% in the first half of 2012 to 14.6% in the first half of 2013.

Savings Banks

The decline in net interest income from EUR 476.7 million in the first half of 2012 by EUR 37.2 million, or 7.8%, to EUR 439.5 million in the first half of 2013 was mainly attributable to a decline in retail business volumes as well as lower income from financial assets. Net fee and commission income increased by EUR 16.8 million, or 8.7%, to EUR 210.3 million in the first half of 2013. This development was mainly due to higher income from the securities business and payment transfers. The net trading result rose marginally from EUR 8.7 million in the first half of 2012 by EUR 0.8 million, or 8.7%, to EUR 9.5 million in the first half of 2013, driven by valuations gains. Operating expenses decreased from EUR 469.5 million by EUR 3.8 million, or 0.8%, to EUR 465.7 million due to a decline in other administrative expenses and lower amortisation and depreciation. The operating result was down by EUR 15.7 million, or 7.5%, from EUR 209.4 million to EUR 193.7 million. The cost/income ratio deteriorated from 69.2% to 70.6%.

The reduction of risk provisions from EUR 110.8 million by EUR 40.6 million to EUR 70.2 million was driven by a decline in defaults in the first half of 2013. The item “other result” declined from EUR -3.4 milllion by EUR 1.0 million to EUR -4.4 million. Banking tax amounted to EUR 4.5 million in the first half of 2013 (first half of 2012: EUR 4.2 million). Net profit after minorities rose from EUR 7.2 million in the first half of 2012 by EUR 7.7 million to EUR 14.9 million in the first half of 2013.

Central and Eastern Europe

The Central and Eastern Europe region includes 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 (due to the bank's sale in late April, only the first quarter 2013). Contributions from the divisionalised business units – Group Corporate & Investment Banking and Group Markets – are reported in the respective segments.

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[4] In the segment report, the financial results of the first half of 2013 are compared with those of the first half of 2012. Unless stated otherwise, terms such as “in the previous year“, “2012“, “in the first half of 2012“ or "H1 2012“ accordingly relate to the first half of 2012, and terms such as “this year”, “2013”, “in the first half of 2013” or “H1 2013” to the first half of 2013. The term “net profit/loss for the period after minorities” corresponds to the term “net profit/loss attributable to the owners of the parent”.

Czech Republic

Net interest income in the Czech Republic sub-segment declined from EUR 570.6 million by EUR 71.3 million, or 12.5% (currency-adjusted: -10.7%), to EUR 499.3 million. This development was mainly attributable to falling market interest rates and subdued credit demand, especially for consumer loans. In addition, from 2013, the contribution from the Czech pension fund is no longer allocated to individual line items but is shown in the "other result" on a net basis. This resulted in a decline in net interest income by EUR 20.0 million versus the previous year. Net fee and commission income declined by EUR 18.9 million, or 8.2% (currency-adjusted: -6.3%), from EUR 229.8 million in the first half of 2012 to EUR 210.9 million, mainly as a result of lower income from payment transfers and from lending. The net trading result improved from EUR -8.4 million in the first half of 2012 by EUR 26.8 million to EUR 18.4 million in the first half of 2013 on the back of a better result from the derivatives business. Cost-cutting measures, in particular, reduced operating expenses by EUR 29.7 million, or 8.3% (currency-adjusted: -6.3%), to EUR 329.2 million in the first half of 2013.

The operating result declined from EUR 433.1 million in the first half of 2012 by EUR 33.7 million, or 7.8% (currency-adjusted: -5.8%), to EUR 399.4 million. As portfolio quality continued to improve, risk provisions fell by EUR 22.0 million, or 25.8% (currency-adjusted: -24.3%), to EUR 63.3 million in the first half of 2013. The improvement in "other result" from EUR -20.8 million by EUR 10.9 million to EUR -9.9 million in the first half of 2013 was largely due to changed reporting of the result of the Czech pension fund. Net profit after minorities rose in the first half of 2013 by EUR 6.5 million, or 2.6% (currency-adjusted: +4.7%), from EUR 252.7 million to EUR 259.2 million. The cost/income ratio remained stable at 45.2%. Return on equity amounted to 39.2%.

Romania

Net interest income in the Romania sub-segment rose from EUR 284.3 million by EUR 12.2 million, or 4.3% (currency-adjusted: +4.3%) to EUR 296.5 million in the first half of 2013. This development was due to higher income from financial assets. The increase in net fee and commission income by EUR 4.6 million, or 7.6% (currency-adjusted: +7.6%), from EUR 60.6 million in the first half of 2012 to EUR 65.2 million in the first half of 2013 was mainly attributable to higher income from payment transfers. The net trading result declined from EUR 37.9 million in the first half of 2012 by EUR 9.0 million, or 23.8% (currency-adjusted: -23.8%), to EUR 28.9 million in the first half of 2013, reflecting lower income from foreign exchange business. Comprehensive optimisation measures reduced operating expenses, especially on personnel, by EUR 14.1 million, or 8.2% (currency-adjusted: -8.1%), from EUR 173.0 million in the first half of 2012 to EUR 158.9 million in the first half of 2013. As a result, the operating result improved by EUR 21.8 million, or 10.4% (currency-adjusted: +10.5%), to EUR 231.6 million in the first half of 2013.

Due to extensive provisioning in previous years, risk provisions declined by EUR 159.9 million, or 43.8% (currency-adjusted: -43.8%), from EUR 364.9 million in the first half of 2012 to EUR 205.0 million in the first half of 2013. The NPL coverage ratio improved to 60.4%. The "other result" declined from EUR -16.5 million by EUR 16.4 million to EUR -32.9 million in the first half of 2013. The item "taxes on income" amounted to EUR 128.8 million versus EUR 22.6 million in the first half of 2012, reflecting a positive one-off impact – the release of a deferred tax liability – in the amount of EUR 127.7 million. Net profit/loss after minorities improved from EUR -140.5 million by EUR 257.2 million to EUR 116.7 million in the first half of 2013. The cost/income ratio improved from 45.2% to 40.7%.

Slovak Republic

Net interest income in the Slovak Republic sub-segment improved slightly from EUR 211.0 million in the first half of 2012 by EUR 0.7 million, or 0.3%, to EUR 211.7 million in the first half of 2013. Net fee and commission income decreased by EUR 3.3 million, or 6.0%, to EUR 52.7 million due to legislation limiting commissions for payment transfers. The net trading result improved slightly from EUR 1.0 million in the first half of 2012 by EUR 0.9 million to EUR 1.9 million in the first half of 2013. The inclusion of the subsidiary Erste Group IT SK and a moderate increase in personnel expenses, mostly in connection with statutory social insurance, caused operating expenses to rise from EUR 113.4 million by EUR 2.0 million, or 1.8%, to EUR 115.4 million.

Risk provisions fell from EUR 31.8 million in the first half of 2012 by EUR 10.1 million, or 31.6%, to EUR 21.7 million in the first half of 2013, reflecting lower allocations to the corporate and real estate businesses. The deterioration in the “other result” from EUR -11.1 million by EUR 9.7 million to EUR -20.8 million was due to the higher banking tax, which amounted to EUR 19.0 million in the first half of 2013 (first half of 2012: EUR 5.0 million). Net profit after minorities declined from EUR 89.0 million in the first half of 2012 by EUR 1.8 million, or 2.0%, to EUR 87.2 million in the first half of 2013. The cost/income ratio rose from 42.3% to 43.4% in the first half of 2013. Return on equity equalled 41.2% (first half of 2012: 41.0%).

Hungary
Net interest income in the Hungary sub-segment declined from EUR 175.9 million in the first half of 2012 by EUR 39.3 million, or 22.4% (currency-adjusted: -22.1%), to EUR 136.6 million in the first half of 2013. This development was driven by higher refinancing costs for the foreign-currency business, a declining loan portfolio and falling market interest rates. Net fee and commission income improved on the back of higher income from payment transfers, from EUR 45.3 million by EUR 10.6 million, or +23.4% (currency-adjusted: +23.8 %), to EUR 55.9 million in the first half of 2013. The improvement in the net trading result from EUR -6.7 million in the first half of 2012 by EUR 3.5 million, or 52.2% (currency-adjusted: +52.0%), to EUR -3.2 million in the first half of 2013 was achieved on the back of valuation gains. Operating expenses rose marginally from EUR 82.0 million in the first half of 2012 by EUR 0.5 million, or 0.6% (currency-adjusted: +0.9%), to EUR 82.5 million in the first half of 2013. The cost/income ratio increased to 43.6% from 38.2% in the first half of 2012.

Increased risk provisioning requirements in the corporate business led to a rise in risk costs from EUR 106.6 million by EUR 7.6 million, or 7.1% (currency-adjusted: +7.4%), to EUR 114.2 million in the first half of 2013. The item “other result” improved from EUR -92.9 million in the first half of 2012 by EUR 3.2 million, or 3.4% (currency-adjusted: +3.1%) to EUR -89.7 million in the first half of 2013. The first half of 2013 reflects additional expenses of EUR 27.0 million resulting from the financial transaction tax introduced in 2013 (including EUR 16.3 million one-off extraordinary financial transaction tax), while the first half of 2012 had been affected by provisions for expected future taxes in the amount of EUR 60.6 million. In addition, the entire banking tax for the full year 2013 amounting to EUR 49.0 million was already booked in the first half of 2013 while the figure for the first half of 2012 reflected only the pro-rata amount of EUR 24.5 million. The net loss after minorities amounted to EUR 98.9 million versus EUR 72.7 million in the first half of 2012.

Croatia
Net interest income in the Croatia sub-segment declined from EUR 128.9 million in the first half of 2012 by EUR 10.0 million, or 7.7% (currency-adjusted: -7.4%), to EUR 118.9 million. This was partly attributable to narrower margins. Net fee and commission income decreased from EUR 33.1 million in the first half of 2012 by EUR 3.0 million, or 9.1% (currency-adjusted: -8.7°%), to EUR 30.1 million due to lower income from the card business. The net trading result was nearly unchanged versus the previous year at EUR 4.5 million. Due to synergies with the Erste Card Club credit card company and additional cost-cutting measures, operating expenses dropped by EUR 5.2 million, or 7.6% (currency-adjusted: -7.3%), from EUR 68.1 million in the first half of 2012 to EUR 62.9 million in the first half of 2013.

The operating result decreased by EUR 7.9 million, or 8.0% (currency-adjusted: -7.7%) from EUR 98.5 million to EUR 90.6 million. The cost/income ratio was nearly unchanged at 41.0%. Increased risk provisioning requirements in the corporate business (partly due to new legislation regarding pre-bankruptcy proceedings) caused provisions to rise by EUR 6.4 million, or 9.0% (currency-adjusted: +9.4%), from EUR 71.0 million to EUR 77.4 million in the first half of 2013. Net profit after minorities declined from EUR 12.6 million in the first half of 2012 by EUR 9.2 million to EUR 3.4 million.

Serbia
Net interest income of Erste Bank Serbia rose from EUR 18.1 million by EUR 1.3 million, or 7.0% (currency-adjusted: +7.9%) to EUR 19.4 million in the first half of 2013. This improvement was driven by a rise in lending volumes to corporate clients and wider margins in the retail business. Net fee and commission income declined slightly from EUR 6.6 million by EUR 0.4 million, or 5.9% (currency-adjusted: -5.0%) to EUR 6.2 million in the first half of 2013. The net trading result improved from EUR 0.8 million by EUR 0.5

million, or 57.1% (currency-adjusted: +58.5%), to EUR 1.3 million in the first half of 2013 on the back of higher income from foreign exchange business. Operating expenses were up from EUR 16.5 million in the first half of 2012 by EUR 1.1 million, or 6.5% (currency-adjusted: +7.5%), to EUR 17.6 million in the first half of 2013. The cost/income ratio increased to 65.5% from 64.7% in the first half of 2012.

Risk costs rose from EUR 4.3 million by EUR 1.8 million, or 42.4% (currency-adjusted: +43.7%), to EUR 6.1 million due to higher allocations in the corporate business. Net profit after minorities declined by EUR 0.6 million, from EUR 2.8 million in the first half of 2012 to EUR 2.2 million.

Ukraine
On 29 April 2013, Erste Group finalised the sale of 100% of Erste Bank Ukraine to the owners of FIDOBANK. The subsidiary has been deconsolidated. In all further interim reports of the financial year 2013, the Ukraine sub-segment will therefore include only the results of the first quarter 2013.

Group Corporate & Investment Banking
The Group Corporate & Investment Banking (GCIB) segment includes the large corporate business, the real estate business of Erste Group with large corporate customers, equity capital markets (from the second quarter of 2012 onwards) as well as the investment banking subsidiaries in CEE and the International Business (excluding treasury activities). The leasing subsidiary Erste Group Immorent is also included in this segment.

Net interest income declined from EUR 257.2 million in the first half of 2012 by EUR 55.0 million, or 21.4%, to EUR 202.2 million in the first half of 2013. This development was attributable to the large corporate business and the commercial real estate business as well as to sharply lower volumes in the International Business unit, where risk-weighted assets were reduced by 25.4% versus the previous year. Net fee and commission income improved versus the first half of 2012 by EUR 7.8 million, or 18.1%, to EUR 51.2 million. This development was mainly driven by higher income from the large corporate business in Austria and new syndicated lending activities in the Czech Republic. The net trading result rose in the first half of 2013 by EUR 7.3 million to EUR 13.9 million, mostly on the back of positive foreign currency effects in the real estate business. Operating expenses declined from EUR 96.2 million in the first half of 2012 by EUR 5.1 million, or 5.3%, to EUR 91.1 million in the first half of 2013 as a result of a cost-cutting programme in the real estate business and lower expenses in the International Business unit. The operating result decreased in the first half of 2013 by EUR 34.8 million, or 16.5%, to EUR 176.2 million.

Risk provisions increased versus the first half of 2012 by EUR 97.4 million, or 66.2%, to EUR 244.5 million. This was mainly due to higher risk provisions in the commercial real estate business and in the large corporate business in Austria and Romania. The item "other result" improved in the first half of 2013 versus the first half of 2012 by EUR 41.5 million, or 72.7%, to EUR -15.5 million, which was largely attributable to negative valuation results and losses on disposals of securities in the International Business unit in the previous year. Net result after minorities declined from EUR -0.9 million in the first half of 2012 by EUR 68.8 million to EUR -69.7 million in the first half of 2013. The cost/income ratio rose from 31.3% in the first half of 2012 to 34.1%.

Group Markets
The Group Markets (GM) segment comprises the divisionalised business units Group Treasury and Capital Markets (except Equity Capital Markets) and includes the treasury activities of Erste Group Bank AG, the CEE subsidiaries, the foreign branch offices in Hong Kong, New York, Berlin and Stuttgart as well as the result of Erste Asset Management.

Net interest income was down by EUR 11.5 million, or 10.8%, to EUR 95.8 million in the first half of 2013, which in the current low-interest rate environment was mainly attributable to lower contributions from fixed income securities (bonds and T-bills in the trading book) and from Money Market activities. Net commission income was nearly unchanged at EUR 65.2 million versus the first half of 2012 (EUR 65.1 million), with an improvement in the result of Erste Asset Management. The net trading result declined by EUR 53.7 million, or 38.8%, to EUR 84.9 million, which was mainly attributable to the business areas

Global Money Market & Government Bonds, Credit Trading and Rates Trading, which had posted extraordinarily good results in the first half of 2012.

Operating expenses rose slightly from EUR 107.7 million in the first half of 2012 by EUR 1.5 million, or 1.4%, to EUR 109.2 million in the first half of 2013. The operating result declined by EUR 66.6 million, or 32.8%, to EUR 136.7 million. The cost/income ratio stood at 44.4% versus 34.6%in the first half of 2012. Net profit after minorities decreased by EUR 47.0 million, or 29.3%, to EUR 113.8 million. Return on equity stood at 57.3% (H1 2012: 92.2%).

Corporate Center

The Corporate Center segment comprises Group services such as marketing, organisation, information technology as well as other departments supporting the group-wide implementation of the strategy. In addition, intragroup consolidation effects and one-off non-operating effects are allocated to this segment. Group balance sheet management is also allocated to the Corporate Center. The results of the local asset/liability management units are allocated to the corresponding sub-segments.

Net interest income rose from EUR 95.1 million to EUR 107.2 million, which was mainly attributable to the improved result from balance sheet management. The net trading result improved from EUR -55.1 million to EUR -3.5 million on the back of better valuation results in asset/liability management.

The increase in operating expenses was largely due to intra-group consolidation of banking support operations and the rising cost of meeting regulatory requirements. The item “other result” included amortisation of customer relationships in the amount of EUR 32.7 million as well as banking tax paid by the Holding (Erste Group Bank AG) in the amount of EUR 73.7 million (H1 2012: EUR 73.5 million). In addition, the item was adversely impacted in the first half of 2013 by a goodwill adjustment for Erste Bank Croatia in the amount of EUR 21.9 million and a negative one-off impact from the sale of Erste Bank Ukraine in the amount of EUR 74.6 million. In the first half of 2012, the main contribution to the positive result had come from the proceeds of the buy-back of tier 1 and tier 2 instruments (hybrid capital and subordinated bonds) in the amount of EUR 413.2 million, which more than offset a goodwill adjustment for Banca Comerciala Romana in the amount of EUR 210.0 million.

V. EXCHANGE RATE DEVELOPMENT

	End of period rates			Average rates		
	Jun 13	Dec 12	Change	1-6 13	1-6 12	Change
EUR/CZK	25.95	25.15	-3.2%	25.69	25.17	-2.1%
EUR/RON	4.46	4.44	-0.4%	4.39	4.39	-0.1%
EUR/HUF	294.85	292.30	-0.9%	296.17	295.22	-0.3%
EUR/HRK	7.45	7.56	1.4%	7.57	7.54	-0.4%
EUR/RSD	113.70	112.05	-1.5%	111.92	110.89	-0.9%
EUR/UAH	10.66	10.62	-0.3%	10.68	10.43	-2.4%

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

For more information, please contact:

Erste Group, Investor Relations, Graben 21, 1010 Vienna, Austria, Fax: +43 (0) 5 0100 9 13112
e-mail: investor.relations@erstegroup.com
Internet: http://www.erstegroup.com/investorrelations http://twitter.com/ErsteGroupIR http://slideshare.net/Erste_Group

Thomas Sommerauer	Tel. +43 (0)5 0100 ext. 17326,	e-mail: thomas.sommerauer@erstegroup.com
Peter Makray	Tel. +43 (0)5 0100 ext. 16878,	e-mail: peter.makray@erstegroup.com
Simone Pilz	Tel. +43 (0)5 0100 ext. 13036,	e-mail: simone.pilz@erstegroup.com
Gerald Krames	Tel. +43 (0)5 0100 ext. 12751,	e-mail: gerald.krames@erstegroup.com

This information is also available on http://www.erstegroup.com/en/Investors/News and on the Erste Group Investor Relations App for iPad, iPhone and Android http://www.erstegroup.com/en/Investors/IR_App.

Appendix

I. INCOME STATEMENT (IFRS) OF ERSTE GROUP

in EUR million	1-6 13	1-6 12	Change
Net interest income	2,431.2	2,651.7	-8.3%
Risk provisions for loans and advances	-831.8	-981.8	-15.3%
Net fee and commission income	895.9	865.5	3.5%
Net trading result	160.5	121.5	32.1%
General administrative expenses	-1,842.9	-1,887.4	-2.4%
Other operating result	-397.7	-68.1	>100.0%
Result from financial instruments - FV	-59.0	42.4	na
Result from financial assets - AfS	10.5	3.7	>100.0%
Result from financial assets - HtM	2.6	-19.8	na
Pre-tax profit/loss	**369.3**	**727.7**	**-49.3%**
Taxes on income	25.0	-196.6	na
Net profit/loss for the period	**394.3**	**531.1**	**-25.8%**
Attributable to non-controlling interests	93.1	77.5	20.1%
Attributable to owners of the parent	**301.2**	**453.6**	**-33.6%**

II. CONDENSED STATEMENT OF COMPREHENSIVE INCOME

in EUR million	1-6 13	1-6 12	Change
Net profit/-loss before minorities	**394.3**	**531.1**	**-25.8%**
Available for sale - reserve (including currency translation)	-99.6	516.2	na
Cash flow hedge - reserve (including currency translation)	-68.3	0.2	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	-63.5	-30.5	>100.0%
Deferred taxes on items recognised directly in equity	53.8	-121.3	na
Other comprehensive income – total	**-177.6**	**364.6**	**na**
Total comprehensive income	**216.7**	**895.7**	**-75.8%**
Attributable to non-controlling interests	2.7	232.3	-98.8%
Attributable to owners of the parent	**214.0**	**663.4**	**-67.7%**

III. BALANCE SHEET (IFRS) OF ERSTE GROUP*

in EUR million	Jun 13	Dec 12	Change
ASSETS			
Cash and balances with central banks	9,626	9,740	-1.2%
Loans and advances to credit institutions	10,163	9,074	12.0%
Loans and advances to customers	129,756	131,928	-1.6%
Risk provisions for loans and advances	-7,820	-7,644	2.3%
Derivative financial instruments	9,355	13,289	-29.6%
Trading assets	7,751	5,178	49.7%
Financial assets - at fair value through profit or loss	642	716	-10.4%
Financial assets - available for sale	20,447	22,418	-8.8%
Financial assets - held to maturity	18,575	18,975	-2.1%
Equity method investments	220	174	26.2%
Intangible assets	2,807	2,894	-3.0%
Property and equipment	2,116	2,228	-5.0%
Investment properties	942	1,023	-8.0%
Current tax assets	93	128	-27.4%
Deferred tax assets	812	658	23.4%
Assets held for sale	95	708	-86.6%
Other assets	4,623	2,338	97.7%
Total assets	**210,201**	**213,824**	**-1.7%**
LIABILITIES AND EQUITY			
Deposits by banks	21,699	21,822	-0.6%
Customer deposits	122,513	123,053	-0.4%
Debt securities in issue	28,826	29,427	-2.0%
Value adjustments from Portfolio fair value hedges	905	1,220	-25.8%
Derivative financial instruments	7,662	10,878	-29.6%
Trading liabilities	489	481	1.7%
Provisions	1,466	1,488	-1.5%
Current tax liabilities	84	53	59.1%
Deferred tax liabilities	208	324	-35.6%
Liabilities associated with assets held for sale	0	339	na
Other liabilities	4,951	3,077	60.9%
Subordinated liabilities	5,161	5,323	-3.0%
Total equity	16,234	16,339	-0.6%
Attributable to non-controlling interests	3,453	3,483	-0.9%
Attributable to owners of the parent	12,781	12,855	-0.6%
Total liabilities and equity	**210,201**	**213,824**	**-1.7%**

*Please note that this table may contain rounding differences.

IV. SEGMENT REPORTING – ERSTE GROUP

Overview*

in EUR million	Retail & SME 1-6 13	Retail & SME 1-6 12	GCIB 1-6 13	GCIB 1-6 12	Group Markets 1-6 13	Group Markets 1-6 12	Corporate Center 1-6 13	Corporate Center 1-6 12	Total Group 1-6 13	Total Group 1-6 12
Net interest income	2,026.1	2,192.1	202.2	257.2	95.8	107.3	107.2	95.1	2,431.2	2,651.7
Risk provisions for loans and advances	-599.4	-834.7	-244.5	-147.1	11.9	0.0	0.2	0.0	-831.8	-981.8
Net fee and commission income	804.9	790.7	51.2	43.4	65.2	65.1	-25.5	-33.7	895.9	865.5
Net trading result	65.2	31.4	13.9	6.6	84.9	138.6	-3.5	-55.1	160.5	121.5
General administrative expenses	-1,543.6	-1,611.4	-91.1	-96.2	-109.2	-107.7	-99.0	-72.1	-1,842.9	-1,887.4
Other result	-170.4	-128.0	-15.5	-57.0	-1.5	2.5	-256.2	140.7	-443.7	-41.8
Pre-tax profit/loss	582.8	440.1	-83.8	6.9	147.1	205.8	-276.8	74.9	369.3	727.7
Taxes on income	-21.6	-131.9	13.4	-2.9	-30.4	-41.1	63.6	-20.7	25.0	-196.6
Net profit/loss for the period	**561.2**	**308.2**	**-70.5**	**4.0**	**116.7**	**164.7**	**-213.2**	**54.2**	**394.3**	**531.1**
Attributable to non-controlling interests	89.1	77.0	-0.8	4.9	2.9	3.9	1.8	-8.3	93.1	77.5
Attributable to owners of the parent	**472.1**	**231.2**	**-69.7**	**-0.9**	**113.8**	**160.8**	**-215.0**	**62.5**	**301.2**	**453.6**
Average risk-weighted assets	68,416.8	71,068.9	20,160.3	21,772.0	2,557.0	2,687.6	-1,465.8	15.6	89,668.4	95,544.1
Average attributed equity	4,985	4,958	1,996	2,178	397	349	5,595	5,066	12,973	12,552
Cost/income ratio	**53.3%**	**53.5%**	**34.1%**	**31.3%**	**44.4%**	**34.6%**	**na**	**na**	**52.8%**	**51.9%**
Return on equity	**18.9%**	**9.3%**	**na**	**na**	**57.3%**	**92.2%**	**na**	**2.5%**	**4.6%**	**7.2%**

*) "Other result" for the Corporate Center includes the depreciation for the customer base amounting to EUR 32.7 million.
"Other result" summarises 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 *

in EUR million	EB Oesterreich 1-6 13	EB Oesterreich 1-6 12	Savings banks 1-6 13	Savings banks 1-6 12	Austria 1-6 13	Austria 1-6 12
Net interest income	298.0	312.2	439.5	476.7	737.5	788.9
Risk provisions for loans and advances	-37.6	-54.3	-70.2	-110.8	-107.8	-165.1
Net fee and commission income	172.4	163.2	210.3	193.5	382.7	356.7
Net trading result	7.4	-3.1	9.5	8.7	16.8	5.6
General administrative expenses	-301.4	-306.0	-465.7	-469.5	-767.1	-775.5
Other result	-6.9	17.7	-4.4	-3.4	-11.3	14.3
Pre-tax profit/loss	131.8	129.7	119.1	95.2	250.9	224.9
Taxes on income	-31.2	-28.6	-28.9	-24.0	-60.1	-52.6
Net profit/loss for the period	**100.6**	**101.1**	**91.2**	**71.2**	**190.8**	**172.3**
Attributable to non-controlling interests	3.8	3.2	75.3	64.0	79.1	67.2
Attributable to owners of the parent	**96.8**	**97.9**	**15.9**	**7.2**	**111.7**	**105.1**
Average risk-weighted assets	12,776.9	13,203.4	22,560.6	23,744.7	35,337.5	36,948.1
Average attributed equity	1,330.1	1,298.7	401.0	367.9	1,731.2	1,666.6
Cost/income ratio	**63.1%**	**64.8%**	**70.6%**	**69.2%**	**67.5%**	**67.4%**
Return on equity	**14.6%**	**15.1%**	**7.9%**	**3.9%**	**12.9%**	**12.6%**

*) "Other result" summarises 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) *

	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Ukraine	
in EUR million	**1-6 13**	**1-6 12**	**1-6 13**	**1-6 12**	**1-6 13**	**1-6 12**	**1-6 13**	**1-6 12**	**1-6 13**	**1-6 12**	**1-6 13**	**1-6 12**	**1-6 13**	**1-6 12**
Net interest income	499.3	570.6	296.5	284.3	211.7	211.0	136.6	175.9	118.9	128.9	19.4	18.1	6.2	14.4
Risk provisions for loans and advances	-63.3	-85.3	-205.0	-364.9	-21.7	-31.8	-114.2	-106.6	-77.4	-71.0	-6.1	-4.3	-4.0	-5.7
Net fee and commission income	210.9	229.8	65.2	60.6	52.7	56.0	55.9	45.3	30.1	33.1	6.2	6.6	1.2	2.6
Net trading result	18.4	-8.4	28.9	37.9	1.9	1.0	-3.2	-6.7	4.5	4.6	1.3	0.8	-3.3	-3.4
General administrative expenses	-329.2	-358.9	-158.9	-173.0	-115.4	-113.4	-82.5	-82.0	-62.9	-68.1	-17.6	-16.5	-10.1	-24.0
Other result	-9.9	-20.8	-32.9	-16.5	-20.8	-11.1	-89.7	-92.9	-5.8	1.7	-0.5	-1.0	0.5	-1.7
Pre-tax profit/loss	326.2	327.0	-6.3	-171.6	108.3	111.7	-97.1	-67.0	7.4	29.2	2.7	3.7	-9.4	-17.8
Taxes on income	-65.6	-68.6	128.8	22.6	-21.1	-22.5	-1.8	-5.7	-1.4	-5.1	-0.2	0.0	0.0	0.0
Net profit/loss for the period	**260.6**	**258.4**	**122.5**	**-149.0**	**87.2**	**89.2**	**-98.9**	**-72.7**	**6.0**	**24.1**	**2.4**	**3.7**	**-9.4**	**-17.8**
Attributable to non-controlling interests	1.4	5.7	5.8	-8.5	0.0	0.2	0.0	0.0	2.6	11.5	0.2	0.9	0.0	0.0
Attributable to owners of the parent	**259.2**	**252.7**	**116.7**	**-140.5**	**87.2**	**89.0**	**-98.9**	**-72.7**	**3.4**	**12.6**	**2.2**	**2.8**	**-9.4**	**-17.8**
Average risk-weighted assets	12,717.1	12,595.5	7,200.1	8,408.4	4,009.4	4,202.0	4,136.5	3,489.2	3,921.0	4,162.8	601.8	488.1	493.5	774.8
Average attributed equity	1,320.7	1,276.3	698.2	804.0	423.1	434.3	424.6	357.4	280.2	296.6	53.1	41.1	54.3	81.9
Cost/income ratio	**45.2%**	**45.3%**	**40.7%**	**45.2%**	**43.4%**	**42.3%**	**43.6%**	**38.2%**	**41.0%**	**40.9%**	**65.5%**	**64.7%**	**247.1%**	**176.5%**
Return on equity	**39.2%**	**39.6%**	**na**	**na**	**41.2%**	**41.0%**	**na**	**na**	**2.4%**	**8.5%**	**8.4%**	**13.6%**	**na**	**na**

*) "Other result" summarises 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.