ERSTE GROUP

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INVESTOR INFORMATION

Erste Group posts net profit of EUR 472 million in H1 2010 on higher operating income and lower costs

Highlights:

- Erste Group continued its strong start to FY 2010, posting a robust operating result of **EUR 1,991.4 million** in H1 2010, up 12.1% on H1 2009, and net profit of **EUR 471.9 million**, down 4.1% on H1 2009. The cost/income ratio improved to **48.8%**, from 52.5% in H1 2009.
- The operating result was driven by record operating income, which rose by 4.1% to EUR 3,889.8 million, and a decline in operating expenses, which fell by 3.2% to EUR 1,898.4 million. **Net interest income** grew by 7.2% to EUR 2,684.8 million on the back of an improving net interest margin, which rose to 3.04%, from 2.92% in H1 2009. **Net commission income** performed strongly, growing by 8.6% to EUR 965.0 million in H1 2010, due to increased fees from securities business and payment transfers. **Net trading result** declined by 30.0% to EUR 240.0 million compared to an exceptional H1 2009.
- **Risk costs** rose to **EUR 1,084.2 million or 167 basis points** of average customer loans (H1 09: EUR 892.1 million and 141 bps, respectively), albeit at a markedly slowing pace of 21.5% compared to the previous year.
- Following **strong deceleration in NPL growth** seen in the second half of 2009, new NPL formation in H1 2010 remained at this lower level. As a result, the **NPL ratio** in relation to customer loans reached **7.3%**, following 5.9% at 30 June 2009. The **NPL coverage ratio improved significantly to 59.7%**, compared to 55.2% at 30 June 2009.
- **Net profit after minorities**[1] declined by 4.1%, from EUR 492.1 million to **EUR 471.9 million** in H1 2010, on the back of a weaker other operating result and increased net profit attributable to minorities. **Cash return on equity** decreased from 9.7% in FY 2009 to 7.5% as a result of the significantly enlarged capital base.
- **Total assets** increased by 3.7% year-to-date to EUR 209.1 billion. This was mainly due to rising interbank and financial asset volumes, driven by strong growth in customer deposits (+4.0% year-to-date to EUR 116.6 billion). The loan-to-deposit ratio was **112.4%** (year-end 2009: 115.3%).
- Erste Group's **shareholders' equity**[2] continued to improve in H1 2010, driven by rising quarterly earnings and a positive change in the AfS reserve. In H1 2010, Erste Group's equity therefore rose by EUR 0.2 billion to EUR 12.9 billion. Alongside stagnant loan volumes, risk-weighted assets declined from EUR 106.4 billion at year-end 2009 to at EUR 104.9 billion. Prior to the inclusion of retained earnings, this resulted in a **tier 1 ratio (credit risk)** of **11.2%**, compared to 10.8% at year-end 2009 and a **core tier 1 ratio (total risk)** of **8.6%**, up from 8.3% at year-end 2009.

"Erste Group has built on its strong start to the 2010 financial year, supported by an excellent operating result that topped EUR 1 billion in the second quarter, the continued stabilisation in risk costs and a further gradual improvement of economic fundamentals in Central and Eastern Europe", explained Andreas Treichl, CEO of Erste Group Bank AG, at the presentation of the first half 2010 results. "Despite

[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".

considerable headwinds from global currency volatility, concerns about public finances in Southern Europe and uncertainties related to European banking stress tests, the quality of our business model was once again key in achieving a solid bottom line“, Treichl continued. “Our strong commitment to real customer business translated into rising net interest income and stable margins, while fee income also picked up significantly and costs were firmly under control across our region. Our solid performance was rounded off by comfortably passing the EU-wide banking stress test despite application of much tougher macroeconomic assumptions than required” Treichl concluded.

Earnings performance in brief

The **operating result** rose to EUR 1,991.4 million in the first half of 2010 (+12.1% vs. EUR 1,776.4 million in H1 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, net trading result declined.

Overall, **operating income** rose by 4.1% to EUR 3,889.8 million (vs. EUR 3,736.6 million in H1 2009). This was primarily the result of the increase in net interest income (+7.2% to EUR 2,684.8 million) and net commission income (+8.6% to EUR 965.0 million). The net trading result decreased by 30.0% to EUR 240.0 million. The 3.2% reduction in **general administrative expenses** from EUR 1,960.2 million to EUR 1,898.4 million also had a major influence on the result. Accordingly, the **cost/income ratio** continued to improve to 48.8% (first half of 2009: 52.5%).

Net profit after minorities was down by 4.1%, from EUR 492.1 million to EUR 471.9 million.

Cash return on equity, i.e. return on equity adjusted for non-cash expenses such as goodwill impairments and the straight-line amortisation of the customer base declined from 9.7% (reported ROE: 9.1%) in 2009 to 7.5% (reported ROE: 7.2%). The main reason for this development was the substantial widening of the capital base by nearly 50% last year (shareholders‘ equity in H1 2009: EUR 8.8 billion; in H1 2010: EUR 13.1 billion).

Cash earnings per share equalled EUR 1.13 (reported EPS: 1.07) in H1 2010, down on the first half of 2009 (EUR 1.41; reported EPS: 1.35). This indicator was also impacted by the higher capital base.

Total assets rose by 3.7% year-to-date to EUR 209.1 billion. On the liability side, this was due mainly to the steep increase in customer deposits, which triggered a rise in interbank assets and securities investments on the asset side.

Alongside a slight decline in risk-weighted assets, the **solvency ratio** improved from 12.7% at year-end 2009 to 12.9% as of 30 June 2010. Therefore, the level remained well above the mandatory minimum requirement of 8.0%. **Tier 1 ratio (credit risk)** was 11.2% on 30 June 2010 (year-end 2009: 10.8%).

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 moderate growth in 2010. In these countries, the economic recovery will initially be driven by exports rather than domestic demand. In Romania, the recovery will be more protracted, with economic growth not set to return before 2011. Accordingly, customer loan volumes in CEE are expected to remain muted during the course of this year. The general improvement in operating conditions should have positive, if gradual, effects on asset quality. Accordingly, Erste Group continues to expect risk costs for the current financial year to remain at the level of 2009.

Erste Group has performed exceptionally well during difficult economic times and is ideally placed to capitalise on future growth opportunities in Central and Eastern Europe.

ERSTE GROUP

I. Financial performance in detail

in EUR million	1-6 10	1-6 09	Change
Net interest income	2,684.8	2,505.3	7.2%
Risk provisions for loans and advances	-1,084.2	-892.1	21.5%
Net fee and commission income	965.0	888.2	8.6%
Net trading result	240.0	343.1	-30.0%
General administrative expenses	-1,898.4	-1,960.2	-3.2%
Other result	-142.4	-119.2	-19.5%
Pre-tax profit from continuing operations	764.8	765.1	0.0%
Post-tax profit from discontinuing operations	0.0	0.0	na
Net profit for the period	**588.9**	**573.8**	**2.6%**
Attributable to non-controlling interests	117.0	81.7	43.2%
Attributable to owners of the parent	**471.9**	**492.1**	**-4.1%**

Net interest income: +7.2% vs. H1 2009

Net interest income rose by 7.2% from EUR 2,505.3 million in the first half of 2009 to EUR 2,684.8 million. This was achieved primarily thanks to the improved net interest margin (net interest income as a percentage of average interest-bearing assets), which increased from 2.92% in H1 2009 to 3.04% in H1 2010 – above all in Austria (up from 1.91% to 2.00%); in Central and Eastern Europe it remained almost unchanged (up from 4.55% to 4.57%).

Net fee and commission income: +8.6% vs. H1 2009

in EUR million	1-6 10	1-6 09	Change
Lending business	160.8	155.3	3.5%
Payment transfers	418.5	395.0	5.9%
Card business	90.7	91.5	-0.9%
Securities transactions	227.1	190.6	19.2%
Investment fund transactions	95.8	78.1	22.7%
Custodial fees	20.9	21.7	-3.7%
Brokerage	110.4	90.8	21.6%
Insurance brokerage business	54.2	46.8	15.8%
Building society brokerage	22.2	19.9	11.6%
Foreign exchange transactions	14.3	14.1	1.4%
Investment banking business	15.2	6.5	>100.0%
Other	52.7	60.0	-12.2%
Total	**965.0**	**888.2**	**8.6%**

Net fee and commission income grew by 8.6% from EUR 888.2 million to EUR 965.0 million in the first half of 2010. This performance was driven mainly by gains in fees from securities business of Erste Bank Oesterreich and the cross-guarantee system savings banks as well as fees from payment transfers in the CEE subsidiaries. As in previous periods, the insurance brokerage business continued to perform well.

Net trading result: -30.0% vs. H1 2009

As the decline in income from securities trading (by 48.3% to EUR 88.5 million) and foreign exchange trading (by 17.4% to EUR 110.8 million) was not offset by higher income from derivatives trading (up 7.8% to EUR 40.7 million), the net trading result of EUR 240.0 million for H1 2010 remained below the exceptional level of the previous year of EUR 343.1 million.

General administrative expenses: -3.2% vs. H1 2009

in EUR million	1-6 10	1-6 09	Change
Personnel expenses	-1,091.0	-1,124.2	-3.0%
Other administrative expenses	-616.4	-656.7	-6.1%
Depreciation and amortisation	-191.0	-179.3	6.5%
Total	**-1,898.4**	**-1,960.2**	**-3.2%**

General administrative expenses decreased by 3.2% (currency-adjusted: -4.7%) from EUR 1,960.2 million to EUR 1,898.4 million.

Personnel expenses declined by 3.0% (currency-adjusted: -4.1%) from EUR 1,124.2 million to EUR 1,091.0 million. Efficiency improvements that were initiated in 2009 and which led to a year-on-year decline of 2.4% in headcount – especially at the savings banks and at Erste Bank Oesterreich – had a positive effect on this development. In Central and Eastern Europe and in particular in Slovakia such efficiency improvements also led to declines in headcount.

Headcount[3]

	Jun 10	Dec 09	Change
Employed by Erste Group	**50,156**	**50,488**	**-0.7%**
Austria incl. Haftungsverbund savings banks	15,757	16,107	-2.2%
Erste Group, EB Oesterreich and subsidiaries	8,126	8,359	-2.8%
Haftungsverbund savings banks	7,631	7,748	-1.5%
Central and Eastern Europe / International	**34,399**	**34,381**	**0.1%**
Česká spořitelna Group	10,776	10,698	0.7%
Banca Comercială Română Group	9,141	9,012	1.4%
Slovenská sporiteľňa Group	4,051	4,238	-4.4%
Erste Bank Hungary Group	3,085	3,181	-3.0%
Erste Bank Croatia Group	2,323	2,265	2.6%
Erste Bank Serbia	931	909	2.4%
Erste Bank Ukraine	1,725	1,727	-0.1%
Other subsidiaries and foreign branch offices	2,367	2,351	0.7%

Other administrative expenses declined by 6.1% in H1 2010 (currency-adjusted: 8.1%) from EUR 656.7 million to EUR 616.4 million. This was achieved mainly through cost savings in the area of IT, legal and consulting fees, as well as payroll-related costs.

Depreciation and amortisation rose by 6.5%in the first half of 2010 (currency-adjusted: 4.4%) versus the same period of the previous year, from EUR 179.3 million to EUR 191.0 million.

[3] End of period values.

Operating result: +12.1% vs. H1 2009

The rise in **operating income** by 4.1% from EUR 3,736.6 million to EUR 3,889.8 million and the reduction in **general administrative expenses** by 3.2% from EUR 1,960.2 million to EUR 1,898.4 million led to a higher **operating result,** which rose by 12.1% from EUR 1,776.4 million in H1 2009 to EUR 1,991.4 million in H1 2010.

Risk provisions: +21.5% vs. H1 2009

Risk provisions, i.e., the balance of the allocation/release of provisions for the lending business and the costs of direct loan write-offs and income from recovery of loans already written off, increased year-on-year by 21.5%, from EUR 892.1 million to EUR 1,084.2. Risk costs in relation to average customer loans were 167 bps in the first half of 2010 (H1 2009: 141 bps).

Other operating result: -81.5% vs. H1 2009

Other operating result worsened from EUR -87.5 million in H1 2009 to EUR -158.8 million in H1 2010. This item includes the linear amortisation of intangible assets (customer relationships) of EUR 35.0 million as well as deposit insurance contributions of EUR 29.3 million. Furthermore, the item was impacted by write-downs on IT projects and the leasing portfolio of BCR as well as provisions for litigation totalling EUR 32.6 million for the first half of 2010. In the second quarter of 2010, an additional EUR 30 million in provisions were made for potential expenses such as the bank tax in Hungary.

Results from financial assets

The overall result of all categories of financial assets developed positively, as the negative result of the first half of 2009 (EUR -31.7 million) swung into a profit of EUR 16.4 million for the first half of 2010. The main drivers were gains on sales of shares and government bonds in the AfS portfolio. Moreover, disposal gains on securities from the HtM portfolio of Česká spořitelna of EUR 4.4 million had a positive impact on the total balance.

As of 30 June 2010, the market value of the **ABS/CDO portfolio** of Erste Group including the savings banks, was unchanged versus year-end 2009 at around EUR 1.9 billion. In the first half of 2010, a revaluation of the fair value portfolio resulted in a gain of EUR 12.8 million recognised in income (H1 2009: EUR -50.0 million). In the available for sale portfolio, the mark-to-market valuation in H1 2010 resulted in a gain – recognised in equity – of EUR 11.2 million (H1 2009: decline of EUR 43.0 million).

Pre-tax profit and net profit after minorities

Pre-tax profit from continuing operations remained nearly unchanged compared to the same period last year at EUR 764.8 million.

Net profit after minorities was down by 4.1% from EUR 492.1 million to EUR 471.9 million compared to the first half of 2009. This was mainly due to a 43.2% rise in net profit attributable to minority interests on the back of an improved performance of the Austrian savings banks.

II. FINANCIAL RESULTS: QUARTER-ON-QUARTER COMPARISON

in EUR million	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
Net interest income	1,279.3	1,335.6	1,380.0	1,323.6	1,361.2
Risk provisions for loans and advances	-521.9	-557.1	-607.4	-531.2	-553.0
Net fee and commission income	443.6	425.1	459.5	471.5	493.5
Net trading result	199.3	159.9	82.1	141.2	98.8
General administrative expenses	-984.3	-920.1	-927.1	-953.1	-945.3
Other operating result	-47.6	-114.3	-154.0	-67.7	-91.1
Result from financial assets - FV	32.0	68.5	56.8	13.0	-37.6
Result from financial assets - AfS	-7.9	-87.7	-97.7	0.1	36.3
Result from financial assets - HtM	-0.8	2.9	-8.8	4.7	-0.1
Pre-tax profit from continuing operations	391.7	312.8	183.4	402.1	362.7
Taxes on income	-107.3	-78.3	-15.1	-92.5	-83.4
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**284.4**	**234.5**	**168.3**	**309.6**	**279.3**
Attributable to non-controlling interests	24.4	6.5	-15.0	54.4	62.6
Attributable to owners of the parent	**260.0**	**228.0**	**183.3**	**255.2**	**216.7**

Net interest income increased quarter-on-quarter by 2.8% from EUR 1,323.6 million to EUR 1,361.2 million based on stable margins in Austria as well as Central and Eastern Europe and slightly higher interest-bearing assets.

Net fee and commission income was up by 4.7% from EUR 471.5 million in Q1 2010 to EUR 493.5 million in Q2 2010. This development was mainly driven by higher fees from securities business and payment transfers as well as a pick-up in lending fees in CEE on the back of a very weak first quarter.

After a robust result achieved in Q1 2010, the **net trading result** deteriorated by 30.0% from EUR 141.2 million to EUR 98.8 million. While trading income from foreign exchange transactions improved significantly to EUR 68.8 million, income from securities and derivatives trading dropped quarter-on-quarter by 69.8% to EUR 30.0 million.

General administrative expenses decreased by 0.8% from EUR 953.1 million to EUR 945.3 million in Q2 2010. Other administrative expenses declined, especially among the CEE subsidiaries, by 3.6% (from EUR 313.8 million to EUR 302.6 million), which more than offset the 4.1% increase in amortisation/depreciation expenses (from EUR 93.6 million to EUR 97.4 million). Personnel expenses remained almost unchanged versus the previous quarter at EUR 545.3 million.

The **operating result** grew by 2.5% from EUR 983.2 million in Q1 2010 to a record EUR 1,008.2 million in Q2 2010.

The **cost/income ratio** improved from 49.2% to 48.4%.

At EUR 553.0 million, **risk provisions for loans and advances** were higher than in Q1 2010 (EUR 531.2 million), mainly due to increased provisions in the large corporate business.

The balance reported under **other operating result** deteriorated by 34.6%, from EUR -67.7 million in the previous quarter to EUR -91.1 million. In the second quarter, provisions of EUR 30 million were made for potential expenses such as the bank tax in Hungary.

The **result** from all categories of **financial assets** turned negative, from EUR 17.8 million in Q1 2010 to EUR -1.4 million in Q2 2010. Higher revaluation requirements in the fair value portfolio were not offset by disposal gains from shares and government bonds from the AfS portfolio.

Pre-tax profit from continuing operations decreased by 9.8%, from EUR 402.1 million in Q1 2010 to EUR 362.7 million in Q2 2010.

Net profit after minorities was down 15.1% from EUR 255.2 million in Q1 2010 to EUR 216.7 million in Q2 2010 driven by a lower net trading result and a deterioration in the other operating result.

III. BALANCE SHEET DEVELOPMENT

in EUR million	Jun 10	Dec 09	Change
Loans and advances to credit institutions	16,408	13,140	24.9%
Loans and advances to customers	130,960	129,134	1.4%
Risk provisions for loans and advances	-5,796	-4,954	17.0%
Trading and other financial assets	44,714	42,884	4.3%
Other assets	22,798	21,506	6.0%
Total assets	**209,084**	**201,710**	**3.7%**

Loans and advances to credit institutions increased as of 30 June 2010 by 24.9% to EUR 16.4 billion from EUR 13.1 billion at year-end 2009. This was due mainly to the increase in repo transactions with the Czech central bank (EUR +3.5 billion).

Loans and advances to customers rose by 1.4% from EUR 129.1 billion to EUR 131.0 billion, driven mainly by currency shifts in Central and Eastern Europe.

Risk provisions for loans and advances increased from EUR 5.0 billion to EUR 5.8 billion due to new allocations as a result of the difficult economic conditions. The ratio of non-performing loans to customer loans grew from 6.6% to 7.3% as of 30 June 2010. In contrast, the NPL coverage ratio continued its positive trend and rose from 57.2% at year-end 2009 to 59.7%.

Investment securities in the various categories of financial assets rose by 5.9% since year-end 2009, from EUR 34.3 billion to EUR 36.3 billion. The decline of 3.3% in the HtM portfolio to EUR 14.4 billion was more than offset by the increases in the fair value and AfS portfolios of 18.9% to EUR 3.6 billion and by 11.8% to 18.3 billion, respectively.

in EUR million	Jun 10	Dec 09	Change
Deposits by banks	26,730	26,295	1.7%
Customer deposits	116,558	112,042	4.0%
Debt securities in issue	29,841	29,612	0.8%
Other liabilities	13,496	11,490	17.5%
Subordinated liabilities	5,978	6,148	-2.8%
Total equity	16,481	16,123	2.2%
Attributable to non-controlling interests	3,561	3,414	4.3%
Attributable to owners of the parent	12,920	12,709	1.7%
Total liabilities and equity	**209,084**	**201,710**	**3.7%**

Customer deposits grew by 4.0%, from EUR 112.0 billion to EUR 116.6 billion, and therefore much faster than loans and advances to customers. This development was driven mainly by increases in the Czech Republic, especially by public sector deposits and by currency appreciation. The loan-to-deposit ratio improved to 112.4% as of 30 June 2010 and was therefore below that of 31 December 2009 (115.3%).

Debt securities in issue increased by 0.8%, from EUR 29.6 billion to EUR 29.8 billion

Other liabilities rose by 17.5% to EUR 13.5 billion, mainly driven by an increase in accrued prepayments.

Risk-weighted assets (RWA) declined to EUR 104.9 billion as of 30 June 2010 (31 December 2009: EUR 106.4 billion).

Total eligible **qualifying capital** of the Erste Group credit institution according to the Austrian Banking Act was more or less unchanged as of 30 June 2010 at EUR 15.8 billion. The cover ratio with respect to the statutory minimum requirement as of the reporting date (EUR 9.9bn) was 161% (year-end 2009: 159%).

Tier 1 capital after the deductions defined in the Austrian Banking Act was EUR 11.7 billion (year-end 2009: EUR 11.5 billion).

The **tier 1 ratio** based on credit risk (tier 1 capital after deductions pursuant to the Austrian Banking Act as a percentage of the assessment base for credit risk pursuant to section 22 para. 2 Austrian Banking Act) increased to 11.2% (year-end 2009: 10.8%). Taking into account the capital requirements for market and operational risk (total risk), the tier 1 ratio increased to 9.6% (year-end 2009: 9.2%); after further adjustments for hybrid capital, the core tier 1 ratio improved to 8.6% as of 30 June 2010 (year-end 2009: 8.3%).

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 para. Austrian Banking Act) was 12.9% at 30 June 2010 (year-end 2009: 12.7%), and therefore significantly higher than the legal minimum requirement of 8.0%.

IV. SEGMENT REPORTING[4]

As of the fourth quarter of 2009, the so-called “unwinding effect” pursuant to IAS 39 (compounded interest effect due to anticipated cash flows from non-performing customer loans) is no longer reported as an overall sum in the Corporate Center segment but will be presented in the respective segments. The corresponding periods from 2009 have been adjusted accordingly. While these effects do not change net profit, they nevertheless impact net interest income and risk provisions.

Erste Bank Oesterreich

The segment Erste Bank Oesterreich comprises the retail and SME business of Erste Bank Oesterreich and its subsidiaries, above all, the savings banks in which Erste Bank Oesterreich holds majority stakes (savings banks of Salzburg, Tyrol, Hainburg and Weinviertel as of May 2009), and s Bausparkasse.

The operating result rose from EUR 153.2 million in the previous year by EUR 40.6 million or 26.5% to EUR 193.8 million. This was due to the much improved net commission income and the decline in general administrative expenses. Net commission income grew by EUR 31.7 million or 22.5% from EUR 140.4 million in the first half of 2009 to EUR 172.1 million, driven by higher fees from securities business and SME business. Customer deposits enjoyed volume growth but also narrowing margins, which caused net interest income to drop 1.7% from EUR 325.0 million in the previous year to EUR 319.4 million. The net trading result rose by EUR 1.7 million or 31.4%, from EUR 5.3 million to EUR 7.0 million. Operating expenses decreased by EUR 12.9 million or 4.1%, from EUR 317.6 million in the previous year to EUR 304.7 million. The cost/income ratio improved to 61.1%, compared to 67.5% in H1 2009. The increase in risk provisions from EUR 74.3 million in the previous year by EUR 13.4 million or 18.1% to EUR 87.7 million was mainly due to the corporate business. The other result, which in the first half of 2010 was impacted by write-downs on securities held outside of the trading portfolio, amounted to EUR -5.4 million, down EUR 9.2 million on the previous year’s figure of EUR 3.8 million. Net profit after minorities rose by EUR 15.2 million or 25.5% from EUR 59.5 million to EUR 74.7 million. Return on equity reached 13.1%, following 10.6% in the previous year.

Cross-guarantee system (“Haftungsverbund“)

Net interest income rose by 1.3% or EUR 6.2 million compared to the first half of 2009 to EUR 477.3 million due to stable margins and despite steadily declining market interest rates. Net commission income performed very satisfactorily, rising by EUR 13.5 million or 7.1% from EUR 189.5 million in the first half of 2009 to EUR 203.0 million. This was mainly a result of higher fee income from securities business and payment transfers. The decrease in net trading result from EUR 31.8 million by EUR 17.7 million or 55.6% to EUR 14.1 million was due largely to the income earned on interest rate derivatives in the same period of the previous year, which did not recur in the current period. Operating expenses of EUR 468.3 million were 0.2% lower than the previous year’s level of EUR 469.2 million. The reason for the clear improvement in the other result by EUR 35.3 million, from EUR -30.3 million in the previous year to EUR 5.0 million was attributable mostly to last year’s write-downs on securities held outside of the trading portfolio. Risk provisions decreased from EUR 178.1 million by EUR 42.2 million or 23.7% to EUR 135.9 million, which was mainly due to conservative portfolio provisioning in the first half of 2009 given the economic outlook at the time. Net profit after minorities rose from EUR -11.2 million in H1 2009 by EUR 14.3 million to EUR 3.1 million. The cost/income ratio was 67.4%, virtually unchanged from the corresponding period last year.

[4] In the segment report, financial results from the first half of 2009 are compared with those from the first half of 2010. Unless stated otherwise, terms such as “in the previous year”, “2009” or “as of the second quarter of 2009” accordingly relate to the first half of 2009, and terms such as “this year”, “2010” or “as of the second quarter of 2010” relate to the first half of 2010. The term “net profit after minority interests” corresponds with “net profit attributable to owners of the parent”.

Segment Central and Eastern Europe

The segment Central and Eastern Europe includes primarily the 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. The contributions from the divisionalised business areas, Group Markets and Group Corporate and Investment Banking are reported in the respective segments.

Czech Republic

Net interest income of the Czech retail and SME business rose from EUR 529.9 million in the previous year by EUR 6.2 million or 1.2% to EUR 536.1 million. However, currency-adjusted, this line item decreased by 3.9% caused by declining market interest rates (e.g. 2-week repo rate dropped from 3.75% in the previous year to a low of 0.75%) and lower new business volumes. Net commission income rose from EUR 203.2 million in the first half of 2009 by EUR 26.4 million or 13.0% (currency-adjusted: +7.3%) to EUR 229.6 million, driven mainly by higher earnings in the insurance brokerage and securities business. Operating expenses rose over the previous year by EUR 4.4 million or 1.3% to EUR 354.1 million. Currency-adjusted, a decrease in operating expenses by 3.9% was achieved by the consistent implementation of cost-cutting measures. Net trading result decreased by EUR 3.5 million or 16.6% (currency-adjusted: -20.8%) from EUR 21.2 million to EUR 17.7 million due to lower income from foreign exchange business.

The operating result rose from EUR 404.7 million in the first half of 2009 by EUR 24.6 million or 6.1% to EUR 429.3 million despite an unfavourable business environment; currency-adjusted, this corresponded to a gain of 0.7%. The increase in risk provisions from EUR 120.8 million in the first half of 2009 by EUR 67.3 million (+55.7% or currency-adjusted: +47.9%) to EUR 188.1 million reflected higher provisioning requirements across all business segments. The other result improved from EUR -58.4 million in the previous year by EUR 45.6 million to EUR -12.8 million. This corresponded to a currency-adjusted increase of 79.2% (+78.1% including currency changes), explained by the negative result in the first half of 2009, which was caused by substantial revaluations of real estate investments. Net profit after minorities rose by EUR 5.5 million or 3.1% (currency-adjusted: -2.1%) from EUR 175.6 million to EUR 181.1 million. The cost/income ratio was 45.2% compared to 46.4% in the first half of 2009; return on equity was 35.8% (H1 2009: 38.6%).

Romania

Net interest income of Banca Comercială Română was up by 6.2%, or currency-adjusted by 4.4%, from EUR 390.8 million to EUR 415.2 million in the first half of 2010. This improvement was achieved primarily in the corporate business. Net commission income grew by EUR 1.6 million or 2.0% (currency-adjusted: 0.2%), from EUR 77.7 million to EUR 79.3 million. Driven by favourable exchange rates, net trading result increased significantly; it rose by EUR 16.1 million, from EUR 5.1 million to EUR 21.2 million. Higher expenses due to, amongst other things, the expansion of the branch network (y/y: +6 new branches) were more than offset by lower personnel expenses, resulting in an 8.6% decrease (currency-adjusted: -10.2%) in operating expenses, from EUR 200.7 million in the first half of 2009 to EUR 183.5 million. Accordingly, the cost/income ratio improved from 42.4% in the first half of 2009 to 35.6%.

The 21.7% (currency-adjusted: +19.6%) or EUR 59.3 million year-on-year increase in the operating result, from EUR 272.9 million to EUR 332.2 million, contrasted with an increase in risk provisions by EUR 65.0 million or 36.8% (currency-adjusted: +34.4%), up from EUR 176.7 million in the first half of 2009 to EUR 241.7 million. Higher risk provisions were necessary because of the weaker economy, which had a particularly negative impact on the SME sector. Compared to the third and fourth quarter of 2009 (EUR 155.7 million and EUR 200.1 million), risk provisions declined significantly in the first half of 2010.

The drop in the other result by EUR 57.7 million from EUR 38.1 million to EUR -19.6 million was caused, on the one hand, by positive one-off effects in the first-half year 2009 as well as by write-downs – primarily in the leasing business – in the current financial period. Net profit after minorities decreased from EUR 74.0 million by EUR 37.4 million (-50.5% or currency-adjusted: -51.4%) to EUR 36.6 million. Return on equity was 14.1%.

Slovakia

Net interest income of the Slovak retail and SME business improved over the first half of 2009 by EUR 31.1 million or 17.4%, from EUR 178.4 million to EUR 209.5 million. The main factors driving this development were – apart from a consistent pricing policy – the higher average volume of customer loans. At EUR 50.9 million, was almost unchanged versus the previous year (EUR 50.7 million). Net trading result dropped slightly from EUR 1.5 million to EUR 1.2 million. Risk provisions rose by EUR 8.4 million or 14.4% from EUR 58.3 million to EUR 66.7 million, reflecting lag effects from the economic downturn in the first half of 2009. The reduction in operating expenses by EUR 20.8 million or 15.5% from EUR 133.4 million to EUR 112.6 million was the result of efficiency measures implemented as of the second quarter of 2009. The strongly improved net interest income and the lower operating expenses led to an operating result of EUR 148.9 million representing a 53.1% improvement on the previous year. The cost/income ratio improved from 57.8% in the previous year to 43.1%. In the first half of 2010, net profit after minorities reached EUR 53.4 million compared to EUR 17.9 million in the previous year. Return on equity was 24.1% compared to 8.2% in the first half of 2009.

Hungary

In the Hungarian retail and SME business, net interest income improved from EUR 164.9 million in the first half of 2009 to EUR 185.9 million (+12.8% or currency-adjusted: +5.7%), driven largely by the retail business. While the development of net commission income was positive in all categories, higher fees from lending business were the main driver behind the EUR 9.8 million (+25.2% or currency-adjusted +17.3%) rise from the EUR 38.8 million in the first half of 2009 to EUR 48.6 million. The decline in net trading result from EUR 12.4 million in the previous year by EUR 2.7 million to EUR 9.7 million was primarily the result of the declining foreign currency loan business. Operating expenses decreased from EUR 105.3 million in the first half of 2009 by EUR 6.5 million or 6.1% (currency-adjusted:-12.0%) to EUR 98.8 million. As a consequence, the operating result rose by 31.1% (currency-adjusted: +22.9%) from EUR 110.8 million to EUR 145.3 million.

The cost/income ratio improved considerably from 48.7% in the first half of 2009 to 40.5%. The performance of Erste Bank Hungary continued to reflect the difficult economic situation in 2009, with risk provisions increasing by 75.9% (currency-adjusted: +64.8%) from EUR 65.1 million in the first half of 2009 to EUR 114.5 million. Positive one-off effects in the first half of 2009 and write-downs on other financial assets in the current period were the reasons for the decline in the other result by EUR 17.7 million from EUR 9.5 million to EUR -8.2 million. Net profit after minorities was down 69.4% (currency-adjusted: -71.3%), from EUR 41.3 million to EUR 12.6 million. Return on equity was 6.5%.

Croatia

Net interest income from the retail and SME business in Croatia rose from EUR 107.9 million in the first half of 2009 to EUR 117.6 million (+9.0% or currency-adjusted: +7.3%). This development was driven, on the one hand, by the improved interest income in the retail and SME business, and on the other, by the integration of Erste Bank Podgorica, which contributed EUR 4.0 million to net interest income in the current period (Erste Bank Podgorica was integrated as of the second quarter 2009). Net commission income rose from EUR 35.8 million by 1.8% or currency-adjusted by 0.2% to EUR 36.4 million. The increase in net trading result from EUR 2.0 million in the first half of 2009 by EUR 2.7 million to EUR 4.7 million was primarily due to the positive contributions from Erste Card Club.

Operating expenses rose by EUR 3.5 million, from EUR 66.3 million to EUR 69.8 million in the first half of 2010, mainly due to the new value added tax regime that affected Erste Card Club and as a result of the integration of Erste Bank Podgorica. The operating result rose by 12.2% or currency-adjusted by 10.4%, from EUR 79.3 million to EUR 89.0 million in the first half of 2010. Accordingly, the cost/income ratio improved from 45.5% in the previous year to 43.9%. The increase in risk provisions from EUR 25.8 million in the first half of 2009 by EUR 22.7 million to EUR 48.5 million was due to the generally higher provisioning requirements in the corporate customer and real estate business. Net profit after minorities decreased from EUR 25.9 million in the first half of 2009 by EUR 9.4 million to EUR 16.5 million (-36.3% or currency-adjusted: -37.3%). Return on equity was 16.8% versus 26.7% in the first half of 2009.

Serbia

Net interest income of Erste Bank Serbia declined from EUR 15.8 million in the first half of 2009 to EUR 12.4 million (-21.3% or currency-adjusted -16.8%). This was due to the decrease in market interest rates from 13% in the first half of 2009 to 8% in the reporting period. Risk costs increased from EUR 4.0 million in the first half of 2009 by EUR 0.6 million to EUR 4.6 million. Net commission income was up from EUR 4.8 million in the first half of 2009 by 7.7% (currency-adjusted: +13.9%) to EUR 5.1 million. Operating expenses decreased by EUR 0.3 million or 1.8% (currency-adjusted: +3.9%) versus the first half of 2009 to EUR 15.3 million. The cost/income ratio was 83.3%. The operating result declined by EUR 3.3 million from EUR 6.4 million in the first half of 2009 to EUR 3.1 million. The other result improved by EUR 0.8 million, from EUR -0.5 million to EUR 0.3 million. This was due to the release of reserves no longer required in the first half of 2010. Net profit after minorities decreased by EUR 2.4 million to EUR -1.1 million.

Ukraine

The operating result of Erste Bank Ukraine improved by EUR 3.2 million from EUR -1.0 million in the previous year to EUR 2.2 million. This was due to the positive developments in net interest income and net trading result. The lower lending volume was offset by the higher interest income in the securities business, resulting in an increase in net interest income of EUR 2.7 million (+18.6%, currency-adjusted: +20.2%) from EUR 14.3 million in the first half of 2009 to EUR 17.0 million. Net trading result rose by EUR 2.3 million or 62.5%, from EUR 3.7 million in the first half of 2009 to EUR 6.0 million. Operating expenses rose from EUR 19.1 million in the previous year by EUR 2.5 million or 13% (currency-adjusted: +14.8%) to EUR 21.6 million. The significant decrease in risk provisions by EUR 23.6 million or 61.4% (currency-adjusted: -60.9%), from EUR 38.4 million in the first half of 2009 to EUR 14.8 million, was due to large write-downs required in 2009; for 2010, we expect the portfolio to stabilise. At EUR -13.2 million, net profit after minorities improved by EUR 25.0 million over the same period in the previous year when it amounted to EUR -38.2 million.

Segment Group Corporate & Investment Banking (GCIB)

The Group Corporate & Investment Banking segment includes the large corporate business, the real estate business of Erste Group with large corporate customers, equity capital markets and the international business (excluding treasury activities). The leasing subsidiary Immorent is also allocated to this segment.

Net interest income grew by EUR 20.2 million or 7.4% from EUR 272.8 million in the first half of 2009 to EUR 293.0 million on the back of consistent pricing and selective new lending policies. Net commission income improved slightly to EUR 79.4 million (+2.1%) compared to EUR 77.8 million in the previous year. General administrative expenses rose by 5.5%, from EUR 85.5 million to EUR 90.2 million in the first half-year 2010, while the operating result advanced from EUR 267.4 million to EUR 285.3 million (+6.7% versus the first half of 2009). Risk provisions of EUR 181.6 million versus EUR 150.7 million (+20.5%) in the first half of 2009 reflected the slowly improving market conditions. Net profit after minorities declined by 12.2% from EUR 81.0 million to EUR 71.1 million. The increase in the other result from EUR -13.3 million in the previous year by EUR 14.3 million to EUR 1.0 million was due mainly to positive contributions from the sale of other financial assets. The cost/income ratio improved slightly from 24.2% in the previous year to 24.0%; return on equity was 6.7%.

Segment Group Markets

The segment Group Markets comprises the divisionalised business units Group Treasury and Debt Capital Markets and includes the treasury activities of Erste Group Bank AG, the CEE subsidiaries, the foreign branch offices in Hong Kong and New York as well as the investment banking subsidiaries; furthermore, it also includes the results of Erste Asset Management (formerly Sparinvest KAG).

The operating result in the Segment Group Markets declined from EUR 342.0 million in the first half of 2009 to EUR 178.2 million. This was mainly due to weak results from money market activities on the back of unfavourable interest rates trends. Net interest income declined by EUR 66.3 million or 53.9% to EUR 56.8 million. The increase in net commission income from EUR 60.3 million in the first half of 2009 by EUR 23.2 million or 38.5% to EUR 83.5 million resulted from a solid overall sales performance and from a significantly improved development in the asset management units allocated to this segment. The exceptionally good net trading result of EUR 259.6 million in the previous year could not be repeated in light of this year's difficult environment and declined to EUR 147.3 million. Operating expenses rose from EUR 101.0 million in the previous year by 8.3% to EUR 109.4 million. This was mainly due to the inclusion of additional asset management companies; cost reductions were achieved at the East European units. The cost/income ratio deteriorated because of the above-mentioned factors from 22.8% to 38.0%. Net profit after minorities decreased by EUR 125.5 million from EUR 258.5 million in the first half of 2009 to EUR 133.0 million. Return on equity was 77.9% following 155.6% in the previous year.

Segment Corporate Center

The Corporate Center segment includes the results of those companies that cannot be directly allocated to a business segment, profit consolidation between the segments, the linear amortisation of customer relationships especially for BCR, Erste Card Club and Ringturm KAG as well as one-time effects that were not allocated to any business segment in order to preserve comparability.

Furthermore, the asset/liability management of Erste Group Bank AG (Holding) is allocated to this segment. The results of local asset/liability management continue to be allocated to the corresponding individual segments.

The improvement in net interest income was a result of positive contributions from assets/liability management and higher income from capital investments (especially from participation capital issued in the first half of 2009 and the proceeds of the capital increase in November 2009). The development of net commission income and general administrative expenses was driven mainly by the profit consolidation of banking support operations. The significantly improved net trading result was due to positive revaluations in the trading book.

The other result included the required linear amortisation of the value of customer relationships of BCR, Erste Card Club and Ringturm KAG in the amount of EUR 35.2 million as well as write-downs for IT projects and provisions for potential expenses (e.g. the Hungarian banking tax) in the second half of 2010 in an amount of EUR 40 million.

V. EXCHANGE RATE DEVELOPMENT

	End of period rates			Average rates		
Euro FX rates	**Jun 10**	**Dec 09**	**Change**	**1-6 10**	**1-6 09**	**Change**
CZK/EUR	25.69	26.47	3.0%	25.79	27.16	5.1%
RON/EUR	4.37	4.24	-3.2%	4.16	4.23	1.7%
HUF/EUR	286.00	270.42	-5.8%	271.93	290.24	6.3%
HRK/EUR	7.20	7.30	1.4%	7.27	7.38	1.5%
RSD/EUR	104.67	95.73	-9.3%	99.49	94.05	-5.8%
UAH/EUR	9.72	11.59	16.1%	10.75	10.61	-1.3%

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

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This release is also available on our website at http://www.erstegroup.com/investorrelations in the news section.

Appendix

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

in EUR million	1-6 10	1-6 09	Change
Net interest income	2,684.8	2,505.3	7.2%
Risk provisions for loans and advances	-1,084.2	-892.1	21.5%
Net fee and commission income	965.0	888.2	8.6%
Net trading result	240.0	343.1	-30.0%
General administrative expenses	-1,898.4	-1,960.2	-3.2%
Other operating result	-158.8	-87.5	-81.5%
Result from financial assets - FV	-24.6	-12.1	na
Result from financial assets - AfS	36.4	-18.7	na
Result from financial assets - HtM	4.6	-0.9	na
Pre-tax profit from continuing operations	764.8	765.1	0.0%
Taxes on income	-175.9	-191.3	-8.1%
Post-tax profit from continuing operations	588.9	573.8	2.6%
Post-tax profit from discontinuing operations	0.0	0.0	na
Net profit for the period	**588.9**	**573.8**	**2.6%**
Attributable to non-controlling interests	117.0	81.7	43.2%
Attributable to owners of the parent	**471.9**	**492.1**	**-4.1%**

II. STATEMENT OF COMPREHENSIVE INCOME

in EUR million	1-6 10	1-6 09	Change
Net profit before minorities	**588.9**	**573.8**	**2.6%**
Available for sale - reserve (including currency translation)	168.5	101.6	65.8%
Cash flow hedge - reserve (including currency translation)	-16.9	35.7	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	-59.0	-89.1	-33.8%
Deferred taxes on items recognised directly in equity	-39.7	-32.5	22.2%
Other comprehensive income – total	**52.9**	**15.7**	**>100.0%**
Total comprehensive income	**641.8**	**589.5**	**8.9%**
Attributable to non-controlling interests	184.1	136.9	34.5%
Attributable to owners of the parent	**457.7**	**452.6**	**1.1%**

III. BALANCE SHEET (IFRS) OF ERSTE GROUP

in EUR million	Jun 10	Dec 09	Change
ASSETS			
Cash and balances with central banks	6,540	5,996	9.1%
Loans and advances to credit institutions	16,408	13,140	24.9%
Loans and advances to customers	130,960	129,134	1.4%
Risk provisions for loans and advances	-5,796	-4,954	17.0%
Trading assets	8,408	8,598	-2.2%
Financial assets - at fair value through profit or loss	3,563	2,997	18.9%
Financial assets - available for sale	18,331	16,390	11.8%
Financial assets - held to maturity	14,412	14,899	-3.3%
Equity holdings in associates accounted for at equity	228	241	-5.4%
Intangible assets	4,716	4,867	-3.1%
Property and equipment	2,353	2,344	0.4%
Tax assets	462	577	-19.9%
Assets held for sale	59	58	1.7%
Other assets	8,440	7,423	13.7%
Total assets	**209,084**	**201,710**	**3.7%**
LIABILITIES AND EQUITY			
Deposits by banks	26,730	26,295	1.7%
Customer deposits	116,558	112,042	4.0%
Debt securities in issue	29,841	29,612	0.8%
Trading liabilities	3,392	3,157	7.4%
Provisions	1,613	1,670	-3.4%
Tax liabilities	321	361	-11.1%
Liabilities associated with assets held for sale	0	0	na
Other liabilities	8,170	6,302	29.6%
Subordinated liabilities	5,978	6,148	-2.8%
Total equity	16,481	16,123	2.2%
Attributable to non-controlling interests	3,561	3,414	4.3%
Attributable to owners of the parent	12,920	12,709	1.7%
Total liabilities and equity	**209,084**	**201,710**	**3.7%**

IV. SEGMENT REPORTING – ERSTE GROUP

Overview*

	Retail & SME		GCIB		Group Markets		Corporate Center		Total group	
in EUR million	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**
Net interest income	2,290.5	2,198.2	293.0	272.8	56.8	123.1	44.5	-88.9	2,684.8	2,505.3
Risk provisions	-902.6	-741.5	-181.6	-150.7	0.0	0.0	0.0	0.0	-1,084.2	-892.1
Net fee and commission income	825.8	740.9	79.4	77.8	83.5	60.3	-23.8	9.2	965.0	888.2
Net trading result	82.0	84.4	3.0	2.3	147.3	259.6	7.7	-3.2	240.0	343.1
General administrative expenses	-1,628.8	-1,676.8	-90.2	-85.5	-109.4	-101.0	-70.1	-96.9	-1,898.5	-1,960.2
Other result	-60.2	-57.5	1.0	-13.3	3.1	-2.2	-86.2	-46.2	-142.3	-119.2
Pre-tax profit	606.7	547.8	104.7	103.4	181.3	339.8	-127.9	-226.0	764.8	765.1
Taxes on income	-137.4	-122.6	-24.9	-23.0	-39.6	-65.5	26.0	19.9	-175.9	-191.3
Post-tax profit from continuing operations	469.3	425.3	79.8	80.4	141.7	274.3	-101.9	-206.1	588.9	573.8
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
Net profit for the period	**469.3**	**425.3**	**79.8**	**80.4**	**141.7**	**274.3**	**-101.9**	**-206.1**	**588.9**	**573.8**
Attributable to non-controlling interests	105.9	79.1	8.7	-0.6	8.7	15.8	-6.2	-12.7	117.0	81.7
Attributable to owners of the parent	**363.5**	**346.1**	**71.1**	**81.0**	**133.0**	**258.5**	**-95.7**	**-193.4**	**471.9**	**492.1**
Average risk-weighted assets	74,623.1	73,990.7	26,499.7	25,441.2	3,018.5	3,250.6	1,605.4	3,810.1	105,746.7	106,492.6
Average attributed equity	4,090.5	3,978.7	2,121.1	1,998.0	341.7	332.2	6,538.9	2,509.8	13,092.1	8,818.6
Cost/income ratio	**50.9%**	**55.5%**	**24.0%**	**24.2%**	**38.0%**	**22.8%**	**n.a.**	**n.a.**	**48.8%**	**52.5%**
ROE based on net profit	**17.8%**	**17.4%**	**6.7%**	**8.1%**	**77.9%**	**155.6%**	**n.a.**	**n.a.**	**7.2%**	**11.2%**

*) The “Other result” for the Corporate Center includes the depreciation for the customer base amounting to EUR 35.2 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 1-6 10	Savings Banks 1-6 09	EB Oesterreich 1-6 10	EB Oesterreich 1-6 09	Austria 1-6 10	Austria 1-6 09
Net interest income	477.3	471.1	319.4	325.0	796.6	796.1
Risk provisions	-135.9	-178.1	-87.7	-74.3	-223.6	-252.4
Net fee and commission income	203.0	189.5	172.1	140.4	375.1	329.9
Net trading result	14.1	31.8	7.0	5.3	21.1	37.2
General administrative expenses	-468.3	-469.2	-304.7	-317.6	-773.1	-786.8
Other result	5.0	-30.3	-5.4	3.8	-0.4	-26.5
Pre-tax profit	95.1	14.7	100.6	82.7	195.7	97.4
Taxes on income	-25.3	-6.9	-23.6	-19.7	-48.9	-26.6
Post-tax profit from continuing operations	69.8	7.9	77.0	63.0	146.8	70.8
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**69.8**	**7.9**	**77.0**	**63.0**	**146.8**	**70.8**
Attributable to non-controlling interests	66.7	19.1	2.3	3.5	69.0	22.6
Attributable to owners of the parent	**3.1**	**-11.2**	**74.7**	**59.5**	**77.8**	**48.3**
Attributable to owners of the parent	23,913.7	24,762.3	14,321.4	13,824.7	38,235.1	38,587.0
Average risk-weighted assets	290.0	289.9	1,137.5	1,119.5	1,427.5	1,409.3
Average attributed equity	**67.4%**	**67.8%**	**61.1%**	**67.5%**	**64.8%**	**67.6%**
Cost/income ratio	**2.1%**	**n.a.**	**13.1%**	**10.6%**	**10.9%**	**6.9%**

*) "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	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**	**1-6 10**	**1-6 09**
Net interest income	536.1	529.9	415.2	390.8	209.5	178.4	185.9	164.9	117.6	107.9	12.4	15.8	17.0	14.3
Risk provisions	-188.1	-120.8	-241.7	-176.7	-66.7	-58.3	-114.5	-65.1	-48.5	-25.8	-4.6	-4.0	-14.8	-38.4
Net fee and commission income	229.6	203.2	79.3	77.7	50.9	50.7	48.6	38.8	36.4	35.8	5.1	4.8	0.8	0.1
Net trading result	17.7	21.2	20.8	5.1	1.2	1.5	9.7	12.4	4.7	2.0	0.9	1.5	6.0	3.7
General administrative expenses	-354.1	-349.7	-183.5	-200.7	-112.6	-133.4	-98.8	-105.3	-69.8	-66.3	-15.3	-15.6	-21.6	-19.1
Other result	-12.8	-58.4	-19.6	38.1	-15.4	-16.5	-8.2	9.5	-3.4	-2.7	0.3	-0.5	-0.6	-0.4
Pre-tax profit	228.5	225.5	70.5	134.3	66.8	22.4	22.6	55.3	37.0	50.8	-1.3	1.9	-13.2	-39.8
Taxes on income	-43.6	-45.8	-13.8	-22.9	-13.3	-4.3	-10.0	-13.9	-7.7	-10.4	0.0	-0.2	0.0	1.6
Post-tax profit from continuing operations	184.9	179.7	56.7	111.4	53.5	18.1	12.6	41.3	29.3	40.4	-1.3	1.7	-13.2	-38.2
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	184.9	179.7	56.7	111.4	53.5	18.1	12.6	41.3	29.3	40.4	-1.3	1.7	-13.2	-38.2
Attributable to non-controlling interests	3.8	4.1	20.4	37.4	0.1	0.3	-0.1	0.0	12.8	14.5	-0.1	0.4	0.0	0.0
Attributable to owners of the parent	**181.1**	**175.6**	**36.3**	**74.0**	**53.4**	**17.9**	**12.6**	**41.3**	**16.5**	**25.9**	**-1.1**	**1.3**	**-13.2**	**-38.2**
Average risk-weighted assets	12,266.4	10,906.0	9,115.4	9,768.9	5,371.5	5,190.8	4,757.2	4,568.7	3,596.9	3,668.3	660.9	759.5	619.6	541.5
Average attributed equity	1,013.2	910.7	519.0	554.8	443.3	435.0	391.3	377.8	196.8	194.3	44.0	50.2	55.5	46.6
Cost/income ratio	**45.2%**	**46.4%**	**35.6%**	**42.4%**	**43.1%**	**57.8%**	**40.5%**	**48.7%**	**43.9%**	**45.5%**	**83.3%**	**70.9%**	**90.7%**	**105.5%**
ROE based on net profit	**35.8%**	**38.6%**	**14.0%**	**26.7%**	**24.1%**	**8.2%**	**6.5%**	**21.9%**	**16.8%**	**26.7%**	**n.a.**	**5.3%**	**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.