ERSTE GROUP

Vienna, 28 October 2011

INVESTOR INFORMATION

Erste Group takes extraordinary charges leading to a net loss of EUR 973.0 million in the first nine months of 2011 and significantly reduces CDS exposure

HIGHLIGHTS[1]

- As pre-announced on 10 October 2011, significant charges (write-down of goodwill in Hungary and Romania, additional risk provisions in Hungary, and expenses resulting from the change in the fair value of the CDS portfolio) resulted in a **net loss after minorities**[2] of **EUR 973.0 million** (1-9 2010: net profit of EUR 633.8 million). Banking taxes in Austria and Hungary came to EUR 140.2 million (before taxes).
- In the first nine months of 2011, **net interest income** rose by 0.9% to **EUR 4,134.1 million** (1-9 2010: EUR 4,095.8 million). Meanwhile, **net commission income** declined by 1.3% to **EUR 1,352.0 million** (1-9 2010: EUR 1,370.0 million). At **EUR 37.4 million**, the **net trading result** – substantially negatively affected by the volatility of the CDS portfolio – was 87.1% lower than in the first nine months of 2010 (EUR 290.4 million).
- Despite higher inflation, **general administrative expenses** grew only by a moderate 0.7% to **EUR 2,891.6 million** (1–9 2010: EUR 2,871.7 million). The change in the fair value of the CDS caused the **operating result** to decline by 8.8% from EUR 2,884.5 million to **EUR 2,631.9** million in the first nine months of 2011. The **cost/income ratio** stood at **52.4%** (same period 2010: 49.9%).
- **Risk costs** were up 17.0% from EUR 1,588.4 million (162 basis points of average customer loans) in the first three quarters of 2010 to **EUR 1,859.2 million,** or **184 basis points**. This was largely due to the need for additional risk provisions in Hungary (partly a consequence of continuing political intervention). Asset quality improved in the Czech Republic, in Slovakia and in Austria. The **NPL ratio** in relation to customer loans rose to **8.2%** at 30 September 2011 (year-end 2010: 7.6%). The **NPL coverage ratio** improved to **63.9%** (year-end 2010: 60.0%).
- **Total assets**, at **EUR 216.1 billion**, were up 5.0% for the year to date from EUR 205.8 billion. The **loan-to-deposit ratio** improved to **111.2%** at 30 September 2011 (year-end 2010: 113.1%). While customer deposits, at EUR 121.6 billion, were up 3.9% year to date, lending volume rose by just 2.2% to EUR 135.2 billion.
- Erste Group's **shareholders' equity**[3] amounted to **EUR 11.9 billion** at 30 September 2011 (year-end 2010: EUR 13.1 billion) and **core tier 1 capital** to **EUR 10.6 billion** (year-end 2010: EUR 11.0 billion). With loan volume stable, total **risk-weighted assets** were largely unchanged versus year-end 2010 at **EUR 119.9 billion**. The **tier 1 ratio (total risk)** stood at **9.8%** (year-end 2010: 10.2%) and the **core tier 1 ratio (total risk)** at **8.8%** (year-end 2010: 9.2%).

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[1] Due to the volatility on capital and financial markets the management of Erste Group analysed the outstanding portfolio of Credit Default Swaps (CDSs) within its International Business Division with regards to the strategic business orientation of Erste Group. Based on this analysis, the accounting of these instruments classified in prior periods as financial guarantees has been consequently restated to classify and measure them as financial instruments at fair value through profit and loss. The harmonisation and improvement of the IT-Tools within Erste Group has lead to restate prior calculation of the effective interest rate of loans and advances to customers. In accordance with IAS 8, comparative figures have been restated to reflect the above (see tables in the appendix). The figures presented as comparable data in this document for prior periods are restated data.

[2] The 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".

[3] The term "shareholders' equity" corresponds to the term "total equity attributable to the owners of the parent".

"Following our pre-announcement for the third quarter on 10 October concerns were raised in relation to our CDS exposure. We have reacted to this and reduced our portfolio from EUR 5.2 billion at the end of September to EUR 0.3 billion yesterday with no additional negative P&L effect", commented Andreas Treichl, CEO of Erste Group Bank AG, at the results presentation for the first nine months of 2011. "Let me also be very clear about one thing: for anybody who over the last couple of weeks had doubts about what Erste Group stands for I have only one answer: we are the retail and corporate bank in the eastern part of the European Union. The most recent events have just strengthened this conviction", Treichl said. "Our view is confirmed by the performance of Česká spořitelna, Slovenská sporiteľňa, Erste Bank Oesterreich and Erste Bank Croatia, all of which are doing well: operating and net profit are up year on year, risk costs are down over the same period. In Romania GDP growth is still slow, as is our business performance, but the domestic economy should be supported by a better EU funds absorption rate going into 2012. In Hungary we have started a strategic review with the aim to reposition our bank towards extending local currency loans funded by local currency deposits", Treichl concluded.

Earnings performance in brief

A decline in operating income due to negative market valuations and a moderate rise in operating expenses caused the **operating result** to decrease to EUR 2,631.9 million in the first nine months of 2011 (-8.8% versus EUR 2,884.5 million in the first nine months of 2010).

Operating income totalled EUR 5,523.5 million in the first nine months of 2011 (1-9 2010: EUR 5,756.2 million). An increase in net interest income (+0.9% to EUR 4,134.1 million) offsets the decline in net fee and commission income (-1.3% to EUR 1,352.0 million) but not the drop in the net trading result (-87.1% to EUR 37.4 million). **General administrative expenses** were up 0.7% to EUR 2,891.6 million (1-9 2010: EUR 2,871.7 million). This resulted in a **cost/income ratio** of 52.4% (1-9 2010: 49.9%).

Net loss after minorities for the first nine months of 2011 amounted to EUR 973.0 million. Over the same period of the previous year, Erste Group had posted a profit of EUR 633.8 million.

Cash return on equity, i.e. return on equity adjusted for such non-cash expenses as goodwill impairment and straight-line amortisation of customer relationships, was 0.1% for the first nine months of 2011 (reported ROE: -9,7%) versus 6.8% (reported ROE: 6.5%) in the first nine months of 2010.

The **cash loss per share** amounted to EUR -0.26 in the first nine months of 2011 (reported EPS: EUR -2.87) versus cash earnings per share of EUR 1.49 (reported EPS: EUR 1.41) in the first nine months of 2010.

Total assets, at EUR 216.1 billion, were up 5.0% on year-end 2010. On the liabilities side, this was due to growth in customer deposits and new bond issues. On the assets side, it reflects a rise in loans and advances to customers and in financial and trading assets.

With change in risk-weighted assets and total eligible qualifying capital largely flat, the **solvency ratio** was stable at 13.5% at 30 September 2011 (year-end 2010: 13.5%). Therefore, it remained comfortably above the statutory minimum requirement of 8.0%. The **tier 1 ratio** in relation to total risk was 9.8% at 30 September 2011 (versus 10.2% at year-end 2010).

Outlook

As a result of the above measures Erste Group is expected to post a net loss of about EUR 700-800 million in 2011 (before extraordinary charges a net profit of about EUR 850-950 million). Risk costs on group level are expected to amount to EUR 2.3 billion (before extraordinary charges: EUR 1.8 billion) in 2011.

Erste Group's operating profit will remain a pillar of strength in 2011 and beyond, benefiting from significantly reduced P& L volatility following the substantial reduction in CDS exposure. In relation to the latter our clear objective is to close out the CDS book within the next couple of days.

The European Banking Authority has defined a capital threshold of 9% that has to be met by June 2012. Based on the figures for the first six months of 2011 and excluding private participation capital of EUR 540 million, Erste Group has a capital short fall of EUR 59 million. The final figure for the capital shortfall will be based on 1-9 2011 figures and therefore take into account Erste Group's recently implemented measures. In the normal course of business retained earnings until June 2012 should cover most of the shortfall.

I. FINANCIAL PERFORMANCE IN DETAIL

in EUR million	1-9 11	1-9 10 restated	Change
Net interest income	4,134.1	4,095.8	0.9%
Risk provisions for loans and advances	-1,859.2	-1,588.4	17.0%
Net fee and commission income	1,352.0	1,370.0	-1.3%
Net trading result	37.4	290.4	-87.1%
General administrative expenses	-2,891.6	-2,871.7	0.7%
Other result	-1,548.0	-271.9	na
Pre-tax profit/loss from continuing operations	-775.3	1,024.2	na
Net profit/loss for the period	**-880.3**	**791.6**	**na**
Attributable to non-controlling interests	92.7	157.8	-41.3%
Attributable to owners of the parent	**-973.0**	**633.8**	**na**

Net interest income: +0.9% vs. the first nine months of 2010

Net interest income rose by 0.9% from EUR 4,095.8 million in the first nine months of 2010 to EUR 4,134.1 million, which was mainly attributable to improved margins in the customer business. The interest margin (net interest income as a percentage of average interest-bearing assets) amounted to 3.03% in the first nine months of 2011 (1-9 2010: 3.09%).

Net fee and commission income: -1.3% vs. the first nine months 2010

in EUR million	1-9 11	1-9 10 restated	Change
Lending business	206.8	188.1	9.9%
Payment transfers	649.9	635.4	2.3%
Card business	150.5	140.4	7.2%
Securities transactions	295.2	307.4	-4.0%
Investment fund transactions	148.6	150.3	-1.1%
Custodial fees	24.8	28.1	-11.7%
Brokerage	121.8	129.0	-5.6%
Insurance brokerage business	71.2	82.2	-13.4%
Building society brokerage	27.9	30.2	-7.6%
Foreign exchange transactions	18.1	19.9	-9.0%
Investment banking business	13.3	24.0	-44.6%
Other	69.6	82.8	-15.9%
Total	**1,352.0**	**1,370.0**	**-1.3%**

Net fee and commission income was down 1.3% in the first nine months of 2011, from EUR 1,370.0 million to EUR 1,352,0 million. This development was mostly due to declines in insurance brokerage as well as in investment banking and in the securities business (in Austria). The result from the lending business was solid on the back of higher contributions from Slovakia and Austria. The increase in payment transfers was attributable in large part to the Czech and Croatian subsidiaries (increase in card transactions).

Net trading result: -87.1% vs. the first nine months of 2010

The decline in the net trading result by 87.1% from EUR 290.4 million in the first nine months of 2010 to EUR 37.4 million in the first nine months of 2011 largely resulted from the changes in the fair value of the CDS portfolio which had an impact of EUR -204.5 million (1-9 2010: EUR -93.4 million), as well as from declines in foreign exchange trading and in the fixed income business.

General administrative expenses: +0.7% vs. the first nine months of 2010

in EUR million	1-9 11	1-9 10 restated	Change
Personnel expenses	-1,720.3	-1,657.5	3.8%
Other administrative expenses	-889.8	-928.7	-4.2%
Depreciation and amortisation	-281.5	-285.5	-1.4%
Total	**-2,891.6**	**-2,871.7**	**0.7%**

General administrative expenses rose by 0.7% from EUR 2,871.7 million to EUR 2,891.6 million (currency-adjusted: no change).

Personnel expenses were up 3.8% (currency-adjusted: +3.2%) from EUR 1,657.5 million to EUR 1,720.3 million. This increase was partly due to severance payments in the Czech Republic and the integration of Informations-Technologie Austria GmbH (previously not a consolidated subsidiary) into sIT Solutions AT as from 1 July 2010. The latter had a positive effect on **other administrative expenses**, which declined by 4.2% (currency-adjusted: -5.2%) in the first nine months of 2011 from EUR 928.7 million to EUR 889.8 million. Cost reductions were achieved mainly in IT.

The headcount has risen to 50,901 employees since year-end 2010. Part of the announced staff reduction at Česká spořitelna (191 employees) resulted from the spin-off of sIT Solutions CZ, which is included under "Other subsidiaries". The increase at Erste Bank Croatia by 280 employees was due to the inclusion of Erste Factoring d.o.o., Erste Securities Zagreb and Erste Card Club d.d., which had previously been reported under "Other subsidiaries". The headcount rise in Romania was mainly a consequence of the permanent employment of formerly leased personnel.

Headcount[4]

	Sep 11	Dec 10	Change
Employed by Erste Group	**50,901**	**50,272**	**1.3%**
Austria incl. Haftungsverbund savings banks	16,230	16,068	1.0%
Erste Group, EB Oesterreich and subsidiaries	8,729	8,488	2.8%
Haftungsverbund savings banks	7,501	7,580	-1.0%
Central and Eastern Europe / International	**34,671**	**34,204**	**1.4%**
Česká spořitelna Group	10,296	10,711	-3.9%
Banca Comercială Română Group	9,342	9,112	2.5%
Slovenská sporiteľňa Group	4,161	4,004	3.9%
Erste Bank Hungary Group	2,972	2,900	2.5%
Erste Bank Croatia Group	2,692	2,317	16.2%
Erste Bank Serbia	904	910	-0.7%
Erste Bank Ukraine	1,724	1,736	-0.7%
Savings banks subsidiaries & foreign branch offices	1,120	1,019	9.9%
Other subsidiaries and foreign branch offices	1,460	1,495	-2.3%

Depreciation declined by 1.4% in the first nine months of 2011 (currency-adjusted: -2.4%) versus the same period in 2010, from EUR 285.5 million to EUR 281.5 million.

Operating result: -8.8% vs. the first nine months of 2010

Due to the weak net trading result, **operating income** declined by 4.0% in the first nine months of 2011, totalling EUR 5,523.5 million (1-9 2010: EUR 5,756.2 million), while **general administrative expenses** were up moderately by 0.7%, from EUR 2,871.7 million to EUR 2,891.6 million. This led to a reduction of the **operating result** by 8.8% from EUR 2,884.5 million to EUR 2,631.9 million.

Risk provisions: +17.0% vs. the first nine months of 2010

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) increased by 17.0% versus 1-9 2010, from EUR 1,588.4 million to EUR 1,859.2 million. In the first nine months of 2011, risk costs relative to the average volume of customer loans amounted to 184 basis points (1-9 2010: 162 basis points). This marked increase was attributable to extraordinary provisions in Hungary in the amount of EUR 450.0 million in reaction to legislation passed by the government permitting the early repayment of foreign-currency loans on preferential terms (at non-market rates) and to deterioration in asset quality. In Romania, deterioration in the SME portfolio, especially in 2011's third quarter, resulted in the need to raise provisions. In all other core countries (Austria, Czech Republic, Slovakia, and Croatia) the positive trend in risk costs continued.

[4] End of period values.

Other operating result: -415.3% vs. the first nine months of 2010

Other operating result deteriorated from EUR -283.4 million in the first nine months of 2010 to EUR -1,460.4 million in the first nine months of 2011. This was primarily due to the write-down of goodwill in the total amount of EUR 1,041.9 million (of which EUR 692.8 million was at the Romanian, EUR 312.7 million at the Hungarian, and EUR 36.4 million at Austrian subsidiaries). Other taxes rose from EUR 52.3 million to EUR 160.5 million, which was largely a consequence of banking taxes levied in Hungary (EUR 40.8 million) and in Austria (EUR 99.4 million). Revaluation provisions declined from EUR 82.3 million to EUR 47.8 million, mostly as further impairments for IT projects were not necessary.

Generally, this line item includes the straight-line amortisation of intangible assets (i.e. customer relationships) in the amount of EUR 52.1 million (1-9 2010: EUR 52.6 million) as well as deposit insurance contributions totalling EUR 65.5 million (1-9 2010: EUR 48.1 million).

Results from financial assets

The overall result from all categories of financial assets, which in the first nine months of 2010 totalled EUR 11.5 million, turned negative in the first nine months of 2011 and came in at EUR -87.6 million. This was mainly attributable to impairments and losses on the sale of Greek bonds in the available-for-sale and held-to-maturity portfolios in an amount of EUR 50.2 million, of which EUR 14.7 million was attributable to minorities (savings banks), as well as impairments in the ABS/CDO portfolio.

Net profit/loss after minorities

Pre-tax loss from continuing operations amounted to EUR 775.3 million in the first nine months of 2011. In the same period of the previous year, Erste Group had posted a pre-tax profit of EUR 1,024.2 million.

Net loss after minorities amounted to EUR 973.0 million in the first nine months of 2011 versus a profit of EUR 633.8 million in the first nine months of 2010.

II. FINANCIAL RESULTS: QUARTER-ON-QUARTER COMPARISON

in EUR million	Q3 10 restated	Q4 10 restated	Q1 11 restated	Q2 11 restated	Q3 11
Net interest income	1,397.5	1,343.4	1,302.0	1,401.9	1,430.2
Risk provisions for loans and advances	-504.2	-432.6	-460.1	-460.7	-938.4
Net fee and commission income	452.4	472.5	455.2	450.9	445.9
Net trading result	237.1	31.5	236.7	52.1	-251.4
General administrative expenses	-973.3	-945.1	-963.0	-963.3	-965.3
Other operating result	-124.6	-155.9	-128.7	-131.5	-1,200.2
Result from financial assets - FV	16.8	1.8	9.5	-29.4	12.1
Result from financial assets - AfS	-17.9	-9.3	19.2	-5.1	-76.9
Result from financial assets - HtM	-3.8	-6.3	0.2	1.8	-19.0
Pre-tax profit/loss from continuing operations	480.0	300.0	471.0	316.7	-1,563.0
Taxes on income	-111.1	-48.3	-106.8	-68.6	70.4
Net profit/loss for the period	**368.9**	**251.7**	**364.2**	**248.1**	**-1,492.6**
Attributable to non-controlling interests	44.0	6.8	42.8	48.7	1.2
Attributable to owners of the parent	**324.9**	**244.9**	**321.4**	**199.4**	**-1,493.8**

Net interest income was up 2.0% quarter on quarter, from EUR 1,401.9 million to EUR 1,430.2 million, which was mainly the result of improved customer business margins.

Net fee and commission income decreased from EUR 450.9 million in the second quarter of 2011 by 1.1% to EUR 445.9 million in the third quarter of 2011, as in the third quarter of 2011 a decline in the securities business (funds business) was not fully offset by growth in the lending and cards businesses.

After a flat second quarter (EUR 52.1 million) the **net trading result** was negative in the third quarter at EUR -251.4 million. While income from foreign exchange trading increased by 9.0% quarter on quarter to EUR 54.5 million, income from securities and derivatives trading was negative at EUR -305.9 million. The changes of the fair value of the CDS portfolio resulted in charges of EUR 246.6 million. The valuation of the Czech pension fund also had a negative impact.

General administrative expenses, at EUR 965.3 million, were almost unchanged quarter on quarter, as lower other administrative expenses (down 3.0% from EUR 303.3 million to EU 294.1 million in the third quarter 2011) and a decline in amortisation and depreciation (by 0.6% from EUR 93.8 million to EUR 93.2 million in the third quarter of 2011) offset the increase in personnel expenses, which rose by 2.1% from EUR 566.2 million to EUR 578.0 million.

The **cost/income ratio** deteriorated in the third quarter of 2011 as a result of the extraordinarily weak net trading result to 59.4% versus 50.6% in the second quarter of 2011.

Risk provisions for loans and advances were up 103.7% quarter on quarter, from EUR 460.7 million to EUR 938.4 million, mainly due to the need for increased (partly one-off) provisions in Hungary (EUR 450.0 million).

Other operating result deteriorated from EUR -131.5 million in the previous quarter to EUR -1,200.2 million, mostly due to the writing down of goodwill totalling EUR 1,041.9 million.

The **overall result** from all categories of **financial assets** worsened from EUR -32.7 million in the second quarter of 2011 to EUR -83.8 million in the third quarter. While in the previous quarter valuation losses had a negative impact on the fair value portfolio, 2011's third quarter was affected in particular by write-downs and losses on the sale of Greek bonds held in the available-for-sale and held-to-maturity portfolios.

In the third quarter of 2011**,** the **pre-tax loss on continuing operations** amounted to EUR -1,563.0 million versus a profit of EUR 316.7 million posted in the previous quarter.

Net loss after minorities totalled EUR 1,493.8 million in the third quarter of 2011 versus a net profit of EUR 199.4 million in the second quarter.

III. BALANCE SHEET DEVELOPMENT

in EUR million	Sep 11	Dec 10 restated	Change
Loans and advances to credit institutions	13,559	12,496	8.5%
Loans and advances to customers	135,211	132,334	2.2%
Risk provisions for loans and advances	-7,189	-6,119	17.5%
Trading assets, derivative financial instruments	19,426	14,044	38.3%
Financial assets	38,416	34,421	11.6%
Other assets	16,671	18,594	-10.3%
Total assets	**216,094**	**205,770**	**5.0%**

At EUR 13.6 billion, **loans and advances to credit institutions** as at 30 September 2011 were 8.5% higher than at year-end 2010 (EUR 12.5 billion). This was largely attributable to an expansion of short-term interbank transactions.

Loans and advances to customers were up 2.2% to EUR 135.2 billion versus EUR 132.3 billion. This rise resulted primarily from exchange rate changes. Year to date, Erste Bank Croatia recorded the strongest real growth in lending, followed by Slovenská sporiteľňa.

Risk provisions increased due to additional allocations from EUR 6.1 billion to EUR 7.2 billion. The NPL ratio (non-performing loans as a percentage of loans to customers) rose to 8.2% as at 30 September 2011 (7.6% as at 31 December 2010). The NPL coverage ratio improved further from 60.0% at year-end 2010 to 63.9%.

Investment securities held within the various categories of financial assets rose by 11.6% from EUR 34.4 billion at year-end 2010 to EUR 38.4 billion, primarily on the back of growth in notes held in the available-for-sale and held-to-maturity portfolios.

in EUR million	Sep 11	Dec 10 restated	Change
Deposits by banks	21,720	20,154	7.8%
Customer deposits	121,594	117,016	3.9%
Debt securities in issue	34,594	31,298	10.5%
Trading liabilities, derivative financial instruments	10,821	8,615	25.6%
Other liabilities	5,983	6,291	-4.9%
Subordinated liabilities	5,941	5,838	1.8%
Total equity	15,441	16,558	-6.7%
Attributable to non-controlling interests	3,555	3,444	3.2%
Attributable to owners of the parent	11,886	13,114	-9.4%
Total liabilities and equity	**216,094**	**205,770**	**5.0%**

Customer deposits increased by 3.9% (from EUR 117.0 billion to EUR 121.6 billion) and thus once again at a faster rate than did loans and advances to customers. This development was driven above all by gains in the Czech Republic, and especially in public sector deposits. In Austria, slight growth was recorded in deposits from corporate customers as well as private households.

The **loan-to-deposit ratio** improved to 111.2% as at 30 September 2011, down from 113.1% as at 31 December 2010.

Successful new bond issues led to a **rise in debt securities in issue** by 10.5% from EUR 31.3 billion to EUR 34.6 billion.

Total risk-weighted assets (RWA) were almost unchanged at EUR 119.9 billion as at 30 September 2011 (31 December 2010: EUR 119.8 billion).

Total eligible **qualifying capital** of the Erste Group credit institutions, as defined by the Austrian Banking Act, declined from EUR 16.2 billion at year-end 2010 to EUR 16.1 billion as at 30 September 2011. The cover ratio with respect to statutory minimum requirements at the reporting date (EUR 9.6 billion) was 168.3% (year-end 2010: 169.2%).

Tier 1 capital after the deductions defined in the Austrian Banking Act amounted to EUR 11.8 billion (year-end 2010: EUR 12.2 billion).

The **tier 1 ratio** including the capital requirements for market and operational risk (total risk) declined to 9.8% (year-end 2010: 10.2%) while the **core tier 1 ratio** deteriorated to 8.8% as at 30 September 2011 (year-end 2010: 9.2%).

The **solvency ratio** in relation to total risk (total eligible qualifying capital as a percentage of the assessment base for total risk pursuant to § 22, para. 1 of the Austrian Banking Act) amounted to 13.5% as at 30 September 2011 (year-end 2010: 13.5%), which was well above the statutory minimum requirement of 8.0%.

IV. SEGMENT REPORTING[5]

Erste Bank Oesterreich

The Erste Bank Oesterreich 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 stakes (savings banks in Salzburg, Tirol, and Hainburg), as well as s Bausparkasse. Since the acquisition of additional shares in August 2011, Intermarket Bank AG (a factoring company) is also reported as a fully consolidated subsidiary in this segment.

The growth in net interest income from EUR 489.9 million (1-9 2010) by EUR 11.9 million, or 2.4%, to EUR 501.8 million in the first three quarters of 2011 was primarily due to an increase in deposits and higher margins. Net fee and commission income declined from EUR 247.4 million by EUR 8.3 million, or 3.3%, to EUR 239.1 million. This was mainly attributable to a subdued securities business that reflected the general market development. Operating expenses fell by EUR 2.2 million, or 0.5%, on the back of continuing efforts to boost efficiency. The operating result improved from EUR 290.3 million in the first three quarter of 2010 by EUR 5.9 million, or 2.1%, to EUR 296.2 million. The cost/income ratio dropped to 60.5% versus 61.1% in the previous year. A significant improvement in risk provisions from EUR 124.2 million (1-9 2010) by EUR 31.5 million, or 25.4%, to EUR 92.7 million reflected the continuously improving risk profile of the retail and SME portfolios.

The decline in the "Other result" item from EUR -6.6 million by EUR 27.6 million to EUR -34.2 million in the first three quarters of 2011 was mainly due to higher write-downs on securities not held for trading (including Greek bonds) as well as to the introduction of the banking tax (EUR 5.7 million). At EUR 128.3 million, net profit after minorities was EUR 10.5 million, or 8.8%, higher than in the first three quarters of 2010 (EUR 117.8 million). Return on equity increased from 13.6% to 15.5%.

Haftungsverbund/Savings Banks

At EUR 742.0 million, net interest income was 2.1%, or EUR 15.1 million, higher than in the first three quarters of 2010, driven by positive development in both volumes and margins. Net fee and commission income rose by EUR 4.7 million, or 1.7%, from EUR 285.8 million (1-9 2010) to EUR 290.5 million, primarily as a result of higher income from payment transfers and the securities business. The decline in the net trading result from EUR 22.3 million by EUR 24.4 million to EUR -2.1 million in the first nine months of 2011 was attributable to the difficult market environment, particularly in the third quarter of the current financial year. At EUR 702.9 million, operating expenses were slightly higher year on year (EUR 701.9 million). The operating result declined from EUR 333.0 million in the first three quarters of 2010 by EUR 5.5 million, or 1.6%, to EUR 327.5 million.

A decline in the item "Other result" from EUR 0.9 million (1-9 2010) by EUR 50.5 million to EUR -49.6 million was mainly caused by losses on the sale of securities and write-downs on securities not held in the trading portfolio. Banking tax was paid in the amount of EUR 4.7 million. Risk provisions decreased from EUR 209.5 million by EUR 19.5 million, or 9.3%, to EUR 190.0 million. Net profit after minorities decreased from EUR 2.1 million in the first nine months of 2010 by EUR 1.5 million to EUR 0.6 million. The cost/income ratio stood at 68.2% versus 67.8% in the previous year.

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[5] In the segment report, financial results from the first nine months of 2011 are compared with those from the first nine months of 2010. Unless stated otherwise, terms such as "in the previous year", "2010", "as of the first nine months of 2010" or "1-9 2010" accordingly relate to the first nine months of 2010, and terms such as "this year", "2011", "as of the first nine months of 2011" or "1-9 2011" relate to the first nine months of 2011. The term "net profit/loss after minorities" corresponds with "net profit/loss attributable to owners of the parent". The figures presented as comparable data in this document for prior periods are restated data.

ERSTE GROUP

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

Czech Republic
Net interest income in the Czech retail and SME business improved strongly year on year by EUR 89.5 million, or 11.0% (currency-adjusted: +6.2%), from EUR 810.8 million to EUR 900.3 million in the first nine months of 2011. This increase was driven by better margins in the deposit business and higher interest income from the banking book. Net fee and commission income rose from EUR 348.2 million in the first nine months of 2010 by EUR 24.2 million, or 6.9% (currency-adjusted: +2.3%), to EUR 372.4 million, mainly as a result of higher income from payment transfers and the cards business. Operating expenses were up EUR 11.4 million, or 2.1%, to EUR 543.7 million. Currency-adjusted, operating expenses were reduced by 2.3%, however, as a result of rigorous cost control. The net trading result decreased from the strong EUR 48.1 million in the first nine months of 2010 by EUR 67.3 million to EUR -19.2 million, which was mainly attributable to negative market valuations of the pension fund.

The operating result rose from EUR 674.8 million by EUR 34.9 million, or 5.2%, to EUR 709.7 million. Currency-adjusted, that increase was 0.6%. In view of improved economic conditions and stabilisation of the portfolio, risk provisions fell by EUR 95.5 million, or 33.6% (currency-adjusted: -36.5%), to EUR 188.6 million in the first three quarters of 2011. The item “Other result” deteriorated from EUR -62.9 million by EUR 51.4 million, or 81.7% (currency-adjusted: -73.7%), to EUR -114.3 million due to higher write-downs on securities not held for trading, higher deposit insurance contributions, and higher charges resulting from real estate revaluation.

Net profit after minorities rose by EUR 70.3 million, or 27.8% (currency-adjusted: +22.2%), from EUR 252.6 million to EUR 322.9 million. The cost/income ratio improved to 43.4% from 44.1%. Return on equity rose to 39.9% (1-9 2010: 33.0%).

Romania
In the first nine months of 2011, net interest income declined by 16.8% (currency-adjusted: -16.3%), or EUR 104.2 million, to EUR 517.6 million. This development was mainly due to continuing weakness in credit demand, change in the asset mix, and lower margins in the deposit business. Net fee and commission income declined by EUR 11.0 million, or 10.1% (currency-adjusted: -9.7%), from EUR 108.5 million (1-9 2010) to EUR 97.5 million as a result of lower contributions from the lending business. The rise in the net trading result from EUR 20.4 million by EUR 18.8 million, or 92.0% (currency-adjusted: +93.0%), to EUR 39.2 million resulted from higher revaluation gains in connection with open foreign exchange positions. Operating expenses rose only marginally from EUR 281.3 million by EUR 1.4 million, or 0.5% (currency-adjusted: +1.0%), to EUR 282.7 million.

The operating result declined in the first three quarters of 2011 from EUR 469.4 million to EUR 371.6 million (-20.8%; currency-adjusted: -20.4%). Risk provisions decreased from EUR 386.0 million by EUR 12.3 million, or 3.2% (currency-adjusted: -2.7%), to EUR 373.7 million.

The deterioration in the “Other result” item from EUR -30.0 million by EUR 11.3 million, or 38.0% (currency-adjusted: -38.7%) to EUR -41.3 million in the first three quarters of 2011 was mainly caused by higher deposit insurance contributions. At EUR -19.4 million, net profit after minorities was EUR 46.6 million lower than the net profit of EUR 27.2 million posted in the previous year. The cost/income ratio rose from 37.5% in the previous year to 43.2%.
The current earnings development in Romania and a revised outlook on economic developments and business opportunities in the banking sector led to extraordinary write-downs totalling EUR 692.8 million (reported under the Corporate Center in the item “Other result”), which reduced goodwill to EUR 1.1 billion.

Slovak Republic

Net interest income in the Slovak retail and SME business rose by EUR 17.0 million, or 5.3%, to EUR 334.4 million in the first nine months of 2011. This positive development was primarily driven by an increase in mortgage lending as well as by improved income from financial investments. Net fee and commission income improved from EUR 76.2 million by EUR 7.1 million, or 9.4%, to EUR 83.3 million, mainly on the back of higher income from payment transfers. Operating expenses were reduced by EUR 6.1 million, or 3.6%, from EUR 172.7 million to EUR 166.6 million.

Risk provisions reflected improvement in the market environment versus the first three quarters of 2010. That benefited above all the retail but also the SME business and led to a reduction from EUR 97.5 million by EUR 40.8 million, or 41.9%, to EUR 56.7 million. The “Other result” item deteriorated due to higher write-downs on real estate as well as on securities in the available-for-sale portfolio from EUR -20.2 million in the first nine months of 2010 by EUR 11.6 million, or 57.0%, to EUR -31.8 million.

Higher net interest and net fee and commission income, along with significantly lower risk provisions, resulted in a net profit after minorities of EUR 125.7 million, up EUR 41.8 million, or 49.7%, on 1-9 2010. The cost/income ratio improved to 40.2% from 43.6% in the first three quarters of 2010. Return on equity increased from 25.5% to 41.0%.

Hungary

Net interest income in the Hungarian retail and SME business improved from EUR 287.7 million (1-9 2010) by EUR 15.4 million, or 5.3% (currency-adjusted: +3.8%) to EUR 303.1 million in the first nine months of 2011. This was due, however, to higher unwinding effects (which at the same time led to an increase in risk provisions) as well as to currency-related effects. The decline in the net trading result from EUR 19.4 million by EUR 5.2 million, or 27.0% (currency-adjusted: -28.1%) to EUR 14.2 million in the first three quarters of 2011 mainly resulted from the withdrawal from CHF retail lending in the previous year. Related in part to the establishment of a new subsidiary (building society), costs rose in the first nine months of 2011 by EUR 5.4 million, or 3.5% (currency-adjusted: +2.0%), to EUR 158.1 million. The operating result improved from EUR 228.0 million in the first three quarters of 2010 by EUR 5.0 million, or 2.2% (currency-adjusted: +0.7%), to EUR 233.0 million. The cost/income ratio stood at 40.4% (1-9 2010: 40.1%).

A significant rise in risk provisions by EUR 521.3 million from EUR 180.0 million in the first nine months 2010 to EUR 701.3 million was attributable to extraordinary provisions. A provision in the amount of EUR 200 million was set up to cover expected losses from the conversion of foreign-currency into forint-denominated loans at non-market rates permitted under recent legislation. In addition, in view of the economic outlook and the uncertain political climate in Hungary, additional provisions were set up in the amount of EUR 250 million.

The item “Other result” worsened by EUR 10.7 million from EUR -46.6 million in the first nine months of 2010 to EUR -57.3 million as a consequence of higher banking tax (1-9 2011: EUR 40.8 million vs. 1-9 2010: EUR 36.3 million) and expenses incurred in connection with the realisation of collateral. Net loss after minorities amounted to EUR -531.7 million (versus a loss of EUR -9.0 million in the first three quarters of 2010. A capital increase of up to EUR 600 million is planned.

In view of the current earnings development and forecasts for the Hungarian economy, all goodwill still on the books in the amount of EUR 312.7 million was written off and reported in the Corporate Center in the “Other result” item.

Croatia

In Croatia, net interest income from the retail and SME business improved from EUR 182.8 million in the first nine months of 2010 by EUR 11.9 million, or 6.5% (currency-adjusted: +8.8%), to EUR 194.7 million. That was primarily attributable to rising lending volumes and, in part, to improved margins. Net fee and commission income rose from EUR 54.8 million in the first nine months of 2010 by EUR 3.7 million, or 6.8% (currency-adjusted: +9.1%), to EUR 58.5 million on the back of higher income from the cards business. The net trading result was stable at EUR 7.4 million (1-9 2010: EUR 7.9 million). Operating expenses were up – especially in sales – by EUR 4.4 million, or 4.2% (currency-adjusted: +6.4%), from EUR 103.9 million in the first three quarters of 2010 to EUR 108.3 million.

The operating result rose by EUR 10.9 million, or 7.7% (currency-adjusted: +10.0%), from EUR 141.5 million to EUR 152.4 million. This improved the cost/income ratio from 42.3% in the first nine months of 2010 to 41.5%. Risk provisions decreased from EUR 78.9 million (1-9 2010) by EUR 6.6 million, or 8.3% (currency-adjusted: −6.3%), to EUR 72.3 million. Net profit after minorities improved from EUR 26.1 million in the first three quarters of 2010 by EUR 11.5 million, or 44.3% (currency-adjusted: +47.4%) to EUR 37.6 million. Return on equity stood at 19.6% (1-9 2010: 16.3%).

Serbia

Net interest income of Erste Bank Serbia increased in the first three quarters of 2011 by EUR 7.1 million, or 35.6% (currency-adjusted: +35.6%) from EUR 20.0 million to EUR 27.1 million. This improvement was achieved primarily on the back of rising income from short-term investments in local government bonds. Net fee and commission income improved from EUR 8.3 million by EUR 0.7 million, or 8.4% (currency-adjusted: +8.4%), to EUR 9.0 million. Net trading result decreased by EUR 1.3 million due to lower income from foreign exchange trading. At EUR 25.1 million, operating expenses were up EUR 2.1 million, or 9.1% (currency-adjusted: +9.1%), on the first nine months of 2010. This increase was primarily attributable to rising inflation and severance payments. The cost/income ratio improved to 69.1% from 77.1% in the previous year.

The operating result rose from EUR 6.8 million in the first three quarters of 2010 by EUR 4.4 million, or 64.1% (currency-adjusted: +64.2%), to EUR 11.2 million. Risk costs declined from EUR 6.6 million by EUR 0.3 million, or 5.3% (currency-adjusted: -5.3%), to EUR 6.3 million. The higher figure in the item “Other result” in the first nine months of 2010 was attributable to the release of provisions that were no longer required. Net result after minorities rose from EUR -0.1 million by EUR 3.1 million to EUR 3.0 million.

Ukraine

At Erste Bank Ukraine, lower lending volumes were only partly offset by higher interest income from securities. As a result, net interest income declined from EUR 25.0 million in the first nine months of 2010 by EUR 6.7 million, or 26.9% (currency-adjusted: -21.7%), to EUR 18.3 million. Higher income from payment transfers and insurance brokerage led to an improvement of net fee and commission income by EUR 0.8 million, or 28.6% (currency-adjusted: +37.8%), to EUR 3.7 million in the first three quarters of 2011. The net trading result decreased from EUR 10.2 million by EUR 4.5 million, or 44.5% (currency-adjusted: -40.5%) to EUR 5.7 million.

Operating expenses increased from EUR 33.8 million by EUR 2.1 million, or 6.2% (currency-adjusted: +13.8%) to EUR 35.9 million, driven mainly by higher IT and personnel expenditure. Stabilisation of the SME portfolio led to a significant reduction of risk provisions by EUR 16.4 million, or 69.8% (currency-adjusted: -67.6%) to EUR 7.1 million. Net loss after minorities declined by EUR 7.9 million, or 39.2% (currency-adjusted: -34.9%), from EUR -20.1 million to EUR -12.2 million.

Group Corporate and 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 International Business (excluding treasury activities). The leasing subsidiary Erste Group Immorent is also included in this segment.

In the first three quarters of 2011, net interest income, at EUR 394.0 million, was EUR 51.5 million, or 11.6%, lower than in the same period of 2010. This was, on the one hand, the result of continuing reduction of business volume in the International Business unit and, on the other, due to higher pressure on margins in the large corporates and real estate businesses. Net fee and commission income improved over the same period by 9.7%, or EUR 8.2 million, to EUR 93.0 million, mainly due to new business. The changes of the fair value of the CDS portfolio had a negative impact of EUR -159.3 million (1-9 2010: EUR -93.4 million), the net trading loss for the first three quarters of 2011 grew by 60.2%, or EUR 54.7 million, from EUR -90.9 million in the previous year to EUR -145.6 million. At the same time, operating expenses rose by 1.7%, or EUR 2.2 million, to EUR 137.6 million. Risk provisions were reduced by EUR 27.6 million, or 13.9%, to EUR 170.5 million. This decline resulted mainly from International Business. Overall, the operating result declined from EUR 304.1 million (1-9 2010) by EUR 100.3 million, or 33.0%, to EUR 203.8 million in the first three quarters of 2011. The decline in the item “Other result” by EUR 24.4 million versus the previous year to EUR -32.6 million in the first three quarters of 2011 was primarily attributable to greater write-downs on securities and real estate.

After a net profit after minorities of EUR 64.8 million (1-9 2010), a loss of EUR 13.4 million was reported for the first nine months of 2011. This was mainly due to the negative net trading result in International Business, which was affected by the changes of the fair value of the CDS portfolio, as well as higher write-downs in the item “Other result”: The cost/income ratio rose from 30.8% in the previous year to 40.3%.

Group Markets

The Group Markets segment comprises the divisionalised business areas Group Treasury and 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 and of the investment banking subsidiaries in CEE, as well as Erste Asset Management.

While net interest income rose by EUR 12.8 million, or 14.8%, to 99.4 million in the first nine months of 2011, net fee and commission income as well as net trading result declined. Net fee and commission income fell by EUR 18.0 million, or 15.5%, to EUR 98.9 million, which was mainly due to declining contributions from Asset Management and direct sales of treasury products. The net trading result, at EUR 157.4 million in the first nine months of 2011, was down EUR 68.0 million, or 30.2%. This was attributable to the difficult market environment, which affected in particular the fixed income business. At EUR 180.1 million, operating expenses were up by EUR 10.2 million, or 6.0%, mainly due to new offices in Germany (fixed-income sales) and increased costs in CEE.

The operating result of the Group Markets segment fell by EUR 83.5 million, or 32.2%, from EUR 259.0 million in the first three quarters of 2010 to EUR 175.5 million. The cost/income ratio rose from 39.6% to 50.7%. Net profit after minorities declined by EUR 63.9 million, or 32.3%, to EUR 134.1 million (1-9 2010: EUR 198.0 million). Return on equity was 57.9% (1-9 2010: 81.2%).

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 straight-line 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 for the sake of consistency and to assist like-for-like comparisons.

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

The increase in net interest income from EUR 81.3 million to EUR 101.4 million (+24.8%) was mainly driven by lower refinancing costs. Negative development of net fee and commission income and improvement in operating expenses were mainly attributable to the profit consolidation of banking support operations.

The item "Other result" included the straight-line amortisation of customer relationships of BCR, Erste Card Club, and Ringturm KAG totalling EUR 52.1 million as well as one-off goodwill write-downs of EUR 692.8 million for the Romanian subsidiary BCR, EUR 312.7 million for the Hungarian subsidiary Erste Bank Hungary, and EUR 36.4 million on Austrian subsidiaries. The Austrian banking tax in the amount of EUR 89.0 million was also reported under "Other result".

V. EXCHANGE RATE DEVELOPMENT

	End of period rates			Average rates		
Euro FX rates	**Sep 11**	**Dec 10**	**Change**	**1-9 11**	**1-9 10**	**Change**
EUR/CZK	24.75	25.06	1.2%	24.36	25.47	4.4%
EUR/RON	4.36	4.26	-2.2%	4.21	4.18	-0.5%
EUR/HUF	292.55	277.95	-5.3%	271.29	275.28	1.5%
EUR/HRK	7.50	7.38	-1.6%	7.42	7.26	-2.2%
EUR/RSD	101.35	105.75	4.2%	101.79	101.76	0.0%
EUR/UAH	10.81	10.65	-1.5%	11.22	10.47	-7.2%

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/en/Investors/News.

Appendix

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

in EUR million	1-9 11	1-9 10 restated	Change
Net interest income	4,134.1	4,095.8	0.9%
Risk provisions for loans and advances	-1,859.2	-1,588.4	17.0%
Net fee and commission income	1,352.0	1,370.0	-1.3%
Net trading result	37.4	290.4	-87.1%
General administrative expenses	-2,891.6	-2,871.7	0.7%
Other operating result	-1,460.4	-283.4	na
Result from financial assets - FV	-7.8	-7.8	0.0%
Result from financial assets - AfS	-62.8	18.5	na
Result from financial assets - HtM	-17.0	0.8	na
Pre-tax profit/loss from continuing operations	-775.3	1,024.2	na
Taxes on income	-105.0	-232.6	-54.9%
Net profit/loss for the period	**-880.3**	**791.6**	**na**
Attributable to non-controlling interests	92.7	157.8	-41.3%
Attributable to owners of the parent	**-973.0**	**633.8**	**na**

II. STATEMENT OF COMPREHENSIVE INCOME (unaudited)

in EUR million	1-9 11	1-9 10 restated	Change
Net profit/-loss before minorities	**-880.3**	**791.6**	**na**
Available for sale - reserve (including currency translation)	151.8	321.0	-52.7%
Cash flow hedge - reserve (including currency translation)	29.6	-53.1	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	-72.0	82.8	na
Deferred taxes on items recognised directly in equity	-25.5	-70.7	-63.9%
Other comprehensive income – total	**83.9**	**280.0**	**-70.0%**
Total comprehensive income	**-796.4**	**1,071.6**	**na**
Attributable to non-controlling interests	111.3	243.6	-54.3%
Attributable to owners of the parent	**-907.7**	**828.0**	**na**

RESTATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

in EUR million **1-9 2010**	**Published value**	**CDS**	**EIR**	**Restated value**
Net interest income	4,075.5		20.3	4,095.8
Risk provisions for loans and advances	-1,588.4			-1,588.4
Net fee and commission income	1,440.7	-39.4	-31.3	1,370.0
Net trading result	383.9	-93.5		290.4
General administrative expenses	-2,871.7			-2,871.7
Other operating result	-271.9			-271.9
Pre-tax profit from continuing operations	1,168.1	-132.9	-11.0	1,024.2
Taxes on income	-268.7	33.3	2.8	-232.6
Net profit for the period	899.4	-99.6	-8.2	791.6
Other comprehensive income – total	280.0			280.0
Total comprehensive income	1,179.4	-99.6	-8.2	1,071.6
Attributable to non-controlling interests	248.4		-4.8	243.6
Attributable to owners of the parent	**931.0**	**-99.6**	**-3.4**	**828.0**

in EUR million **1-12 2010**	**Published value**	**CDS**	**EIR**	**Restated value**
Net interest income	5,412.5		26.7	5,439.2
Risk provisions for loans and advances	-2,031.2	10.1		-2,021.1
Net fee and commission income	1,936.0	-51.7	-41.7	1,842.6
Net trading result	456.2	-134.3		321.9
General administrative expenses	-3,816.8			-3,816.8
Other operating result	-441.6			-441.6
Pre-tax profit from continuing operations	1,515.1	-175.9	-15.0	1,324.2
Taxes on income	-328.7	44.1	3.7	-280.9
Net profit for the period	1,186.4	-131.8	-11.3	1,043.3
Other comprehensive income – total	137.8			137.8
Total comprehensive income	1,324.2	-131.8	-11.3	1,181.1
Attributable to non-controlling interests	199.6		-6.4	193.2
Attributable to owners of the parent	**1,124.6**	**-131.8**	**-4.9**	**987.9**

III. BALANCE SHEET (IFRS) OF ERSTE GROUP (unaudited)

in EUR million	Sep 11	Dec 10 restated	Change
ASSETS			
Cash and balances with central banks	5,743	5,839	-1.6%
Loans and advances to credit institutions	13,559	12,496	8.5%
Loans and advances to customers	135,211	132,334	2.2%
Risk provisions for loans and advances	-7,189	-6,119	17.5%
Derivative financial instruments	12,076	8,508	41.9%
Trading assets	7,350	5,536	32.8%
Financial assets - at fair value through profit or loss	2,351	2,435	-3.4%
Financial assets - available for sale	19,662	17,751	10.8%
Financial assets - held to maturity	16,403	14,235	15.2%
Equity holdings in associates accounted for at equity	197	223	-11.7%
Intangible assets	3,525	4,675	-24.6%
Property and equipment	2,401	2,446	-1.8%
Current tax assets	130	116	12.1%
Deferred tax assets	558	617	-9.6%
Assets held for sale	81	52	55.8%
Other assets	4,036	4,626	-12.8%
Total assets	**216,094**	**205,770**	**5.0%**
LIABILITIES AND EQUITY			
Deposits by banks	21,720	20,154	7.8%
Customer deposits	121,594	117,016	3.9%
Debt securities in issue	34,594	31,298	10.5%
Derivative financial instruments	10,287	8,399	22.5%
Trading liabilities	534	216	na
Provisions	1,540	1,545	-0.3%
Current tax liabilities	46	68	-32.4%
Deferred tax liabilities	175	328	-46.6%
Other liabilities	4,222	4,350	-2.9%
Subordinated liabilities	5,941	5,838	1.8%
Total equity	15,441	16,558	-6.7%
Attributable to non-controlling interests	3,555	3,444	3.2%
Attributable to owners of the parent	11,886	13,114	-9.4%
Total liabilities and equity	**216,094**	**205,770**	**5.0%**

RESTATED BALANCE SHEET
(unaudited)

in EUR million 01.01.2010	Published value	CDS	EIR	Restated value
ASSETS				
Loans and advances to customers	129,134		-379	128,755
Derivative financial instruments	4,711	37		4,748
Deferred tax assets	454	51	100	605
Other assets	5,297	-6		5,291
Non-restated positions	62,114			62,114
Total assets	**201,710**	**82**	**-279**	**201,513**
LIABILITIES AND EQUITY				
Derivative financial instruments	3,749	231		3,980
Non-restated positions	181,838			181,838
Total equity	16,123	-149	-279	15,695
Attributable to non-controlling interests	3,414		-93	3,321
Attributable to owners of the parent	12,709	-149	-186	12,374
Total liabilities and equity	**201,710**	**82**	**-279**	**201,513**

in EUR million 31.12.2010	Published value	CDS	EIR	Restated value
ASSETS				
Loans and advances to customers	132,729		-395	132,334
Derivative financial instruments	8,474	34		8,508
Deferred tax assets	418	95	104	617
Other assets	4,632	-6		4,626
Non-restated positions	59,685			59,685
Total assets	**205,938**	**123**	**-291**	**205,770**
LIABILITIES AND EQUITY				
Derivative financial instruments	7,996	403		8,399
Non-restated positions	180,813			180,813
Total equity	17,129	-280	-291	16,558
Attributable to non-controlling interests	3,544		-100	3,444
Attributable to owners of the parent	13,585	-280	-191	13,114
Total liabilities and equity	**205,938**	**123**	**-291**	**205,770**

IV. SEGMENT REPORTING – ERSTE GROUP
(**unaudited**)

Overview*

in EUR million	Retail & SME 1-9 11	Retail & SME 1-9 10 restated	GCIB 1-9 11	GCIB 1-9 10 restated	Group Markets 1-9 11	Group Markets 1-9 10 restated	Corporate Center 1-9 11	Corporate Center 1-9 10 restated	Total group 1-9 11	Total group 1-9 10 restated
Net interest income	3,539.3	3,482.4	394.0	445.5	99.4	86.6	101.4	81.3	4,134.1	4,095.7
Risk provisions for loans and advances	-1,688.6	-1,390.2	-170.5	-198.1	0.0	0.0	0.0	0.0	-1,859.1	-1,588.4
Net fee and commission income	1,227.7	1,205.4	93.0	84.8	98.9	116.9	-67.6	-37.2	1,352.0	1,370.0
Net trading result	51.4	141.8	-145.6	-90.9	157.4	225.4	-25.8	14.1	37.4	290.4
General administrative expenses	-2,477.8	-2,458.4	-137.6	-135.4	-180.1	-169.9	-96.1	-107.9	-2,891.6	-2,871.7
Other result	-333.2	-168.6	-32.6	-8.2	9.5	7.5	-1,191.8	-102.6	-1,548.0	-271.9
Pre-tax profit/-loss	318.9	812.3	0.6	97.7	185.0	266.5	-1,279.8	-152.3	-775.3	1,024.2
Taxes on income	-177.5	-191.4	-5.1	-17.4	-42.2	-57.9	119.8	34.1	-105.0	-232.6
Net profit/loss for the period	**141.4**	**620.9**	**-4.5**	**80.3**	**142.8**	**208.6**	**-1,159.9**	**-118.3**	**-880.3**	**791.6**
Attributable to non-controlling interests	86.7	140.3	8.9	15.5	8.8	10.6	-11.7	-8.6	92.7	157.8
Attributable to owners of the parent	**54.7**	**480.6**	**-13.4**	**64.8**	**134.1**	**198.0**	**-1,148.3**	**-109.7**	**-973.0**	**633.8**
Average risk-weighted assets	75,770.2	75,126.5	24,808.7	25,772.1	2,703.9	2,977.6	852.7	1,469.4	104,135.3	105,345.6
Average attributed equity	4,138.8	4,134.0	1,985.8	2,062.9	308.8	325.2	6,913.4	6,467.9	13,346.9	12,989.9
Cost/income ratio	**51.4%**	**50.9%**	**40.3%**	**30.8%**	**50.7%**	**39.6%**	**na**	**na**	**52.4%**	**49.9%**
Return on equity	**1.8%**	**15.5%**	**-0.9%**	**4.2%**	**57.9%**	**81.2%**	**-22.1%**	**-2.3%**	**-9.7%**	**6.5%**

*) "Other result" for the Corporate Center includes the depreciation for the customer base amounting to EUR 52.1 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 segment*

in EUR million	Savings banks 1-9 11	Savings banks 1-9 10 restated	EB Oesterreich 1-9 11	EB Oesterreich 1-9 10 restated	Austria 1-9 11	Austria 1-9 10 restated
Net interest income	742.0	726.9	501.8	489.9	1,243.8	1,216.8
Risk provisions for loans and advances	-190.0	-209.5	-92.7	-124.2	-282.7	-333.8
Net fee and commission income	290.5	285.8	239.1	247.4	529.6	533.1
Net trading result	-2.1	22.3	9.8	9.7	7.7	31.9
General administrative expenses	-702.9	-701.9	-454.5	-456.7	-1,157.4	-1,158.6
Other result	-49.6	0.9	-34.2	-6.6	-83.8	-5.7
Pre-tax profit/-loss	87.9	124.4	169.4	159.4	257.3	283.8
Taxes on income	-22.2	-32.1	-37.2	-37.3	-59.5	-69.4
Net profit/loss for the period	**65.7**	**92.3**	**132.2**	**122.1**	**197.8**	**214.5**
Attributable to non-controlling interests	65.1	90.2	3.9	4.3	69.0	94.5
Attributable to owners of the parent	**0.6**	**2.1**	**128.3**	**117.8**	**128.9**	**120.0**
Average risk-weighted assets	24,604.7	23,989.7	13,916.9	14,536.6	38,521.6	38,526.3
Average attributed equity	301.8	291.7	1,104.7	1,154.3	1,406.6	1,446.0
Cost/income ratio	**68.2%**	**67.8%**	**60.5%**	**61.1%**	**65.0%**	**65.0%**
Return on equity	**0.3%**	**1.0%**	**15.5%**	**13.6%**	**12.2%**	**11.1%**

*) “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) segment*

	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Ukraine	
in EUR million	**1-9 11**	**1-9 10 restated**	**1-9 11**	**1-9 10 restated**	**1-9 11**	**1-9 10 restated**	**1-9 11**	**1-9 10 restated**	**1-9 11**	**1-9 10 restated**	**1-9 11**	**1-9 10 restated**	**1-9 11**	**1-9 10 restated**
Net interest income	900.3	810.8	517.6	621.8	334.4	317.4	303.1	287.7	194.7	182.8	27.1	20.0	18.3	25.0
Risk provisions for loans and advances	-188.6	-284.1	-373.7	-386.0	-56.7	-97.5	-701.3	-180.0	-72.3	-78.9	-6.3	-6.6	-7.1	-23.5
Net fee and commission income	372.4	348.2	97.5	108.5	83.3	76.2	73.8	73.5	58.5	54.8	9.0	8.3	3.7	2.9
Net trading result	-19.2	48.1	39.2	20.4	-3.9	2.2	14.2	19.4	7.4	7.9	0.3	1.6	5.7	10.2
General administrative expenses	-543.7	-532.3	-282.7	-281.3	-166.6	-172.7	-158.1	-152.7	-108.3	-103.9	-25.1	-23.0	-35.9	-33.8
Other result	-114.3	-62.9	-41.3	-30.0	-31.8	-20.2	-57.3	-46.6	-6.9	-2.9	-0.9	-0.1	3.2	-0.1
Pre-tax profit/-loss	406.8	327.8	-43.5	53.5	158.8	105.4	-525.6	1.3	73.2	59.7	4.1	0.1	-12.2	-19.3
Taxes on income	-80.2	-66.6	15.0	-10.6	-33.2	-21.3	-6.4	-10.4	-13.3	-12.4	0.0	0.0	0.0	-0.8
Net profit/loss for the period	**326.5**	**261.2**	**-28.4**	**42.9**	**125.6**	**84.1**	**-532.0**	**-9.0**	**59.9**	**47.3**	**4.1**	**0.1**	**-12.2**	**-20.1**
Attributable to non-controlling interests	3.7	8.5	-9.0	15.7	0.0	0.2	-0.3	-0.1	22.2	21.2	1.1	0.3	0.0	0.0
Attributable to owners of the parent	**322.9**	**252.6**	**-19.4**	**27.2**	**125.7**	**83.9**	**-531.7**	**-9.0**	**37.6**	**26.1**	**3.0**	**-0.1**	**-12.2**	**-20.1**
Average risk-weighted assets	13,114.4	12,379.4	9,137.4	9,111.5	4,928.9	5,302.6	4,357.9	4,769.1	4,402.9	3,725.6	578.6	663.7	728.5	648.2
Average attributed equity	1,078.8	1,021.8	522.6	519.3	408.5	438.4	362.0	392.9	255.9	213.8	40.9	44.2	63.5	57.5
Cost/income ratio	**43.4%**	**44.1%**	**43.2%**	**37.5%**	**40.2%**	**43.6%**	**40.4%**	**40.1%**	**41.5%**	**42.3%**	**69.1%**	**77.1%**	**129.9%**	**88.7%**
Return on equity	**39.9%**	**33.0%**	**-5.0%**	**7.0%**	**41.0%**	**25.5%**	**na**	**-3.0%**	**19.6%**	**16.3%**	**9.7%**	**-0.4%**	**-25.6%**	**-46.5%**

*) "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.