ERSTE GROUP

Vienna, 29 February 2012

INVESTOR INFORMATION

Erste Group returns to profitability in Q4 11 and cuts net loss for 2011 to EUR 718.9 million; timely compliance with EBA capital requirement

HIGHLIGHTS[1]

- In the fourth quarter 2011, **net profit after minorities**[2] amounted to **EUR 254.1 million**. This solid quarterly result cut the **net loss for the year after minorities** to **EUR 718.9 million**.
- At 31 December 2011, the **core tier 1 ratio** (total risk; Basel 2.5) stood at **9.4%** (year-end 2010: 9.2%; Basel 2). Calculated by the **EBA** (European Banking Authority) method the **core tier 1 ratio** was **8.9%** at year-end 2011. The capital shortfall to be covered by the end of June was reduced from EUR 743 million to EUR 166 million.
- Erste Group's **shareholders' equity**[3] amounted to **EUR 12.0 billion** at 31 December 2011 (year-end 2010: EUR 13.1 billion) and **core tier 1 capital** to **EUR 10.7 billion** (year-end 2010: EUR 11.0 billion). Through a variety of measures, in particular the reduction of non core business, **total risk-weighted assets** were reduced by 4.8% versus year-end 2010 to **EUR 114.0 billion**.
- **Total assets**, at **EUR 210.0 billion**, were up 2.1% in 2011 from EUR 205.8 billion. The **loan-to-deposit ratio** stood at **113.3%** at 31 December 2011 (year-end 2010: 113.1%). Customer deposits, at EUR 118.9 billion, were up almost 1.6% year on year, while lending volume rose by 1.8% to EUR 134.8 billion.
- **Net interest income** improved by 2.4% from EUR 5,439.2 million in the financial year 2010 to **EUR 5,569.0 million** in the financial year 2011. At the same time, **net fee and commission income** declined by 3.0% to **EUR 1,787.2 million** (2010: EUR 1,842.5 million). At **EUR 122.3 million**, the **net trading result** was 62.0% lower than in 2010 (EUR 321.9 million). This was due primarily to changes in the fair value of the CDS portfolio of the International Business unit in the amount of EUR 182.6 million, which was closed out almost completely in the fourth quarter 2011.
- **Operating income** of **EUR 7,478.5 million** (2010: EUR 7,603.6 million) was impacted by the net trading result. Despite higher inflation rates, **general administrative expenses** increased only by 0.9% from EUR 3,816.8 million to **EUR 3,850.9 million**. As a result, **operating result** decreased to **EUR 3,627.6 million** (2010: EUR 3,786.8 million). The **cost/income ratio** stood at **51.5%** (2010: 50.2%).
- **Risk costs** were up 12.2% from EUR 2,021.0 million (155 basis points of average customer loans) in 2010 to **EUR 2.266,9 million,** or 168 basis points, in 2011. This was primarily due to the need for additional risk provisions in Hungary partly in connection with the policy-makers' decision to allow premature repayment of foreign-currency loans on preferential terms. In other core countries (Austria, Czech Republic and Slovakia) asset quality improved. The **NPL ratio** as a percentage of loans to customers rose to **8.5%** at 31 December 2011 (year-end 2010: 7.6%). The **NPL coverage ratio** improved to **61.0%** (year-end 2010: 60.0%).

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[1] The figures presented as comparable data in this document are restated according to IAS 8, see footnote in the appendix.

[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" The term "net profit/loss for the year after minorities" corresponds to the term "net profit/loss for the year 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".

“By returning to profitability in the fourth quarter we have proven that our business model – being the bank for retail and corporate clients in the eastern part of the European Union – works even as economic conditions remain challenging. In the financial year 2011, net profit was up in almost all countries. In Hungary and Romania we have strengthened the top management and taken action to return to a successful development," said Andreas Treichl, Chief Executive Officer of Erste Group Bank AG, when presenting the preliminary results for the financial year 2011. “We have taken the necessary steps and cut back non-core activities even more resolutely than we had done over the past years. This has enabled us to improve our core capital ratio”, Treichl continued. “We are on track to meet the core tier 1 ratio of 9% required by the EBA at the end of June 2012 and beyond. At year-end 2011, the EBA core tier 1 ratio already stood at 8.9%, thus reducing the capital shortfall from EUR 743 million to EUR 166 million," Treichl concluded.

Earnings performance in brief

A slight decline in operating income and a moderate rise in operating expenses caused the **operating result** to decrease by 4.2% to EUR 3,627.6 million in the financial year 2011 from EUR 3,786.8 million in the financial year 2010.

Operating income totalled EUR 7,478.5 million in 2011 (2010: EUR 7,603.6 million). An increase in net interest income (+2.4% to EUR 5,569.0 million) offset the decline in net fee and commission income (-3.0% to EUR 1,787.2 million) but not the drop in the net trading result (-62.0% to EUR 122.3 million). **General administrative expenses** were up 0.9% to EUR 3,850.9 million (2010: EUR 3,816.8 million). This resulted in a **cost/income ratio** of 51.5% (2010: 50.2%).

Net loss after minorities for 2011 amounted to EUR 718.9 million. 2011 was an exceptional year due to extraordinary effects, including especially goodwill write-downs and extraordinary risk provisions. In the previous year, Erste Group had posted an annual profit of EUR 878.7 million.

Cash return on equity, i.e. return on equity adjusted for non-cash expenses such as goodwill impairment and straight-line amortisation of customer relationships, was 2.3% for 2011 (reported ROE: -5.5%) versus 7.0% for 2010 (reported ROE: 6.7%).

In the financial year 2011, **cash earnings per share** amounted to EUR 0.42 (reported EPS: EUR -2.28) versus cash earnings per share of EUR 2.17 in 2010 (reported EPS: EUR 1.97).

Total assets, at EUR 210.0 billion, were up 2.1% on year-end 2010. On the liability side, this was due to growth in customer deposits and interbank transactions. On the asset side, it reflected a rise in loans and advances to customers and in securities held in the available-for-sale and held-to-maturity portfolios.

The **solvency ratio** improved to 14.4% at 31 December 2011 (year-end 2010: 13.5%), which was attributable to the reduction of risk-weighted assets by 4.8% from EUR 119.8 billion to EUR 114.0 billion. Therefore, it remained comfortably above the statutory minimum requirement of 8.0%. The **tier 1 ratio** in relation to total risk was 10.4% at 31 December 2011 (versus 10.2% at year-end 2010).

Outlook

Most of Erste Group's core markets are expected to post economic growth in 2012, albeit on a lower level than in 2011 − in line with the weakening outlook for the euro zone in the second half of 2011. A mild negative performance is forecast for Hungary and Croatia only.

Against this backdrop and despite the reduction of non-core assets, Erste Group expects a slightly rising operating result in 2012 supported by selective loan growth in its core markets and further cost reductions. Risk costs should decrease in 2012 as extraordinary effects such as the EUR 450 million one-off provisions in Hungary are not expected to recur. Erste Group expects the EBA capital ratio to exceed 9% beyond 30 June 2012.

I. FINANCIAL PERFORMANCE IN DETAIL

in EUR million	2011	2010	Change
Net interest income	5,569.0	5,439.2	2.4%
Risk provisions for loans and advances	-2,266.9	-2,021.0	12.2%
Net fee and commission income	1,787.2	1,842.5	-3.0%
Net trading result	122.3	321.9	-62.0%
General administrative expenses	-3,850.9	-3,816.8	0.9%
Other result	-1,682.9	-441.6	na
Pre-tax profit/loss	-322.2	1,324.2	na
Net profit/loss for the period	**-562.6**	**1,043.3**	**na**
Attributable to non-controlling interests	156.3	164.6	-5.0%
Attributable to owners of the parent	**-718.9**	**878.7**	**na**

Net interest income: +2.4% versus 2010

Net interest income rose by 2.4% from EUR 5,439.2 million in 2010 to EUR 5,569.0 million in the financial year 2011. This was due to currency changes and to the shift of interest income from trading assets, which is now included in net interest income rather than, as formerly, in the net trading result. Accordingly, trading assets were also included in calculating interest-bearing assets. This change was partly responsible for the contraction of the net interest margin (net interest income as a percentage of average interest-bearing assets) in the financial year 2011 from 3.08% to 2.97%.

Net fee and commission income: -3.0% versus 2010

in EUR million	2011	2010	Change
Lending business	279.9	243.8	14.8%
Payment transfers	863.3	847.3	1.9%
Card business	205.6	182.1	12.9%
Securities transactions	373.4	421.7	-11.5%
Investment fund transactions	205.6	215.8	-4.7%
Custodial fees	36.5	43.0	-15.1%
Brokerage	131.3	162.9	-19.4%
Insurance brokerage business	105.0	112.0	-6.3%
Building society brokerage	33.7	40.1	-16.0%
Foreign exchange transactions	24.8	26.1	-5.0%
Investment banking business	13.1	25.9	-49.4%
Other	94.0	125.6	-25.2%
Total	**1,787.2**	**1,842.5**	**-3.0%**

Net fee and commission income declined by 3.0% in the financial year 2011, from EUR 1,842.5 million to EUR 1,787.2 million. This development was mostly due to declines in the securities business (primarily in Austria) as well as in building society brokerage and investment banking. The rising income from payment transfers was caused in large part to the Czech and Croatian subsidiaries (increase in card transactions). The increase in lending business was exclusively attributable to technical effects − on the one hand, the basis of comparison was distorted by loan sales in Romania in 2010 and on the other there was a wider scope of consolidation.

Net trading result: -62.0% versus 2010

The decline in the net trading result by 62.0% from EUR 321.9 million in 2010 to EUR 122.3 million in the financial year 2011 largely resulted from changes in the fair value of the CDS portfolio of the International Business unit, which was closed out almost completely in the fourth quarter and had an impact of EUR -182.6 million in the financial year 2011 (2010: EUR -134.3 million).Further reasons for the drop were declines in foreign exchange trading and the shift of interest income from trading assets, which is now reported in net interest income rather than, as formerly, in the net trading result.

General administrative expenses: +0.9% versus 2010

in EUR million	2011	2010	Change
Personnel expenses	-2,323.7	-2,263.8	2.6%
Other administrative expenses	-1,152.4	-1,165.9	-1.2%
Depreciation and amortisation	-374.8	-387.1	-3.2%
Total	**-3,850.9**	**-3,816.8**	**0.9%**

General administrative expenses rose by 0.9% from EUR 3,816.8 million to EUR 3,850.9 million (currency-adjusted: +0.6%).

Personnel expenses were up 2.6% (currency-adjusted: +2.4%) from EUR 2,263.8 million to EUR 2,323.7 million. This increase was partly due to severance payments in the Czech Republic, provisions for severance payments in Hungary and Romania, and the integration of Informations-

Technologie Austria GmbH (previously not a consolidated subsidiary) into s IT Solutions AT as of 1 July 2010. The latter had a positive effect on **other administrative expenses**, which declined by 1.2% (currency-adjusted: 1.6%) from EUR 1,165.9 million to EUR 1,152.4 million in 2011. Cost reductions were achieved mainly in IT.

The **headcount**, at 50,452 employees, was up 0.4% on year-end 2010. The increase in Austria was mainly due to the expanded scope of consolidation. In Romania it was a consequence of the permanent employment of formerly leased personnel.

Headcount[4]

	Dec 11	Dec 10	Change
Employed by Erste Group	**50,452**	**50,272**	**0.4%**
Austria incl. Haftungsverbund savings banks	16,189	16,068	0.8%
Erste Group, EB Oesterreich and subsidiaries	8,773	8,488	3.4%
Haftungsverbund savings banks	7,416	7,580	-2.2%
Central and Eastern Europe / International	**34,263**	**34,204**	**0.2%**
Česká spořitelna Group	10,661	10,711	-0.5%
Banca Comercială Română Group	9,245	9,112	1.5%
Slovenská sporiteľňa Group	4,157	4,004	3.8%
Erste Bank Hungary Group	2,948	2,900	1.7%
Erste Bank Croatia Group	2,599	2,317	12.2%
Erste Bank Serbia	919	910	1.0%
Erste Bank Ukraine	1,685	1,736	-2.9%
Savings banks subsidiaries & foreign branch offices	1,117	1,019	9.6%
Other subsidiaries and foreign branch offices	932	1,495	-37.7%

Depreciation declined by 3.2% in 2011 (currency-adjusted: -3.6%) versus the financial year 2010, from EUR 387.1 million to EUR 374.8 million.

Operating result: -4.2% versus 2010

Due to the weak net trading result, **operating income** declined by 1.6% percent in 2011, totalling EUR 7,478.5 million (2010: EUR 7,603.6 million), while **general administrative expenses** were up moderately by 0.9%, from EUR 3,816.8 million to EUR 3,850.9 million. This led to a reduction of the **operating result** by 4.2%, from EUR 3,786.8 million to EUR 3,627.6 million.

Risk provisions: +12.2% versus 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 12.2% versus 2010, from EUR 2,021.0 million to EUR 2,266.9 million. In the financial year 2011, risk costs relative to the average volume of customer loans amounted to 168 basis points (2010: 155 basis points). This increase was attributable to extraordinary provisions in Hungary in the amount of EUR 450.0 million as a consequence to legislation passed by the government permitting the early repayment of foreign-currency loans at non-market rates and to raising the NPL coverage ratio. In Romania, provisions remained elevated, primarily due to a deterioration in the SME portfolio. In all other core countries (Austria, Czech Republic and Slovakia) the trend in risk costs was clearly positive.

[4] End of period values.

Other operating result: -261.9% versus 2010

Other operating result fell from EUR -439.3 million in 2010 to EUR -1,589.9 million in 2011. This was primarily due to the write-down of goodwill in the total amount of EUR 1,064.6 million in 2011. Of this amount, EUR 699.2 million was related to the Romanian, EUR 312.7 million to the Hungarian, and EUR 52.7 million to the Austrian subsidiaries. Other taxes rose from EUR 71.9 million to EUR 163.5 million, which was largely a consequence of banking taxes. In Austria, the banking tax was introduced in 2011 and amounted to EUR 132.1 million. In 2011, Hungary permitted netting of the banking tax against losses resulting from the early repayment of foreign-currency loans on preferential terms (2010: EUR 49.8 million). Expenses for impairments rose from EUR 77.9 million to EUR 84.3 million, due primarily to write-downs on assets accepted as collateral in Hungary.

Also included in this line item are the straight-line amortisation of intangible assets (i.e. customer relationships) in the amount of EUR 69.0 million (2010: EUR 69.5 million) as well as deposit insurance contributions totalling EUR 87.2 million (2010: EUR 66.2 million).

Results from financial assets

The overall result from all categories of financial assets deteriorated from EUR -2.3 million in the financial year 2010 to EUR -93.0 million in 2011. 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 the amount of EUR 59.5 million (thereof EUR 23.5 million were attributable to the savings banks).

Profit/loss for the year

In the financial year 2011, the **pre-tax loss for the year** amounted to EUR 322.2 million; in 2010 the Erste Group had posted a pre-tax profit of EUR 1,324.2 million.

In 2011, **net loss after minorities** amounted to EUR 718.9 million versus a profit of EUR 878.7 in the financial year 2010.

II. FINANCIAL RESULTS: QUARTER-ON-QUARTER COMPARISON

in EUR million	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Net interest income	1,343.4	1,302.0	1,401.9	1,430.2	1,434.9
Risk provisions for loans and advances	-432.6	-460.1	-460.7	-938.4	-407.7
Net fee and commission income	472.5	455.2	450.9	445.9	435.2
Net trading result	31.5	236.7	52.1	-251.4	84.9
General administrative expenses	-945.1	-963.0	-963.3	-965.3	-959.3
Other operating result	-155.9	-128.7	-131.5	-1,200.2	-129.5
Result from financial assets - FV	1.8	9.5	-29.4	12.1	8.1
Result from financial assets - AfS	-9.3	19.2	-5.1	-76.9	-3.4
Result from financial assets - HtM	-6.3	0.2	1.8	-19.0	-10.1
Pre-tax profit/loss	300.0	471.0	316.7	-1,563.0	453.1
Taxes on income	-48.3	-106.8	-68.6	70.4	-135.4
Net profit/loss for the period	**251.7**	**364.2**	**248.1**	**-1,492.6**	**317.7**
Attributable to non-controlling interests	6.8	42.8	48.7	1.2	63.6
Attributable to owners of the parent	**244.9**	**321.4**	**199.4**	**-1,493.8**	**254.1**

At EUR 1,434.9 million, the **net interest income** was at the same level as in the preding quarter (EUR 1,430.2 million). Shifting interest income from trading assets had a positive impact in the amount of EUR 83.9 million (full year, booked in the fourth quarter).

Due to declines in the securities business, **net fee and commission income** decreased by 2.4%, from EUR 445.9 million in the third quarter 2011 to EUR 435.2 million in the fourth quarter 2011.

After a negative third quarter (EUR -251.4 million), the **net trading result** turned positive in the fourth quarter, rising to EUR 84.9 million, even though interest income from trading assets is no longer reported in this item (it is now included in net interest income). In the fourth quarter, the change in the fair value of the CDS portfolio of the International Business unit had a positive net impact in the amount of EUR 21.9 million after weighing on the net trading result in the third quarter by EUR 246.6 million.

General administrative expenses were down 0.6% quarter on quarter, from EUR 965.3 million to EUR 959.3 million, as the increase in personnel expenses (by 4.4% from EUR 578.0 million to EUR 603.4 million in the fourth quarter 2011) was more than offset by declines in other administrative expenses (by 10.7% from EUR 294.1 million to EUR 262.6 million in the fourth quarter 2011). Depreciation and amortisation was almost unchanged at EUR 93.3 million.

The **cost/income ratio** improved in the fourth quarter of 2011 on the back of the solidly positive development of the net trading result to 49.1% versus 59.4% in the third quarter of 2011.

Risk provisions for loans and advances improved by 56.6% quarter on quarter, from EUR 938.4 million to EUR 407.7 million. Charges in the third quarter had been disproportionately high, however, with extraordinary provisions in Hungary alone amounting to EUR 450.0 million.

Other operating result, which was impacted negatively by goodwill write-downs of EUR 1,041.9 million in the third quarter, improved significantly quarter on quarter, by 89.2%, from EUR -1,200.2 million to EUR -129.5 million. Another positive impact came from the reversal of banking tax in the amount of EUR 40.8 million in Hungary for the first three quarters of 2011, as banking tax was permitted to be netted against losses sustained from foreign-currency loans repaid early at preferential non-market rates.

The **result from** all categories of **financial assets** improved from EUR -83.8 million in the third quarter of 2011 to EUR -5.4 million in the fourth quarter of 2011. This was mostly attributable to lower losses from the revaluation and sale of Greek bonds and other securities held in the available-for sale and held-to-maturity portfolios.

In the fourth quarter of 2011, the **pre-tax profit for the period** amounted to EUR 453.1 million versus a loss of EUR 1,563.0 million posted in the previous quarter.

In the fourth quarter of 2011, **net profit after minorities** totalled EUR 254.1 million versus a net loss of EUR 1,493.8 million posted in the third quarter of 2011.

III. BALANCE SHEET DEVELOPMENT

in EUR million	Dec 11	Dec 10	Change
Loans and advances to credit institutions	7,578	12,496	-39.4%
Loans and advances to customers	134,750	132,334	1.8%
Risk provisions for loans and advances	-7,027	-6,119	14.8%
Trading assets, derivative financial instruments	16,807	14,044	19.7%
Financial assets	38,132	34,421	10.8%
Other assets	19,766	18,594	6.3%
Total assets	**210,006**	**205,770**	**2.1%**

At EUR 7.6 billion, **loans and advances to credit institutions** as at 31 December 2011 were 39.4% lower than at year-end 2010 (EUR 12.5 billion). This was largely attributable to a decline in short-term interbank transactions, especially repo transactions with the Czech central bank.

Loans and advances to customers were up 1.8% from EUR 132.3 billion to EUR 134.8 billion. Growth was recorded mostly in lending to Austrian retail and corporate customers and in the Slovak retail business.

Risk provisions increased due to additional allocations from EUR 6.1 billion to EUR 7.0 billion. The NPL ratio (non-performing loans as a percentage of loans to customers) rose to 8.5% as at 31 December 2011 (7.6% as at 31 December 2010). The NPL coverage ratio improved further from 60.0% at year-end 2010 to 61.0%.

Investment securities held within the various categories of financial assets rose by 10.8% from EUR 34.4 billion at year-end 2010 to EUR 38.1 billion on the back of growth in the available-for sale and held-to-maturity portfolios.

in EUR million	Dec 11	Dec 10	Change
Deposits by banks	23,785	20,154	18.0%
Customer deposits	118,880	117,016	1.6%
Debt securities in issue	30,782	31,298	-1.6%
Trading liabilities, derivative financial instruments	9,873	8,615	14.6%
Other liabilities	5,723	6,291	-9.0%
Subordinated liabilities	5,783	5,838	-0.9%
Total equity	15,180	16,558	-8.3%
Attributable to non-controlling interests	3,143	3,444	-8.7%
Attributable to owners of the parent	12,037	13,114	-8.2%
Total liabilities and equity	**210,006**	**205,770**	**2.1%**

Customer deposits increased by 1.6% (from EUR 117.0 billion to EUR 118.9 billion). This development was primarily owed to growth in deposits from corporate customers in Austria. In the fourth quarter customer deposits decreased due to seasonal fluctuations of deposits by Czech municipalities. The rise in **deposits by banks** is mostly attributable to the use of the ECB's 3-year LTRO (long-term refinancing operation) in the amount of EUR 3.0 billion.

At 113.3%, the **loan-to-deposit ratio** was slightly higher at 31 December 2011 than at 31 December 2010 (113.1%).

As the decline in certificates of deposit was not offset by the rise in mortgage and municipal bonds, **debt securities in issue** declined by 1.6% from EUR 31.3 billion to EUR 30.8 billion.

Total risk-weighted assets (RWA) fell by 4.8% to EUR 114.0 billion as at 31 December 2011 (31 December 2010: EUR 119.8 billion). This decline was due to the sale of non-core assets, including the almost complete close-out of the CDS portfolio of the International Business unit, as well as a large number of measures taken to meet the EBA's equity capital requirement of 9% by the end of June 2012.

Total eligible **qualifying capital** of the Erste Group credit institution group, as defined by the Austrian Banking Act, rose from EUR 16.2 billion at year-end 2010 to EUR 16.4 billion as at 31 December 2011. The cover ratio with respect to the statutory minimum requirement at the reporting date (EUR 9.1 billion) was 179.9% (year-end 2010: 169.2%).

The **shareholders' equity** amounted to **EUR 12.0 billion** as at 31 December 2011 (year-end 2010: EUR 13.1 billion). The **tier 1 capital** after the deductions defined in the Austrian Banking Act amounted to EUR 11.9 billion (year-end 2010: EUR 12.2 billion).

The **tier 1 ratio** including the capital requirements for market and operational risk (total risk) improved to 10.4% (year-end 2010: 10.2%); the **core tier 1 ratio** rose to 9.4% as at 31 December 2011 (year-end 2010: 9.2%). The core tier 1 ratio as defined by the EBA stood at 8.9% as at 31 December 2011.

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 par. 1 Austrian Banking Act) amounted to 14.4% as at 31 December 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 655.3 million in 2010 by EUR 10.7 million, or 1.6%, to EUR 665.9 million in the financial year 2011 was primarily due to an increase in deposits and higher margins. Net fee and commission income declined from EUR 334.0 million by EUR 13.4 million, or 4.0%, to EUR 320.6 million. This was mainly attributable to a subdued securities business that reflected the general market development. The slight rise in operating expenses from EUR 607.0 million by EUR 2.4 million, or 0.4%, to EUR 609.4 million, was primarily due to the inclusion of Intermarket Bank AG in August 2011. Strict cost management by Erste Bank Oesterreich and its subsidiaries kept operating expenses unchanged versus the previous year. The operating result improved from EUR 393.7 million in the financial year 2010 by EUR 3.6 million, or 0.9%, to EUR 397.3 million. The cost/income ratio was almost unchanged at 60.5%. The significant improvement in risk provisions from EUR 148.3 million by EUR 46.9 million, or 31.6%, to EUR 101.4 million reflected the continuously improving risk profile of the retail and SME portfolios.

The decline in the “Other result” item from EUR -25.7 million by EUR 38.0 million to EUR -63.7 million in the financial year 2011 was mainly due to higher write-downs on securities not held for trading (including Greek bonds) as well as the introduction of the banking tax (EUR 7.7 million). Net profit after minorities rose from EUR 166.7 million by EUR 10.9 million, or 6.5% to EUR 177.6 million. Return on equity improved from 14.6% to 16.3%.

Haftungsverbund/Savings Banks

At EUR 1,015.6 million, net interest income was EUR 55.0 million, or 5.7%, higher than in the financial year 2010, driven by positive development in margins and the shifting of interest income from trading assets. Net fee and commission income declined by EUR 3.6 million, or 0.9%, from EUR 393.8 million in 2010 to EUR 390.2 million. This was mainly attributable to lower income from lending. The decline in the net trading result from EUR 27.2 million by EUR 15.0 million to EUR 12.2 million in the financial year 2011 was due to the adverse market environment, particularly in the third quarter, as well as to the shifting of interest income from trading assets. At EUR 930.9 million, operating expenses were at the same level as in the previous year. The operating result rose from EUR 450.8 million in the financial year 2010 by EUR 36.3 million, or 8.1%, to EUR 487.1 million.

A decline in the item “Other result” from EUR -24.4 million in the financial year 2010 by EUR 57.6 million to EUR -82.0 million in 2011 was mainly caused by losses on the sale of securities and write-downs on securities not held in the trading portfolio. In the financial year 2011, banking tax was paid in the amount of EUR 6.5 million. Risk provisions decreased from EUR 303.3 million by EUR 52.9 million, or 17.4%, to EUR 250.4 million. Net profit after minorities was EUR 6.0 million (2010: EUR -5.5 million). The cost/income ratio improved to 65.6% in 2011 (2010: 67.4%).

[5] In the segment report, financial results of the financial year 2011 are compared to those of the financial year 2010. Unless stated otherwise, terms such as “in the previous year”, “2010”, “as of 2010” or “1-12 2010” accordingly relate to the financial year 2010, and terms such as “this year”, “2011”, “as of 2011” or “1-12 2011” relate to the financial year 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.

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 from the Czech retail and SME business was up strongly year on year by EUR 96.1 million, or 8.8% (currency-adjusted: +5.8%), from EUR 1,087.2 million to EUR 1,183.3 million in the financial year 2011. This increase was driven by better margins in the lending business and higher income from the banking book. Net fee and commission income rose from EUR 476.8 million in the financial year 2010 by EUR 19.7 million, or 4.1% (currency-adjusted: +1.2%), to EUR 496.5 million, mainly as a result of higher income from payment transfers and the cards business. Operating expenses were up EUR 4.1 million, or 0.6%, to EUR 713.9 million. Currency-adjusted, operating expenses were reduced by 2.2%, however, as a result of rigorous cost control. The net trading result decreased from the previous year's strong level of EUR 62.5 million by EUR 108.0 million to EUR -45.5 million, which was mainly attributable to the negative development of financial markets, negative market valuations of the pension funds and lower income from foreign exchange trading.

The operating result rose from EUR 916.7 million by EUR 3.7 million, or 0.4%, to EUR 920.4 million; currency-adjusted, it declined by 2.4%. In view of improved economic conditions and stabilisation of the portfolio, risk provisions fell by EUR 155.3 million, or 42.5% (currency-adjusted: -44.1%), from EUR 365.8 million to EUR 210.5 million in 2011. The item "Other result" deteriorated from EUR -83.3 million by EUR 38.7 million, or 46.4% (currency-adjusted: -42.3%), to EUR -122.0 million due to higher write-downs on securities not held for trading and higher deposit insurance contributions. Net profit after minorities rose by EUR 77.3 million, or 20.4% (currency-adjusted: +17.1%), from EUR 379.0 million to EUR 456.3 million. The cost/income ratio was almost unchanged at 43.7%. Return on equity rose to 42.8% (2010: 37.0%).

Romania

In the financial year 2011, net interest income in the Romanian retail and SME segment decreased by EUR 126.3 million or 15.8% (currency-adjusted: -15.3%) to EUR 672.3 million. This development was mainly due to continuing weakness in consumer credit demand and lower margins in subsidised mortgage lending. Net fee and commission income declined by EUR 4.3 million, or 3.2% (currency-adjusted: -2.5%), from EUR 134.4 million in the financial year 2010 to EUR 130.1 million. The rise in the net trading result from EUR 24.0 million by EUR 25.3 million to EUR 49.3 million resulted from revaluation gains in foreign exchange trading. Operating expenses rose only marginally from EUR 375.2 million by EUR 1.2 million, or 0.3% (currency-adjusted: +1.0%), to EUR 376.4 million.

The operating result decreased from EUR 581.7 million to EUR 475.3 million in the financial year 2011 (-18.3°%; currency-adjusted: -17.7%). While economic conditions remained difficult, risk provisions declined from EUR 506.7 million by EUR 7.4 million, or 1.5% (currency-adjusted: -0.8%) to EUR 499.3 million. The improvement in the item "Other result" from EUR -50.2 million by EUR 19.3 million, or 38.4% (currency-adjusted: +38.1%) to EUR -30.9 million in the financial year 2011 was mainly due to one-off income from the liquidation of the subsidiary Anglo-Romanian Bank Ltd. At EUR -22.5 million, net profit after minorities was EUR 31.1 million lower than the net profit of EUR 8.6 million posted in the previous year. The cost/income ratio rose from 39.2% to 44.2%.

The current earnings development in Romania and a revised economic and business outlook for the banking sector led to extraordinary write-downs of goodwill totalling EUR 699.2 million in the third quarter 2011 (including EUR 6.4 million write-downs of Romanian subsidiaries), which reduced goodwill to EUR 1.1 billion.

Slovak Republic

Net interest income in the Slovak retail and SME business rose by EUR 18.9 million, or 4.4%, to EUR 445.7 million in the financial year 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 106.6 million by EUR 5.6 million, or 5.3%, to EUR 112.2 million, mainly on the back of higher income from payment transfers. Operating expenses were up marginally by EUR 1.8 million, or 0.8%, from EUR 222.2 million to EUR 224.0 million.

Risk provisions reflected an improvement in the market environment versus the financial year 2010. That benefited above all the retail but also the SME business and led to a reduction of risk provisions from EUR 123.2 million by EUR 49.6 million, or 40.3%, to EUR 73.6 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 -20.5 million in the financial year 2010 by EUR 19.7 million, or 96.1%, to EUR -40.2 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 173.2 million, up EUR 36.6 million, or 26.8%, on the previous year. The cost/income ratio improved to 40.5% from 41.3% in the financial year 2010. Return on equity increased from 31.6% to 43.2%.

Hungary

Net interest income in the Hungarian retail and SME business improved from EUR 387.1 million in the financial year 2010 by EUR 15.6 million, or 4.0% (currency-adjusted: +5.5%), to EUR 402.7 million in the financial year 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 23.2 million by EUR 4.1 million, or 17.8% (currency-adjusted: -16.6%), to EUR 19.1 million in the financial year 2011 mainly resulted from declining income from the foreign-currency retail loan book. At EUR 200.5 million, operating expenses were almost unchanged versus the financial year 2010 on a currency-adjusted basis despite additional restructuring provisions in the amount of EUR 11.6 million. The operating result rose from EUR 305.5 million in the previous year by EUR 13.6 million, or 4.4% (currency-adjusted: +5.9%), to EUR 319.1 million. The cost/income ratio improved to 38.6% in the financial year 2011 (2010: 39.9%).

A significant rise in risk provisions by EUR 567.7 million from EUR 244.3 million in the financial year 2010 to EUR 812.0 million was attributable to extraordinary one-time provisions. A provision in the amount of EUR 200.0 million was created to cover expected losses from the early repayment of foreign-currency 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 risk provisions were created to increase the NPL coverage ratio.

The item “Other result” improved by EUR 11.4 million from EUR -68.3 million in the financial year 2010 to EUR -56.9 million. Offsetting of the banking tax against the costs of repayment of foreign-currency loans at non-market rates had a positive effect. On the other hand, the need to recognise higher write-downs on collateral for loans and restructuring costs had a negative impact. Net profit after minorities amounted to EUR -566.6 million (versus a loss of EUR -21.8 million in the previous year). In November 2011, a capital increase was carried out in the amount of EUR 600.0 million.

In view of the current development of earnings and forecasts for the Hungarian economy, the remaining goodwill of EUR 312.7 million was written off in the third quarter 2011 and reported in Group Corporate Center in the “Other result” item.

Croatia
In Croatia, net interest income from the retail and SME business improved from EUR 247.9 million in the financial year 2010 by EUR 13.9 million, or 5.6% (currency-adjusted: +7.8%), to EUR 261.8 million. This was primarily attributable to rising lending volumes and improved margins, particularly in the deposit business. Net fee and commission income rose from EUR 74.0 million in the previous year by EUR 2.7 million, or 3.6% (currency-adjusted: +5.7%), to EUR 76.7 million on the back of higher income from the cards business. The net trading result improved from EUR 9.7 million in the financial year 2010 by EUR 1.5 million, or 15.7% (currency-adjusted: +18.1%), to EUR 11.2 million, reflecting higher income from foreign exchange trading. Operating expenses were up – especially in sales – by EUR 2.1 million, or 1.5% (currency-adjusted: +3.6%), from EUR 139.0 million in the financial year 2010 to EUR 141.1 million.

In the financial year 2011, the operating result rose by EUR 16.0 million, or 8.3% (currency-adjusted: +10.5%), from EUR 192.6 million to EUR 208.6 million. This improved the cost/income ratio to 40.3% from 41.9% in the previous year. A need for higher provisioning in the real estate business caused risk provisions to rise from EUR 106.0 million by EUR 3.3 million, or 3.2% (currency-adjusted: +5.3%), to EUR 109.3 million. Net profit after minorities improved from EUR 36.7 million in the financial year 2010 by EUR 6.8 million, or 18.6% (currency-adjusted: +21.0%), to EUR 43.5 million. Return on equity stood at 17.3% (2010: 16.2%).

Serbia
Net interest income of Erste Bank Serbia increased by EUR 8.9 million, or 32.3% (currency-adjusted: +30.9%), from EUR 27.5 million to EUR 36.4 million in the financial year 2011. This improvement was attributable primarily to a rise in lending volumes and improved margins in the deposit business as well as rising income from short-term investments in local government bonds. Net fee and commission income improved from EUR 11.5 million by EUR 1.5 million, or 13.3% (currency-adjusted: +12.1%), to EUR 13.0 million. Net trading result decreased by EUR 2.3 million due to lower income from foreign exchange trading. At EUR 33.8 million, operating expenses were up EUR 2.8 million, or 8.8% (currency-adjusted: +7.7%), on the financial year 2010. This increase was primarily attributable to rising inflation and severance payments. The cost/income ratio improved to 68.1% (2010: 74.9%).

The operating result rose from EUR 10.4 million in the financial year 2010 by EUR 5.4 million, or 51.9% (currency-adjusted: +50.4%), to EUR 15.8 million. Risk costs increased from EUR 8.2 million by EUR 1.3 million, or 16.5% (currency-adjusted: +15.3%), to EUR 9.5 million. The item "Other result" deteriorated from EUR -0.8 million in the previous year by EUR 0.4 million, or 62.1% (currency-adjusted: -60.4%), to EUR -1.2 million, mainly due to higher deposit insurance contributions. Net profit after minorities rose from EUR 1.0 million by EUR 2.5 million to EUR 3.5 million.

Ukraine
Net interest income of Erste Bank Ukraine declined in the financial year 2011 from EUR 32.9 million by EUR 0.3 million, or 0.8%, to EUR 32.6 million. Currency-adjusted, it was up 4.4%, however. Lower lending volumes were offset by higher interest income from other financial assets. Higher income from payment transfers and insurance brokerage led to an improvement of net fee and commission income by EUR 0.8 million, or 19.2% (currency-adjusted: +25.5%), to EUR 4.9 million. The net trading result declined from EUR 11.7 million by EUR 14.9 million to EUR -3.2 million, which was largely attributable to the shift of interest income from trading assets, which is now included in net interest income.

Operating expenses increased from EUR 47.1 million by EUR 1.7 million, or 3.6% (currency-adjusted: +9.0%), to EUR 48.8 million, driven mainly by higher IT and personnel expenditure. Stabilisation of the portfolio led to a significant reduction of risk provisions by EUR 28.1 million, or 72.5% (currency-adjusted: -71.1%), to EUR 10.7 million. Net loss after minorities declined by EUR 14.4 million, or 38.4% (currency-adjusted: +35.0%), from EUR -37.5 million to EUR -23.1 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 financial year 2011, net interest income decreased by EUR 31.0 million, or 5.4%, to EUR 543.2 million. This was attributable to the continuing reduction of business volume in the International Business unit. In Austria, net interest income from real estate business was slightly up in 2011 while net interest income from the large corporate business was slightly down year on year, particularly in CEE. Net fee and commission income improved in the financial year 2011 by EUR 10.5 million, or 9.7%, to EUR 118.8 million, mainly due to real estate development business in Austria. The net trading result was affected by the negative impact of changes in the fair value of the CDS portfolio of the International Business Unit and, at EUR -129.2 million, was unchanged versus the previous year. Operating expenses were up EUR 7.6 million, or 4.2%, to EUR 191.5 million, driven mainly by costs related to Immorent.

Risk provisions rose by EUR 1.8 million, or 1.0%, to EUR 178.2 million. While risk provisions were up by EUR 24.9 million in the real estate and large corporate business, they declined significantly in the International Business as a result of portfolio reduction. Overall, the operating result declined from EUR 370.1 million in 2010 by EUR 28.7 million, or 7.8%, to EUR 341.4 million in the financial year 2011. The decline in the item “Other result” by EUR 14.3 million, or 44.0%, to EUR -46.7 million, was primarily attributable to higher write-downs and losses on asset sales in the International Business.

Net profit after minorities declined from EUR 115.7 million by EUR 42.0 million, or 36.3%, to EUR 73.7 million. This was due in particular to lower income from the International Business. The cost/income ratio rose from 33.2% in the previous year to 35.9%.

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.

Net interest income rose by EUR 41.0 million, or 26.2%, year on year to EUR 197.4 million, mainly due to the shift of funding costs and interest income from trading assets. Income from fixed income business was lower in the financial year 2011 than in the previous year. Net fee and commission income fell by EUR 30.5 million, or 19.4%, to EUR 126.6 million, which was due in particular to declining contributions from Asset Management and direct sales of treasury products. The risk provisions in the amount of EUR 12.0 million were related to an impairment of an interbank transaction. The net trading result was down from EUR 246.3 million in the previous year by EUR 91.1 million, or 37.0%, to EUR 155.2 million. Adjusted for the shift of funding cost and interest income from trading assets, the decline amounted to about 15%. At EUR 244.8 million, operating expenses were up by EUR 11.1 million, or 4.8%, mainly due to new offices in Germany (fixed-income sales) and higher costs in Asset Management and in CEE.

The operating result declined by EUR 91.8 million, or 28.1%, to EUR 234.4 million. The cost/income ratio rose from 41.7% to 51.1%. Net profit after minorities declined by EUR 78.5 million, or 32.0%, from EUR 245.1 million to EUR 166.6 million. Return on equity was 53.4%.

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 Banca Comercială Română, 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 by 32.4%, from EUR 84.7 million to EUR 112.1 million, was mainly driven by positive contributions from asset/liability management. The negative development of net fee and commission income was attributable mainly to profit consolidation, which also had a partial impact on general administrative expenses. Organisational and regulatory requirements resulted in cost increases for centralized steering and management units.

The item "Other result" included the straight-line amortisation of customer relationships of BCR, Erste Card Club, and Ringturm KAG totalling EUR 69.0 million as well as one-time goodwill write-downs of EUR 692.8 million for the Romanian subsidiary Banca Comercială Română, EUR 312.7 million for the Hungarian subsidiary Erste Bank Hungary, and EUR 52.7 million on Austrian subsidiaries. The Austrian banking tax related to the Holding in the amount of EUR 117.5 million was also reported under "Other result".

V. EXCHANGE RATE DEVELOPMENT

	End of period rates			Average rates		
Euro FX rates	**Dec 11**	**Dec 10**	**Change**	**2011**	**2010**	**Change**
EUR/CZK	25.79	25.06	-2.9%	24.59	25.29	2.8%
EUR/RON	4.32	4.26	-1.4%	4.24	4.21	-0.7%
EUR/HUF	314.58	277.95	-13.2%	279.32	275.40	-1.4%
EUR/HRK	7.54	7.38	-2.1%	7.42	7.29	-1.8%
EUR/RSD	106.00	105.75	-0.2%	101.89	102.95	1.0%
EUR/UAH	10.36	10.65	2.7%	11.11	10.55	-5.3%

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/en/Investors/News.

Appendix[6]

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

in EUR million	2011	2010	Change
Net interest income	5,569.0	5,439.2	2.4%
Risk provisions for loans and advances	-2,266.9	-2,021.0	12.2%
Net fee and commission income	1,787.2	1,842.5	-3.0%
Net trading result	122.3	321.9	-62.0%
General administrative expenses	-3,850.9	-3,816.8	0.9%
Other operating result	-1,589.9	-439.3	>100.0%
Result from financial assets - FV	0.3	-6.0	na
Result from financial assets - AfS	-66.2	9.2	na
Result from financial assets - HtM	-27.1	-5.5	>100.0%
Pre-tax profit/loss	-322.2	1,324.2	na
Taxes on income	-240.4	-280.9	-14.4%
Net profit/loss for the period	**-562.6**	**1,043.3**	**na**
Attributable to non-controlling interests	156.3	164.6	-5.0%
Attributable to owners of the parent	**-718.9**	**878.7**	**na**

II. STATEMENT OF COMPREHENSIVE INCOME (unaudited)

in EUR million	2011	2010	Change
Net profit/-loss before minorities	**-562.6**	**1,043.3**	**na**
Available for sale - reserve (including currency translation)	-64.6	127.6	na
Cash flow hedge - reserve (including currency translation)	30.6	-76.5	na
Actuarial gains and losses	-42.7	34.8	na
Currency translation	-232.9	78.2	na
Deferred taxes on items recognised directly in equity	23.1	-26.2	na
Other comprehensive income – total	**-286.5**	**137.8**	**na**
Total comprehensive income	**-849.1**	**1,181.1**	**na**
Attributable to non-controlling interests	124.3	193.2	-35.7%
Attributable to owners of the parent	**-973.4**	**987.9**	**na**

[6] 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 restated to classify and measure them as financial instruments at fair value through profit and loss. At the end of December 2011 the gross nominal value of the portfolio amounted to EUR 57 million. The harmonisation and improvement of the IT tools within Erste Group has led to restate the 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 these changes. For further details see investor release (1-9 2011 results) published on 28 October 2011 (www.erstegroup.com/investorrelations).

RESTATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

in EUR million 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/loss	1,515.1	-175.9	-15.0	1,324.2
Taxes on income	-328.7	44.1	3.7	-280.9
Net profit/loss 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	Dec 11	Dec 10	Change
ASSETS			
Cash and balances with central banks	9,413	5,839	61.2%
Loans and advances to credit institutions	7,578	12,496	-39.4%
Loans and advances to customers	134,750	132,334	1.8%
Risk provisions for loans and advances	-7,027	-6,119	14.8%
Derivative financial instruments	10,931	8,508	28.5%
Trading assets	5,876	5,536	6.1%
Financial assets - at fair value through profit or loss	1,813	2,435	-25.5%
Financial assets - available for sale	20,245	17,751	14.0%
Financial assets - held to maturity	16,074	14,235	12.9%
Equity holdings in associates accounted for at equity	173	223	-22.4%
Intangible assets	3,532	4,675	-24.4%
Property and equipment	2,361	2,446	-3.5%
Current tax assets	116	116	0.0%
Deferred tax assets	702	617	13.8%
Assets held for sale	87	52	67.3%
Other assets	3,382	4,626	-26.9%
Total assets	**210,006**	**205,770**	**2.1%**
LIABILITIES AND EQUITY			
Deposits by banks	23,785	20,154	18.0%
Customer deposits	118,880	117,016	1.6%
Debt securities in issue	30,782	31,298	-1.6%
Derivative financial instruments	9,337	8,399	11.2%
Trading liabilities	536	216	>100.0%
Provisions	1,580	1,545	2.3%
Current tax liabilities	34	68	-50.0%
Deferred tax liabilities	345	328	5.2%
Other liabilities	3,764	4,350	-13.5%
Subordinated liabilities	5,783	5,838	-0.9%
Total equity	15,180	16,558	-8.3%
Attributable to non-controlling interests	3,143	3,444	-8.7%
Attributable to owners of the parent	12,037	13,114	-8.2%
Total liabilities and equity	**210,006**	**205,770**	**2.1%**

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*

	Retail & SME		GCIB		Group Markets		Corporate Center		Total group	
in EUR million	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Net interest income	4,716.3	4,623.9	543.2	574.2	197.4	156.4	112.1	84.7	5,569.0	5,439.2
Risk provisions for loans and advances	-2,076.7	-1,844.6	-178.2	-176.4	-12.0	0.0	0.0	0.0	-2,266.9	-2,021.0
Net fee and commission income	1,642.0	1,633.0	118.8	108.3	126.6	157.1	-100.2	-55.9	1,787.2	1,842.5
Net trading result	58.8	176.2	-129.2	-128.5	155.2	246.3	37.5	27.9	122.3	321.9
General administrative expenses	-3,278.8	-3,264.8	-191.5	-183.9	-244.8	-233.7	-135.8	-134.4	-3,850.9	-3,816.8
Other result	-405.5	-278.1	-46.7	-32.4	10.2	1.8	-1,240.9	-132.9	-1,682.9	-441.6
Pre-tax profit/-loss	656.1	1,045.6	116.4	161.3	232.6	327.9	-1,327.3	-210.6	-322.2	1,324.2
Taxes on income	-263.8	-235.2	-31.3	-30.7	-55.6	-67.6	110.3	52.6	-240.4	-280.9
Net profit/loss for the period	**392.3**	**810.4**	**85.1**	**130.6**	**177.0**	**260.3**	**-1,217.0**	**-158.0**	**-562.6**	**1,043.3**
Attributable to non-controlling interests	144.4	146.7	11.4	14.9	10.4	15.2	-9.9	-12.2	156.3	164.6
Attributable to owners of the parent	**247.9**	**663.7**	**73.7**	**115.7**	**166.6**	**245.1**	**-1,207.1**	**-145.8**	**-718.9**	**878.7**
Average risk-weighted assets	74,934.3	74,951.7	24,428.6	25,421.2	2,743.4	2,943.0	970.4	1,399.7	103,076.6	104,715.6
Average attributed equity	4,117.0	4,123.1	1,955.6	2,034.9	312.1	323.9	6,653.5	6,595.4	13,038.2	13,077.3
Cost/income ratio	**51.1%**	**50.7%**	**35.9%**	**33.2%**	**51.1%**	**41.7%**	**na**	**na**	**51.5%**	**50.2%**
Return on equity	**6.0%**	**16.1%**	**3.8%**	**5.7%**	**53.4%**	**75.7%**	**-18.1%**	**-2.2%**	**-5.5%**	**6.7%**

*) "Other result" for the Corporate Center includes the depreciation for the customer base amounting to EUR 69.0 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 2011	Savings banks 2010	EB Oesterreich 2011	EB Oesterreich 2010	Austria 2011	Austria 2010
Net interest income	1,015.6	960.6	665.9	655.3	1,681.5	1,615.9
Risk provisions for loans and advances	-250.4	-303.3	-101.4	-148.3	-351.8	-451.6
Net fee and commission income	390.2	393.8	320.6	334.0	710.8	727.8
Net trading result	12.2	27.2	20.2	11.5	32.4	38.7
General administrative expenses	-930.9	-930.9	-609.4	-607.0	-1,540.3	-1,537.9
Other result	-82.0	-24.4	-63.7	-25.7	-145.7	-50.1
Pre-tax profit/-loss	154.7	123.0	232.2	219.8	386.9	342.8
Taxes on income	-40.1	-32.6	-50.3	-46.2	-90.4	-78.8
Net profit/loss for the period	**114.6**	**90.4**	**181.9**	**173.6**	**296.5**	**264.0**
Attributable to non-controlling interests	108.6	95.9	4.3	6.9	112.9	102.8
Attributable to owners of the parent	**6.0**	**-5.5**	**177.6**	**166.7**	**183.6**	**161.2**
Average risk-weighted assets	24,451.2	23,948.7	13,708.3	14,389.0	38,159.4	38,337.7
Average attributed equity	304.5	290.9	1,088.1	1,142.9	1,392.6	1,433.8
Cost/income ratio	**65.6%**	**67.4%**	**60.5%**	**60.6%**	**63.5%**	**64.5%**
Return on equity	**2.0%**	**-1.9%**	**16.3%**	**14.6%**	**13.2%**	**11.3%**

*) “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	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Net interest income	1,183.3	1,087.2	672.3	798.6	445.7	426.8	402.7	387.1	261.8	247.9	36.4	27.5	32.6	32.9
Risk provisions for loans and advances	-210.5	-365.8	-499.3	-506.7	-73.6	-123.2	-812.0	-244.3	-109.3	-106.0	-9.5	-8.2	-10.7	-38.8
Net fee and commission income	496.5	476.8	130.1	134.4	112.2	106.6	97.8	97.8	76.7	74.0	13.0	11.5	4.9	4.1
Net trading result	-45.5	62.5	49.3	24.0	-4.6	4.0	19.1	23.2	11.2	9.7	0.1	2.4	-3.2	11.7
General administrative expenses	-713.9	-709.8	-376.4	-375.2	-224.0	-222.2	-200.5	-202.6	-141.1	-139.0	-33.8	-31.0	-48.8	-47.1
Other result	-122.0	-83.3	-30.9	-50.2	-40.2	-20.5	-56.9	-68.3	-10.1	-4.8	-1.2	-0.8	1.6	-0.1
Pre-tax profit/-loss	587.9	467.6	-54.9	24.9	215.5	171.5	-549.8	-7.1	89.1	81.8	5.0	1.4	-23.6	-37.3
Taxes on income	-122.4	-82.7	23.7	-6.7	-42.3	-34.9	-16.8	-14.9	-16.1	-17.0	0.0	0.0	0.5	-0.2
Net profit/loss for the period	**465.5**	**384.9**	**-31.2**	**18.2**	**173.2**	**136.6**	**-566.6**	**-22.0**	**73.0**	**64.8**	**5.1**	**1.4**	**-23.1**	**-37.5**
Attributable to non-controlling interests	9.2	5.9	-8.7	9.6	0.0	0.1	0.0	-0.2	29.5	28.1	1.6	0.4	0.0	0.0
Attributable to owners of the parent	**456.3**	**379.0**	**-22.5**	**8.6**	**173.2**	**136.5**	**-566.6**	**-21.8**	**43.5**	**36.7**	**3.5**	**1.0**	**-23.1**	**-37.5**
Average risk-weighted assets	12,951.0	12,421.7	9,166.8	9,059.3	4,824.9	5,230.5	4,147.4	4,702.7	4,321.2	3,902.6	606.5	633.5	757.2	663.6
Average attributed equity	1,065.1	1,025.0	556.5	516.5	400.7	432.0	344.5	387.6	250.9	227.0	40.9	42.3	65.7	59.0
Cost/income ratio	**43.7%**	**43.6%**	**44.2%**	**39.2%**	**40.5%**	**41.3%**	**38.6%**	**39.9%**	**40.3%**	**41.9%**	**68.1%**	**74.9%**	**142.4%**	**96.7%**
Return on equity	**42.8%**	**37.0%**	**-4.0%**	**1.6%**	**43.2%**	**31.6%**	**na**	**-5.6%**	**17.3%**	**16.2%**	**8.6%**	**2.4%**	**-35.1%**	**-63.6%**

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