ERSTE GROUP

Vienna, 31 July 2012

INVESTOR INFORMATION

Erste Group posts net profit of EUR 453.6 million in first half of 2012 and increases EBA capital ratio (excluding retained earnings) to 9.9%

HIGHLIGHTS[1]

- **Net interest income** eased 1.9% to **EUR 2,651.7 million** in H1 2012 driven by the reduction of non-core assets and subdued credit demand. **Net fee and commission income** amounted to **EUR 865.5 million** in H1 2012, down 4.5% on H1 2011 due to weaker securities business. The deterioration in **net trading result** from EUR 288.8 million in H1 2011 to **EUR 121.5 million** in H1 2012 was due to valuation gains in H1 2011, which did not recur in H1 2012.
- Driven by the lower net trading result, **operating income** was down 6.7% to **EUR 3,638.7 million** (H1 2011: EUR 3,898.8 million). Effective cost management resulted in a 2.0% drop in **general administrative expenses** from EUR 1,926.3 million in H1 2011 to **EUR 1,887.4 million** in H1 2012. Thus, the **operating result** amounted to **EUR 1,751.3 million** (H1 2011: EUR 1,972.5 million). The **cost/income ratio** stood at **51.9%** (H1 2011: 49.4%).
- **Risk costs** rose 6.6% from EUR 920.8 million in H1 2011 to **EUR 981.8 million** in H1 2012, or to 146 basis points of average customer loans. With the exception of Romania and Croatia, the provisioning level for the core countries declined or remained stable. Asset quality was mixed, with Austria, the Czech Republic and Slovakia showing improving trends while Romania, Hungary and Croatia deteriorated. Overall, the **NPL ratio** increased to **9.2%** as of 30 June 2012 (year-end 2011: 8.5%), while the **NPL coverage ratio** improved to **61.2%** (year-end 2011: 61.0%).
- **Other operating result** improved to **EUR -68.1 million** in H1 2012 compared to EUR -260.2 million. This was mainly due to a EUR 413.2 million contribution from the buy-back of tier 1 and tier 2 instruments, which was partly offset by a goodwill adjustment of EUR 210.0 million for Banca Comercială Română as well as a EUR 60.6 million charge related to the FX mortgage interest subsidy legislation in Hungary (booked as risk costs in Q1 2012 and now presented as other operating result). A banking tax charge of EUR 114.5 million continued to weigh on this position in H1 2012.
- Thus, **net profit after minorities**[2] declined by 12.9% to **EUR 453.6 million** in H1 2012.
- **Core tier 1 capital** improved significantly to **EUR 11.3 billion** (year-end 2011: EUR 10.7 billion), resulting in a rise of the **core tier 1 ratio** (total risk; Basel 2.5) to **10.4%** (year-end 2011: 9.4%). The **EBA capital ratio** increased to **9.9%** (year-end 2011: 8.9%). Including retained earnings, the EBA capital ratio reached 10.4%. The continued improvement in capital ratios was supported by a decline in **total risk-weighted assets** of 4.4% to **EUR 109.0 billion** as of 30 June 2012 (year-end 2011: EUR 114.0 billion). **Shareholders' equity**[3] rose substantially to **EUR 12.6 billion** (year-end 2011: EUR 12.0 billion).
- Driven by deposit growth and investments into highly liquid assets, **total assets** grew by 2.5% to **EUR 215.2 billion** versus EUR 210.0 billion at year-end 2011. The **loan-to-deposit ratio** improved to **109.6%** as of 30 June 2012 (year-end 2011: 113.3%).

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[1] In accordance with IAS 8, comparative figures in the financial results have been restated. For further details, see Notes to the financial statements in the 2012 half-year report

[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".

"Despite the challenging operating environment in Europe, Erste Group generated a net profit of EUR 453.6 million in the first half of 2012. This result was impacted by positive as well as negative one-off items, yet reflects the underlying strength of our franchise", said Andreas Treichl, Chief Executive Officer of Erste Group Bank AG, when presenting the results for the first half of 2012. "Moreover, we have significantly improved our capital position, reaching an EBA capital ratio of 9.9% as of 30 June 2012. Including retained earnings, the ratio improved to 10.4%. In addition, we continued to record good inflows of customer deposits", Treichl continued. "The on-going reduction of non-core assets demonstrates our commitment to the core retail and corporate customer business in Central and Eastern Europe. While we continued to deliver a resilient performance in Austria, the Czech Republic and Slovakia, we embarked on transforming our Romanian bank in order to take advantage of growth opportunities in the medium term", Treichl concluded.

Earnings performance in brief

Lower operating income led to a decline in the **operating result** from EUR 1,972.5 million to EUR 1,751.3 million, despite the reduction in operating expenses in the first half of 2012 versus the first half of 2011. This development was mainly driven by the reduced net trading result due to a lower valuation result.

Operating income amounted to EUR 3,638.7 million in the first half of 2012 (first half of 2011: EUR 3,898.8 million). The 6.7% decline was due to slightly lower net interest income, down 1.9% to EUR 2,651.7 million, lower net fee and commission income (-4.5% to EUR 865.5 million), and a weaker net trading result (-57.9% to EUR 121.5 million). **General administrative expenses** decreased by 2.0% to EUR 1,887.4 million (first half of 2011: EUR 1,926.3 million). This led to a **cost/income ratio** of 51.9% (first half of 2011: 49.4%).

Net profit after minorities declined by 12.9% from EUR 520.8 million in the first half of 2011 to EUR 453.6 million. Adjusted for major one-off items other than banking taxes, net profit came to about EUR 350 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 10.4% for the first half of 2012 (reported ROE: 7.2%) versus 8.0% for the first half of 2011 (reported ROE: 7.7%).

Cash earnings per share for the first half of 2012 amounted to EUR 1.51 (reported EPS: EUR 0.98) versus EUR 1.25 (reported EPS: EUR 1.20) for the first half of 2011.

Total assets, at EUR 215.2 billion, were up 2.5% versus year-end 2011. A strong rise in customer deposits resulted in the investment of excess liquidity into highly liquid financial assets and with central banks.

The **solvency ratio** remained almost unchanged at 14.3% as of 30 June 2012, while risk-weighted assets declined by EUR 5.1 billion to EUR 109.0 billion. Thus, the solvency ratio remained comfortably above the statutory minimum requirement of 8.0%. The **tier 1 ratio** relating to total risk and as defined by Basel 2.5, was 10.7% as of 30 June 2012 versus 10.4% as of 31 December 2011.

Outlook

Macroeconomic prospects across Europe including Erste Group's core markets have continued to weaken in the first half of 2012. While Austria, Slovakia and Romania are still expected to show some GDP growth in 2012, the other economies are forecast to see GDP contraction, driven by restrained public sector and private household spending as well as low investment activity and weakening exports. The sovereign debt crisis in the euro zone periphery continues to weigh heavily on the political agenda and on the economic lead indicators.

Against this background, Erste Group's priorities for the remainder of 2012 will be the maintenance of the strong capital and liquidity position as well as strict cost management. The continued reduction of non-core assets, reducing yield levels on high-quality sovereign bonds, the absence of loan growth on an aggregated basis as well as the low level of consumer finance in new lending flows will negatively impact net interest income. Equally fee income from securities business/wealth management will remain under pressure. While the full-year operating result is expected to stay somewhat behind 2011, risk costs are also expected to decline to about EUR 2.0 billion in 2012, despite risk costs peaking in Romania this year. In addition, BCR, Erste Group's Romanian subsidiary is expected to return to profitability in 2013.

Erste Group expects to comfortably and sustainably meet all capital requirements (EBA, Basel 3) as and when required, command a liquidity position superior to almost all competitors and, therefore, sees itself well positioned to take advantage of growth opportunities in its core customer business going forward.

I. FINANCIAL PERFORMANCE IN DETAIL

in EUR million	1-6 12	1-6 11	Change
Net interest income	2,651.7	2,703.9	-1.9%
Risk provisions for loans and advances	-981.8	-920.8	6.6%
Net fee and commission income	865.5	906.1	-4.5%
Net trading result	121.5	288.8	-57.9%
General administrative expenses	-1,887.4	-1,926.3	-2.0%
Other result	-41.8	-264.0	na
Pre-tax profit/loss	**727.7**	**787.7**	**-7.6%**
Net profit/loss for the period	**531.1**	**612.3**	**-13.3%**
Attributable to non-controlling interests	77.5	91.5	-15.3%
Attributable to owners of the parent	**453.6**	**520.8**	**-12.9%**

Net interest income: -1.9% versus the first half of 2011

Net interest income declined from EUR 2,703.9 million in the first half of 2011 to EUR 2,651.7 million for the first half of 2012. Over the same period, the net interest margin (net interest income as a percentage of average interest-bearing assets) contracted from 2.99% to 2.83%. This development was mainly due to subdued credit demand, especially for consumer loans, the reduction of non-core assets, and inclusion of trading assets into interest-bearing assets.

Net fee and commission income: -4.5% versus the first half of 2011

in EUR million	1-6 12	1-6 11	Change
Lending business	141.6	133.2	6.3%
Payment transfers	427.0	432.3	-1.2%
Card business	103.0	96.1	7.2%
Securities transactions	173.4	203.5	-14.8%
Investment fund transactions	92.8	102.1	-9.1%
Custodial fees	15.5	17.1	-9.4%
Brokerage	65.1	84.3	-22.8%
Insurance brokerage business	45.1	49.0	-8.0%
Building society brokerage	15.2	17.9	-15.1%
Foreign exchange transactions	12.6	11.8	6.8%
Investment banking business	5.7	10.1	-43.6%
Other	44.9	48.3	-7.0%
Total	**865.5**	**906.1**	**-4.5%**

Net fee and commission income decreased in the first half of 2012 from EUR 906.1 million to EUR 865.5 million. This development was mostly due to a decline in the securities business (primarily in Austria and the Czech Republic), as well as in building society/insurance brokerage and in investment banking. The result from the lending business was solid on the back of contributions from Erste Group's factoring subsidiary Intermarket Bank AG (consolidated since 1 August 2011).

Net trading result: -57.9% versus the first half of 2011

The net trading result declined by 57.9% from EUR 288.8 million in the first half of 2011 to EUR 121.5 million in the first half of 2012. This was mainly attributable to significantly lower valuation gains and reclassification of interest income from securities carried as trading assets (now reported in net interest income rather than, as formerly, in the net trading result).

General administrative expenses: -2.0% versus the first half of 2011

in EUR million	1-6 12	1-6 11	Change
Personnel expenses	-1,138.6	-1,142.3	-0.3%
Other administrative expenses	-565.0	-595.7	-5.2%
Depreciation and amortisation	-183.8	-188.3	-2.4%
Total	**-1,887.4**	**-1,926.3**	**-2.0%**

General administrative expenses declined by 2.0% from EUR 1,926.3 million to EUR 1,887.4 million (currency-adjusted: -0.4%).

Personnel expenses decreased by 0.3% (currency-adjusted +1.0%) from EUR 1,142.3 million to EUR 1,138.6 million. Major cost savings were achieved in **other administrative expenses** (mainly in office-related expenses), which declined by 5.2% (currency-adjusted: -3.0%) from EUR 595.7 million to EUR 565.0 million, and in **depreciation and amortisation**, which was down by 2.4% (currency-adjusted: -0.5%) from EUR 188.3 million to EUR 183.8 million.

The **headcount** was reduced by 2.3% since year-end 2011 to 49,285 employees. This was mainly due to reorganisation measures in Hungary, Romania, and Ukraine.

Headcount[4]

	Jun 12	Dec 11	Change
Employed by Erste Group	**49,285**	**50,452**	**-2.3%**
Erste Group, EB Oesterreich and subsidiaries	8,592	8,773	-2.1%
Haftungsverbund savings banks	7,421	7,416	0.1%
Česká spořitelna Group	10,630	10,661	-0.3%
Banca Comercială Română Group	8,716	9,245	-5.7%
Slovenská sporiteľňa Group	4,200	4,157	1.0%
Erste Bank Hungary Group	2,598	2,948	-11.9%
Erste Bank Croatia Group	2,647	2,599	1.8%
Erste Bank Serbia	935	919	1.7%
Erste Bank Ukraine	1,552	1,685	-7.9%
Savings banks subsidiaries & foreign branch offices	1,108	1,117	-0.8%
Other subsidiaries and foreign branch offices	886	932	-4.9%

Operating result: -11.2% versus the first half of 2011

Driven by the significant reduction in net trading result compared to the first half of 2011, operating income was down 6.7% to EUR 3,638.7 million in the first half of 2012 (first half of 2011: EUR 3,898.8 million). Despite the reduction in general administrative expenses by 2.0% from EUR 1,926.3 million to EUR 1,887.4 million, the operating result declined from EUR 1,972.5 million to EUR 1,751.3 million.

Risk provisions: +6.6% versus the first half of 2011

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 6.6% versus the first half of 2011, from EUR 920.8 million to EUR 981.8 million. This rise was attributable to the need for additional provisions in Romania which were not fully offset by lower risk costs in Hungary and in the Czech Republic. In the first half of 2012, risk costs in relation to the average volume of customer loans were 146 basis points (H1 2011: 139 basis points).

Other operating result

Other operating result improved from EUR -260.2 million in the first half of 2011 to EUR -68.1 million in the first half of 2012. This was mainly attributable to the buy-back of tier 1 and tier 2 instruments, which generated one-off income of EUR 413.2 million. Furthermore, there was a positive contribution from gains on the sale of properties amounting to EUR 42.7 million. On the other hand, a goodwill adjustment for Banca Comercială Română of EUR 210.0 million and a EUR 60.6 million shift from risk provisions to this line item negatively impacted other operating result. The latter related to the changed FX mortgage interest subsidy legislation in Hungary, which required a large part of the EUR 75.6 million booked as risk costs in the first quarter of 2012 to be presented as other operating result. Other taxes rose from EUR 110.2 million to EUR 188.5 million. That increase was driven primarily by banking taxes.
In Slovakia, a banking tax of EUR 7.1 million had to be paid for the first time in 2012. The banking tax in Austria was raised by 25% to EUR 82.9 million, resulting in an annual charge of EUR 165.8 million, and banking taxes were levied again in Hungary in the amount of EUR 24.5 million. This line item also includes straight-line amortisation of intangible assets (i.e. customer relationships) of EUR 33.4 million (first half of 2011: 34.9 million) as well as deposit insurance contributions of EUR 43.7 million (first half of 2011: EUR 42.6 million).

4 End of period values.

Results from financial assets

The overall result from all categories of financial assets improved from EUR -3.8 million in the first half of 2011 to EUR 26.3 million in the first half of 2012. Valuation gains on assets held in the fair value portfolio more than offset losses on sales of non-core assets and valuation losses in the available-for-sale and held-to-maturity portfolios in the first half of 2012.

Profit/loss

Pre-tax profit, at EUR 727.7 million, was 7.6% lower in the first half of 2012 than in the first half of 2011 (EUR 787.7 million).

Net profit after minorities declined by 12.9% from EUR 520.8 million in the first half of 2011 to EUR 453.6 million in the first half of 2012. Adjusted for major one-off items other than banking taxes, i.e. one-off income from the buy-back of tier 1 and tier 2 instruments as well as property sales, and one-off expenses related to goodwill adjustments and the FX mortgage interest subsidy legislation in Hungary, net profit amounted to about EUR 350 million.

II. FINANCIAL RESULTS: QUARTER-ON-QUARTER COMPARISON

in EUR million	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12
Net interest income	1,401.9	1,430.2	1,434.9	1,336.9	1,314.8
Risk provisions for loans and advances	-460.7	-938.4	-407.7	-580.6	-401.2
Net fee and commission income	450.9	445.9	435.2	430.3	435.2
Net trading result	52.1	-251.4	84.9	93.6	27.9
General administrative expenses	-963.3	-965.3	-959.3	-945.1	-942.3
Other operating result	-131.5	-1,200.2	-129.5	131.2	-199.3
Result from financial instruments - FV	-29.4	12.1	8.1	41.5	0.9
Result from financial assets - AfS	-5.1	-76.9	-3.4	-14.7	18.4
Result from financial assets - HtM	1.8	-19.0	-10.1	-6.0	-13.8
Pre-tax profit/loss	316.7	-1,563.0	453.1	487.1	240.6
Taxes on income	-68.6	70.4	-135.4	-107.2	-89.4
Net profit/loss for the period	**248.1**	**-1,492.6**	**317.7**	**379.9**	**151.2**
Attributable to non-controlling interests	48.7	1.2	63.6	33.4	44.1
Attributable to owners of the parent	**199.4**	**-1,493.8**	**254.1**	**346.5**	**107.1**

Net interest income in the second quarter of 2012 amounted to EUR 1,314.8 million versus EUR 1,336.9 million in the first quarter. The slight decline was attributable to subdued credit demand, particularly for consumer loans, as well as the sale of non-core assets.

On the back of improvements in payment transactions (up 2.9% to EUR 216.5 million), **net fee and commission income** rose by 1.1% from EUR 430.3 million in the first quarter of 2012 to EUR 435.2 million in the second quarter.

The **net trading result** deteriorated by 70.2% from EUR 93.6 million in the first quarter 2012 to EUR 27.9 million. This was mainly attributable to a decline in the securities and derivatives businesses that was not offset by a positive contribution from foreign exchange trading.

General administrative expenses slightly decreased by 0.3% quarter-on-quarter, from EUR 945.1 million to EUR 942.3 million, as declining personnel expenses (down 0.4% from EUR 570.5 million to EUR 568.1 million) and other administrative expenses (down 0.6% from EUR 283.3 million to EUR 281.7 million) more than offset a rise in depreciation and amortisation (up 1.3% from EUR 91.3 million to EUR 92.5 million).

The **cost/income ratio** was 53.0% in the second quarter 2012 versus 50.8% in the first quarter of 2012.

Risk provisions for loans and advances decreased by 30.9% quarter-on-quarter, from EUR 580.6 million to EUR 401.2 million, primarily due to statutory changes in Hungary. The impact of the FX mortgage interest subsidy law passed in Hungary in the first quarter of 2012, which had required additional risk provisions, was modified substantially by a change in the bank taxation act in the second quarter. This led to reclassifying to other operating result a large part (EUR 60.6 million) of the risk provisions created in the first quarter in the amount of EUR 75.6 million.

Other operating result declined to EUR -199.3 million (Q1 2012: EUR 131.2 million) as a result of lower gains on the buy-back of tier 1 and tier 2 instruments in the second quarter amounting to EUR 162.6 million (first quarter: EUR 250.6 million) and write-off of goodwill of Banca Comercială Română in the amount of EUR 210.0 million. Expenses related to the FX mortgage interest subsidy legislation in Hungary amounting to EUR 60.6 million also had a negative impact on this line item. These were booked as risk costs in the fist quarter and are now presented as other operating result due to the change in legislation in the second quarter. The total charge related to the legislation remained unchanged at EUR 75.6 million. On the other hand, there was a positive effect from the gains on the sale of properties amounting to EUR 42.7 million in the second quarter.

The overall **result from all categories of financial assets** fell from EUR 20.8 million in the first quarter of 2012 to EUR 5.5 million in the second quarter. This was mainly attributable to higher valuation gains on assets held in the fair value portfolio in the first quarter.

Pre-tax profit decreased to EUR 240.6 million in the second quarter of 2012 from EUR 487.1 million in the first quarter.

Net profit after minorities stood at EUR 107.1 million for the second quarter of 2012 versus EUR 346.5 million for the first quarter.

III. BALANCE SHEET DEVELOPMENT

in EUR million	Jun 12	Dec 11	Change
Loans and advances to credit institutions	13,311	7,578	75.7%
Loans and advances to customers	133,944	134,750	-0.6%
Risk provisions for loans and advances	-7,612	-7,027	8.3%
Trading assets, derivative financial instruments	17,927	16,807	6.7%
Financial assets	41,264	38,132	8.2%
Other assets	16,394	19,766	-17.1%
Total assets	**215,228**	**210,006**	**2.5%**

Loans and advances to credit institutions rose significantly from a low level of EUR 7.6 billion as of 31 December 2011 to EUR 13.3 billion. This line item included EUR 2.5 billion in excess liquidity, which was deposited in the ECB's deposit facility as of 30 June 2012. An additional EUR 2.3 billion was deposited in other major central banks.

Loans and advances to customers decreased slightly from EUR 134.8 billion as of 31 December 2011 to EUR 133.9 billion due to a decline in lending to retail customers in Austria, Romania and Hungary.

Risk provisions increased from EUR 7.0 billion to EUR 7.6 billion due to additional allocations. The NPL ratio (non-performing loans as a percentage of loans to customers) stood at 9.2% as of 30 June 2012 (8.5% as of 31 December 2011). The NPL coverage ratio improved from 61.0% at year-end 2011 to 61.2%.

Investment securities held within the various categories of financial assets rose by 8.2% from EUR 38.1 billion at year-end 2011 to EUR 41.3 billion, on the back of increased investments into bonds allocated to the available-for sale and held-to-maturity portfolios. This development resulted from the acquisition of highly liquid assets in preparing for the new Basel 3 liquidity rules.

in EUR million	Jun 12	Dec 11	Change
Deposits by banks	24,844	23,785	4.5%
Customer deposits	122,252	118,880	2.8%
Debt securities in issue	30,254	30,782	-1.7%
Trading liabilities, derivative financial instruments	10,981	9,873	11.2%
Other liabilities	6,696	5,723	17.0%
Subordinated liabilities	4,309	5,783	-25.5%
Total equity	15,892	15,180	4.7%
Attributable to non-controlling interests	3,267	3,143	3.9%
Attributable to owners of the parent	12,625	12,037	4.9%
Total liabilities and equity	**215,228**	**210,006**	**2.5%**

Customer deposits grew by 2.8% from EUR 118.9 billion to EUR 122.3 billion as of 30 June 2012. This development was driven primarily by a EUR 1 billion increase in savings deposits at Austrian savings banks, in the Czech Republic and in Slovakia, as well as by growth in other deposits from Czech customers. The rise in **deposits by banks** is mostly attributable to use of the 2nd tranche of the ECB's 3-year LTRO (longer-term refinancing operation) in the amount of EUR 1.1 billion.

At 109.6%, the **loan-to-deposit ratio** as of 30 June 2012 was lower than it had been as of 31 December 2011 (113.3%).

Debt securities in issue declined by 1.7% from EUR 30.8 billion to EUR 30.3 billion as of 30 June 2012 due to lower funding needs and despite successful placement of mortgage covered bonds and senior unsecured bonds.

The significant reduction of **subordinated liabilities** from EUR 5.8 billion to EUR 4.3 billion as of 30 June 2012 resulted primarily from the buy-back of tier 1 and tier 2 instruments in the total notional amount of approximately EUR 1.3 billion.

Erste Group's **shareholders' equity** rose to EUR 12.6 billion as of 30 June 2012 (year-end 2011: EUR 12.0 billion). This was attributable to profit from the first half of 2012 as well as to significant improvement in the available-for-sale reserve. **Tier 1 capital** after the deductions defined in the Austrian Banking Act amounted to EUR 11.7 billion (year-end 2011: EUR 11.9 billion).

Core tier 1 capital (excluding retained earnings for the first half of 2012) also improved markedly, to EUR 11.3 billion (year-end 2011: EUR 10.7 billion), due to full recognition of collateral for defaulted loans in Romania.

At EUR 109.0 billion, total **risk-weighted assets (RWA)** as of 30 June 2012 were 4.4% lower than as of 31 December 2011 (EUR 114.0 billion). This decline was due to the sale of non-core assets as well as a large number of additional measures taken to meet the EBA's 9% equity capital requirement by the end of June 2012.

Total **eligible qualifying capital** of the Erste Group credit institution group, as defined by the Austrian Banking Act, declined from EUR 16.4 billion at year-end 2011 to EUR 15.6 billion as of 30 June 2012. The coverage ratio with respect to the statutory minimum requirement at the reporting date (EUR 8.7 billion) was 178.6% (year-end 2011: 179.9%).

The **tier 1 ratio**, which includes the capital requirements for market and operational risk (total risk), improved to 10.7% (year-end 2011: 10.4%). The **core tier 1 ratio** rose to 10.4% as of 30 June 2012 (year-end 2011: 9.4%). The **core tier 1 ratio** as defined by **EBA** stood at 9.9% as of 30 June 2012. (year-end 2011: 8.9%). Including retained earnings, the EBA capital ratio reached 10.4%.

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 of the Austrian Banking Act) remained almost unchanged at 14.3% as of 30 June 2012, 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.

The decline in net interest income from EUR 321.5 million in the first half of 2011 by EUR 9.3 million, or 2.9%, to EUR 312.2 million was primarily due to lower income from the banking book resulting from the development of interest rates over recent months. Margins in the customer business were again largely stable. Net fee and commission income improved slightly from EUR 160.1 million in the first half of 2011 by EUR 3.1 million, or 1.9%, to EUR 163.2 million in the first half of 2012, despite a reduction in the securities business. This was primarily attributable to a slight rise in net fee and commission income from the SME business as well as to the inclusion of Intermarket Bank AG in August 2011. The decline in the net trading result from EUR 4.8 million in the first half of 2011 by EUR 7.9 million to EUR -3.1 million in the first half of 2012 was due to negative valuation results totalling EUR 8.1 million. The slight rise in operating expenses from EUR 302.5 million by EUR 3.5 million, or 1.2% to EUR 306.0 million resulted from the integration of Intermarket Bank AG in August 2011.

The operating result decreased from EUR 183.9 million in the first half of 2011 by EUR 17.6 million, or 9.6%, to EUR 166.3 million. The cost/income ratio was 64.8% versus 62.2% in the first half of 2011. The sharp reduction in risk provisions by EUR 10.9 million, or 16.7%, from EUR 65.2 million in the previous year to EUR 54.3 million reflected the continuing stability of the risk profile in the retail and SME portfolios.

The rise in the “Other result” by EUR 24.1 million to EUR 17.7 million in the first half of 2012 was mainly driven by income from the sale of securities held in the available-for-sale portfolio and the sale of real estate. Banking tax amounted to EUR 4.7 million in the first half of 2012. Net profit after minorities rose from EUR 84.6 million in the first half of 2011 by EUR 13.3 million, or 15.7%, to EUR 97.9 million. Return on equity stood at 15.1% versus 15.4% in the first half of 2011.

Haftungsverbund/Savings Banks

Net interest income decreased by EUR 15.5 million, or 3.1%, from EUR 492.2 million to EUR 476.7 million in the first half of 2012. This development was attributable to the smaller contribution from asset/liability management as well as narrower deposit margins. Net fee and commission income declined slightly by EUR 3.1 million, or 1.6%, to EUR 193.5 million in the first half of 2012. The net trading result was down by 13% from EUR 10.0 million to EUR 8.7 million in the first half of 2012 due to lower valuation results. Operating expenses rose slightly by EUR 1.1 million, or 0.2%, to EUR 469.5

[5] In the segment report, financial results from the first half of 2011 are compared with those from the first half of 2012. Unless stated otherwise, terms such as “in the previous year“, “2011“ or “in the second half of 2011“ accordingly relate to the first half of 2011, and terms such as “this year“, “2012“ or “in the first half of 2012“ relate to the first half of 2012. The term “net profit/loss for the period after minorities” corresponds to the term “net profit/loss attributable to the owners of the parent” In accordance with IAS 8 comparative figures in the financial results (Q1 and Q2 11) have been restated.

million. The operating result decreased from EUR 230.4 million by EUR 21.0 million, or 9.1%, to EUR 209.4 million. The cost/income ratio stood at 69.2% versus 67.0% in the first half of 2011.

Risk provisions fell substantially by EUR 12.3 million, or 10.0%, from EUR 123.1 million in the first half of 2011 to EUR 110.8 million. Improvement in the “Other result” from EUR -18.2 million by EUR 14.8 million to EUR -3.4 million was largely due to gains on disposal in the available-for-sale portfolio. Banking tax amounted to EUR 4.2 million in the first half of 2012. Net profit after minorities rose from EUR 2.1 million in the first half of 2011 by EUR 5.1 million to EUR 7.2 million for the first half of 2012.

Central and Eastern Europe

The Central and Eastern Europe segment 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 declined from EUR 590.0 million by EUR 19.4 million, or 3.3%, to EUR 570.6 million. Currency-adjusted, net interest income remained unchanged, despite the difficult market environment and the adverse trend in interest rates. Net fee and commission income was down by EUR 18.6 million, or 7.5% (currency-adjusted: -4.4%) from EUR 248.4 million in the previous year to EUR 229.8 million due to lower income from payment transfers and the securities business. The net trading result was down EUR 23.2 million to EUR -8.4 million as a result of higher provisions for counterparty risk (credit value adjustments) and negative valuation results from interest-bearing and currency positions. Operating expenses declined by EUR 7.1 million, or -1.9%, to EUR 358.9 million in the first half of 2012. Currency-adjusted, operating expenses increased by 1.4%.

The operating result declined from EUR 487.2 million in the first half of 2011 by EUR 54.1 million, or 11.1% (currency-adjusted: -8.1%), to EUR 433.1 million. Due to the continued stabilisation of the portfolio, risk provisions fell significantly by EUR 54.0 million, or 38.8% (currency-adjusted: -36.7%), to EUR 85.3 million in the first half of 2012. The improvement of the “Other result” from EUR -46.9 million by EUR 26.1 million to EUR -20.8 million was primarily driven by higher income from financial assets and lower revaluation of real estate.

At EUR 252.7 million, net profit after minorities increased by EUR 13.5 million, or 5.6% (currency-adjusted: +9.2%), thus significantly higher than in the first half of 2011 (EUR 239.2 million). The cost/income ratio was 45.3% versus 42.9% in 2011. Return on equity declined from 44.0% to 39.6%.

Romania

The result of the Romanian retail and SME business reflected the adverse economic environment. Net interest income declined by EUR 70.6 million or, 19.9% (currency-adjusted: -15.9%), to EUR 284.3 million. This development was mainly due to weak consumer credit demand and narrowing margins on retail and corporate business. The decline in net fee and commission income by EUR 5.3 million, or 8.0% (currency-adjusted: -3.4%), from EUR 65.9 million in the first half of 2011 to EUR 60.6 million in the first half of 2012 was mainly attributable to lower income from insurance brokerage and payment transfers. The increase in the net trading result by EUR 19.1 million from EUR 18.8 million in the first half of 2011 to EUR 37.9 million resulted largely from revaluation gains on currency positions. Comprehensive optimisation measures reduced operating expenses by EUR 21.0 million, or 10.8% (currency-adjusted: -6.4%), from EUR 194.0 million in the first half of 2011 to EUR 173.0 million in the first half of 2012.

Additional provisioning requirements in the corporate and real estate business resulted in an increase of risk costs by EUR 140.8 million, or 62.8% (currency-adjusted: +71.0%), from EUR 224.1 million to

EUR 364.9 million in the first half of 2012. This led to a rise in the NPL coverage ratio to 53.6% as of 30 June 2012 versus 50.1% at year-end 2011.

The improvement in the item "Other result" from EUR -25.7 million by EUR 9.2 million, or 35.8% (currency-adjusted: +32.6%), to EUR -16.5 million in the first half of 2012 was mainly the result of higher income from financial assets and proceeds from the sale of real estate. At EUR -140.5 million, net loss after minorities deteriorated by EUR 138.2 million compared to the first half of 2011 (EUR -2.3 million). Owing to rigorous implementation of optimisation measures, the cost/income ratio rose only slightly from 44.1% in the previous year to 45.2%.

Triggered by BCR's half year result, Erste Group conducted an impairment test on the goodwill as of June 2012, which resulted in an impairment of EUR 210.0 million. This effect was allocated to the Segment Group Corporate Center.

Slovak Republic

Net interest income in the Slovak retail and SME business declined by EUR 10.3 million, or 4.7%, from EUR 221.3 million in the first half of 2011 to EUR 211.0 million in the first half of 2012. This resulted mainly from a change in the investment strategy for financial assets and a slight decline in retail business margins. Net fee and commission income at EUR 56.0 million (H1 2011: EUR 56.8 million) and the net trading result at EUR 1.0 million (H1 2011: EUR 1.1 million) remained almost unchanged versus the same period of the previous year. Operating expenses rose by EUR 4.4 million, or 4.0%, from EUR 109.0 million to EUR 113.4 million due to higher IT depreciation charges.

Risk provisions reflected an improvement in the market environment versus the first half of 2011. The retail business benefited most, leading to a reduction by EUR 8.8 million, or 21.7%, from EUR 40.6 million in the first half of 2011 to EUR 31.8 million. The item "Other result" included banking tax of EUR 5.0 million. Net profit after minorities declined by EUR 2.4 million, or 2.6%, to EUR 89.0 million. The cost/income ratio increased from 39.0% in the first half of 2011 to 42.3% in the first half of 2012. Return on equity stood at 41.0% versus 44.2% in the first half of 2011.

Hungary

Net interest income in the Hungarian retail and SME business fell by EUR 13.2 million, or 7.0%, from EUR 189.1 million in the first half of 2011 to EUR 175.9 million in the first half of 2012. Currency-adjusted, an improvement of 1.9% was posted. Declining interest income resulting from the statutory early repayment of FX loans at non-market rates was offset by the shift of interest income from trading assets to net interest income. Net fee and commission income declined by EUR 3.7 million, or 7.6%, to EUR 45.3 million. Currency-adjusted, net fee income rose by 1.3% on the back of higher commissions from payment transactions and building society brokerage. The decline in the net trading result from EUR 6.6 million by EUR 13.3 million to EUR -6.7 million in the first half of 2012 was largely attributable to a change in reporting of interest income from securities held for trading. Due to the restructuring measures implemented in the fourth quarter 2011, operating expenses decreased from EUR 101.3 million in the first half of 2011 by EUR 19.3 million, or 19.1% (currency-adjusted: -11.3%), to EUR 82.0 million in the first half of 2012. As a result, the cost/income ratio improved to 38.2% from 41.4% in the first half of 2011.

The decline in risk provisions in the second quarter of 2012 was triggered by the change of the law on a subsidy scheme for FX retail borrowers applicable for the coming five years. Thus, EUR 60.6 million in risk provision was release out of the total provisioning of EUR 75.6 million made in the first quarter. At the same time, reserves in the same amount were created for future additional tax charges, thus causing the deterioration of the "Other result" item from EUR -36.5 million in the first half of 2011 by EUR 56.4 million to EUR -92.9 million. Net loss after minorities was EUR -72.7 million versus EUR -51.2 million in the first half of 2011.

Croatia

In Croatia, net interest income from the retail and SME business rose from EUR 127.9 million in the first half of 2011 by EUR 1.0 million, or 0.8% (currency-adjusted: +2.8%), to EUR 128.9 million. This was primarily due to higher margins in the corporate business. Reflecting the October 2011 transfer of the credit card processing subsidiary and therefore its allocation to the Corporate Center segment, net fee and commission income declined from EUR 36.3 million in the first half of 2011 by EUR 3.2 million, or 8.8% (currency-adjusted: -7.0%), to EUR 33.1 million. The decrease in the net trading result from EUR 5.4 million in the first half of 2011 by EUR 0.8 million, or 14.8% (currency-adjusted: -13.1%), to EUR 4.6 million was caused by negative valuation results. Operating expenses were down by EUR 4.2 million, or 5.8% (currency-adjusted: -4.0%), from EUR 72.3 million in the first half of 2011 to EUR 68.1 million in the first half of 2012, which was likewise attributable to the transfer of the credit card processing business.

The operating result was up EUR 1.2 million, or 1.2% (currency-adjusted: +3.2%), from EUR 97.3 million to EUR 98.5 million. Correspondingly, the cost/income ratio improved from 42.6% in the first half of 2011 to 40.9%. Increased risk provisioning requirements in the real estate and corporate business led to a rise in risk costs by EUR 20.6 million, or 40.9% (currency-adjusted: +43.6%), from EUR 50.4 million to EUR 71.0 million in the first half of 2012. Net profit after minorities declined from EUR 21.6 million in the first half of 2011 by EUR 9.0 million, or 41.7% (currency-adjusted: -40.5%), to EUR 12.6 million. Return on equity was 8.5% versus 16.8% in the first half of 2011.

Serbia

At EUR 18.1 million, net interest income at Erste Bank Serbia remained nearly unchanged in the first half of 2012 versus the previous year. Currency-adjusted, the figure was up by 8.4%. This improvement was driven by a rise in lending volumes to retail and corporate clients and higher margins in the retail business. Net fee and commission income improved from EUR 6.0 million by EUR 0.6 million, or 10.0% (currency-adjusted: +19.9%), to EUR 6.6 million. The net trading result rose by EUR 0.8 million on the back of growing income from foreign exchange business. Currency-adjusted, operating expenses increased by 6.4% to EUR 16.5 million in the first half of 2012 due to higher other administrative expenses. The cost/income ratio improved to 64.7% from 69.8% in the first half of 2011.

Risk costs declined by 4.4% from EUR 4.5 million to EUR 4.3 million. Net profit after minorities grew by EUR 1.2 million to EUR 2.8 million. Return on equity rose to 13.6% versus 7.4% in the previous year.

Ukraine

Net interest income at Erste Bank Ukraine increased from EUR 11.6 million in the first half of 2011 by EUR 2.8 million, or 24.1% (currency-adjusted: +15.8%), to EUR 14.4 million. This improvement was achieved on the back of higher income from the securities business. Higher income from payment transfers led to an improvement in net fee and commission income by EUR 0.5 million to EUR 2.6 million in the first half of 2012. Impacted by lower income from foreign exchange and securities business, the net trading result declined by EUR 10.7 million from EUR 7.3 million to EUR -3.4 million.

Operating expenses increased by EUR 0.2 million, or 0.8%, to EUR 24.0 million. Currency-adjusted, operating expenses fell by 5.9%. The reduction of risk provisions by EUR 0.8 million, or 12.3% (currency-adjusted: -18.2%), to EUR 5.7 million resulted from substantial portfolio stabilisation. The item "Other result" deteriorated by EUR 4.8 million to EUR -1.7 million due to losses on disposals related to the available-for-sale portfolio. Net loss after minorities dropped by EUR 11.6 million to EUR -17.8 million.

Group Corporate & Investment Banking (GCIB)

The Group Corporate & Investment Banking segment includes the large corporate business, the real estate business of Erste Group with large corporate customers, equity capital markets (from the second quarter 2012 onwards) as well as the investment banking subsidiaries in CEE and the International

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

Net interest income was down by a moderate EUR 4.6 million, or 1.8%, versus the first half of 2011 to EUR 257.2 million. While net interest income from International Business declined by EUR 9.6 million, or 18.6%, to EUR 42.1 million on lower volume (as risk-weighted assets had been reduced by 41.9%), net interest income from real estate and large corporate business grew by EUR 5.1 million or 2.4%. Net fee and commission income decreased by EUR 18.1 million, or 29.4%, to EUR 43.4 million. This was attributable to a reduction in new business and declining income from real estate project development activities. The net trading result dropped by EUR 59.1 million, or 90%, to EUR 6.6 million. This was mainly attributable to non-recurring valuations gains in the first half of 2011 relating to the International Business unit's CDS investment portfolio, which has meanwhile been closed out completely.

Operating expenses increased by EUR 4.1 million, or 4.5%, to EUR 96.2 million. This development was driven primarily by organisational change, i.e. the shifting of units from the Group Markets segment to Group Corporate and Investment Banking. Risk provisions increased by EUR 34.6 million, or 30.8%, to EUR 147.1 million. This was mainly due to higher risk provisions in the real estate business and in the large corporate business in Romania. The operating result decreased from EUR 296.9 million in the first half of 2011 by EUR 85.9 million, or 28.9%, to EUR 211.0 million in the first half of 2012. Negative valuation results and losses on disposals resulting from the continued reduction of International Business assets resulted in the decline in the item "Other result" by EUR 63.5 million to EUR -57.0 million.

Net profit after minorities fell by EUR 140.0 million from EUR 139.1 million to EUR -0.9 million. This was mainly attributable to the net trading result in International Business, the rise in risk provisions, and the adverse impact of the reduction of non-core assets on the item "Other result". The cost/income ratio rose from 23.7% in the first half of 2011 to 31.3%.

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 as well as the result of Erste Asset Management.

The operating result of the Group Markets segment improved by EUR 43.1 million, or 26.9%, from EUR 160.2 million in the first half of 2011 to EUR 203.3 million in the first half of 2012. This was mainly due to an increase in net interest income, which grew from EUR 65.6 million by EUR 41.7 million, or 63.6%, to EUR 107.3 million. The gain in net interest income was attributable to higher income from government bonds, increased contributions from the money market desk, as well as to the shifting of funding costs and interest income from trading assets. The latter was the main factor in reducing the net trading result from EUR 146.3 million by EUR 7.7 million, or 5.3%, to EUR 138.6 million. Net fee and commission income declined by EUR 3.9 million, or 5.7%, to EUR 65.1 million, which was attributable in particular to lower profit contribution from asset management. Operating expenses, at EUR 107.7 million, were EUR 13.0 million, or 10.8%, lower in the first half of 2012 than in the first half of 2011. This decline was due to cost-cutting across all business units and to organisational changes (transfer of units from the Group Markets segment to Group Corporate and Investment Banking). The cost/income ratio improved from 43.0% to 34.6%.

Net profit after minorities rose by EUR 38.6 million, or 31.6%, from EUR 122.2 million in the first half of 2011 to EUR 160.8 million. Return on equity improved from 80.1% to 92.2%.

Corporate Center

The Corporate Center segment includes the results of those companies that cannot be directly allocated to a business segment, intragroup consolidation between the segments, straight-line amortisation of customer relationships especially for Banca Comercială Română, Erste Card Club, and Ringturm KAG, as well as one-time effects 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 are allocated to the corresponding business segments.

The rise in net interest income from EUR 49.8 million to EUR 95.1 million was mainly driven by an increase of structural contributions from asset/liability management. The positive development of net fee and commission income and higher operating expenses were largely attributable to intragroup consolidation of banking support operations. The net trading result dropped from EUR 8.0 million to EUR -55.1 million due to lower valuation results in asset/liability management.

The item “Other result” included amortisation of customer relationships in the amount of EUR 33.4 million, a goodwill adjustment for the Romanian subsidiary BCR in the amount of EUR 210.0 million, and the proceeds from buying back tier 1 and tier 2 instruments (hybrid capital and subordinated bonds) in the amount of EUR 413.2 million. Banking tax paid by the Holding (Erste Group Bank AG) in the amount of EUR 73.5 million was also reported in the item “Other result”.

V. EXCHANGE RATE DEVELOPMENT

	End of period rates			Average rates		
	Jun 12	**Dec 11**	**Change**	**1-6 12**	**1-6 11**	**Change**
EUR/CZK	25.64	25.79	0.6%	25.17	24.34	-3.4%
EUR/RON	4.45	4.32	-3.0%	4.39	4.18	-5.0%
EUR/HUF	287.77	314.58	8.5%	295.22	269.42	-9.6%
EUR/HRK	7.52	7.54	0.3%	7.54	7.40	-2.0%
EUR/RSD	116.00	106.00	-9.4%	110.89	101.75	-9.0%
EUR/UAH	10.15	10.36	2.0%	10.43	11.18	6.7%

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

in EUR million	1-6 12	1-6 11	Change
Net interest income	2,651.7	2,703.9	-1.9%
Risk provisions for loans and advances	-981.8	-920.8	6.6%
Net fee and commission income	865.5	906.1	-4.5%
Net trading result	121.5	288.8	-57.9%
General administrative expenses	-1,887.4	-1,926.3	-2.0%
Other operating result	-68.1	-260.2	-73.8%
Result from financial instruments - FV	42.4	-19.9	na
Result from financial assets - AfS	3.7	14.1	-73.8%
Result from financial assets - HtM	-19.8	2.0	na
Pre-tax profit/loss	727.7	787.7	-7.6%
Taxes on income	-196.6	-175.4	12.1%
Net profit/loss for the period	**531.1**	**612.3**	**-13.3%**
Attributable to non-controlling interests	77.5	91.5	-15.3%
Attributable to owners of the parent	**453.6**	**520.8**	**-12.9%**

II. STATEMENT OF COMPREHENSIVE INCOME

in EUR million	1-6 12	1-6 11	Change
Net profit/-loss before minorities	**531.1**	**612.3**	**-13.3%**
Available for sale - reserve (including currency translation)	516.2	53.2	>100.0%
Cash flow hedge - reserve (including currency translation)	0.2	-20.7	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	-30.5	124.5	na
Deferred taxes on items recognised directly in equity	-121.3	-17.1	>100.0%
Other comprehensive income – total	**364.6**	**139.9**	**>100.0%**
Total comprehensive income	**895.7**	**752.2**	**19.1%**
Attributable to non-controlling interests	232.3	56.7	>100.0%
Attributable to owners of the parent	**663.4**	**695.5**	**-4.6%**

III. BALANCE SHEET (IFRS) OF ERSTE GROUP

in EUR million	Jun 12	Dec 11	Change
ASSETS			
Cash and balances with central banks	5,737	9,413	-39.1%
Loans and advances to credit institutions	13,311	7,578	75.7%
Loans and advances to customers	133,944	134,750	-0.6%
Risk provisions for loans and advances	-7,612	-7,027	8.3%
Derivative financial instruments	11,974	10,931	9.5%
Trading assets	5,953	5,876	1.3%
Financial assets - at fair value through profit or loss	845	1,813	-53.4%
Financial assets - available for sale	22,514	20,245	11.2%
Financial assets - held to maturity	17,905	16,074	11.4%
Equity holdings in associates accounted for at equity	169	173	-2.3%
Intangible assets	3,211	3,532	-9.1%
Property and equipment	2,244	2,361	-5.0%
Current tax assets	117	116	0.9%
Deferred tax assets	586	702	-16.5%
Assets held for sale	118	87	35.6%
Other assets	4,212	3,382	24.5%
Total assets	**215,228**	**210,006**	**2.5%**
LIABILITIES AND EQUITY			
Deposits by banks	24,844	23,785	4.5%
Customer deposits	122,252	118,880	2.8%
Debt securities in issue	30,254	30,782	-1.7%
Derivative financial instruments	10,550	9,337	13.0%
Trading liabilities	431	536	-19.6%
Provisions	1,579	1,580	-0.1%
Current tax liabilities	61	34	79.4%
Deferred tax liabilities	351	345	1.7%
Other liabilities	4,705	3,764	25.0%
Subordinated liabilities	4,309	5,783	-25.5%
Total equity	15,892	15,180	4.7%
Attributable to non-controlling interests	3,267	3,143	3.9%
Attributable to owners of the parent	12,625	12,037	4.9%
Total liabilities and equity	**215,228**	**210,006**	**2.5%**

IV. SEGMENT REPORTING – ERSTE GROUP

Overview*

	Retail & SME		GCIB		Group Markets		Corporate Center		Total group	
in EUR million	**1-6 12**	**1-6 11**	**1-6 12**	**1-6 11**	**1-6 12**	**1-6 11**	**1-6 12**	**1-6 11**	**1-6 12**	**1-6 11**
Net interest income	2,192.1	2,326.7	257.2	261.8	107.3	65.6	95.1	49.8	2,651.7	2,703.9
Risk provisions for loans and advances	-834.7	-808.3	-147.1	-112.5	0.0	0.0	0.0	0.0	-981.8	-920.8
Net fee and commission income	790.7	821.2	43.4	61.5	65.1	69.0	-33.7	-45.6	865.5	906.1
Net trading result	31.4	68.8	6.6	65.7	138.6	146.3	-55.1	8.0	121.5	288.8
General administrative expenses	-1,611.4	-1,654.2	-96.2	-92.1	-107.7	-120.7	-72.1	-59.3	-1,887.4	-1,926.3
Other result	-128.0	-150.9	-57.0	6.5	2.5	3.9	140.7	-123.5	-41.8	-264.0
Pre-tax profit/-loss	**440.1**	**603.3**	**6.9**	**190.9**	**205.8**	**164.1**	**74.9**	**-170.6**	**727.7**	**787.7**
Taxes on income	-131.9	-139.2	-2.9	-43.1	-41.1	-34.3	-20.7	41.2	-196.6	-175.4
Net profit/loss for the period	**308.2**	**464.1**	**4.0**	**147.8**	**164.7**	**129.8**	**54.2**	**-129.4**	**531.1**	**612.3**
Attributable to non-controlling interests	77.0	83.3	4.9	8.7	3.9	7.6	-8.3	-8.1	77.5	91.5
Attributable to owners of the parent	**231.2**	**380.8**	**-0.9**	**139.1**	**160.8**	**122.2**	**62.5**	**-121.3**	**453.6**	**520.8**
Average risk-weighted assets	71,068.9	75,565.6	21,772.0	24,869.8	2,687.6	2,644.7	15.6	760.3	95,544.1	103,840.4
Average attributed equity	4,958	4,153	2,178	1,991	349	305	5,066	7,037	12,552	13,486
Cost/income ratio	**53.5%**	**51.4%**	**31.3%**	**23.7%**	**34.6%**	**43.0%**	**na**	**na**	**51.9%**	**49.4%**
Return on equity	**9.3%**	**18.3%**	**na**	**14.0%**	**92.2%**	**80.1%**	**2.5%**	**na**	**7.2%**	**7.7%**

*) "Other result" for the Corporate Center includes the depreciation for the customer base amounting to EUR 33.4 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	EB Oesterreich 1-6 12	EB Oesterreich 1-6 11	Savings banks 1-6 12	Savings banks 1-6 11	Austria 1-6 12	Austria 1-6 11
Net interest income	312.2	321.5	476.7	492.2	788.9	813.7
Risk provisions for loans and advances	-54.3	-65.2	-110.8	-123.1	-165.1	-188.3
Net fee and commission income	163.2	160.1	193.5	196.6	356.7	356.7
Net trading result	-3.1	4.8	8.7	10.0	5.6	14.8
General administrative expenses	-306.0	-302.5	-469.5	-468.4	-775.5	-770.9
Other result	17.7	-6.4	-3.4	-18.2	14.3	-24.6
Pre-tax profit/-loss	129.7	112.3	95.2	89.1	224.9	201.4
Taxes on income	-28.6	-24.7	-24.0	-22.4	-52.6	-47.1
Net profit/loss for the period	**101.1**	**87.6**	**71.2**	**66.7**	**172.3**	**154.3**
Attributable to non-controlling interests	3.2	3.0	64.0	64.6	67.2	67.6
Attributable to owners of the parent	**97.9**	**84.6**	**7.2**	**2.1**	**105.1**	**86.7**
Average risk-weighted assets	13,203.4	13,803.3	23,744.7	24,168.8	36,948.1	37,972.1
Average attributed equity	1,298.7	1,097.7	367.9	295.3	1,666.6	1,393.0
Cost/income ratio	**64.8%**	**62.2%**	**69.2%**	**67.0%**	**67.4%**	**65.0%**
Return on equity	**15.1%**	**15.4%**	**3.9%**	**1.4%**	**12.6%**	**12.4%**

*) “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*

in EUR million	Czech Republic 1-6 12	Czech Republic 1-6 11	Romania 1-6 12	Romania 1-6 11	Slovakia 1-6 12	Slovakia 1-6 11	Hungary 1-6 12	Hungary 1-6 11	Croatia 1-6 12	Croatia 1-6 11	Serbia 1-6 12	Serbia 1-6 11	Ukraine 1-6 12	Ukraine 1-6 11
Net interest income	570.6	590.0	284.3	354.9	211.0	221.3	175.9	189.1	128.9	127.9	18.1	18.2	14.4	11.6
Risk provisions for loans and advances	-85.3	-139.3	-364.9	-224.1	-31.8	-40.6	-106.6	-154.6	-71.0	-50.4	-4.3	-4.5	-5.7	-6.5
Net fee and commission income	229.8	248.4	60.6	65.9	56.0	56.8	45.3	49.0	33.1	36.3	6.6	6.0	2.6	2.1
Net trading result	-8.4	14.8	37.9	18.8	1.0	1.1	-6.7	6.6	4.6	5.4	0.8	0.0	-3.4	7.3
General administrative expenses	-358.9	-366.0	-173.0	-194.0	-113.4	-109.0	-82.0	-101.3	-68.1	-72.3	-16.5	-16.9	-24.0	-23.8
Other result	-20.8	-46.9	-16.5	-25.7	-11.1	-14.9	-92.9	-36.5	1.7	-4.8	-1.0	-0.6	-1.7	3.1
Pre-tax profit/-loss	327.0	301.0	-171.6	-4.2	111.7	114.7	-67.0	-47.7	29.2	42.1	3.7	2.2	-17.8	-6.2
Taxes on income	-68.6	-57.8	22.6	0.8	-22.5	-23.1	-5.7	-3.6	-5.1	-8.4	0.0	0.0	0.0	0.0
Net profit/loss for the period	**258.4**	**243.2**	**-149.0**	**-3.4**	**89.2**	**91.6**	**-72.7**	**-51.3**	**24.1**	**33.7**	**3.7**	**2.2**	**-17.8**	**-6.2**
Attributable to non-controlling interests	5.7	4.0	-8.5	-1.1	0.2	0.2	0.0	-0.1	11.5	12.1	0.9	0.6	0.0	0.0
Attributable to owners of the parent	**252.7**	**239.2**	**-140.5**	**-2.3**	**89.0**	**91.4**	**-72.7**	**-51.2**	**12.6**	**21.6**	**2.8**	**1.6**	**-17.8**	**-6.2**
Average risk-weighted assets	12,595.5	13,223.2	8,408.4	9,242.1	4,202.0	5,004.4	3,489.2	4,437.9	4,162.8	4,412.8	488.1	570.0	774.8	703.2
Average attributed equity	1,276.3	1,087.8	804.0	529.1	434.3	413.9	357.4	367.2	296.6	256.7	41.1	43.0	81.9	61.7
Cost/income ratio	**45.3%**	**42.9%**	**45.2%**	**44.1%**	**42.3%**	**39.0%**	**38.2%**	**41.4%**	**40.9%**	**42.6%**	**64.7%**	**69.8%**	**176.5%**	**113.3%**
Return on equity	**39.6%**	**44.0%**	**na**	**-0.9%**	**41.0%**	**44.2%**	**na**	**na**	**8.5%**	**16.8%**	**13.6%**	**7.4%**	**na**	**na**

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