ERSTE GROUP

Vienna, 30 October 2013

INVESTOR INFORMATION

Erste Group posts net profit of EUR 430.3 million in the first nine months of 2013; risk costs decline

HIGHLIGHTS

- **Net interest income** decreased to **EUR 3,651.6 million** in 1-9 2013 (1-9 2012: EUR 3,968.9 million) due to subdued credit demand and low market interest rates. **Net fee and commission income** rose from EUR 1,284.3 million in 1-9 2012 to **EUR 1,346.3 million** as a result of higher income from the securities business. The **net trading result** improved from EUR 191.4 million to **EUR 241.0 million**.
- **Operating income** amounted to **EUR 5,238.9 million** (-3.8% versus 1-9 2012: EUR 5,444.6 million). Strict cost management reduced **general administrative expenses** by 2.9%, from EUR 2,826.1 million to **EUR 2,743.0 million** in 1-9 2013. This led to an **operating result** of **EUR 2,495.9 million** (-4.7% versus 1-9 2012: EUR 2,618.5 million) and a **cost/income ratio** of **52.4%** (1-9 2012: 51.9%).
- **Risk costs** showed a positive trend and declined by 14.0% to **EUR 1,260.0 million**, or **129 basis points** of average customer loans in 1-9 2013, from EUR 1,465.3 million, or 146 basis points, in 1-9 2012. The **NPL ratio** stood at **9.6%** as of 30 September 2013 (year-end 2012: 9.2%), driven by the decline in the loan book and NPL inflows in the commercial real estate business. The **NPL coverage ratio** improved to **63.0%** (year-end 2012: 62.6%).
- The **other operating result** amounted to **EUR -578.5 million** versus EUR -214.0 million in 1-9 2012. This development was largely attributable to the non-recurrence of – on balance – positive one-off effects in 1-9 2012 as well as to negative one-off effects (sale of Ukraine subsidiary, extraordinary taxes in Hungary, goodwill write-down in Croatia) of EUR 157.4 million in 1-9 2013. Banking and financial transaction taxes levied in Austria, Hungary and Slovakia had a negative impact of **EUR 247.1 million** (1-9 2012: EUR 173.0 million). **Taxes on income** benefited from a positive one-off effect of EUR 127.7 million in Romania.
- **Net profit after minorities**[1] amounted to **EUR 430.3 million** in 1-9 2013 versus a profit of EUR 597.3 million in the previous year that had been driven by one-off effects.
- Following a capital increase of EUR 660.6 million and the full repayment of participation capital of EUR 1.76 billion, **shareholders' equity**[2] stood at **EUR 11.8 billion** (year-end 2012: EUR 12.9 billion). **Core tier 1 capital** amounted to **EUR 10.8 billion** as at 30 September 2013 (year-end 2012: EUR 11.8 billion). The reduction of **risk-weighted assets** to **EUR 99.0 billion** (year-end 2012: EUR 105.3 billion) was primarily due to the deconsolidation of the Ukrainian subsidiary, lower exposure and the ongoing shift towards secured lending. The **core tier 1 ratio** (total risk; Basel 2.5) stood at **10.9%** (year-end 2012: 11.2%).
- **Total assets** as of 30 September 2013 amounted to **EUR 207.9 billion** (year-end 2012: EUR 213.8 billion). The year-to-date decline was primarily attributable to lower asset volumes and to valuation changes. The underlying deposit base was stable at EUR 122.1 billion while loans and advances to customers declined to EUR 129.5 billion as of the reporting date. The latter reflected subdued loan demand in most business lines. The **loan-to-deposit ratio** improved to **106.1%** as of 30 September 2013 (year-end 2012: 107.2%).

1 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".

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

“Despite a number of extraordinary effects, such as banking levies, costs associated with the Ukraine exit and goodwill write-downs, Erste Group posted a net profit EUR 430.3 million in the first nine months of 2013", said Andreas Treichl, CEO of Erste Group Bank AG, when presenting the results. ”While customer loan volumes declined as of the reporting date, there were some encouraging signs of renewed loan growth in the third quarter – in line with the brightening macroeconomic performance – occurred particularly in Austria and the Czech Republic. The first visible quarter-on-quarter improvement in the NPL ratio in many years is equally noteworthy,” Treichl continued. “The highlights of the third quarter were the full repayment of participation capital and the successful issuance of equity which pushed the fully loaded common equity tier 1 ratio (Basel 3) to a comfortable 10.3%,” Treichl concluded.

Earnings performance in brief

Despite a reduction in operating costs, the **operating result** declined to EUR 2,495.9 million in the first nine months of 2013 (-4.7% versus EUR 2,618.5 million in 1-9 2012) due to lower operating income.

Operating income amounted to EUR 5,238.9 million in the first nine months of 2013 (1-9 2012: EUR 5,444.6 million). The 3.8% decline was mainly due to lower net interest income (-8.0% to EUR 3,651.6 million), which was not fully offset by a rise in the net trading result (+25.9% to EUR 241.0 million) and higher net fee and commission income (+4.8% to EUR 1,346.3 million).

General administrative expenses were down 2.9% to EUR 2,743.0 million (1-9 2012: EUR 2,826.1 million). This resulted in a **cost/income ratio** of 52.4% (1-9 2012: 51.9%).

Net profit after minorities declined from EUR 597.3 million in the first nine months of 2012, which had benefited from – on balance – positive one-off effects, to EUR 430.3 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, stood at 5.3% (reported ROE: 4.5%) versus 8.5% (reported ROE: 6.3%) in the first nine months of 2012. **Cash earnings per share** for the first nine months of 2013 amounted to EUR 1.06 (reported EPS: EUR 0.85) versus EUR 1.82 (reported EPS: EUR 1.26) in the first nine months of 2012.

Total assets, at EUR 207.9 billion, were down 2.8% versus year-end 2012. Risk-weighted assets declined by EUR 6.0% to EUR 99.0 billion (year-end 2012: EUR 105.3 billion).

Following a capital increase of EUR 660.6 million and the full redemption of participation capital of EUR 1.76 billion, the **solvency ratio** stood at 15.8% as of 30 September 2013 (year-end 2012: 15.5%), well above the legal minimum requirement. The **core tier 1 ratio** relating to total risk and as defined by Basel 2.5, was 10.9% as of 30 September 2013 (year-end 2012: 11.2%).

Outlook

Erste Group confirms its expectation that the economic performance in Central and Eastern Europe will continue to improve slightly until year-end 2013. However, loan demand is not expected to pick up significantly in the remainder of 2013. Erste Group expects the operating result to decline by up to 5% in 2013, due to expected lower operating income being only partially offset by lower operating costs. It is estimated that the risk costs of Erste Group will decrease by approximately 10-15% in 2013, mainly due to the expected improvement of the risk situation in Romania. This guidance excludes any negative effects from a potential FX borrower support scheme in Hungary. Banking taxes (excluding financial transaction taxes) in Austria, Slovakia and Hungary of approximately EUR 260 million pre-tax (approximately EUR 200 million post-tax) are expected to continue to impact net profit adversely in 2013. Erste Group continues to expect that the Romanian retail and SME segment will return to profitability in 2013 (irrespective of the extraordinary tax effect).

I. FINANCIAL PERFORMANCE IN DETAIL

in EUR million	1-9 13	1-9 12	Change
Net interest income	3,651.6	3,968.9	-8.0%
Risk provisions for loans and advances	-1,260.0	-1,465.3	-14.0%
Net fee and commission income	1,346.3	1,284.3	4.8%
Net trading result	241.0	191.4	25.9%
General administrative expenses	-2,743.0	-2,826.1	-2.9%
Other result	-642.2	-177.8	>100.0%
Pre-tax profit/loss	**593.6**	**975.4**	**-39.1%**
Net profit/loss for the period	**562.6**	**724.3**	**-22.3%**
Attributable to non-controlling interests	132.3	127.0	4.2%
Attributable to owners of the parent	**430.3**	**597.3**	**-28.0%**

Net interest income: -8.0% versus the first nine months of 2012

Net interest income declined from EUR 3,968.9 million in the first nine months of 2012 to EUR 3,651.6 million in the first nine months of 2013, mainly due to the low interest rate environment and continuing subdued credit demand. At the same time, the net interest margin (net interest income as a percentage of average interest-bearing assets) contracted from 2.82% to 2.70%. Net interest income was also negatively impacted by the changed presentation of the result of the Czech pension fund. Since 2013, it has no longer been consolidated line by line in the P&L, but shown as one consolidated item in the other operating result. In the first nine months of 2013, the Czech pension fund would have made a contribution of EUR 25.9 million to net interest income (1-9 2012: EUR 28.7 million).

Net fee and commission income: +4.8% versus the first nine months of 2012

in EUR million	1-9 13	1-9 12	Change
Lending business	189.0	204.6	-7.6%
Payment transfers	670.7	647.5	3.6%
Card business	160.4	163.2	-1.7%
Securities transactions	306.8	258.5	18.7%
Investment fund transactions	154.7	141.3	9.5%
Custodial fees	50.1	23.7	>100.0%
Brokerage	102.0	93.5	9.1%
Insurance brokerage	66.9	65.9	1.5%
Building society brokerage	24.1	22.0	9.5%
Foreign exchange transactions	17.3	19.0	-8.9%
Investment banking business	18.5	10.6	74.5%
Other	53.0	56.2	-5.7%
Total	**1,346.3**	**1,284.3**	**4.8%**

Net fee and commission income grew primarily on the back of an improved securities business from EUR 1,284.3 million to EUR 1,346.3 million in the first nine months of 2013.

Net trading result: +25.9% versus the first nine months of 2012

The net trading result improved from EUR 191.4 million in the first nine months of 2012 to EUR 241.0 million in the first nine months of 2013, mainly as a result of a significant improvement in securities trading.

General administrative expenses: -2.9% versus the first nine months of 2012

in EUR million	1-9 13	1-9 12	Change
Personnel expenses	-1,679.0	-1,702.5	-1.4%
Other administrative expenses	-802.9	-846.9	-5.2%
Depreciation and amortisation	-261.1	-276.7	-5.6%
Total	**-2,743.0**	**-2,826.1**	**-2.9%**

General administrative expenses decreased by 2.9% (currency-adjusted: -2.0%) from EUR 2,826.1 million to EUR 2,743.0 million.

Personnel expenses declined by 1.4% (currency-adjusted -0.6%), from EUR 1,702.5 million to EUR 1,679.0 million due to a lower headcount. **Other administrative expenses** were reduced significantly, by 5.2% (currency-adjusted -3.9%), from EUR 846.9 million to EUR 802.9 million. **Depreciation and amortisation** decreased by 5.6% (currency-adjusted -4.3%) from EUR 276.7 million to EUR 261.1 million.

The **headcount** declined by 7.2% versus year-end 2012 to 45,835 employees, mainly as a result of the sale of Erste Bank Ukraine and reorganisation measures in Romania.

Headcount[3]

	Sep 13	Dec 12	Change
Employed by Erste Group	**45,835**	**49,381**	**-7.2%**
Erste Group, EB Oesterreich and subsidiaries	8,401	8,612	-2.5%
Haftungsverbund savings banks	7,279	7,448	-2.3%
Česká spořitelna Group	10,409	11,014	-5.5%
Banca Comercială Română Group	7,083	8,289	-14.5%
Slovenská sporiteľňa Group	4,215	4,185	0.7%
Erste Bank Hungary Group	2,822	2,690	4.9%
Erste Bank Croatia Group	2,550	2,629	-3.0%
Erste Bank Serbia	930	944	-1.5%
Erste Bank Ukraine	0	1,530	na
Savings banks subsidiaries & foreign branch offices	1,161	1,145	1.4%
Other subsidiaries and foreign branch offices	985	895	10.1%

Operating result: -4.7% versus the first nine months of 2012

Driven by the decline in net interest income, operating income, at EUR 5,238.9 million, was down 3.8% in the first nine months of 2013 (1-9 2012: EUR 5,444.6 million). General administrative expenses were reduced by 2.9% from EUR 2,826.1 million to EUR 2,743.0 million. This led to an operating result of EUR 2,495.9 million (1-9 2012: EUR 2,618.5 million).

Risk provisions: -14.0% versus the first nine months of 2012

Risk provisions (i.e. the balance of the allocation and release of provisions for the lending business together with the costs of direct loan write-offs offset by income received from the recovery of loans already written off) decreased by 14.0% versus the first nine months of 2012, from EUR 1,465.3 million to EUR 1,260.0 million. This was mostly attributable to a significant decline in risk costs in Romania and further improvements of the risk situation in the Czech Republic, Slovakia and Austria, which more than

3 End of period values

offset the deterioration in the commercial real estate and in the large corporate business. In the first nine months of 2013, risk costs in relation to average customer loans were 129 basis points (1-9 2012: 146 basis points).

Other operating result

Other operating result declined from EUR -214.0 million in the first nine months of 2012 to EUR -578.5 million in the first nine months of 2013. In the previous year, the key factors influencing this item were an one-off income of EUR 413.2 million from the buyback of tier 1 and tier 2 instruments and a goodwill write-down for Banca Comercială Română of EUR 210.0 million. In the first nine months of 2013, a goodwill write-down for Erste Bank Croatia of EUR 52.2 million was recognised.

Other taxes rose from EUR 191.1 million to EUR 263.8 million in the first nine months of 2013. A large proportion of these – EUR 91.0 million – was levied in Hungary and comprised the following items: an extraordinary financial transaction tax of EUR 16.3 million (1-9 2012: EUR 0 million), the regular financial transaction tax introduced in 2013 and subsequently doubled in the amount of EUR 20.6 million, the advance payment of total banking tax for the year of 2013 of EUR 49.0 million and the programme subsidising repayment of foreign-currency loans of EUR 5.1 million (1-9 2012: EUR 0.6 million). In the first nine months of 2012, Hungarian banking tax was paid only for the first nine months of 2012 (EUR 33.2 million). Other taxes also included banking levies charged in Austria of EUR 125.0 million (1-9 2012: EUR 123.7 million) and in Slovakia of EUR 31.1 million (1-9 2012: EUR 14.9 million).

In the first nine months of 2013, this item was also negatively impacted by EUR 76.6 million due to the sale of the Ukrainian subsidiary, mainly the negative currency effect related to capital and goodwill which was recycled through the income statement. This technical booking did not impact the capital position.

Other operating result also included straight-line amortisation of intangible assets (i.e. customer relationships) of EUR 49.0 million (1-9 2012: EUR 49.8 million) as well as deposit insurance contributions of EUR 58.0 million (1-9 2012: EUR 61.9 million).

Results from financial instruments

The result from all categories of financial instruments declined from EUR 36.2 million in the first nine months of 2012 to EUR -63.7 million in the first nine months of 2013. The positive results in the held-to-maturity portfolio did not offset the negative valuation effects in the fair-value and available-for-sale portfolios (credit spread tightening of own issues, write-downs on securities and losses on the sale of securities).

Pre-tax profit

Pre-tax profit for the first nine months of 2013 amounted to EUR 593.6 million, reflecting negative one-off effects (Ukraine, Hungary), versus EUR 975.4 million in the first nine months of 2012, which had benefited from – on balance – positive extraordinary effects.

Taxes on income

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

Net profit for the period after minorities

Net profit after minorities declined by EUR 28.0% from EUR 597.3 million in the first nine months of 2012 to EUR 430.3 million in the first nine months of 2013. In the previous year, this position benefited from – on balance – positive one-off effects.

II. FINANCIAL RESULTS: QUARTER-ON-QUARTER COMPARISON

in EUR million	Q3 12	Q4 12	Q1 13	Q2 13	Q3 13
Net interest income	1,317.2	1,266.4	1,240.6	1,190.6	1,220.4
Risk provisions for loans and advances	-483.5	-514.7	-402.2	-429.6	-428.2
Net fee and commission income	418.8	436.5	448.2	447.7	450.4
Net trading result	69.9	82.0	77.8	82.7	80.5
General administrative expenses	-938.7	-930.6	-931.2	-911.7	-900.1
Other operating result	-145.9	-510.3	-103.3	-294.4	-180.8
Result from financial instruments - FV	-6.1	-39.9	-46.5	-12.5	4.0
Result from financial assets - AfS	15.5	37.0	11.4	-0.9	-20.7
Result from financial assets - HtM	0.5	-0.6	6.6	-4.0	-1.1
Pre-tax profit/loss	**247.7**	**-174.2**	**301.4**	**67.9**	**224.3**
Taxes on income	-54.5	80.9	-66.4	91.4	-56.0
Net profit/loss for the period	**193.2**	**-93.3**	**235.0**	**159.3**	**168.3**
Attributable to non-controlling interests	49.5	20.5	58.8	34.3	39.2
Attributable to owners of the parent	**143.7**	**-113.8**	**176.2**	**125.0**	**129.1**

Net interest income improved by 2.5% versus the previous quarter, from EUR 1,190.6 million to EUR 1,220.4 million. This was mainly due to an increase in net interest income from the Austrian retail & SME business.

Net fee and commission income was up 0.6% quarter on quarter at EUR 450.4 million (Q2 2013: EUR 447.7 million).

The **net trading result** declined from EUR 82.7 million in the second quarter of 2013 by 2.7% to EUR 80.5 million in the third quarter of 2013. This was attributable to a decline in securities and derivatives trading, which was not fully offset by an improvement in foreign exchange trading.

General administrative expenses declined from EUR 911.7 million in the second quarter to EUR 900.1 million in the third quarter of 2013, as the decrease in amortisation and depreciation (by 7.0% from EUR 89.2 million to EUR 83.0 million) and in personnel expenses (by 1.7% from EUR 561.9 million to EUR 552.5 million) more than offset the rise in other administrative expenses (by 1.5% from EUR 260.6 million to EUR 264.6 million). The **cost/income ratio** improved to 51.4% in the third quarter 2013 versus 53.0% in the second quarter 2013.

Risk provisions for loans and advances declined slightly by 0.3% quarter on quarter, from EUR 429.6 million to EUR 428.2 million.

Other operating result improved to EUR -180.8 million in the third quarter of 2013 from EUR -294.4 million in the second quarter of 2013. This was attributable in particular to the non-recurrence of negative one-off effects, including EUR 74.6 million from the sale of Erste Bank Ukraine as well as taxes levied in Hungary (extraordinary financial transaction tax of EUR 16.3 million and the advance payment of total banking tax for the year of 2013 of the amount of EUR 36.8 million). In the third quarter, this item was again impacted negatively by taxes in Hungary: the regular financial transaction tax introduced in 2013 and subsequently doubled amounted to EUR 8.7 million (Q2 2013: EUR 6.1 million), the programme subsidising repayment of foreign-currency loans amounted to EUR 1.8 million (Q2 2013: EUR 1.7 million).

This item also included banking taxes charged in Austria of EUR 41.8 million (Q2 2013: EUR 41.6 million) and in Slovakia of EUR 10.1 million (Q2 2013: EUR 10.5 million) as well as a goodwill write-down for Erste Bank Croatia of EUR 30.3 million (Q2 2013: EUR 21.9 million).

Other operating result was additionally affected by write-downs on real estate and other assets of EUR -61.0 million (Q2 2013: EUR -11.6 million).

The overall **result** from all categories of **financial instruments** declined slightly from EUR -17.4 million in the second quarter of 2013 to EUR -17.8 million in the third quarter of 2013. This was mainly attributable to the result from available for sale financial instruments.

Pre-tax profit for the third quarter of 2013 amounted to EUR 224.4 million versus EUR 67.9 million in the second quarter of 2013, which had been affected by negative one-off effects (Ukraine, Hungary).

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

Net profit after minorities improved to EUR 129.1 million in the third quarter of 2013 from EUR 125.0 million in the second quarter of 2013.

III. BALANCE SHEET DEVELOPMENT

in EUR million	Sep 13	Dec 12	Change
Loans and advances to credit institutions	9,113	9,074	0.4%
Loans and advances to customers	129,492	131,928	-1.8%
Risk provisions for loans and advances	-7,899	-7,644	3.3%
Trading assets, derivative financial instruments	16,007	18,467	-13.3%
Financial assets	39,276	42,108	-6.7%
Sundry assets	21,863	19,891	9.9%
Total assets	**207,852**	**213,824**	**-2.8%**

Loans and advances to credit institutions, at EUR 9.1 billion, were almost unchanged versus 31 December 2012.

Loans and advances to customers decreased from EUR 131.9 billion as of 31 December 2012 to EUR 129.5 billion as of 30 September 2013. This primarily reflected subdued loan demand in most business lines, the deconsolidation of Erste Bank Ukraine as well as FX translation effects.

Risk provisions increased from EUR 7.6 billion to EUR 7.9 billion in the first nine months of 2013 due to additional allocations. The NPL ratio (non-performing loans as a percentage of loans to customers) stood at 9.6% as of 30 September 2013 (year-end 2012: 9.2%), driven by a decline in the loan book and NPL inflows in the commercial real estate business. The NPL coverage ratio improved to 63.0% versus 62.6% at year-end 2012.

Investment securities held within the various categories of financial instruments were down 6.7% from EUR 42.1 billion at year-end 2012 to EUR 39.3 billion primarily related to the changed reporting of the Czech pension fund – shown as one consolidated item in “other assets” from 2013 onwards – and reduced sovereign exposures in the core markets.

Other assets, included in the line item **sundry assets**, increased from EUR 2.3 billion to EUR 4.2 billion as of 30 September 2013. EUR 1.7 billion thereof are also due to a change in reporting of the Czech pension fund.

in EUR million	Sep 13	Dec 12	Change
Deposits by banks	22,946	21,822	5.2%
Customer deposits	122,060	123,053	-0.8%
Debt securities in issue	27,232	29,427	-7.5%
Trading liabilities, derivative financial instruments	7,766	11,359	-31.6%
Sundry liabilities	7,247	6,500	11.5%
Subordinated liabilities	5,310	5,323	-0.2%
Total equity	15,290	16,339	-6.4%
Attributable to non-controlling interests	3,491	3,483	0.2%
Attributable to owners of the parent	11,800	12,855	-8.2%
Total liabilities and equity	**207,852**	**213,824**	**-2.8%**

Customer deposits declined by 0.8%, from EUR 123.1 billion as of 31 December 2012 to EUR 122.1 billion as of 30 September 2013. The underlying increase in customer deposits by EUR 0.7 billion is not reflected in the reported figure due to the change in reporting the Czech pension fund.

The **loan-to-deposit** ratio stood at 106.1% as of 30 September 2013 (31 December 2012: 107.2%).

Debt securities in issue, in particular bonds as well as mortgage and public sector covered bonds, declined by 7.5% from EUR 29.4 billion to EUR 27.2 billion as of 30 September 2013 while **subordinated liabilities** were unchanged at EUR 5.3 billion.

Other liabilities, included in the line item “sundry liabilities”, were up from EUR 3.1 billion to EUR 4.6 billion as of 30 September 2013 mainly due to a change in reporting the Czech pension fund. Up to year-end 2012, the fund had been presented in various line items of the balance sheet. Since 2013, a consolidated total is shown in "other liabilities" (EUR 1.9 billion as of 30 September 2013).

Following the redemption of participation capital of EUR 1.76 billion in August 2013, Erste Group’s **shareholders’ equity** declined to EUR 11.8 billion as of 30 September 2013 from EUR 12.9 billion as of year-end 2012. The capital increase carried out in the third quarter had a positive impact on this item of EUR 660.6 million. **Tier 1 capital** after the deductions defined in the Austrian Banking Act amounted to EUR 11.1 billion (year-end 2012: EUR 12.2 billion). **Core tier 1 capital** stood at EUR 10.8 billion (year-end 2012: EUR 11.8 billion).

Total risk-weighted assets (RWA) declined to EUR 99.0 billion as of 30 September 2013 from EUR 105.3 billion as of 31 December 2012, primarily due to the deconsolidation of the Ukrainian subsidiary and exposure reductions.

As of 2013, Erste Group has switched from Austrian GAAP to IFRS in the calculation of consolidated regulatory capital. The forecast negative impact of EUR 350 million (January 2012) was offset mainly by the improvement in the AfS reserve. **Total eligible qualifying capital** of the Erste Group credit institution group, as defined by the Austrian Banking Act, declined from EUR 16.3 billion as of 31 December 2012 to EUR 15.7 billion as of 30 September 2013 due to the early redemption of participation capital in August 2013. The **solvency ratio** in relation to total risk (total eligible qualifying capital as a percentage of the assessment base for total risk pursuant to section 22 par. 1 Austrian Banking Act) was 15.8% as of 30 September 2013 (year-end 2012: 15.5%), well above the legal minimum requirement.

The **tier 1 ratio** (total risk), which includes the capital requirements for market and operational risk, stood at 11.2% (year-end 2012: 11.6%). The **core tier 1 ratio** amounted to 10.9% as of 30 September 2013 (year-end 2012: 11.2%).

IV. SEGMENT REPORTING[4]

Erste Bank Oesterreich

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

The decline in net interest income from EUR 467.5 million in the first nine months of 2012 by EUR 14.2 million, or 3.0%, to EUR 453.3 million in the first nine months of 2013 was mainly attributable to lower margins as well as subdued loan demand in the retail business. Net fee and commission income improved from EUR 240.8 million in the first nine months of 2012 by EUR 13.1 million, or 5.5%, to EUR 253.9 million on the back of a positive contribution from the securities business. The rise in the net trading result from EUR -1.9 million in the first nine months of 2012 by EUR 11.0 million to EUR 9.1 million in the first nine months of 2013 was attributable to valuation gains. Operating expenses fell from EUR 458.5 million by EUR 14.7 million, or 3.2%, to EUR 443.8 million. The operating result improved from EUR 247.9 million in the first nine months of 2012 by EUR 24.6 million, or 9.9%, to EUR 272.5 million. The cost/income ratio improved to 62.0% versus 64.9% in the first nine months of 2012. Risk provisions declined from EUR 81.5 million in the first nine months of 2012 by EUR 36.4 million, or 44.7%, to EUR 45.1 million in the first nine months of 2013.

The decline in "other result" by EUR 34.6 million to EUR -11.2 million in the first nine months of 2013 was mainly due to proceeds from the sale of securities held in the available-for-sale portfolio and from the sale of real estate recorded in the first nine months of 2012. Banking tax amounted to EUR 7.3 million in the first nine months of 2013 (first nine months of 2012: EUR 7.2 million). Net profit after minorities increased from EUR 143.4 million in the first nine months of 2012 by EUR 15.5 million, or 10.8%, to EUR 158.9 million. Return on equity improved from 14.8% in the first nine months of 2012 to 16.5% in the first nine months of 2013.

Savings Banks

The decline in net interest income from EUR 701.7 million in the first nine months of 2012 by EUR 26.9 million, or 3.8%, to EUR 674.8 million in the first nine months of 2013 was mainly attributable to lower income from financial assets. Net fee and commission income increased by EUR 20.6 million, or 7.1%, to EUR 312.0 million in the first nine months of 2013. This development was mainly due to higher income from securities business and payment transfers. The net trading result declined from EUR 20.1 million in the first nine months of 2012 by EUR 3.9 million, or 19.5%, to EUR 16.2 million in the first nine months of 2013, driven by a lower foreign exchange trading result. Operating expenses decreased from EUR 706.6 million by EUR 10.3 million, or 1.5%, to EUR 696.3 million due to a decline in other administrative expenses and lower amortisation and depreciation. The operating result was almost unchanged at EUR 306.7 million. The cost/income ratio improved from 69.7% to 69.4%.

The reduction of risk provisions from EUR 159.2 million by EUR 29.4 million, or 18.5%, to EUR 129.8 million was driven by a decline in defaults in the first nine months of 2013. The item "other result" declined slightly from EUR -2.1 million by EUR 0.3 million to EUR -2.4 million. Banking tax amounted to EUR 6.9 million in the first nine months of 2013 (first nine months of 2012: EUR 6.3 million). Net profit after minorities rose from EUR 9.1 million in the first nine months of 2012 by EUR 8.1 million to EUR 17.2 million in the first nine months of 2013. Return on equity improved to 5.7% from 3.3%.

Central and Eastern Europe

The Central and Eastern Europe region includes the retail and SME business of Česká spořitelna, Slovenská sporiteľňa, Erste Bank Hungary, Banca Comercială Română, Erste Bank Croatia, Erste Bank

[4] In the segment report, financial results from the first nine months of 2013 are compared with those from the first nine months of 2012. Unless stated otherwise, terms such as "in the previous year", "2012" or "as of the third quarter 2012" relate to the first nine months of 2012 and terms such as "this year", "2013", "as of the third quarter of 2013" or "1-9 2013"relate to the first nine months of 2013. The term "net profit/loss for the period after minorities" corresponds to the term "net profit/loss attributable to the owners of the parent".

Serbia and Erste Bank Ukraine (due to the bank's sale in late April, only the first quarter of 2013). Contributions from the divisionalised business units – Group Corporate & Investment Banking and Group Markets – are reported in the respective segments.

Czech Republic

Net interest income in the Czech Republic sub-segment declined from EUR 842.6 million by EUR 95.4 million, or 11.3% (currency-adjusted: -9.2%), to EUR 747.2 million. This development was mainly attributable to the persistently low interest rate environment and subdued credit demand, especially for consumer loans. In addition, from 2013, the contribution from the Czech pension fund is no longer allocated to individual line items but is shown in the “other result” on a net basis. This resulted in a decline of net interest income by EUR 28.7 million versus the previous year. Net fee and commission income declined by EUR 24.7 million, or 7.4% (currency-adjusted: -5.1%), from EUR 334.5 million in the first nine months of 2012 to EUR 309.8 million, mainly as a result of lower income from payment transfers and from lending. The net trading result improved from EUR 14.0 million in the first nine months of 2012 by EUR 19.2 million to EUR 33.2 million in the first nine months of 2013 on the back of a better result from the derivatives business. Cost-cutting measures, in particular, reduced operating expenses by EUR 39.1 million, or 7.4% (currency-adjusted: -5.1%), to EUR 492.0 million in the first nine months of 2013.

The operating result declined from EUR 660.0 million in the first nine months of 2012 by EUR 61.8 million, or 9.4% (currency-adjusted: -7.1%), to EUR 598.2 million. As portfolio quality continued to improve, risk provisions fell by EUR 24.8 million, or 20.6% (currency-adjusted: -18.7%), to EUR 95.7 million in the first nine months of 2013. The improvement in “other result” from EUR -56.5 million by EUR 15.2 million to EUR -41.3 million in the first nine months of 2013 was largely due to changed reporting of the result of the Czech pension fund. Net profit after minorities declined slightly in the first nine months of 2013 by EUR 4.1 million, or 1.1%, from EUR 370.6 million to EUR 366.5 million. However, on a currency-adjusted basis, an increase of 1.3% in net profit was posted. The cost/income ratio went up from 44.6% to 45.1%. Return on equity amounted to 37.0%.

Romania

Net interest income in the Romania sub-segment rose from EUR 423.7 million by EUR 13.9 million, or 3.3% (currency-adjusted: +2.7%) to EUR 437.6 million in the first nine months of 2013. The increase was driven by deposit repricing, even though loan volume declined. The increase in net fee and commission income by EUR 12.9 million, or 14.3% (currency-adjusted: +13.6%), from EUR 90.5 million in the first nine months of 2012 to EUR 103.4 million in the first nine months of 2013 was mainly attributable to higher income from payment transfers. The net trading result declined from EUR 54.9 million in the first nine months of 2012 by EUR 11.2 million, or 20.3% (currency-adjusted: -20.8%), to EUR 43.7 million in the first nine months of 2013, reflecting lower income from foreign exchange business. Comprehensive optimisation measures reduced operating expenses, especially on personnel, by EUR 15.2 million, or 6.0% (currency-adjusted: -6.6%), from EUR 251.4 million in the first nine months of 2012 to EUR 236.2 million in the first nine months of 2013. As a result, the operating result improved by EUR 30.9 million, or 9.7% (currency-adjusted: +9.1%), to EUR 348.6 million in the first nine months of 2013.

Due to extensive provisioning in previous years, risk provisions declined by EUR 255.5 million, or 45.6% (currency-adjusted: -45.9%), from EUR 560.1 million in the first nine months of 2012 to EUR 304.6 million in the first nine months of 2013. The NPL coverage ratio improved to 61.9%. The “other result” deteriorated from EUR -29.4 million by EUR 17.7 million to EUR -47.1 million in the first nine months of 2013. The item “taxes on income” amounted to EUR 127.4 million versus EUR 53.0 million in the first nine months of 2012, reflecting a positive one-off impact – the release of a deferred tax liability – of EUR 127.7 million. Net result after minorities improved from EUR -206.2 million by EUR 324.4 million to EUR 118.2 million in the first nine months of 2013. The cost/income ratio improved from 44.2% to 40.4%.

Slovak Republic

Net interest income in the Slovak Republic sub-segment improved from EUR 318.0 million in the first nine months of 2012 by EUR 4.5 million, or 1.4%, to EUR 322.5 million in the first nine months of 2013. Despite the impact of the low interest rate environment, this development was primarily driven by retail loan growth. Net fee and commission income decreased by EUR 4.0 million, or 4.8%, to EUR 78.8

million due to legislation limiting commissions for payment transfers. The net trading result improved slightly from EUR 3.0 million in the first nine months of 2012 by EUR 0.6 million to EUR 3.6 million in the first nine months of 2013. Despite the consolidation of the subsidiary Erste Group IT SK and a moderate increase in personnel expenses, mostly in connection with statutory social insurance, operating expenses remained stable at EUR 174.7 million due to cost control measures.

Risk provisions fell from EUR 43.4 million in the first nine months of 2012 by EUR 18.0 million, or 41.5%, to EUR 25.4 million in the first nine months of 2013, reflecting lower allocations especially in the corporate and real estate business. The deterioration in the “other result” from EUR -16.6 million by EUR 15.3 million to EUR -31.9 million was due to the significantly higher banking tax, which amounted to EUR 28.4 million in the first nine months of 2013 (first nine months of 2012: EUR 11.3 million). Net profit after minorities increased from EUR 135.2 million in the first nine months of 2012 by EUR 1.4 million, or 1.0%, to EUR 136.6 million in the first nine months of 2013. The cost/income ratio improved slightly from 43.3% to 43.2% in the first nine months of 2013. Return on equity rose to 43.7% (first nine months of 2012: 41.7%).

Hungary

Net interest income in the Hungary sub-segment declined from EUR 257.6 million in the first nine months of 2012 by EUR 55.7 million, or 21.6% (currency-adjusted: -20.1%), to EUR 201.9 million in the first nine months of 2013. This development was driven by higher refinancing costs for the foreign-currency business, a declining loan portfolio and falling market interest rates. Net fee and commission income improved on the back of higher income from payment transfers, from EUR 67.8 million by EUR 19.4 million, or 28.6% (currency-adjusted: +31.1 %), to EUR 87.2 million in the first nine months of 2013. The improvement in the net trading result from EUR -8.6 million in the first nine months of 2012 by EUR 12.6 million to EUR 4.0 million in the first nine months of 2013 was achieved on the back of valuation gains. Operating expenses declined from EUR 125.0 million in the first nine months of 2012 by EUR 1.3 million, or 1.1% to EUR 123.7 million in the first nine months of 2013. Currency-adjusted, operating expenses rose by 0.8%. The cost/income ratio increased to 42.2% from 39.5% in the first nine months of 2012.

Increased risk provisioning requirements in the retail business led to a rise in risk costs from EUR 147.1 million by EUR 13.0 million, or 8.8% (currency-adjusted: +10.9%), to EUR 160.1 million in the first nine months of 2013. The item “other result” remained nearly unchanged at EUR -106.4 million. The first nine months of 2013 included additional expenses of EUR 36.8 million resulting from the financial transaction tax introduced in 2013 (EUR 16.3 million thereof related to a one-off extraordinary financial transaction tax), while the first nine months of 2012 had been affected by provisions for expected future taxes in the amount of EUR 60.6 million. In addition, the entire banking tax for the full year 2013 amounting to EUR 49.0 million had already been booked in June 2013, while the figure for the first nine months of 2012 reflected only the pro-rata amount of EUR 33.2 million. The net loss after minorities amounted to EUR 100.9 million versus EUR 64.1 million in the first nine months of 2012.

Croatia

Net interest income in the Croatia sub-segment declined from EUR 191.8 million in the first nine months of 2012 by EUR 16.6 million, or 8.7% (currency-adjusted: -8.1%), to EUR 175.2 million. This was partly attributable to narrower margins. Net fee and commission income decreased marginally from EUR 51.0 million in the first nine months of 2012 by EUR 0.4 million, or 0.9% (currency-adjusted: -0.3%), to EUR 50.6 million. The net trading result also remained nearly unchanged versus the previous year at EUR 8.0 million. Due to synergies with the Erste Card Club credit card company and additional cost-cutting measures, operating expenses dropped by EUR 7.9 million, or 7.7% (currency-adjusted: -7.2%), from EUR 101.8 million in the first nine months of 2012 to EUR 93.9 million in the first nine months of 2013.

The operating result decreased by EUR 9.4 million, or 6.3% (currency-adjusted: -5.8%) from EUR 149.2 million to EUR 139.8 million. The cost/income ratio improved to 40.2% from 40.6%. Increased risk provisioning requirements in the corporate business (partly due to new legislation regarding pre-bankruptcy proceedings) caused provisions to rise by EUR 11.9 million, or 11.1% (currency-adjusted: +11.7%), from EUR 107.6 million to EUR 119.5 million in the first nine months of 2013. The deterioration in the item “other result” from EUR -0.9 million in the first nine months of 2012 by EUR 9.0 to EUR -9.9 million was mainly attributable to the gains from securities sales in 2012. Net profit after minorities declined from EUR 16.7 million in the first nine months of 2012 by EUR 15.0 million to EUR 1.7 million.

Serbia
Net interest income of Erste Bank Serbia rose from EUR 26.6 million by EUR 3.1 million, or 11.5% (currency-adjusted: +11.3%) to EUR 29.7 million in the first nine months of 2013. This improvement was driven by a rise in lending volumes to corporate clients and wider margins in the retail business. Net fee and commission income remained nearly unchanged at EUR 9.7 million. The net trading result improved from EUR 1.7 million by EUR 0.2 million, or 10.8% (currency-adjusted: +10.6%), to EUR 1.9 million in the first nine months of 2013 on the back of higher income from foreign exchange business.

Operating expenses increased from EUR 24.5 million in the first nine months of 2012 by EUR 1.7 million, or 6.8% (currency-adjusted: +6.6%), to EUR 26.2 million in the first nine months of 2013. The cost/income ratio improved to 63.5% from 64.3% in the first nine months of 2012. Risk costs rose from EUR 6.1 million by EUR 0.7 million, or 12.1% (currency-adjusted: +11.9%), to EUR 6.8 million due to higher allocations in the corporate business. Net profit after minorities improved by EUR 1.3 million, from EUR 4.8 million in the first nine months of 2012 to EUR 6.1 million.

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

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

Net interest income declined from EUR 381.0 million in the first nine months of 2012 by EUR 80.4 million, or 21.1%, to EUR 300.6 million in the first nine months of 2013. This development was attributable to volume declines across all business lines (Group Large Corporates, Group Real Estate and International Business). Net fee and commission income improved versus the first nine months of 2012 by EUR 11.4 million, or 18.2%, to EUR 74.3 million on the back of higher income from the large corporate business in Austria and new syndicated lending activities in the Czech Republic. The net trading result rose in the first nine months of 2013 by EUR 7.2 million to EUR 13.4 million, mostly due to a better performance in the International Business unit. Operating expenses declined from EUR 145.0 million in the first nine months of 2012 by EUR 7.8 million, or 5.4%, to EUR 137.2 million in the first nine months of 2013 as a result of lower expenses in the commercial real estate business and in the International Business unit. The operating result decreased in the first nine months of 2013 by EUR 53.9 million, or 17.7%, to EUR 251.2 million.

Risk provisions increased versus the first nine months of 2012 by EUR 150.6 million, or 65.3%, to EUR 381.2 million. This was mainly due to higher risk provisions in the commercial real estate business and in the large corporate business in Austria and Romania. The item “other result” improved in the first nine months of 2013 versus the first nine months of 2012 by EUR 20.2 million, or 29.2%, to EUR -48.9 million, which was largely attributable to negative valuation results and losses on disposals of securities in the International Business unit in the previous year. Net result after minorities declined from EUR -10.3 million in the first nine months of 2012 by EUR 139.7 million to EUR -150.0 million in the first nine months of 2013. The cost/income ratio rose from 32.2% to 35.3%.

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

Net interest income was nearly unchanged at EUR 154.2 million versus the first nine months of 2012. Net commission income rose slightly from EUR 94.9 million in the first nine months of 2012 by EUR 2.9 million, or 3.1%, to EUR 97.8 million in the first nine months of 2013, with an improvement in the result of Erste Asset Management. The net trading result declined by EUR 56.3 million, or 34.6%, to EUR 106.5 million. This was mainly attributable to the business areas Global Money Market & Government Bonds, as well as Credit & Rates Trading, which had posted extraordinarily good results in the first nine months of 2012.

Operating expenses remained nearly unchanged at EUR 159.2 million. The operating result declined by EUR 53.7 million, or 21.2%, to EUR 199.4 million. The cost/income ratio stood at 44.4% versus 38.6% in the first nine months of 2012. Net profit after minorities decreased by EUR 36.0 million, or 18.4%, to EUR 159.7 million. Return on equity stood at 55.1% versus 73.9% in the previous year.

Corporate Center

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

Net interest income declined from EUR 183.3 million to EUR 148.4 million, which was mainly attributable to a higher negative impact from derivative business. The net trading result improved from EUR -68.0 million to EUR 4.7 million on the back of better valuation results in asset/liability management.

The increase in operating expenses to EUR 149.8 million in the first nine months of 2013 was largely due to intra-group consolidation of banking support operations. The item “other result” included amortisation of customer relationships of EUR 49.0 million as well as banking tax paid by the Holding (Erste Group Bank AG) of EUR 110.6 million (first nine months of 2012: EUR 110.2 million). In addition, in the first nine months of 2013, this item was adversely impacted by a goodwill write-down for Erste Bank Croatia of EUR 52.2 million and a negative one-off impact from the sale of Erste Bank Ukraine of EUR 76.6 million. In the first nine months of 2012, the main contribution to the positive result had come from the proceeds of the buy-back of tier 1 and tier 2 instruments (hybrid capital and subordinated bonds) of EUR 413.2 million, which more than offset a goodwill write-down for Banca Comercială Română of EUR 210.0 million.

V. EXCHANGE RATE DEVELOPMENT

	End of period rates			Average rates		
	Sep 13	Dec 12	Change	1-9 13	1-9 12	Change
EUR/CZK	25.73	25.15	-2.3%	25.75	25.14	-2.4%
EUR/RON	4.46	4.44	-0.4%	4.41	4.44	0.6%
EUR/HUF	298.15	292.30	-2.0%	296.79	291.19	-1.9%
EUR/HRK	7.62	7.56	-0.8%	7.56	7.52	-0.6%
EUR/RSD	115.00	112.05	-2.6%	112.69	112.88	0.2%
EUR/UAH	11.06	10.62	-4.1%	10.72	10.34	-3.7%

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

For more information, please contact:

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

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

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

Appendix

Please note that the tables may contain rounding differences.

I. INCOME STATEMENT (IFRS) OF ERSTE GROUP

in EUR million	1-9 13	1-9 12	Change
Net interest income	3,651.6	3,968.9	-8.0%
Risk provisions for loans and advances	-1,260.0	-1,465.3	-14.0%
Net fee and commission income	1,346.3	1,284.3	4.8%
Net trading result	241.0	191.4	25.9%
General administrative expenses	-2,743.0	-2,826.1	-2.9%
Other operating result	-578.5	-214.0	>100.0%
Result from financial instruments - FV	-55.0	36.3	na
Result from financial assets - AfS	-10.2	19.2	na
Result from financial assets - HtM	1.5	-19.3	na
Pre-tax profit/loss	**593.6**	**975.4**	**-39.1%**
Taxes on income	-31.0	-251.1	-87.7%
Net profit/loss for the period	**562.6**	**724.3**	**-22.3%**
Attributable to non-controlling interests	132.3	127.0	4.2%
Attributable to owners of the parent	**430.3**	**597.3**	**-28.0%**

II. CONDENSED STATEMENT OF COMPREHENSIVE INCOME

in EUR million	1-9 13	1-9 12	Change
Net profit/-loss before minorities	**562.6**	**724.3**	**-22.3%**
Available for sale - reserve (including currency translation)	-74.5	898.2	na
Cash flow hedge - reserve (including currency translation)	-70.0	4.3	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	-63.7	-7.5	>100.0%
Deferred taxes on items recognised directly in equity	51.5	-209.6	na
Other comprehensive income – total	**-156.7**	**685.4**	**na**
Total comprehensive income	**405.9**	**1,409.7**	**-71.2%**
Attributable to non-controlling interests	49.3	420.7	-88.3%
Attributable to owners of the parent	**356.6**	**989.0**	**-63.9%**

III. BALANCE SHEET (IFRS) OF ERSTE GROUP*

in EUR million	Sep 13	Dec 12	Change
ASSETS			
Cash and balances with central banks	10,556	9,740	8.4%
Loans and advances to credit institutions	9,113	9,074	0.4%
Loans and advances to customers	129,492	131,928	-1.8%
Risk provisions for loans and advances	-7,899	-7,644	3.3%
Derivative financial instruments	8,718	13,289	-34.4%
Trading assets	7,289	5,178	40.8%
Financial assets - at fair value through profit or loss	575	716	-19.7%
Financial assets - available for sale	20,508	22,418	-8.5%
Financial assets - held to maturity	18,193	18,975	-4.1%
Equity method investments	217	174	24.8%
Intangible assets	2,766	2,894	-4.4%
Property and equipment	2,108	2,228	-5.4%
Investment properties	941	1,023	-8.0%
Current tax assets	98	128	-23.3%
Deferred tax assets	852	658	29.6%
Assets held for sale	106	708	-85.1%
Other assets	4,219	2,338	80.5%
Total assets	**207,852**	**213,824**	**-2.8%**
LIABILITIES AND EQUITY			
Deposits by banks	22,946	21,822	5.2%
Customer deposits	122,060	123,053	-0.8%
Debt securities in issue	27,232	29,427	-7.5%
Value adjustments from Portfolio fair value hedges	870	1,220	-28.7%
Derivative financial instruments	7,318	10,878	-32.7%
Trading liabilities	448	481	-6.8%
Provisions	1,474	1,488	-0.9%
Current tax liabilities	89	53	68.3%
Deferred tax liabilities	200	324	-38.1%
Liabilities associated with assets held for sale	0	339	na
Other liabilities	4,613	3,077	49.9%
Subordinated liabilities	5,310	5,323	-0.2%
Total equity	15,290	16,339	-6.4%
Attributable to non-controlling interests	3,491	3,483	0.2%
Attributable to owners of the parent	11,800	12,855	-8.2%
Total liabilities and equity	**207,852**	**213,824**	**-2.8%**

IV. SEGMENT REPORTING – ERSTE GROUP

Overview*

in EUR million	Retail & SME		GCIB		Group Markets		Corporate Center		Total Group	
	1-9 13	1-9 12	1-9 13	1-9 12	1-9 13	1-9 12	1-9 13	1-9 12	1-9 13	1-9 12
Net interest income	3,048.4	3,249.8	300.6	381.0	154.2	154.8	148.4	183.3	3,651.6	3,968.9
Risk provisions for loans and advances	-890.9	-1,234.7	-381.2	-230.6	11.3	0.0	0.7	0.0	-1,260.0	-1,465.3
Net fee and commission income	1,206.7	1,173.1	74.3	62.9	97.8	94.9	-32.5	-46.6	1,346.3	1,284.3
Net trading result	116.3	90.4	13.4	6.2	106.5	162.8	4.7	-68.0	241.0	191.4
General administrative expenses	-2,296.9	-2,410.1	-137.2	-145.0	-159.2	-159.4	-149.8	-111.6	-2,743.0	-2,826.1
Other result	-250.6	-194.4	-48.9	-69.1	-1.4	4.4	-341.3	81.3	-642.2	-177.8
Pre-tax profit/loss	932.9	674.1	-178.9	5.4	209.3	257.5	-369.7	38.4	593.6	975.4
Taxes on income	-104.9	-169.3	26.8	-5.1	-44.9	-56.1	92.1	-20.6	-31.0	-251.1
Net profit/loss for the period	**828.0**	**504.8**	**-152.2**	**0.3**	**164.4**	**201.4**	**-277.7**	**17.8**	**562.6**	**724.3**
Attributable to non-controlling interests	133.1	120.7	-2.2	10.6	4.7	5.7	-3.4	-10.0	132.3	127.0
Attributable to owners of the parent	**694.8**	**384.1**	**-150.0**	**-10.3**	**159.7**	**195.7**	**-274.2**	**27.8**	**430.3**	**597.3**
Average risk-weighted assets	67,725.9	70,643.3	20,075.7	21,358.3	2,474.3	2,738.5	-1,261.3	9.1	89,014.7	94,749.2
Average attributed equity	4,901	4,931	1,988	2,137	387	353	5,507	5,248	12,783	12,669
Cost/income ratio	**52.5%**	**53.4%**	**35.3%**	**32.2%**	**44.4%**	**38.6%**	**124.2%**	**162.4%**	**52.4%**	**51.9%**
Return on equity	**18.9%**	**10.4%**	**na**	**na**	**55.1%**	**73.9%**	**na**	**0.7%**	**4.5%**	**6.3%**

*) "Other result" for the Corporate Center includes the depreciation for the customer base amounting to EUR 49.0 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 *

in EUR million	EB Oesterreich 1-9 13	1-9 12	Savings banks 1-9 13	1-9 12	Austria 1-9 13	1-9 12
Net interest income	453.3	467.5	674.8	701.7	1,128.1	1,169.2
Risk provisions for loans and advances	-45.1	-81.5	-129.8	-159.2	-174.9	-240.7
Net fee and commission income	253.9	240.8	312.0	291.4	566.0	532.2
Net trading result	9.1	-1.9	16.2	20.1	25.2	18.2
General administrative expenses	-443.8	-458.5	-696.3	-706.6	-1,140.1	-1,165.1
Other result	-11.2	23.4	-2.4	-2.1	-13.6	21.3
Pre-tax profit/loss	216.3	189.8	174.5	145.3	390.7	335.1
Taxes on income	-51.8	-41.8	-45.8	-37.1	-97.6	-78.9
Net profit/loss for the period	**164.4**	**148.0**	**128.7**	**108.2**	**293.1**	**256.2**
Attributable to non-controlling interests	5.6	4.6	111.5	99.1	117.0	103.7
Attributable to owners of the parent	**158.9**	**143.4**	**17.2**	**9.1**	**176.1**	**152.5**
Average risk-weighted assets	12,703.6	13,120.3	22,435.6	23,581.0	35,139.2	36,701.3
Average attributed equity	1,285.2	1,291.0	399.1	364.2	1,684.3	1,655.3
Cost/income ratio	**62.0%**	**64.9%**	**69.4%**	**69.7%**	**66.3%**	**67.8%**
Return on equity	**16.5%**	**14.8%**	**5.7%**	**3.3%**	**13.9%**	**12.3%**

*) "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) *

	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Ukraine	
in EUR million	**1-9 13**	**1-9 12**	**1-9 13**	**1-9 12**	**1-9 13**	**1-9 12**	**1-9 13**	**1-9 12**	**1-9 13**	**1-9 12**	**1-9 13**	**1-9 12**	**1-9 13**	**1-9 12**
Net interest income	747.2	842.6	437.6	423.7	322.5	318.0	201.9	257.6	175.2	191.8	29.7	26.6	6.2	20.3
Risk provisions for loans and advances	-95.7	-120.5	-304.6	-560.1	-25.4	-43.4	-160.1	-147.1	-119.5	-107.6	-6.8	-6.1	-4.0	-9.2
Net fee and commission income	309.8	334.5	103.4	90.5	78.8	82.8	87.2	67.8	50.6	51.0	9.7	9.8	1.2	4.5
Net trading result	33.2	14.0	43.7	54.9	3.6	3.0	4.0	-8.6	8.0	8.2	1.9	1.7	-3.3	-1.0
General administrative expenses	-492.0	-531.1	-236.2	-251.4	-174.7	-174.7	-123.7	-125.0	-93.9	-101.8	-26.2	-24.5	-10.1	-36.5
Other result	-41.3	-56.5	-47.1	-29.4	-31.9	-16.6	-106.4	-107.4	-9.9	-0.9	-1.0	-1.4	0.5	-3.5
Pre-tax profit/loss	461.3	483.0	-3.1	-271.8	172.8	169.1	-97.0	-62.7	10.4	40.7	7.2	6.1	-9.4	-25.4
Taxes on income	-93.1	-101.1	127.4	53.0	-36.2	-33.7	-3.9	-1.4	-0.8	-7.2	-0.7	0.0	0.0	0.0
Net profit/loss for the period	**368.3**	**381.9**	**124.3**	**-218.8**	**136.6**	**135.4**	**-100.9**	**-64.1**	**9.5**	**33.5**	**6.5**	**6.1**	**-9.4**	**-25.4**
Attributable to non-controlling interests	1.8	11.3	6.1	-12.6	0.0	0.2	0.0	0.0	7.8	16.8	0.4	1.3	0.0	0.0
Attributable to owners of the parent	**366.5**	**370.6**	**118.2**	**-206.2**	**136.6**	**135.2**	**-100.9**	**-64.1**	**1.7**	**16.7**	**6.1**	**4.8**	**-9.4**	**-25.4**
Average risk-weighted assets	12,707.1	12,524.6	6,994.9	8,281.8	3,940.0	4,173.6	4,041.1	3,645.0	3,811.8	4,089.4	598.4	485.8	493.5	741.8
Average attributed equity	1,319.4	1,268.6	678.9	791.5	416.9	432.2	415.4	372.8	272.9	291.4	59.0	40.9	54.2	78.8
Cost/income ratio	**45.1%**	**44.6%**	**40.4%**	**44.2%**	**43.2%**	**43.3%**	**42.2%**	**39.5%**	**40.2%**	**40.6%**	**63.5%**	**64.3%**	**247.1%**	**153.4%**
Return on equity	**37.0%**	**39.0%**	**23.2%**	**na**	**43.7%**	**41.7%**	**na**	**na**	**0.8%**	**7.6%**	**13.8%**	**15.7%**	**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.