

## Erste Group posts net profit of EUR 176.2 million in Q1 2013; risk costs decline

29.04.2013

### HIGHLIGHTS

**Net interest income** decreased to **EUR 1,240.6 million** in Q1 2013 (Q1 2012: EUR 1,336.9 million), primarily driven by subdued credit demand, low interest rates as well as the continuing impact of the reduction of non-core assets. **Net fee and commission income** increased from EUR 430.3 million to **EUR 448.2 million** on the back of higher income from securities business. The **net trading result** declined from EUR 93.6 million in Q1 2012 to **EUR 77.8 million**.

**Operating income** amounted to **EUR 1,766.6 million** (-5,1% versus Q1 2012: EUR 1,860.8 million). Strict cost management reduced **general administrative expenses** by 1.5%, from EUR 945.1 million to **EUR 931.2 million** in Q1 2013. The **operating result** was **EUR 835.4 million** (Q1 2012: EUR 915.7 million). The **cost/income ratio** deteriorated from 50.8% to **52.7%**.

**Risk costs** showed a positive trend and declined in Q1 2013 by 30.7% to **EUR 402.2 million**, or **123 basis points** of average customer loans, from EUR 580.6 million, or 172 basis points, in Q1 2012. Provisioning levels declined or were stable in all core markets, with the exception of Croatia and Serbia. The **NPL ratio** increased slightly to **9.4%** as of 31 March 2013 (year-end 2012: 9.2%). The **NPL coverage ratio** remained stable at **62.4%** (year-end 2012: 62.6%).

**Other operating result** amounted to **EUR -103.3 million** compared to EUR 131.2 million in Q1 2012. This development was entirely attributable to the non-recurrence of a positive one-off effect (the buyback of tier 1 and tier 2 instruments in Q1 2012) in the amount of EUR 250.6 million. Banking taxes levied in Austria, Hungary and Slovakia had a negative impact of EUR 71.6 million (Q1 2012: EUR 57.0 million).

**Net profit after minorities** amounted to **EUR 176.2 million** in Q1 2013. The Q1 2012 net profit of EUR 346.5 million benefited from positive one-off effects.

**Shareholders' equity** remained unchanged at **EUR 12.9 billion**. The **core tier 1 capital** amounted to **EUR 11.8 billion** as of 31 March 2013 (year-end 2012: EUR 11.8 billion). Almost unchanged **risk-weighted assets** of **EUR 105.1 billion** (year-end 2012: EUR 105.3 billion) led to a **core tier 1 ratio** (total risk; Basel 2.5) of **11.2%** (year-end 2012: 11.2%).

The **balance sheet total** as of 31 March 2012 stood at **EUR 213.0 billion**. The slight decline year to date was primarily attributable to valuation changes. The deposit base was stable at EUR 123.1 billion while loans and advances to customers declined to EUR 130.3 billion primarily due to declines in lending to retail and SME clients. The **loan-to-deposit ratio** improved to **105.9%** as of 31 March 2013 (year-end 2012: 107.2%).

[Results Q1 2013](#) [pdf; 242.3 KB]