

**Not audited financial statements of the Erste&Steiermärkische Bank d.d. and subsidiaries
(the Group) for period January 1st - June 30th 2011***Content:*

1. Management report for first half of year 2011
2. Income statement for period 1.1.2011 – 30.6.2011
3. Balance sheet at 30.6.2011
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Management report for H1 2011

Erste&Steiermärkische Bank d.d. and subsidiaries mentained stable level of profitability in the H1 2011

The information in this release represents the consolidated, not audited financial results of Erste&Steiermärkische Bank d.d. and subsidiaries (Group) for first half of 2011.

The Group's most significant financial indicators:

- **Total assets** as of June 30, 2011 amounted to HRK 59bn, 12.64% more compared with December 31, 2010, when they had amounted to HRK 52.4bn
- **Total credits** as of June 30, 2011 amounted to HRK 40.6bn, which is 12.96% more than on December 31, 2010, when they had amounted to HRK 35.9bn
- **Net revenues before value harmonization and provisions for impairment losses** amounted to HRK 767.7m, which is 17.6% more compared with H1 2010, when they had amounted to HRK 653m
- **Net profit** in the first six months of 2011 was HRK 314.9m, which is 6.6% more than in the same period last year, when it had amounted to HRK 295.5m
- **Key performance indicators:** Return on Assets (**RoA**) amounted to 1.1%, Return on Equity (**RoE**) 9.69%, while the **Cost/Income Ratio** was 41.8% on June 30, 2010 to 44% on June 30, 2011.

Zagreb/Rijeka, August 31, 2011 – Erste&Steiermärkische Bank d.d. and subsidiaries (Group) recorded solid financial results in the first half of 2011, in accordance with the business plans and the goal set for the year. The Group's total assets as of June 30, 2011 amounted to HRK 59bn, up 12.64% versus the 2010 end. By adapting its operation to the objective market circumstances and by further increasing its internal efficiency, Group increased its operating net before value harmonizations and provisions for impairment losses by 17.6%, from HRK 653m in the first six months of 2010 to HRK 767.7m in the same period this year. With the H1 2011 net profit of HRK 314.9m, the bank maintained a stable level of profitability. The Cost/Income Ratio is 44% in H1 2011. H1 2011 RoA reached 1.1%, while RoE stood at 9.69%.

Growth of total credits and market shares in H1 2011

In the first half of 2011, the Group continued with its credit activities, so total credits amounted to HRK 40.6bn at the end of June 2011, which is 12.96% more versus 2010 end, when they reached HRK 35.9bn. This way, the Bank continued picked up on last year's trend, when it closed the year with a 8.6% growth in total credits. An increase in total credits in H1 this year is largely the result of an increase in corporate loans, while retails loans were not changed considerably compared with the same period last year. This is also in line with the Group's earlier projections for the year 2011. It was forecasted that during this year a corporate loans would still grow faster than retail loans, with a further demand by public companies and a mild recovery of demand by private companies. According to the Central Bank's data from the end of June 2011, Erste Bank increased its market

share in total loans granted from 13.3% at the end of 2010 to 13.6% at the end of June 2011. In the corporate crediting segment, in the same period Erste Bank improved its market share from 13.1% to 13.5%. The same trend is present in the retail crediting segment, where Erste Bank's market share was up from 13.5% at the end of last year to 13.7% at the end of H1 this year.

"Solid financial results we achieved in H1 2011 are a buildup on the long positive trend in our business and again prove the validity and long-term sustainability of our business policies. We are pleased with our total credits growth and an increase in Bank's market shares in all the crediting segments, particularly in the corporate segment. We wish to continuously provide an adequate support to all the projects that drive the growth of the real economy and employment in it, and will continue crediting all the quality projects in economy," Erste Bank Management Board Chairman **Petar Radaković** said on this occasion.

Acquisition of Erste vrijednosni papiri and stakes in Erste Card Club and Erste Factoring

During the first half of 2011, Erste Bank successfully completed the process of acquiring investment company Erste vrijednosni papiri d.o.o. Zagreb (EVPZ). Along with that, the Bank acquired all the shares in Erste Card Club d.d. (ECC) and a majority stake in Erste Factoring d.o.o. (EF). The basic objective in M&A was to maximize the synergy effects, further optimize the cost management, and thus to further strengthen the Bank's market position.

Excellent results by the ESB owned bank in Montenegro

Consolidated financial report for H1 includes the Bank and the following subsidiaries: Erste DMD d.o.o., Erste Nekretnine d.o.o., MBU d.o.o., Erste Delta d.o.o., Erste Bank a.d., Podgorica, Erste Card Club d.d., Erste Factoring d.o.o. Among the members of the Group, Erste Bank a.d. Podgorica (EBM) recorded particularly good H1 results. Despite the overwhelming trend in the Montenegrin market, it saw an increase in total credits and deposits. EBM's total credits amounted to HRK 1.56bn at the end of June 2011, which represents a 13.9% increase versus the end of 2010, when they reached HRK 1.37bn. The total deposits stood at HRK 1.17bn, up 21.9% versus HRK 0.96bn at the end of last year. EBM's total assets amounted to HRK 2.0bn on June 30, 2011, which is 13.6% more compared with the end of 2010, when it stood at HRK 1.76bn. EBM's net profit was increased by 81.1% compared with the same period last year, from HRK 6.92m to HRK 12.53m. EBM's market share in the total assets was increased from 8.2% at 2010 end to 9.4% at the end of June this year. In the same period, the market share in total credits rose from 8.8% to 10.2%, while the share in total deposits was up from 7.3% to 8.5%.

Goals for the rest of 2011

In the remainder of the year, the Group will be even more committed to the SME segment and will support all quality projects that contribute to developing the real economy and increasing employment in it. Erste Bank's long-term operating strategies and policies are always devoted to recording growth higher than the market average, increasing internal efficiency and rational cost management. Erste Bank wants to close this year with an increase in market shares just like in previous years. The Bank will continue to devote special attention to enhancing the quality of its client services, communication with clients and understanding of their specific needs in the current market environment.

Risk management

Risk management is a set of procedures and methods established for identifying, measuring, assessing, controlling and monitoring of risks, including reporting of risks to which the credit institution is or might be exposed in its operations. The Group is obliged to regularly measure and assess the risks identified in its business. Methods of measuring and assessing risk must include appropriate quantitative and/or qualitative measurement methods and risk assessment that will enable the observation of changes in Group's risk profile, including the emergence of new risks.

The most significant risks that affect Group's business operations are credit, market, operational and liquidity risk.

Credit risk is the risk of potential loss due to a debtor's non-payment of obligations towards the Group, and it arises from the possibility that the Group's credit claims and related fees and interest will not be repaid in the foreseen amount and timeframe. The Group identifies, measures, follows up on, controls, i.e. actively manages the credit risk as one of the most important risks and determines existence of appropriate capital level for covering of such risks. Risks related to credit risk are: currency induced credit risk, residual risk, sovereign risk, dilution risk and concentration risk.

Market risks represent the risk of loss in open position stemming from the change in the movements of the market prices, including changes in interest rates, exchange currencies and prices of securities. In this sense, market risk include: (i) interest rate risk, (ii) currency risk and (iii) equity investment risk.

Operational risk is a risk of unexpected direct or indirect loss occurring due to the functioning of the human factor, inadequate procedures and controls, technological oversights, accidents and external factors. It is also a legal risk representing the possibility of outflow of the Group's capital due to established fees or issued penalties and sanctions derived from a legislative, administrative or other proceeding on the basis of the failure to meet contractual or legal obligations, while contemporaneously excluding strategic and reputational risk.

Liquidity risk is a risk of loss stemming from an existing or expected inability of a credit institution to settle its monetary obligations upon maturity. Liquidity risk arises from maturity mismatch between assets and liabilities.

Except above mentioned risks the Group manages and all other risk that could affect their business operations such as: systemic risk, regulatory risk, business environment risk etc.

Addendum 3.

Period of reporting:

1.1.2011

to

30.6.2011

Three-month financial report for credit institutions - TFI-KI

Identification number (MB): 03337367

Identification number of the subject (MBS): 040001037

Personal identification number (OIB): 23057039320

Name of the issuer: ERSTE & STEIERMARKISCHE BANK DD

Postal code and town of residence: 51000

RIJEKA

Address: JADRANSKI TRG 3A

E-mail address: erstebank@erstebank.hr

Internet address: www.erstebank.hr

Code and name of municipality/town: 373 RIJEKA

Code and name of county: 8 PRIMORSKO GORANSKA

Number of employees: 2.880

(at the end of reporting period)

Consolidated report: YES

NKD code: 6419

Names of subjects of consolidation (according to MSFI):

Headquarters:

MB:

Erste DMD d.o.o. za upravljanje dobrovoljnim mirovinski	Zagreb, Ivana Lučića 2a	01893670
Erste Nekretnine d.o.o.	Zagreb, Ivana Lučića 2	02068249
MBU d.o.o. za informatički inženjering i međubankarske	Zagreb, Andrije Žaje 61	00608190
Erste Delta d.o.o. za poslovanje nekretninama	Zagreb, Ivana Lučića 2	01541919
Erste Bank a.d., Podgorica	Crna Gora, Podgorica, Marka Miljanova 46	08499002
Erste Card Club d.d.	Zagreb, Praška 5	3289737
Erste Factoring d.o.o.	Zagreb, Ivana Lučića 2	2058049

Bookkeeping service:

Contact person: RAJIĆ ANDREJA

(only the last and first name of contact person is entered)

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Last and first name: JAGAR SLADANA

(person authorized for representing company)

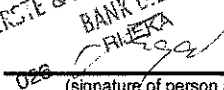
Reporting documentation:

1. Financial statements (statement of financial position, income statement, cash flow statement, statement of changes in equity and notes to financial statements)
2. Management report
3. Declaration of key personnel responsible for preparation of financial statements



M.P.

ERSTE & STEIERMARKISCHE
BANK D.D.
RIJEKA
028 37 1942
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(signature of person authorized for representing company)

STATEMENT OF FINANCIAL POSITION

as of 30.6.2011

in HRK

Name of position	AOP	Prior period	Current period
1	2	3	4
ASSETS			
1. CASH AND DEPOSITS WITH Central bank (002+003)	001	6,560,062,380	7,675,285,498
1.1. Cash	002	733,608,588	860,820,390
1.2. Deposits with Central bank	003	5,826,453,792	6,814,465,108
2. DEPOSITS WITH BANKING INSTITUTIONS	004	3,083,699,399	1,354,222,415
3. TREASURY BILLS WITH MINISTRY OF FINANCE AND BILLS OF EXCHANGE WITH CENTRAL BANK	005	1,521,538,324	1,230,953,275
4. SECURITIES AND OTHER FINANCIAL INSTRUMENTS HELD FOR TRADING	006	0	323,527,934
5. SECURITIES AND OTHER FINANCIAL INSTRUMENTS AVAILABLE FOR SALE	007	2,815,936,007	3,403,805,771
6. SECURITIES AND OTHER FINANCIAL INSTRUMENTS HELD TO MATURITY	008	417,303,524	1,287,969,563
7. SECURITIES AND OTHER FINANCIAL INSTRUMENTS NOT ACTIVELY TRADED, MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS	009	0	0
8. DERIVATIVE FINANCIAL ASSETS	010	36,391,353	60,643,746
9. LOANS TO FINANCIAL INSTITUTIONS	011	462,768,679	586,744,354
10. LOANS TO OTHER CUSTOMERS	012	35,950,846,876	40,609,008,878
11. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES	013	88,230,761	24,050,389
12. REPOSSESSED ASSETS	014	54,536,530	56,026,468
13. TANGIBLE ASSET (MINUS DEPRECIATION)	015	719,413,606	765,797,992
14. INTEREST, FEES AND OTHER ASSETS	016	672,675,170	1,625,972,046
A) TOTAL ASSETS (001+004 to 016)	017	52,383,402,609	59,004,008,329
LIABILITIES			
1. BORROWINGS FROM FINANCIAL INSTITUTIONS (019+020)	018	13,382,186,593	19,780,655,762
1.1. Short-term borrowings	019	1,196,431,833	4,963,698,114
1.2. Long-term borrowings	020	12,185,754,760	14,816,957,648
2. DEPOSITS (AOP 022 to 024)	021	31,649,617,074	30,798,742,745
2.1. Deposits of giro and current accounts	022	4,608,834,094	4,743,674,536
2.2. Savings deposits	023	2,798,281,239	2,629,375,711
2.3. Term deposits	024	24,242,501,741	23,425,692,498
3. OTHER BORROWINGS (026+027)	025	23,385,799	23,282,820
3.1. Short-term borrowings	026	19,246,157	20,224,463
3.2. Long-term borrowings	027	4,139,642	3,058,357
4. DERIVATIVE FINANCIAL LIABILITIES AND OTHER FINANCIAL LIABILITIES HELD FOR TRADING	028	236,073,787	177,769,404
5. ISSUED DEBT SECURITIES (030+031)	029	0	0
5.1. Short-term issued debt instruments	030		
5.2. Long-term issued debt instruments	031		
6. ISSUED SUBORDINATED INSTRUMENTS	032	29,540,692	250,714,164
7. ISSUED HYBRID INSTRUMENTS	033	0	0
8. INTEREST, FEES AND OTHER LIABILITIES	034	893,173,900	1,649,548,132
B) TOTAL LIABILITIES (018+021+025+028+029+032+033+034)	035	46,213,977,845	52,680,713,027
EQUITY			
1. SHARE CAPITAL	036	3,500,360,782	3,500,360,782
2. PROFIT/(LOSS) OF THE CURRENT YEAR	037	652,328,474	310,386,634
3. RETAINED PROFIT/(LOSS)	038	1,788,964,570	2,386,180,306
4. LEGAL RESERVES	039	84,920,875	84,920,875
5. STATUTORY AND OTHER CAPITAL RESERVES	040	130,839,963	1,836,598
6. UNREALISED PROFIT/(LOSS) FROM VALUE ADJUSTMENT OF FINANCIAL ASSETS AVAILABLE FOR SALE	041	12,010,100	39,610,106
7. RESERVES RESULTING FROM PROTECTIVE TRANSACTIONS	042		
C) TOTAL EQUITY (036 to 042)	043	6,169,424,764	6,323,295,301
D) TOTAL LIABILITIES AND EQUITY (035+043)	044	52,383,402,609	59,004,008,328
SUPPLEMENT TO STATEMENT OF FINANCIAL POSITION (filled out by banks that compose a consolidated financial report)			
1. TOTAL EQUITY	045	6,169,424,764	6,323,295,301
2. Attributed to equity holders of the parent	046	6,168,330,605	6,295,059,809
3. Minority shares (045-046)	047	1,094,159	28,235,492

INCOME STATEMENT

for period from 1.1.2011 to 30.6.2011

in HRK

Name of position 1	AOP 2	Prior period		Current period	
		Cumulative 3	Quarter 4	Cumulative 5	Quarter 6
1. Interest income	048	1,523,772,287	767,246,751	1,792,132,983	898,973,816
2. Interest expense	049	696,538,336	330,280,177	754,208,641	373,111,563
3. Net interest income (048-049)	050	827,233,951	436,966,574	1,037,924,342	525,862,253
4. Fee and commission income	051	245,523,594	121,367,386	342,707,638	182,433,955
5. Fee and commission expense	052	46,176,447	23,845,506	51,401,878	28,902,147
6. Net fee and commission income (051-052)	053	199,347,147	97,521,880	291,305,760	153,531,808
7. Profit/loss from investments in subsidiaries, associates and joint ventures	054	7,689,363	4,549,943	-1,217,212	-2,857,865
8. Profit/loss from trading	055	9,459,042	3,879,734	26,705,507	10,177,539
9. Profit/loss from embedded derivatives	056	-598,836	-148,724	-1,027,118	1,036,297
10. Profit/loss from asset not actively traded measured at fair value through profit or loss	057	0	0	0	0
11. Profit/loss from asset available for sale	058	22,793	-241	-10,770,565	-9,341,101
12. Profit/loss from asset held to maturity	059	0	0	0	0
13. Profit/loss from hedging	060	0	0	0	0
14. Income from investments in subsidiaries, associates and joint ventures	061	0	0	0	0
15. Income from other ownership investments	062	4,874,559	4,846,459	8,061,757	8,019,296
16. Profit/loss from foreign currency differences	063	50,597,346	27,823,986	42,947,860	18,871,374
17. Other income	064	8,548,154	2,944,255	13,001,885	2,968,387
18. Other expenses	065	5,803,350	2,694,847	7,096,477	3,780,726
19. General administrative expenses and depreciation	066	448,310,900	225,537,804	632,138,436	320,291,200
20. Net income from business before value adjustment and loan loss provisions (050+053 to 064-065-066)	067	653,059,269	350,151,215	767,697,303	384,196,062
21. Expense of value adjustment and loan loss provisions	068	286,531,219	146,806,779	376,225,159	204,775,362
22. PROFIT/LOSS BEFORE TAX (067-068)	069	366,528,050	203,344,436	391,472,144	179,420,700
23. INCOME TAX EXPENSE	070	71,058,795	38,728,756	76,528,229	34,371,060
24. PROFIT/LOSS OF THE CURRENT YEAR (069-070)	071	295,469,255	164,615,680	314,943,915	145,049,640
25. Earnings per share	072	17		18	
ANNEX TO INCOME STATEMENT (for the Banks that prepare consolidated financial statements)					
1. PROFIT/LOSS OF THE CURRENT YEAR	073	295,469,255	164,615,679	314,943,915	145,049,640
2. Assign equity holders of the Bank	074	295,351,735	164,575,552	310,386,634	140,516,572
3. Non controlling interest (073-074)	075	117,520	40,127	4,557,281	4,533,068

CASH FLOW STATEMENT - indirect method

for period from 1.1.2011 to 30.6.2011 in HRK

Name of the position	AOP	Prior period	Current period
1	2	3	4
OPERATING ACTIVITIES			
1. Cash flow from operating activities before changes of operating asset (002 do 007)	001	-165,864,104	-244,399,156
1.1. Profit/(loss) before income tax	002	366,528,050	391,472,144
1.2. Allowances and loss provisions	003	272,066,152	376,225,159
1.3. Depreciation	004	27,965,561	38,789,025
1.4. Net unrealized profit/(loss) from financial assets and liabilities through profit and loss	005	0	0
1.5. Profit/(loss) from sale of tangible assets	006	132,502	7,059,714
1.6. Other profit/(losses)	007	-832,556,369	-1,057,945,198
2. Net increase/(decrease) of operating assets (009 do 016)	008	-1,529,581,859	-7,800,875,452
2.1. Deposits with Central bank	009	254,983,586	-1,562,905,923
2.2. Treasury bills of Ministry of Finance and CB bills	010	592,556,860	290,585,049
2.3. Deposits with banks and loans to financial institutions	011	24,603,593	-134,224,092
2.4. Loans to other customers	012	-2,098,584,039	-4,986,324,053
2.5. Securities and other financial instruments held for trading	013	0	-323,527,934
2.6. Securities and other financial instruments available for sale	014	-1,236,676,208	-1,271,089,055
2.7. Securities and other financial instruments not traded actively, measured at fair value through profit or loss	015		
2.8. Other operating assets	016	933,534,349	186,610,556
3. Net increase/(decrease) of operating liabilities (018 do 021)	017	-949,374,309	-408,128,025
3.1. Demand deposits	018	-374,463	134,611,478
3.2. Savings and term deposits	019	-1,097,716,373	-1,003,743,217
3.3. Financial derivative liabilities and other liabilities actively traded	020	158,304,548	-82,556,776
3.4. Other liabilities	021	-9,588,021	543,560,490
4. Net cash flow from operating activities before income tax (001+008+017)	022	-2,644,820,272	-8,453,402,633
5. (Income tax paid)	023	-108,379,698	-145,286,906
6. Net inflow/(outflow) of cash from operating activities (022+023)	024	-2,753,199,970	-8,598,689,539
INVESTING ACTIVITIES			
7. Net cash flow from investing activities (026 do 030)	025	-2,626,205	-879,480,978
7.1. Receipt from sale/(payment for buying) tangible and intangible assets	026	-35,147,838	-92,233,125
7.2. Receipt from sale/(payment for buying) investments in subsidiaries, associates and joint ventures	027	1,697,803	67,763,036
7.3. Receipt from sale/(payment for buying) securities and other financial instruments held to maturity	028	25,949,270	-870,992,052
7.4. Dividend income	029	4,874,560	15,981,163
7.5. Other receipts/(payments) from investing activities	030		
FINANCIAL ACTIVITIES			
8. Net cash flow from financial activities (032 do 037)	031	573,827,007	6,587,585,448
8.1. Net increase/(decrease) of borrowings	032	574,256,523	6,366,411,976
8.2. Net increase/(decrease) issued debt securities	033	-429,516	221,173,472
8.3. Net increase/(decrease) subordinated and hybrid instruments	034		
8.4. Receipts from transmitted share capital	035		
8.5. (Dividends paid)	036	0	0
8.6. Other receipts/(payments) from financial activities	037		
9. Net increase/(decrease) of cash and cash equivalents (024+025+031)	038	-2,181,999,168	-2,890,585,069
10. Effects of change in foreign exchange rates on cash and cash equivalents	039		
11. Net increase/(decrease) cash and cash equivalents (038+039)	040	-2,181,999,168	-2,890,585,069
12. Cash and cash equivalents at the beginning of the year	041	7,995,774,143	6,721,945,898
13. Cash and cash equivalents at the end of the year (040+041)	042	5,813,774,975	3,831,360,829

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Name of position	for period		Raspoloživo dioničarima matičnog društva						in HRK	
	1	2	3	4	5	6	7	8	9	10
		AOP	Share capital	Treasury shares	Legal, statutory and other reserves	Retained earnings/(loss)	Profit/(loss) for the period	Unrealised profit/(loss) from the basis of value adjustment of financial assets available for sale	Non controlling interest	Total capital and reserves
Balance at 1 January		001	3,500,360,782	0	215,760,838	1,787,870,411	652,328,474	12,010,100	1,094,159	6,169,424,764
Changes in accounting policies and corrections of mistakes		002								
Corrected balance as at 1 January (1+2)		003	3,500,360,782	0	215,760,838	1,787,870,411	652,328,474	12,010,100	1,094,159	6,169,424,764
Sale of financial assets available for sale		004						75,403		75,403
Change of fair value financial asset available for sale		005						32,796,423		32,796,423
Tax on items directly recognised or transferred from capital and reserves		006						-5,271,820		-5,271,820
Other profit/(loss) directly recognised in capital and reserves		007			-2,981,604					-2,981,604
Net profit/(loss) directly recognised in capital and reserves (004+005+006+007)		008	0	0	-2,981,604	0	0	27,600,006	0	24,618,402
Profit/(loss) for the period		009								
Total recognised income and expenses for the period (008+009)		010	0	0	-2,981,604	0	310,386,634	27,600,006	0	310,386,634
Increase/(decrease) of share capital		011								
Buy/sell of treasury shares		012								
Other changes		013			-327,069	-15,021,330			27,141,333	11,792,934
Transfer to reserves		014			-125,694,692	778,023,166	-652,328,474			0
Dividends paid		015				-192,927,433				-192,927,433
Distribution on income (014+015)		016	0	0	-125,694,692	585,095,733	-652,328,474	0	0	-192,927,433
Balance at reporting date (003+010+011+012+013+016)		017	3,500,360,782	0	86,757,473	2,357,944,814	310,386,634	39,610,106	28,235,492	6,323,295,301

Banks which prepare consolidated financial statements represent changes in non controlling interest separately in appropriate capital items.

Notes to financial statements

CASH AND DEPOSITS WITH Central bank		
	31.12.2010	30.6.2011
Cash on hand	733,608,588	860,820,390
Cash on clearing account	2,106,524,167	1,531,629,560
Obligatory reserves with the central banks	3,719,929,625	5,282,835,548
	6,560,062,380	7,675,285,498

DEPOSITS WITH BANKING INSTITUTIONS		
	31.12.2010	30.6.2011
Current accounts with other banks	108,494,581	218,214,219
Term deposits with banks	2,988,661,235	1,155,892,198
Less: Allowance for possible placement losses	(13,456,417)	(19,884,002)
	3,083,699,399	1,354,222,415

SECURITIES AND OTHER FINANCIAL INSTRUMENTS HELD FOR TRADING		
	31.12.2010	30.6.2011
Shares	-	19,587,568
Shares in investment funds	-	303,940,366
	-	323,527,934

TREASURY BILLS WITH MINISTRY OF FINANCE AND BILLS OF EXCHANGE WITH CENTRAL BANK		
	31.12.2010	30.6.2011
<i>Treasury bills</i>		
Securities and other financial instruments held for trading	51,389,540	43,994,412
Securities and other financial instruments available for sale	1,470,148,784	989,225,447
Securities and other financial instruments held to maturity	-	197,733,416
	1,521,538,324	1,230,953,275

SECURITIES AND OTHER FINANCIAL INSTRUMENTS AVAILABLE FOR SALE		
	31.12.2010	30.6.2011
Equity shares and participations:	42,813,176	77,497,540
Investments in companies	21,090,176	54,237,690
Investments in financial institutions	21,723,000	23,259,850
Listed debt securities	2,740,934,637	3,291,698,346
Investment in open funds	32,188,194	34,609,885
	2,815,936,007	3,403,805,771

Analysis of listed debt securities:		
Debt securities available for sale allocated by the issuer comprise:		
	31.12.2010	30.6.2011
Republic of Croatia	591,993,285	823,408,219
Companies in Republic of Croatia	154,011,919	134,835,462
Other states	1,994,929,433	2,333,454,665
	2,740,934,637	3,291,698,346

SECURITIES AND OTHER FINANCIAL INSTRUMENTS HELD TO MATURITY		
	31.12.2010	30.6.2011
Fixed income debt securities:	417,383,536	398,910,863
Listed debt securities – Bonds issued by the Republic of Croatia	351,262,850	349,311,617
Unlisted debt securities – Bonds issued by the Republic of Croatia	48,575,733	26,983,751
Bonds of Republic of Montenegro	17,544,953	22,615,495
Factoring	376,880	922,983,007
Total assets held to maturity before allowance	417,760,416	1,321,893,870
Less: allowance for assets held to maturity	(456,892)	(33,924,307)
	417,303,524	1,287,969,563

DERIVATIVE FINANCIAL ASSETS AND LIABILITIES	31.12.2010			30.6.2011		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate instruments:						
Interest rate swaps - assets	1,112,812,381	7,666,818		1,233,001,960	7,200,530	
Interest rate swaps - liabilities	1,112,812,381		5,475,554	1,233,001,960		3,781,430
Subtotal - interest rate instruments	2,225,624,762	7,666,818	5,475,554	2,466,003,920	7,200,530	3,781,430
Foreign currency instruments:						
Currency swaps						
Purchase	564,289,469	811,083		218,526,109	3,227,137	
Sell	565,722,268		2,321,271	218,336,567		1,760,686
Forwards						
Purchase	8,922,028,645	27,581,904		11,652,739,367	49,968,612	
Sell	9,118,767,454		228,196,951	11,774,096,878		171,243,554
Call options						
Put options				0		
Subtotal - Foreign currency instruments	19,170,807,836	28,392,987	230,518,222	23,863,698,922	53,195,749	173,004,240
Other instruments:						
Call options for stock indeks	2,954,069	71,941		2,949,578	0	
Put options for stock indeks	2,947,462		71,899	2,478,762		981,481
Call options for equity instruments	8,308,319					
Put options for equity instruments						
Forward bonds - purchase						
Forward bonds - sell						
Embedded derivatives - assets	113,028,001	259,607		100,843,444	247,467	
Embedded derivatives - liabilities	65,320,523		8,112	55,595,398		2,253
Short position in bonds issued by Republic of Croatia						
Total - other instruments	192,558,374	331,548	80,011	161,867,183	247,467	983,734
Total	21,588,990,972	36,391,353	236,073,787	26,491,570,025	60,643,746	177,769,404

LOANS TO FINANCIAL INSTITUTIONS	31.12.2010	30.6.2011
	Loans	467,247,423
Less: Allowance for loan impairment	(4,478,744)	(6,215,423)
Total	462,768,679	586,744,354

LOANS TO OTHER CUSTOMERS	31.12.2010	30.6.2011
	Companies	16,393,253,476
Individuals	17,863,035,720	20,130,275,850
Public sector	3,429,983,148	4,448,053,805
Other institutions	132,428,491	161,055,561
Total loans before allowances for impairment	37,818,700,835	43,163,221,892
Less: Allowance for loan impairment	(1,867,853,959)	(2,554,213,014)
Total	35,950,846,876	40,609,008,878

INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES						
	Ownership interest	Activity	Group's Share of net assets		Investment at cost	
			31.12.2010	30.6.2011	31.12.2010	30.6.2011
Associates						
Simmorent leasing zeta d.o.o. za poslovanje nekretninama	49.00%	Poslovanje nekretninama	429,680	513,933	12,800	12,800
Erste Factoring d.o.o.	44.00%	Ostalo kreditno poslovan	48,883,560	0	2,354,000	0
Erste d.o.o.	27.88%	Društvo za upravljanje ot	24,631,606	22,833,595	12,157,602	12,157,602
SIT Solutions HR d.o.o.	20.00%	IT usluge	206,314	702,861	4,000	4,000
Erste vrijednosni papiri d.o.o.	49.00%		14,079,600	0	17,876,000	0
Total associates:			88,230,761	24,050,389	32,404,402	12,174,402
Subsidiaries						
Erste nekretnine d.o.o.	100.00%	Poslovanje nekretninama	800,000	800,000	800,000	800,000
Erste DMD d.o.o.	100.00%	Društvo za upravljanje dc	15,000,000	15,000,000	15,000,000	15,000,000
MBU d.o.o.	99.003%	IT inženjering i međuban	33,242,343	33,242,343	18,731,203	19,588,894
Erste Factoring d.o.o.	74.996%	Ostalo kreditno poslovan	0	83,394,522	0	37,658,000
Erste Card Club d.d.	100.00%		0	339,774,767	0	1,089,285,069
Erste Delta d.o.o.	100.00%	Poslovanje nekretninama	26,000	26,000	26,000	26,000
Erste bank a.d., Podgorica	100.00%	Strana financijska instituc	182,521,125	182,521,125	100,396,379	100,396,379
Total subsidiaries:			231,589,468	654,758,757	134,953,582	1,262,754,342
Total:			319,820,229	678,809,146	167,357,984	1,274,928,744

TANGIBLE ASSET (MINUS DEPRECIATION)		
	31.12.2010	30.6.2011
Land and buildings	549,522,668	563,468,496
Computers	16,052,059	19,987,308
Furniture and other equipment	84,601,631	96,172,346
Motor vehicles	1,065,069	1,166,042
Ongoing investment in buildings and equipment	48,325,520	65,514,584
Investment property	19,846,659	19,489,216
	719,413,606	765,797,992

INTEREST, FEES AND OTHER ASSETS		
	31.12.2010	30.6.2011
Undue interests and fees	259,623,015	305,221,837
Due interests and fees	295,968,088	309,615,850
Tax assets	95,333,468	163,192,155
Receivables for overpaid taxes	1,673,755	16,310,602
Intangible assets	56,180,110	60,378,193
Inventory of office supply and other materials	398,781	429,582
Numismatic collection	579,185	563,385
Prepaid expenses	13,892,059	18,385,052
Other assets	71,040,980	917,249,238
Total other assets before allowance for impairment	794,689,441	1,791,345,894
Less: Allowance for impairment of other asset	(122,014,271)	(165,373,848)
	672,675,170	1,625,972,046

AMOUNTS DUE TO FINANCIAL INSTITUTIONS		
	31.12.2010	30.6.2011
From banks	11,086,782,538	17,470,468,718
From other banking institutions	163,322,301	129,824,012
From HBOR	2,132,081,754	2,180,363,032
	13,382,186,593	19,780,655,762

DEPOSITS		
	31.12.2010	30.6.2011
Deposits of giro and current accounts		
Deposits from public sector		
<i>Republic of Croatia</i>	3,309,378	4,899,010
<i>Republic funds</i>	1,462,143	21,365,037
<i>Local government</i>	79,609,020	42,360,795
Deposits from financial institutions		
<i>Banks</i>	31,822,961	53,072,895
<i>Other banking institutions</i>	89,171,309	324,565,132
<i>HBOR</i>	10,057	9,372
<i>Non-banking financial institutions</i>	94,788,340	77,230,415
<i>Banks in bankruptcy</i>	184,700	2,333,025
<i>Banks in liquidation</i>	959,452	994,868
Deposits from state commercial customers	36,093,919	50,228,825
Deposits from other commercial customers	2,109,987,331	1,973,702,067
Deposits from non-profit institutions	119,360,793	105,266,935
Deposits from individuals	1,525,047,124	1,564,688,819
Deposits from non residents		
<i>Foreign financial institutions</i>	76,142,165	41,216,977
<i>Foreign states</i>	5,179,730	2,867,119
<i>Foreign commercial customers</i>	91,711,668	90,233,983
<i>Foreign individuals</i>	335,462,088	380,349,631
<i>Foreign non-profit institutions</i>	8,531,916	8,289,631
	4,608,834,094	4,743,674,536

Savings deposits		
	31.12.2010	30.6.2011
Deposits from financial institutions		
<i>Banks</i>	50,062,731	49,727,007
<i>Other banking institutions</i>	21,520,584	6,632,237
<i>Non-banking financial institutions</i>	3,127,687	498,417
Deposits from state commercial customers	5,169,621	22,121,838
Deposits from other commercial customers	438,896,617	336,884,817
Deposits from non-profit institutions	1,587,946	305,995
Deposits from individuals	2,110,833,717	2,037,993,761
Deposits from non residents		
<i>Foreign financial institutions</i>	-	13,437
<i>Other non residents</i>	167,082,336	175,198,202
	2,798,281,239	2,629,375,711

Term deposits		
	31.12.2010	30.6.2011
Deposits from public sector		
<i>Republic of Croatia</i>	98,891,078	33,853,120
<i>Republic funds</i>	-	-
<i>Local government</i>	23,057,555	43,060,548
Deposits from financial institutions		
<i>Banks</i>	200,948,993	354,936,098
<i>Other banking institutions</i>	1,326,254,588	1,600,703,430
<i>HBOR</i>	95,000,000	95,000,000
<i>Non-banking financial institution</i>	1,942,707,275	783,067,509
<i>Banks in bankruptcy</i>	15,414,446	36,000,000
Deposits from state commercial customers	103,551,779	36,449,026
Deposits from other commercial customers	2,856,101,906	2,049,102,608
Deposits from non-profit institutions	101,336,580	93,103,836
Deposits from individuals	15,623,930,141	16,115,745,676
Deposits from non residents		
<i>Foreign financial institutions</i>	410,879,138	714,090,587
<i>Foreign states</i>	14,770,346	31,887,532
<i>Foreign commercial customers</i>	115,251,369	109,037,039
<i>Foreign individuals</i>	1,313,356,526	1,328,354,845
<i>Foreign non-profit institutions</i>	1,050,021	1,300,644
	24,242,501,741	23,425,692,498

INTEREST, FEES AND OTHER LIABILITIES		
	31.12.2010	30.6.2011
Undue interest and fees	386,620,574	422,938,088
Due interest and fees	4,044,059	16,351,807
Prepayments received from borrowers	178,145,007	175,503,557
Tax liabilities	67,293,386	4,927,542
Salaries and bonuses payable	88,059,790	76,492,037
Off balance provisions	53,303,020	53,767,009
Amounts due to suppliers	24,194,889	461,844,082
Payables to State Agency for deposit insurance	12,213,426	12,516,423
Uninvoiced liabilities	17,054,324	24,709,309
Liabilities for dividend payout	1,006,548	163,446,360
Other	61,238,877	237,051,918
	893,173,900	1,649,548,132

INTEREST INCOME		
	30.6.2010	30.6.2011
Interest on loans and advances to customers	1,313,974,068	1,552,938,651
Interest on amounts due from other banks	9,352,446	16,629,881
Interest income on financial investments	93,248,173	85,002,356
Interest on balances due from the central bank	12,094,981	3,614,292
Interest on derivative financial instruments	67,652,633	88,615,704
Interest income on impaired financial assets - loans and advances to customers	21,779,362	40,754,299
Interest on reverse repurchase agreements	3,011,692	1,011,612
Other interest income	2,612,265	2,784,213
Interest on financial assets measured at fair value through profit and loss	46,667	781,975
	1,523,772,287	1,792,132,983

INTEREST EXPENSES		
	30.6.2010	30.6.2011
Interest on customer deposits	499,457,518	409,207,596
Interest on other borrowed funds	156,750,019	239,293,218
Interest on amounts due to other banks	25,692,875	34,955,100
Interest on subordinated debt	679,770	965,215
Interest on derivative financial instruments	11,696,152	33,053,697
Interest on repurchase agreements	1,011,438	2,514,082
Other interest expense	1,207,230	33,504,535
Interest on financial liabilities measured at fair value through profit and loss	43,334	715,198
	696,538,336	754,208,641

FEE AND COMMISSION INCOME		
	30.6.2010	30.6.2011
Payments and money transfers	87,009,751	85,040,378
Bank cards services	85,838,937	75,267,483
Custodial fees	28,145,674	20,385,896
Guarantees and letter of credit	17,532,914	132,735,220
Other fee and commission income	26,996,318	29,278,661
	245,523,594	342,707,638

FEE AND COMMISSION EXPENSES		
	30.6.2010	30.6.2011
Payments and money transfers	21,703,109	21,763,041
Bank cards services	21,544,345	25,845,909
Custodial fees	579,472	1,390,261
Guarantees and letter of credit	652,886	1,084,400
Other fee and commission expense	1,696,635	1,318,267
	46,176,447	51,401,878

PROFIT/LOSS FROM TRADING		
	30.6.2010	30.6.2011
Net foreign exchange gain loss on derivative financial instruments	-1,579,861	3,239,553
Net gain on financial assets at fair value through profit or loss	11,038,903	23,465,954
	9,459,042	26,705,507

PROFIT/LOSS FROM EMBEDDED DERIVATES		
	30.6.2010	30.6.2011
Profit/ (loss) from embedded derivatives (except contracts with one-way currency clause)	-475,312	-1,021,821
Profit/ (loss) from embedded derivatives according to contracts with the one-way currency clause	-123,524	-5,297
	-598,836	-1,027,118

OTHER INCOME		
	30.6.2010	30.6.2011
Income from sale of property and equipment	132,802	7,108,989
Rental income from investment property	1,442,793	1,467,307
Rental income	1,637,881	1,071,217
Deposit insurance premiums	2,209,451	1,233,022
Negative goodwill	0	7,349
Other	3,125,227	2,114,001
	8,548,154	13,001,885

GENERAL AND ADMINISTRATIVE EXPENSES AND DEPRECIATION		
	30.6.2010	30.6.2011
Employee related costs		
- Wages, salaries and compensations	125,137,007	157,087,991
- Payroll taxes and contributions	95,501,017	119,728,765
Pension provisions	780,960	3,989,299
Donations and sponsorship	4,189,561	4,268,291
Other administrative expenses	185,846,739	308,275,065
Depreciation	36,855,616	38,789,025
	448,310,900	632,138,436

OTHER EXPENSES		
	30.6.2010	30.6.2011
Other taxes and contributions	3,327,660	3,927,487
Other	2,475,690	3,168,990
	5,803,350	7,096,477

EXPENSES OF VALUE ADJUSTMENTS AND LOAN LOSS PROVISIONS		
	30.6.2010	30.6.2011
Provisions for impairment losses on loans and advances	230,798,886	337,256,931
Provision for impairment loss on other assets	54,745,381	29,939,070
Provision for impairment loss on financial investments held to maturity	-12,768	-4,752
Provision for impairment loss on financial investments available for sale	1,468,272	0
Provision for litigations	-3,655,833	8,042,308
Provision for impairment of guarantees and credit commitments	3,187,281	991,602
	286,531,219	376,225,159

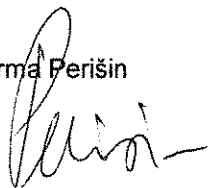
DECLARATION OF KEY PERSONNEL RESPONSIBLE FOR PREPARATION OF FINANCIAL STATEMENTS

According to our best knowledge:

1. Shortened set of halfyear financial statements for Erste&Steiermärkische bank d.d. and subsidiaries prepared in accordance with appropriate standards of financial reporting of banks in Republic of Croatia gives complete and true state of assets and liabilities and financial result and affairs of Erste&Steiermärkische bank d.d.
2. Management report contains true and fair view of affairs and results of Erste & Steiermärkische Bank d.d.


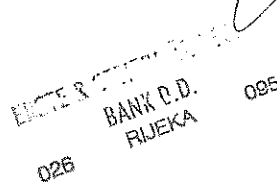
Accounting sector director

Karma Perišin



Management Board member

Sladana Jagar

Rijeka, August 31st 2011