ERSTE GROUP

Interim Report
Third Quarter 2009

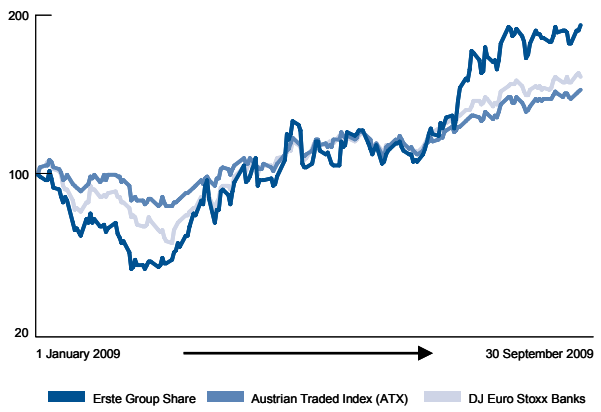
KEY FINANCIAL AND SHARE DATA

in EUR million	1-9 09	1-9 08
Income statement		
Net interest income	3,840.9	3,573.3
Risk provisions for loans and advances	-1,449.2	-602.3
Net fee and commission income	1,313.3	1,489.0
Net trading result	503.0	184.9
General administrative expenses	-2,880.3	-3,053.7
Other result	-249.8	-269.4
Pre-tax profit from continuing operations	1,077.9	1,321.8
Post-tax profit from discontinuing ops	0.0	610.2
Net profit after minorities	720.1	1,463.0
Profitability ratios		
Net interest margin	3.0%	2.8%
Cost/income ratio	50.9%	58.2%
Return on equity	10.3%	21.7%
Earnings per share	1.96	4.67
	Sep 09	**Dec 08**
Balance sheet		
Loans and advances to credit institutions	13,938	14,344
Loans and advances to customers	129,954	126,185
Risk provisions for loans and advances	-4,713	-3,783
Trading and other financial assets	42,491	41,770
Other assets	21,883	22,925
Total assets	**203,553**	**201,441**
Deposits by banks	26,920	34,672
Customer deposits	113,317	109,305
Debt securities in issue	30,431	30,483
Other liabilities	12,618	9,839
Subordinated liabilities	6,184	6,047
Total equity	14,083	11,095
Total liabilities and equity	**203,553**	**201,441**
Changes in total qualifying capital		
Risk weighted assesment basis pursuant to section 22 (1/1) Austrian Banking Act	106,564	103,663
Tier 1 ratio - credit risk	8.6%	7.2%
Tier 1 ratio - total risk	7.4%	6.2%
Solvency ratio	10.9%	9.8%
	1-9 09	**1-9 08**
Stock market data (Vienna Stock Exchange)		
High (EUR)	30.54	49.20
Low (EUR)	7.00	34.30
Closing price (EUR)	30.54	34.45
Market capitalisation (EUR billion)	9.71	10.92

Ratings at 30 September 2009

Fitch	
Long term	A
Short term	F1
Outlook	Stable
Moody's Investors Service	
Long term	Aa3
Short term	P-1
Outlook	Negative
Standard & Poor's	
Long term	A
Short term	A-1
Outlook	Negative

Performance of the Erste Group Share (indexed)



Highlights

- **Erste Group posted record operating profit of EUR 2,776.9 million in the first three quarters of 2009. This is an improvement of 26.6% on the first three quarters of 2008. Operating income grew by 7.8% to EUR 5,657.2 million while operating expenses were down by 5.7% to EUR 2,880.3 million.**

- **Net interest income and net trading result were the major operating income drivers in the first three quarters of 2009. Net interest income grew by 7.5% to EUR 3,840.9 million on the back of moderate loan growth – customer loans advanced by 3.0% to EUR 130 billion year-to-date – and stable net interest margins across all geographies. The excellent net trading result was mainly due to a strong performance of the fixed income business (bond trading, money market business) as well as foreign exchange and equity trading.**

- **Risk costs rose to EUR 1,449.2 million (up 140.6% on the first three quarters of 2008) or 151 bps of average customer loans. This development was mainly driven by the retail & SME business in Romania, Hungary and Slovakia as well as the increase in the NPL coverage ratio in the third quarter of 2009 from 55.2% to 56.7%. The rise in the NPL ratio slowed down in the third quarter of 2009 with the NPL ratio (based on total exposure) equaling 3.8%, after 2.9% at year-end 2008 and 3.6% in June 2009. The NPL ratio based on customer loans stood at 6.3% (2008 year-end: 4.7%, H1 09: 5.9%).**

- **The balance of the other operating result and the results from all categories of financial assets improved from EUR -269.4 million to EUR -249.8 million in the first three quarters of 2009. While the other operating result deteriorated substantially, the results from all categories of financial assets improved. The main drivers were improving securities valuations in the fair value portfolio, while the AfS portfolio was impacted by securities writedowns at the savings banks.**

- **Net profit amounted to EUR 720.1 million in the first three quarters of 2009 after EUR 1,463.0 million in the previous year (adjusted for the proceeds from the sale of the insurance business EUR 861.7 million). On an adjusted basis net profit was therefore down by 16.4%.**

- **The tier 1 ratio (credit risk) improved to 8.6% at 30 September 2009 (2008 year-end: 7.2%). This trend was also supported by the issuance of participation capital – EUR 1.224 billion subscribed for by the Republic of Austria and EUR 540 million by private investors. Risk-weighted assets grew by 2.8% to EUR 107 billion at 30 September 2009 and were down compared to the end of June 2009, mainly as a result of RWA optimisation.**

Letter from the CEO

Dear shareholders,

Despite only slowly recovering economic fundamentals in the first nine months of 2009 Erste Group reported solid net profit and record operating profit as well as an improved balance sheet structure and a stronger capital position. Operating profit for the first nine months of 2009 hit a new high at EUR 2,777 million, up 26% on the first nine months of 2008, while net profit – adjusted for the proceeds from the sale of the insurance business in the previous year – declined by 16% to EUR 720 million. This divergence was mainly a result of higher risk costs, which rose sharply year-on-year. Solid net interest income on the back of modestly improved margins, an excellent net trading result and a declining cost base – general administrative expenses were down by 5.7% – all contributed to Erste Group's performance. As a consequence the cost/income ratio continued to improve to 50.9%.

The balance sheet total edged up slightly versus year-end 2008, mainly due to modest loan growth on group level. Customer deposits, a key stronghold of Erste Group, grew markedly in the first nine months of the year on the back of increased demand for savings products and a recovery in CEE currencies. Overall, the loan-to-deposit ratio improved slightly to 114.7%. Our capital position was bolstered by the issuance of EUR 1.76 billion of core tier 1 eligible participation capital to the Republic of Austria and private investors in the first half of the year. Accordingly, the tier 1 ratio (credit risk) rose to a new high of 8.6%.

Our core retail business in Central and Eastern Europe, which balances loans with deposits, remained solidly profitable during the first nine months of 2009. Stable margins and manageable increases in risk costs proved once again that a healthy retail business can absorb a substantial deterioration in asset quality and still remain profitable. This development was underpinned by strong growth in net interest income, a decline in net fee and commission income on the back of lower fees from lending business and a declining cost base. While the situation varied from country to country, Erste Group's strong position in the lowest risk countries of the region acted as a material risk mitigant. Another region-wide positive was the continued stabilisation of the almost all CEE currencies.

The Czech Republic continued to be the major profit contributor benefiting from its market leadership position in deposits. In Romania operating profit improved compared to the first nine months of 2008, while net profit declined significantly on the back of higher risk costs, which were mainly related to the unsecured, local currency consumer loan portfolio. The situation in Hungary was influenced by the continued stabilisation of the Hungarian Forint and a generally good operating performance.

While risk costs and non-performing loans continued to grow, this development masked some encouraging underlying trends, especially in the third quarter of 2009. Firstly, risk costs remained at levels that were comfortably absorbed by the strongly improved operating profit. Secondly, the pace of NPL growth moderated substantially during the third quarter. And, thirdly, the rise in risk costs went hand in hand with an improvement in the NPL coverage ratio (based on customer loans) from 55.2% to 56.7%. These developments once again underscore the importance of operating in well-diversified markets: the majority of our exposure is actually related to consistently stable Austria, while the bulk of our exposure in Central and Eastern Europe is focused on the most developed economies, such as the Czech Republic and Slovakia. Even higher risk countries such as Romania and Hungary benefit from EU membership, tax regimes that are highly conducive to foreign direct investments and a well educated workforce. In countries outside the European Union, such as Serbia or Ukraine our presence is limited.

The strong underlying performance in the first nine months of 2009 again underscores the continued validity and sustainability of our retail business model in Austria and Central and Eastern Europe. We are serving actual customers – more than 17 million of them, almost all of whom live in the European Union – who have actual customer needs, which will not go away. Accordingly, while the crisis might not be behind us, we might have passed the peak. Irrespective of this, we are well prepared for 2010 and feel very comfortable with being the strongest retail bank in the most promising long-term growth region of the European Union.

Andreas Treichl

Erste Group Share

EQUITY MARKET REVIEW

During the third quarter of 2009 international share indices continued their strong performance shown in the previous quarter, again posting double-digit gains both in the US and in Europe. In addition to the positive market sentiment and hopes for a quick end to the recession, the main reasons for this development were rising liquidity and capital shifts from money market to higher-yielding investments. Many of the leading international stock markets reached new highs for the year. The American Dow Jones Industrial Index ended the third quarter with a plus of 15.0% at 9,712.28 points. During the same period, the European EuroStoxx 50 Index grew by 19.6% to 2,872.63. Since the beginning of the year, these indices rose by 10.7% and 17.2% respectively, in spite of their weakness in the first quarter.

A reporting season that largely exceeded expectations and better than expected second quarter US and European GDP figures contributed to good investor sentiment. The American ISM[1] Purchasing Manager Index for manufacturing, as well as the ZEW[2] Index for medium-term economic expectations and the ifo[3] business climate index in the Eurozone continued their rising trend. This development was mainly supported by government spending, such as the scrappage scheme in the car sector. Central banks in the US and Europe continued to be cautiously optimistic in their economic outlook. The European Central Bank (ECB) raised its economic forecasts for the Eurozone and the Federal Reserve also spoke of mainly positive signals, anticipating an economic stabilisation in the US. International labour market trends remain a major risk factor, though, as rising unemployment rates put pressure on consumer sentiment and private consumption.

According to statements issued by the central banks, general economic conditions make it necessary to maintain unusually low interest rates for a sustained period of time. After the reduction in interest rates to historically low levels (close to 0% since mid-December 2008 in the US and 1% since mid-May 2009 in the Eurozone), the central banks are steering money supply through additional measures. The US Federal Reserve is planning to continue its USD 1,250 billion purchasing programme for mortgage bonds until March 2010. The ECB has announced additional, massive liquidity injections for banks until the end of 2009.

Bank shares continued their upward trend from the previous quarter. In addition to positive comments on the situation of the financial sector, better than expected second quarter results for several US and European banks, resulted in rising share prices. The DJ Euro Stoxx Bank Index, which represents the most important European bank shares, rose by 34.0% to 233.25 points by the end of the third quarter, thereby continuing its upward trend. Since the beginning of the year, the European bank index showed a performance of 57.9%.

The domestic equity market also benefited from the positive international market environment of the past quarter. The gains on the Vienna Stock Exchange were mainly supported by bank and cyclical shares. In research reports published after the reporting season, upward revisions of profit forecasts, including those for 2011, were the norm. The ATX (Austrian Traded Index) closed the third quarter on a year-to-date high at 2,637.28 points, translating into a rise of 25.7% during the period under review. With an increase of 50.6% since the beginning of the year and its gain in the third quarter, the ATX outperformed most international equity indices.

PERFORMANCE OF THE ERSTE GROUP SHARE

During the third quarter, the Erste Group share continued its upward trend, which began in March, and broke the EUR 30 mark for the first time again on 24 August. The Erste Group share profited from the favourable international environment for banking shares, as well as half-year results published at the end of July, which significantly beat analysts' estimates.

The undertone of the reports published after releasing the H1 09 results was cautiously positive, in spite of the strong rise in risk costs during the first half-year. The majority of analysts increased their profit forecasts for 2009 and 2010, as well as their price targets. This was justified by the robust profit development, the successful cost management and the good positioning of the Erste Group. In the third quarter, the price of the Erste Group share rose by 58.8% to a closing price of EUR 30.54 as of 30 September 2009, equating a gain of 88.5% since the beginning of the year. During the period under review, as well as on an annual basis, the Erste Group share outperformed the ATX and Stoxx Banks Index.

INVESTOR RELATIONS

In the third quarter of 2009, management again participated in numerous individual and group investor meetings, together with the investor relations team of Erste Group, as well as in international banking and investor conferences, organised by Nomura, Unicredit and Merril Lynch. At these meetings and conferences, the strategy of Erste Group were presented against the background of the current business and economic environment.

[1] ISM Institute for Supply Management, a US non-profit organisation, which, among other things, publishes the monthly US Purchasing Manager Index

[2] ZEW Zentrum für Europäische Wirtschaftsforschung [Centre for European Economic Research]

[3] ifo Institut für Wirtschaftsforschung [Institute for Economic Research]

Interim Management Report

In the interim management report, the financial results for the first nine months of 2009 are compared with those for the first nine months of 2008. Unless stated otherwise, terms such as "in the previous year", "2008" or "as of the third quarter of 2008" accordingly relate to the first nine months of 2008, and terms such as "this year", "2009" or "as of the third quarter of 2009" relate to the first nine months of 2009.

BUSINESS PERFORMANCE

In January 2009, Sparkasse Kufstein joined the Haftungsverbund (cross guarantee system of the Austrian savings banks) and therefore was included in the consolidated financial statements from this point in time. Furthermore, Ringturm KAG and Erste Bank Podgorica (formerly Opportunity Bank a.d., Montenegro), acquired by Erste & Steiermärkische banka d.d., was consolidated for the first time as of 31 March 2009. In addition, Investbanka a.d. Skopje, Macedonia, acquired by Steiermärkische Bank und Sparkassen AG, has been part of the consolidated financial statements since 1 October 2008 and was not included during the entire reporting period for the previous year. As the criteria for IFRS 5 (sale within 12 months) were not fulfilled for the sale of Anglo Romanian Bank, a reclassification took place from the item "Assets held for sale and discontinued operations" to the respective balance sheet positions. As a result, comparisons with the previous year and rates of change are slightly distorted.

EARNINGS PERFORMANCE IN BRIEF

During the first nine months of 2009, the **operating result** increased to EUR 2,776.9 million (+26.6% compared with EUR 2,193.5 million in the first nine months of 2008). This was the best operating result in the history of the Erste Group so far and was primarily driven by rises in the net interest income and net trading result, as well as a fall in administrative expenses. As expected net commission income declined.

Overall, **operating income** grew by 7.8% to EUR 5,657.2 million (following EUR 5,247.2 million in the previous year). This mainly resulted from a rise in net interest income (+7.5% to EUR 3,840.9 million) and the net trading result (+172.0% to EUR 503.0 million). Net commission income declined by 11.8% to 1,313.3 million. The reduction in **general administrative expenses** by 5.7%, from EUR 3,053.7 million to EUR 2,880.3 million, also had a significant influence on the result and led to a significant improvement in the **cost/income ratio** from 58.2% in 2008 to 50.9%.

Net profit after minorities, which fell by 50.8% to EUR 720.1 million compared with the first nine months of 2008 (adjusted for the sale of the insurance business in 2008: -16.4%), reflected higher risk costs. These more than doubled in the first nine months of 2009 to EUR 1,449.2 million. **Return on equity** (cash, i.e. eliminating linear depreciation for customer relationships) fell from 22.2% (reported value: 21.7%) – adjusted for the proceeds form the sale of the insurance business 13.6% (reported value: 13.1%) – in the first nine months of 2008 to 10.7% (reported value: 10.3%). **Cash earnings per share**[1] were at EUR 2.06 in the first three quarters of 2009 (reported value EUR 1.96), compared with EUR 4.78 (reported value EUR 4.67) in the previous year. Adjusted for the sale of the insurance division, cash earnings per share were EUR 2.86 in same period of last year.

Compared with year-end 2008, **total assets** increased by 1.0% to EUR 203.6 billion. Despite a rise in risk-weighted assets, the **solvency ratio** improved due to the issuance of participation capital for a total nominal amount of EUR 1.76 billion – EUR 1,224 million was subscribed for by the Republic of Austria and EUR 540 million by private investors – from 9.8% at year-end 2008 to 10.9% as of 30 September 2009. It therefore remained comfortably above the legal minimum requirement of 8.0%. The **tier 1 ratio** in relation to credit risk was 8.6% as at 30 September 2009 (7.2% at the end of 2008).

PERFORMANCE IN DETAIL

in EUR million	1-9 09	1-9 08	Change
Net interest income	3,840.9	3,573.3	7.5%
Risk provisions for loans and advances	-1,449.2	-602.3	>100.0%
Net fee and commission income	1,313.3	1,489.0	-11.8%
Net trading result	503.0	184.9	>100.0%
General administrative expenses	-2,880.3	-3,053.7	-5.7%
Other result	-249.8	-269.4	7.3%
Pre-tax profit from continuing operations	**1,077.9**	**1,321.8**	**-18.5%**
Post-tax profit from discontinuing ops	0.0	610.2	na
Net profit after minorities	**720.1**	**1,463.0**	**-50.8%**

Net interest income

Although credit growth slowed down significantly in the first nine months of 2009 (+3.0% to EUR 130.0 billion as of 30 September 2009), net interest income grew by 7.5% compared with the same period of the previous year, from EUR 3,573.3 million to EUR 3,840.9 million. The main reasons for this – in spite of an unfavourable interest rate development in some countries – were relatively stable margins and the strong loan growth in the first three quarters of 2008, which weakened significantly in 2009 as a result of the economic crisis. In contrast to the first nine months of 2008, net interest income from loans to and deposits by banks made a positive contribution to this line item. The net interest margin (net interest income as a percentage of average interest-bearing assets) improved from 2.77% during the first nine months of 2008 to 2.98% in the first nine months of 2009 – both in Central and Eastern Europe (from 4.5% to 4.6%) and in Austria (from 1.7% to 1.9%) – as a result of adjusted terms of loans to customers as well as an increase in customer deposits.

[1] Earnings per share have been adjusted for the coupon of the participation capital

Net commission income

in EUR million	1-9 09	1-9 08	Change
Lending business	220.1	279.9	-21.4%
Payment transfers	603.0	647.6	-6.9%
Card business	137.9	128.2	7.6%
Securities business	280.6	349.8	-19.8%
Investment fund transactions	121.1	166.3	-27.2%
Custodial fees	23.9	34.4	-30.5%
Brokerage	135.6	149.1	-9.1%
Insurance brokerage business	63.6	60.3	5.5%
Building society brokerage	30.1	27.3	10.3%
Foreign exchange transactions	20.4	29.3	-30.4%
Investment banking business	10.2	14.0	-27.1%
Other	85.3	80.8	5.6%
Total	**1,313.3**	**1,489.0**	**-11.8%**

Net fee and commission income fell by 11.8% in the first nine months of 2009, from EUR 1,489.0 million to EUR 1,313.3 million. The most significant declines were recorded in fees from the securities business (-19.8% to EUR 280.6 million) and the lending business, as a result of slowing new business (-21.4% to EUR 220.1 million). However, the card business as well as the insurance brokerage and building society brokerage businesses, developed positively.

Net trading result

The net trading result rose by 172.0%, from EUR 184.9 million in the first nine months of 2008 to EUR 503.0 million in the first nine months of 2009. Fixed income business (bond trading and money market business) as well as foreign exchange and equity trading contributed to this excellent result.

General administrative expenses

in EUR million	1-9 09	1-9 08	Change
Personnel expenses	-1,662.9	-1,762.0	-5.6%
Other administrative expenses	-945.2	-1,008.3	-6.3%
Subtotal	-2,608.1	-2,770.3	-5.9%
Depreciation and amortisation	-272.2	-283.4	-4.0%
Total	**-2,880.3**	**-3,053.7**	**-5.7%**

In total, **general administrative expenses** declined by 5.7% (currency-adjusted 1.6%), from EUR 3,053.7 million to EUR 2,880.3 million. The increase in the scope of consolidation through the addition of Sparkasse Kufstein to the cross-guarantee system (Haftungsverbund) increased the cost base by EUR 12.9 million.

Personnel expenses fell by 5.6% (currency-adjusted 2.2%), from EUR 1,762.0 million to EUR 1,662.9 million. The fall in headcount had a positive effect on this item as did cost-saving measures and lower variable compensation.

Adjusted for the consolidation of another savings bank into the *Haftungsverbund* – the cross guarantee system of the Austrian savings banks – (+199 employees), earlier in the year, and the first-time consolidation of Montenegrin Erste Bank ad Podgorica (+213 employees in Erste Bank Croatia), headcount fell by about 4%. This was mainly due to hiring freezes, natural attrition and selective redundancies. The decline in BCR was due to the outsourcing of non-banking services and was one of the last measures of the efficiency programme initiated following the acquisition. The fall in Slovakia resulted, inter alia, from the transfer of around 200 employees from Asset Management to a central unit and partly went hand-in-hand with a rise in Other subsidiaries.

Other administrative expenses declined by 6.3% (currency-adjusted 1.2%) in the first nine months of 2009, from EUR 1,008.3 million to EUR 945.2 million.

Continuing the trend of the previous periods, **depreciation and amortisation** also declined in the first nine months of 2009 (-4.0% from EUR 283.4 million to EUR 272.2 million).

Headcount at 30 September 2009

	Sep 09	Dec 08	Change
Employed by Erste Group	**51,012**	**52,648**	**-3.1%**
Austria incl. Haftungsverbund savings banks	16,335	16,278	0.4%
Erste Group, EB Oesterreich and subsidiaries	8,483	8,545	-0.7%
Haftungsverbund savings banks	7,852	7,733	1.5%
Central and Eastern Europe / International	34,677	36,370	-4.7%
Česká spořitelna Group	10,841	10,865	-0.2%
Banca Comercială Română Group	9,198	9,985	-7.9%
Slovenská sporiteľňa Group	4,242	4,953	-14.4%
Erste Bank Hungary Group	3,133	3,255	-3.7%
Erste Bank Croatia Group	2,289	2,061	11.1%
Erste Bank Serbia	912	1,009	-9.6%
Erste Bank Ukraine	1,755	2,120	-17.2%
Other subsidiaries and foreign branch offices	2,307	2,122	8.7%

Operating result

The rise in **operating income** (+7.8%) from EUR 5,247.2 million to EUR 5,657.2 million and the reduction in **operating expenses** (-5.7%) from EUR 3,053.7 million to EUR 2,880.3 million led to a 26.6% increase in the operating result, from EUR 2,193.5 million in the first nine months of 2008 to EUR 2,776.9 million in the first nine months of 2009.

Risk provisions

Risk provisions (allocation/release of provisions relating to the credit business and costs from directly writing off loans and income from the receipt of loans already written off) increased by 140.6% from EUR 602.3 million to EUR 1,449.2 million. Weaker economic conditions compared to the previous year and the ensuing rise in defaults as well as declining customer creditworthiness were the main reasons for the creation of additional risk provisions. However, the increase in the NPL coverage ratio (based on customer loans) in the third quarter from 55.2% to 56.7% also contributed to the increase. As a percentage of average customer loans, risk provisions amounted to 151 basis points in the first nine months of 2009 (2008: 67 basis points).

Other operating result

Other operating result deteriorated from EUR -141.0 million to EUR -201.8 million in the first nine months of 2009, mainly due to higher write-down requirements for real estate and moveable assets. Furthermore, this item particularly includes linear depreciation on intangible assets (customer relationships) of EUR 53.0 million, as well as costs for contributions to the deposit guarantee systems – compared to the first nine months of 2008, these rose by 25.0% to EUR 42.0 million.

Results from financial assets

The total balance from all categories of financial assets developed positively. The overall negative result achieved in the first nine months of 2009 was significantly lower than in the first nine months of 2008 (EUR 128.4 million), at EUR 48.0 million. While the impairments for structured products and other securities in the AfS portfolio increased during the first nine months of 2009, improved valuation results on securities in the fair value portfolio had a positive effect on the result from financial assets in the first nine months of 2009.

The market value of Erste Group's **ABS/CDO portfolio** amounted to around EUR 1.8 billion as of 30 September 2009, following 2.0 billion at year-end 2008. In the first nine months of 2009, there was a revaluation in the fair value portfolio with a negative effect on the income statement of EUR 3.5 million In the AfS portfolio, a revaluation took place with a negative P&L effect totaling EUR 53.4 million (impairment of EUR 22.5 million and realised losses of EUR 30.9 million). In the first nine months of 2009, this resulted in a negative overall effect on pre-tax profit of EUR 56.9 million (2008: EUR -66.2 million). However, in the available for sale portfolio, the mark-to-market valuation in the first nine months of 2009 resulted in a EUR 136.7 million increase (2008: decline by EUR 167.6 million), booked against equity.

Pre-tax profit and net profit after tax and minorities

The **pre-tax profit from continuing operations** fell by 18.5%, from EUR 1,321.8 million to EUR 1,077.9 million, particularly due to higher risk costs.

Net profit after minorities fell by 50.8% in comparison with the same period of the previous year, from EUR 1,463.0 million to EUR 720.1 million. Adjusted for the result from the sale of the insurance business, net profit after minorities amounted to EUR 861.7 million in 2008, translating into a decline of only 16.4%.

FINANCIAL RESULTS IN THE THIRD QUARTER OF 2009

The positive trend continued in the third quarter of 2009 with a 4.4% increase in **net interest income** from EUR 1,279.3 million in the second quarter of 2009 to EUR 1,335.6 million. While the treasury business recorded a decline in net interest income due to the development of spreads, almost all core businesses in CEE posted rising net interest income.

In the third quarter, **net fee and commission income** fell compared with the previous quarters (Q1: EUR 444.6 million; Q2: EUR 443.6 million) by 4.2% to EUR 425.1 million. Reductions were recorded in the Group Markets, Group Corporate and Investment Banking and Corporate Center divisions, while the core retail & SME business enjoyed a moderate improvement compared to the previous quarter.

As the rise in derivatives trading (Q2 09: EUR -5.0 million; Q3 09: EUR 9.8 million) and in foreign exchange transactions (Q2 09: EUR 66.5 million; Q3 09: EUR 97.5 million) did not offset the decline in securities trading (Q2 09: EUR 137.8 million; Q3 09: EUR 52.6 million) and money market business, the **net trading result** in the third quarter of 2009 fell by 19.8%, from EUR 199.3 million to EUR 159.9 million.

In the third quarter of 2009, **general administrative expenses** were 6.5% below the amount for the second quarter, due to lower personnel and other administrative expenses. Personnel expenses fell by 4.8% – particularly in the CEE subsidiaries – from EUR 565.6 million in the second quarter to EUR 538.7 million in the third quarter. The CEE subsidiaries were the main contributors towards the 11.9% decline in other administrative expenses, from EUR 327.3 million in the second quarter to EUR 288.5 million in the third quarter. Cost savings were also achieved at the holding level, as well as at Erste Bank Oesterreich. In contrast, depreciation on fixed assets rose slightly (by 1.6%), from EUR 91.4 million in the second quarter of 2009 to EUR 92.9 million in the third quarter of 2009.

In the third quarter of 2009, the **operating result** once again reached a new record high of EUR 1,000.5 million and was thus 6.7% above the result for the second quarter of EUR 937.9 million.

The **cost/income ratio** improved to 47.9%, in particular due to low operating expenses.

Risk provisions for loans and advances increased from EUR 521.9 million in the second quarter to EUR 557.1 million in the third quarter**.** This was mainly driven by increasing defaults in the SME business and the decision to raise the NPL coverage ratio, offsetting lower NPL growth in the retail portfolio as a result of a stabilisation in FX rates.

The **other operating result** deteriorated from EUR -47.6 million in the previous quarter to EUR -114.3 million. This was due to the revaluation of real estate and moveable assets.

Despite an improvement in the fair value result from EUR 32.0 million in the second quarter to EUR 68.5 million the **total balance** of all categories of **financial assets** developed negatively in the third quarter, falling from EUR 23.3 million in the second quarter to EUR -16.3 million in the third quarter. This was the result of higher impairments, particularly with securities in the AfS portfolio at the savings banks in the amount of approximately EUR 80 million during the third quarter of 2009.

In the third quarter of 2009, the **pre-tax profit from continuing operations** amounted to EUR 312.8 million, down 20.1% on EUR 391.7 million posted in the second quarter of 2009.

Net profit after minority interests fell by 12.3%, from EUR 260.0 million in the second quarter of 2009 to EUR 228.0 million in the third quarter of 2009.

DEVELOPMENT OF THE BALANCE SHEET

in EUR million	Sep 09	Dec 08	Change
Loans and advances to credit institutions	13,938	14,344	-2.8%
Loans and advances to customers	129,954	126,185	3.0%
Risk provisions for loans and advances	-4,713	-3,783	24.6%
Trading and other financial assets	42,491	41,770	1.7%
Other assets	21,883	22,925	-4.5%
Total assets	**203,553**	**201,441**	**1.0%**

in EUR million	Sep 09	Dec 08	Change
Deposits by banks	26,920	34,672	-22.4%
Customer deposits	113,317	109,305	3.7%
Debt securities in issue	30,431	30,483	-0.2%
Other liabilities	12,618	9,839	28.2%
Subordinated liabilities	6,184	6,047	2.3%
Total equity	14,083	11,095	26.9%
Shareholders' equity	10,667	8,079	32.0%
Minority interests	3,416	3,016	13.3%
Total liabilities and equity	**203,553**	**201,441**	**1.0%**

The **total assets** of Erste Group increased by 1.0% as of the end of September, from EUR 201.4 billion at year-end 2008 to EUR 203.6 billion. This growth was partially attributable to Sparkasse Kufstein (EUR 1.2 billion), which joined the cross-guarantee system (*Haftungsverbund*).

Loans and advances to credit institutions fell by 2.8%, from EUR 14.3 billion to EUR 13.9 billion. **Loans and advances to customers** increased by 3.0%, from EUR 126.2 billion to EUR 130.0 billion, with the largest increases recorded in Central and Eastern Europe. Due to new allocations as a result of the difficult economic environment, the level of **risk provisions** increased from EUR 3.8 billion to EUR 4.7 billion. The ratio of non-performing loans to loans and advances to customers grew from 4.7%% to 6.3% as of 30 September 2009, while the ratio of non-performing loans to total exposure increased from 2.9% to 3.8% over the same period. The rate of deterioration of both key figures slowed down significantly in the third quarter of 2009.

Investment securities in the various categories of financial assets remained stable at EUR 34.1 billion (end of 2008: EUR 34.2 billion). While the fair value portfolio declined in size, the available for sale portfolio rose marginally since the beginning of the year.

Driven by both the CEE subsidiaries and Erste Bank Oesterreich, **customer deposits** grew by 3.7%, from EUR 109.3 billion to EUR 113.3 billion, and thus exceeded the growth of loans and advances to customers.. The loan-to-deposit ratio amounted to 114.7% as of 30 September 2009 and was therefore below the level as at 31 December 2008 of 115.4%.

Debt securities in issue declined by 0.2%, from EUR 30.5 billion to EUR 30.4 billion.

Total equity of Erste Group increased by 26.9% from EUR 11.1 billion to EUR 14.1 billion as of 30 September 2009, particularly as a result of issuing participation capital in the amount of EUR 1.76 billion – of which EUR 1.22 billion was subscribed for by the Republic of Austria and EUR 540 million by private investors. Furthermore, an improvement in the AfS reserve increased capital by EUR 0.4 billion. **Risk-weighted assets (RWA)** increased from EUR 103.7 billion to EUR 106.6 billion as of 30 September 2009.

Total eligible qualifying capital of Erste Group according to the Austrian Banking Act amounted to EUR 13.4 billion as of 30 September 2009 (31 December 2008: EUR 11.8 billion). The rise was largely due to the issuing of EUR 1.76 billion of participation capital. The coverage ratio in relation to the statutory minimum requirement on this date (EUR 9.9 billion) was 136% (year-end 2008: 123%). After deductions in accordance with the Austrian Banking Act**, tier 1 capital** stood at EUR 9.2 billion (year-end 2008: EUR 7.4 billion).

The **tier 1 ratio based on credit risk** (tier 1 capital after deductions in accordance with the Austrian Banking Act, in relation to the assessment basis for credit risk pursuant to Article 22 sec. 2 Austrian Banking Act) equalled 8.6%. Including the capital requirements for market and operational risk (total risk), the tier 1 ratio amounted to 7.4%. The core tier 1 ratio, ie after a further adjustment for hybrid capital, stood at 6.5% as of 30 September 2009.

The **solvency ratio**, in relation to total risk (total eligible qualifying capital – as a percentage of the assessment base for total risk pursuant to Austrian Banking Act) was 10.9% as of 30 September 2009 (year-end 2008: 9.8%) and therefore significantly above the legal minimum requirement of 8.0%..

Condensed Consolidated Financial Statements

I. Statement of comprehensive income – 1 January to 30 September 2009

INCOME STATEMENT

in EUR million	(Notes)	1-9 09	1-9 08	Change
Interest and similar income		7,102.2	9,530.2	-25.5%
Interest and similar expenses		-3,273.8	-5,974.2	-45.2%
Income from associates accounted for at equity		12.5	17.3	-27.7%
Net interest income	**(1)**	**3,840.9**	**3,573.3**	**7.5%**
Risk provisions for loans and advances	(2)	-1,449.2	-602.3	>100.0%
Fee and commission income		1,687.4	1,803.8	-6.5%
Fee and commission expenses		-374.1	-314.8	18.8%
Net fee and commission income	**(3)**	**1,313.3**	**1,489.0**	**-11.8%**
Net trading result	(4)	503.0	184.9	>100.0%
General administrative expenses	(5)	-2,880.3	-3,053.7	-5.7%
Other operating result	(6)	-201.8	-141.0	-43.1%
Result from financial assets - FV		56.4	-114.9	na
Result from financial assets - AfS		-106.4	-11.6	na
Result from financial assets - HtM		2.0	-1.9	na
Pre-tax profit from continuing operations		**1,077.9**	**1,321.8**	**-18.5%**
Taxes on income		-269.6	-264.4	2.0%
Net profit before minorities from continuing operations		**808.3**	**1,057.4**	**-23.6%**
Post-tax profit from discontinuing operations	(7)	0.0	610.2	na
Net profit before minorities		**808.3**	**1,667.6**	**-51.5%**
Minority interests		-88.2	-204.6	-56.9%
Net profit after minorities		**720.1**	**1,463.0**	**-50.8%**

OTHER COMPREHENSIVE INCOME

in EUR million	1-9 09	1-9 08	Change
Net profit before minorities	**808.3**	**1,667.6**	**-51.5%**
Available for sale - reserve (including currency translation)	799.9	-287.9	na
Cash flow hedge - reserve (including currency translation)	34.3	26.1	31.4%
Actuarial gains and losses	0.0	0.0	na
Deferred taxes on items recognised in other comprehensive income	-320.1	72.2	na
Currency translation	-39.4	136.0	na
Total gains and losses recognised in other comprehensive income	**474.7**	**-53.6**	**na**
Total comprehensive income	**1,283.0**	**1,614.0**	**-20.5%**
Shareholder‘s equity	927.1	1,512.2	-38.7%
Minority interests	355.9	101.8	>100.0%

EARNINGS PER SHARE

Earnings per share constitute net profit after minority interests – in 2009 earnings per share were adjusted for the coupon of the participation capital in the amount of EUR 105.8 million – divided by the average number of ordinary shares outstanding.

Diluted earnings per share represent the maximum potential dilution (increase in the average number of shares) which would occur if all issued subscription and conversion rights were exercised.

in EUR	1-9 09	1-9 08	Change
Earnings per share	1.96	4.67	-58.0%
Diluted earnings per share	1.96	4.67	-58.0%
Cash earnings per share[1]	2.06	4.78	-56.9%
Diluted cash earnings per share	2.06	4.78	-56.9%

II. Balance sheet at 30 September 2009

in EUR million	(Notes)	Sep 09	Dec 08	Change
ASSETS				
Cash and balances with central banks		5,458	7,556	-27.8%
Loans and advances to credit institutions	(8)	13,938	14,344	-2.8%
Loans and advances to customers	(9)	129,954	126,185	3.0%
Risk provisions for loans and advances	(10)	-4,713	-3,783	24.6%
Trading assets	(11)	8,389	7,534	11.3%
Financial assets - at fair value through profit or loss	(12)	3,752	4,058	-7.5%
Financial assets - available for sale	(13)	16,187	16,033	1.0%
Financial assets - held to maturity		14,163	14,145	0.1%
Equity holdings in associates accounted for at equity		260	260	0.0%
Intangible assets		4,975	4,805	3.5%
Property and equipment		2,411	2,386	1.0%
Tax assets		630	859	-26.7%
Assets held for sale		31	526	-94.1%
Other assets		8,118	6,533	24.3%
Total assets		**203,553**	**201,441**	**1.0%**
LIABILITIES AND EQUITY				
Deposits by banks	(14)	26,920	34,672	-22.4%
Customer deposits	(15)	113,317	109,305	3.7%
Debt securities in issue		30,431	30,483	-0.2%
Trading liabilities		3,175	2,519	26.0%
Other provisions	(16)	1,670	1,620	3.1%
Tax liabilities		459	389	18.0%
Liabilities associated with assets held for sale		0	343	na
Other liabilities		7,314	4,968	47.2%
Subordinated liabilities	(17)	6,184	6,047	2.3%
Total equity		14,083	11,095	26.9%
Shareholders‘ equity		10,667	8,079	32.0%
Minority interests		3,416	3,016	13.3%
Total liabilities and equity		**203,553**	**201,441**	**1.0%**

[1] Cash earnings per share are adjusted for non-cash items, such as the linear depreciation for customer relationships.

III. Statement of changes in equity

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings and other reserves	Total share-holders' equity	Minority interests	Total capital
Equity at 1 January 2008	**632**	**4,557**	**3,263**	**8,452**	**2,951**	**11,403**
Changes in own shares			-29	-29		-29
Dividends			-235	-235	-70	-305
Capital increases	1	27		28		28
Net profit before minorities			1,463	1,463	205	1,668
Income and expenses recognised directly in equity			49	49	-103	-54
Currency translation			146	146	-10	136
Change in interest in subsidiaries					148	148
Equity at 30 September 2008	**633**	**4,584**	**4,511**	**9,728**	**3,131**	**12,859**
Cash flow hedge reserve at 30 September 2008				-9	-10	-19
Available for sale reserve at 30 September 2008				-481	-403	-884
Actuarial gains/losses from long-term employee provisions at 30 September 2008				-256	-116	-372
Deferred tax reserve at 30 September 2008				203	132	335
Equity at 1 January 2009	**634**	**4,583**	**2,862**	**8,079**	**3,016**	**11,095**
Changes in own shares			93	93		93
Dividends			-203	-203	-95	-298
Capital increases	2	9		11		11
Participation capital[1]	1,760			1,760		1,760
Net profit before minorities			720	720	88	808
Income and expenses recognised directly in equity			207	207	268	475
Currency translation			-11	-11	-28	-39
Change in interest in subsidiaries					139	139
Equity at 30 September 2009	**2,396**	**4,592**	**3,679**	**10,667**	**3,416**	**14,083**
Cash flow hedge reserve at 30 September 2009				94	31	125
Available for sale reserve at 30 September 2009				-655	-24	-679
Actuarial gains/losses from long-term employee provisions at 30 September 2009				-254	-112	-366
Deferred tax reserve at 30 September 2009				157	28	185

IV. Condensed cash-flow statement

in EUR million	1-9 09	1-9 08	Change
Cash and cash equivalents at end of the previous year	**7,556**	**7,615**	**-0.8%**
Cash flow from operating activities	-3,268	-915	>100.0%
Cash flow from investing activities	-487	766	na
Cash flow from financing activities	1,701	288	>100.0%
Effect of currency translation	-44	-62	-29.0%
Cash and cash equivalents at the end of period	**5,458**	**7,692**	**-29.0%**

[1] Participation capital according to section 23 (4) Austrian Banking Act net of expenses associated with the capital raising of EUR 4 million.

V. Notes to the financial statements of Erste Group for the period from 1 January to 30 September 2009

The annual consolidated financial statements of Erste Group were prepared in compliance with the applicable International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) published by the International Accounting Standards Board (IASB) and with their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly Standing Interpretations Committee (SIC) – as applicable in the European Union. The interim report for the period from 1 January to 30 September 2009 is prepared in accordance with IAS 34 (Interim Reports). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Erste Group's annual financial statements as at 31 December 2008. This interim report was neither audited nor reviewed by an auditor.

The accounting policies adopted are consistent with those used in the previous financial year except that Erste Group has adopted the following standards, amendments and interpretations becoming effective for financial years beginning on or after 1 January: IFRS 8 Operating Segments, Amendment to IFRS 2 Share-based Payments – Vesting Conditions and Cancellations, Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements, – 'Puttable Financial Instruments and Obligations Arising on Liquidation, IAS 1 Presentation of Financial Statements (Revised 2007), IAS 23 Borrowing Costs (revised 2007), Amendments to IFRS 7 Improving Disclosures about Financial Instruments, IFRIC 13 Customer Loyalty Programmes, IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 16 Hedges of a Net Investment in a Foreign Operation. The adoption of these standards, amendments and interpretations did not have any effect on the financial performance or position of Erste Group. However IAS 1 revision resulted in presentational changes and IFRS 8 and IAS 23 were applied earlier.

SIGNIFICANT BUSINESS EVENTS IN THE REPORTING PERIOD

With effect from 20 January 2009, Sparkasse Kufstein joined the cross-guarantee system of the Austrian Savings Banks. Sparkasse Kufstein was included in the consolidated accounts of the Erste Group on this date. During the course of selling the insurance activities, the asset management business of VIG (Ringturm KAG) was acquired by Erste Group, with a view to a further intensification of the cooperation with the VIG. In the first quarter of 2009 Erste Asset Management GmbH (a member of Erste Group) acquired 95% of the shares in Ringturm Kapitalanlagegesellschaft m.b.H. (which it continued to hold as of 30 September 2009) together with an asset management contract, which was signed in 2008. After signing the purchase contract the acquisition became effective with the granting of the approval by the Austrian federal Competition Authority as on 21 March 2009. The aggregate goodwill for these transactions amounts to EUR 123.4 million, customer relationships are recognised with EUR 208.7 million.

The acquisition of Erste Bank Podgorica (formerly Opportunity Bank a.d., Podgorica (Montenegro)) by Erste & Steiermärkische banka d.d., Rijeka (Group) was concluded in March and this bank was included in the group financial statements of Erste Group for the first time as of 31 March 2009. The purchase price, including ancillary costs, amounted to EUR 13.5 million. The preliminary negative goodwill in the amount of about EUR 2.3 million was recognised in the income statement. In April 2009, Erste Group Bank AG issued participation capital for subscription. Within the context of this offer, Erste Group AG placed EUR 540 million of participation capital with private and institutional investors. In March, the Republic of Austria subscribed to EUR 1.0 billion of participation capital and in May, another EUR 224 million of participation certificates. In total the participation capital issued during the course of the measures package amounts to a volume of EUR 1.76 billion.

Within the context of the Employee Share Ownership Plan (ESOP), the employees of Erste Group subscribed to 912,323 shares (2008: 644,104 shares) between 4 and 15 May 2009. The exercise price, set at 20% below the average quoted price in April 2009, was EUR 12.00 per share. The resulting issue proceeds of EUR 10,947,876.00 plus EUR 328,618.50 (from the difference between the exercise price of EUR 12.00 and the quoted price of EUR 17.25 on the value date 28 May 2009 for 62,594 shares subscribed by employees of Erste Group Bank AG, charged to the account of personnel expenses) amounted to a total of EUR 11,276,494.50. This amount was assigned to the share capital (which received EUR 1,824,646.00 of the total) and to additional paid-in capital (which received EUR 9,451,848.50). The shares under both plans are subject to a holding period of one year. 912,323 new shares were issued for capital increase from contingent capital. This raised the number of Erste Group Bank shares from 317,012,763 to 317,925,086 shares and increased the share capital from EUR 634,025,526 to EUR 635,850,172. Personnel expenses for the first nine months of 2009 include ESOP and profit participation amounting to EUR 4.1 million (September 2008: EUR 11.5 million).

A. INFORMATION ON THE INCOME STATEMENT OF ERSTE GROUP

1. Net interest income

in EUR million	1-9 09	1-9 08	Change
Interest income			
Lending and money market transactions with credit institutions	601.8	2,144.2	-71.9%
Lending and money market transactions with customers	5,332.1	5,955.8	-10.5%
Bonds and other interest-bearing securities	873.5	1,083.0	-19.3%
Other interest and similar income	20.5	21.3	-3.8%
Current income			
Equity-related securities	82.5	92.1	-10.4%
Investments	17.9	26.4	-32.2%
Investment properties	60.6	65.9	-8.0%
Interest and similar income	**6,988.9**	**9,388.7**	**-25.6%**
Interest income from financial assets - at fair value through profit or loss	113.3	141.5	-19.9%
Total interest and similar income	**7,102.2**	**9,530.2**	**-25.5%**
Interest expenses			
Deposits by banks	-251.4	-2,433.2	-89.7%
Customer deposits	-1,961.6	-2,317.1	-15.3%
Debt securities in issue	-765.4	-911.5	-16.0%
Subordinated liabilities	-289.1	-301.0	-4.0%
Other	-2.2	-11.4	-80.7%
Interest and similar expenses	**-3,269.7**	**-5,974.2**	**-45.3%**
Interest expenses from financial assets - at fair value through profit or loss	-4.1	0.0	na
Total interest and similar expenses	**-3,273.8**	**-5,974.2**	**-45.2%**
Income from associates accounted for at equity	12.5	17.3	-27.7%
Total	**3,840.9**	**3,573.3**	**7.5%**

2. Risk provisions for loans and advances

in EUR million	1-9 09	1-9 08	Change
Net allocation to risk provisions for loans and advances	-1,423.2	-610.8	>100.0%
Direct write-offs of loans and advances and amounts received against written-off loans and advances	-26.0	8.5	na
Total	**-1,449.2**	**-602.3**	**>100.0%**

3. Net fee and commission income

in EUR million	1-9 09	1-9 08	Change
Lending business	220.1	279.9	-21.4%
Payment transfers	603.0	647.6	-6.9%
Card business	137.9	128.2	7.6%
Securities business	280.6	349.8	-19.8%
Investment fund transactions	121.1	166.3	-27.2%
Custodial fees	23.9	34.4	-30.5%
Brokerage	135.6	149.1	-9.1%
Insurance brokerage business	63.6	60.3	5.5%
Building society brokerage	30.1	27.3	10.3%
Foreign exchange transactions	20.4	29.3	-30.4%
Investment banking business	10.2	14.0	-27.1%
Other	85.3	80.8	5.6%
Total	**1,313.3**	**1,489.0**	**-11.8%**

4. Net trading result

in EUR million	1-9 09	1-9 08	Change
Securities and derivatives trading	271.4	5.7	>100.0%
Foreign exchange transactions	231.6	179.2	29.2%
Total	**503.0**	**184.9**	**>100.0%**

5. General administrative expenses

in EUR million	1-9 09	1-9 08	Change
Personnel expenses	-1,662.9	-1,762.0	-5.6%
Other administrative expenses	-945.2	-1,008.3	-6.3%
Depreciation and amortisation	-272.2	-283.4	-4.0%
Total	**-2,880.3**	**-3,053.7**	**-5.7%**

6. Other operating result

in EUR million	1-9 09	1-9 08	Change
Other operating income	131.9	129.1	2.2%
Other operating expenses	-333.7	-270.1	23.5%
Total	**-201.8**	**-141.0**	**-43.1%**
Result from real estate/property and movable property	-42.4	10.4	na
Allocation/release of other provisions/risks	-2.8	-3.0	6.7%
Expenses for deposit insurance contributions	-42.0	-33.6	25.0%
Amortisation of intangible assets (customer relationships)	-53.0	-58.0	-8.6%
Other taxes	-19.2	-18.5	3.8%
Result from other operating expenses/income	-42.4	-38.3	-10.7%
Total	**-201.8**	**-141.0**	**-43.1%**

7. Profit from discontinuing operations net of tax

in EUR million	1-9 09	1-9 08	Change
Profit on disposal	0.0	698.5	na
Post-tax profit from discontinuing operations	0.0	9.3	na
Income tax on discontinued operations	0.0	-97.6	na
Total	**0.0**	**610.2**	**na**

B. INFORMATION ON THE BALANCE SHEET OF ERSTE GROUP

8. Loans and advances to credit institutions

in EUR million	Sep 09	Dec 08	Change
Loans and advances to domestic credit institutions	2,001	1,471	36.0%
Loans and advances to foreign credit institutions	11,937	12,873	-7.3%
Total	**13,938**	**14,344**	**-2.8%**

9. Loans and advances to customers

in EUR million	Sep 09	Dec 08	Change
Loans and advances to domestic customers			
Public sector	2,752	2,947	-6.6%
Commercial customers	36,250	35,821	1.2%
Private customers	23,157	22,805	1.5%
Unlisted securities	250	0	na
Other	164	136	20.6%
Total loans and advances to domestic customers	**62,573**	**61,709**	**1.4%**
Loans and advances to foreign customers			
Public sector	2,790	2,026	37.7%
Commercial customers	34,772	34,179	1.7%
Private customers	28,622	26,948	6.2%
Unlisted securities	997	1,172	-14.9%
Other	200	151	32.5%
Total loans and advances to foreign customers	**67,381**	**64,476**	**4.5%**
Total	**129,954**	**126,185**	**3.0%**

10. Risk provisions for loans and advances

in EUR million	1-9 09	1-9 08	Change
Risk provisions for loans and advances			
At start of reporting period	**3,783**	**3,296**	**14.8%**
Acquisition of subsidiaries	53	45	17.8%
Use	-446	-244	82.8%
Net allocation to risk provisions for loans and advances	1,423	611	na
Unwinding	-86	-50	72.0%
Currency translation	-14	41	na
At end of reporting period	**4,713**	**3,699**	**27.4%**
Provision for off-balance-sheet and other risks	301	182	65.4%
Total	**5,014**	**3,881**	**29.2%**

11. Trading assets

in EUR million	Sep 09	Dec 08	Change
Bonds and other interest-bearing securities	4,813	4,475	7.6%
Equity-related securities	462	527	-12.3%
Positive fair value of derivative financial instruments	3,114	2,532	23.0%
Total	**8,389**	**7,534**	**11.3%**

12. Financial assets – At Fair Value through profit or loss

in EUR million	Sep 09	Dec 08	Change
Bonds and other interest-bearing securities	3,187	3,322	-4.1%
Equity-related securities	565	736	-23.2%
Total	**3,752**	**4,058**	**-7.5%**

13. Financial assets – available for sale

in EUR million	Sep 09	Dec 08	Change
Bonds and other interest-bearing securities	12,738	12,845	-0.8%
Equity-related securities	2,949	2,719	8.5%
Equity holdings	500	469	6.6%
Total	**16,187**	**16,033**	**1.0%**

14. Deposits by bank

in EUR million	Sep 09	Dec 08	Change
Deposits by domestic credit institutions	9,632	16,103	-40.2%
Deposits by foreign credit institutions	17,288	18,569	-6.9%
Total	**26,920**	**34,672**	**-22.4%**

15. Customer deposits

in EUR million	Sep 09	Dec 08	Change
Savings deposits	53,025	49,532	7.1%
Sundry	60,292	59,773	0.9%
Total	**113,317**	**109,305**	**3.7%**

16. Provisions

in EUR million	Sep 09	Dec 08	Change
Long-term employee provisions	1,254	1,249	0.4%
Sundry provisions	416	371	12.1%
Total	**1,670**	**1,620**	**3.1%**

17. Subordinated liabilities

in EUR million	Sep 09	Dec 08	Change
Subordinated issues and deposits	3,011	2,779	8.3%
Supplementary capital	1,996	2,012	-0.8%
Hybrid issues	1,177	1,256	-6.3%
Total	**6,184**	**6,047**	**2.3%**

C. ADDITIONAL INFORMATION

18. Contingent liabilities and other obligations

in EUR million	Sep 09	Dec 08	Change
Contingent liabilities	**20,342**	**15,691**	**29.6%**
Guarantees and warranties	19,923	15,212	31.0%
Other	419	479	-12.5%
Other obligations	**23,410**	**22,436**	**4.3%**
Undrawn credit and loan commitments, promissory notes	23,187	22,149	4.7%
Other	223	287	-22.3%

19. Related party transactions

As of 30 September 2009, Erste Bank AG had outstanding liabilities of EUR 46.1 million (30 September 2008: EUR 47.6 million) and loans of EUR 283.8 million (30 September 2008: EUR 281.8 million) vis-à-vis DIE ERSTE österreichische Spar-Casse Privatstiftung. Furthermore, as of 30 September 2009, conventional market derivative transactions took place between Erste Group and DIE ERSTE österreichische Spar-Casse Privatstiftung for hedging purposes. These were interest rate swaps with cap/floor agreements at the nominal amount of EUR 247.4 million (unchanged versus 30 September 2008).

Legal proceedings

Haftungsverbund/Cross-guarantee system

In 2002, Erste Group Bank formed the Haftungsverbund on the basis of a set of agreements with the majority of the Austrian savings banks. The purpose of the Haftungsverbund was to establish a joint early-warning system as well as a cross-guarantee for certain liabilities of member savings banks and to strengthen the Group's cooperation in the market.

In competition proceedings before the Austrian Cartel Court, both a competitor of Erste Group Bank and the Austrian Federal Competition Authority requested the court to set aside the Haftungsverbund agreements because of an alleged infringement of Article 81 of the EC Treaty.

In March 2007, the Supreme Court issued a decision confirming that the agreements that constitute the Haftungsverbund are for the most part in compliance with Article 81 of the EC Treaty. However, the Supreme Court held certain provisions to be anti-competitive on their merits. In its findings, the Supreme Court did not cite any explicit consequences that needed to be implemented by Erste Group Bank and the other parties. In April 2008, Erste Group Bank and the Cartel Court reached an understanding on the necessary adjustments to be made. This understanding (commitments within the meaning of section 27 Austrian Cartel Act) was challenged by Erste Group Bank’s competitor before the Supreme Court. In October 2008, the Supreme Court set aside the decision of the Cartel Court due to a procedural error and remanded the case to the Cartel Court for reconsideration. Neither the commitments (if they are upheld) nor the preceding decision of the Supreme Court affect the permissibility of the consolidation of the Qualifying Capital of the savings banks as part of Erste Group Bank's balance sheet.

Since 2007, Erste Group Bank has entered into agreements with all Austrian savings banks (with the exception of Allgemeine Sparkasse Oberösterreich) that grant Erste Group Bank, on a contractual basis, a decisive influence on the savings banks and that lead to the establishment of an economic unit (merger) within the meaning of the EC Merger Regulation and the Austrian Cartel Act (Kartellgesetz). These agreements were formally approved by the competition authorities in October 2007, January 2008, May 2008, and January 2009.

With regard to Allgemeine Sparkasse Oberösterreich, there are ongoing negotiations about a continuation and strengthening of the existing relationship between Allgemeine Sparkasse Oberösterreich and Erste Group Bank.

20. Headcount at 30 September 2009

(weighted by degree of employment)

	Sep 09	Dec 08	Change
Employed by Erste Group	**51,012**	**52,648**	**-3.1%**
Austria incl. Haftungsverbund savings banks	16,335	16,278	0.4%
Erste Group, EB Oesterreich and subsidiaries	8,483	8,545	-0.7%
Haftungsverbund savings banks	7,852	7,733	1.5%
Central and Eastern Europe / International	34,677	36,370	-4.7%
Česká spořitelna Group	10,841	10,865	-0.2%
Banca Comercială Română Group	9,198	9,985	-7.9%
Slovenská sporiteľňa Group	4,242	4,953	-14.4%
Erste Bank Hungary Group	3,133	3,255	-3.7%
Erste Bank Croatia Group	2,289	2,061	11.1%
Erste Bank Serbia	912	1,009	-9.6%
Erste Bank Ukraine	1,755	2,120	-17.2%
Other subsidiaries and foreign branch offices	2,307	2,122	8.7%

D. SEGMENT REPORTING

Retail & SME

Erste Bank Oesterreich

The Erste Bank Oesterreich segment includes Erste Bank Oesterreich (particularly the retail and SME business) and its subsidiaries - which primarily include the savings banks in which Erste Bank Oesterreich holds majority stakes (savings banks in Salzburg, Tyrol, Hainburg, Weinviertel) as well as
s Bausparkasse.

The operating result increased by EUR 39.7 million (20.3%), from EUR 195.8 million for the third quarter of 2008 to EUR 235.5 million. An improvement in net interest income and a significant decline in general administrative expenses contributed to this result. Net interest income grew by EUR 31.4 million or 7.0% from EUR 445.5 million in the previous year to EUR 476.9 million, due to strong inflows of customer deposits resulting in lower funding costs and increased margins. The decline in the securities business, which was a result of the slow recovery of customer confidence in the financial markets, together with a weaker result from insurance business, weighed on net commission income. At EUR 218.9 million, this was EUR 16.0 million or 6.8% below the previous year's value of EUR 234.9 million. The net trading result deteriorated by EUR 6.6 million or 48.7%, from EUR 13.5 million to EUR 6.9 million. Operating expenses declined by EUR 30.9 million, from EUR 498.1 million as of the third quarter of 2008 to EUR 467.2 million. The cost/income ratio improved to 66.5% (following 71.8% in the previous year). The EUR 31.7 million or 43.0% increase in risk provisions, from EUR 73.7 million in the previous year to EUR 105.4 million in 2009, was primarily driven by the corporate business. The other result improved by EUR 56.3 million, from EUR -37.1 million to EUR 19.2 million, due to positive revaluations of securities outside of the trading portfolio. Net profit after minorities improved by EUR 36.6 million, from EUR 70.1 million to EUR 106.7 million as of the third quarter of 2009, despite the continuing difficult market conditions. Return on equity grew from 9.7% in the previous year to 12.6%.

Haftungsverbund/Savings Banks

As of the first quarter of 2009, Sparkasse Kufstein was added to the scope of consolidation of the Haftungsverbund. As a result of its acquisition by Erste Bank Oesterreich, Weinviertler Sparkasse was allocated to the Erste Bank Oesterreich segment as of 1 May 2009. However, this has only a minor effect on the comparability of the results.

Net interest income fell by 1.5% or EUR 10.3 million to EUR 692.4 million. The deterioration in the economic environment led to a rise in risk provisions by EUR 57.5 million, from EUR 158.3 million in the previous year to EUR 215.8 million. More than half of the increase was due to higher portfolio provisions as a result of downward rating migration. The EUR 32.5 million improvement in the trading result, from EUR 12.8 million in the previous year to EUR 45.3 million, mainly resulted from income from interest rate derivatives, particularly in the first quarter of 2009. Operating expenses rose from EUR 697.0 million to EUR 704.1 million. Without the changes to the scope of consolidation, costs were slightly down compared to the previous year. The decline in other result, from EUR -44.2 million in the previous year to EUR -114.4 million, was due to impairments on securities outside of the trading portfolio. Net profit after minorities fell by EUR 16.1 million, from EUR 5.4 million as of the third quarter of 2008 to EUR -10.7 million. The cost/income ratio was at 69.0% and therefore improved slightly compared with the previous year's 69.6%.

	Retail & SME[1]		GCIB		Group Markets		Corporate Center	
in EUR million	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**
Net interest income	3,284.1	3,143.2	407.2	329.8	158.8	163.3	-9.1	-62.9
Risk provisions	-1,146.7	-494.6	-216.0	-57.7	0.0	0.0	-86.4	-50.0
Net fee and commission income	1,128.7	1,268.7	113.1	113.8	90.2	114.1	-18.6	-7.5
Net trading result	145.7	95.6	0.4	4.3	342.7	97.5	14.2	-12.5
General administrative expenses	-2,490.0	-2,646.4	-126.1	-126.4	-144.9	-142.9	-119.3	-138.0
Other result	-172.4	-117.9	-32.7	-23.0	0.4	-4.5	-45.1	-124.0
Pre-tax profit	**749.3**	**1,248.4**	**145.8**	**240.9**	**447.1**	**227.5**	**-264.4**	**-394.9**
Taxes on income	-164.7	-259.4	-34.0	-54.0	-83.5	-49.0	12.6	98.0
Post-tax profit from discontinuing operations	0.0	8.4	0.0	0.0	0.0	0.0	0.0	601.8
Minority interests	-73.1	-203.7	3.6	-8.3	-23.5	-12.1	4.8	19.5
Net profit after minorities	**511.5**	**793.6**	**115.4**	**178.6**	**340.1**	**166.4**	**-247.0**	**324.4**
Average risk-weighted assets	74,437.1	72,574.6	26,208.2	22,982.2	3,250.8	1,901.9	3,011.8	3,028.0
Average attributed equity	4,109.7	3,288.3	2,058.9	1,400.1	331.7	184.0	2,823.2	4,108.4
Cost/income ratio	**54.6%**	**58.7%**	**24.2%**	**28.2%**	**24.5%**	**38.1%**	**>100%**	**>100%**
ROE based on net profit	**16.6%**	**32.2%**	**7.5%**	**17.0%**	**>100%**	**>100%**	**nm**	**10.5%**

	Savings Banks		EB Oesterreich		Austria	
in EUR million	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**
Net interest income	692.4	702.7	476.9	445.5	1,169.3	1,148.3
Risk provisions	-215.8	-158.3	-105.4	-73.7	-321.2	-232.0
Net fee and commission income	282.9	286.0	218.9	234.9	501.8	520.9
Net trading result	45.3	12.8	6.9	13.5	52.2	26.3
General administrative expenses	-704.1	-697.0	-467.2	-498.1	-1,171.3	-1,195.1
Other result	-114.4	-44.2	19.2	-37.1	-95.2	-81.4
Pre-tax profit	**-13.7**	**102.0**	**149.3**	**85.0**	**135.6**	**187.0**
Taxes on income	-0.1	-37.0	-34.1	-18.5	-34.2	-55.5
Post-tax profit from discontinuing ops	0.0	0.0	0.0	4.9	0.0	4.9
Minority interests	3.1	-59.5	-8.5	-1.3	-5.4	-60.8
Net profit after minorities	**-10.7**	**5.4**	**106.7**	**70.1**	**96.0**	**75.6**
Average risk-weighted assets	24,425.6	24,409.6	13,977.4	14,142.3	38,403.1	38,551.9
Average attributed equity	297.6	224.6	1,130.8	966.6	1,428.4	1,191.2
Cost/income ratio	**69.0%**	**69.6%**	**66.5%**	**71.8%**	**68.0%**	**70.5%**
ROE based on net profit	**nm**	**3.2%**	**12.6%**	**9.7%**	**9.0%**	**8.5%**

[1] The Retail & SME segment comprises the subsegments Austria (which is further subdivided into Erste Bank Oesterreich and Savings Banks) Czech Republic, Romania, Slovakia, Hungary, Croatia, Serbia and Ukraine.

	Czech Republic		Romania		Slovakia		Hungary	
in EUR million	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**
Net interest income	806.6	794.2	577.6	542.5	281.8	256.2	253.8	211.4
Risk provisions	-187.8	-78.3	-319.7	-69.6	-105.8	-41.3	-117.6	-46.0
Net fee and commission income	310.3	311.4	113.4	192.5	76.9	78.5	61.4	100.1
Net trading result	33.1	8.4	18.2	24.1	7.0	8.5	22.8	10.3
General administrative expenses	-530.5	-566.9	-286.7	-352.3	-194.6	-189.0	-158.6	-176.8
Other result	-74.6	-74.0	25.3	40.9	-29.8	-10.3	8.6	0.7
Pre-tax profit	**357.1**	**394.7**	**128.3**	**378.2**	**35.5**	**102.5**	**70.4**	**99.7**
Taxes on income	-71.9	-80.8	-21.8	-62.8	-7.1	-18.0	-17.3	-25.5
Post-tax profit from discontinuing ops	0.0	8.0	0.0	-4.5	0.0	0.0	0.0	0.0
Minority interests	-7.5	-9.7	-37.2	-100.4	-0.4	0.0	0.0	-0.1
Net profit after minorities	**277.8**	**312.1**	**69.2**	**210.5**	**28.0**	**84.4**	**53.0**	**74.2**
Average risk-weighted assets	11,207.7	11,303.8	9,756.5	9,150.6	5,423.3	4,074.2	4,734.0	4,588.0
Average attributed equity	997.3	799.9	552.8	441.1	452.0	290.7	390.8	316.9
Cost/income ratio	**46.1%**	**50.9%**	**40.4%**	**46.4%**	**53.2%**	**55.1%**	**46.9%**	**54.9%**
ROE based on net profit	**37.1%**	**52.0%**	**16.7%**	**63.6%**	**8.3%**	**38.7%**	**18.1%**	**31.2%**

	Croatia		Serbia		Ukraine		Total group[1]	
in EUR million	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**	**1-9 09**	**1-9 08**
Net interest income	152.5	144.3	22.0	24.1	20.5	22.2	3,840.9	3,573.3
Risk provisions	-41.5	-15.9	-6.1	-4.3	-47.0	-7.3	-1,449.2	-602.3
Net fee and commission income	56.1	57.6	8.1	5.4	0.6	2.3	1,313.3	1,489.0
Net trading result	5.5	11.4	2.2	2.3	4.6	4.3	503.0	184.9
General administrative expenses	-97.8	-96.4	-23.1	-25.1	-27.3	-44.8	-2,880.3	-3,053.7
Other result	-4.8	1.7	-0.9	4.3	-1.0	0.2	-249.8	-269.4
Pre-tax profit	**69.9**	**102.6**	**2.1**	**6.7**	**-49.6**	**-23.0**	**1,077.9**	**1,321.8**
Taxes on income	-13.8	-20.7	-0.3	0.4	1.8	3.6	-269.6	-264.4
Post-tax profit from discontinuing ops	0.0	0.0	0.0	0.0	0.0	0.0	0.0	610.2
Minority interests	-22.0	-31.1	-0.6	-1.7	0.0	0.0	-88.2	-204.6
Net profit after minorities	**34.1**	**50.8**	**1.2**	**5.4**	**-47.8**	**-19.4**	**720.1**	**1,463.0**
Average risk-weighted assets	3,600.1	3,559.6	741.8	808.4	570.7	538.0	106,907.9	100,486.6
Average attributed equity	190.8	161.9	49.1	43.4	48.5	43.0	9,323.5	8,980.8
Cost/income ratio	**45.7%**	**45.2%**	**71.7%**	**78.9%**	**>100%**	**>100%**	**50.9%**	**58.2%**
ROE based on net profit	**23.9%**	**41.8%**	**3.4%**	**16.6%**	**nm**	**nm**	**10.3%**	**21.7%**

[1] Total group, which reflects Erste Group's consolidated results, is divided into four segments: Retail & SME, Group Corporate and Investment Banking (GCIB), Group Markets (GM) and Corporate Center (CC).

Central and Eastern Europe

The Central and Eastern Europe segment includes the results of the retail and SME business of Česká spořitelna, Slovenská sporiteľňa, Erste Bank Hungary, Banca Comercială Română, Erste Bank Croatia, Erste Bank Serbia and Erste Bank Ukraine. The contributions from the Group Markets and Group Corporate and Investment Banking business divisions are shown in the relevant segments.

Czech Republic

Net interest income from the Czech retail and SME business rose by EUR 12.4 million or 1.6% (currency-adjusted 7.5%), from EUR 794.2 million in the previous year to EUR 806.6 million. This was driven by the continuing inflow of savings deposits, as well as selective growth in the lending business. The net interest income was negatively influenced by declining market interest rates (2-week repo rate), which fell from 3.75% in the previous year to 1.25%. Net commission income declined by 0.4%, from EUR 311.4 million to EUR 310.3 million this year. However, on a currency-adjusted basis, the result improved by 5.4%, particularly due to improvements in the lending and payment transactions business. Due to the currency trend, operating expenses declined by EUR 36.4 million or 6.4% to EUR 530.5 million. On a currency-adjusted basis, operating expenses declined by 1.0% compared to the previous year as a result of cost reduction measures. The improved trading result (EUR 33.1 million following EUR 8.4 million in the previous year) was primarily due to the foreign exchange business.

Overall, the operating result grew to EUR 619.5 million and was EUR 72.5 million or 13.3% (currency-adjusted: +19.9%) above the previous year's value of EUR 547.0 million. The significant, EUR 109.5 million increase in risk provisions, from EUR 78.3 million in the previous year to EUR 187.8 million, reflected the increased provisioning requirement – particularly in the SME business – as a result of the economic downturn. At EUR -74.6 million, the other result remained stable compared to the previous year. However, on a currency-adjusted basis there was a decline of 6.7%, which was due to fair value adjustments in the securities portfolio and with real estate investments. Net profit after minorities showed a decline of EUR 34.3 million or 11.0% (currency-adjusted: -5.8%) to EUR 277.8 million following EUR 312.1 million as of the third quarter of 2008. The cost/income ratio stood at 46.1% (50.9% in 2008), while return on equity equalled 37.1% (previous year: 52.0%).

Romania

Strong lending growth in the first three quarters of 2008 materially contributed to the increase in net interest income of Banca Comercială Română, which rose from EUR 542.5 million to EUR 577.6 million in the third quarter of 2009 (+6.5%, currency-adjusted +23.4%). The declining trading result (from EUR 24.1 million by EUR -5.9 million to EUR 18.2 million) reflected negative valuation effects as a result of the RON devaluation, particularly in the first and second quarter of 2009. Net commission income fell by EUR 79.1 million or 41.1% (currency-adjusted: -31.7%), from EUR 192.5 million to EUR 113.4 million. On the one hand, the significant decline was due to lower payment transaction fees. On the other, the strong decline in the lending business from the fourth quarter of 2008 had a corresponding negative effect on fees from the lending business. Higher operating expenses due to the expansion of the branch network (+50 new branches vs 2008) and IT costs that rose year-on-year were more than offset by lower personnel expenses. As a result, operating expenses overall fell by 18.6% (currency-adjusted: -5.7%), from the previous year's EUR 352.3 million to EUR 286.7 million.

The EUR 15.6 million decline in the other result, from EUR 40.9 million to EUR 25.3 million, was due to positive one-off effects from the sale of a participation in the third quarter of 2008, as well as impairments on moveable assets during the third quarter of 2009. The very solid operating result of EUR 422.6 million – up 20.4 % on a currency-adjusted basis – was achieved against the backdrop of a EUR 250.1 million rise in risk provisions – particularly for the retail portfolio – from EUR 69.6 million as of the third quarter of 2008 to EUR 319.7 million. However, comparability between these figures was affected by the release of a general reserve amounting to EUR 25.2 million in the previous year. The increase in risk provisions was due to the general market trend over the past months (financial crisis, higher unemployment, devaluation of RON against EUR). Net profit after minorities declined by EUR 141.3 million or 67.1% (currency adjusted: -61.9%) from EUR 210.5 million in the previous year to EUR 69.2 million. The cost/income ratio improved from 46.4% in 2008 to 40.4%; return on equity was 16.7%.

Slovakia

Net interest income for the Slovakian retail and SME business was up EUR 25.6 million or 10.0% (currency-adjusted: +4.8%) to EUR 281.8 million driven by growth in retail loans and deposits offsetting several interest rate reductions – as a result of the euro introduction and financial trends. Net commission income amounted to EUR 76.9 million, down 2.0% (currency-adjusted: -6.6%), compared to EUR 78.5 million in the previous year. This decline was due to the anticipated lower commissions from the foreign exchange business and wealth management, but also driven by the ban on charging fees for cash transactions in the aftermath of the euro introduction (until 30 August 2009). The reasons for the EUR 1.5 million decline in the trading result compared with 2008 (from EUR 8.5 million to EUR 7.0 million) lay in the discontinuation of foreign exchange business after the Euro introduction. The increase in risk provisions reflected the deterioration in the market environment compared to 2008. At EUR 105.8 million, these more than doubled compared to the previous year (EUR 41.3 million). Operating expenses increased by EUR 5.6 million or 3.0% from EUR 189.0 million to EUR 194.6 million. On a currency-adjusted basis (-1.9%), the rise in IT costs was offset by lower personnel expenses. The decline in

other result by EUR 19.5 million from EUR -10.3 million in the previous year to EUR -29.8 million was mainly due to revaluation requirements in the AfS portfolio as well as costs for legal proceedings. Net profit after minorities amounted to EUR 28.0 million, down 66.8% compared to 2008, while the return on equity was 8.3%. The cost/income ratio improved to 53.2%, compared 55.1% in 2008.

Hungary

In the Hungarian retail and SME business, net interest income increased from EUR 211.4 million in the previous year to EUR 253.8 million (+20.0% or currency-adjusted: +37.7%) – primarily due to improvements in margins and the strong loan growth in 2008. The decline in net commission income by EUR 38.7 million or 38.6% (currency-adjusted: -29.6%) from EUR 100.1 million in the previous year to EUR 61.4 million was due to lower contributions from the securities and lending businesses. Supported by the doubling of the trading result from EUR 10.3 million in the previous year to EUR 22.8 million, the operating result grew by 23.6% (currency-adjusted: +41.9%), from EUR 145.1 million to EUR 179.4 million. At EUR 158.6 million, operating expenses were down by EUR 18.2 million or 10.3% (currency-adjusted: +3.0%) on the previous year. Personnel expenses remained stable. The cost/income ratio declined significantly, from 54.9% as of the third quarter of 2008 to 46.9%. The general economic situation in Hungary and the associated weakening of the currency - mainly in the first and second quarter 2009 - also led to a rise in risk provisions at Erste Bank Hungary, from EUR 46.0 million in the previous year to EUR 117.6 million. The rise in other result by EUR 7.9 million, from EUR 0.7 million in the previous year to EUR 8.6 million, was primarily due to income from the sale of real estate in the second quarter of 2009. Net profit after minorities deteriorated by 28.6% (currency-adjusted: -18.1%), from EUR 74.2 million to EUR 53.0 million. Return on equity stood at 18.1%.

Croatia

Net interest income in the Croatian retail and SME business increased from EUR 144.3 million in the third quarter of 2008 to EUR 152.5 million (+5.7% or currency-adjusted +7.6%). In addition to the continuing, satisfactory business trend, the first time inclusion of Erste Bank Podgorica also contributed to this from the second quarter of 2009 onward. Its contribution to the operating result was EUR 3.5 million. Erste Bank Podgorica has total assets of EUR 179.5 million, operates 14 branches and employs 212 staff. Net commission income declined by 2.4% (currency-adjusted: -0.7%), from EUR 57.6 million in the previous year EUR 56.1 million. The main cause of this was a weaker securities business. Due to the decline in the foreign exchange business at Erste Bank Croatia, as well as in Erste Card Club, the net trading result fell by EUR 5.9 million or 51.7% (currency-adjusted: -50.8%) from EUR 11.4 million in 2008 to EUR 5.5 million. Due to higher office and IT costs, operating expenses rose slightly (+1.4% or currency-adjusted +3.3%), from EUR 96.4 million in the previous year to EUR 97.8 million. Compared to 2008 the cost/income ratio remained stable at 45.7%. Net profit after minorities declined from EUR 50.8 million in the previous year to EUR 34.1 million (-32.8% or currency-adjusted -31.6%). Return on equity fell from 41.8% as of third quarter of 2008 to 23.9%.

Serbia

Net interest income of Erste Bank Serbia fell from EUR 24.1 million in the previous year to EUR 22.0 million as of the third quarter of 2009 (-9.0% or currency-adjusted +6.9%). Risk costs were up by EUR 1.8 million, from EUR 4.3 million in the previous year to EUR 6.1 million, and reflected the general economic trend. Net commission income increased by 49.0% (currency-adjusted: +75.0%), from EUR 5.4 million to EUR 8.1 million thanks to stable payment transaction commissions and significant improvements in the lending business. The net trading result of EUR 2.2 million was slightly below last year's figure of EUR 2.3 million. The currency-adjusted increase in the net trading result of 16.1% was driven by an improvement in the foreign exchange business. Operating expenses declined by EUR 2.0 million or 7.8% to EUR 23.1 million in 2009. However, the rise of 8.3% on a currency-adjusted basis resulted primarily from higher personnel expenses. The cost/income ratio improved from 78.9% to 71.7%. The operating result advanced by 35.9% (currency-adjusted: +59.6%), from EUR 6.7 million in the previous year to EUR 9.1 million. Nevertheless, net profit after minorities declined to EUR 1.2 million, down by EUR 4.2 million on the previous year. The reason for this was the positive effect from the sale of a participation in the first half of 2008, reflected in the other result. Return on equity amounted to 3.4%.

Ukraine

Erste Bank Ukraine improved its operating result compared with the previous year by EUR 14.3 million, from EUR -15.9 million to EUR -1.6 million (+89.7% or currency-adjusted +84.7%). This was mainly achieved through a EUR 17.5 million reduction in operating expenses from EUR 44.8 million in the previous year to EUR 27.3 million (-39.0% or currency-adjusted -9.3%). At the same time, net interest income fell from EUR 22.2 million in the previous year to EUR 20.5 million (-8.0%). On a currency-adjusted basis, net interest income posted an increase of 36.8%, which was due to the previous year's loan growth. The reduction in net commission income from EUR 2.3 million in 2008 to EUR 0.6 million mainly resulted from the lack of new lending business during the current business year. The trading result grew from EUR 4.3 million as of the third quarter of 2008 to EUR 4.6 million. The substantial, EUR 39.7 million increase in risk provisions to EUR 47.0 million this year was mainly related to the deterioration of the loan portfolio, in line with the market trend in Ukraine. Overall, net profit after minorities fell by EUR 28.4 million from EUR -19.4 million in the previous year to EUR -47.8 million in 2009.

Group Corporate & Investment Banking (GCIB)

The Group Corporate & Investment Banking segment includes the large corporate business, with those companies that are active in the markets of Erste Group and generate sales of more than EUR 175.0 million, as well as the equity capital markets business. This segment also includes the International business (without treasury activities), the real estate business of the Erste Group with large corporate customers and the leasing subsidiary, Immorent.

The increase in net interest income by EUR 77.4 million or 23.5%, from EUR 329.8 million as of the third quarter of 2008 to EUR 407.2 million, was mainly achieved through a consistent pricing policy. At EUR 113.1 million, net commission income remained stable compared to the previous year (EUR 113.8 million) despite difficult market conditions. This also applied to general administrative expenses, which stood at EUR 126.1 million as of the third quarter of 2009, compared to EUR 126.4 million in 2008. As a result, the operating result rose significantly, from by 22.7% from EUR 321.5 million to EUR 394.5 million. The substantial increase in risk provisions from EUR 57.7 million to EUR 216.0 million reflected the negative market environment. As a result of this, net profit after minorities declined by 35.4%, from EUR 178.6 million to EUR 115.4 million. The fall in other result by EUR 9.7 million or 42.1%, from EUR -23.0 million in the previous year to EUR -32.7 million was mainly due to negative revaluation requirements in the International Business division. The cost/income ratio improved from 28.2% in the previous year to 24.2%. Return on equity stood at 7.5%.

Group Markets

The Group Markets segment combines the Group Treasury and Debt Capital Markets business divisions and, in addition to the Treasury of Erste Bank Group AG, also includes the business divisions of the CEE units, the Treasury activities of the foreign branches in Hong Kong and New York, as well as the results of Erste Asset Management (formerly Sparinvest KAG).

The operating result in the Group Markets segment increased by 92.6% compared to the previous year, from EUR 232.0 million to EUR 446.8 million, driven primarily by the very positive development in the net trading result in virtually all business segments. The customer business accounted for about 50% of the the net treding result. At EUR 158.8 million, net interest income was EUR 4.5 million or 2.8% below the previous year's EUR 163.3 million. The fall in net commission income by EUR 23.9 million or 21.0%, from EUR 114.1 million as of the third quarter of 2008 to EUR 90.2 million was due to by market-related declines, particularly in the investment fund business. At EUR 144.9 million, operating expenses were only 1.4% above the previous year's EUR 142.9 million. The cost/income ratio improved significantly from 38.1% to 24.5%. At EUR 340.1 million, net profit after minorities more than doubled compared to the previous year's EUR 166.4 million. Following 120.6% in the previous year, return on equity reached 136.7%.

Corporate Center

The Corporate Center segment includes results from companies that cannot be assigned directly to a specific business segment, profit consolidation between the segments, linear depreciation on the customer relationships mainly for BCR, Erste Card Club and Ringturm KAG as well as one-off effects which cannot be assigned to a specific business segment without distorting comparability.

In addition, the asset/liability management of Erste Group Bank AG (Holding) is also attributed to this segment. The results of the local asset/liability management units continue to be allocated to the respective individual segments.

The improvement in net interest income was achieved through positive contributions from the unwinding effect (EUR 85.6 million) and higher investment income (particularly from the issuance of participation capital). Overall, the unwinding effect (compound-interest effect from expected cash flows from non-performing loans and advances to customers) does not affect the result, as the positive effect in net interest income simultaneously results in higher risk provisions for the same amount. The development in net commission income and general administrative expenses is mainly due to profit consolidation of banking support operations. The significant improvement in the trading result was mainly driven by the positive development of hedging transactions. The other result included the required linear depreciation of the value of BCR's customer relationships, as well as the customer relationship depreciation of Erste Card Club and Ringturm KAG, totaling EUR 51.9 million, as well as revaluation requirements from the fair value portfolio.

The "Net profit from discontinued operations" line item amounting to EUR 601.8 million in 2008 encompasses the net profit after minorities, which resulted from the sale of the insurance business to Vienna Insurance Group in September 2008.

E. RISK REPORT *

LOAN BOOK BY REPORTING SEGMENT OF ERSTE GROUP

	Low risk		Mgmt attention		Substandard		Non-performing		Total loan book		Risk provisions		NPL coverage		NPL ratio	
in EUR million	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08
Retail & SME	**78,036**	**79,659**	**18,527**	**16,399**	**5,038**	**3,701**	**7,251**	**5,398**	**108,851**	**105,156**	**4,023**	**3,394**	**55.5%**	**62.9%**	**6.7%**	**5.1%**
Austria	**45,515**	**47,402**	**10,178**	**8,211**	**1,606**	**1,228**	**4,052**	**3,682**	**61,352**	**60,523**	**2,052**	**1,963**	**50.6%**	**53.3%**	**6.6%**	**6.1%**
EB Oesterreich	21,147	22,341	3,155	2,520	414	278	1,289	1,161	26,005	26,300	612	618	47.5%	53.2%	5.0%	4.4%
Savings Banks	24,368	25,062	7,023	5,691	1,192	949	2,763	2,521	35,346	34,223	1,439	1,345	52.1%	53.4%	7.8%	7.4%
CEE	**32,520**	**32,256**	**8,349**	**8,188**	**3,432**	**2,473**	**3,199**	**1,715**	**47,500**	**44,633**	**1,971**	**1,431**	**61.6%**	**83.4%**	**6.7%**	**3.8%**
Czech Republic	13,753	13,267	2,548	1,985	618	370	752	477	17,672	16,100	482	322	64.1%	67.4%	4.3%	3.0%
Romania	5,739	6,210	2,536	2,805	1,730	1,405	1,186	499	11,191	10,920	633	531	53.4%	106.4%	10.6%	4.6%
Slovakia	4,250	4,079	728	672	305	218	403	272	5,686	5,241	310	222	77.0%	81.6%	7.1%	5.2%
Hungary	5,440	5,582	929	1,101	376	240	490	246	7,235	7,169	227	123	46.3%	49.8%	6.8%	3.4%
Croatia	3,017	2,634	1,240	1,142	240	168	256	181	4,753	4,125	214	168	83.5%	92.6%	5.4%	4.4%
Serbia	214	242	200	174	10	17	35	28	459	462	42	35	119.0%	125.3%	7.7%	6.1%
Ukraine	108	242	168	308	152	55	76	12	504	616	62	31	81.9%	264.9%	15.1%	1.9%
GCIB	**13,716**	**15,626**	**4,308**	**3,436**	**1,426**	**586**	**879**	**463**	**20,329**	**20,111**	**392**	**243**	**44.6%**	**52.5%**	**4.3%**	**2.3%**
Group Markets	**182**	**400**	**1**	**57**	**0**	**11**	**0**	**24**	**183**	**493**	**1**	**1**	**>100.0%**	**3.5%**	**0.0%**	**4.9%**
Corporate Center	**473**	**348**	**109**	**78**	**5**	**0**	**4**	**0**	**591**	**426**	**198**	**58**	**>100.0%**	**>100.0%**	**0.7%**	**0.0%**
Total group	**92,407**	**96,033**	**22,945**	**19,969**	**6,468**	**4,298**	**8,134**	**5,885**	**129,954**	**126,185**	**4,613**	**3,696**	**56.7%**	**62.8%**	**6.3%**	**4.7%**

*) Key definitions

Low risk: The borrower demonstrates a strong repayment capacity. New business is generally with clients in this risk class.

Management attention: The borrower's financial situation is in effect good, but his repayment ability may be negatively affected by unfavourable economic conditions. New business with clients in this risk class requires adequate structuring (securing) of the credit risks.

Substandard: The borrower is vulnerable to negative financial and economic impacts; such loans are managed in specialised risk management departments.

Non-performing: One or more of the default criteria under Basel II are met: full repayment unlikely, interest or principal payments on a material exposure more than 90 days past due, restructuring resulting in a loss to the lender, realisation of a loan loss, or opening of bankruptcy proceedings.

NPL ratio: non-performing loans as a percentage of customer loans outstanding (total loan book).

NPL coverage ratio: risk provisions as a percentage of non-performing loans.

LOAN BOOK BY COUNTRY OF ORIGINATION OF ERSTE GROUP

in EUR million	Low risk		Mgmt attention		Substandard		Non-performing		Total loan book			
	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Share of total	Dec 08	Share of total
Core market	**85,276**	**88,428**	**20,990**	**18,493**	**5,956**	**3,923**	**7,427**	**5,443**	**119,649**	**92.1%**	**116,287**	**92.2%**
Austria	46,840	48,746	9,361	7,724	1,609	1,166	3,689	3,480	61,499	47.3%	61,116	48.4%
Croatia	4,280	4,079	2,006	1,533	253	171	314	187	6,853	5.3%	5,969	4.7%
Romania	6,314	7,387	3,149	3,216	1,963	1,451	1,266	529	12,692	9.8%	12,583	10.0%
Serbia	240	383	298	250	10	17	66	40	615	0.5%	689	0.5%
Slovakia	4,906	4,756	886	882	351	235	434	278	6,578	5.1%	6,151	4.9%
Slovenia	1,286	1,461	192	229	161	92	154	80	1,794	1.4%	1,862	1.5%
Czech Republic	15,202	14,861	3,334	2,793	950	489	868	537	20,354	15.7%	18,680	14.8%
Hungary	6,094	6,359	1,242	1,422	496	247	537	300	8,369	6.4%	8,327	6.6%
Ukraine	113	397	521	445	162	55	100	12	897	0.7%	909	0.7%
Other EU	**4,842**	**4,900**	**1,267**	**864**	**254**	**62**	**422**	**288**	**6,785**	**5.2%**	**6,114**	**4.8%**
Other industrialised countries	**1,473**	**1,678**	**328**	**338**	**180**	**308**	**175**	**128**	**2,156**	**1.7%**	**2,452**	**1.9%**
Emerging markets	**815**	**1,022**	**360**	**273**	**78**	**5**	**111**	**25**	**1,363**	**1.0%**	**1,325**	**1.1%**
Southeastern Europe / CIS	591	728	196	79	66	1	93	8	946	0.7%	816	0.6%
Asia	82	84	32	53	5	3	7	0	126	0.1%	141	0.1%
Latin America	93	121	44	69	7	0	8	8	151	0.1%	198	0.2%
Middle East / Africa	48	89	87	72	1	0	4	9	140	0.1%	171	0.1%
Total	**92,407**	**96,033**	**22,945**	**19,969**	**6,468**	**4,298**	**8,134**	**5,885**	**129,954**	**100.0%**	**126,185**	**100.0%**
Share of total	**71.1%**	**76.1%**	**17.7%**	**15.8%**	**5.0%**	**3.4%**	**6.3%**	**4.7%**	**100.0%**		**100.0%**	
Risk provisions									**4,613**		**3,696**	

LOAN BOOK BY INDUSTRY SECTOR OF ERSTE GROUP

in EUR million	Low risk		Mgmt attention		Substandard		Non-performing		Total loan book			
	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Dec 08	Sep 09	Share of total	Dec 08	Share of total
Agriculture and forestry	1,059	993	583	532	142	134	144	128	1,929	1.5%	1,787	1.4%
Mining	523	567	88	46	13	6	84	11	708	0.5%	629	0.5%
Manufacturing	6,068	7,582	3,211	2,516	1,067	671	934	627	11,280	8.7%	11,396	9.0%
Energy and water supply	1,650	1,715	467	337	82	85	100	71	2,299	1.8%	2,208	1.7%
Construction	3,484	3,300	1,531	1,277	647	400	497	335	6,160	4.7%	5,312	4.2%
Development of building projects	1,058	783	393	209	312	197	49	17	1,813	1.4%	1,205	1.0%
Trade	5,507	5,926	2,430	2,655	654	383	889	660	9,480	7.3%	9,624	7.6%
Transport and communication	2,515	2,878	1,032	1,062	306	304	380	237	4,232	3.3%	4,482	3.6%
Hotels and restaurants	1,831	2,115	1,526	1,133	319	253	536	451	4,212	3.2%	3,953	3.1%
Financial and insurance services	6,220	7,569	783	939	291	87	307	185	7,601	5.8%	8,781	7.0%
Holding companies	1,250	1,380	212	268	118	25	54	38	1,635	1.3%	1,711	1.4%
Real estate and housing	13,354	13,210	3,763	3,484	768	378	775	559	18,660	14.4%	17,631	14.0%
Services	3,400	3,487	1,195	1,003	227	165	496	416	5,318	4.1%	5,071	4.0%
Public administration	6,332	5,216	445	396	9	11	5	9	6,791	5.2%	5,632	4.5%
Education, health and art	1,953	1,913	518	455	138	159	136	122	2,745	2.1%	2,649	2.1%
Private households	38,484	39,472	5,358	4,055	1,798	1,253	2,851	2,073	48,491	37.3%	46,853	37.1%
Other	26	22	15	12	7	8	1	0	48	0.0%	42	0.0%
Total	**92,407**	**96,033**	**22,945**	**19,969**	**6,468**	**4,298**	**8,134**	**5,885**	**129,954**	**100.0%**	**126,185**	**100.0%**
Share of total	**71.1%**	**76.1%**	**17.7%**	**15.8%**	**5.0%**	**3.4%**	**6.3%**	**4.7%**	**100.0%**		**100.0%**	
Risk provisions									**4,613**		**3,696**	

LOAN BOOK BY CUSTOMER SEGMENT, RISK CATEGORY AND CURRENCY OF ERSTE GROUP

in EUR million	Dec 08	Mar 09	Jun 09	Sep 09
Customer segment split				
Retail - Private individuals	46,382	46,197	46,972	47,840
Retail - Micros	13,065	13,402	13,654	13,814
Corporates	60,724	60,830	61,412	61,606
Public sector	6,014	5,908	6,072	6,694
Total	**126,185**	**126,337**	**128,110**	**129,954**
Asset quality overview				
Low risk	96,033	91,368	91,158	92,407
Mgmt attention	19,969	22,423	23,745	22,945
Substandard	4,298	5,929	5,605	6,468
Non-performing	5,885	6,615	7,603	8,134
Total	**126,185**	**126,336**	**128,110**	**129,954**
Currency overview				
CEE-LCY			25,518	26,090
CHF			16,036	15,861
EUR			80,585	82,400
USD			3,931	3,542
Other			2,040	2,061
Total			**128,110**	**129,954**
Key asset quality ratios				
NPL ratio	4.7%	5.2%	5.9%	6.3%
NPL coverage (exc collateral)	62.8%	59.3%	55.2%	56.7%

F. OWN FUNDS AND CAPITAL REQUIREMENTS

in EUR million	Sep 09	Dec 08
Subscribed capital	2,400	634
thereof share capital	636	634
thereof participation capital	1,764	0
Reserves	6,491	6,482
Deduction of Erste Group Bank shares held within the group	-689	-761
Consolidation difference	-2,622	-2,540
Minority interests (excluding hybrid tier-1 capital pursuant to section 24 (2) 5 and 6 Banking Act)	3,216	3,083
Hybrid tier-1 capital pursuant to section 24 (2) 5 and 6 Banking Act	1,177	1,256
Intangible assets	-500	-513
Tier-1 capital (before regulatory deductions)	**9,473**	**7,641**
Eligible subordinated liabilities	4,208	4,195
Revaluation reserve	137	140
Excess risk provisions	0	0
Qualifying supplementary capital (Tier-2)	**4,345**	**4,335**
Short-term subordinated capital (Tier- 3)	**398**	**402**
Total qualifying capital	**14,216**	**12,378**
Deductions pursuant to section 23 (13) 3 and 4 (excl. 4a) Banking Act - 50% from tier-1 capital and 50% from tier-2 capital	-600	-386
Deductions pursuant to section 23 (13) 4a Banking Act – 100% from tier-2 capital	-182	-234
Total eligible qualifying capital	**13,434**	**11,758**
Capital requirement	9,858	9,598
Surplus capital	3,576	2,160
Cover ratio (in %)	136.3	122.5
Tier-1 capital (after regulatory deductions)	9,173	7,448
Core tier-1 capital (after regulatory deductions)(1)	7,996	6,192
Tier-1 ratio – credit risk (in %)(2)	8.6	7.2
Core tier-1 ratio – total risk (in %)(3)	6.5	5.2
Tier-1 ratio – total risk (in %)(4)	7.4	6.2
Solvency ratio (in %)(5)	10.9	9.8

The risk-weighted basis pursuant to section 22 (1) of the Banking Act and the resulting capital requirement is shown below:		
Base for the risk pursuant to section 22 (1) 1 Banking Act(6)	106,564	103,663
Base risk pursuant to section 22 (1) 2 Banking Act(7)	4,950	4,958
Base risk pursuant to section 22 (1) 3 Banking Act(8)	25	61
Base risk pursuant to section 22 (1) 4 Banking Act(9)	11,688	11,293
Total risk	123,227	119,975
Capital requirement (8% from total risk)	**9,858**	**9,598**

(1) Core tier-1 capital (after regulatory deductions) is tier-1 capital (excluding hybrid capital pursuant to section 24 (2) 5 and 6 Banking Act) after regulatory deductions.
(2) Tier-1 ratio - credit risk is the ratio of tier-1 capital (including hybrid capital pursuant to section 24 (2) 5 and 6 Banking Act) after regulatory deductions, to the risk weighted assets pursuant to section 22 (2) Banking Act.
(3) Core tier-1 ratio – total risk is the ratio of core tier-1 capital (excluding hybrid capital pursuant to section 24 (2) 5 and 6 Banking Act) after regulatory deductions, to the calculation base for the capital requirement pursuant to section 22 (1) Banking Act.
(4) Tier-1 ratio – total risk is the ratio of tier-1 capital (including hybrid capital pursuant to section 24 (2) 5 and 6 Banking Act) after regulatory deductions, to the calculation base for the capital requirement pursuant to section 22 (1) Banking Act.
(5) Solvency ratio is the ratio of the sum of tier-1, tier-2 and tier-3 capital, after regulatory deductions to the calculation base for the capital requirement pursuant to section 22 (1) Banking Act.
(6) Risk weighted assets – credit risk.
(7) Base for the market risk (trading book).
(8) Base for the commodities risk and foreign exchange-risk, including the risk arising from gold positions, each for positions outside the trading book.
(9) Base for the operational risk.

QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

in EUR million	Q3 09	Q3 08	Change
Interest and similar income	1,846.8	3,698.1	-50.1%
Interest and similar expenses	-513.5	-2,437.3	-78.9%
Income from associates accounted for at equity	2.3	6.5	-64.6%
Net interest income	**1,335.6**	**1,267.3**	**5.4%**
Risk provisions for loans and advances	-557.1	-218.2	>100.0%
Fee and commission income	595.2	614.6	-3.2%
Fee and commission expenses	-170.1	-127.8	33.1%
Net fee and commission income	**425.1**	**486.8**	**-12.7%**
Net trading result	159.9	0.5	>100.0%
General administrative expenses	-920.1	-1,052.1	-12.5%
Other operating result	-114.3	-56.2	>100.0%
Result from financial assets - FV	68.5	-35.0	na
Result from financial assets - AfS	-87.7	-5.1	>100.0%
Result from financial assets - HtM	2.9	-2.0	na
Pre-tax profit from continuing operations	**312.8**	**386.0**	**-19.0%**
Taxes on income	-78.3	-77.2	1.4%
Net profit before minorities from continuing operations	**234.5**	**308.8**	**-24.1%**
Post-tax profit from discontinuing operations	0.0	600.1	na
Net profit before minorities	**234.5**	**908.9**	**-74.2%**
Minority interests	-6.5	-82.5	-92.1%
Net profit after minorities	**228.0**	**826.4**	**-72.4%**

OTHER COMPREHENSIVE INCOME

in EUR million	Q3 09	Q3 08	Change
Net profit before minorities	**234.5**	**908.9**	**-74.2%**
Available for sale - reserve (including currency translation)	698.3	252.7	>100.0%
Cash flow hedge - reserve (including currency translation)	-1.4	37.0	na
Actuarial gains and losses	0.0	0.0	na
Deferred taxes on items recognised in other comprehensive income	-287.6	-78.1	>100.0%
Currency translation	49.7	-217.5	na
Total gains and losses recognised in other comprehensive income	**459.0**	**-5.9**	**na**
Total comprehensive income	**693.5**	**903.0**	**-23.2%**
Shareholder‘s equity	474.5	807.4	-41.2%
Minority interests	219.0	95.6	>100.0%

Quarterly Financial Data

INCOME STATEMENT OF ERSTE GROUP

in EUR million	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
Net interest income	1,267.3	1,339.8	1,226.0	1,279.3	1,335.6
Risk provisions for loans and advances	-218.2	-469.1	-370.2	-521.9	-557.1
Net fee and commission income	486.8	482.1	444.6	443.6	425.1
Net trading result	0.5	-70.2	143.8	199.3	159.9
General administrative expenses	-1,052.1	-948.2	-975.9	-984.3	-920.1
Other operating result	-56.2	-637.8	-39.9	-47.6	-114.3
Result from financial assets - FV	-35.0	-180.7	-44.1	32.0	68.5
Result from financial assets - AfS	-5.1	-202.2	-10.8	-7.9	-87.7
Result from financial assets - HtM	-2.0	-59.3	-0.1	-0.8	2.9
Pre-tax profit from continuing operations	386.0	-745.6	373.4	391.7	312.8
Post-tax profit from discontinuing ops	600.1	29.5	0.0	0.0	0.0
Net profit after minorities	**826.4**	**-603.4**	**232.1**	**260.0**	**228.0**

BALANCE SHEET OF ERSTE GROUP

in EUR million	Sep 08	Dec 08	Mar 09	Jun 09	Sep 09
Loans and advances to credit institutions	19,088	14,344	12,088	13,800	13,938
Loans and advances to customers	125,673	126,185	126,337	128,110	129,954
Risk provisions for loans and advances	-3,699	-3,783	-4,008	-4,311	-4,713
Trading and other financial assets	43,769	41,770	42,775	43,275	42,491
Other assets	24,589	22,925	21,879	23,293	21,883
Total assets	**209,420**	**201,441**	**199,071**	**204,167**	**203,553**
Deposits by banks	37,420	34,672	30,747	29,776	26,920
Customer deposits	110,964	109,305	108,707	113,489	113,317
Debt securities in issue	29,802	30,483	30,951	30,130	30,431
Other liabilities	12,406	9,839	10,536	11,338	12,618
Subordinated liabilities	5,969	6,047	6,070	6,141	6,184
Total equity	12,859	11,095	12,060	13,293	14,083
Shareholders‘ equity	9,728	8,079	8,895	10,098	10,667
Minority interests	3,131	3,016	3,165	3,195	3,416
Total liabilities and equity	**209,420**	**201,441**	**199,071**	**204,167**	**203,553**

SHAREHOLDER EVENTS

10-11 December 2009	7th Capital Markets Day
26 February 2010	Full-year preliminary results 2009
26 March 2010	Publication of Annual report 2009
30 April 2010	Results for the first quarter of 2010
12 May 2010	Annual general meeting
14 May 2010	Record date
17 May 2010	Ex-Dividend Day
19 May 2010	Dividend Payment Day
30 July 2010	Results for the first half year of 2010
30 October 2010	Results for the first three quarters of 2010

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TICKER SYMBOLS

Reuters:	ERST.VI
Bloomberg:	EBS AV
Datastream:	0:ERS
ISIN:	AT0000652011