

Ad hoc release

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Erste Group demonstrates strength in the crisis – operating results increased by 26.6% in the first three quarters – net profit of EUR 720.1 million reflects higher risk costs

- Erste Group posts a **record operating profit** (net interest income, net fee and commission income and net trading result after general administrative expenses) of EUR 2,776.9 million for the first three quarters of 2009. This represents an increase of 26.6% compared to the first three quarters of 2008. Operating income (net interest income, net fee and commission income and net trading result) 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 drivers of the operating income** 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 grew by 3.0% to EUR 130 billion during the first three quarters of 2009 – and stable net interest margins. The net trading result reflected a strong performance of the fixed income business (bond trading, money market business) as well as increases in foreign exchange and equity trading.
- **Risk costs rose** to EUR 1,449.2 million (up 141% on the first three quarters of 2008) or 151 bps of average customer loans. The NPL ratio based on customer loans increased from 5.9% in Q2 2009 to 6.3% in Q3 2009. The coverage ratio (risk provisions to NPLs) increased from 55.2% in Q2 2009 to 56.7% in Q3 2009.
- **Net profit was EUR 720.1 million** in the first three quarters of 2009 compared to EUR 1,463.0 million for the same period in the previous year (EUR 861.7 million adjusted for the proceeds from the sale of the insurance business in 2008). On an adjusted basis, net profit was therefore down by 16.4%.
- **Net profit for the third quarter of 2009** was **EUR 228 million**, a decrease from EUR 260 million in the second quarter of 2009 and basically unchanged from EUR 225.1 million in the third quarter of 2008 (adjusted for discontinued operations).

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