Erste Group Bank AG
H1 2010 results presentation

30 July 2010, Vienna

Andreas Treichl, Chief Executive Officer
Manfred Wimmer, Chief Financial Officer
Bernhard Spalt, Chief Risk Officer

Erste Group business snapshot –
Retail market leadership in the eastern part of the EU

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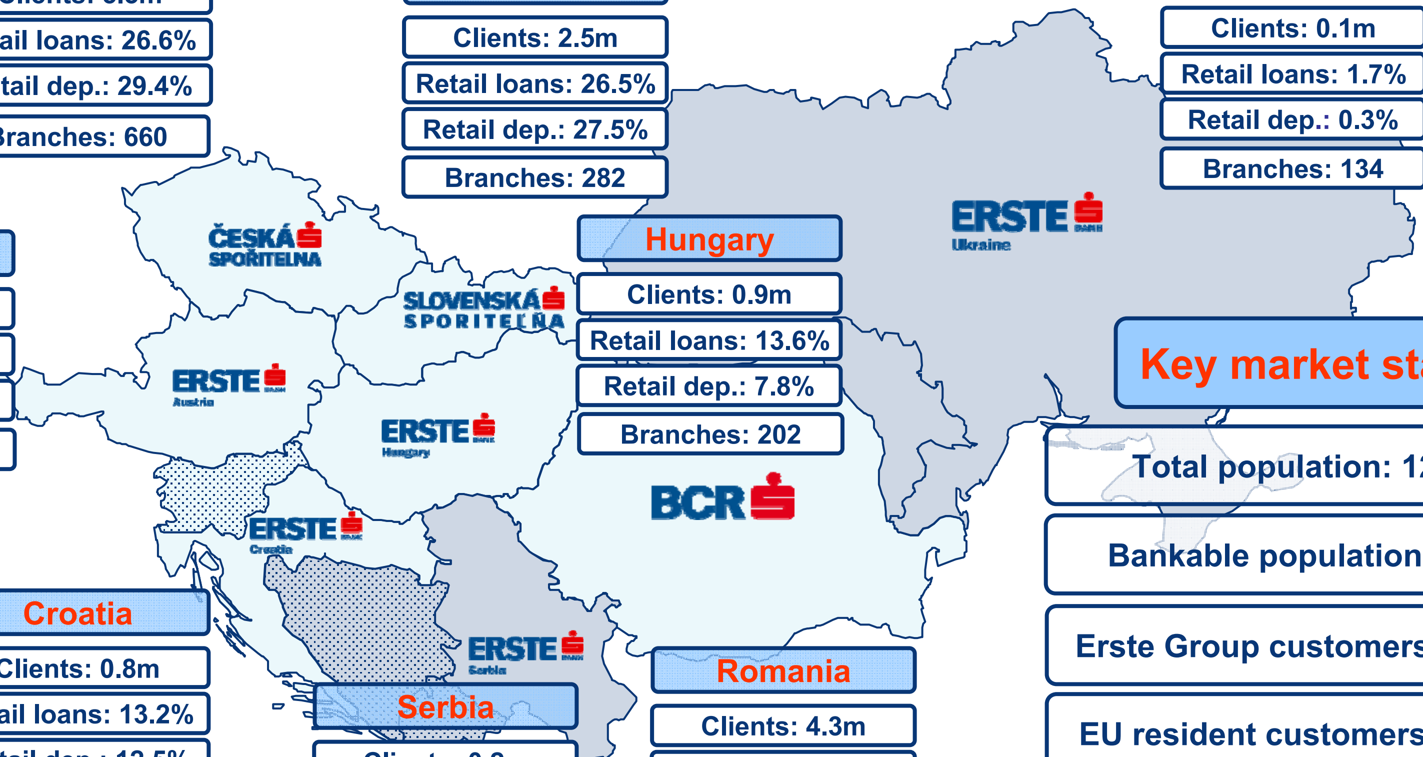

Czech Republic
- Clients: 5.3m
- Retail loans: 26.6%
- Retail dep.: 29.4%
- Branches: 660

Slovakia
- Clients: 2.5m
- Retail loans: 26.5%
- Retail dep.: 27.5%
- Branches: 282

Ukraine
- Clients: 0.1m
- Retail loans: 1.7%
- Retail dep.: 0.3%
- Branches: 134

Austria
- Clients: 3.1m
- Retail loans: 19.1%
- Retail dep.: 19.0%
- Branches: 1,048

Hungary
- Clients: 0.9m
- Retail loans: 13.6%
- Retail dep.: 7.8%
- Branches: 202

Croatia
- Clients: 0.8m
- Retail loans: 13.2%
- Retail dep.: 12.5%
- Branches: 139

Serbia
- Clients: 0.2m
- Retail loans: 3.2%
- Retail dep.: 2.7%
- Branches: 73

Romania
- Clients: 4.3m
- Retail loans: 19.7%
- Retail dep.: 23.0%
- Branches: 668

Key market stats
- Total population: 120m
- Bankable population: 92m
- Erste Group customers: 17.3m
- EU resident customers: 16.1m

EU or-EU candidate country
Non-EU or non-EU candidate country
Indirect presence

Percentage numbers refer to market shares and are as of May 2010. All other data are as of June 2010. Croatia branch numbers include Montenegro.

Macroeconomic trends –
What has changed in CEE in Q2 2010?

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- **Economic growth continued to be driven by exports in Q2 2010**
  - Industrial output increased significantly across the region
  - No improvement of household consumption to date
  - More balanced growth forecast for next year with domestic demand expected to pick up in the region

- **Very strong fiscal commitment in CEE**
  - Measures introduced in Romania, Hungary and the Ukraine in order to meet agreed budget deficit targets
  - Agreements with international organisations enforce fiscal discipline
    - Hungary unlikely to renew loan agreement with IMF

- **Benchmark interest rates at historic lows**
  - Czech Republic: surprising interest rate cut in May to 0.75%
  - Romania (6.25%) and Hungary (5.25%) also lowered rates to unprecedented levels
  - Interest rates are not expected to pick up in near future

- **Return of currency volatility in selected CEE countries**
  - RON reached historic low against the euro
    - In July 2010 RON recovered to 4.2-4.3 range from its historic low vs EUR at the end-June 2010
  - HUF has been weak versus the euro and CHF…
    - … but has largely recovered from its July 2010 trading lows

Macroeconomic trends –
Focus: GDP growth and export shares in CEE

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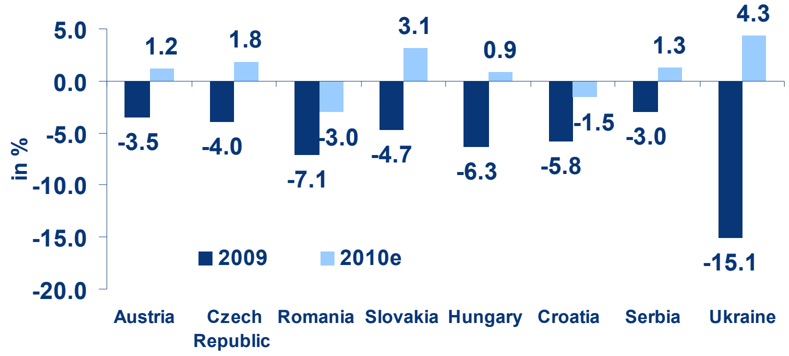
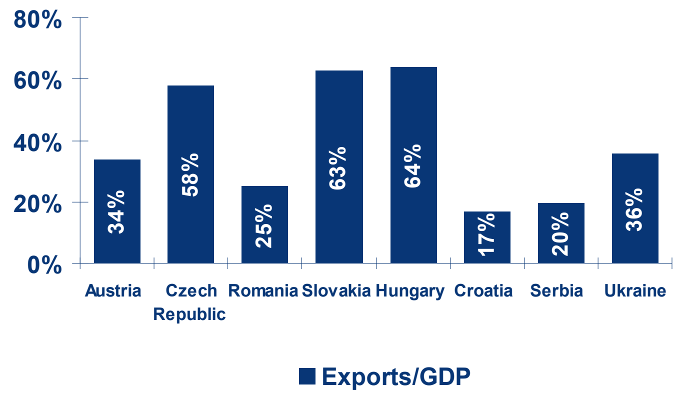
- **Growth is set to return to most CEE countries in 2010**
  - Growth is mainly driven by exports while domestic demand remains weak
  - Romania: VAT increase expected to have negative impact on growth
  - Croatia: continued weak domestic demand
  - Slower recovery in Hungary and Serbia
  - Growth rates in Czech Republic and Slovakia to be around 2-3%, ahead of Eurozone average (2010e: 0.7%)
- **Significant improvement in industrial output thanks to rising exports**
  - Main driver behind recovery
  - Unit labour costs declined in CEE as productivity increased
- **Varying levels export dependency in CEE**
  - In the Czech Republic, Slovakia and Hungary export of goods accounts for 60-65% of GDP
  - Other countries, e.g. Romania, are much more dependent on domestic demand

GDP growth in CEE



Exports to GDP in CEE



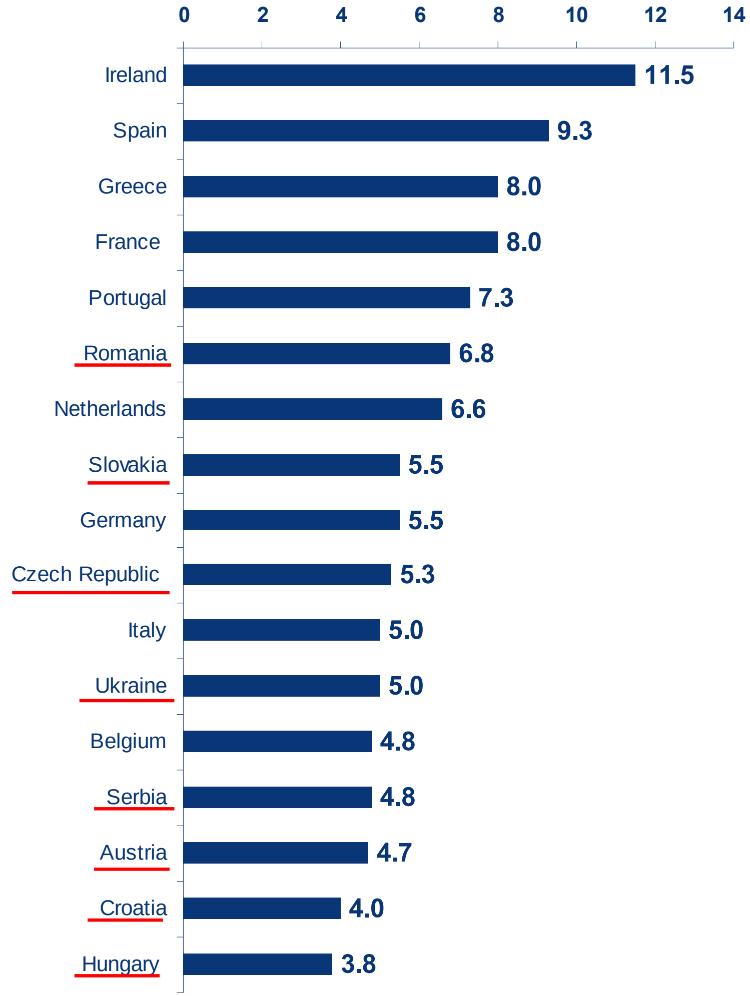
Source: Erste Group Research

Macroeconomic trends –
Focus: CEE public finance update

- **CEE governments have introduced measures to meet agreed fiscal deficit targets**
  - In agreement with international organisations such as the IMF and EBRD
  - Romania aims to cut costs, while boosting revenues
    - Cost cutting measures include: 25% wage cut for public sector employees, 15% cut in social allowances
    - Higher revenues from 5pp VAT increase to 24%
  - Hungary cuts personal income tax and corporate tax for SMEs, but introduces bank tax
    - Bank tax levied at 0.5% of total assets for 2010 and 2011
    - Cost measures: wage cuts for public sector employees
    - Flat personal income tax to be introduced gradually
    - Lower tax for small companies in order to reduce tax evasion and increase revenue intake
  - Ukraine raises energy prices in order to keep deficit under target level of 5%

- **Banking taxation in selected countries**
  - Austria: basis of tax and timing remains uncertain
    - Target amount: EUR 500m
  - Hungary will raise EUR 768m from financial institutions in 2010 and 2011
  - Other CEE countries: no plans in Czech Republic, Romania, Slovakia, Croatia or Serbia

Agreed 2010 fiscal deficit targets in % of GDP

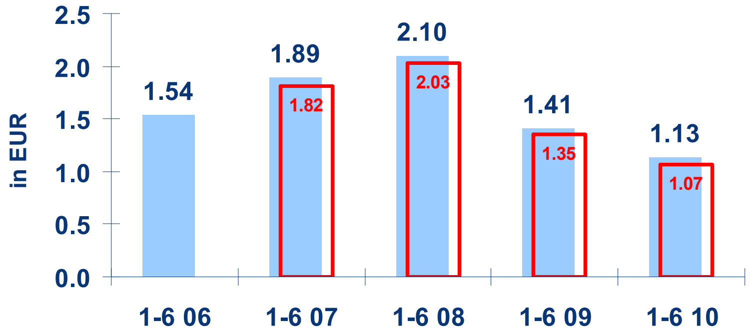


Source: Erste Group Research

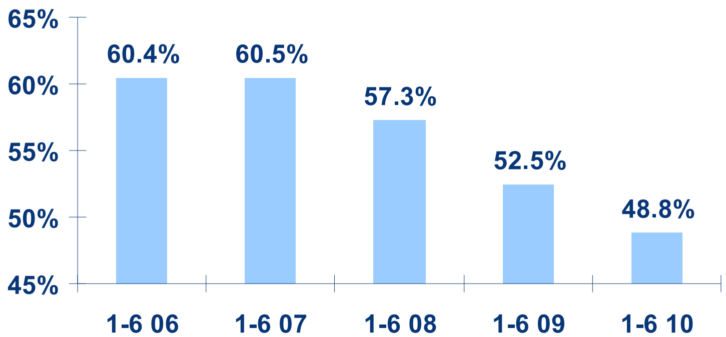
H1 2010 financial highlights –
Solid margins and continued strong operating profitability

- **Net profit declined by 4.1% to EUR 471.9 million**
  - Lower Cash-EPS and Cash-ROE due to substantially enlarged capital base
- **Resilient NIM advances to 3.04% (H1 09: 2.92%)**
  - Stable qoq both in CEE (4.6%) and Austria (2.0%)
  - Slightly down from Q4 09 all-time high of 3.20%
- **Cost/income ratio improved to 48.8%**
  - Operating income remained at record levels
  - Operating costs below H1 09 and Q1 2010 levels

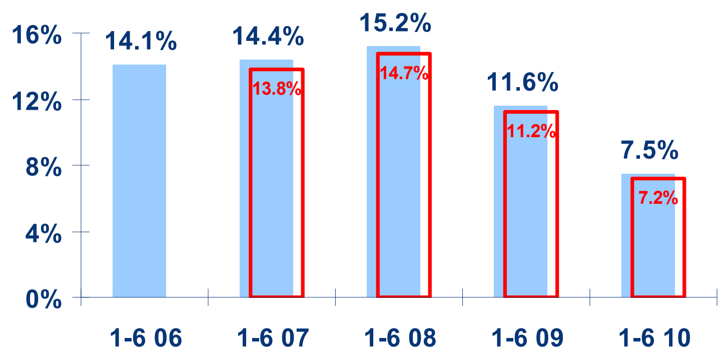
Cash earnings per share *



Cost/income ratio



Cash return on equity *



*) Red bars denote reported EPS and ROE respectively.
Cash EPS and EPS calculated on average number of shares: 374.4m (ex treasury shares and shares owned by savings banks with EB participations: 3.5m), adjusted for non cash items amounting to EUR 20.4m in H1 2010 (linear amortisation of customer relationships after tax and non-controlling interests) and dividend on the participation capital (EUR 70.6m).

H1 2010 financial highlights –
Operating result continued to improve in all key segments

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in EUR million	1-6 10	1-6 09	Change	Q2 10	Q1 10	Q2 09
Retail & SME	**1,569.5**	**1,346.8**	**16.5%**	**831.0**	**738.5**	**708.2**
Austria	**419.8**	**376.4**	**11.5%**	**219.7**	**200.0**	**177.3**
EB Oesterreich	193.8	153.2	26.5%	98.7	95.0	79.3
Savings Banks	226.0	223.2	1.3%	121.0	105.0	98.0
Central and Eastern Europe	**1,149.7**	**970.4**	**18.5%**	**611.3**	**538.4**	**530.9**
Czech Republic	429.3	404.7	6.1%	218.4	211.0	218.6
Romania	331.8	272.9	21.6%	185.4	146.4	139.2
Slovakia	148.9	97.2	53.1%	77.7	71.3	52.7
Hungary	145.3	110.8	31.1%	76.7	68.7	75.6
Croatia	89.0	79.3	12.2%	48.2	40.8	43.2
Serbia	3.1	6.4	(51.9%)	1.8	1.3	3.3
Ukraine	2.2	(1.0)	na	3.1	(0.9)	(1.8)
GCIB	**285.3**	**267.4**	**6.7%**	**139.9**	**145.4**	**134.0**
Group Markets	**178.2**	**342.0**	**(47.9%)**	**63.2**	**115.0**	**174.3**
Corporate Center	**(41.6)**	**(179.7)**	**76.8%**	**(25.9)**	**(15.7)**	**(78.6)**
Total Erste Group	**1,991.3**	**1,776.4**	**12.1%**	**1,008.1**	**983.2**	**937.8**

Q2 2010 financial highlights –
Higher revenues and lower costs drive operating result

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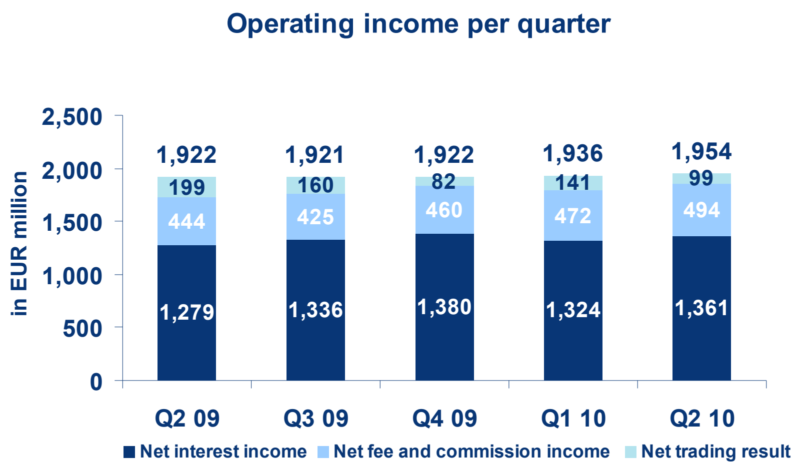

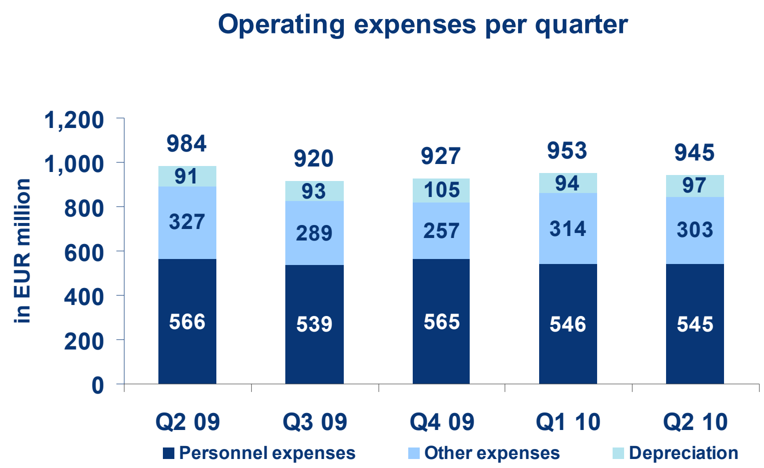

- **Quarterly operating income rose by 1.6% yoy to reach new record of EUR 1,953.5 million**
  - **Net interest income** grew by 6.4% yoy to EUR 1,361.2m on the back substantially higher NIM and despite marginal loan growth; NII was up on Q1 2010 by 2.8% supported by stable qoq net interest margin
  - **Net commission income** continued to improve in Q2 2010 rising by 11.3% yoy to EUR 493.5m; compared to Q1 2010 the increase was 4.7%, again driven by increased fees from securities business and payment transfers
  - **Net trading result** was down EUR 100m (-50.4%) compared to exceptional Q2 2009, reaching a more normalised level of EUR 98.8m; decline by 30.0% compared to the strong Q1 2010, mainly due to weaker gains in securities trading and continued weak FX revenues
- **Quarterly operating expenses declined by 3.9% yoy to EUR 945.4 million; -0.8% vs Q1 2010**
  - Driven by lower personnel and other administrative expenses, which more than offset the increase in depreciation and amortisation; headcount was down 0.7% year-to-date to 50,156

1) Operating result = Operating income (NII + net fee & commission income + net trading result) minus general administrative expenses

Erste Group's customer deposits –
Deposit growth continues to outpace loan growth

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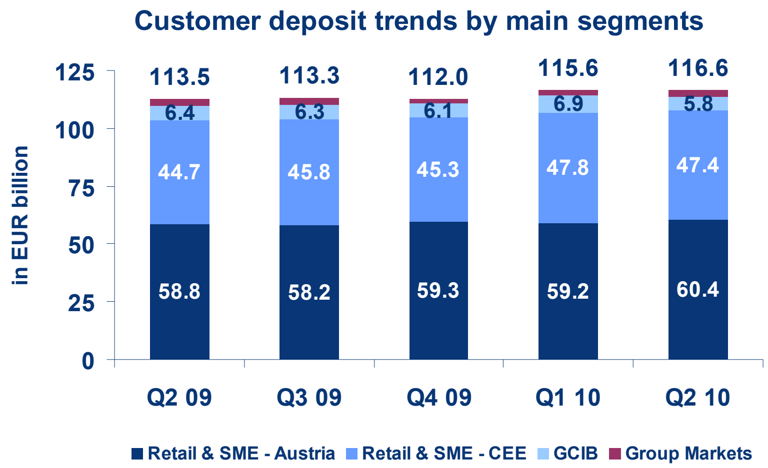
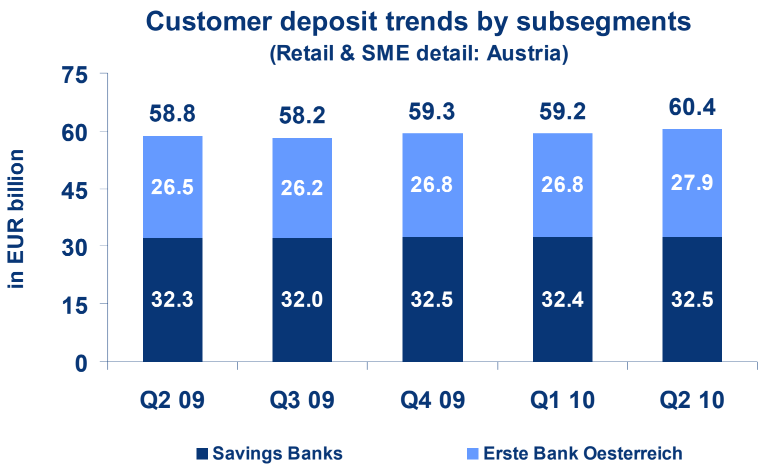
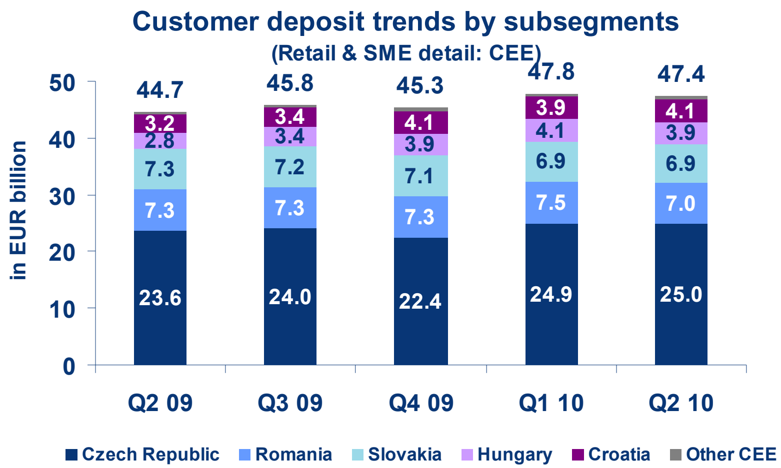
- **Customer deposits grew by 4.0% ytd (up 2.7% yoy)**
  - Mainly based on solid growth in Austria and strong inflows in the Czech Republic
- **Retail & SME deposits increased by 3.0% ytd**
  - Austria grew by 1.9%, supported by EB Oesterreich (+4.1% ytd)
  - CEE enjoyed strong ytd growth (+4.6%): supported by the Czech Republic (+11.5%) driven by inflows from public sector and currency appreciation; other core markets saw stable or slightly declining volumes
- **GCIB deposits declined by 5.3% ytd**
- **Loan/deposit ratio stable at 112.4% in Q2 2010 (year-end 2009: 115.3%)**







Erste Group's loan book –
Loan demand across the segments remained subdued

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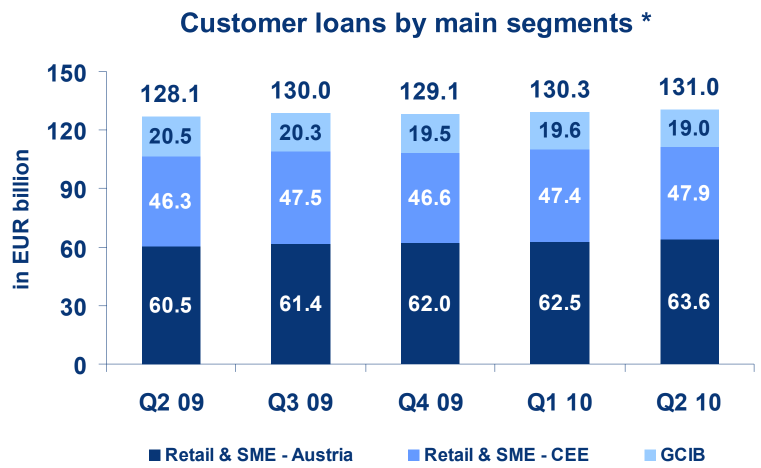
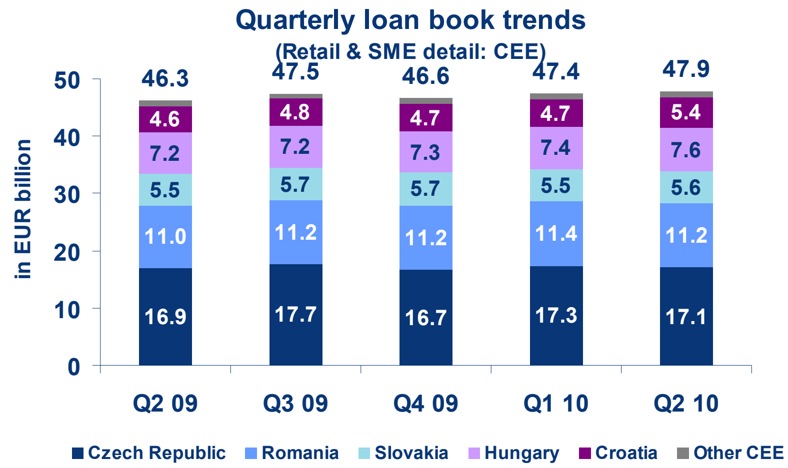
- **Customer loans increased by 1.4% ytd; up 2.2% yoy**
  - Growth in Retail & SME loans in Austria and CEE ytd and yoy was driven mainly by appreciation of CHF and CEE currencies vs euro
  - GCIB loan book declined by 2.5% ytd, and by 7.6%d yoy due to redemptions and lower demand
- **Customer distribution remained broadly unchanged**
  - Retail continued to increase to 48.6% of portfolio
  - SME and large corporates account for 46.0% of the book
  - Public sector was stable at 5.4% of total loans





*) Segments do not exactly add up to total due to consolidation effects

Erste Group's asset quality –
Group trends: stable new NPL formation, coverage up

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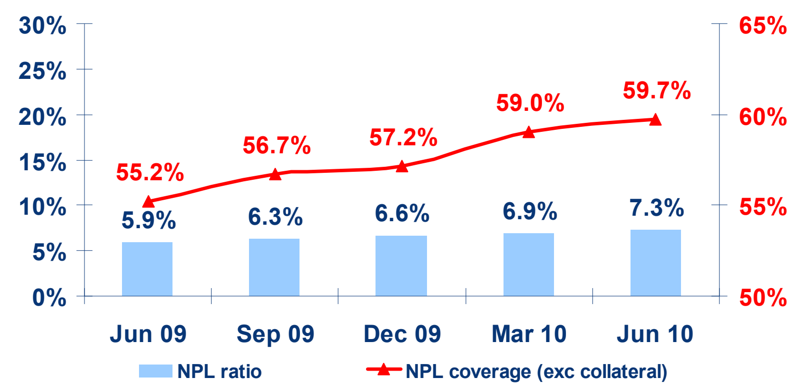
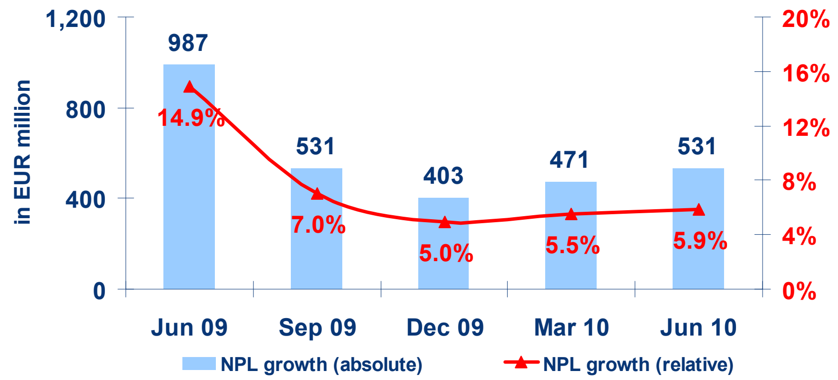
- **NPL coverage ratio continued to improve comparing to both H1 2009 as well as Q2 2010**
- **Continued consolidation in new NPL formation**
  - Excellent performance in Austria both at the savings banks and Erste Bank Oesterreich resulted in stable stock of NPLs
  - Significant NPL growth in CEE driven in roughly equal parts by Romania, Hungary, Croatia and the Czech Republic
  - Slovakia, Ukraine & Serbia performed well in Q2 2010
  - New NPL formation equally distributed between retail and corporate segments
- **NPL ratio based on customer loans increased to 7.3% (year-end 2009: 6.6%)**
  - Mainly driven by lack of loan growth and downward migration of existing portfolio
- **NPL coverage continued to improve to 59.7% (year-end 2009: 57.2%)**
  - NPL coverage improved in the GCIB segment while remained broadly unchanged in Retail & SME segment

Erste Group: NPL ratio vs NPL coverage



Quarterly NPL growth (absolute/relative)



Erste Group's asset quality –

Segment round-up: Austria & GCIB perform well

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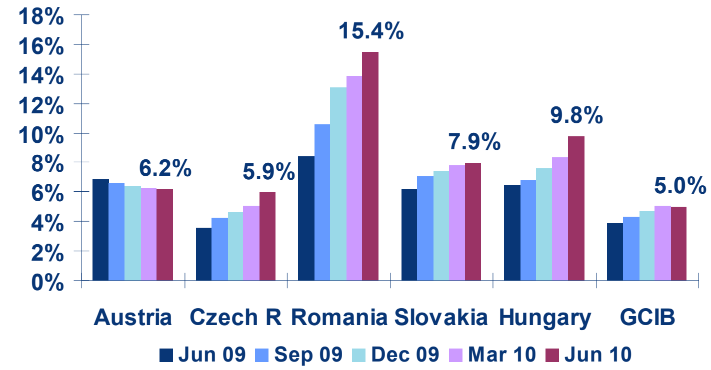
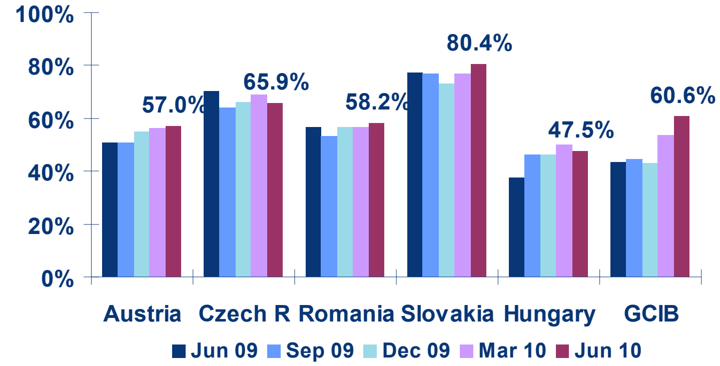
- **Retail & SME/Austria: stable asset quality accompanied by stable risk costs**
  - Portfolio composition improved as share of lower risk class rose; NPL coverage ratio moved up
  - P&L risk provisions declined in the Savings Banks segment and increased at Erste Bank Oesterreich
- **Retail & SME/CEE: still impacted by lag effects of the economic downturn**
- **Czech Republic: temporary deterioration, but set to improve going forward**
  - Rise in NPLs mainly driven by corporate business
  - Risk costs remained stable qoq, but rose yoy
- **Romania: stabilisation in retail, but SME segment still hit hard by contracting economy**
  - Stable NPL coverage ratio over time
  - Similar performance of EUR and RON portfolios
  - Qoq stable risk costs
- **Slovakia benefits from continued excellent portfolio performance**
  - Supported by high quality retail business and continued retail loan growth; corporate portfolio has also stabilised since Q4 09
  - Positive overall migration trends with low risk class share increasing in Q2 2010
- **Hungary: weak economy and currency volatility drive asset quality**
  - Limited HUF-based new business could not offset deterioration of existing portfolio
  - Increase in risk costs is mainly related to leasing and real estate segments
- **GCIB: solid performance, especially in the large corporate segment**

NPL ratios in key segments



NPL coverage ratios in key segments (excluding collateral)



Erste Group's funding profile –
Retail deposits remain a key pillar in the funding mix

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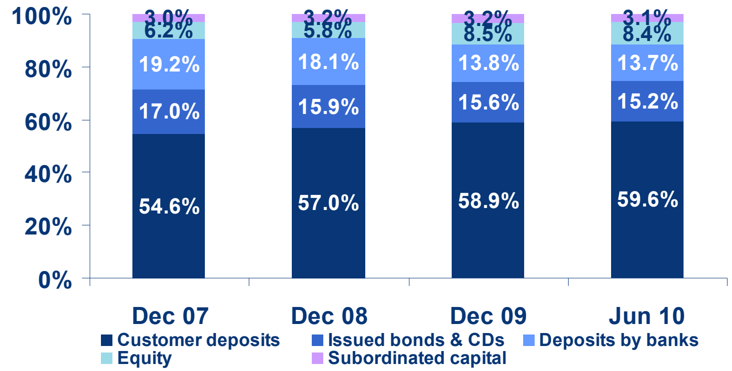
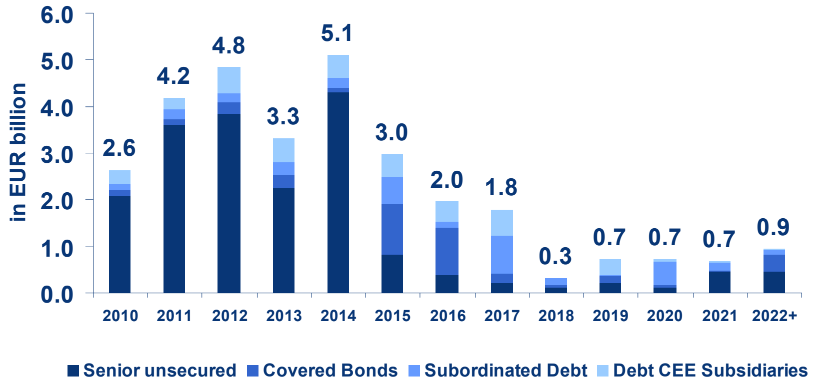
- **Customer deposits are the main source of funding**
  - Providing a solid funding base in all local currencies
  - Reflected in loan/deposit ratio improvement to 112.7%
- **Short-term funding needs well covered**
  - Stable share of short-term funding
  - Collateral capacity exceeds funding needs
- **Limited long-term funding required**
  - Total funding needs for 2010 of EUR 4 billion, of which over half has already been funded
  - H2 10 will focus on covered bonds and retail placements
  - Further focus on extension of maturity profile

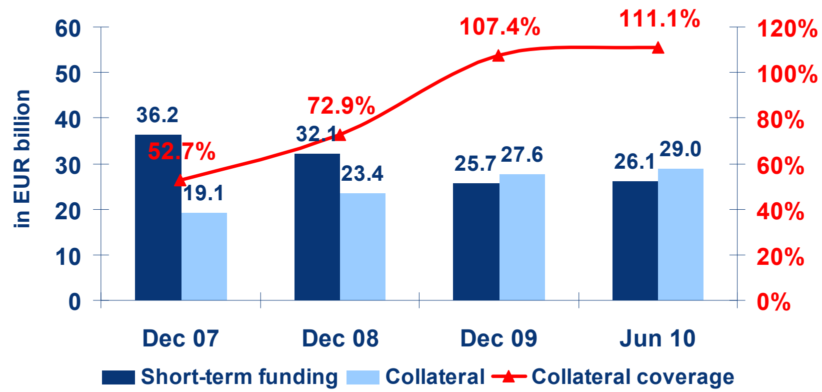
Evolution of Erste Group's funding mix



Redemption profile of Erste Group (H1 2010)



Short-term funding vs collateral coverage



Erste Group's capital position –
Further strengthening of the capital base

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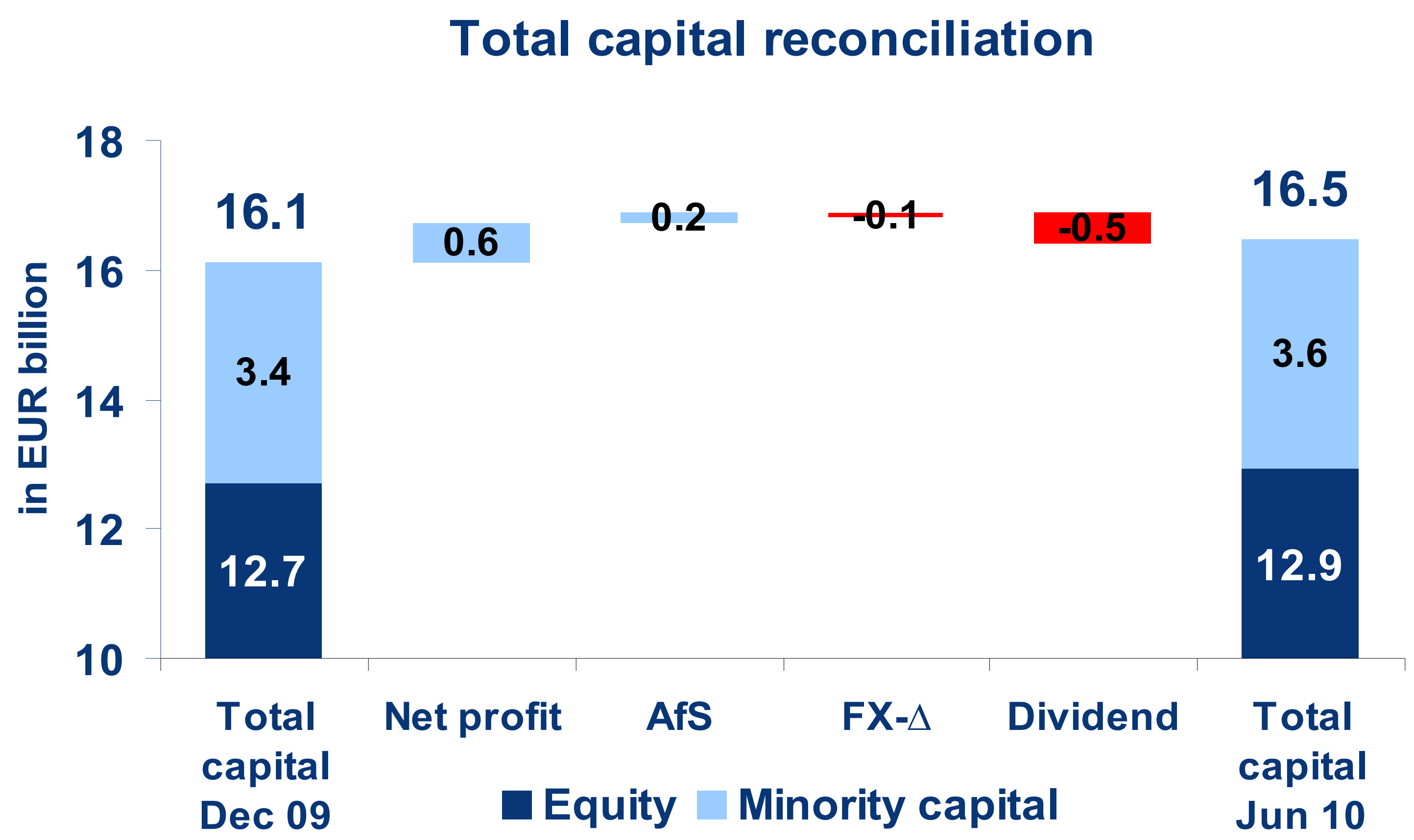

Erste Group's capital position –
European stress test confirms solid capitalisation levels

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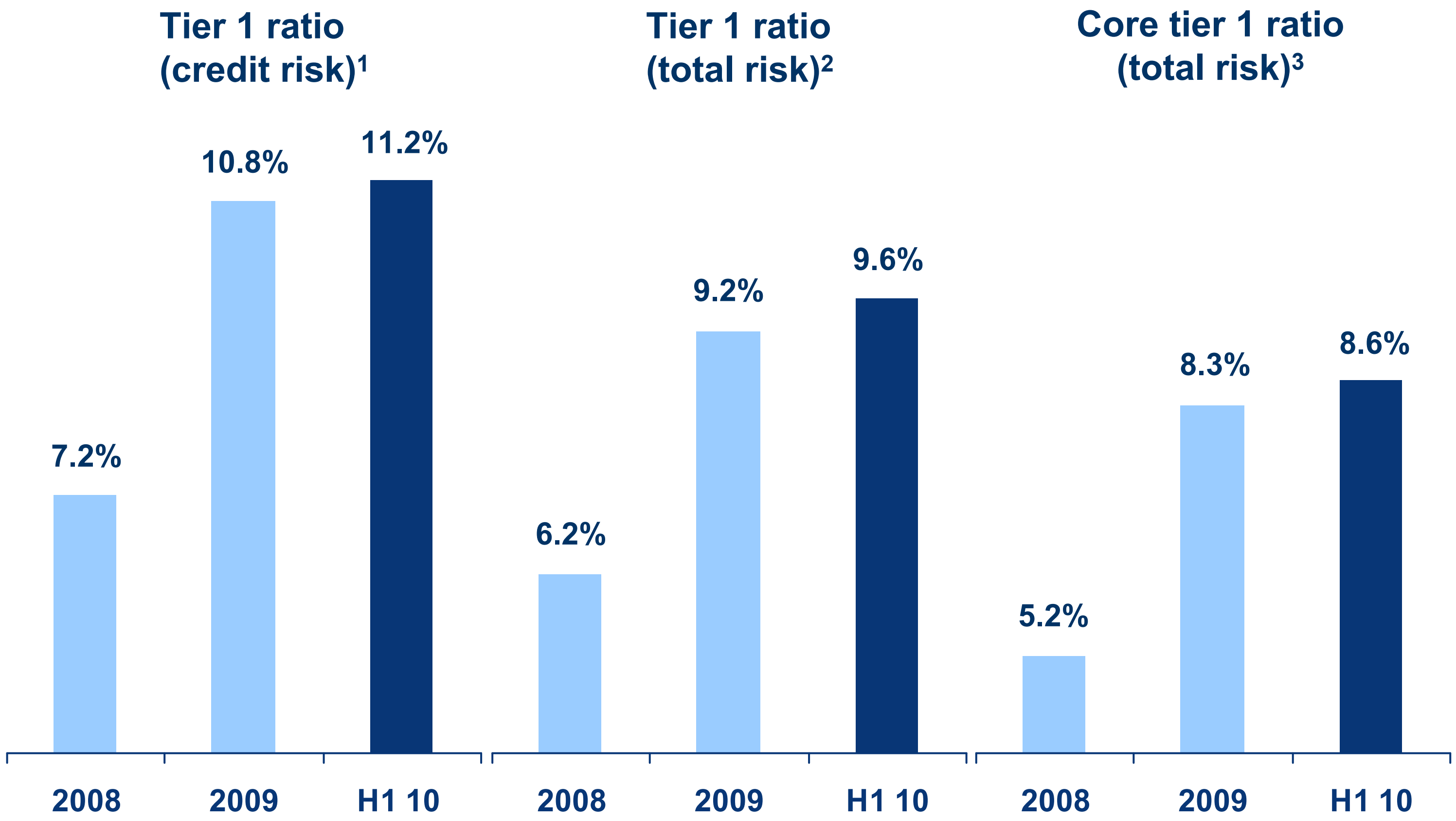

1) Tier 1 ratio (credit risk) = tier 1 capital incl. hybrid and after regulatory deductions divided by credit RWA.

2) Tier 1 ratio (total risk) = tier 1 capital incl. hybrid and after regulatory deductions divided by total RWA - including credit risk, market and operational risk.

3) Core tier 1 ratio (total risk) = tier 1 capital excl. hybrid and after regulatory deductions divided by total RWA - including credit risk, market and operational risk.

Group income statement (IFRS) –

ERSTE GROUP

in EUR million	1-6 10	1-6 09	Change	Q2 10	Q1 10	Q2 09
Net interest income	2,684.8	2,505.3	7.2%	1,361.2	1,323.6	1,279.3
Risk provisions for loans and advances	(1,084.2)	(892.1)	21.5%	(553.0)	(531.2)	(521.9)
Net fee and commission income	965.0	888.2	8.6%	493.5	471.5	443.6
Net trading result	240.0	343.1	(30.0%)	98.8	141.2	199.3
General administrative expenses	(1,898.4)	(1,960.2)	(3.2%)	(945.3)	(953.1)	(984.3)
Other operating result	(158.8)	(87.5)	(81.5%)	(91.1)	(67.7)	(47.6)
Result from financial assets - FV	(24.6)	(12.1)	na	(37.6)	13.0	32.0
Result from financial assets - AfS	36.4	(18.7)	na	36.3	0.1	(7.9)
Result from financial assets - HtM	4.6	(0.9)	na	(0.1)	4.7	(0.8)
Pre-tax profit from continuing operations	**764.8**	**765.1**	**(0.0%)**	**362.7**	**402.1**	**391.7**
Taxes on income	(175.9)	(191.3)	(8.1%)	(83.4)	(92.5)	(107.3)
Post-tax profit from discontinuing operations	0.0	0.0	na	0.0	0.0	0.0
Net profit for the period	**588.9**	**573.8**	**2.6%**	**279.3**	**309.6**	**284.4**
Attributable to non-controlling interests	117.0	81.7	43.2%	62.6	54.4	24.4
Attributable to owners of the parent	**471.9**	**492.1**	**(4.1%)**	**216.7**	**255.2**	**260.0**
Operating income	3,889.8	3,736.6	4.1%	1,953.5	1,936.3	1,922.2
Operating expenses	(1,898.4)	(1,960.2)	(3.2%)	(945.3)	(953.1)	(984.3)
Operating result	**1,991.4**	**1,776.4**	**12.1%**	**1,008.2**	**983.2**	**937.9**
Cost/income ratio	48.8%	52.5%		48.4%	47.9%	51.2%
Return on equity	7.2%	11.2%		6.6%	8.8%	11.0%

Group balance sheet (IFRS) –

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in EUR million	Jun 10	Dec 09	Change
Cash and balances with central banks	6,540	5,996	9.1%
Loans and advances to credit institutions	16,408	13,140	24.9%
Loans and advances to customers	130,960	129,134	1.4%
Risk provisions for loans and advances	(5,796)	(4,954)	17.0%
Trading assets	8,408	8,598	(2.2%)
Financial assets - FV	3,563	2,997	18.9%
Financial assets - AfS	18,331	16,390	11.8%
Financial assets - HtM	14,412	14,899	(3.3%)
At-equity holdings	228	241	(5.4%)
Intangible assets	4,716	4,867	(3.1%)
Property and equipment	2,353	2,344	0.4%
Tax assets	462	577	(19.9%)
Assets held for sale	59	58	1.7%
Other assets	8,440	7,423	13.7%
Total assets	**209,084**	**201,710**	**3.7%**
Risk-weighted assets [1]	**104,868**	**106,383**	**(1.4%)**

1) RWA assets for total risk (including market risk = EUR 4.59 billion and operational risk = EUR 12,79 billion) at EUR 122.2 billion in H1 2010 (year-end 2009: 123.9 billion)

Group balance sheet (IFRS) –

ERSTE GROUP

in EUR million	Jun 10	Dec 09	Change
Deposits by banks	26,730	26,295	1.7%
Customer deposits	116,558	112,042	4.0%
Debt securities in issue	29,841	29,612	0.8%
Trading liabilities	3,392	3,157	7.4%
Provisions	1,613	1,670	(3.4%)
Tax liabilities	321	361	(11.1%)
Liabilities associated with assets held for sale	0	0	na
Other liabilities	8,170	6,302	29.6%
Subordinated liabilities	5,978	6,148	(2.8%)
Total equity	16,481	16,123	2.2%
Attributable to non-controlling interests	3,561	3,414	4.3%
Attributable to owners of the parent	12,920	12,709	1.7%
Total liabilities and equity	**209,084**	**201,710**	**3.7%**
Tier 1 ratio (credit risk)	**11.2%**	**10.8%**	
Solvency ratio	**12.9%**	**12.7%**	

Core segments

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in EUR million	Retail & SME 1-6 10	Retail & SME 1-6 09	GCIB 1-6 10	GCIB 1-6 09	Group Markets 1-6 10	Group Markets 1-6 09	Corporate Center 1-6 10	Corporate Center 1-6 09	Total group 1-6 10	Total group 1-6 09
Net interest income	2,290.5	2,198.2	293.0	272.8	56.8	123.1	44.5	(88.9)	2,684.8	2,505.3
Risk provisions	(902.6)	(741.5)	(181.6)	(150.7)	0.0	0.0	(0.0)	0.0	(1,084.2)	(892.1)
Net fee and commission income	825.8	740.9	79.4	77.8	83.5	60.3	(23.8)	9.2	965.0	888.2
Net trading result	82.0	84.4	3.0	2.3	147.3	259.6	7.7	(3.2)	240.0	343.1
General administrative expenses	(1,628.8)	(1,676.8)	(90.2)	(85.5)	(109.4)	(101.0)	(70.1)	(96.9)	(1,898.5)	(1,960.2)
Other result	(60.2)	(57.5)	1.0	(13.3)	3.1	(2.2)	(86.2)	(46.2)	(142.3)	(119.2)
Pre-tax profit	**606.7**	**547.8**	**104.7**	**103.4**	**181.3**	**339.8**	**(127.9)**	**(226.0)**	**764.8**	**765.1**
Taxes on income	(137.4)	(122.6)	(24.9)	(23.0)	(39.6)	(65.5)	26.0	19.9	(175.9)	(191.3)
Post-tax profit from continuing operations	469.3	425.3	79.8	80.4	141.7	274.3	(101.9)	(206.1)	588.9	573.8
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0
Net profit for the period	**469.3**	**425.3**	**79.8**	**80.4**	**141.7**	**274.3**	**(101.9)**	**(206.1)**	**588.9**	**573.8**
Attributable to non-controlling interests	105.9	79.1	8.7	(0.6)	8.7	15.8	(6.2)	(12.7)	117.0	81.7
Attributable to owners of the parent	**363.5**	**346.1**	**71.1**	**81.0**	**133.0**	**258.5**	**(95.7)**	**(193.4)**	**471.9**	**492.1**
Average risk-weighted assets	74,623.1	73,990.7	26,499.7	25,441.2	3,018.5	3,250.6	1,605.4	3,810.1	105,746.7	106,492.6
Average attributed equity	4,090.5	3,978.7	2,121.1	1,998.0	341.7	332.2	6,538.9	2,509.8	13,092.1	8,818.6
Cost/income ratio	**50.9%**	**55.5%**	**24.0%**	**24.2%**	**38.0%**	**22.8%**	**n.a.**	**n.a.**	**48.8%**	**52.5%**
ROE based on net profit	**17.8%**	**17.4%**	**6.7%**	**8.1%**	**77.9%**	**155.6%**	**n.a.**	**n.a.**	**7.2%**	**11.2%**
EOP customer loans	111,451.7	106,803.4	18,978.5	20,535.6	276.0	148.9	253.9	621.9	130,960.0	128,109.8
EOP customer deposits	107,746.5	103,444.1	5,765.1	6,407.7	2,942.8	2,790.5	104.1	847.0	116,558.5	113,489.4

Core segment Austria

ERSTE GROUP

in EUR million	Savings Banks 1-6 10	Savings Banks 1-6 09	EB Oesterreich 1-6 10	EB Oesterreich 1-6 09	Austria 1-6 10	Austria 1-6 09
Net interest income	477.3	471.1	319.4	325.0	796.6	796.1
Risk provisions	(135.9)	(178.1)	(87.7)	(74.3)	(223.6)	(252.4)
Net fee and commission income	203.0	189.5	172.1	140.4	375.1	329.9
Net trading result	14.1	31.8	7.0	5.3	21.1	37.2
General administrative expenses	(468.3)	(469.2)	(304.7)	(317.6)	(773.1)	(786.8)
Other result	5.0	(30.3)	(5.4)	3.8	(0.4)	(26.5)
Pre-tax profit	**95.1**	**14.7**	**100.6**	**82.7**	**195.7**	**97.4**
Taxes on income	(25.3)	(6.9)	(23.6)	(19.7)	(48.9)	(26.6)
Post-tax profit from continuing operations	69.8	7.9	77.0	63.0	146.8	70.8
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**69.8**	**7.9**	**77.0**	**63.0**	**146.8**	**70.8**
Attributable to non-controlling interests	66.7	19.1	2.3	3.5	69.0	22.6
Attributable to owners of the parent	**3.1**	**(11.2)**	**74.7**	**59.5**	**77.8**	**48.3**
Average risk-weighted assets	23,913.7	24,762.3	14,321.4	13,824.7	38,235.1	38,587.0
Average attributed equity	290.0	289.9	1,137.5	1,119.5	1,427.5	1,409.3
Cost/income ratio	**67.4%**	**67.8%**	**61.1%**	**67.5%**	**64.8%**	**67.6%**
ROE based on net profit	**2.1%**	**n.a.**	**13.1%**	**10.6%**	**10.9%**	**6.9%**
EOP customer loans	36,744.4	34,820.9	26,847.1	25,677.4	63,591.5	60,498.3
EOP customer deposits	32,465.3	32,253.2	27,920.4	26,528.6	60,385.7	58,781.7

Core segment Central and Eastern Europe (1) –

ERSTE GROUP

in EUR million	Czech Republic 1-6 10	Czech Republic 1-6 09	Romania 1-6 10	Romania 1-6 09	Slovakia 1-6 10	Slovakia 1-6 09	Hungary 1-6 10	Hungary 1-6 09
Net interest income	536.1	529.9	415.2	390.8	209.5	178.4	185.9	164.9
Risk provisions	(188.1)	(120.8)	(241.7)	(176.7)	(66.7)	(58.3)	(114.5)	(65.1)
Net fee and commission income	229.6	203.2	79.3	77.7	50.9	50.7	48.6	38.8
Net trading result	17.7	21.2	20.8	5.1	1.2	1.5	9.7	12.4
General administrative expenses	(354.1)	(349.7)	(183.5)	(200.7)	(112.6)	(133.4)	(98.8)	(105.3)
Other result	(12.8)	(58.4)	(19.6)	38.1	(15.4)	(16.5)	(8.2)	9.5
Pre-tax profit	**228.5**	**225.5**	**70.5**	**134.3**	**66.8**	**22.4**	**22.6**	**55.3**
Taxes on income	(43.6)	(45.8)	(13.8)	(22.9)	(13.3)	(4.3)	(10.0)	(13.9)
Post-tax profit from continuing operations	184.9	179.7	56.7	111.4	53.5	18.1	12.6	41.3
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**184.9**	**179.7**	**56.7**	**111.4**	**53.5**	**18.1**	**12.6**	**41.3**
Attributable to non-controlling interests	3.8	4.1	20.4	37.4	0.1	0.3	(0.1)	0.0
Attributable to owners of the parent	**181.1**	**175.6**	**36.3**	**74.0**	**53.4**	**17.9**	**12.6**	**41.3**
Average risk-weighted assets	12,266.4	10,906.0	9,115.4	9,768.9	5,371.5	5,190.8	4,757.2	4,568.7
Average attributed equity	1,013.2	910.7	519.0	554.8	443.3	435.0	391.3	377.8
Cost/income ratio	**45.2%**	**46.4%**	**35.6%**	**42.4%**	**43.1%**	**57.8%**	**40.5%**	**48.7%**
ROE based on net profit	**35.8%**	**38.6%**	**14.0%**	**26.7%**	**24.1%**	**8.2%**	**6.5%**	**21.9%**
EOP customer loans	17,091.4	16,911.5	11,184.9	10,988.6	5,621.8	5,529.6	7,565.8	7,249.4
EOP customer deposits	24,986.0	23,620.8	7,043.5	7,304.5	6,884.0	7,264.8	3,851.8	2,841.9

Core segment Central and Eastern Europe (2) –

ERSTE GROUP

in EUR million	Croatia 1-6 10	Croatia 1-6 09	Serbia 1-6 10	Serbia 1-6 09	Ukraine 1-6 10	Ukraine 1-6 09	CEE 1-6 10	CEE 1-6 09
Net interest income	117.6	107.9	12.4	15.8	17.0	14.3	1,493.8	1,402.1
Risk provisions	(48.5)	(25.8)	(4.6)	(4.0)	(14.8)	(38.4)	(679.0)	(489.1)
Net fee and commission income	36.4	35.8	5.1	4.8	0.8	0.1	450.8	411.0
Net trading result	4.7	2.0	0.9	1.5	6.0	3.7	60.8	47.3
General administrative expenses	(69.8)	(66.3)	(15.3)	(15.6)	(21.6)	(19.1)	(855.7)	(890.0)
Other result	(3.4)	(2.7)	0.3	(0.5)	(0.6)	(0.4)	(59.8)	(30.9)
Pre-tax profit	**37.0**	**50.8**	**(1.3)**	**1.9**	**(13.2)**	**(39.8)**	**411.0**	**450.4**
Taxes on income	(7.7)	(10.4)	0.0	(0.2)	0.0	1.6	(88.4)	(96.0)
Post-tax profit from continuing operations	29.3	40.4	(1.3)	1.7	(13.2)	(38.2)	322.5	354.4
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**29.3**	**40.4**	**(1.3)**	**1.7**	**(13.2)**	**(38.2)**	**322.5**	**354.4**
Attributable to non-controlling interests	12.8	14.5	(0.1)	0.4	0.0	0.0	36.8	56.6
Attributable to owners of the parent	**16.5**	**25.9**	**(1.1)**	**1.3**	**(13.2)**	**(38.2)**	**285.7**	**297.8**
Average risk-weighted assets	3,596.9	3,668.3	660.9	759.5	619.6	541.5	36,388.0	35,403.7
Average attributed equity	196.8	194.3	44.0	50.2	55.5	46.6	2,663.0	2,569.3
Cost/income ratio	**43.9%**	**45.5%**	**83.3%**	**70.9%**	**90.7%**	**105.5%**	**42.7%**	**47.8%**
ROE based on net profit	**16.8%**	**26.7%**	**n.a.**	**5.3%**	**n.a.**	**n.a.**	**21.5%**	**23.2%**
EOP customer loans	5,444.2	4,604.9	391.5	464.6	560.5	556.5	47,860.2	46,305.1
EOP customer deposits	4,070.5	3,236.5	407.5	321.0	117.5	72.9	47,360.8	44,662.4

Outlook –
Slow economic recovery, better regulatory visibility

ERSTE GROUP

- **Most CEE markets have emerged from recession…**
  - Austria, Czech Republic, Slovakia and Hungary set to grow in low single digits in 2010
  - In Romania the recovery will be more protracted with growth not expected to return before 2011
  - Erste Group's CEE markets will show better long-term growth than the rest of Europe thanks to:
    - Lower debt/GDP ratios and lower fiscal deficits
    - Lower taxes
    - Flexible labour markets
    - Availability of EU structural funds
    - Better investment climate
- **…but risk costs will remain elevated in 2010**
  - Speed of economic recovery and improvement in asset quality is still difficult to predict, translating into risk costs that will remain at last year's level in 2010
- **Improved visibility on future regulatory environment**
  - Basel III has issued updated guidance on capital and liquidity requirements that better factors in difference in business models and importance of retail banks for economic development
    - Pragmatic solution on savings banks minorities seems feasible
    - As soon as there is full clarity on new Basel III regulations, Erste Group will aim to redeem government participation capital
  - Better clarity on banking taxes
    - Hungary introduced a banking tax at very elevated levels but likely limited to a 1-2 year period
    - Austria is still considering adoption of a tax in 2011
    - No plans in other countries

H1 2010 executive summary –
Strong operating performance continued in Q2 2010

ERSTE GROUP

- **Continued revenue growth and cost management pushed cost/income ratio to new low**
  - Operating income rose by 4.1% to EUR 3,889.8 million despite a 30% yoy decline in the net trading result
  - Operating result improved by 12.1% to EUR 1,991.4 million in H1 2010 supported by another quarter of record revenues and declining costs
  - Cost/income ratio reached 48.8% in H1 2010 (H1 2009: 52.5%)
  - Net profit declined by 4.1% to EUR 471.9 million in H1 2010 mainly due to higher minority interests
- **Stabilising trends in asset quality continued in H1 2010**
  - New NPL formation in Q2 2010 remained at the lower levels (+5.9% qoq) recorded in the previous three quarters
  - NPL ratio based on total customer loans increased to 7.3% (year-end 2009: 6.6%)
  - NPL coverage continued to improve, reaching 59.7% (year-end 2009: 57.2%)
- **Risk costs remained below H2 2009 level, despite a quarter-on-quarter increase in Q2 2010**
  - Risk costs amounted to EUR 1,084.2 million or 167 bps of average customer loans in H1 2010
  - Compared to Q1 2010 (EUR 531.2 million or 164 bps) risk costs rose by 4.1% to EUR 553.0 million or 169 bps, but decreased on Q4 2009 (EUR 607.4 million or 189 bps)
- **Continued comfortable liquidity position**
  - Solid deposit funding base – loan/deposit ratio improves to 112.4%
  - More than 50% of 2010 long-term funding already covered with increased focus on private placements
- **European stress test confirmed solid capitalisation**
  - Calculated Tier 1 ratio (total risk) of 8.0% in 2011 in worst case scenario (including additional sovereign stress)
  - Despite application of tougher macroeconomic assumptions than required by CEBS