Interim Report

Third Quarter 2015

ERSTE Group

Key financial data

Income statement

in EUR million	Q3 14	Q2 15	Q3 15	1-9 14 restated	1-9 15
Net interest income	1,126.0	1,113.4	1,112.3	3,369.6	3,324.3
Net fee and commission income	465.8	456.3	455.2	1,372.7	1,372.6
Net trading and fair value result	28.4	64.1	56.4	166.5	193.0
Operating income	1,695.8	1,710.3	1,691.6	5,117.5	5,090.9
Operating expenses	-887.3	-948.7	-955.6	-2,783.7	-2,852.4
Operating result	**808.5**	**761.6**	**735.9**	**2,333.8**	**2,238.5**
Net impairment loss on non-fair value financial assets	-878.8	-190.8	-144.4	-1,599.4	-518.4
Post-provision operating result	**-70.3**	**570.8**	**591.5**	**734.4**	**1,720.1**
Other operating result	-356.8	-47.1	-176.8	-1,628.6	-377.4
Levies on banking activities	-54.6	-45.4	-50.5	-208.7	-187.7
Pre-tax result from continuing operations	-414.0	548.8	437.4	-879.9	1,401.5
Taxes on income	-98.3	-154.8	-88.9	-446.0	-362.3
Net result for the period	**-512.3**	**394.0**	**348.5**	**-1,325.9**	**1,039.2**
Net result attributable to non-controlling interests	42.0	132.6	71.6	98.7	275.0
Net result attributable to owners of the parent	**-554.2**	**261.4**	**276.9**	**-1,424.6**	**764.2**
Earnings per share	-1.30	0.61	0.65	-3.33	1.79
Cash earnings per share	-1.39	0.61	0.65	-1.42	1.80
Return on equity	-21.7%	10.2%	10.5%	-17.6%	9.9%
Cash return on equity	-23.3%	10.2%	10.6%	-7.5%	10.0%
Net interest margin (on average interest-bearing assets)	2.68%	2.59%	2.57%	2.64%	2.58%
Cost/income ratio	52.3%	55.5%	56.5%	54.4%	56.0%
Provisioning ratio (on average gross customer loans)	2.75%	0.58%	0.44%	1.67%	0.53%
Tax rate	-23.7%	28.2%	20.3%	-50.7%	25.9%

Balance sheet

in EUR million	Sep 14	Jun 15	Sep 15	Dec 14	Sep 15
Cash and cash balances	8,010	7,011	11,097	7,835	11,097
Trading, financial assets	51,051	49,044	47,910	50,131	47,910
Loans and receivables to credit institutions	7,166	8,775	8,384	7,442	8,384
Loans and receivables to customers	120,451	123,504	124,521	120,834	124,521
Intangible assets	1,456	1,395	1,393	1,441	1,393
Miscellaneous assets	8,839	7,802	7,867	8,604	7,867
Total assets	**196,973**	**197,532**	**201,171**	**196,287**	**201,171**
Financial liabilities - held for trading	8,488	6,632	6,364	7,746	6,364
Deposits from banks	16,483	15,704	17,414	14,803	17,414
Deposits from customers	120,061	124,534	125,439	122,583	125,439
Debt securities issued	31,211	29,914	30,620	31,140	30,620
Miscellaneous liabilities	7,078	6,732	6,896	6,573	6,896
Total equity	13,652	14,015	14,437	13,443	14,437
Total liabilities and equity	**196,973**	**197,532**	**201,171**	**196,287**	**201,171**
Loan/deposit ratio	100.3%	99.2%	99.3%	98.6%	99.3%
NPL ratio	8.9%	7.7%	7.4%	8.5%	7.4%
NPL coverage (exc collateral)	68.8%	68.2%	69.2%	68.9%	69.2%
CET 1 ratio (phased-in)	10.8%	11.6%	11.5%	10.6%	11.5%

Ratings	Sep 14	Jun 15	Sep 15
Fitch			
Long-term	A	BBB+	BBB+
Short-term	F1	F2	F2
Outlook	Negative	Stable	Stable
Moody´s			
Long-term	Baa2	Baa2	Baa2
Short-term	P-2	P-2	P-2
Outlook	Negative	Stable	Positive
Standard & Poor´s			
Long-term	A-	BBB+	BBB+
Short-term	A-2	A-2	A-2
Outlook	Negative	Negative	Negative

Letter from the CEO

Dear shareholders,

Erste Group posted a net profit of EUR 764.2 million for the first nine months of 2015. This strong result was attributable to lower risk costs and a significant decline in one-off effects versus the previous year, which had been marked by the clean-up of legacy issues, as well as solid loan growth of 3.1% year to date, which stabilised operating income. Asset quality also improved substantially. While non-performing loans as a percentage of customer loans (NPL ratio) dropped to 7.4%, the lowest level in five years, the NPL coverage ratio improved to 69.2%, a seven-year high. Capital ratios developed very well: the clean common equity tier 1 ratio (Basel 3 fully loaded) rose to a respectable 11.6% as of the end of the third quarter. The robust development in the first nine months of the year 2015 was also mirrored in the third quarter, in which Erste Group posted a record operating result after risk costs of EUR 591.5 million, due not least to the Savings Banks' excellent performance.

The strong development of Erste Group was supported by robust economic growth in almost all of its core markets in Central and Eastern Europe. In 2015, GDP growth is expected to come in at around 4% in the Czech Republic and at approximately 3% in Slovakia, Hungary and Romania. For 2016, the forecasts for these countries are likewise promising, with growth projected to range between 2% and 4%. This development has led to more loan demand, which helped to buffer the impacts of low interest rates and extraordinary effects in Romania (NPL sales) and Hungary (reduced volume due to FX conversion). Year to date, net interest income in 2015 has hence declined less sharply than expected. Net fee and commission income remained stable. While income from asset management and securities developed positively, income from lending was lower. In the first nine months of 2015, costs were slightly up due, among other things, to an increase in regulatory costs, such as the first-time contributions to the deposit insurance fund in Austria and the fact that the basis for comparison in 2014 had been extremely low. Overall, operating result decreased by 4.1% and hence within the range expected.

Another key factor driving the strong improvement in profitability was the normalisation in the other result. In the first nine months of 2015, the one-off negative impact of EUR 144.9 resulting from the conversion of the entire Croatian retail and corporate CHF loan portfolio was partly offset by the positive impact of a EUR 38.3 million gain from the sale of a participation. Major negative impacts came again from political and regulatory costs, which were very high by international comparison: while banking taxes in Slovakia declined and Hungary committed to a sharp reduction as of 2016 by an act of parliament, they have remained disproportionately high in Austria. There, the situation was further exacerbated by the requirement to make contributions to European resolution and deposit insurance funds for the first time.

The decline of risk costs to 53 basis points of average gross customer loans also contributed significantly to the improved results. It reflected not only substantially lower provisioning requirements in Romania and Hungary after the successful clean-up of legacy issues last year, but also the solid development of asset quality in Austria. This development went hand in hand with an improvement in the risk profile, which by now has been continuing for many quarters: at 79% of the loan portfolio, low risk customer loans have risen to the highest level since the start of the financial crisis in September 2008. For the first time in more than five years, non-performing loans (NPLs) fell to below EUR 10 billion, accounting for 7.4% of gross loan volume.

In another positive development, the clean common equity tier 1 ratio (Basel 3 fully loaded) rose to 11.6% from 10.6% at year-end 2014, driven by the strong improvement in profitability in the first nine months of 2015, which resulted in an expansion in regulatory capital, while risk-weighted assets decreased only marginally. We are already firmly on track to meet the recently increased capital requirements on a lasting basis and well ahead of the deadlines. This new requirement has to be met in several steps by 1 January 2019 and consists of the SREP ratio, which is redetermined every year, plus an additional buffer of ultimately two percentage points.

Given the solid development of our business in the first nine months of 2015 we are highly confident that we will meet the targets we have set ourselves for the full year: a return on tangible equity (ROTE) of approximately 10% and risk costs of EUR 750 to 950 million, adjusted for the impact of conversion in Croatia, but otherwise unchanged. For the first time, we also issue a forecast for the coming financial year 2016: based on the continuing solid economic outlook for Central and Eastern Europe we are aiming for a further improvement in profitability and expect a return on tangible equity (ROTE) of 10-11%.

Andreas Treichl mp

Erste Group on the capital markets

EQUITY MARKET REVIEW

Increasing uncertainty among investors over the timing of the first increase in US interest rates, concerns about economic growth in China and, finally, the Volkswagen emissions scandal led to substantial declines and high volatility across international stock markets in the third quarter.

Against the backdrop of trends in major economies, the focus of market participants was again on the central banks' divergent monetary policies. While these were expansionary in Europe and Asia, with the European Central Bank (ECB) continuing its asset purchase programme and China's central bank implementing its fifth rate cut within nine months to bolster the economy, policies pursued in the US were restrictive. The US central bank (Fed) has recently not issued any guidance regarding a rate hike, so uncertainty about the timing of the lift-off continues. Globally, macroeconomic data have been mixed compared with expectations. While indicators in the US did not paint any clear picture, economic data released in Europe slightly beat forecasts. China reported declining economic growth rates, which have fuelled anxiety and had a significant impact on stock markets over the past weeks and months. The scandal surrounding the manipulation of emissions data by carmaker VW depressed investor sentiment further and sent cyclical stocks sharply lower, particularly in the automotive industry.

Following substantial market slides in the third quarter, almost all of the indices followed showed a negative performance year to date, with the exception of the French CAC, the Italian MIB and the Austrian ATX. The Dow Jones Industrial Index ended the third quarter down 7.6% at 16,284.70 points and 8.6% lower year to date. The broader Standard & Poor's 500 Index closed the period under review down 6.9% at 1,920.03. Year to date, the index was 6.7% lower than at year-end 2014. The Euro Stoxx 600 Index declined 8.8% in the third quarter to 347.77 points and was hence only 1.5% higher than at the beginning of the year. The Austrian Traded Index (ATX) plunged in tandem with other European markets and lost 7.6% in the third quarter. At 2,229.49 points, it was nonetheless up 3.2% year to date. The Dow Jones Euro Stoxx Bank Index, which is composed of leading European bank shares, fell 12.4% in the third quarter to 131.34 points. As of 30 September, the index was 2.4% down year to date.

SHARE PERFORMANCE

In the period under review, the Erste Group share added to the gains posted in the first half of the year, contrary to the trend of its European peers. Closing at EUR 25.94 on 30 September, the Erste Group share traded 1.8% higher at the end of the third quarter and was up 34.9% year to date, significantly outperforming both the ATX and the Euro Stoxx Bank Index. Upward momentum for the Erste Group share came from the net profit it had posted for the first six months of 2015, which exceeded analysts' consensus estimates by 11%. This was primarily attributable to significantly lower risk provisions and a higher-than-expected operating result. Market focus was moreover on the continuing improvement in asset quality and stronger-than-expected capital ratios. In view of these results and the affirmation of the outlook for 2015 (forecasting a return on tangible equity (ROTE) of 8 to 10%) many of the analysts covering the Erste Group share raised their price targets.

In the third quarter of 2015, trading volume on the three stock exchanges (Vienna, Prague, Bucharest) on which the Erste Group share is listed averaged 877,660 shares per day and accounted for about 49% of the total trading volume in Erste Group shares. More than half of the trading activity was executed over the counter (OTC) or through electronic trading systems.

FUNDING AND INVESTOR RELATIONS

The most prominent issuing activity in the third quarter was the issuance of a EUR 500 million 5 year covered bond, which rounded off the funding profile following the issuance of a 10 year covered bond at the beginning of the year. Altogether, the volume of issues placed in the first three quarters totalled approximately EUR 2.1 billion. The average maturity of new issues was around 7.5 years. In the fourth quarter, placements will focus on the retail segment.

In the third quarter of 2015, the management and the investor relations team of Erste Group had a large number of one-on-one and group meetings, in which questions raised by investors and analysts were answered. Erste Group presented its economic performance and strategy against the backdrop of the current market environment at a large number of international banking and investor conferences hosted by Unicredit, KBW, Barclays, BoAML and Erste Group Research.

Interim management report

In the interim management report, financial results from January-September 2015 are compared with those from January- September 2014 and balance sheet positions as of 30 September 2015 with those as of 31 December 2014.

EARNINGS PERFORMANCE IN BRIEF

Net interest income declined moderately to EUR 3,324.3 million (EUR 3,369.6 million), mainly due to the persistently low interest rate environment and expected developments in Romania and Hungary which could not be fully offset by loan growth. **Net fee and commission income** was stable at EUR 1,372.6 million (EUR 1,372.7 million) on the back of better results from the securities and custody business and asset management. The **net trading and fair value result** improved to EUR 193.0 million (EUR 166.5 million). **Operating income** declined marginally to EUR 5,090.9 million (-0.5%; EUR 5,117.5 million). **General administrative expenses** rose to EUR 2,852.4 million (EUR 2,783.7 million). This resulted in a decline of the **operating result** to EUR 2,238.5 million (-4.1%; EUR 2,333.8 million). The **cost/income ratio** amounted to 56.0% (54.5%).

Net impairment loss on financial assets not measured at fair value through profit or loss declined significantly to EUR 518.4 million or 53 basis points of average gross customer loans (-67.6%; EUR 1,599.4 million or 167 basis points), primarily due to a substantial decline in Romania but also due to a positive trend in all Austrian segments. The **NPL ratio** improved further to 7.4% (8.5%). The **NPL coverage ratio** stood at 69.2% (68.9%).

Other operating result amounted to EUR -377.4 million (EUR -1,628.6 million). The significant positive change was attributable to the non-recurrence of high negative one-off effects posted in the first nine months of 2014 (primarily intangible write-downs). Current figures already include provisions for the 2015 full-year contributions to national resolution funds expected to amount to EUR 56.2 million as well as for losses resulting from legislation requiring the conversion of customer loans (Swiss francs to euro) in Croatia in the amount of EUR 144,9 million. At EUR 187.7 million (EUR 208.7 million), banking and financial transaction taxes were again significant: EUR 95.6 million (EUR 95.3 million) in Austria, EUR 17.5 million (EUR 31.5 million) in Slovakia and EUR 74.6 million (EUR 81.8 million) in Hungary (including the full Hungarian banking tax of EUR 46.2 million for 2015).

Due to the good risk development at the Savings Banks and the turnaround in Romania, the minority charge was high at EUR 275.0 million (EUR 94.6 million). The **net result attributable to owners of the parent** rose to EUR 764.2 million (EUR -1,424.6 million).

Total equity (IFRS) rose to EUR 14.4 billion (EUR 13.4 billion). Including the half year interim profit and deducting risk costs of the third quarter of 2015, **common equity tier 1 capital** (CET1, Basel 3 phased-in) increased to EUR 11.6 billion (EUR 10.6 billion), total eligible **own funds** (Basel 3 phased-in) amounted to EUR 16.9 billion (EUR 15.8 billion). Total risk, i.e. **risk-weighted assets** including credit, market and operational risk (Basel 3 phased-in) decreased to EUR 100.4 billion (EUR 100.6 billion). The **common equity tier 1 ratio** (CET1, Basel 3 phased-in) stood at 11.5% (10.6%), the **total capital ratio** (Basel 3 phased-in) at 16.8% (15.7%).

Total assets rose to EUR 201.2 billion (EUR 196.3 billion), driven mainly by the increase in customer lending volume with **loans and receivables to customers (net)** rising to EUR 124.5 billion (EUR 120.8 billion). Within liabilities, **customer deposits** increased to EUR 125.4 billion (EUR 122.6 billion). The **loan-to-deposit ratio** stood at 99.3% (98.6%).

OUTLOOK

Operating environment anticipated to be conducive to credit expansion. Real GDP growth in 2015 is expected to be between 2% and 4% in all major CEE markets, except Croatia, driven by solid domestic demand. For Austria, a real GDP growth below 1% is forecast.
Return on tangible equity (ROTE) expected at approximately 10% in 2015. Operating result is expected to decline in the mid-single digits while loan growth in the low single digits is anticipated. The risk costs guidance of EUR 750-950m reflects the accounting treatment of Croatian CHF conversion costs of EUR 144.9m in other operating result. Banking levies are expected at about EUR 320 million, including parallel contributions to national as well as European bank resolution and deposit insurance funds. Related discussions with the Austrian government are still ongoing.
Return on tangible equity (ROTE) expected at 10-11% in 2016.
Risks to guidance. Consumer protection initiatives or geopolitical risks that could have negative economic impacts.

PERFORMANCE IN DETAIL

in EUR million	1-9 14 restated	1-9 15	Change
Net interest income	3,369.6	3,324.3	-1.3%
Net fee and commission income	1,372.7	1,372.6	0.0%
Net trading and fair value result	166.5	193.0	15.9%
Operating income	5,117.5	5,090.9	-0.5%
Operating expenses	-2,783.7	-2,852.4	2.5%
Operating result	**2,333.8**	**2,238.5**	**-4.1%**
Net impairment loss on financial assets not measured at fair value through profit or loss	-1,599.4	-518.4	-67.6%
Other operating result	-1,628.6	-377.4	-76.8%
Levies on banking activities	-208.7	-187.7	-10.0%
Pre-tax result from continuing operations	**-879.9**	**1,401.5**	**n/a**
Taxes on income	-446.0	-362.3	-18.8%
Net result for the period	**-1,325.9**	**1,039.2**	**n/a**
Net result attributable to non-controlling interests	98.7	275.0	>100.0%
Net result attributable to owners of the parent	**-1,424.6**	**764.2**	**n/a**

Net interest income

Net interest income declined to EUR 3,324.3 million (EUR 3,369.6 million), mainly due to the low interest rate environment and developments in Romania (lower unwinding effect due to NPL sales) and Hungary (consumer loan law, lower loan volume). The net interest margin (net interest income as a percentage of average interest-bearing assets) contracted from 2.64% to 2.58%.

Net fee and commission income

Net fee and commission income was stable at EUR 1,372.6 million (EUR 1,372.7 million); the improved results from the securities and custody business as well as from asset management and payment transfers were largely offset by the decline in income from lending business.

Net trading and fair value result

The net trading and fair value result improved to EUR 193.0 million (EUR 166.5 million), primarily due to higher income from foreign exchange transactions and positive valuation results of financial liabilities – at fair value through profit or loss.

General administrative expenses

in EUR million	1-9 14	1-9 15	Change
Personnel expenses	1,607.0	1,667.5	3.8%
Other administrative expenses	821.9	855.2	4.1%
Depreciation and amortisation	354.8	329.7	-7.1%
General administrative expenses	**2,783.7**	**2,852.4**	**2.5%**

General administrative expenses increased to EUR 2,852.4 million (EUR 2,783.7 million). **Personnel expenses** increased partly because of the higher average headcount to EUR 1,667.5 million (EUR 1,607.0 million). **Other administrative expenses** increased to EUR 855.2 million (EUR 821.9 million), **depreciation and amortisation** declined to EUR 329.7 million (EUR 354.8 million). The line item other administrative expenses comprised deposit insurance contributions in the amount of EUR 76.1 million (EUR 66.7 million). The rise in these expenses was attributable to contributions to a deposit insurance fund that Austrian financial institutions had to pay for the first time in 2015. The total amount of contributions projected for 2015 in the amount of EUR 17.4 was recognised in the third quarter. The line item depreciation and amortisation included the straight-line amortisation of intangible assets (customer relationships) in the amount of EUR 5.0 million (EUR 34.5 million). The marked improvement was due to the full write-down of customer relationships in BCR in 2014.

The **average headcount** increased slightly by 1.2% to 46,606.

Headcount as of end of the period

	Dec 14	Sep 15	Change
Domestic	**15,550**	**15,646**	**0.6%**
Erste Group, EB Oesterreich and subsidiaries	8,324	8,397	0.9%
Haftungsverbund savings banks	7,226	7,249	0.3%
Abroad	**30,517**	**30,910**	**1.3%**
Česká spořitelna Group	10,504	10,522	0.2%
Banca Comercială Română Group	7,054	7,059	0.1%
Slovenská sporiteľňa Group	4,275	4,243	-0.7%
Erste Bank Hungary Group	2,766	2,873	3.9%
Erste Bank Croatia Group	2,754	2,831	2.8%
Erste Bank Serbia Group	955	981	2.8%
Savings banks subsidiaries	1,166	1,207	3.5%
Other subsidiaries and foreign branch offices	1,043	1,194	14.5%
Total	**46,067**	**46,556**	**1.1%**

Operating result
Operating income declined moderately to EUR 5,090.9 million (-0.5%; EUR 5,117.5 million) due to lower net interest and dividend income, which was not offset by the improvement in the net trading and fair value result. General administrative expenses rose to EUR 2,852.4 million (+2.5%; EUR 2,783.7 million), which led to an operating result in the amount of EUR 2,238.5 million (-4.1%; EUR 2,333.8 million). The cost/income ratio stood at 56.0% (54.4%).

Gains/losses from financial assets and liabilities not measured at fair value through profit or loss (net)
Gains from financial assets and liabilities not measured at fair value through profit or loss (net) rose to EUR 58.8 million (EUR 14.3 million). This was attributable to positive contributions from the sale of financial assets – available for sale as well as gains from the repurchase of financial liabilities carried at amortised cost.

Net impairment loss on financial assets
Net impairment loss on financial assets declined to EUR 518.4 million (EUR 1,599.4 million). This development was attributable in particular to the decline in the balance of the allocation and release of provisions for the lending business together with the costs of direct loan write-offs offset by income received from the recovery of loans already written off to EUR 514.9 million (EUR 1,607.8 million). The main drivers were declining risk costs in Austria as well as lower risk costs plus substantial recoveries of receivables previously written off after the recognition of extraordinarily high risk provisions in Romania in 2014. Consequently, net impairment loss on financial assets not measured at fair value through profit or loss, based on the average volume of gross customer loans, improved significantly to 53 basis points (167 basis points). In addition, this line item included a net impairment loss on held-to-maturity and available-for-sale financial assets in the amount of EUR -3.5 million (EUR 8.4 million).

Other operating result
The non-recurrence of high negative one-off effects had a positive impact on other operating result, which came in at EUR -377.4 million (EUR -1,628.6 million). The comparative period had been affected by substantial write-offs: goodwill write-downs in the total amount of EUR 420.9 million (thereof EUR 319.1 million in Romania, EUR 61.4 million in Croatia and EUR 40.4 million in Austria). In addition, EUR 489.8 million were written off in Romania for customer relationships and brand.

Levies on banking activities declined to EUR 187.7 million (EUR 208.7 million). In Hungary, banking levies of EUR 74.6 million (EUR 81.8 million) included mainly the advance booking of the total banking tax for the year of 2015 in the amount of EUR 46.2 million (EUR 47.9 million) and a financial transaction tax in the amount of EUR 27.7 million (EUR 27.3 million). Banking levies charged in Austria amounted to EUR 95.6 million (EUR 95.3 million) and in Slovakia – after a substantial reduction – to EUR 17.5 million (EUR 31.5 million).

Other operating result also comprises the allocation/release of other provisions, including for commitments and guarantees, in the amount of EUR 162.0 million (EUR 393.4 million), and includes EUR 56.2 million (EUR 0) for the projected 2015 full-year contributions to national resolution funds. It also comprises an allocation to provisions for losses expected to result from the conversion of customer loans (Swiss francs to euro) required by law in Croatia in the amount of EUR 144.9 million. In the comparative period, this line item had mainly reflected provisions in the amount of EUR 360.8 million recognised after a consumer loan law had been passed in Hungary.

Net result
The pre-tax result from continuing operations amounted to EUR 1,401.5 million (EUR -955.5 million). Due to the good risk development in Austria and the turnaround in Romania, the minority charge increased significantly to EUR 275.0 million (EUR 94.6 million). The net result attributable to owners of the parent rose to EUR 764.2 million (EUR -1,424.6 million).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Third quarter of 2015 compared to second quarter of 2015

in EUR million	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15
Income statement					
Net interest income	1,126.0	1,125.6	1,098.5	1,113.4	1,112.3
Net fee and commission income	465.8	497.1	461.0	456.3	455.2
Dividend income	33.0	11.3	7.4	24.8	11.2
Net trading and fair value result	28.4	75.8	72.4	64.1	56.4
Net result from equity method investments	0.1	4.2	4.7	5.0	4.7
Rental income from investment properties & other operating leases	42.5	46.5	45.1	46.6	51.7
Personnel expenses	-515.0	-577.2	-554.0	-559.9	-553.6
Other administrative expenses	-264.2	-315.1	-281.1	-278.5	-295.6
Depreciation and amortisation	-108.0	-111.3	-112.9	-110.4	-106.4
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	13.2	4.0	10.9	25.2	22.8
Net impairment loss on financial assets not measured at fair value through profit or loss	-878.8	-484.3	-183.1	-190.8	-144.4
Other operating result	-356.8	-124.3	-153.5	-47.1	-176.8
Levies on banking activities	-54.6	-47.6	-91.8	-45.4	-50.5
Pre-tax result from continuing operations	**-413.9**	**152.2**	**415.2**	**548.8**	**437.4**
Taxes on income	-98.3	-75.5	-118.6	-154.8	-88.9
Net result for the period	**-512.3**	**76.7**	**296.6**	**394.0**	**348.5**
Net result attributable to non-controlling interests	42.0	34.7	70.8	132.6	71.6
Net result attributable to owners of the parent	**-554.2**	**42.0**	**225.8**	**261.4**	**276.9**

Net interest income was stable at EUR 1,112.3 million (EUR 1,113.4 million). **Net fee and commission income** changed only slightly to EUR 455.2 million (EUR 456.3 million) as an increase in income from asset management and brokerage commissions largely offset the decline in income from lending and securities business. The **net trading and fair value result** decreased to EUR 56.4 million (EUR 64.1 million). This was attributable to a continuing negative result from the securities and derivatives business as well as a decline in the result from the valuation of financial liabilities – at fair value through profit or loss.

General administrative expenses increased to EUR 955.6 million (EUR 948.7 million). Personnel expenses were reduced to EUR 553.6 million (-1.1%; EUR 559.9 million) and depreciation and amortisation declined to EUR 106.4 million (-3.6%; EUR 110.4 million). Other administrative expenses increased to EUR 295.6 million (EUR 278.5 million), driven mainly by the projected full-year 2015 contributions to the Austrian deposit insurance fund in the amount of EUR 17.4 million, which were posted in the third quarter. The **cost/income ratio** rose to 56.5% to (55.5%).

Gains from financial assets and liabilities not measured at fair value through profit and loss (net) were slightly lower at EUR 22.8 million (EUR 25.2 million), mainly due to lower gains from the buyback of financial liabilities.

Net impairment loss on financial assets not measured at fair value through profit or loss declined to EUR 144.4 million (EUR 190.8 million), which primarily reflected significantly lower risk costs in Hungary.

Other operating result declined to EUR -176.8 million (EUR -47.1 million) due to an allocation to a provision for the conversion of customer loans required by law in Croatia in the amount of EUR 144.9 million. **Levies on banking activities** amounted to EUR 50.5 million (EUR 45.4 million) (thereof EUR 35.5 million (EUR 30.6 million) in Austria, EUR 8.8 million (EUR 9.0 million) in Hungary (financial transaction tax) and EUR 5.9 million (EUR 5.8 million) in Slovakia).

The **pre-tax result** declined to EUR 437.4 million (EUR 548.8 million). The **net result attributable to owners of the parent** increased to EUR 276.9 million (EUR 261.4 million).

DEVELOPMENT OF THE BALANCE SHEET

in EUR million	Dec 14	Sep 15	Change
Assets			
Cash and cash balances	7,835	11,097	41.6%
Trading, financial assets	50,131	47,910	-4.4%
Loans and receivables to credit institutions	7,442	8,384	12.7%
Loans and receivables to customers	120,834	124,521	3.1%
Intangible assets	1,441	1,393	-3.4%
Miscellaneous assets	8,604	7,867	-8.6%
Total assets	**196,287**	**201,171**	**2.5%**
Liabilities and equity			
Financial liabilities - held for trading	7,746	6,364	-17.8%
Deposits from banks	14,803	17,414	17.6%
Deposits from customers	122,583	125,439	2.3%
Debt securities issued	31,140	30,620	-1.7%
Miscellaneous liabilities	6,573	6,896	4.9%
Total equity	13,443	14,437	7.4%
Total liabilities and equity	**196,287**	**201,171**	**2.5%**

Trading and investment securities held in various categories of financial assets declined to EUR 47.9 billion (EUR 50.1 billion). The rise in the line item financial assets – held to maturity did not offset the decline in the line items financial assets – available for sale and financial assets – held for trading and the slight decline in the line item financial assets – at fair value through profit or loss.

Loans and receivables to credit institutions (net) increased to EUR 8.4 billion (EUR 7.4 billion). **Loans and receivables to customers (net)** rose to EUR 124.5 billion (EUR 120.8 billion), driven by larger volumes in Slovakia, the Czech Republic and Austria (Erste Bank Oesterreich and Savings Banks). **Allowances for loans and receivables to customers** declined to EUR 6.7 billion (EUR 7.5 billion), reflecting the steady improvement in asset quality.

The **NPL ratio** – non-performing loans as a percentage of loans to customers – declined further to 7.4% (8.5%). The **NPL coverage ratio** stood at 69.2% (68.9%).

Intangible assets were stable at EUR 1.4 billion (EUR 1.4 billion). **Miscellaneous assets** declined to EUR 7.9 billion (EUR 8.6 billion). **Miscellaneous assets** declined to EUR 7.8 billion (EUR 8.6 billion). **Financial liabilities – held for trading** were lower at EUR 6.4 billion (EUR 7.7 billion), primarily as a result of a decreased portfolio of derivatives.

Deposits from banks rose to EUR 17.4 billion (EUR 14.8 billion), reflecting primarily an increase in overnight deposits from credit institutions and central banks and in repurchase transactions. **Deposits from customers** were also up at EUR 125.4 billion (EUR 122.6 billion). The **loan-to-deposit ratio** stood at 99.3% (98.6%). **Debt securities in issue**, mainly bonds, declined to EUR 30.6 billion (EUR 31.1 billion). **Miscellaneous liabilities** rose marginally to EUR 6.9 billion (EUR 6.6 billion).

Erste Group's **total equity** (IFRS) increased to EUR 14.4 billion (EUR 13.4 billion). Including the half year interim profit and after deducting the third quarter risk costs, **common equity tier 1 capital** (CET 1, Basel 3 phased-in) rose to EUR 11.6 billion (EUR 10.6 billion); **total own funds** (Basel 3 phased-in) improved to EUR 16.9 billion (EUR 15.8 billion). **Total risk** (**risk-weighted assets** including credit, market and operational risk, Basel 3 phased-in) declined to EUR 100.4 billion (EUR 100.6 billion).

As of 2014, Erste Group calculates consolidated regulatory capital according to Basel 3. The calculation follows the requirements as defined by the capital requirements regulation (CRR) taking into consideration transitional provisions as defined in the Austrian CRR Supplementary Regulation. These transitional provisions define the percentages applicable to eligible capital instruments and regulatory deduction items as well as filters. The **total capital ratio** (Basel 3 phased-in) in relation to the total risk (total eligible qualifying capital in relation to total risk pursuant to CRR) was 16.8% (15.7%), well above the legal minimum requirement.

The **tier 1 ratio** (Basel 3 phased-in), which includes the capital requirements for credit, market and operational risk (total risk), stood at 11.5% (10.6%). The **common equity tier 1 ratio** (Basel 3 phased-in) amounted to 11.5% (10.6%).

SEGMENT REPORTING

January-September 2015 compared with January- September 2014

Erste Group's segment reporting is based on a matrix organisation. It provides comprehensive information to assess the business line and geographic performance. The tables and information below provide a brief overview and focus on selected and summarised items. For more details please see Note 26. At www.erstegroup.com additional information is available in Excel format.

Operating income consists of net interest income, net fee and commission income, net trading and fair value result as well as dividend income, net result from equity method investments and rental income from investment properties & other operating leases. The latter three listed items are not separately disclosed in the tables below. Operating expenses equal the position general administrative expenses. Operating result is the net amount of operating income and operating expenses. Risk provisions for loans and receivables are included in the position net impairment loss on financial assets not measured at fair value through P&L. Other result summarises the positions other operating result and gains/losses from financial assets and liabilities not measured at fair value through profit or loss. The cost/income ratio is calculated as operating expenses in relation to operating income. The return on allocated equity is defined as the net result after tax/before minorities in relation to the average allocated equity.

BUSINESS SEGMENTS

Retail

in EUR million	1-9 14	1-9 15	Change
Net interest income	1,633.4	1,661.4	1.7%
Net fee and commission income	788.2	779.7	-1.1%
Net trading and fair value result	45.5	37.7	-17.1%
Operating income	2,492.2	2,502.4	0.4%
Operating expenses	-1,338.6	-1,366.3	2.1%
Operating result	1,153.7	1,136.0	-1.5%
Cost/income ratio	53.7%	54.6%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-577.9	-252.4	-56.3%
Other result	-439.3	-178.8	-59.3%
Net result attributable to owners of the parent	26.0	570.1	>100.0%
Return on allocated capital	1.9%	34.7%	

The Retail segment comprises the entire business with private individuals, free professionals and micros in the responsibility of account managers in the retail network of the local banks cooperating with their specialised subsidiaries (such as factoring, leasing and asset management companies).

The rise in net interest income was driven by increased loan and deposit volumes in Austria, higher loan volumes in Slovakia as well as increasing mortgage loan and current account volumes in the Czech Republic. These developments more than offset lower contribution from the lending business in Romania and Hungary. Net fee and commission income decreased primarily due to lower current account, cards and lending fees in the Czech Republic. Increased asset management and securities fees in Austria partially mitigated this impact. Net trading and fair value result was negatively impacted by the one-year Swiss franc exchange rate fixing for retail loans required by the legislation in Croatia in January 2015. Operating expenses increased due to the integration of new entities in Austria as well as due to higher costs in Austria and Hungary. Operating result declined, the cost/income ratio went up. The significant improvement of net impairment loss on financial assets not measured at FV through profit and loss was driven by lower risk costs in Romania, where the previous year included high provisions in connection with the accelerated NPL reduction, while risk costs in Hungary went up mostly due to methodology changes. Other result improved significantly due to the non-recurrence of one-time effects, namely provisions related to the Hungarian consumer loan law in the amount of EUR 360.8 million. Consequently, the net result attributable to the owners of the parent improved substantially.

SME

in EUR million	1-9 14	1-9 15	Change
Net interest income	430.0	423.9	-1.4%
Net fee and commission income	148.0	140.4	-5.1%
Net trading and fair value result	15.7	27.0	72.5%
Operating income	618.5	616.0	-0.4%
Operating expenses	-214.2	-228.6	6.7%
Operating result	404.3	387.3	-4.2%
Cost/income ratio	34.6%	37.1%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-395.1	-104.6	-73.5%
Other result	11.6	-17.6	n/a
Net result attributable to owners of the parent	8.9	197.7	>100.0%
Return on allocated capital	0.4%	23.3%	

The SME segment consists of business with clients which are in the responsibility of the local corporate account managers, mainly consisting of micros, SMEs, small public sector companies and small financial institutions (e.g. third party leasing companies).

Net interest income decreased mainly due to lower income from unwinding and lower loan volumes in Romania. Net fee and commission income decreased mainly in the Czech Republic. Net trading and fair value result improved as a result of positive credit value adjustments in Austria. Operating expenses went up due to further IT investments; the cost/income ratio rose. Net impairment loss on financial assets not measured at FV through profit and loss improved substantially on the back of lower risk provisions in Romania, Austria and Croatia. Other result deteriorated mainly due to the non-recurrence of one-off insurance income in Austria. Net result attributable to the owners of the parent improved significantly.

Asset/Liability Management & Local Corporate Center

in EUR million	1-9 14	1-9 15	Change
Net interest income	115.1	17.0	-85.2%
Net fee and commission income	-62.3	-43.8	-29.7%
Net trading and fair value result	11.6	-36.3	n/a
Operating income	112.8	-21.0	n/a
Operating expenses	-59.2	-53.2	-10.1%
Operating result	53.6	-74.3	n/a
Cost/income ratio	52.5%	>100.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-6.0	-9.1	53.4%
Other result	-125.4	-92.8	-26.0%
Net result attributable to owners of the parent	-87.5	-139.8	59.8%
Return on allocated capital	-6.6%	-10.6%	

The ALM & LCC segment includes all local and asset/liability management functions of Erste Group Bank AG (holding) as well as the local corporate centers which comprise all non-core banking activities, non-profit servicing participations and reconciliation items to local entity results.

Net interest income declined considerably mainly due to lower ALM contribution in the Czech Republic, Slovakia, Romania and Austria. The increase in net fee and commission income was primarily related to a positive impact from lower fee expenses in the Czech Republic and higher fee income in Slovakia. Net trading and fair value result deteriorated substantially due to a negative result from derivatives. The reduction in operating expenses was mainly attributable to lower costs in Hungary and Slovakia. Operating result decreased. Other result improved substantially on the back of the gains on financial assets and liabilities not measured at fair value through profit or loss realised in the holding which mitigated the full year booking of the contribution to resolution funds. The net result attributable to the owners of the parent decreased significantly.

Savings Banks

in EUR million	1-9 14	1-9 15	Change
Net interest income	662.0	676.2	2.1%
Net fee and commission income	300.1	319.7	6.5%
Net trading and fair value result	3.1	14.1	>100.0%
Operating income	1,016.8	1,058.7	4.1%
Operating expenses	-690.2	-714.6	3.5%
Operating result	326.6	344.1	5.4%
Cost/income ratio	67.9%	67.5%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-133.7	-42.6	-68.1%
Other result	-20.0	27.8	n/a
Net result attributable to owners of the parent	9.8	36.2	>100.0%
Return on allocated capital	9.0%	20.2%	

The Savings Banks segment includes the savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector except for Erste Bank Oesterreich, Tiroler Sparkasse, Salzburger Sparkasse, and Sparkasse Hainburg.

The increase in net interest income was attributable to the reduction of deposit interest rates due to the persistent low interest rate environment. Net fee and commission income improved due to higher fees from securities and payments. Net trading and fair value result increased driven by the valuation of derivatives. Operating expenses went up due to the increase of payment into deposit insurance fund to EUR 10.3 million (EUR 1.0 million) as well as higher personnel and IT expenses. Operating result and cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss decreased considerably on the back of a benign risk environment. Other result improved as the payment into the recovery & resolution fund in the amount of EUR 6.8 million was more than offset by valuation effects, lower provisions for contingent credit risk liabilities as well as higher selling gains for securities. Banking tax increased to EUR 10.8 million (EUR 10.3 million). Overall, the net result attributable to owners of the parent increased.

Large Corporates

in EUR million	1-9 14 restated	1-9 15	Change
Net interest income	167.1	171.4	2.6%
Net fee and commission income	71.3	65.0	-8.8%
Net trading and fair value result	7.9	10.3	29.7%
Operating income	246.3	246.7	0.2%
Operating expenses	-60.6	-68.1	12.3%
Operating result	185.7	178.6	-3.8%
Cost/income ratio	24.6%	27.6%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-227.4	-30.3	-86.7%
Other result	-8.7	-20.8	>100.0%
Net result attributable to owners of the parent	-41.8	92.9	n/a
Return on allocated capital	-7.9%	19.1%	

The Large Corporates segment comprises the business with large corporate customers whose annual turnover exceeds a defined threshold that varies depending on the country.

Net interest income increased as a result of the reallocation of a part of the Erste Factoring portfolio in Croatia to the Large Corporates segment (shown fully in the SME segment in 2014) which together with higher volumes and margins in Slovakian Large Corporates portfolio more than offset the lower income attributable to unwinding effect and lower volumes in the Romanian Large Corporates portfolio. Net fee and commission income decreased mostly due to lower one-off fees related to customer transactions. Net trading and fair value result improved due to fixed income derivative business and positive credit value adjustments in Austrian and Czech portfolios. The increase in operating expenses was mainly related to cash processing and transport costs in Romania. Operating result declined, cost/income ratio increased. Net impairment loss on financial assets not measured at FV through profit and loss decreased substantially due to the non-recurrence of high risk provisions for loans and receivables booked in Romania in the previous year. Other result deteriorated due to the changed split of provisions in Austria as provisions for commitments and guarantees were booked separately. Net result attributable to the owners of the parent improved significantly.

Commercial Real Estate

in EUR million	1-9 14	1-9 15	Change
Net interest income	113.5	129.0	13.7%
Net fee and commission income	11.4	8.9	-21.9%
Net trading and fair value result	-5.2	4.6	n/a
Operating income	152.8	175.2	14.7%
Operating expenses	-64.4	-63.2	-2.0%
Operating result	88.4	112.0	26.8%
Cost/income ratio	42.2%	36.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-251.5	6.4	n/a
Other result	-49.5	-33.9	-31.6%
Net result attributable to owners of the parent	-205.9	58.9	n/a
Return on allocated capital	-34.8%	12.0%	

The Commercial Real Estate segment covers the real estate value chain (lending, leasing, real estate investment, project development and construction services as well as infrastructure business) for corporate clients, project developers, real estate investors, municipalities and other public sector agencies.

The increase in net interest income was mainly attributable to a one-off income in the Austrian portfolio and higher loan volumes in Czech Republic. Net fee and commission income declined on the back of lower fees in Immorent. The improvement in the net trading and fair value result was attributable to positive foreign currency revaluation effects in Immorent. Rental income increased mostly in Immorent. Operating expenses decreased due to strict cost management and deconsolidation of a leasing subsidiary in Immorent. Consequently, operating result increased and the cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss dropped, mainly driven by the holding, Immorent, as well as the Romanian and Hungarian portfolios. Other result improved due to lower provisions for commitments and guarantees in Immorent and lower impairments on investments in the Hungarian portfolio. Overall, net result attributable to the owners of the parent improved significantly.

Other Corporate

in EUR million	1-9 14	1-9 15	Change
Net interest income	55.6	55.3	-0.5%
Net fee and commission income	12.1	10.2	-16.2%
Net trading and fair value result	4.5	-3.7	n/a
Operating income	72.8	61.8	-15.0%
Operating expenses	-38.9	-42.2	8.4%
Operating result	33.9	19.7	-42.0%
Cost/income ratio	53.5%	68.2%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-13.7	-42.6	>100.0%
Other result	1.8	25.7	>100.0%
Net result attributable to owners of the parent	16.9	1.8	-89.2%
Return on allocated capital	10.5%	1.3%	

The Other Corporate segment consists of two operating segments – International Business and Investment Banking – that are below the threshold criteria defined by IFRS 8. International Business comprises all lending and investing activities outside Erste Group's core markets (including the branches in London, Hong Kong and New York) and is responsible for business development with and credit line management for banks and non-banking financial institutions. Investment Banking covers equity-related business focusing mainly on corporate finance, equity capital markets services, equity brokerage (institutional sales) and merchant banking.

Net interest income remained nearly stable. The improved performance of the International Business loan portfolio in New York made up for further reductions of the International Business loan book in Austria and lower interest income in the Investment Banking portfolio in London. Net fee and commission income declined primarily due to one off fee expense related to a sale of private equity funds in Austria and lower fee income from the International Business in Austria. The decline in net trading and fair value result was driven by the worsening performance of asset-backed securities and derivatives in the structured credit business in Austria and the mark to market valuation on interest rate swaps in Hong Kong branch portfolio. Operating result thus declined and the cost/income ratio deteriorated. Net impairment loss on financial assets not measured at FV through profit and loss increased on the back of higher risk provisions for loans and receivables related to Ukrainian trade finance business in London. Other result improved significantly due to the sale of private equity funds in Austria and extraordinary income from the London credit portfolio. Net result attributable to the owners of the parent declined.

Group Markets

in EUR million	1-9 14	1-9 15	Change
Net interest income	149.7	137.8	-8.0%
Net fee and commission income	76.5	89.0	16.4%
Net trading and fair value result	88.4	86.0	-2.7%
Operating income	316.7	314.2	-0.8%
Operating expenses	-131.0	-136.0	3.8%
Operating result	185.7	178.3	-4.0%
Cost/income ratio	41.4%	43.3%	
Net impairment loss on financial assets not measured at fair value through profit or loss	0.0	-0.3	n/a
Other result	-1.2	-4.1	>100.0%
Net result attributable to owners of the parent	144.4	133.8	-7.4%
Return on allocated capital	40.5%	40.6%	

The Group Markets segment comprises the divisionalised business units Group Treasury and Capital Markets (except Equity Capital Markets) and includes the treasury activities of Erste Group Bank AG, the CEE subsidiaries, foreign branch offices in Hong Kong, New York, Berlin and Stuttgart as well as the business with institutional clients of Erste Asset Management.

Net interest income declined primarily due to the persistent low interest rate environment affecting interest rate related products. Net fee and commission income improved significantly due to increased corporate, institutional and retail sales business as well as the performance of funds of institutional customers. Net trading and fair value result declined due to unfavourable market conditions. Operating result declined due to decreased operating income and higher operating expenses. The cost/income ratio deteriorated slightly. Other result slipped due to the contribution to the recovery and resolution funds. Overall, net result attributable to the owners of the parent declined.

Group Corporate Center

in EUR million	1-9 14	1-9 15	Change
Net interest income	46.5	78.8	69.4%
Net fee and commission income	47.3	27.3	-42.4%
Net trading and fair value result	-7.4	18.8	n/a
Operating income	130.2	171.0	31.3%
Operating expenses	-521.7	-541.0	3.7%
Operating result	-391.5	-370.0	-5.5%
Cost/income ratio	>100.0%	>100.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	5.7	-42.8	n/a
Other result	-690.1	302.5	n/a
Net result attributable to owners of the parent	-1,295.6	-187.5	-85.5%
Return on allocated capital	-33.0%	-4.1%	

The Group Corporate Center segment covers mainly centrally managed activities and items that are not directly allocated to other segments. It includes the Corporate Center of Erste Group Bank AG, internal non-profit service providers, goodwill impairments and the free capital of Erste Group.

Net interest income increased mainly due to higher contributions from businesses not allocated to other business lines. Net fee and commission income declined due to the reallocation of subsidiaries to other segments. Net trading and fair value result improved due to valuation results. Operating expenses increased mainly due to higher IT costs. Other result improved considerably due to the non-recurrence of negative effects, namely last year's goodwill impairments of EUR 420.9 million and the write-down of the entire remaining value of customer relationships and brand of BCR of EUR 470.7 million. Consequently, net result attributable to the owners of the parent improved significantly.

GEOGRAPHICAL SEGMENTS

Erste Bank Oesterreich & Subsidiaries

in EUR million	1-9 14	1-9 15	Change
Net interest income	456.1	476.8	4.5%
Net fee and commission income	255.9	276.3	8.0%
Net trading and fair value result	2.6	-1.6	n/a
Operating income	750.9	777.2	3.5%
Operating expenses	-446.4	-465.0	4.2%
Operating result	304.4	312.3	2.6%
Cost/income ratio	59.5%	59.8%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-66.9	-29.0	-56.6%
Other result	3.9	-7.3	n/a
Net result attributable to owners of the parent	183.3	201.3	9.8%
Return on allocated capital	23.3%	26.1%	

The EBOe & Subsidiaries segment comprises Erste Bank Oesterreich and its main subsidiaries (e.g. sBausparkasse, Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg).

The increase in net interest income was primarily attributable to higher retail loan and deposit volumes, mainly current accounts. Net fee and commission income increased due to higher securities fees and lower building society fee expenses. Net trading and fair value result decreased due to valuation of derivatives. Operating expenses increased due to the first time payment into the deposit insurance fund of EUR 8.1 million as well as higher office space costs and general overhead. Although operating result improved, the cost/income ratio deteriorated slightly. Net impairment loss on financial assets not measured at FV through profit and loss decreased substantially mainly due to a benign risk environment. The worsening of other result was driven by a one-off income from insurance payments in 2014, higher impairment of participations, higher provisions for legal expenses as well as the resolution fund contribution of EUR 4.3 million, which was partially compensated by the selling gain of a participation. Overall, the net result attributable to owners of the parent increased.

Savings Banks

The geographical segment Savings Banks is identical to the business segment Savings Banks (see page 10).

Other Austria

in EUR million	1-9 14	1-9 15	Change
Net interest income	302.2	308.5	2.1%
Net fee and commission income	130.1	138.6	6.5%
Net trading and fair value result	2.7	5.2	92.3%
Operating income	470.7	486.4	3.3%
Operating expenses	-231.1	-237.8	2.9%
Operating result	239.6	248.6	3.8%
Cost/income ratio	49.1%	48.9%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-191.0	-72.9	-61.8%
Other result	-41.8	-27.2	-34.8%
Net result attributable to owners of the parent	-33.8	103.4	n/a
Return on allocated capital	-2.9%	11.0%	

The Other Austria segment comprises Erste Group Bank AG's (holding) Large Corporates, Commercial Real Estate, Other Corporate and Group Markets business, Erste Group Immorent AG and Erste Asset Management GmbH.

Net interest income increased on the back of positive one-off effects in the real estate business in the holding and lending business in the New York branch. Net fee and commission income improved due to higher assets under management volumes and a changed structure of sold products. Increased corporate, institutional and retail sales business in Group Markets also contributed positively. The rise in net trading and fair value result was predominantly attributable to a good performance in alternative investments as well as FX business development. Despite increasing operating expenses, driven mainly by IT cost and higher legal costs, operating result as well as the cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss decreased on the back of lower portfolio risk provisions and improvements in the portfolio structure in real estate of the holding and Immorent, despite additional impairments for Ukrainian exposure. Other result included a resolution fund contribution of EUR 3.8 million. The net result attributable to the owners of the parent increased significantly.

Czech Republic

in EUR million	1-9 14	1-9 15	Change
Net interest income	692.9	682.6	-1.5%
Net fee and commission income	300.0	275.2	-8.3%
Net trading and fair value result	62.6	81.8	30.7%
Operating income	1,079.8	1,063.3	-1.5%
Operating expenses	-494.4	-498.4	0.8%
Operating result	585.4	564.9	-3.5%
Cost/income ratio	45.8%	46.9%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-105.4	-68.8	-34.7%
Other result	-5.3	-20.4	>100.0%
Net result attributable to owners of the parent	378.9	382.0	0.8%
Return on allocated capital	35.3%	36.4%	

Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) decreased due to the persistently low interest rate environment and a change of the balance sheet structure towards a higher proportion of lower margin housing loans. Net fee and commission income declined mostly due to lower private current account fees and lower cards fees. Net trading and FV result increased due to better result from derivatives. Operating expenses increased slightly on the back of higher IT costs. Operating result decreased, the cost/income ratio went up. The decline of net impairment loss on financial assets not measured at FV through profit and loss was attributable to a change in the provisioning methodology for retail portfolio risks and improved collateral values of some real estate projects. Other result deteriorated due to the full year booking of the contribution to the resolution fund of EUR 16.2 million. Overall, these developments led to an improvement in the net result attributable to the owners of the parent.

Slovakia

in EUR million	1-9 14	1-9 15	Change
Net interest income	336.0	341.6	1.7%
Net fee and commission income	91.1	92.9	2.1%
Net trading and fair value result	9.3	6.0	-35.4%
Operating income	443.5	449.5	1.4%
Operating expenses	-196.2	-195.3	-0.4%
Operating result	247.3	254.2	2.8%
Cost/income ratio	44.2%	43.4%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-42.8	-32.7	-23.5%
Other result	-33.6	-21.9	-34.8%
Net result attributable to owners of the parent	131.6	152.5	15.9%
Return on allocated capital	34.6%	38.0%	

The increase in net interest income in the Slovakia segment (comprising Slovenská sporiteľňa Group) was mainly attributable to higher loan volumes, both housing and consumer loans, as well as a changed deposit structure. These effects were partially offset by a lower structural contribution due to the low interest rate environment. Net fee and commission income improved due to insurance and asset management fees. The decrease in the net trading and fair value result was driven by the valuation of derivatives. While total operating income increased, operating expenses remained almost stable. As a consequence, operating result and the cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss decreased due to better portfolio quality and lower new defaults. The improvement of other result was driven by a reduced banking tax in the amount of EUR 17.5 million (EUR 31.5 million). The contribution into the resolution fund amounted to EUR 2.4 million. The net result attributable to the owners of the parent increased.

Romania

in EUR million	1-9 14 restated	1-9 15	Change
Net interest income	374.9	325.9	-13.1%
Net fee and commission income	121.4	119.7	-1.4%
Net trading and fair value result	63.2	52.3	-17.3%
Operating income	564.1	506.2	-10.3%
Operating expenses	-237.1	-249.1	5.1%
Operating result	327.1	257.1	-21.4%
Cost/income ratio	42.0%	49.2%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-835.3	-12.4	-98.5%
Other result	-70.8	-19.2	-72.8%
Net result attributable to owners of the parent	-472.6	180.5	n/a
Return on allocated capital	-58.9%	27.4%	

Net interest income in the Romania segment (comprising Banca Comercială Română Group) decreased mainly due to lower income from unwinding, lower average loan volume and lower interest rates. Net fee and commission income declined predominantly due to lower current account maintenance fees. The decline in net trading and fair value result was mostly attributable to a one-off positive effect from derivatives in 2014. Consequently, operating income decreased. Operating expenses increased mainly due to higher personnel and IT costs. Operating result declined and the cost/income ratio deteriorated. Net impairment loss on financial assets not measured at FV through profit and loss improved significantly after non-performing loan portfolio clean-up activities in 2014 and more than offset the decline in operating result. Other result included the contribution to the resolution fund of EUR 5.7 million, whereas last year was negatively affected by the impairments of intangible and tangible assets. Consequently, the net result attributable to the owners of the parent improved markedly.

Hungary

in EUR million	1-9 14	1-9 15	Change
Net interest income	205.8	157.6	-23.4%
Net fee and commission income	103.7	103.5	-0.2%
Net trading and fair value result	7.6	1.7	-78.1%
Operating income	318.0	263.6	-17.1%
Operating expenses	-126.6	-132.0	4.3%
Operating result	191.4	131.5	-31.3%
Cost/income ratio	39.8%	50.1%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-101.9	-93.1	-8.6%
Other result	-450.3	-80.1	-82.2%
Net result attributable to owners of the parent	-370.7	-47.2	-87.3%
Return on allocated capital	-105.5%	-14.5%	

Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) declined mainly due to lower loan volumes, the impact of the consumer loan law as well as lower contribution from securities. Net fee and commission income remained stable. Net trading and fair value result decreased mostly due to the lower contribution of the foreign exchange business. Operating expenses increased on the back of higher personnel costs following temporary hiring to execute the FX conversion program. Consequently, operating result deteriorated, the cost/income ratio went up. Net impairment loss on financial assets not measured at FV through profit and loss decreased moderately. Other result improved significantly as provisions related to the Hungarian consumer loan law in the amount of EUR 360.8 million did not recur. The line item included the contribution to the resolution fund of EUR 2.4 million. Overall there was an improvement of the net result attributable to the owners of the parent.

Croatia

in EUR million	1-9 14	1-9 15	Change
Net interest income	194.4	201.2	3.5%
Net fee and commission income	60.2	63.5	5.4%
Net trading and fair value result	20.2	10.0	-50.8%
Operating income	300.1	297.0	-1.0%
Operating expenses	-134.2	-139.3	3.8%
Operating result	165.9	157.7	-5.0%
Cost/income ratio	44.7%	46.9%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-118.3	-111.3	-6.0%
Other result	-2.4	-143.8	>100.0%
Net result attributable to owners of the parent	25.6	-54.2	n/a
Return on allocated capital	11.4%	-22.6%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to a change in the deposit structure towards sight deposits. Net fee and commission income went up due to higher fees from payment transfers and card business. The net trading and fair value result was negatively impacted by the Swiss franc exchange rate fixing for retail loans in January 2015 required by legislation. Operating expenses went up due to increased personnel expenses as well as higher legal and IT costs. The operating result deteriorated, as did the cost/income ratio. The improvement in net impairment loss on financial assets not measured at FV through profit and loss was driven by lower provisioning requirements in the SME and retail business. Other result deteriorated significantly due to the booking of provisions for Swiss franc loan conversion in the amount of EUR 144.9 million. Consequently, the net result attributable to the owners of the parent deteriorated considerably.

Serbia

in EUR million	1-9 14	1-9 15	Change
Net interest income	24.9	30.2	21.1%
Net fee and commission income	10.0	9.1	-8.3%
Net trading and fair value result	1.7	2.5	50.1%
Operating income	36.5	42.3	15.8%
Operating expenses	-28.1	-28.7	2.0%
Operating result	8.3	13.6	62.6%
Cost/income ratio	77.1%	67.9%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-9.0	-6.8	-24.5%
Other result	-0.6	-0.3	-53.2%
Net result attributable to owners of the parent	-0.4	5.3	n/a
Return on allocated capital	-1.2%	10.9%	

Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) increased due to growing customer loan volumes as well as higher deposit volumes in retail and corporate business. Net fee and commission income decreased mostly due to lower lending fees. The improvement of net trading and fair value result was mainly driven by foreign exchange transactions. Operating expenses went up slightly. Net impairment loss on financial assets not measured at FV through profit and loss declined on the back of better portfolio quality. As a result, the net result attributable to the owners of the parent increased significantly.

Other

in EUR million	1-9 14	1-9 15	Change
Net interest income	120.5	123.8	2.8%
Net fee and commission income	0.2	-26.0	n/a
Net trading and fair value result	-6.6	21.0	n/a
Operating income	137.1	146.7	7.0%
Operating expenses	-199.4	-192.1	-3.6%
Operating result	-62.2	-45.4	-27.0%
Cost/income ratio	>100.0%	>100.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	5.0	-48.7	n/a
Other result	-993.5	-26.3	-97.4%
Net result attributable to owners of the parent	-1,276.1	-195.7	-84.7%
Return on allocated capital	-28.3%	-3.7%	

The residual segment Other consists mainly of centralised service providers, the Group Asset/Liability Management and the Corporate Center of Erste Group Bank AG as well as the reconciliation to the consolidated accounting result (e.g. intercompany elimination, dividend elimination), goodwill impairments, amortisation of customer relationships and free capital.

While net interest incomeincreased, net fee and commission income declined due to the reallocation of subsidiaries to other segments. Net trading and fair value result improved due to valuation effects. Operating expenses increased mainly due to higher IT costs. Other result improved significantly due to the non-recurrence of negative one-off effects namely goodwill impairments of EUR 420.9 million and the write-down of the entire remaining value of customer relationships and brand of BCR of EUR 470.7 million. Net result attributable to the owners of the parent thus improved significantly.

Group condensed consolidated financial statements of Erste Group Bank AG

Interim report – third quarter of 2015

I. Group condensed statement of comprehensive income

Income statement

in EUR thousand	Notes	1-9 14 restated	1-9 15
Net interest income	1	3,369,623	3,324,265
Net fee and commission income	2	1,372,744	1,372,555
Dividend income	3	62,933	43,294
Net trading and fair value result	4	166,473	192,950
Net result from equity method investments		11,573	14,362
Rental income from investment properties & other operating leases	5	134,120	143,490
Personnel expenses	6	-1,606,988	-1,667,492
Other administrative expenses	6	-821,877	-855,225
Depreciation and amortisation	6	-354,819	-329,717
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	7	14,332	58,782
Net impairment loss on financial assets not measured at fair value through profit or loss	8	-1,599,422	-518,357
Other operating result	9	-1,628,640	-377,425
Levies on banking activities	9	-208,665	-187,721
Pre-tax result from continuing operations		**-879,947**	**1,401,484**
Taxes on income	10	-445,965	-362,298
Net result for the period		**-1,325,912**	**1,039,187**
Net result attributable to non-controlling interests		98,694	275,017
Net result attributable to owners of the parent		**-1,424,606**	**764,170**

Statement of comprehensive income

in EUR thousand	1-9 14 restated	1-9 15
Net result for the period	**-1,325,912**	**1,039,187**
Other comprehensive income		
Items that may not be reclassified to profit or loss		
Remeasurement of net liability of defined benefit plans	0	51,612
Deferred taxes relating to items that may not be reclassified	0	-23,247
Total	**0**	**28,365**
Items that may be reclassified to profit or loss		
Available for sale reserve (including currency translation)	418,036	-156,102
Gain/loss during the period	449,878	-96,591
Reclassification adjustments	-31,842	-59,511
Cash flow hedge reserve (including currency translation)	155,961	-22,241
Gain/loss during the period	201,274	15,608
Reclassification adjustments	-45,314	-37,849
Currency translation	2,673	99,357
Gain/loss during the period	2,673	99,357
Reclassification adjustments	0	0
Deferred taxes relating to items that may be reclassified	-147,245	54,476
Gain/loss during the period	-163,459	27,680
Reclassification adjustments	16,214	26,795
Total	**429,426**	**-24,510**
Total other comprehensive income	**429,426**	**3,854**
Total comprehensive income	**-896,486**	**1,043,041**
Total comprehensive income attributable to non-controlling interests	287,697	171,580
Total comprehensive income attributable to owners of the parent	**-1,184,183**	**871,461**

Earnings per share

		1-9 14 restated	1-9 15
Net result attributable to owners of the parent	in EUR thousand	-1,424,606	764,170
Dividend on participation capital	in EUR thousand	0	0
Net result for the period attributable to owners of the parent after deduction of the participation capital dividend	in EUR thousand	-1,424,606	764,170
Weighted average number of outstanding shares		427,572,880	426,744,545
Earnings per share	**in EUR**	**-3.33**	**1.79**
Weighted average diluted number of outstanding shares		427,572,880	426,744,545
Diluted earnings per share	**in EUR**	**-3.33**	**1.79**

Changes in number of shares

	1-9 14	1-9 15
Number of shares		
Shares outstanding at the beginning of the period	415,076,934	409,940,635
Acquisition of treasury shares	-9,616,907	-5,133,161
Disposal of treasury shares	11,630,571	5,284,262
Capital increases due to ESOP and MSOP	0	0
Capital increases	0	0
Shares outstanding at the end of the period	417,090,598	410,091,736
Treasury shares	12,709,402	19,708,264
Number of shares issued at the end of the period	**429,800,000**	**429,800,000**
Weighted average number of outstanding shares	427,572,880	426,744,545
Dilution due to MSOP/ESOP	0	0
Dilution due to options	0	0
Weighted average diluted number of outstanding shares	427,572,880	426,744,545

Quarterly results

in EUR million	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15
Income statement					
Net interest income	1,126.0	1,125.6	1,098.5	1,113.4	1,112.3
Net fee and commission income	465.8	497.1	461.0	456.3	455.2
Dividend income	33.0	11.3	7.4	24.8	11.2
Net trading and fair value result	28.4	75.8	72.4	64.1	56.4
Net result from equity method investments	0.1	4.2	4.7	5.0	4.7
Rental income from investment properties & other operating leases	42.5	46.5	45.1	46.6	51.7
Personnel expenses	-515.0	-577.2	-554.0	-559.9	-553.6
Other administrative expenses	-264.2	-315.1	-281.1	-278.5	-295.6
Depreciation and amortisation	-108.0	-111.3	-112.9	-110.4	-106.4
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	13.2	4.0	10.9	25.2	22.8
Net impairment loss on financial assets not measured at fair value through profit or loss	-878.8	-484.3	-183.1	-190.8	-144.4
Other operating result	-356.8	-124.3	-153.5	-47.1	-176.8
Levies on banking activities	-54.6	-47.6	-91.8	-45.4	-50.5
Pre-tax result from continuing operations	**-413.9**	**152.2**	**415.2**	**548.8**	**437.4**
Taxes on income	-98.3	-75.5	-118.6	-154.8	-88.9
Net result for the period	**-512.3**	**76.7**	**296.6**	**394.0**	**348.5**
Net result attributable to non-controlling interests	42.0	34.7	70.8	132.6	71.6
Net result attributable to owners of the parent	**-554.2**	**42.0**	**225.8**	**261.4**	**276.9**

in EUR million	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15
Statement of comprehensive income					
Net result for the period	**-512.3**	**76.7**	**296.6**	**394.0**	**348.5**
Other comprehensive income					
Items that may not be reclassified to profit or loss					
Remeasurement of net liability of defined benefit plans	0.0	-188.2	-54.8	105.6	0.8
Deferred taxes relating to items that may not be reclassified	0.0	47.1	5.9	-28.9	-0.3
Total	**0.0**	**-141.1**	**-48.8**	**76.7**	**0.5**
Items that may be reclassified to profit or loss					
Available for sale reserve (including currency translation)	98.3	163.1	204.0	-410.9	50.8
Gain/loss during the period	112.6	124.3	214.6	-407.7	96.6
Reclassification adjustments	-14.3	38.9	-10.6	-3.2	-45.7
Cash flow hedge reserve (including currency translation)	36.2	16.8	11.3	-66.5	33.0
Gain/loss during the period	52.1	23.0	21.5	-44.4	38.5
Reclassification adjustments	-15.9	-6.2	-10.2	-22.1	-5.5
Currency translation	-27.6	-65.7	81.7	-1.3	18.9
Gain/loss during the period	-27.6	-65.7	81.7	-1.3	18.9
Reclassification adjustments	0.0	0.0	0.0	0.0	0.0
Deferred taxes relating to items that may be reclassified	-39.0	-43.3	-41.4	120.4	-24.5
Gain/loss during the period	-38.2	-29.9	-44.8	106.9	-34.4
Reclassification adjustments	-0.8	-13.4	3.4	13.5	9.9
Total	**67.8**	**70.9**	**255.6**	**-358.3**	**78.2**
Total other comprehensive income	**67.8**	**-70.2**	**206.7**	**-281.6**	**78.7**
Total comprehensive income	**-444.4**	**6.5**	**503.3**	**112.5**	**427.2**
Total comprehensive income attributable to non-controlling interests	74.0	-13.3	113.1	9.0	49.4
Total comprehensive income attributable to owners of the parent	**-518.5**	**19.8**	**390.2**	**103.4**	**377.8**

II. Group condensed balance sheet

in EUR thousand	Notes	1 Jan 14 restated	Dec 14	Sep 15
Assets				
Cash and cash balances	11	9,300,683	7,835,417	11,096,989
Financial assets - held for trading		12,283,046	10,530,878	8,805,328
Derivatives	12	6,342,237	7,173,380	5,633,413
Other trading assets	13	5,940,808	3,357,498	3,171,915
Financial assets - at fair value through profit or loss	14	528,984	349,583	331,811
Financial assets - available for sale	15	20,677,648	22,373,356	21,187,403
Financial assets - held to maturity	16	17,779,013	16,877,214	17,584,964
Loans and receivables to credit institutions	17	8,376,688	7,442,288	8,384,485
Loans and receivables to customers	18	119,868,987	120,833,976	124,521,185
Derivatives - hedge accounting	19	1,943,645	2,871,607	2,284,207
Property and equipment		2,319,501	2,264,041	2,368,138
Investment properties		950,572	950,168	751,485
Intangible assets		2,440,833	1,440,946	1,392,610
Investments in associates and joint ventures		207,594	194,984	164,114
Current tax assets		100,398	107,310	166,262
Deferred tax assets		731,097	301,469	234,382
Assets held for sale	20	74,774	291,394	487,034
Other assets		2,470,898	1,622,702	1,411,079
Total assets		**200,054,360**	**196,287,334**	**201,171,475**
Liabilities and equity				
Financial liabilities - held for trading	12	6,474,745	7,746,381	6,364,402
Derivatives	21	6,086,938	7,188,386	5,653,823
Other trading liabilities		387,807	557,994	710,579
Financial liabilities - at fair value through profit or loss		2,339,171	2,072,725	1,906,925
Deposits from banks		0	0	0
Deposits from customers	22	459,964	319,960	196,974
Debt securities issued		1,879,207	1,752,765	1,709,951
Other financial liabilities		0	0	0
Financial liabilities measured at amortised cost	23	170,785,614	166,921,248	172,186,349
Deposits from banks	23	17,299,491	14,802,602	17,414,097
Deposits from customers	23	121,955,141	122,262,612	125,242,285
Debt securities issued		31,244,697	29,386,741	28,910,189
Other financial liabilities	19	286,286	469,294	619,778
Derivatives - hedge accounting		644,319	725,928	620,642
Changes in fair value of portfolio hedged items	24	733,747	1,225,473	1,013,014
Provisions		1,447,605	1,652,688	1,751,587
Current tax liabilities		84,519	91,050	119,873
Deferred tax liabilities		169,392	98,778	91,885
Liabilities associated with assets held for sale	25	0	0	32,982
Other liabilities		2,653,713	2,309,605	2,646,736
Total equity		**14,721,534**	**13,443,457**	**14,437,080**
Equity attributable to non-controlling interests		3,461,883	3,605,371	3,746,200
Equity attributable to owners of the parent		11,259,651	9,838,086	10,690,879
Total liabilities and equity		**200,054,360**	**196,287,334**	**201,171,475**

III. Group condensed statement of changes in total equity

	Subscribed capital	Capital reserves	Retained earnings	Cash flow hedge reserve	Available for sale reserve	Currency translation	Remeasurement of net liability of defined pension plans	Deferred tax	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
As of 31 December 2014	**860**	**1,478**	**8,116**	**140**	**580**	**-849**	**-394**	**-92**	**9,838**	**3,605**	**13,444**
Changes in treasury shares	0	0	-5	0	0	0	0	0	-5	0	-5
Dividends paid	0	0	0	0	0	0	0	0	0	-31	-31
Capital increases	0	0	0	0	0	0	0	0	0	0	0
Participation capital	0	0	0	0	0	0	0	0	0	0	0
Changes in scope of consolidation	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0	0	0
Acquisition of non-controlling interest	0	0	-14	0	0	0	0	0	-14	0	-14
Total comprehensive income	0	0	764	-20	-8	97	31	8	872	171	1,043
Net result for the period	0	0	764	0	0	0	0	0	764	275	1,039
Other comprehensive income	0	0	0	-20	-8	97	31	8	107	-104	4
As of 30 September 2015	**860**	**1,478**	**8,861**	**119**	**572**	**-752**	**-363**	**-84**	**10,691**	**3,746**	**14,437**
As of 1 January 2014	**860**	**7,037**	**4,256**	**-33**	**259**	**-785**	**-277**	**2**	**11,319**	**3,466**	**14,785**
Restatement	0	0	-59	0	0	0	0	0	-59	-4	-63
Restated as of 1 January 2014	**860**	**7,037**	**4,197**	**-33**	**259**	**-785**	**-277**	**2**	**11,260**	**3,462**	**14,722**
Changes in treasury shares	0	0	47	0	0	0	0	0	47	0	47
Dividends paid	0	0	-171	0	0	0	0	0	-171	-96	-266
Capital increases	0	0	0	0	0	0	0	0	0	0	0
Participation capital	0	0	0	0	0	0	0	0	0	0	0
Changes in scope of consolidation	0	0	-8	0	0	0	0	0	-8	54	46
Other changes	0	0	0	0	0	0	0	0	0	0	0
Acquisition of non-controlling interest	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	-1,425	156	173	-2	0	-87	-1,184	288	-896
Net result for the period	0	0	-1,425	0	0	0	0	0	-1,425	99	-1,326
Other comprehensive income	0	0	0	156	173	-2	0	-87	240	189	429
As of 30 September 2014	**860**	**7,037**	**2,641**	**124**	**432**	**-786**	**-277**	**-85**	**9,944**	**3,707**	**13,652**

IV. Group condensed cash flow statement

in EUR million	1-9 14	1-9 15
Cash and cash equivalents at the end of the previous year	**9,301**	**7,835**
Cash flow from operating activities	434	4,294
Cash flow from investing activities	462	-1,065
Cash flow from financing activities	-2,192	-31
Effect of currency translation	6	64
Cash and cash equivalents at the end of period	**8,010**	**11,097**

V. Condensed notes to the group financial statements of Erste Group for the period from 1 January to 30 September 2015

BASIS OF PREPARATION

The condensed consolidated interim financial statements ("interim financial statements") of Erste Group for the period from 1 January to 30 September 2015 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and are presented in accordance with the requirements of IAS 34 "Interim Financial Reporting". The group's application of IFRS resulted in no differences between IFRS as issued by the International Accounting Standards Board ("IASB") and IFRS as endorsed by the EU.

These interim financial statements were neither audited nor reviewed by an auditor.

BASIS OF CONSOLIDATION

Subsidiaries are consolidated from the date when control is obtained until the date when control is lost. Control is achieved when Erste Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Relevant activities are those which most significantly affect the variable returns of an entity.

The number of entities and funds included in Erste Group's IFRS consolidation scope evolved as follows:

As of 31 December 2014	**528**
Additions	
Entities newly added to the scope of consolidation	13
Disposals	
Companies sold or liquidated	-16
Mergers	-14
As of 30 September 2015	**511**

ACCOUNTING AND MEASUREMENT METHODS

The interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Therefore, the interim financial statements should be read in conjunction with Erste Group's consolidated financial statements as of 31 December 2014. The interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' (IAS 34) and are presented in Euro, which is the functional currency of the parent company.

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the group's last annual financial statements for the year ended 31 December 2014, with the exception of the calculation of the current income taxes for the interim reporting period for which the estimated effective tax rate for the group is applied.

Restatement

Erste Group is currently audited according to Section 2 (1) 2 of the Law on Financial Reporting Enforcement (audit without particular cause). In particular the group consolidated financial statements 2013 and half-year financial statements 2014 of Erste Group are audited.

During the audit it has become evident, that related to a group of connected customers classified as non-performing in 2014, there has been objective evidence for impairment according to IAS 39.59 already in 2013. As a consequence, a specific loan loss provision according to IAS 39.63 in the amount of the difference between the carrying amount and the expected cash flows of the respective outstanding loans should have been recognized in profit or loss for the financial reporting period 2013. The audit shall be final once the notice of the decision has been received. When preparing the interim consolidated financial statements, Erste Group has not yet received the final notice. Nevertheless, it is expected that the preliminary result of the audit will be confirmed.

According to IAS 8.41 prior period errors are accounted for retrospectively. The consolidated financial statements including all comparative amounts for prior periods are reported as if the prior period error had never occurred. For that reason in the consolidated financial statements 2013, a specific loan loss provision in the amount of EUR 86 million is to be allocated for the respective outstanding loans and the assigned portfolio loan loss provision in the amount of EUR 11 million shall be released. Furthermore for the financial reporting period 2014, the allocation of the specific loan loss provision as well as the release of the corresponding portfolio loan loss provision is to be reversed accordingly.

The effects on the items concerned of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet and the consolidated cash flow statement are presented below:

Income Statement

	1-9 14		
in EUR Tsd	**Published**	**Restatement**	**Restated**
Net interest income	3,369,623		3,369,623
Net fee and commission income	1,372,744		1,372,744
Dividend income	62,933		62,933
Net trading and fair value result	166,473		166,473
Net result from equity method investments	11,573		11,573
Rental income from investment properties & other operating leases	134,120		134,120
Personnel expenses	-1,606,988		-1,606,988
Other administrative expenses	-821,877		-821,877
Depreciation and amortisation	-354,819		-354,819
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	14,332		14,332
Net impairment loss on financial assets not measured at fair value through profit or loss	-1,674,936	75,514	-1,599,422
Other operating result	-1,628,640		-1,628,640
Levies on banking activities	-208,665		-208,665
Pre-tax result from continuing operations	**-955,461**	**75,514**	**-879,947**
Taxes on income	-433,883	-12,082	-445,965
Net result for the period	**-1,389,344**	**63,432**	**-1,325,912**
Net result attributable to non-controlling interests	94,618	4,077	98,694
Net result attributable to owners of the parent	**-1,483,961**	**59,355**	**-1,424,606**

Statement of comprehensive income

	1-9 14		
in EUR thousand	**Published**	**Restatement**	**Restated**
Net result for the period	**-1,389,344**	**63,432**	**-1,325,912**
Total other comprehensive income	**429,426**		**429,426**
Total comprehensive income	**-959,918**	**63,432**	**-896,486**
Total comprehensive income attributable to non-controlling interests	283,620	4,077	287,697
Total comprehensive income attributable to owners of the parent	**-1,243,538**	**59,355**	**-1,184,183**

Earnings per share

	1-9 14		
in EUR thousand	**Published**	**Restatement**	**Restated**
Earnings per share	**-3.47**	**0.14**	**-3.33**
Diluted earnings per share	**-3.47**	**0.14**	**-3.33**

Group balance sheet

in EUR Tsd	Published	Restatement	Restated
As of 1 January 2014			
Assets			
Loans and receivables to customers	119,944,501	-75,514	119,868,987
Current tax assets	719,015	12,082	731,097
Not restated items	79,454,276		79,454,276
Total assets	**200,117,792**	**-63,432**	**200,054,360**
Liabilities and equity			
Not restated items	185,332,826		185,332,826
Total equity	**14,784,966**	**-63,432**	**14,721,534**
Equity attributable to non-controlling interests	3,465,959	-4,077	3,461,883
Equity attributable to owners of the parent	11,319,006	-59,355	11,259,651
Total liabilities and equity	**200,117,792**	**-63,432**	**200,054,360**

The Group balance sheet as of 31 December 2014 remained unchanged.

APPLICATION OF AMENDED AND NEW IFRS/IAS

Following standards, interpretations and their amendments which are relevant for the business of Erste Group are applicable for the first time in 2015:

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- Annual Improvements to IFRSs 2010 2012 and 2011 2013 Cycle

Compared to the annual group financial statements as of 31 December 2014, no material changes in accounting policies were resulting from new or amended standards.

1. Net interest income

in EUR million	1-9 14	1-9 15
Interest income		
Financial assets - held for trading	218.4	371.5
Financial assets - at fair value through profit or loss	2.7	1.7
Financial assets - available for sale	357.4	344.1
Financial assets - held to maturity	459.6	441.8
Loans and receivables	3,667.9	3,359.7
Derivatives - hedge accounting, interest rate risk	30.8	84.5
Other assets	25.8	30.8
Total interest income	**4,762.6**	**4,634.1**
Interest expenses		
Financial liabilities - held for trading	-46.4	-192.9
Financial liabilities - at fair value through profit or loss	-25.0	-34.7
Financial liabilities measured at amortised cost	-1,631.0	-1,276.9
Derivatives - hedge accounting, interest rate risk	338.1	222.9
Other liabilities	-28.7	-28.3
Total interest expense	**-1,393.0**	**-1,309.8**
Net interest income	**3,369.6**	**3,324.3**

2. Net fee and commission income

in EUR million	1-9 14	1-9 15
Securities	129.8	141.2
Own issues	12.5	13.2
Transfer orders	107.7	123.5
Other	9.6	4.5
Clearing and settlement	6.7	-0.1
Asset management	168.5	183.9
Custody	34.9	59.4
Fiduciary transactions	1.7	1.7
Payment services	649.9	671.2
Card business	158.7	163.1
Other	491.2	508.1
Customer resources distributed but not managed	129.0	121.5
Collective investment	12.6	8.8
Insurance products	76.2	77.2
Building society brokerage	17.9	13.2
Foreign exchange transactions	15.6	14.5
Other	6.7	7.8
Structured finance	0.1	0.0
Servicing fees from securitization activities	0.0	0.0
Lending business	169.7	145.5
Guarantees given, guarantees received	44.3	40.6
Loan commitments given, loan commitments received	28.7	26.8
Other lending business	96.7	78.0
Other	82.5	48.2
Net fee and commission income	**1,372.7**	**1,372.6**

The prior year´s (2014) amounts of the position „Lending business" were adapted due to an improved attributability. The total „Net fee and commission income" remained unchanged.

3. Dividend income

in EUR million	1-9 14	1-9 15
Financial assets - held for trading	1.4	0.6
Financial assets - at fair value through profit or loss	2.5	3.2
Financial assets - available for sale	37.9	32.7
Dividend income from equity investments	21.1	6.8
Dividend income	**62.9**	**43.3**

4. Net trading and fair value result

in EUR million	1-9 14	1-9 15
Net trading result	229.8	168.8
Securities and derivatives trading	116.6	-25.1
Foreign exchange transactions	113.2	193.9
Result from financial assets and liabilities designated at fair value through profit or loss	-63.3	24.2
Result from measurement/sale of financial assets designated at fair value through profit or loss	8.8	-1.4
Result from measurement/sale of financial liabilities designated at fair value through profit or loss	-72.1	25.6
Net trading and fair value result	**166.5**	**193.0**

5. Rental income from investment properties & other operating leases

in EUR million	1-9 14	1-9 15
Investment properties	63.8	62.0
Other operating leases	70.3	81.5
Rental income from investment properties & other operating leases	**134.1**	**143.5**

6. General administrative expenses

in EUR million	1-9 14	1-9 15
Personnel expenses	**-1,607.0**	**-1,667.5**
Wages and salaries	-1,194.4	-1,251.8
Compulsory social security	-340.5	-324.2
Long-term employee provisions	-19.4	-18.1
Other personnel expenses	-52.8	-73.4
Other administrative expenses	**-821.9**	**-855.2**
Deposit insurance contribution	-66.7	-76.1
IT expenses	-197.8	-214.9
Expenses for office space	-185.0	-177.0
Office operating expenses	-93.5	-89.6
Advertising/marketing	-109.3	-113.3
Legal and consulting costs	-85.3	-90.1
Sundry administrative expenses	-84.3	-94.2
Depreciation and amortisation	**-354.8**	**-329.7**
Software and other intangible assets	-110.4	-121.2
Owner occupied real estate	-57.4	-54.5
Investment properties	-78.3	-78.4
Customer relationships	-34.5	-5.0
Office furniture and equipment and sundry property and equipment	-74.2	-70.7
General administrative expenses	**-2,783.7**	**-2,852.4**

7. Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net

in EUR million	1-9 14	1-9 15
From sale of financial assets available for sale	21.2	49.8
From sale of financial assets held to maturity	2.9	1.6
From sale of loans and receivables	-0.4	-1.0
From repurchase of liabilities measured at amortised cost	-9.4	8.4
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	**14.3**	**58.8**

8. Net impairment loss on financial assets not measured at fair value through profit or loss

in EUR million	1-9 14 restated	1-9 15
Financial assets - available for sale	8.8	-3.2
Loans and receivables	-1,607.8	-514.9
Allocation to risk provisions	-3,048.3	-1,796.8
Release of risk provisions	1,506.8	1,238.0
Direct write-offs	-159.5	-105.7
Recoveries recorded directly to the income statement	93.2	149.7
Financial assets - held to maturity	-0.4	-0.3
Net impairment loss on financial assets not measured at fair value through profit or loss	**-1,599.4**	**-518.4**

9. Other operating result

in EUR million	1-9 14	1-9 15
Result from properties/movables/other intangible assets other than goodwill	-537.3	0.5
Allocation to/release of other provisions	-368.0	-146.8
Allocation to/release of provisions for commitments and guarantees given	-25.4	-15.2
Levies on banking activities	-208.7	-187.7
Banking tax	-174.8	-159.3
Financial transaction tax	-33.9	-28.4
Other taxes	-13.7	-14.5
Impairment of goodwill	-420.9	0.0
Result from other operating expenses/income	-54.6	-13.7
Other operating result	**-1,628.6**	**-377.4**

In the line item “Result from other operating expenses/income” the expected contribution for the full-year 2015 to national resolution funds (according to the Bank Recovery and Resolution Directive) of EUR 56.2 million (EUR 0 million) is included.

In the line item “Allocation/release of other provisions” an allocation to other provisions for losses expected to result from the conversion of customer loans (Swiss francs to euro) required by law in Croatia in the amount of EUR 144.9 million is reported

In the compare period 2014 in the line item “Impairment of goodwill” EUR 319.1 million were attributable to Romanian, EUR 61.4 million to Croatian and EUR 40.4 million to Austrian subsidiaries. The impairment of the brand BCR in the amount of EUR 294.6 million as well as the impairment of customer relationship of BCR in the amount of EUR 176.1 million was shown in the compare period 2014 in the line item “Result from properties/movables/other intangible assets other than goodwill”.

10. Taxes on Income

The consolidated net tax expense for the first nine months of 2015 amounted to EUR 362.3 million (EUR 445.7 million), thereof EUR 98.6 million (EUR 152.9 million) net deferred tax expense.

11. Cash and cash balances

in EUR million	Dec 14	Sep 15
Cash on hand	2,467	2,517
Cash balances at central banks	4,509	7,940
Other demand deposits	859	639
Cash and cash balances	**7,835**	**11,097**

12. Derivatives – held for trading

in EUR million	Dec 14 Notional value	Dec 14 Positive fair value	Dec 14 Negative fair value	Sep 15 Notional value	Sep 15 Positive fair value	Sep 15 Negative fair value
Derivatives held in the trading book	**159,252**	**6,134**	**5,942**	**165,604**	**5,005**	**4,647**
Interest rate	127,497	5,450	5,403	122,878	4,444	4,400
Equity	801	35	5	832	16	8
Foreign exchange	29,981	628	508	40,945	516	207
Credit	362	1	4	561	2	4
Commodity	402	19	21	388	27	27
Other	209	1	0	0	0	0
Derivatives held in the banking book	**34,726**	**1,040**	**1,246**	**37,287**	**1,005**	**1,459**
Interest rate	18,473	781	928	18,039	701	862
Equity	1,512	83	66	1,924	107	66
Foreign exchange	13,588	127	237	16,247	153	515
Credit	600	13	12	543	15	14
Commodity	74	2	1	71	1	1
Other	478	34	3	464	28	2
Total gross amounts	**193,978**	**7,173**	**7,188**	**202,891**	**6,010**	**6,106**
Offset	0	0	0	0	-377	-452
Total	**193,978**	**7,173**	**7,188**	**202,891**	**5,633**	**5,654**

Since April 2015 Erste Group is applying offsetting for interest rate derivatives and related cash margin balances, which are cleared through a central clearing party (London Clearing House). Financial assets and liabilities are offset, with the net amount presented in the group balance sheet in the line items “Derivatives in financial assets – held for trading”, “Derivatives in financial liabilities – held for trading“ as well as “Derivatives – hedge accounting” against cash collateral.

13. Other trading assets

in EUR million	Dec 14	Sep 15
Equity instruments	185	111
Debt securities	3,124	2,960
General governments	2,377	2,165
Credit institutions	333	447
Other financial corporations	154	127
Non-financial corporations	260	221
Loans and advances	49	101
Other trading assets	**3,357**	**3,172**

14. Financial assets - at fair value through profit or loss

in EUR million	Dec 14	Sep 15
Equity instruments	211	185
Debt securities	139	146
General governments	6	5
Credit institutions	83	129
Other financial corporations	49	12
Non-financial corporations	1	0
Loans and advances	0	0
Financial assets - at fair value through profit or loss	**350**	**332**

15. Financial assets - available for sale

in EUR million	Dec 14	Sep 15
Equity instruments	1,272	1,273
Debt securities	21,102	19,914
General governments	13,814	13,654
Credit institutions	3,658	2,846
Other financial corporations	878	766
Non-financial corporations	2,752	2,648
Loans and advances	0	0
Financial assets - available for sale	**22,373**	**21,187**

16. Financial assets - held to maturity

	Gross carrying amount		Collective allowances		Net carrying amount	
in EUR million	Dec 14	Sep 15	Dec 14	Sep 15	Dec 14	Sep 15
General governments	15,024	15,708	0	-1	15,023	15,708
Credit institutions	1,024	1,127	-1	-1	1,023	1,126
Other financial corporations	242	173	0	0	241	173
Non-financial corporations	590	579	-1	-1	590	578
Financial assets - held to maturity	**16,879**	**17,587**	**-2**	**-2**	**16,877**	**17,585**

17. Loans and receivables to credit institutions

Loans and receivables to credit institutions

in EUR million	Gross carrying amount	Specific allowances	Collective allowances	Net carrying amount
As of 30 September 2015				
Debt securities	386	0	-1	384
Central banks	73	0	0	73
Credit institutions	313	0	-1	311
Loans and receivables	8,019	-15	-5	8,000
Central banks	2,158	0	-2	2,155
Credit institutions	5,862	-15	-2	5,845
Total	**8,405**	**-15**	**-6**	**8,384**
As of 31 December 2014				
Debt securities	442	0	-1	440
Central banks	74	0	0	74
Credit institutions	368	0	-1	366
Loans and receivables	7,019	-15	-3	7,002
Central banks	2,163	0	0	2,162
Credit institutions	4,857	-15	-2	4,840
Total	**7,461**	**-15**	**-4**	**7,442**

Allowances for loans and receivables to credit institutions

in EUR million	As of	Allocations	Use	Releases	Interest income from impaired loans	Exchange-rate and other changes (+/-)	As of	Amounts written off	Recoveries of amounts previously written off
	Dec 14						Sep 15		
Specific allowances	**-15**	**0**	**0**	**1**	**0**	**0**	**-15**	**-6**	**6**
Debt securities	0	0	0	0	0	0	0	0	0
Central banks	0	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0
Loans and receivables	-15	0	0	1	0	0	-15	-6	6
Central banks	0	0	0	1	0	-1	0	0	0
Credit institutions	-15	0	0	0	0	0	-15	-6	6
Collective allowances	**-3**	**-7**	**0**	**7**	**0**	**-3**	**-6**	**0**	**0**
Debt securities	-1	0	0	0	0	0	-1	0	0
Central banks	0	0	0	0	0	0	0	0	0
Credit institutions	-1	0	0	0	0	0	-1	0	0
Loans and receivables	-2	-7	0	7	0	-3	-5	0	0
Central banks	0	-2	0	0	0	0	-3	0	0
Credit institutions	-2	-4	0	7	0	-3	-2	0	0
Total	**-17**	**-7**	**0**	**8**	**0**	**-4**	**-20**	**-6**	**6**
	Dec 13						Sep 14		
Specific allowances	**-54**	**-5**	**9**	**42**	**0**	**-38**	**-46**	**-7**	**6**
Debt securities	0	0	0	37	0	-37	0	0	0
Central banks	0	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	37	0	-37	0	0	0
Loans and receivables	-54	-5	9	5	0	0	-46	-7	6
Central banks	0	0	0	1	0	-1	0	0	0
Credit institutions	-54	-5	9	4	0	0	-46	-7	6
Collective allowances	**-1**	**-3**	**0**	**4**	**0**	**-3**	**-3**	**0**	**0**
Debt securities	0	0	0	0	0	0	0	0	0
Central banks	0	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0
Loans and receivables	-1	-3	0	4	0	-3	-3	0	0
Central banks	0	0	0	0	0	0	0	0	0
Credit institutions	-1	-3	0	4	0	-3	-3	0	0
Total	**-55**	**-8**	**9**	**46**	**0**	**-41**	**-49**	**-7**	**6**

18. Loans and receivables to customers

Loans and receivables to customers

in EUR million	Gross carrying amount	Specific allowances	Collective allowances	Net carrying amount
As of 30 September 2015				
Debt securities with customers	231	-14	-2	215
General governments	79	0	-1	78
Other financial corporations	26	0	0	26
Non-financial corporations	126	-14	-1	111
Loans and advances to customers	131,012	-5,934	-772	124,306
General governments	7,582	-5	-13	7,564
Other financial corporations	4,824	-133	-70	4,621
Non-financial corporations	55,844	-3,744	-418	51,681
Households	62,762	-2,052	-271	60,440
Total	**131,242**	**-5,947**	**-774**	**124,521**
As of 31 December 2014				
Debt securities with customers	269	-13	-2	254
General governments	108	0	-1	107
Other financial corporations	25	0	0	25
Non-financial corporations	135	-13	-1	122
Loans and advances to customers	128,056	-6,710	-766	120,580
General governments	7,701	-6	-14	7,681
Other financial corporations	5,249	-142	-25	5,082
Non-financial corporations	54,319	-4,134	-440	49,745
Households	60,786	-2,428	-287	58,071
Total	**128,325**	**-6,723**	**-768**	**120,834**

Allowances for loans and receivables to customers

in EUR million	As of	Allocations	Use	Releases	Interest income from impaired loans	Exchange-rate and other changes (+/-)	As of	Amounts written off	Recoveries of amounts previously written off
	Dec 14						Sep 15		
Specific allowances	**-6,723**	**-1,467**	**1,314**	**911**	**125**	**-108**	**-5,948**	**-99**	**144**
Debt securities with customers	-13	-1	0	1	0	-1	-14	0	0
General governments	0	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0	0
Non-financial corporations	-13	-1	0	1	0	0	-14	0	0
Loans and advances to customers	-6,710	-1,466	1,314	910	125	-108	-5,934	-99	144
General governments	-6	-1	2	1	0	-1	-5	0	0
Other financial corporations	-142	-30	15	18	3	3	-133	-2	2
Non-financial corporations	-4,134	-831	669	562	63	-73	-3,744	-75	119
Households	-2,428	-605	629	330	59	-37	-2,052	-22	22
Collective allowances	**-768**	**-323**	**0**	**319**	**0**	**-1**	**-774**	**0**	**0**
Debt securities with customers	-2	0	0	0	0	0	-2	0	0
General governments	-1	0	0	0	0	0	-1	0	0
Other financial corporations	0	0	0	0	0	0	0	0	0
Non-financial corporations	-1	0	0	0	0	0	-1	0	0
Loans and advances to customers	-766	-323	0	319	0	-1	-772	0	0
General governments	-14	-9	0	11	0	0	-13	0	0
Other financial corporations	-25	-36	0	21	0	-29	-69	0	0
Non-financial corporations	-440	-153	0	145	0	29	-418	0	0
Households	-287	-125	0	142	0	-1	-271	0	0
Total	**-7,491**	**-1,790**	**1,314**	**1,230**	**125**	**-109**	**-6,721**	**-99**	**144**
	Dec 13 restated						Sep 14		
Specific allowances	**-7,188**	**-2,578**	**1,425**	**1,074**	**159**	**-12**	**-7,120**	**-152**	**87**
Debt securities with customers	-9	-41	1	2	0	35	-13	-3	7
General governments	0	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0	0
Non-financial corporations	-9	-41	1	2	0	35	-13	-3	7
Loans and advances to customers	-7,179	-2,536	1,424	1,071	159	-47	-7,107	-149	80
General governments	-6	-5	1	3	1	-2	-8	0	0
Other financial corporations	-183	-79	100	52	2	-27	-135	-2	0
Non-financial corporations	-4,681	-1,520	1,081	539	88	123	-4,370	-114	63
Households	-2,310	-932	243	477	69	-141	-2,594	-33	17
Collective allowances	**-640**	**-452**	**0**	**376**	**0**	**-29**	**-744**	**0**	**0**
Debt securities with customers	-2	-1	0	1	0	0	-2	0	0
General governments	0	0	0	0	0	-1	-1	0	0
Other financial corporations	0	0	0	0	0	0	0	0	0
Non-financial corporations	-2	0	0	0	0	1	-1	0	0
Loans and advances to customers	-638	-451	0	376	0	-29	-742	0	0
General governments	-11	-4	0	4	0	-1	-12	0	0
Other financial corporations	-16	-20	0	14	0	-4	-27	0	0
Non-financial corporations	-353	-204	0	165	0	-11	-403	0	0
Households	-258	-223	0	193	0	-13	-300	0	0
Total	**-7,828**	**-3,030**	**1,425**	**1,450**	**159**	**-41**	**-7,864**	**-152**	**87**

19. Derivatives – hedge accounting

in EUR million	Dec 14			Sep 15		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	**29,184**	**2,689**	**724**	**27,965**	**2,211**	**639**
Interest rate	29,142	2,689	712	27,965	2,211	639
Equity	0	0	0	0	0	0
Foreign exchange	42	0	12	0	0	0
Credit	0	0	0	0	0	0
Commodity	0	0	0	0	0	0
Other	0	0	0	0	0	0
Cash flow hedges	**4,327**	**183**	**2**	**4,852**	**160**	**6**
Interest rate	3,760	181	1	4,381	160	0
Equity	0	0	0	0	0	0
Foreign exchange	567	2	1	471	0	6
Credit	0	0	0	0	0	0
Commodity	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total gross amounts	**33,511**	**2,872**	**726**	**32,817**	**2,371**	**645**
Offset	0	0	0	0	-87	-25
Total	**33,511**	**2,872**	**726**	**32,817**	**2,284**	**621**

20. Other assets

in EUR million	Dec 14	Sep 15
Prepayments and accrued income	218	224
Inventories	471	333
Sundry assets	934	855
Other assets	**1,623**	**1,411**

21. Other trading liabilities

in EUR million	Dec 14	Sep 15
Short positions	422	456
Equity instruments	139	194
Debt securities	283	263
Debt securities issued	47	95
Sundry trading liabilities	88	159
Other trading liabilities	**558**	**711**

22. Financial liabilities – at fair value through profit and loss

Debt securities issued

in EUR million	Dec 14	Sep 15
Subordinated liabilities	276	356
Subordinated issues	276	356
Supplementary capital	0	0
Hybrid issues	0	0
Other debt securities issued	1,477	1,354
Bonds	1,086	970
Certificates of deposit	0	0
Other certificates of deposits/name certificates	77	74
Mortgage covered bonds	315	309
Public sector covered bonds	0	0
Other	0	0
Debt securities issued	**1,753**	**1,710**

23. Financial liabilities measured at amortised costs

Deposits from banks

in EUR million	Dec 14	Sep 15
Overnight deposits	1,913	3,105
Term deposits	11,975	12,808
Repurchase agreements	914	1,501
Deposits from banks	**14,803**	**17,414**

Deposits from customers

in EUR million	Dec 14	Sep 15
Overnight deposits	**65,103**	**70,744**
Savings deposits	17,314	18,664
General governments	0	0
Other financial corporations	165	188
Non-financial corporations	1,556	1,286
Households	15,592	17,189
Non-savings deposits	47,790	52,080
General governments	3,301	3,452
Other financial corporations	3,396	4,309
Non-financial corporations	14,576	15,753
Households	26,517	28,567
Term deposits	**56,609**	**53,868**
Deposits with agreed maturity	52,013	49,222
Savings deposits	35,725	34,442
General governments	0	0
Other financial corporations	1,221	1,227
Non-financial corporations	1,258	1,498
Households	33,246	31,717
Non-savings deposits	16,289	14,780
General governments	1,260	1,920
Other financial corporations	2,965	2,124
Non-financial corporations	3,930	2,727
Households	8,133	8,008
Deposits redeemable at notice	4,595	4,645
General governments	0	1
Other financial corporations	43	95
Non-financial corporations	108	126
Households	4,444	4,424
Repurchase agreements	**550**	**631**
General governments	290	538
Other financial corporations	213	8
Non-financial corporations	48	85
Households	0	0
Deposits from customers	**122,263**	**125,242**
General governments	**4,851**	**5,912**
Other financial corporations	**8,003**	**7,950**
Non-financial corporations	**21,476**	**21,475**
Households	**87,933**	**89,905**

Debt securities issued

in EUR million	Dec 14	Sep 15
Subordinated liabilities	5,482	5,861
Subordinated issues	4,182	5,091
Supplementary capital	942	413
Hybrid issues	357	358
Other debt securities issued	23,905	23,049
Bonds	13,017	11,502
Certificates of deposit	281	497
Other certificates of deposits/name certificates	591	1,152
Mortgage covered bonds	6,911	7,906
Public sector covered bonds	2,838	1,798
Other	266	195
Debt securities issued	**29,387**	**28,910**

24. Provisions

in EUR million	Dec 14	Sep 15
Long-term employee provisions	1,158	1,085
Pending legal issues and tax litigation	163	159
Commitments and guarantees given	241	251
Provisions for guarantees - off balance sheet (defaulted customers)	141	133
Provisions for guarantees - off balance sheet (non-defaulted customers)	99	118
Other provisions	91	257
Provisions for onerous contracts	5	4
Other	86	253
Provisions	**1,653**	**1,752**

Effects from the change in material valuation parameters

For the calculation of the defined benefit obligation for pension and severance payment provisions as well as for jubilee provisions, the interest rate used has been increased compared to the previous year to 2.4% (2.0 %) in order to reflect the increasing interest rate levels. All other valuation parameters remained unchanged. According to IAS 19 the resulting measurement adjustments for pension and severance payment provisions amounting to EUR 52.7 million (before tax) have been recognised in other comprehensive income and those for jubilee provisions, an amount of EUR 3.0 million, have been considered in the income statement.

25. Other liabilities

in EUR million	Dec 14	Sep 15
Deferred income and accrued fee expenses	233	237
Sundry liabilities	2,076	2,410
Other liabilities	**2,310**	**2,647**

26. Segment reporting

Erste Group's segment reporting is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources. Within Erste Group the function of the chief operating decision maker is exercised by the management board.

Erste Group's segment reporting is based on the matrix organisation (business and geographical information) and provides comprehensive information to assess the performance of the business and geographical segments.

Business segmentation

The segment reporting comprises nine business segments reflecting Erste Group's management structure and its internal management reporting in 2015.

Erste Group – business segments

Retail	SME	ALM & Local CC	Savings Banks	Large Corporates	Commercial Real Estate	Other Corporate	Group Markets	Group Corporate Center	Intragroup Elimination

Retail

The Retail segment comprises the entire business with private individuals, free professionals and micros in the responsibility of account managers in the retail network of the local banks cooperating with their specialized subsidiaries (such as factoring, leasing and asset management companies). Retail products and services including current and savings accounts, mortgage and consumer loans, investment products, credit cards and cross selling products such as leasing, insurance, and building society products are offered via various distribution channels (branch networks and digital banking).

SME
The SME segment comprises the business with micros, small and medium-sized enterprises (SMEs), small public sector companies, and small financial institutions (e.g. third party leasing companies) in the responsibility of local corporate account managers. Local banks cooperate with specialized subsidiaries such as factoring and leasing companies. The turnover threshold for SMEs varies from country to country within the range of EUR 0.7 million and EUR 75 million.

Asset/Liability Management & Local Corporate Center
The Asset/Liability Management & Local Corporate Center (ALM & LCC) segment includes all asset/liability management functions (local and Erste Group Bank AG) as well as the local corporate centers which comprise internal service providers that operate on a non-profit basis and reconciliation items to local entity results. The corporate center of Erste Group Bank AG is included in the Group Corporate Center segment.

Savings Banks
The Savings Banks segment includes the savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector except for Erste Bank Oesterreich, Tiroler Sparkasse, Salzburger Sparkasse, Sparkasse Hainburg.

Large Corporates
The Large Corporates (LC) segment comprises the business with large corporate customers whose annual turnover exceeds a defined threshold that starts from EUR 25 million and EUR 75 million respectively, depending on the country.

Commercial Real Estate
The Commercial Real Estate (CRE) segment covers the real estate value chain (lending, leasing, real estate investment, project development and construction services as well as infrastructure business) for corporate clients, project developers, real estate investors, municipalities and other public sector agencies.

Other Corporate
The Other Corporate segment consists of two operating segments – International Business and Investment Banking – that are below the threshold criteria defined by IFRS 8. International Business comprises all lending and investing activities outside Erste Group's core markets (including the branches in London, Hong Kong and New York) and is responsible for business development with and credit line management for banks and non-banking financial institutions. Investment Banking covers equity-related business focusing mainly on corporate finance, equity capital markets services, equity brokerage (institutional sales) and merchant banking.

Group Markets
The Group Markets (GM) segment comprises the divisionalised business units Group Treasury and Capital Markets (except Equity Capital Markets) and includes the treasury activities of Erste Group Bank AG, the CEE subsidiaries, foreign branch offices in Hong Kong, New York, Berlin and Stuttgart as well as the business with institutional clients of Erste Asset Management. The focus is on client-oriented business with institutional clients. Group Markets is the internal trading unit for all classic treasury (such as FX, commodities and money market) and capital market products (such as bonds, interest rate derivatives, credit products).

Group Corporate Center
The Group Corporate Center (GCC) segment covers mainly centrally managed activities and items that are not directly allocated to other segments. It comprises the corporate center of Erste Group Bank AG (and thus dividends and the refinancing costs from participations, general administrative expenses), internal non-profit service providers (facility management, IT, procurement), amortization/write-down of customer relationships and brand, goodwill impairments, the banking tax of Erste Group Bank AG as well as free capital of Erste Group (defined as the difference of the total average IFRS equity and the average economical equity allocated to the segments).

Intragroup Elimination
Intragroup Elimination (IC) is not defined as a segment but is the reconciliation to the consolidated accounting result. It includes all intragroup eliminations between participations of Erste Group (e.g. intragroup funding, internal cost charges). Intragroup eliminations within partial groups are disclosed in the respective segments.

Geographical segmentation

For the purpose of segment reporting by geographical areas the information is presented based on the location of the booking entity (not the country of risk). In case of information regarding a partial group, the allocation is based on the location of the respective parent entity.

Geographical areas are defined according to the country markets in which Erste Group operates. Based on the locations of the banking and other financial institution participations, the geographical areas consist of two core markets, Austria and Central and Eastern Europe and a residual market Other that comprises the remaining business activities of Erste Group outside its core markets as well as the reconciliation to the consolidated accounting result.

The geographical area Austria consists of the following three segments:

_ The **Erste Bank Oesterreich & Subsidiaries** (EBOe & Subsidiaries) segment comprises Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) and its main subsidiaries (e.g. sBausparkasse, Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg).
_ The **Savings banks** segment is identical to the business segment Savings banks.
_ The **Other Austria** segment comprises Erste Group Bank AG (Holding) with its Large Corporates, Commercial Real Estate, Other Corporate and Group Markets business, Erste Group Immorent AG and Erste Asset Management GmbH.

The geographical area Central and Eastern Europe (CEE) consists of six segments covering Erste Group's banking subsidiaries located in the respective CEE countries:

_ **Czech Republic** (comprising Česká spořitelna Group)
_ **Slovakia** (comprising Slovenská sporitel'ňa Group)
_ **Romania** (comprising Banca Comercială Română Group)
_ **Hungary** (comprising Erste Bank Hungary Group)
_ **Croatia** (comprising Erste Bank Croatia Group), and
_ **Serbia** (comprising Erste Bank Serbia Group).

The residual segment **Other** consists mainly of centralized service providers, the Group Asset/Liability Management and the Corporate Center of Erste Group Bank AG as well as the reconciliation to the consolidated accounting result (e.g. intercompany elimination, dividend elimination), goodwill impairments, amortisation of customer relationships and free capital.

Measurement

The profit and loss statement of the segment report is based on the measures reported to the Erste Group management board for the purpose of allocating resources to the segments and assessing their performance. Management reporting as well as the segment report for Erste Group, is based on IFRS. Accounting standards and methods as well as measurements used in segment reporting are the same as for the consolidated financial statement of accounting.

Capital consumption per segment is regularly reviewed by the management of Erste Group to assess the performance of the segments. The average allocated equity is determined by the credit risk, market risk and operational risk. According to the regular internal reporting to Erste Group management board, total assets and total liabilities as well as risk weighted assets and allocated equity are disclosed per segment. For measuring and assessing the profitability of segments, Erste Group also uses the return on allocated equity defined as net result for the period before minorities in relation to the average allocated equity of the respective segment. In addition the cost/income ratio is calculated for each segment as operating expenses (general administrative expenses) in relation to operating income (total of net interest income, net fee and commission income, dividend income, net trading and fair value result, net result from equity method investments, rental income from investment properties and other operating lease).

Business segments (1)

in EUR million	Retail 1-9 14	Retail 1-9 15	SME 1-9 14	SME 1-9 15	ALM & LCC 1-9 14	ALM & LCC 1-9 15	Savings Banks 1-9 14	Savings Banks 1-9 15	Large Corporates 1-9 14 restated	Large Corporates 1-9 15	Commercial Real Estate 1-9 14	Commercial Real Estate 1-9 15
Net interest income	1,633.4	1,661.4	430.0	423.9	115.1	17.0	662.0	676.2	167.1	171.4	113.5	129.0
Net fee and commission income	788.2	779.7	148.0	140.4	-62.3	-43.8	300.1	319.7	71.3	65.0	11.4	8.9
Dividend income	1.4	3.1	2.2	1.2	20.2	10.2	20.2	18.1	0.0	0.0	3.0	0.8
Net trading and fair value result	45.5	37.7	15.7	27.0	11.6	-36.3	3.1	14.1	7.9	10.3	-5.2	4.6
Net result from equity method investments	6.0	3.1	0.0	0.0	2.4	6.9	0.0	0.0	0.0	0.0	0.1	0.6
Rental income from investment properties & other operating leases	17.7	17.3	22.5	23.4	25.9	25.0	31.2	30.7	0.0	0.0	30.0	31.2
General administrative expenses	-1,338.6	-1,366.3	-214.2	-228.6	-59.2	-53.2	-690.2	-714.6	-60.6	-68.1	-64.4	-63.2
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	-0.1	0.0	3.4	0.0	-11.3	22.1	16.9	28.6	0.7	0.0	0.0	0.0
Net impairment loss on financial assets not measured at fair value through profit or loss	-577.9	-252.4	-395.1	-104.6	-6.0	-9.1	-133.7	-42.6	-227.4	-30.3	-251.5	6.4
Other operating result	-439.2	-178.8	8.3	-17.6	-114.1	-114.9	-37.0	-0.8	-9.4	-20.8	-49.5	-33.9
Levies on banking activities	-49.6	-32.9	-8.0	-7.4	-60.6	-58.9	-10.3	-10.8	-2.7	-1.9	-0.4	-0.3
Pre-tax result from continuing operations	**136.5**	**704.9**	**20.9**	**265.1**	**-77.8**	**-176.2**	**172.8**	**329.3**	**-50.4**	**127.6**	**-212.6**	**84.6**
Taxes on income	-106.7	-149.6	-17.1	-59.1	-9.2	35.3	-38.4	-60.9	3.2	-25.1	3.3	-18.9
Net result for the period	**29.8**	**555.3**	**3.7**	**206.0**	**-87.0**	**-140.9**	**134.4**	**268.4**	**-47.2**	**102.5**	**-209.3**	**65.7**
Net result attributable to non-controlling interests	3.8	-14.9	-5.2	8.3	0.5	-1.1	124.6	232.1	-5.5	9.5	-3.4	6.8
Net result attributable to owners of the parent	**26.0**	**570.1**	**8.9**	**197.7**	**-87.5**	**-139.8**	**9.8**	**36.2**	**-41.8**	**92.9**	**-205.9**	**58.9**
Operating income	2,492.2	2,502.4	618.5	616.0	112.8	-21.0	1,016.8	1,058.7	246.3	246.7	152.8	175.2
Operating expenses	-1,338.6	-1,366.3	-214.2	-228.6	-59.2	-53.2	-690.2	-714.6	-60.6	-68.1	-64.4	-63.2
Operating result	**1,153.7**	**1,136.0**	**404.3**	**387.3**	**53.6**	**-74.3**	**326.6**	**344.1**	**185.7**	**178.6**	**88.4**	**112.0**
Risk-weighted assets (credit risk, eop)	17,981	18,993	14,005	14,842	4,655	4,807	22,448	22,191	9,713	9,902	9,387	8,381
Average allocated capital	2,063	2,137	1,307	1,181	1,757	1,778	1,993	1,778	802	719	804	733
Cost/income ratio	53.7%	54.6%	34.6%	37.1%	52.5%	>100.0%	67.9%	67.5%	24.6%	27.6%	42.2%	36.0%
Return on allocated capital	1.9%	34.7%	0.4%	23.3%	-6.6%	-10.6%	9.0%	20.2%	-7.9%	19.1%	-34.8%	12.0%
Total assets (eop)	51,252	53,473	22,380	22,869	52,735	48,529	56,501	56,916	9,462	10,529	10,123	9,735
Total liabilities excluding equity (eop)	68,502	70,434	12,728	13,398	55,367	53,282	52,302	52,868	4,014	4,235	4,955	4,483
Impairments and risk provisions	**-601.6**	**-251.2**	**-402.4**	**-110.3**	**-24.1**	**-22.6**	**-148.7**	**-40.1**	**-233.9**	**-47.1**	**-312.0**	**-60.0**
Net impairment loss on loans and receivables to credit institutions/customers	-577.9	-252.4	-393.7	-104.7	-8.5	-8.7	-132.9	-41.9	-233.2	-30.2	-251.5	6.4
Net impairment loss on other financial assets not measured at fair value through profit or loss	0.0	0.0	-1.4	0.1	2.6	-0.5	-0.9	-0.7	5.8	0.0	0.0	0.0
Allocations/releases of provisions for contingent credit risk liabilities	-4.1	1.4	0.0	0.4	2.8	-10.5	-14.6	3.3	-6.4	-16.8	-13.8	-62.6
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net impairment loss on other non-financial assets	-19.5	-0.2	-7.3	-6.1	-20.9	-3.0	-0.4	-0.8	0.0	0.0	-46.7	-3.8

Business segments (2)

in EUR million	Other Corporate 1-9 14	Other Corporate 1-9 15	Group Markets 1-9 14	Group Markets 1-9 15	Group Corporate Center 1-9 14	Group Corporate Center 1-9 15	Intragroup Elimination 1-9 14	Intragroup Elimination 1-9 15	Total group 1-9 14 restated	Total group 1-9 15
Net interest income	55.6	55.3	149.7	137.8	46.5	78.8	-3.4	-26.6	3,369.6	3,324.3
Net fee and commission income	12.1	10.2	76.5	89.0	47.3	27.3	-19.9	-23.6	1,372.7	1,372.6
Dividend income	0.5	0.0	2.2	1.5	13.8	8.6	-0.6	-0.2	62.9	43.3
Net trading and fair value result	4.5	-3.7	88.4	86.0	-7.4	18.8	2.3	34.4	166.5	193.0
Net result from equity method investments	0.0	0.0	0.0	0.0	3.1	3.7	0.0	0.0	11.6	14.4
Rental income from investment properties & other operating leases	0.1	0.0	0.0	0.0	26.8	33.8	-20.0	-17.9	134.1	143.5
General administrative expenses	-38.9	-42.2	-131.0	-136.0	-521.7	-541.0	335.0	360.8	-2,783.7	-2,852.4
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	0.6	6.0	0.0	0.0	0.6	3.1	3.6	-1.1	14.3	58.8
Net impairment loss on financial assets not measured at fair value through profit or loss	-13.7	-42.6	0.0	-0.3	5.7	-42.8	0.1	0.0	-1,599.4	-518.4
Other operating result	1.2	19.7	-1.2	-4.1	-690.6	299.3	-297.1	-325.6	-1,628.6	-377.4
Levies on banking activities	0.0	0.0	-2.2	-1.4	-75.0	-74.1	0.0	0.0	-208.7	-187.7
Pre-tax result from continuing operations	**22.0**	**2.8**	**184.5**	**173.9**	**-1,075.9**	**-110.4**	**0.0**	**0.0**	**-879.9**	**1,401.5**
Taxes on income	-5.1	-1.0	-37.3	-35.8	-238.5	-47.2	0.0	0.0	-446.0	-362.3
Net result for the period	**16.9**	**1.8**	**147.2**	**138.1**	**-1,314.4**	**-157.6**	**0.0**	**0.0**	**-1,325.9**	**1,039.2**
Net result attributable to non-controlling interests	0.0	0.0	2.7	4.3	-18.8	29.9	0.0	0.0	98.7	275.0
Net result attributable to owners of the parent	**16.9**	**1.8**	**144.4**	**133.8**	**-1,295.6**	**-187.5**	**0.0**	**0.0**	**-1,424.6**	**764.2**
Operating income	72.8	61.8	316.7	314.2	130.2	171.0	-41.6	-34.1	5,117.5	5,090.9
Operating expenses	-38.9	-42.2	-131.0	-136.0	-521.7	-541.0	335.0	360.8	-2,783.7	-2,852.4
Operating result	**33.9**	**19.7**	**185.7**	**178.3**	**-391.5**	**-370.0**	**293.4**	**326.7**	**2,333.8**	**2,238.5**
Risk-weighted assets (credit risk, eop)	2,598	1,923	3,920	2,566	2,512	2,240	0	0	87,219	85,844
Average allocated capital	215	183	485	454	5,318	5,102	0	0	14,742	14,065
Cost/income ratio	53.5%	68.2%	41.4%	43.3%	>100.0%	>100.0%	>100.0%	>100.0%	54.4%	56.0%
Return on allocated capital	10.5%	1.3%	40.5%	40.6%	-33.0%	-4.1%			-12.0%	9.9%
Total assets (eop)	3,633	3,007	18,913	21,811	8,142	11,975	-36,169	-37,672	196,973	201,171
Total liabilities excluding equity (eop)	92	83	13,672	14,382	7,855	11,316	-36,167	-37,746	183,321	186,734
Impairments and risk provisions	**-13.7**	**-42.5**	**0.0**	**-0.3**	**-879.3**	**17.1**	**0.1**	**0.0**	**-2,615.4**	**-557.2**
Net impairment loss on loans and receivables to credit institutions/customers	-17.2	-42.6	0.0	-0.3	7.0	-40.5	0.1	0.0	-1,607.8	-514.9
Net impairment loss on other financial assets not measured at fair value through profit or loss	3.6	0.0	0.0	0.0	-1.3	-2.3	0.0	0.0	8.4	-3.5
Allocations/releases of provisions for contingent credit risk liabilities	0.0	0.0	0.0	0.0	10.8	69.7	0.0	0.0	-25.4	-15.2
Impairment of goodwill	0.0	0.0	0.0	0.0	-420.9	0.0	0.0	0.0	-420.9	0.0
Net impairment loss on other non-financial assets	0.0	0.0	0.0	0.0	-474.8	-9.7	0.0	0.0	-569.6	-23.6

Geographical segmentation - overview

in EUR million	Austria 1-9 14	Austria 1-9 15	Central and Eastern Europe 1-9 14 restated	Central and Eastern Europe 1-9 15	Other 1-9 14	Other 1-9 15	Total group 1-9 14 restated	Total group 1-9 15
Net interest income	1,420.3	1,461.5	1,828.9	1,739.0	120.5	123.8	3,369.6	3,324.3
Net fee and commission income	686.2	734.6	686.4	664.0	0.2	-26.0	1,372.7	1,372.6
Dividend income	46.5	30.2	3.1	4.7	13.3	8.4	62.9	43.3
Net trading and fair value result	8.5	17.7	164.6	154.2	-6.6	21.0	166.5	193.0
Net result from equity method investments	1.9	2.1	6.6	8.5	3.1	3.7	11.6	14.4
Rental income from investment properties & other operating leases	75.0	76.3	52.4	51.4	6.7	15.8	134.1	143.5
General administrative expenses	-1,367.7	-1,417.4	-1,216.6	-1,242.9	-199.4	-192.1	-2,783.7	-2,852.4
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	16.8	34.8	3.7	8.4	-6.2	15.6	14.3	58.8
Net impairment loss on financial assets not measured at fair value through profit or loss	-391.7	-144.5	-1,212.7	-325.2	5.0	-48.7	-1,599.4	-518.4
Other operating result	-74.7	-41.4	-566.7	-294.1	-987.3	-41.9	-1,628.6	-377.4
Levies on banking activities	-20.4	-21.5	-113.3	-92.1	-75.0	-74.1	-208.7	-187.7
Pre-tax result from continuing operations	**421.0**	**753.7**	**-250.3**	**768.1**	**-1,050.7**	**-120.3**	**-879.9**	**1,401.5**
Taxes on income	-128.0	-161.4	-73.7	-155.4	-244.3	-45.5	-446.0	-362.3
Net result for the period	**293.0**	**592.3**	**-324.0**	**612.7**	**-1,295.0**	**-165.8**	**-1,325.9**	**1,039.2**
Net result attributable to non-controlling interests	133.8	251.3	-16.3	-6.2	-18.8	29.9	98.7	275.0
Net result attributable to owners of the parent	**159.3**	**340.9**	**-307.7**	**618.9**	**-1,276.1**	**-195.7**	**-1,424.6**	**764.2**
Operating income	2,238.4	2,322.3	2,742.0	2,621.9	137.1	146.7	5,117.5	5,090.9
Operating expenses	-1,367.7	-1,417.4	-1,216.6	-1,242.9	-199.4	-192.1	-2,783.7	-2,852.4
Operating result	**870.6**	**904.9**	**1,525.4**	**1,379.0**	**-62.2**	**-45.4**	**2,333.8**	**2,238.5**
Risk-weighted assets (credit risk, eop)	52,049	49,212	32,053	34,016	3,116	2,616	87,219	85,844
Average allocated capital	4,531	4,229	4,091	3,874	6,121	5,963	14,742	14,065
Cost/income ratio	61.1%	61.0%	44.4%	47.4%	>100.0%	>100.0%	54.4%	56.0%
Return on allocated capital	8.6%	18.7%	-10.6%	21.1%	-28.3%	-3.7%	-12.0%	9.9%
Total assets (eop)	131,554	132,146	75,543	79,217	-10,124	-10,191	196,973	201,171
Total liabilities excluding equity (eop)	108,881	107,373	67,612	71,141	6,829	8,220	183,321	186,734
Impairments and risk provisions	**-472.9**	**-230.7**	**-1,262.5**	**-331.6**	**-880.0**	**5.1**	**-2,615.4**	**-557.2**
Net impairment loss on loans and receivables to credit institutions/customers	-402.0	-143.8	-1,212.0	-324.8	6.3	-46.3	-1,607.8	-514.9
Net impairment loss on other financial assets not measured at fair value through profit or loss	10.4	-0.8	-0.7	-0.4	-1.3	-2.3	8.4	-3.5
Allocations/releases of provisions for contingent credit risk liabilities	-33.8	-75.2	-2.4	-3.5	10.8	63.5	-25.4	-15.2
Impairment of goodwill	0.0	0.0	0.0	0.0	-420.9	0.0	-420.9	0.0
Net impairment loss on other non-financial assets	-47.4	-11.0	-47.4	-2.9	-474.8	-9.7	-569.6	-23.6

Geographical area - Austria

in EUR million	EBOe & Subsidiaries 1-9 14	EBOe & Subsidiaries 1-9 15	Savings Banks 1-9 14	Savings Banks 1-9 15	Other Austria 1-9 14	Other Austria 1-9 15	Austria 1-9 14	Austria 1-9 15
Net interest income	456.1	476.8	662.0	676.2	302.2	308.5	1,420.3	1,461.5
Net fee and commission income	255.9	276.3	300.1	319.7	130.1	138.6	686.2	734.6
Dividend income	20.7	9.9	20.2	18.1	5.6	2.2	46.5	30.2
Net trading and fair value result	2.6	-1.6	3.1	14.1	2.7	5.2	8.5	17.7
Net result from equity method investments	1.8	1.4	0.0	0.0	0.1	0.6	1.9	2.1
Rental income from investment properties & other operating leases	13.7	14.4	31.2	30.7	30.1	31.2	75.0	76.3
General administrative expenses	-446.4	-465.0	-690.2	-714.6	-231.1	-237.8	-1,367.7	-1,417.4
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	-0.8	0.0	16.9	28.6	0.6	6.1	16.8	34.8
Net impairment loss on financial assets not measured at fair value through profit or loss	-66.9	-29.0	-133.7	-42.6	-191.0	-72.9	-391.7	-144.5
Other operating result	4.6	-7.3	-37.0	-0.8	-42.4	-33.3	-74.7	-41.4
Levies on banking activities	-9.8	-10.7	-10.3	-10.8	-0.3	0.0	-20.4	-21.5
Pre-tax result from continuing operations	**241.4**	**275.9**	**172.8**	**329.3**	**6.8**	**148.4**	**421.0**	**753.7**
Taxes on income	-51.2	-65.5	-38.4	-60.9	-38.4	-35.0	-128.0	-161.4
Net result for the period	**190.2**	**210.4**	**134.4**	**268.4**	**-31.6**	**113.5**	**293.0**	**592.3**
Net result attributable to non-controlling interests	6.9	9.1	124.6	232.1	2.3	10.1	133.8	251.3
Net result attributable to owners of the parent	**183.3**	**201.3**	**9.8**	**36.2**	**-33.8**	**103.4**	**159.3**	**340.9**
Operating income	750.9	777.2	1,016.8	1,058.7	470.7	486.4	2,238.4	2,322.3
Operating expenses	-446.4	-465.0	-690.2	-714.6	-231.1	-237.8	-1,367.7	-1,417.4
Operating result	**304.4**	**312.3**	**326.6**	**344.1**	**239.6**	**248.6**	**870.6**	**904.9**
Risk-weighted assets (credit risk, eop)	12,408	12,504	22,448	22,191	17,193	14,517	52,049	49,212
Average allocated capital	1,092	1,077	1,993	1,778	1,446	1,374	4,531	4,229
Cost/income ratio	59.5%	59.8%	67.9%	67.5%	49.1%	48.9%	61.1%	61.0%
Return on allocated capital	23.3%	26.1%	9.0%	20.2%	-2.9%	11.0%	8.6%	18.7%
Total assets (eop)	42,842	40,284	56,501	56,916	32,211	34,946	131,554	132,146
Total liabilities excluding equity (eop)	40,488	38,726	52,302	52,868	16,091	15,779	108,881	107,373
Impairments and risk provisions	**-74.0**	**-36.5**	**-148.7**	**-40.1**	**-250.3**	**-154.1**	**-472.9**	**-230.7**
Net impairment loss on loans and receivables to credit institutions/customers	-68.8	-29.0	-132.9	-41.9	-200.4	-72.9	-402.0	-143.8
Net impairment loss on other financial assets not measured at fair value through profit or loss	1.9	0.0	-0.9	-0.7	9.3	0.0	10.4	-0.8
Allocations/releases of provisions for contingent credit risk liabilities	-6.2	-1.1	-14.6	3.3	-13.0	-77.4	-33.8	-75.2
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net impairment loss on other non-financial assets	-0.9	-6.4	-0.4	-0.8	-46.2	-3.7	-47.4	-11.0

Geographical area - Central and Eastern Europe

	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Central and Eastern Europe	
in EUR million	1-9 14	1-9 15	1-9 14 restated	1-9 15	1-9 14	1-9 15	1-9 14	1-9 15	1-9 14	1-9 15	1-9 14	1-9 15	1-9 14 restated	1-9 15
Net interest income	692.9	682.6	374.9	325.9	336.0	341.6	205.8	157.6	194.4	201.2	24.9	30.2	1,828.9	1,739.0
Net fee and commission income	300.0	275.2	121.4	119.7	91.1	92.9	103.7	103.5	60.2	63.5	10.0	9.1	686.4	664.0
Dividend income	1.7	2.4	0.5	1.2	0.6	0.7	0.1	0.2	0.2	0.2	0.0	0.0	3.1	4.7
Net trading and fair value result	62.6	81.8	63.2	52.3	9.3	6.0	7.6	1.7	20.2	10.0	1.7	2.5	164.6	154.2
Net result from equity method investments	0.0	0.0	0.4	0.4	5.2	6.8	0.0	0.0	1.2	1.0	-0.1	0.2	6.6	8.5
Rental income from investment properties & other operating leases	22.6	21.2	3.6	6.7	1.4	1.4	0.8	0.7	24.0	21.2	0.0	0.2	52.4	51.4
General administrative expenses	-494.4	-498.4	-237.1	-249.1	-196.2	-195.3	-126.6	-132.0	-134.2	-139.3	-28.1	-28.7	-1,216.6	-1,242.9
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	5.0	11.8	0.1	1.1	0.5	0.0	-3.6	-4.7	1.5	0.2	0.1	0.0	3.7	8.4
Net impairment loss on financial assets not measured at fair value through profit or loss	-105.4	-68.8	-835.3	-12.4	-42.8	-32.7	-101.9	-93.1	-118.3	-111.3	-9.0	-6.8	-1,212.7	-325.2
Other operating result	-10.3	-32.2	-70.9	-20.4	-34.1	-21.9	-446.8	-75.4	-3.9	-144.0	-0.6	-0.3	-566.7	-294.1
Levies on banking activities	0.0	0.0	0.0	0.0	-31.5	-17.5	-81.8	-74.6	0.0	0.0	0.0	0.0	-113.3	-92.1
Pre-tax result from continuing operations	**474.7**	**475.6**	**-579.0**	**225.4**	**171.0**	**199.6**	**-360.9**	**-41.7**	**45.2**	**-97.3**	**-1.2**	**6.5**	**-250.3**	**768.1**
Taxes on income	-92.0	-89.7	74.1	-32.5	-39.4	-47.0	-9.9	-5.5	-7.1	19.3	0.6	0.0	-73.7	-155.4
Net result for the period	**382.7**	**386.0**	**-505.0**	**193.0**	**131.6**	**152.5**	**-370.7**	**-47.2**	**38.1**	**-78.1**	**-0.7**	**6.5**	**-324.0**	**612.7**
Net result attributable to non-controlling interests	3.8	3.9	-32.4	12.4	0.0	0.0	0.0	0.0	12.5	-23.8	-0.2	1.2	-16.3	-6.2
Net result attributable to owners of the parent	**378.9**	**382.0**	**-472.6**	**180.5**	**131.6**	**152.5**	**-370.7**	**-47.2**	**25.6**	**-54.2**	**-0.4**	**5.3**	**-307.7**	**618.9**
Operating income	1,079.8	1,063.3	564.1	506.2	443.5	449.5	318.0	263.6	300.1	297.0	36.5	42.3	2,742.0	2,621.9
Operating expenses	-494.4	-498.4	-237.1	-249.1	-196.2	-195.3	-126.6	-132.0	-134.2	-139.3	-28.1	-28.7	-1,216.6	-1,242.9
Operating result	**585.4**	**564.9**	**327.1**	**257.1**	**247.3**	**254.2**	**191.4**	**131.5**	**165.9**	**157.7**	**8.3**	**13.6**	**1,525.4**	**1,379.0**
Risk-weighted assets (credit risk, eop)	13,408	14,390	5,870	5,618	4,357	4,869	3,606	3,338	4,285	5,078	527	723	32,053	34,016
Average allocated capital	1,448	1,419	1,146	941	508	536	470	436	447	462	72	80	4,091	3,874
Cost/income ratio	45.8%	46.9%	42.0%	49.2%	44.2%	43.4%	39.8%	50.1%	44.7%	46.9%	77.1%	67.9%	44.4%	47.4%
Return on allocated capital	35.3%	36.4%	-58.9%	27.4%	34.6%	38.0%	-105.5%	-14.5%	11.4%	-22.6%	-1.2%	10.9%	-10.6%	21.1%
Total assets (eop)	32,631	35,286	13,854	13,587	12,612	13,792	6,373	6,211	9,267	9,435	806	905	75,543	79,217
Total liabilities excluding equity (eop)	28,982	31,462	12,695	12,286	11,182	12,455	5,841	5,688	8,231	8,478	681	772	67,612	71,141
Impairments and risk provisions	**-105.7**	**-68.5**	**-881.8**	**-17.1**	**-43.1**	**-30.6**	**-102.5**	**-92.8**	**-119.9**	**-116.0**	**-9.4**	**-6.6**	**-1,262.5**	**-331.6**
Net impairment loss on loans and receivables to credit institutions/customers	-105.5	-68.8	-835.3	-12.1	-42.8	-32.7	-101.9	-93.1	-117.5	-111.2	-9.0	-6.8	-1,212.0	-324.8
Net impairment loss on other financial assets not measured at fair value through profit or loss	0.1	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	0.0	-0.7	-0.4
Allocations/releases of provisions for contingent credit risk liabilities	2.0	-3.9	-1.3	-1.3	-2.5	3.9	0.8	0.5	-1.3	-3.0	-0.1	0.3	-2.4	-3.5
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net impairment loss on other non-financial assets	-2.4	4.2	-45.2	-3.4	2.1	-1.7	-1.4	-0.2	-0.2	-1.7	-0.3	-0.1	-47.4	-2.9

27. Risk management

It is a core function of every bank to take risks in a conscious and selective manner and to manage such risks professionally. Erste Group's proactive risk policy and strategy aims at achieving balanced risk and return in order to generate a sustainable and adequate return on equity. Concerning risk policy and strategy as well as regarding risk management organisation, reference is made to the chapter of the same name in the annual report 2014.

Current regulatory topics

Regulatory scope of consolidation and institutional protection scheme

The consolidated regulatory capital and the consolidated regulatory capital requirements are calculated based on the scope of consolidation stipulated in the Capital Requirements Regulation (CRR). Based on Article 4 (1) (3), (16) to (27) CRR in line with Articles 18 and 19 CRR, the scope consists of credit institutions, investment firms, financial institutions and ancillary service undertakings. This definition differs from the Accounting scope of consolidation according to IFRS, which also includes insurance companies and other entities.

The Austrian savings banks are included as subsidiaries in Erste Group's regulatory scope of consolidation based on the cross-guarantee contracts of the 'Haftungsverbund'. Furthermore, Erste Group Bank AG together with the savings banks forms an institutional protection scheme (IPS) according to Article 113 (7) CRR. Disclosure requirements for the institutional protection scheme according to Article 113 (7) e CRR are met by the publication of the consolidated financial statements, which cover all entities included in the institutional protection scheme.

Regulatory capital

Since 1 January 2014, Erste Group has been calculating the regulatory capital and the regulatory capital requirements according to Basel 3. The requirements are implemented within the European Union via the Capital Requirements Directive (CRD IV) and the Capital Requirements Regulation (CRR), as well as within the regulatory technical standards. Furthermore, the Austrian Banking Act applies in connection with the CRR. Erste Group applies these rules and calculates the capital ratios according to Basel 3, taking into consideration the Austrian transitional provisions which are laid down in the CRR 'Begleitverordnung', published by the Austrian regulator.

The disclosure requirements for the regulatory capital and regulatory capital requirements were published in the Official Journal of the European Union on 20 December 2013. Erste Group has adapted the charts accordingly and publishes the details of the regulatory capital and regulatory capital requirements in the Note 32. Positions that are not relevant for Erste Group or do not have any impact on the capital ratios are not shown. With the approval granted by the European Central Bank on 4 August 2015, Erste Group considers the interim profit of the first half of 2015 within its own funds.

Own funds according to CRR consist of common equity tier 1 (CET1), additional tier 1 (AT1) and tier 2 (T2). In order to determine the capital ratios, each respective capital component, after applying all regulatory deductions and filters, is considered in relation to the total risk.

The minimum capital ratios amount to 4.5% for CET1, 6% for tier 1 capital (sum from CET1 and AT1) and 8% for total own funds. No additional capital buffers were required for the reporting date 30 September 2015.

Leverage ratio

The leverage ratio represents the relationship between core capital (tier 1) and the leverage exposure according to Article 429 CRR. Essentially, the leverage exposure represents the sum of unweighted on- and off-balance-sheet positions considering valuation and risk adjustments as defined within the CRR.

As of 30 September 2015, the leverage ratio for Erste Group Bank AG at consolidated level amounted to 5.4% (Basel 3 final), comfortably above the required minimum of 3.0%.

Based on the revised framework for the calculation and disclosure of the leverage ratio published by the Basel Committee on Banking Supervision in January 2014, the European Commission prepared a delegated regulation ((EU) 2015/62 of 10 October 2014), which was published in the Official Journal of the European Union on 17 January 2015. The revised requirements for calculation and disclosure of the leverage ratio in the European Union will be implemented in Erste Group during the course of 2015.

Credit risk

The classification of credit assets into risk grades is based on Erste Group's internal ratings. For the purpose of external reporting, internal rating grades of Erste Group are grouped into the following four risk categories:

Low risk

Typically regional customers with well-established and rather long-standing relationships with Erste Group or large internationally recognised customers. A strong and good financial position and no foreseeable financial difficulties. Retail clients having long relationships with the bank, or clients with a wide product pool use. No late payments currently or in the most recent 12 months. New business is generally with clients in this risk category.

Management attention

Vulnerable non-retail clients, which may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium-term. Retail clients with limited savings or probable payment problems in the past triggering early collection reminders. These clients typically have a good recent history.

Substandard

The borrower is vulnerable to negative financial and economic developments. Such loans are managed in specialised risk management departments.

Non-performing

One or more of the default criteria under Basel 3 are met by the borrower: 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 initiation of bankruptcy proceedings.

For purposes of analysing non-performing positions, Erste Group applies the 'customer view' in Austria. Accordingly, if a customer defaults on one product then all of that customer's performing products are classified as non-performing. For corporate borrowers in CEE, the customer view is also applied. However, in the Retail and SME segment in some subsidiaries in CEE, Erste Group uses the 'product view', so that only the product actually in default is counted as a NPL whereas the other products of the same customer are considered performing.

Credit risk exposure

Credit risk exposure relates to the following balance sheet items:

- Cash and cash balances – other demand deposits,
- Financial assets - held for trading (without equity instruments),
- Financial assets - at fair value through profit or loss (without equity instruments),
- Financial assets - available for sale (without equity instruments),
- Financial assets - held to maturity,
- Loans and receivables to credit institutions,
- Loans and receivables to customers,
- Derivatives - hedge accounting, and
- Off balance sheet credit risks (primarily financial guarantees and undrawn irrevocable credit commitments).

The credit risk exposure comprises the gross carrying amount (or nominal value in the case of off-balance-sheet positions) without taking into account loan loss allowances, provisions for guarantees, any collateral held (including risk transfer to guarantors), netting effects, other credit enhancements or credit risk mitigating transactions.

The gross carrying amount of the credit risk exposure increased by 1.2% or EUR 2.5 billion from EUR 210.9 billion as of 31 December 2014 to EUR 213.4 billion as of 30 September 2015.

The following table shows the reconciliation between the gross carrying amount and the carrying amount of the separate components of the credit risk exposure*.

in EUR million	Gross carrying amount	Allowances	Net carrying amount
As of 30 September 2015			
Cash and cash balances - other demand deposits	639	0	639
Loans and receivables to credit institutions	8,405	20	8,384
Loans and receivables to customers	131,242	6,721	124,521
Financial assets - held to maturity	17,587	2	17,585
Financial assets - held for trading	3,062	0	3,062
Financial assets - at fair value through profit or loss	146	0	146
Financial assets - available for sale	19,914	0	19,914
Positive fair value of derivatives	7,918	0	7,918
Contingent credit risk liabilities	24,515	251	0
Total	**213,429**	**6,995**	**182,170**
As of 31 December 2014			
Cash and cash balances - other demand deposits	859	0	859
Loans and receivables to credit institutions	7,461	18	7,442
Loans and receivables to customers	128,325	7,491	120,834
Financial assets - held to maturity	16,879	2	16,877
Financial assets - held for trading	3,173	0	3,173
Financial assets - at fair value through profit or loss	139	0	139
Financial assets - available for sale	21,102	0	21,102
Positive fair value of derivatives	10,045	0	10,045
Contingent credit risk liabilities	22,963	241	--
Total	**210,944**	**7,752**	**180,471**

*Concerning contingent liabilities the gross carrying amount refers to the nominal value, and allowances refer to provisions for guarantees. A carrying amount is not presented in the case of contingent liabilities.

Erste Group’s credit risk exposure is presented below divided into the following classes:

_ by Basel 3 exposure class and financial instrument,
_ by industry (NACE) and risk category,
_ by country of risk and risk category,
_ by business segment and risk category and
_ by geographical segment and risk category.

Furthermore, a breakdown of loans and receivables to customers is presented as follows:

_ loans and receivables to customers by business segment and risk category,
_ loans and receivables to customers by geographical segment and risk category (inclusive coverage of non-performing loans by loans and receivables to customers) and
_ loans and receivables to customers by geographical segment and currency.

Credit risk exposure

The tables on the following pages give a break-down of Erste Group's credit risk exposure (gross of allowances for credit losses) by different categories as of the end of the reporting period and end of the prior year.

Credit risk exposure by Basel 3 exposure class and financial instrument

in EUR million	Cash and cash balances - other demand deposits	Loans and receivables to credit institutions (At amortised cost)	Loans and receivables to customers (At amortised cost)	Debt securities: Financial assets - held to maturity (At amortised cost)	Debt securities: Financial assets - held for trading (At fair value)	Debt securities: Financial assets - at fair value through profit or loss (At fair value)	Debt securities: Financial assets - available-for-sale (At fair value)	Positive fair value of derivatives (At fair value)	Contingent credit risk liabilities	Gross exposure
Sep 15										
Sovereigns	-54	2,405	7,650	16,439	2,388	47	15,759	387	1,438	46,460
Institutions	658	5,325	120	658	435	51	1,905	7,286	263	16,702
Corporates	16	597	57,424	490	239	48	2,163	243	17,007	78,226
Retail	19	78	66,047	0	0	0	87	1	5,808	72,041
Total	**639**	**8,405**	**131,242**	**17,587**	**3,061**	**146**	**19,914**	**7,918**	**24,515**	**213,429**
Dec 14										
Sovereigns	0	2,277	6,676	15,302	2,471	12	15,674	352	1,230	43,994
Institutions	848	5,164	78	1,041	391	79	2,983	9,040	366	19,989
Corporates	11	20	57,752	536	311	47	2,445	650	15,938	77,710
Retail	0	0	63,819	0	0	0	0	4	5,428	69,251
Total	**859**	**7,461**	**128,325**	**16,879**	**3,173**	**139**	**21,102**	**10,045**	**22,963**	**210,944**

The assignment of obligors to Basel 3 exposure classes is based on legal regulations. For reasons of clarity, individual Basel 3 exposure classes are presented in aggregated form in the tables below and in other tables in the section 'Credit Risk'. The aggregated exposure class 'sovereigns' also contains regional and local governments as well as public sector entities in addition to central governments, central banks, international organisations and mul-tinational development banks.

Credit risk exposure by industry (NACE) and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Gross exposure
As of 30 September 2015					
Agriculture and forestry	1,806	430	44	237	2,517
Mining	654	44	45	34	778
Manufacturing	10,863	1,542	182	1,292	13,880
Energy and water supply	3,512	535	43	163	4,254
Construction	7,574	1,136	140	1,356	10,206
Development of building projects	3,186	355	20	344	3,905
Trade	7,685	1,477	150	1,105	10,416
Transport and communication	5,510	559	55	225	6,349
Hotels and restaurants	2,396	845	224	696	4,160
Financial and insurance services	28,562	1,098	86	504	30,249
Holding companies	5,152	528	59	316	6,055
Real estate and housing	19,280	2,497	475	1,224	23,477
Services	5,170	996	163	420	6,748
Public administration	37,948	672	49	14	38,683
Education, health and art	2,229	525	36	267	3,056
Households	47,842	6,160	1,142	2,573	57,717
Other	444	58	422	16	940
Total	**181,476**	**18,573**	**3,256**	**10,124**	**213,429**
As of 31 December 2014					
Agriculture and forestry	1,596	429	46	262	2,333
Mining	435	63	5	38	541
Manufacturing	10,283	1,559	282	1,623	13,747
Energy and water supply	3,442	435	79	196	4,152
Construction	6,856	1,367	133	1,416	9,772
Development of building projects	3,003	472	35	527	4,038
Trade	7,340	1,605	174	1,224	10,343
Transport and communication	4,785	450	69	283	5,587
Hotels and restaurants	2,230	967	208	726	4,131
Financial and insurance services	32,370	855	107	488	33,820
Holding companies	5,226	126	50	333	5,735
Real estate and housing	18,422	2,778	510	1,264	22,974
Services	4,933	976	133	420	6,461
Public administration	37,148	487	14	27	37,676
Education, health and art	2,129	453	43	323	2,948
Households	45,024	5,849	1,265	3,049	55,187
Other	482	10	755	24	1,270
Total	**177,474**	**18,284**	**3,825**	**11,362**	**210,944**

Credit risk exposure by country of risk and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Gross exposure
As of 30 September 2015					
Core markets	**150,529**	**16,869**	**2,981**	**8,963**	**179,342**
Austria	79,754	8,950	1,423	2,801	92,928
Czech Republic	29,613	2,663	414	980	33,671
Romania	11,196	2,059	471	1,961	15,688
Slovakia	16,249	813	229	616	17,908
Hungary	5,850	999	202	911	7,962
Croatia	7,213	1,073	236	1,521	10,043
Serbia	653	312	5	172	1,142
Other EU	**23,762**	**1,136**	**171**	**654**	**25,722**
Other industrialised countries	**4,245**	**176**	**6**	**73**	**4,501**
Emerging markets	**2,940**	**392**	**98**	**434**	**3,865**
Southeastern Europe/CIS	1,366	314	97	405	2,182
Asia	1,103	27	1	15	1,145
Latin America	77	18	0	3	99
Middle East/Africa	393	33	1	11	439
Total	**181,476**	**18,573**	**3,256**	**10,124**	**213,429**
As of 31 December 2014					
Core markets	**145,678**	**16,445**	**3,358**	**10,148**	**175,629**
Austria	78,523	8,542	1,554	3,121	91,741
Czech Republic	28,309	2,562	426	1,025	32,322
Romania	11,234	1,960	465	2,309	15,967
Slovakia	14,838	775	242	581	16,436
Hungary	5,180	1,059	252	1,352	7,843
Croatia	6,889	1,234	339	1,584	10,045
Serbia	706	313	81	175	1,275
Other EU	**24,954**	**1,262**	**376**	**695**	**27,287**
Other industrialised countries	**3,928**	**92**	**17**	**80**	**4,117**
Emerging markets	**2,914**	**485**	**74**	**439**	**3,911**
Southeastern Europe/CIS	1,340	394	73	407	2,214
Asia	1,068	32	1	14	1,115
Latin America	102	21	0	4	127
Middle East/Africa	404	38	0	13	455
Total	**177,474**	**18,284**	**3,825**	**11,362**	**210,944**

The change in credit risk exposure by EUR 2.5 billion reflects an increase of EUR 3.7 billion, or 2.1%, in the core markets, coupled with a reduction of EUR 1.6 billion, or 5.7%, in the other EU member states (EU 28 excluding core markets) and a growth of EUR 384 million, or 9.3%, in other industrialised countries, as well as a decrease of EUR 46 million, or 1.2%, in emerging markets. The Erste Group's core markets and other EU countries account for 96.1% of total credit risk exposure as of 30 September 2015. At 1.8% of the group's total, credit risk exposure in emerging markets remains of minor significance.

The geographic analysis of credit exposure is based on the country of risk of borrowers and counterparties and also includes obligors domiciled in other countries if the economic risk exists in the respective country of risk. Accordingly, the distribution by regions differs from the composition of the credit risk exposure by geographical segments of Erste Group.

The segment reporting of Erste Group is based on the matrix organisation by business segment as well as by geographical segment. The geographical segmentation follows the country markets in which Erste Group operates and the locations of the banking and other financial institutions participations. The following tables show the credit risk exposure of Erste Group broken down by reporting segments and risk category.

Credit risk exposure by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Gross exposure
As of 30 September 2015					
Retail	45,317	5,046	1,066	2,433	53,861
Small and Medium Enterprises	21,506	2,952	303	2,177	26,939
Asset/Liability Management and Local Corporate Center	24,600	284	140	23	25,047
Savings Banks	44,043	6,982	924	2,308	54,257
Large Corporates	16,631	1,239	77	1,228	19,175
Commercial Real Estate	6,388	842	536	1,753	9,519
Other Corporate	2,158	231	42	119	2,550
Group Markets	20,011	897	88	25	21,021
Group Corporate Center	821	99	82	57	1,059
Total	**181,476**	**18,573**	**3,256**	**10,124**	**213,429**
As of 31 December 2014					
Retail	42,679	4,853	1,178	2,963	51,674
Small and Medium Enterprises	20,176	2,908	402	2,341	25,826
Asset/Liability Management and Local Corporate Center	29,072	226	219	67	29,585
Savings Banks	43,570	6,806	974	2,530	53,879
Large Corporates	14,860	1,253	108	1,352	17,573
Commercial Real Estate	5,861	1,546	464	2,001	9,872
Other Corporate	2,947	283	37	87	3,355
Group Markets	16,935	320	25	3	17,282
Group Corporate Center	1,375	88	417	18	1,899
Total	**177,474**	**18,284**	**3,825**	**11,362**	**210,944**

Credit risk exposure by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Gross exposure
As of 30 September 2015					
Austria	107,150	11,516	1,866	4,734	125,267
Erste Bank Oesterreich & Subsidiaries	33,659	2,848	407	958	37,873
Savings Banks	44,043	6,982	924	2,308	54,257
Other Austria	29,448	1,686	536	1,468	33,137
Central and Eastern Europe	66,095	6,947	1,308	5,298	79,648
Czech Republic	30,242	2,375	304	813	33,734
Romania	9,974	1,872	430	1,875	14,151
Slovakia	13,251	636	213	463	14,563
Hungary	4,733	790	154	792	6,468
Croatia	7,292	1,030	205	1,270	9,797
Serbia	604	244	3	85	936
Other	8,230	110	82	92	8,513
Total	**181,476**	**18,573**	**3,256**	**10,124**	**213,429**
As of 31 December 2014					
Austria	105,421	11,355	1,893	5,238	123,908
Erste Bank Oesterreich & Subsidiaries	32,588	2,817	449	1,115	36,970
Savings Banks	43,570	6,806	974	2,530	53,879
Other Austria	29,264	1,732	469	1,593	33,059
Central and Eastern Europe	62,702	6,757	1,515	6,064	77,037
Czech Republic	28,811	2,173	393	843	32,220
Romania	9,833	1,837	408	2,210	14,288
Slovakia	12,403	577	218	489	13,687
Hungary	4,171	784	194	1,161	6,310
Croatia	6,926	1,156	294	1,279	9,653
Serbia	559	230	7	83	879
Other	9,350	172	417	60	9,999
Total	**177,474**	**18,284**	**3,825**	**11,362**	**210,944**

Loans and receivables to customers

The tables on the following pages present the structure of the customer loan book (gross of allowances for loan losses) broken-down by different categories as of the end of the reporting period and as of the end of the prior business year.

Loans and receivables to customers by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Gross customer loans
As of 30 September 2015					
Retail	40,225	4,734	1,039	2,416	48,414
Small and Medium Enterprises	17,049	2,567	261	2,126	22,003
Asset/Liability Management and Local Corporate Center	156	10	0	15	181
Savings Banks	29,963	6,163	775	2,225	39,126
Large Corporates	8,782	835	49	1,030	10,696
Commercial Real Estate	5,790	757	492	1,735	8,774
Other Corporate	1,243	132	42	102	1,520
Group Markets	270	31	0	21	322
Group Corporate Center	139	19	0	48	206
Total	**103,616**	**15,249**	**2,660**	**9,717**	**131,242**
As of 31 December 2014					
Retail	38,417	4,537	1,152	2,938	47,044
Small and Medium Enterprises	16,123	2,457	358	2,275	21,213
Asset/Liability Management and Local Corporate Center	68	16	56	21	162
Savings Banks	29,325	5,986	816	2,441	38,568
Large Corporates	7,835	889	57	1,170	9,952
Commercial Real Estate	5,499	1,409	422	1,942	9,271
Other Corporate	1,417	201	31	72	1,721
Group Markets	85	19	0	0	104
Group Corporate Center	159	39	74	18	290
Total	**98,928**	**15,552**	**2,967**	**10,878**	**128,325**

Loans and receivables to customers by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Gross customer loans
As of 30 September 2015					
Austria	66,072	9,543	1,501	4,523	81,639
Erste Bank Oesterreich & Subsidiaries	26,254	2,519	257	895	29,926
Savings Banks	29,963	6,163	775	2,225	39,126
Other Austria	9,855	861	468	1,402	12,588
Central and Eastern Europe	37,365	5,684	1,159	5,112	49,319
Czech Republic	16,948	1,897	281	789	19,914
Romania	5,150	1,554	342	1,786	8,832
Slovakia	8,235	556	199	407	9,396
Hungary	1,979	675	153	789	3,597
Croatia	4,574	926	180	1,257	6,937
Serbia	479	76	3	83	642
Other	179	22	0	83	284
Total	**103,616**	**15,249**	**2,660**	**9,717**	**131,242**
As of 31 December 2014					
Austria	63,779	9,895	1,507	4,936	80,117
Erste Bank Oesterreich & Subsidiaries	25,219	2,442	291	1,012	28,963
Savings Banks	29,325	5,986	816	2,441	38,568
Other Austria	9,235	1,468	400	1,483	12,585
Central and Eastern Europe	34,966	5,581	1,385	5,883	47,815
Czech Republic	15,798	1,693	365	821	18,676
Romania	4,982	1,544	343	2,138	9,007
Slovakia	7,212	545	203	422	8,383
Hungary	2,278	681	194	1,157	4,308
Croatia	4,286	1,032	273	1,262	6,853
Serbia	412	87	7	83	588
Other	184	75	74	60	392
Total	**98,928**	**15,552**	**2,967**	**10,878**	**128,325**

Non-performing loans and receivables to customers by business segment and coverage by risk provisions

in EUR million	Non-performing loans	Gross customer loans	Allowances for customer loans	NPL ratio	NPL coverage (exc collateral)
As of 30 September 2015					
Retail	2,416	48,414	1,925	5.0%	79.7%
Small and Medium Enterprises	2,126	22,003	1,419	9.7%	66.7%
Asset/Liability Management and Local Corporate Center	15	181	7	8.1%	48.7%
Savings Banks	2,225	39,126	1,357	5.7%	61.0%
Large Corporates	1,030	10,696	906	9.6%	87.9%
Commercial Real Estate	1,735	8,774	1,024	19.8%	59.0%
Other Corporate	102	1,520	76	6.7%	74.0%
Group Markets	21	322	8	6.5%	38.0%
Group Corporate Center	48	206	0	23.2%	0.5%
Total	**9,717**	**131,242**	**6,721**	**7.4%**	**69.2%**
As of 31 December 2014					
Retail	2,938	47,044	2,360	6.2%	80.3%
Small and Medium Enterprises	2,275	21,213	1,462	10.7%	64.3%
Asset/Liability Management and Local Corporate Center	21	162	24	13.1%	113.2%
Savings Banks	2,441	38,568	1,561	6.3%	64.0%
Large Corporates	1,170	9,952	898	11.8%	76.7%
Commercial Real Estate	1,942	9,271	1,135	20.9%	58.4%
Other Corporate	72	1,721	43	4.2%	59.4%
Group Markets	0	104	1	0.1%	814.7%
Group Corporate Center	18	290	7	6.2%	38.2%
Total	**10,878**	**128,325**	**7,491**	**8.5%**	**68.9%**

Non-performing loans and receivables to customers by geographical segment and coverage by risk provisions

in EUR million	Non-performing loans	Gross customer loans	Allowances for customer loans	NPL ratio	NPL coverage (exc collateral)
As of 30 September 2015					
Austria	4,523	81,639	2,812	5.5%	62.2%
Erste Bank Oesterreich & Subsidiaries	895	29,926	561	3.0%	62.7%
Savings Banks	2,225	39,126	1,357	5.7%	61.0%
Other Austria	1,402	12,588	894	11.1%	63.7%
Central and Eastern Europe	5,112	49,319	3,859	10.4%	75.5%
Czech Republic	789	19,914	645	4.0%	81.7%
Romania	1,786	8,832	1,557	20.2%	87.2%
Slovakia	407	9,396	353	4.3%	86.7%
Hungary	789	3,597	421	21.9%	53.4%
Croatia	1,257	6,937	813	18.1%	64.7%
Serbia	83	642	69	13.0%	83.2%
Other	83	284	50	29.1%	60.6%
Total	**9,717**	**131,242**	**6,721**	**7.4%**	**69.2%**
As of 31 December 2014					
Austria	4,936	80,117	3,120	6.2%	63.2%
Erste Bank Oesterreich & Subsidiaries	1,012	28,963	697	3.5%	68.9%
Savings Banks	2,441	38,568	1,561	6.3%	64.0%
Other Austria	1,483	12,585	862	11.8%	58.1%
Central and Eastern Europe	5,883	47,815	4,325	12.3%	73.5%
Czech Republic	821	18,676	654	4.4%	79.7%
Romania	2,138	9,007	1,758	23.7%	82.2%
Slovakia	422	8,383	348	5.0%	82.4%
Hungary	1,157	4,308	740	26.8%	64.0%
Croatia	1,262	6,853	762	18.4%	60.4%
Serbia	83	588	63	14.1%	75.8%
Other	60	392	45	15.2%	75.6%
Total	**10,878**	**128,325**	**7,491**	**8.5%**	**68.9%**

The NPL ratio is calculated by dividing non-performing loans and receivables by total loans and receivables. The NPL coverage ratio is calculated by dividing risk provisions by non-performing loans and receivables to customers. Collateral or other recoveries are not taken into account.

Loans and receivables to customers by geographical segment and currency

in EUR million	EUR	CEE-LCY	CHF	USD	Other	Gross customer loans
As of 30 September 2015						
Austria	71,988	0	6,251	1,895	1,506	81,639
Erste Bank Oesterreich & Subsidiaries	27,288	0	2,434	59	145	29,926
Savings Banks	34,595	0	3,660	103	768	39,126
Other Austria	10,105	0	157	1,733	593	12,588
Central and Eastern Europe	21,422	26,538	864	399	96	49,319
Czech Republic	1,814	17,939	3	88	70	19,914
Romania	4,704	3,923	0	199	6	8,832
Slovakia	9,361	0	0	17	18	9,396
Hungary	521	2,775	283	19	0	3,597
Croatia	4,556	1,747	562	71	2	6,937
Serbia	466	154	16	6	0	642
Other	221	0	4	58	0	284
Total	**93,631**	**26,538**	**7,119**	**2,352**	**1,602**	**131,242**
As of 31 December 2014						
Austria	70,136	0	6,565	1,788	1,628	80,117
Erste Bank Oesterreich & Subsidiaries	26,309	0	2,421	63	170	28,963
Savings Banks	33,819	0	3,929	99	721	38,568
Other Austria	10,007	0	216	1,626	736	12,585
Central and Eastern Europe	21,110	23,759	2,549	332	64	47,815
Czech Republic	1,584	16,996	4	65	27	18,676
Romania	5,263	3,578	0	158	7	9,007
Slovakia	8,334	0	0	22	26	8,383
Hungary	894	1,425	1,972	17	0	4,308
Croatia	4,615	1,612	557	64	4	6,853
Serbia	419	148	16	5	0	588
Other	320	15	4	54	0	392
Total	**91,566**	**23,774**	**9,119**	**2,174**	**1,692**	**128,325**

Market risk

The following table shows the value at risk of the trading book at the 99% confidence level using equally weighted market data and with a holding period of one day.

in EUR million	Dec 14	Sep 15
Interest	1.9	1.4
Currency	0.9	0.5
Shares	2.4	1.0
Commodity	0.2	0.2
Volatility	0.3	0.5
Total	**4.0**	**2.4**

The method used is subject to limitations that may result in the information not fully reflecting the fair value of the assets and liabilities involved. This restriction applies to the inclusion of credit spreads in the calculation of the VaR. Credit spreads are only applied to sovereign issuers. For all other positions, only the general market risk is considered.

Liquidity risk

In Erste Group Group's liquidity strategy for 2015 long-term issuance of EUR 2.5 billion is planned. The issuance plan for 2015 is focused on covered bonds (more than 50%) while the remaining amount is split equally between senior unsecured and Tier 2 bonds. A EUR 500 million 5-year benchmark covered mortgage bond was issued in September. Year-to-date issuance amounts to EUR 2.1 billion consisting of EUR 1,000 million in covered bonds, EUR 500 million in tier 2 bonds, and around EUR 600 million in senior unsecured debt. Due to the good liquidity position, only limited issuance activity is planned for the fourth quarter of 2015.

28. Related party transactions

The foundation DIE ERSTE oesterreichische Spar-Casse Privatstiftung ('Privatstiftung') controls a total of 29.79% interest in Erste Group Bank AG. This makes the Privatstiftung the largest single investor in Erste Group Bank AG. Erste Group had, in relation to Privatstiftung, accounts payable of EUR 24.8 million (EUR 262.6 million) and accounts receivable of EUR 0 million (EUR 26.5 million). In addition, standard derivative transactions for hedging purposes were in place between Erste Group and Privatstiftung, namely interest rate swaps with caps in the notional amount of EUR 282.0 million (EUR 282.0 million). Furthermore, Privatstiftung held bonds issued by Erste Group Bank AG in the amount of EUR 9.6 million (EUR 0.2 million). Erste Group held debt securities issued by Privatstiftung in the amount of EUR 2.6 million (EUR 3.7 million). The interest income of Erste Group in the first nine months of 2015 amounted to EUR 6.2 million (cumulated in 2014: EUR 12.5 million) while the interest expenses amounted to EUR 6.0 million (cumulated in 2014: EUR 8.6 million), resulting from the above mentioned accounts receivable and accounts payable as well as derivative transactions and debt securities.

29. Contingent liabilities - legal proceedings

Erste Group Bank and some of its subsidiaries are involved in legal disputes, most of which have arisen in the course of ordinary banking business. These proceedings are not expected to have a significant negative impact on the financial position or profitability of Erste Group or Erste Group Bank. Erste Group is also subject to the following ongoing proceedings, some of which, if adversely adjudicated, may have a significant impact on the financial position or profitability of Erste Group or Erste Group Bank:

Consumer protection claims

Several banking subsidiaries of Erste Group in CEE have been named in their respective jurisdictions as defendants in a number of lawsuits and in regulatory proceedings, filed by individual customers, regulatory authorities or consumer protection agencies and associations. Some of the lawsuits are class actions. The lawsuits mainly relate to allegations that certain contractual provisions, particularly in respect of consumer loans, violate mandatory consumer protection laws and regulations and that certain fees charged to customers in the past must be repaid. The allegations relate to the enforceability of certain fees as well as of contractual provisions for the adjustment of interest rates and currencies. In some jurisdictions the legal risks in connection with loans granted in the past to consumers are also increased by the enactment of politically motivated laws impacting existing lending relationships, which may result in repayment obligations towards customers, and a level of unpredictability of judicial decisions beyond the level of uncertainty generally imminent in court proceedings. The following consumer protection issues are deemed particularly noteworthy: In Romania, BCR is, besides being a defendant in a substantial number of individual law suits by consumers, among several local banks pursued by the consumer protection authority for alleged abusive clauses pertaining to pre-2010 lending practices. In connection therewith, BCR is currently a defendant in six individual litigation claims filed by the local consumer protection authority, in each case on behalf of several borrowers. So far, the court of first instance took a decision only in one of these six cases, and decided in favour of BCR, against which an appeal was filed. Further first instance decisions are expected in some of the other cases over the remainder of the year. If one of these cases on the validity of certain clauses becomes adversely adjudicated, this may have the impact of invalidating such clauses also in agreements of BCR with several other consumers. BCR has also taken legal steps against the law on which such effect might be grounded. In Hungary, foreign currency loan related invalidity lawsuits by consumers against banks, including EBH, have been suspended by the regulations of the 2014 consumer loan law until the completion of the settlement and refund process towards the customers concerned. While some plaintiffs may not pursue further their claims, it is expected that EBH will remain a defendant in a number of these litigations and that consumers will continue and initiate further court cases even upon the completion of the refund process set out in the 2014 consumer loan law, creating a level of legal uncertainty which makes it impossible to quantify the potential financial impact in the case of adverse adjudications. In Croatia, in a case instituted by a consumer protection organisation against several local banks, among them EBC, the Supreme Court in the second quarter 2015, while rejecting some other requests by plaintiffs, declared null and void contractual provisions used over a certain period in the past which allowed banks to change unilaterally the variable interest rates in CHF denominated consumer loans approved in the period from 2004 - 2008.

Corporate Bond investors`s prospectus claims

Since 2014 a number of investors in corporate bonds, issued by a large Austrian construction group in the years 2010, 2011 and 2012, have filed claims with the courts of Vienna against Austrian banks, among them Erste Group Bank, requesting compensation for their losses as bond-holders following the bankruptcy of the issuer in 2013. The plaintiffs argue in essence that the defendant banks, who acted as joint-lead managers in the issuing of the respective bond, already knew of the insolvency status of the issuer at such time and should be liable for the issuing prospectus failing to state this. Erste Group Bank, together with a second Austrian bank, acted as joint-lead manager of the bond issuance in 2011. Erste Group Bank rejects the claims.

Claim by an Austrian sub-sovereign

In Austria, Land Salzburg, a sub-sovereign, which had engaged in derivatives transactions with international and Austrian banks, among them EBOe, for several years until 2012, when its government made public having suffered losses in the region of EUR 350 million from such transactions, announced that it would hold the respective counterparties liable for the losses it had allegedly suffered from such transactions, arguing among others miss-counselling on the part of the banks and a lack of authority on the level of the sub-sovereign to enter into speculative financial transactions. Following a review of its own transactions, EBOe refused to enter into an out-of-court settlement with the sub-sovereign and rejected the request to grant a temporary waiver of statute of limitations. In July 2015 Land Salzburg filed a legal action against EBOe with a claims amount of EUR 88.6 million.

30. Fair value of assets and liablilities

The best indication of fair value is quoted market prices in an active market. Where such prices are available, they are used to measure the fair value (Level 1 of the fair value hierarchy).

Where a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as Level 2. If no market prices are available the fair value is measured by using valuation models based on observable market data. If all the significant inputs in the valuation model are observable the instrument is classified as Level 2 of the fair value hierarchy. Yield curves, credit spreads and implied volatilities are typically used as observable market parameters for Level 2 valuations.

In some cases, the fair value cannot be determined on the basis of sufficiently frequent quoted market prices or of valuation models that rely entirely on observable market data. In these cases individual valuation parameters not observable in the market are estimated on the basis of reasonable assumptions. If any unobservable input in the valuation model is significant or the price quote used is updated infrequently, the instrument is classified as Level 3 of the fair value hierarchy. Besides observable parameters, Level 3 valuations typically use credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures, as unobservable parameters.

Fair values of financial instruments

All financial instruments are measured at fair value on recurring basis.

The measurement of fair value at Erste Group is based primarily on external sources of data (stock market prices or broker quotes in highly liquid market segments). Financial instruments for which the fair value is determined on the basis of quoted market prices are mainly listed securities and derivatives as well as liquid OTC bonds.

Description of the valuation models and inputs

Erste Group uses valuation models that have been tested internally and for which the valuation parameters (such as interest rates, exchange rates, volatilities and credit spreads) have been determined independently.

Securities. For plain vanilla (fixed and floating) debt securities the fair value is calculated by discounting the future cash-flows using a discounting curve depending on the interest rate for the respective issuance currency and a spread adjustment. The spread adjustment is usually derived from the credit spread curve of the issuer. If no issuer curve is available the spread is derived from a proxy instrument and adjusted for differences in the risk profile of the instruments. If no close proxy is available, the spread adjustment is estimated using other information, including estimation of the credit spread based on internal ratings and PDs or management judgment. For more complex debt securities (e.g. including option-like features such as callable, cap/floor, index-linked) the fair value is determined using combinations of discounted cash-flow models and more sophisticated modeling techniques including methods described for OTC-derivatives. The fair value of financial liabilities designated at fair value through profit and loss under the fair value option is determined in consistency with similar instruments held as assets. The spread adjustment for Erste Group's own credit risk is derived from buy-back levels of own issuances. Techniques for equity securities may also include models based on earnings multiples.

OTC-derivative financial instruments. Derivative instruments traded in liquid markets (e.g. interest rate swaps and options, foreign exchange forward and options, options on listed securities and indices, credit default swaps and commodity swaps) are valued by using standard valuation models. These models include discounting cash flow models, option models of the Black-Scholes- and Hull-White-type as well as hazard rate models. Models are calibrated on quoted market data (including implied volatilities). Valuation models for more complex instruments also use Monte-Carlo-techniques. For instruments in less liquid markets, data obtained from less frequent transactions or extrapolation techniques are used. Erste Group values derivatives at mid-market levels. To reflect the potential bid-ask-spread of the relevant positions an adjustment based on market liquidity is performed. The adjustment parameters depend on product type, currency, maturity and notional size. Parameters are reviewed on a regular basis or in case of significant market moves. Netting is not applied when determining the bid-ask-spread adjustments.

Credit value adjustments (CVA) for counterparty risk and debt value adjustments (DVA) for the own default credit risk are applied to OTC derivatives. For the CVA the adjustment is driven by the expected positive exposure of all derivatives and the credit quality of the counterparty. DVA is driven by the expected negative exposure and Erste Group's credit quality. Erste Group has implemented an approach, where the modeling of the expected exposure is based on option replication strategies. For products where an option replication is not feasible the exposure is computed with Monte-Carlo simulation techniques. One of the two modeling approaches is considered for the most relevant portfolios and products. The methodology for the remaining entities and products is determined by market value plus add-on considerations. The probability of default by counterparties that are not traded in an active market is determined from internal PDs mapped to a basket of liquid titles present in the central European market. Market based valuation concepts are incorporated for this. Counterparties with liquid bond or CDS markets are valued by the respective single-name market based PD derived from the prices. Erste Group's probability of default has been derived from the buy-back levels of Erste Group's issuances. Netting has only been considered for a few counterparties where the impact was material. In these cases, netting has been applied for both CVA and DVA. For collateralised derivatives the effect of collateral received is considered and reduces the amount of CVA accordingly. For counterparties with CSA-agreements in place no CVA was taken into account for all cases with immaterial threshold amounts.

According to the described methodology the cumulative CVA-adjustments amounts to EUR -46.8 million and the total DVA-adjustment amounts to EUR11.8 million.

Description of the valuation process for fair value measurements categorised as Level 3

A level 3 position involves one or more significant inputs that are not directly observable on the market. Additional price verification steps need to be done. These may include reviewing relevant historical data and benchmarking for similar transactions, among others. This involves estimation and expert judgment.

The responsibility for valuation of a position measured at fair value is independent of the trading units. In addition Erste Group has implemented an independent validation function in order to ensure separation between units responsible for model development, fair value determination and validation. The aim of independent model validation is to evaluate model risks arising from the models' theoretical foundation, the appropriateness of input data (market data) and model calibration.

Fair value hierarchy

The table below details the methods used to determine the fair value with respect to levels of fair value hierarchy.

in EUR million	Quoted market prices in active markets (Level 1)		Marked to model based on observable market data (Level 2)		Marked to model based on non-observable inputs (Level 3)		Total	
	Dec 14	Sep 15	Dec 14	Sep 15	Dec 14	Sep 15	Dec 14	Sep 15
Assets								
Financial assets - held for trading	2,363	2,437	8,038	6,223	130	144	10,531	8,805
Derivatives	1	5	7,048	5,492	124	136	7,173	5,633
Other trading assets	2,361	2,432	990	731	6	8	3,357	3,172
Financial assets - at fair value through profit or loss	52	181	258	106	39	45	349	332
Financial assets - available for sale	16,915	17,517	4,963	3,293	428	306	22,306	21,117
Derivatives - hedge accounting	0	25	2,866	2,258	6	2	2,872	2,284
Assets held for sale	0	0	53	0	0	0	53	0
Total assets	**19,330**	**20,160**	**16,178**	**11,881**	**603**	**497**	**36,111**	**32,538**
Liabilities								
Financial liabilities - held for trading	340	478	7,407	5,846	0	41	7,746	6,364
Derivatives	4	32	7,184	5,618	0	4	7,188	5,654
Other trading liabilities	336	446	222	228	0	37	558	711
Financial liabilities - at fair value through profit or loss	0	0	2,073	1,907	0	0	2,073	1,907
Deposits from customers	0	0	320	197	0	0	320	197
Debt securities issued	0	0	1,753	1,710	0	0	1,753	1,710
Other financial liabilities	0	0	0	0	0	0	0	0
Derivatives - hedge accounting	0	4	726	617	0	0	726	621
Total liabilities	**340**	**482**	**10,206**	**8,369**	**0**	**41**	**10,545**	**8,892**

According to the chosen method for the allocation of positions to levels all levels and level changes during the reporting period are reflected at the end of the respective reporting period.

Changes in volumes of Level 1 and Level 2

The following table shows the changes in volumes of Level 1 and Level 2 of financial instruments measured at fair value in the asset side of the balance sheet.

in EUR million	Dec 14		Sep 15	
	Level 1	Level 2	Level 1	Level 2
Securities				
Net transfer from Level 1	0	-416	0	-1,000
Net transfer from Level 2	416	0	1,000	0
Net transfer from Level 3	64	-152	-63	117
Purchases/sales/expiries	2,049	-3,015	-136	-1,250
Changes in derivatives	-14	1,740	29	-2,164
Total year-to-date change	**2,515**	**-1,843**	**830**	**-4,297**

In the reporting period the total amount of level 1 financial assets increased by EUR 830 million compared to December 2014. The change in volume of Level 1 securities (increase by EUR 801 million) was determined on the one hand by matured assets in the amount of EUR 1,830 million and sold assets in the amount of EUR 481 million, on the other hand by new investments in the amount of EUR2,030 million. The decrease in volume for securities that were allocated to Level 1 at both reporting dates amounted to EUR -29 million (due to partial purchases and sales and fair value changes caused by market movements). Due to improved market liquidity, assets in the amount of EUR 1,140 million could be reclassified from Level 2 to Level 1. This applied mainly to securities issued by financial institutions in the amount of EUR 666 million, securities issued by governments in the amount of EUR 186 million and securities from corporates in the amount of 287 million. Due to lower market activity and change to modelled fair value, securities in total of EUR 140 million have been moved from Level 1 to Level 2.

In the reporting period securities in the amount of EUR 986 million were sold, securities in the amount of EUR 3,856 million matured.

Movements in Level 3 of financial instruments measured at fair value

The following table shows the development of fair value of securities for which valuation models are based on non-observable inputs.

in EUR million	As of	Gain/loss in profit or loss	Gain/loss in other compre-hensive income	Purchases	Sales	Settle-ments	Additions to the group	Disposals out of the group	Transfers into Level 3	Transfers out of Level 3	Currency translation	As of
	Dec 14											Sep 15
Assets												
Financial assets - held for trading	130	15	3	7	-1	-3	0	0	5	-12	1	144
Derivatives	124	15	3	5	0	-2	0	0	5	-12	1	136
Other trading assets	6	0	0	2	-1	0	0	0	1	0	0	8
Financial assets - at fair value through profit or loss	39	0	0	0	-9	0	0	0	14	0	0	45
Financial assets - available-for-sale	428	1	0	40	-81	-9	0	-1	121	-193	1	306
Derivatives - hedge accounting	6	0	-3	2	0	0	0	0	0	-3	0	2
Total assets	**603**	**15**	**0**	**48**	**-91**	**-11**	**0**	**-1**	**141**	**-209**	**2**	**497**
	Dec 13											Sep 14
Assets												
Financial assets - held for trading	96	-2	0	3	-1	0	0	0	5	0	0	102
Derivatives	96	-2	0	0	-1	0	0	0	0	0	0	95
Other trading assets	0	0	0	3	0	0	0	0	5	0	0	7
Financial assets - at fair value through profit or loss	56	-3	-1	7	-3	0	0	0	0	0	0	57
Financial assets - available-for-sale	248	-1	4	9	-61	0	0	0	5	0	2	206
Derivatives - hedge accounting	0	0	0	0	0	0	0	0	14	0	0	14
Total assets	**400**	**-5**	**3**	**19**	**-64**	**0**	**0**	**0**	**24**	**0**	**2**	**380**

The reclassification of securities to Level 3 was caused by a decrease in market liquidity and was based on an in-depth analysis of broker quotes. In addition to the assessment of the parameters used for the fair value determination, securitisations were subject to a market liquidity analysis based on market data provider scoring as well as internal validation based on theoretical pricing models.

At the end of the reporting period a net amount of EUR 117 million was reclassified from Level 3 to Level 2.

Gains or losses on Level 3 instruments held at the reporting period’s end and which are included in profit or loss are as follow:

in EUR million	Gain/loss in profit or loss 1-9 14	Gain/loss in profit or loss 1-9 15
Assets		
Financial assets - held for trading	9.4	-8.9
Derivatives	9.4	-8.7
Other trading assets	0.0	-0.3
Financial assets - at fair value through profit or loss	0.8	-0.3
Derivatives - hedge accounting	0.0	0.0
Total	**10.2**	**-8.9**

The volume of Level 3 financial assets can be allocated to the following two categories:
_ Market values of derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs).
_ Illiquid bonds, shares and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.

Unobservable inputs and sensitivity analysis for Level 3 measurements

The range of unobservable valuation parameters used in Level 3 measurements is shown in the following table:

Financial assets	Type of instrument	Fair value in EUR million	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)
As of 30 September 2015					
Positive fair value of derivatives	Forwards, swaps, options	136.3	Discounted cash flow and option models with CVA adjustment based on potential future exposure	PD	1.3% -100% (13.3%)
				LGD	60%
Financial assets - at fair value through profit or loss	Fixed and variable coupon bonds	18.8	Discounted cash flow	Credit spread	0.1% -7.5% (5,7%)
Financial assets - available for sale	Fixed and variable coupon bonds	258.5	Discounted cash flow	Credit spread	0.1% -9.9% (2.5%)
As of 31 December 2014					
Positive fair value of derivatives	Forwards, swaps, options	129.5	Discounted cash flow and option models with CVA adjustment based on potential future exposure	PD	1.21% -100% (15.5%)
				LGD	60%
Financial assets - at fair value through profit or loss	Fixed and variable coupon bonds	11.9	Discounted cash flow	Credit spread	0.1% -7.5% (0.7%)
Financial assets - available for sale	Fixed and variable coupon bonds	291.3	Discounted cash flow	Credit spread	0.1% -9.9% (2.5%)

If the value of financial instruments is dependent on unobservable input parameters, the precise Level for these parameters could be drawn from a range of reasonably possible alternatives. In preparing the financial statements, Levels for the parameters are chosen from these ranges using judgment consistent with prevailing market evidence.

The following table shows the sensitivity analysis using reasonably possible alternatives per product type:

	Positive fair value changes when applying alternative valuation parameters		Negative fair value changes when applying alternative valuation parameters	
in EUR million	**Dec 14**	**Sep 15**	**Dec 14**	**Sep 15**
Derivatives	10.2	8.7	-11.5	-10.5
Income statement	10.2	8.7	-11.5	-10.5
Other comprehensive income	0.0	0.0	0.0	0.0
Debt securities	23.3	26.2	-31.1	-34.9
Income statement	0.9	9.5	-1.2	-12.6
Other comprehensive income	22.4	16.7	-29.9	-22.3
Equity instruments	1.3	2.1	-2.7	-4.2
Income statement	0.4	0.4	-0.8	-0.8
Other comprehensive income	0.9	1.7	-1.9	-3.4
Total	**34.8**	**37.0**	**-45.3**	**-49.6**
Income statement	**11.5**	**18.6**	**-13.5**	**-23.9**
Other comprehensive income	**23.2**	**18.4**	**-31.8**	**-25.7**

In estimating these impacts, mainly changes in credit spreads (for bonds), PDs, LGDs (for CVA of derivatives) and market values of comparable equities were considered. An increase (decrease) of spreads, PDs and LGDs result in a decrease (increase) of the corresponding market values. Positive correlation effects between PDs and LGDs were not taken into account in the sensitivity analysis.

The following ranges of reasonably possible alternatives of the unobservable inputs were considered in the sensitivity analysis table:
_ for debt securities range of credit spreads between +100 basis points and -75 basis points,
_ for equity related instruments the price range between -10% and +5%,
_ for CVA on derivatives PDs rating upgrade/downgrade by one notch, as well as the change of LGD by -5% and +10%.

Financial instruments whose fair value is disclosed in the notes

in EUR million	Dec 14 Carrying amount	Dec 14 Fair value	Sep 15 Carrying amount	Sep 15 Fair value
Assets				
Cash and cash balances	7,835	7,835	11,097	11,097
Financial assets - held to maturity	16,877	18,876	17,585	19,419
Loans and receivables to credit institutions	7,442	7,974	8,384	8,794
Loans and receivables to customers	120,834	124,560	124,521	123,454
Liabilities				
Financial liabilities measured at amortised cost	166,921	166,976	172,186	170,740
Deposits from banks	14,803	15,035	17,414	16,765
Deposits from customers	122,263	122,087	125,242	125,301
Debt securities issued	29,387	29,372	28,910	28,048
Other financial liabilities	469	482	620	626
Financial guarantees and commitments				
Financial guarantees	n/a	-346	n/a	-160
Irrevocable commitments	n/a	-155	n/a	-5

31. Average number of employees during the financial period (weighted according to the level of employment)

	1-9 14	1-9 15
Domestic	**15,561**	**15,620**
Erste Group, EB Oesterreich and subsidiaries	8,318	8,391
Haftungsverbund savings banks	7,243	7,229
Abroad	**30,388**	**30,986**
Česká spořitelna Group	10,466	10,541
Banca Comercială Română Group	7,065	7,071
Slovenská sporiteľňa Group	4,225	4,255
Erste Bank Hungary Group	2,796	2,921
Erste Bank Croatia Group	2,716	2,815
Erste Bank Serbia Group	961	971
Erste Bank Ukraine	0	0
Savings banks subsidiaries	1,148	1,204
Other subsidiaries and foreign branch offices	1,011	1,207
Total	**45,949**	**46,606**

32. Regulatory capital and capital requirements

Capital structure according to the EU directive 575/2013 (CRR)

		Dec 14		Sep 15	
in EUR million	**Article pursuant to CRR**	**Phased-in**	**Final**	**Phased-in**	**Final**
Common equity tier 1 capital (CET1)					
Capital instruments eligible as CET1	26 (1) (a) (b), 27 to 30, 36 (1) (f), 42	2,336	2,336	2,336	2,336
Own CET1 instruments	36 (1) (f), 42	-82	-82	-58	-58
Retained earnings	26 (1) (c), 26 (2)	8,130	8,130	8,112	8,112
Interim profit	26 (2)	0	0	385	385
Accumulated other comprehensive income	4 (1) (100), 26 (1) (d)	-325	-325	-380	-380
Minority interest recognised in CET1	4 (1) (120) 84	3,078	3,078	3,308	3,308
Transitional adjustments due to additional minority interests	479, 480	102	0	57	0
Prudential filter: cash flow hedge reserve	33 (1) (a)	-118	-118	-102	-102
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	33 (1) (b)	-54	-54	-48	-48
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	33 (1) (c), 33 (2)	-16	-16	-16	-16
Value adjustments due to the requirements for prudent valuation	34, 105	-113	-113	-103	-103
Regulatory adjustments relating to unrealised gains and losses (60%)	467, 468	-992	-248	-501	-209
Goodwill	4 (1) (113), 36 (1) (b), 37	-771	-771	-771	-771
Other intangible assets	4 (1) (115), 36 (1) (b), 37 (a)	-654	-654	-585	-585
Deferred tax assets dependent upon future profitability and not temporary differences net of associated tax liabilities	36 (1) (c), 38	-103	-103	-63	-63
IRB shortfall of credit risk adjustments to expected losses	36 (1) (d), 40, 158, 159	-249	-249	-235	-235
Development of unaudited risk provisions during the year (EU No 183/2014)		0	0	-150	-150
Other transitional adjustments CET1	469 to 472, 478, 481	1,398	0	993	0
Goodwill (60%)		617	0	462	0
Other intangible assets (60%)		523	0	351	0
IRB shortfall of provisions to expected losses (60%)		199	0	141	0
Deferred tax assets that rely on future profitability and do not arise from temporary differences (90%)		58	0	38	0
Excess of deduction from AT1 items over AT1	36 (1) (j)	-944	0	-624	0
Common equity tier 1 capital (CET1)	**50**	**10,623**	**10,811**	**11,555**	**11,421**
Additional tier 1 capital (AT1)					
Capital instruments eligible as AT1	51 (a), 52 to 54, 56 (a), 57	0	0	1	1
Own AT1 instruments	52 (1) (b), 56 (a), 57	-4	0	-4	0
Instruments issued by subsidiaries that are given recognition in AT1	85, 86	0	0	0	0
Transitional adjustments due to grandfathered AT1 instruments	483 (4) (5), 484 to 487, 489, 491	300	0	263	0
AT1 instruments of financial sector entities where the institution has a significant investment	4 (1) (27), 56 (d), 59, 79	0	0	0	0
Other transitional adjustments AT1	474, 475, 478, 481	-1,240	0	-884	0
Goodwill (60%)		-617	0	-462	0
Other intangible assets (60%)		-523	0	-351	0
IRB shortfall of provisions to expected losses (30%)		-100	0	-71	0
Excess of deduction from AT1 items over AT1	36 (1) (j)	944	0	624	0
Additional tier 1 capital (AT1)	**61**	**0**	**0**	**0**	**1**
Tier 1 capital - total of common equity tier 1 (CET1) and additional tier 1 (AT1)	**25**	**10,623**	**10,811**	**11,555**	**11,422**

The line item "Interim profit" includes interim profit attributable to owners of the parent of the first half of 2015 but not the profit of the third quarter. Correspondingly, the line item "Minority interest recognised in CET1" includes half year interim profit of savings banks of EUR 124 million but does not include third quarter profits related to minorities.

The table will be continued on the subsequent page.

Continuation of the table:

in EUR million	Article pursuant to CRR	Dec 14 Phased-in	Dec 14 Final	Sep 15 Phased-in	Sep 15 Final
Tier 1 capital - total of common equity tier 1 (CET1) and additional tier 1 (AT1)	**25**	**10,623**	**10,811**	**11,555**	**11,422**
Tier 2 capital (T2)					
Capital instruments and subordinated loans eligible as T2	62 (a), 63 to 65, 66 (a), 67	4,197	4,197	4,556	4,556
Own T2 instruments	63 (b) (i), 66 (a), 67	-71	-71	-61	-61
Instruments issued by subsidiaries recognised in T2	87, 88	332	332	268	268
Transitional adjustments due to additional recognition in T2 of instruments issued by subsidiaries	480	227	0	174	0
Transitional adjustments due to grandfathered T2 instruments and subordinated loans	483 (6) (7), 484, 486, 488, 490, 491	47	0	67	0
IRB excess of provisions over expected losses eligible	62 (d)	410	410	411	411
Standardised approach general credit risk adjustments	62 (c)	175	175	0	0
Other transitional adjustments to T2	476, 477, 478, 481	-99	0	-71	0
IRB shortfall of provisions to expected losses (30%)		-100	0	-71	0
T2 instruments of financial sector entities where the institution has a significant investment	4 (1) (27), 66 (d), 68, 69, 79	0	0	0	0
Tier 2 capital (T2)	**71**	**5,216**	**5,042**	**5,344**	**5,174**
Total own funds	**4 (1) (118) and 72**	**15,839**	**15,853**	**16,899**	**16,596**
Capital requirement	**92 (3), 95, 96, 98**	**8,047**	**8,150**	**8,032**	**8,131**
CET1 capital ratio	**92 (2) (a)**	**10.6%**	**10.6%**	**11.5%**	**11.2%**
Tier 1 capital ratio	**92 (2) (b)**	**10.6%**	**10.6%**	**11.5%**	**11.2%**
Total capital ratio	**92 (2) (c)**	**15.7%**	**15.6%**	**16.8%**	**16.3%**

The capital structure table above is based on EBA´s final draft for implementing technical standards on disclosure for own funds published in the Official Journal of the European Union on 20 December 2013. Positions not relevant for Erste Group are not shown. Basel 3 final figures (fully loaded) are calculated based on the current requirements according to CRR. Changes are possible due to final Regulatory Technical Standards (RTS) that are not yet available. The percentage rates of the transitional provisions refer to the current year.

Risk structure according to EU directive 575/2013 (CRR)

in EUR million	Article pursuant to CRR	Dec 14 Calculation base/total risk	Dec 14 Capital requirement	Sep 15 Calculation base/total risk (phased-in)	Sep 15 Capital requirement (phased-in)
Total risk exposure amount	92 (3), 95, 96, 98	100,590	8,047	100,394	8,032
Risk-weighted assets (credit risk)	92 (3) (a) (f)	85,556	6,845	84,512	6,761
Standardised approach		17,244	1,379	16,027	1,282
IRB approach		68,313	5,465	68,485	5,479
Settlement risk	92 (3) (c) (ii), 92 (4) (b)	0	0	0	0
Trading book, foreign FX risk and commodity risk	92 (3) (b) (i), (c) (i) and (iii), 92 (4) (b)	3,209	257	3,037	243
Operational risk	92 (3) (e) 92 (4) (b)	10,277	822	11,513	921
Exposure for CVA	92 (3) (d)	1,548	124	1,332	107
Other exposure amounts (including Basel 1 floor)	3, 458, 459, 500	0	0	0	0

in EUR million	Article pursuant to CRR	Dec 14 Calculation base/total risk	Dec 14 Capital requirement	Sep 15 Calculation base/total risk (final)	Sep 15 Capital requirement (final)
Total risk exposure amount	92 (3), 95, 96, 98	101,870	8,150	101,642	8,131
Risk-weighted assets (credit risk)	92 (3) (a) (f)	86,836	6,947	85,760	6,861
Standardised approach		17,244	1,379	16,027	1,282
IRB approach		69,593	5,567	69,733	5,579
Settlement risk	92 (3) (c) (ii), 92 (4) (b)	0	0	0	0
Trading book, foreign FX risk and commodity risk	92 (3) (b) (i), (c) (i) and (iii), 92 (4) (b)	3,209	257	3,037	243
Operational risk	92 (3) (e) 92 (4) (b)	10,277	822	11,513	921
Exposure for CVA	92 (3) (d)	1,548	124	1,332	107
Other exposure amounts (including Basel 1 floor)	3, 458, 459, 500	0	0	0	0

33. Events after the reporting date

There were no significant events after the balance sheet date.

Your Notes

We have prepared this report with the greatest possible care and have thoroughly checked the data presented in it. However, we cannot rule out errors associated with rounding, transmission, typesetting or printing. The English version of the report is a translation.

Note regarding forward-looking statements

This report contains forward-looking statements. These statements are based on current estimates, assumptions and projections of Erste Group Bank AG and currently available public information. They are not guarantees of future performance and involve certain known and yet unknown risks and uncertainties and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results or performance to be materially different from those that may be expressed or implied by such statements. Erste Group Bank AG does not assume any obligation to update the forward-looking statements contained in this report.

Shareholder Events

26 February 2016	Full-year preliminary results 2015
25 March 2016	Annual financial report 2015
4 May 2016	Interim report Q1 2016
11 May 2016	Annual general meeting
5 August 2016	Half year financial report 2016
4 November 2016	Interim report Q3 2016

The financial calendar is subject to change. The latest updated version is available on Erste Group's website (www.erstegroup.com/investorrelations).

Group Investor Relations

Erste Group Bank AG
Milchgasse 1
1010 Vienna
Austria

Phone: +43 (0) 5 0100 - 17693
Fax: +43 (0) 5 0100 - 913112
Email: investor.relations@erstegroup.com
Internet: www.erstegroup.com/en/Investors

Thomas Sommerauer
Phone: +43 (0) 5 0100 - 17326
Email: thomas.sommerauer@erstegroup.com

Peter Makray
Phone: +43 (0) 5 0100 - 16878
Email: peter.makray@erstegroup.com

Simone Pilz
Phone: +43 (0) 5 0100 - 13036
Email: simone.pilz@erstegroup.com

Gerald Krames
Phone: +43 (0) 5 0100 - 12751
Email: gerald.krames@erstegroup.com

TICKER SYMBOLS

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