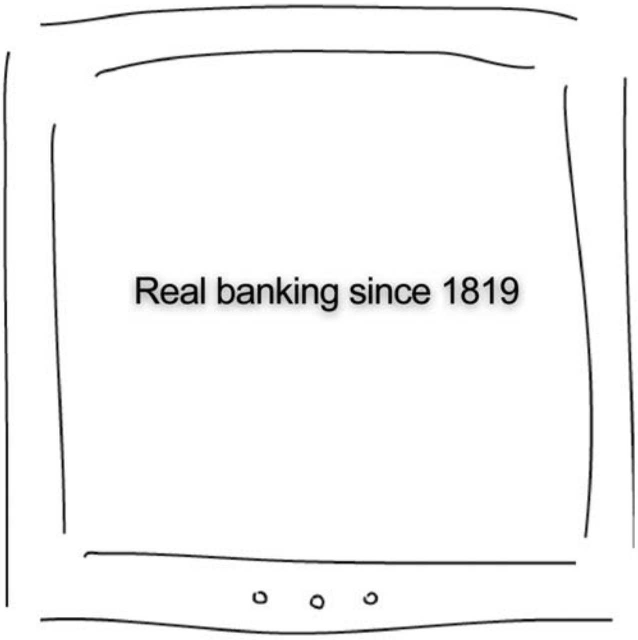
ERSTE GROUP



Interim Report
First Quarter 2010

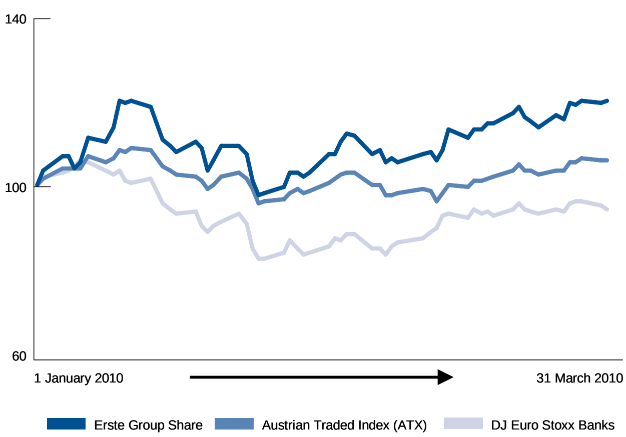
KEY FINANCIAL AND SHARE DATA

in EUR million	1-3 10	1-3 09
Income statement		
Net interest income	1,323.6	1,226.0
Risk provisions for loans and advances	-531.2	-370.2
Net fee and commission income	471.5	444.6
Net trading result	141.2	143.8
General administrative expenses	-953.1	-975.9
Other result	-49.9	-94.9
Pre-tax profit from continuing operations	402.1	373.4
Post-tax profit from discontinuing operations	0.0	0.0
Net profit for the period attributable to owners of the parent	255.2	232.1
Profitability ratios		
Net interest margin	3.0%	2.9%
Cost/income ratio	49.2%	53.8%
Return on equity	7.8%	11.4%
Earnings per share	0.59	0.68
	Mar 10	**Dec 09**
Balance sheet		
Loans and advances to credit institutions	16,123	13,140
Loans and advances to customers	130,255	129,134
Risk provisions for loans and advances	-5,390	-4,954
Trading and other financial assets	44,695	42,884
Other assets	22,304	21,506
Total assets	**207,987**	**201,710**
Deposits by banks	25,605	26,295
Customer deposits	115,595	112,042
Debt securities in issue	30,596	29,612
Other liabilities	13,124	11,490
Subordinated liabilities	6,191	6,148
Total equity	16,876	16,123
Total liabilities and equity	**207,987**	**201,710**
Changes in total qualifying capital		
Risk weighted assessment basis pursuant to section 22 (1/1) Austrian Banking Act	105,944	106,383
Tier 1 ratio - credit risk	11.0%	10.8%
Tier 1 ratio - total risk	9.4%	9.2%
Solvency ratio	12.8%	12.7%
	1-3 10	**1-3 09**
Stock market data (Vienna Stock Exchange)		
High (EUR)	31.10	16.39
Low (EUR)	25.52	7.00
Closing price (EUR)	31.10	12.75
Market capitalisation (EUR billion)	11.75	4.04

Ratings at 31 March 2010

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

Performance of the Erste Group share (indexed)



Highlights

- **Erste Group started well into FY 2010, posting a strong operating result of EUR 983.2 million in Q1 2010, up 17.3% on Q1 2009, and net profit of EUR 255.2 million, up 10.0% on Q1 2009. The cost/income ratio improved to 49.2%, from 53.8% in Q1 2009.**

- **The operating result was driven by record operating income, which rose by 6.7% to EUR 1,936.3 million, and a decline in operating expenses, which fell by 2.3% to EUR 953.1 million. Net interest income grew by 8.0% to EUR 1,323.6 million on the back of an improving net interest margin, which rose to 3.03%, from 2.86% in Q1 2009. Net commission income posted the first year-on-year increase in six quarters, growing by 6.1% to EUR 471.5 million in Q1 2010, due to increased fees from securities business and payment transfers. Net trading result held up very well, declining by only 1.8% compared to Q1 2009 to EUR 141.2 million.**

- **Risk costs declined significantly quarter-on-quarter to EUR 531.2 million or 164 basis points of average customer loans (Q4 09: EUR 607.4 million and 189 bps, respectively). Compared to the first quarter last year, risk costs increased (Q1 09: EUR 370.2 million and 117 bps, respectively) – albeit at a slower rate of 43.5% as compared to FY 2009.**

- **Following strong deceleration in NPL growth in the second half of 2009, new NPL formation in Q1 2010 remained at the lower levels seen in the two previous quarters. As a result, the NPL ratio in relation to customer loans reached 6.9%, following 6.6% at year-end 2009. The NPL coverage ratio improved significantly to 59.0%, compared to 57.2% at year-end 2009.**

- **Net profit after minorities[1] rose by 10.0%, from EUR 232.1 million to EUR 255.2 million in Q1 2010, on the back of strong contributions from the Czech, Slovak and Austrian subsidiaries. Cash return on equity decreased from 9.7% in FY 2009 to 8.1% as a result of the significantly enlarged capital base.**

- **Total assets increased by a significant 3.1% year-to-date to EUR 208.0 billion. This was mainly due to rising interbank and financial asset volumes, driven by strong growth in customer deposits (+3.2% year-to-date to EUR 115.6 billion). The loan-to-deposit ratio was 112.7%.**

- **Erste Group's shareholders' equity continued to improve strongly in Q1 2010, driven by quarterly earnings, a positive change in the AfS reserve and currency effects. In Q1 2010, Erste Group's equity therefore rose by EUR 0.6 billion to EUR 13.3 billion. In line with moderate loan growth, risk-weighted assets remained flat at EUR 105.9 billion. Prior to the inclusion of retained earnings, this resulted in a tier 1 ratio (credit risk) of 11.0%, compared to 10.8% at year-end 2009 and a core tier 1 ratio (total risk) of 8.5%, up from 8.3% at year-end 2009.**

[1] The term "net profit after minorities" corresponds to the term "net profit attributable to owners of the parent".

Letter from the CEO

Dear shareholders,

Erste Group has made a strong start to the 2010 financial year, supported by the gradual improvement of economic fundamentals in Central and Eastern Europe. First quarter 2010 operating profit rose by 17.3% year-on-year to EUR 983.2 million. This development was all the more satisfactory as it was primarily driven by record quarterly revenues and to a lesser extent by declining operating expenses; at the same time the cost/income ratio improved to 49.2%. While risk costs still rose year-on-year – albeit at a declining rate compared to the 2009 financial year – they declined sequentially for the first time since the first quarter of 2009. Accordingly, net profit also advanced by 10.0% to EUR 255.2 million. As a consequence of better profitability, improved securities valuations and currency strength across Central and Eastern Europe our capital position continued to improve, leading to enhanced capital ratios – even prior to the inclusion of retained earnings.

The macroeconomic environment in Central and Eastern Europe stabilised further in the first quarter of 2010. While domestic demand remained generally weak, a faster than expected recovery in external demand underpinned the turnaround in industrial production and, over time, should also have a dampening effect on unemployment. This development is also likely to lead to a further narrowing of the current account deficits. The most notable fact of the past quarter, though, was the distinct lack of any contagion from the Greek debt crisis. Quite to the contrary, all significant CEE currencies strengthened substantially against the euro, allowing central banks in such countries as Romania and Hungary to push interest rates lower. The further tightening of CDS spreads confirmed the positive sentiment towards Central and Eastern Europe – a region that benefits from the lowest public debt levels in the entire European Union.

In light of the continued economic stabilisation, Erste Group posted its highest ever quarterly revenues in the first three months of 2010. This was due to strong results across all revenue items, rather than to the outperformance of an individual line item. Net interest income benefited from an improvement in margins, while loan growth was still was muted. Net commission income enjoyed the first year-on-year increase in six quarters, supported by growth in fees from payment transfers, securities business and investment banking. The net trading result also held up very well thanks to improved revenues from securities trading, which offset a decline in FX business. Record operating income was complemented by a declining cost base, which was mainly due to lower personnel and other administrative expenses.

Our retail & SME business showed a positive picture in the first quarter of 2010. Our Austrian operations, led by Erste Bank Oesterreich, turned in an excellent performance, supported by a pick-up in fee income, declining operating expenses and a very manageable increase in risk costs. The Czech Republic remained the most important profit contributor in Central and Eastern Europe. While results were influenced by currency appreciation, the improvement was mainly driven by strong operating profit, which partly offset the rise in risk costs. In Romania, the improvement in operating profit could not offset the substantial increase in risk costs, resulting in a decline in net profit. In Slovakia our business returned to pre-crisis profitability on the back of an outstanding operating performance and despite higher risk costs. In Hungary we also coped well with higher risk costs thanks to a substantial improvement in operating income.

The development of asset quality and risk costs continued to be a key determinant of profitability. Quarterly new NPL formation halved in the second half of 2009, after peaking in the second quarter of 2009. This trend was confirmed in the first quarter of 2010 and meant that the NPL ratio rose to 6.9%, albeit at a declining rate. This increase was mainly driven by a stable development in Austria and a deterioration in selected CEE countries. While risk costs remained at an elevated level, they declined sequentially for the first time since the first quarter of 2009. At the same time, the NPL coverage excluding collateral improved significantly to 59.0% from 57.2% at year-end 2009.

The continued strong operating performance in the first quarter of 2010 provides a sound basis for the rest of the year – a year that will likely be one of gradual improvement in asset quality rather than one of exuberant business growth. Irrespective of whether meaningful growth returns this year or next to the CEE banking sector, we are in better shape now than we were before the economic downturn: our capital ratios have continuously strengthened over the past quarters, operating efficiency has improved significantly and our funding mix is also more favourable. We are therefore in an ideal position to seize the forthcoming growth opportunities in the most promising long-term growth region of the European Union.

Andreas Treichl mp

Erste Group Share

EQUITY MARKET REVIEW

After posting double-digit gains in 2009, most international stock markets also closed the first quarter 2010 with a slight gain. News reports on rising government debt in Portugal, Ireland, Greece and Spain as well as its impact on the euro contrasted with positive impulses from the macroeconomic side and, due to expansive monetary policy, generally low interest rates. The US Dow Jones Industrial Index finished the first quarter up 4.1% at 10,856.63 points. The European EuroStoxx 50 Index closed with a loss of 1.2% at 2,931.15 points.

Fears about the euro zone members of Portugal – whose creditworthiness was downgraded by rating agency Fitch – Ireland, Greece and Spain drove investors to switch to the US dollar and other currencies. While the US dollar hit a 52-week high, the insecurity prevailing over possible support measures by the ECB and other EU countries, and the slower-than-expected economic recovery in the first weeks of trading of this year caused shares to decline.

The economic indicators were still mixed at the beginning of the year. US employment and retail sales data, which revealed continued sluggishness in the private sector, were offset by rising order intake and higher productivity. Stock markets moved to new all-year highs in March by the uptrend in the leading indicators – the US [1]ISM Purchasing Managers Index for manufacturing as well as the [2]ifo Business Climate Index for the euro zone. The very positive reporting season in the US also supported the markets with more than 70% of US companies surpassing their earnings estimates. In Europe, the quarterly figures were in line with expectations.

The European Central Bank (ECB) as well as the US Fed confirmed that key lending rates would stay at historically low levels over a longer period in the light of the current economic and inflationary developments. This should underpin the gradual stabilisation of the economy.

In the first quarter of 2010, banking stocks failed to sustain their upward trend. Apart from the effects of the difficult situation in the highly indebted south European states, President Obama's plans to reform the US financial system and for tax increases triggered a decline in prices. The DJ Euro Stoxx Bank Index, which represents the most important banking stocks, accordingly posted a decline of 5.7% down to 207.22 points.

The domestic stock market generally followed the international lead in the first quarter 2010, but still succeeded in outperforming the European stock indices. This development was driven, among other things, by the positive performance of the index heavyweight in the ATX (Austrian Traded Index), namely, Erste Group and of several cyclical shares. The ATX (Austrian Traded Index) climbed by 5.5% to 2,634 points in the first quarter of 2010.

PERFORMANCE OF THE ERSTE GROUP SHARE

The trend of the Erste Group share was very volatile in the first quarter of 2010. International factors (demand for regulation of the banking industry, fears over the indebtedness and financial situation of the south European states) were also behind the steep decline of the Erste Group share. The Erste Group share received some positive impulses from the recommendations of several analysts and the general rally on the international stock markets in March.

After reaching a year-to-date high in January of EUR 31.10, the shares of Erste Group dropped to EUR 25.52. Following the publication of the 2009 results, positive commentaries by analysts pushed the stock back to its January high. In the first quarter of 2010, the price of the Erste Group share rose by 19.3% to the closing price of EUR 31.10 on 31 March. The performance of the Erste Group share surpassed both that of the ATX as well as the DJ Euro Stoxx Bank Index.

INVESTOR RELATIONS

In the first quarter of 2010, the management board jointly with the investor relations team of Erste Group took part in numerous one-on-one and group meetings as well as in international banking and investor conferences organised by UniCredit, Nomura, Cheuvreux, Wood, Morgan Stanley and ING. At the meetings and conferences, the strategy of Erste Group within the context of the current business environment was presented.

[1] ISM Institute for Supply Management, a US non-profit organisation that publishes, among other things, the US Purchasing Managers Index.
[2] ifo Institut für Wirtschaftsforschung [Institute for Economic Research]

Interim Management Report

In the interim management report, the financial results from the first quarter of 2009 are compared with those from the first quarter of 2010. Unless stated otherwise, terms such as “in the previous year”, “2009” or “as of the first quarter of 2009” accordingly relate to the first quarter of 2009, and terms such as “this year”, “2010” or “as of the first quarter of 2010” relate to the first quarter of 2010.

EARNINGS PERFORMANCE IN BRIEF

In the first quarter of 2010, the **operating result** improved on the previous year to EUR 983.2 million (+17.3% vs. EUR 838.5 million in the first quarter of 2009). This positive development was driven by higher operating income as well as lower operating expenses.

Overall, **operating income** rose by 6.7%, reaching a new record at EUR 1,936.3 million (Q1 2009: EUR 1,814.4 million). This increase is attributable primarily to the rise in net interest income (+8.0% to EUR 1,323.6 million) and net commission income (+6.1% to EUR 471.5 million). The net trading result declined slightly by 1.8% to EUR 141.2 million. The 2.3% decrease in **general administrative expenses**, from EUR 975.9 million to EUR 953.1 million, also had a major influence on this result. Consequently, the **cost/income ratio** improved to 49.2% (Q1 2009: 53.8%)

Net profit attributable to owners of the parent increased by 10.0% to EUR 255.2 million in the first quarter of 2010, despite the higher risk costs year-on-year.

Cash return on equity, i.e. return-on-equity adjusted for non-cash expenses such as goodwill amortisation and linear amortisation for the customer base, dropped from 9.7% (reported ROE: 9.1%) in 2009 to 8.1% (reported ROE: 7.8%). This was due especially to the substantial rise in the capital base (shareholders’ equity was up by nearly 50% EUR 8.9 billion in the first quarter of 2009 to EUR 13.3 billion in the first quarter of 2010) last year.

Cash earnings per share equalled EUR 0.62 (reported EPS: EUR 0.59) in first quarter of 2010 versus EUR 0.71 (reported EPS: EUR 0.68) in the first quarter of 2009, mainly due to the higher capital base.

Total assets have risen since year-end 2009 by 3.1% to EUR 208.0 billion. On the liability side, this was due mainly to the steep increase in customer deposits, which triggered a rise in interbank assets and investments in securities on the asset side.

Whilst risk-weighted assets remained nearly unchanged, the **solvency ratio** improved from 12.7% at year-end 2009 to 12.8% as of 31 March 2010. This placed it comfortably above the legal minimum requirement of 8.0%. The **tier 1 ratio** in relation to credit risk was 11.0% as of 31 March 2010 (year-end 2009: 10.8%).

PERFORMANCE IN DETAIL

in EUR million	1-3 10	1-3 09	Change
Net interest income	1,323.6	1,226.0	8.0%
Risk provisions for loans and advances	-531.2	-370.2	43.5%
Net fee and commission income	471.5	444.6	6.1%
Net trading result	141.2	143.8	-1.8%
General administrative expenses	-953.1	-975.9	-2.3%
Other result	-49.9	-94.9	47.4%
Pre-tax profit from continuing operations	**402.1**	**373.4**	**7.7%**
Post-tax profit from discontinuing operations	0.0	0.0	na
Net profit for the period	**309.6**	**289.4**	**7.0%**
attributable to			
non-controlling interests	54.4	57.3	-5.1%
owners of the parent	**255.2**	**232.1**	**10.0%**

Net interest income

Net interest income rose by 8.0% compared to the first quarter of 2009, from EUR 1,226.0 million to EUR 1,323.6 million in the first quarter of 2010. Crucial for this development was the improved net interest margin (net interest income as a percentage of average interest-bearing assets), which increased from 2.86% in the first quarter of 2009 to 3.03% in the first quarter of 2010 – both in Central and Eastern Europe (up from 4.5% to 4.6%) as well as in Austria (up from 1.9% to 2.0%).

Net commission income

in EUR million	1-3 10	1-3 09	Change
Lending business	75.3	74.7	0.8%
Payment transfers	204.8	192.7	6.3%
Card business	43.6	44.7	-2.5%
Securities transactions	111.3	97.4	14.3%
Investment fund transactions	44.1	39.1	12.8%
Custodial fees	11.0	12.7	-13.4%
Brokerage	56.2	45.6	23.2%
Insurance brokerage business	26.3	27.1	-3.0%
Building society brokerage	11.4	9.8	16.3%
Foreign exchange transactions	6.8	7.2	-5.6%
Investment banking business	9.7	3.0	>100.0%
Other	25.9	32.7	-20.8%
Total	**471.5**	**444.6**	**6.1%**

In the first quarter of 2010, net fee and commission income rose by 6.1%, from EUR 444.6 million to EUR 471.5 million, thus achieving the first year-on-year increase in six quarters. This development was driven mainly by growth in the securities business in Austria and in payment transfers at the CEE subsidiaries, as well as at the savings banks in the cross-guarantee system.

Net trading result

As the decline in foreign exchange trading (by 37.9% to EUR 42.0 million) and in derivatives trading (by 36.2% to EUR 27.2 million) was almost completely offset by the rise in securities trading (by 115.0% to EUR 72.0 million), the net trading result in the first quarter of 2010 remained nearly unchanged at a solid level of EUR 141.2 million (Q1 2009: EUR 143.8 million).

General administrative expenses

in EUR million	1-3 10	1-3 09	Change
Personnel expenses	-545.7	-558.6	-2.3%
Other administrative expenses	-313.8	-329.4	-4.7%
Subtotal	-859.5	-888.0	-3.2%
Depreciation and amortisation	-93.6	-87.9	6.5%
Total	**-953.1**	**-975.9**	**-2.3%**

General administrative expenses declined by 2.3% (currency-adjusted: -4.4%), from EUR 975.9 million to EUR 953.1 million.

Personnel expenses decreased by 2.3% (currency-adjusted: -3.9%), from EUR 558.6 million to EUR 545.7 million. Efficiency improvements that were initiated in 2009 and which led to a year-on-year decline of 4.3% in headcount had a positive effect on this development.

Other administrative expenses decreased by 4.7% in the first quarter of 2010 (currency-adjusted: -7.4%), from EUR 329.4 million to EUR 313.8 million. This was achieved mainly by cost-cutting in the area of IT, legal and consulting fees, as well as payroll-related costs.

Depreciation and amortisation rose in the first quarter of 2010 by 6.5% (currency-adjusted: 3.7%) versus the same period of the previous year, from EUR 87.9 million to EUR 93.6 million.

Headcount at 31 March 2010

	Mar 10	Dec 09	Change
Employed by Erste Group	**50,152**	**50,488**	**-0.7%**
Austria incl. Haftungsverbund savings banks	16,013	16,107	-0.6%
Erste Group, EB Oesterreich and subsidiaries	8,302	8,359	-0.7%
Haftungsverbund savings banks	7,711	7,748	-0.5%
Central and Eastern Europe / International	34,139	34,381	-0.7%
Česká spořitelna Group	10,716	10,698	0.2%
Banca Comercială Română Group	8,950	9,012	-0.7%
Slovenská sporiteľňa Group	4,074	4,238	-3.9%
Erste Bank Hungary Group	3,146	3,181	-1.1%
Erste Bank Croatia Group	2,284	2,265	0.8%
Erste Bank Serbia	910	909	0.1%
Erste Bank Ukraine	1,725	1,727	-0.1%
Other subsidiaries and foreign branch offices	2,334	2,351	-0.7%

Operating result

The increase in **operating income** by 6.7%, from EUR 1,814.4 million to EUR 1,936.3 million, and the 2.3% reduction in **general administrative expenses**, from EUR 975.9 million to EUR 953.1 million, raised the **operating result** by 17.3%, from EUR 838.5 million in Q1 2009 to EUR 983.2 million in the first quarter of 2010.

Risk provisions

Risk provisions, i.e., the balance of the allocation/release of provisions for the lending business and the costs of direct loan write-offs and income from recovery of loans already written off, increased year-on-year by 43.5%, from EUR 370.2 million to EUR 531.2 million. Risk costs related to the average volume of customer loans in the first quarter of 2010 were 164 bps (Q1 2009: 117 bps). However, compared to the fourth quarter of 2009 (EUR 607.4 million or 189 bps), this was a substantial improvement driven mainly by the lower risk provisions needed in Romania.

Other operating result

The item other operating result deteriorated from EUR -39.9 million in the first quarter of 2009 to EUR -67.7 million in the first quarter of 2010. This item includes the linear amortisation of intangible assets (customer relationships) of EUR 17.5 million as well as deposit insurance contributions, which rose by 15.3% to EUR 14.3 million compared with Q1 2009. In addition, this item was impacted by write-downs related to the leasing portfolio of BCR and to IT projects in the amount of EUR 14.7 million.

Results from financial assets

The overall result from all categories of financial assets was very satisfactory, as the negative result of the first quarter of 2009 of EUR 55.0 million turned positive in the first quarter of 2010, reaching EUR 17.8 million. The principal drivers behind this development were positive revaluations on securities of the fair value portfolio. Furthermore, gains on the sales of securities in the HtM portfolio of Česká spořitelna in the amount of EUR 4.4 million also had a positive effect on the total balance.

The market value of the **ABS and CDO portfolio** of Erste Group including the savings banks was unchanged as of 31 March 2010 versus year-end 2009 at approximately EUR 1.9 billion. In the first quarter of 2010, a positive revaluation of EUR 11.5 million (Q1 2009: EUR -54.8 million) in the fair value portfolio was recognized in income. In the available-for-sale portfolio, the mark-to-market valuation in the first quarter of 2010 resulted in a gain – netted against equity – of EUR 30.9 million (in Q1 2009: EUR -88.0 million).

Pre-tax profit and net profit attributable to owners of the parent

Pre-tax profit from continuing operations improved by 7.7%, from EUR 373.4 million to EUR 402.1 million.

Net profit attributable to owners of the parent rose over by 10.0%, from EUR 232.1 million to EUR 255.2 million in the first quarter of 2010.

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Net interest income declined by 4.1% quarter-on-quarter, from EUR 1,380.0 million to EUR 1,323.6 million. This was attributable to a decline in the net interest margin from 3.20% to 3.03%, which in turn was mainly due to a one-off effect in the fourth quarter of 2009 – the application of the effective interest method at BCR.

Net fee and commission income continued its rise in the first quarter of 2010, growing by 2.6% to EUR 471.5 million. Essentially, this rise was driven by fees from the securities business and the building society brokerage business.

After a weak performance in the fourth quarter of 2009, the **net trading result** improved by 72.0%, from EUR 82.1 million to EUR 141.2 million. While trading income from securities and derivatives trading tripled to EUR 99.2 million, trading income from foreign exchange transactions declined by 15.7% quarter-on-quarter to EUR 42.0 million.

General administrative expenses rose by 2.8% to EUR 953.1 million in the first quarter of 2010. Declines in personnel and depreciation/amortisation costs did not fully offset a significant increase in other administrative expenses. While the latter rose by 22.1% to EUR 313.8 million, personnel expenses were down by 3.3% to EUR 545.7 million and depreciation and amortisation costs declined by 11.2% to EUR 93.6 million.

As a result of record quarterly operating income and the limited rise in operating expenses, the **operating result** declined only marginally from EUR 994.5 million to EUR 983.2 million in the first quarter of 2010.

The **cost/income ratio** increased from 48.2% to 49.2%.

Risk provisions for loans and advances declined from EUR 607.4 million in the fourth quarter of 2009 to EUR 531.2 million in the first quarter of 2010. This was the first quarter-on-quarter decline since the first quarter of 2009 and was mainly related to a decline in risk costs in Romania.

The balance reported under the item **other operating result** improved significantly, from EUR -154.0 million to EUR -67.7 million. This was due to fewer valuation requirements of other financial assets.

The result from all categories of financial assets improved substantially, from EUR -49.7 million in the fourth quarter of 2009 to EUR 17.8 million. This was mainly due to higher impairments, especially with respect to securities in the AfS and HtM portfolios in the previous quarter.

Pre-tax profit from continuing operations rose by 119.2%, from EUR 183.4 million in the fourth quarter of 2009 to EUR 402.1 million in the first quarter of 2010.

Net profit attributable to owners of the parent increased by 39.2%, from EUR 183.3 million in the fourth quarter 2009 to EUR 255.2 million in the first quarter of 2010.

DEVELOPMENT OF THE BALANCE SHEET

in EUR million	Mar 10	Dec 09	Change
Loans and advances to credit institutions	16,123	13,140	22.7%
Loans and advances to customers	130,255	129,134	0.9%
Risk provisions for loans and advances	-5,390	-4,954	8.8%
Trading and other financial assets	44,695	42,884	4.2%
Other assets	22,304	21,506	3.7%
Total assets	**207,987**	**201,710**	**3.1%**

in EUR million	Mar 10	Dec 09	Change
Deposits by banks	25,605	26,295	-2.6%
Customer deposits	115,595	112,042	3.2%
Debt securities in issue	30,596	29,612	3.3%
Other liabilities	13,124	11,490	14.2%
Subordinated liabilities	6,191	6,148	0.7%
Total equity	16,876	16,123	4.7%
attributable to			
non-controlling interests	3,560	3,414	4.3%
owners of the parent	13,316	12,709	4.8%
Total liabilities and equity	**207,987**	**201,710**	**3.1%**

Loans and advances to credit institutions increased by 22.7% as of 31 March 2010, from EUR 13.1 billion at year-end 2009 to EUR 16.1 billion. This was due mainly to the increase in repo transactions with the Czech central bank (EUR +1.8 billion).

Loans and advances to customers rose from EUR 129.1 billion by 0.9% to EUR 130.3 billion, mainly due to currency appreciation in Central and Eastern Europe.

Risk provisions for loans and advances increased from EUR 5.0 billion to EUR 5.4 billion due to new allocations as a result of the difficult economic conditions. The ratio of non-performing loans to customer loans grew from 6.6% to 6.9% as of 31 March 2010. In the first quarter of 2010, the deterioration of this ratio eased further. The positive trend in the NPL coverage ratio continued as well. This ratio rose from 57.2% at year-end 2009 to 59.0%.

Investment securities in the various categories of financial assets rose by 3.3% since year-end 2009, up from EUR 34.3 billion to EUR 35.4 billion. The decline of 7.3% in the HtM portfolio to EUR 13.8 billion was more than offset by the increases in the fair value portfolio of 12.5% to EUR 3.4 billion and in the AfS portfolio of 11.3% to EUR 18.2 billion.

Customer deposits were up by 3.2%, from EUR 112.0 billion to EUR 115.6 billion, rising faster than loans and advances to customers. This development was driven mainly by increases in the Czech Republic, and especially with Czech municipalities, and an increase in time and sight deposits in Austria. The loan-to-deposit ratio as of 31 March 2010 was 112.7%, below the level of 31 December 2009 (115.3%).

Debt securities in issue increased by 3.3%, from EUR 29.6 billion to EUR 30.6 billion.

Other liabilities rose by 14.2% to EUR 13.1 billion, mainly driven by an increase in accrued interest and commissions.

Risk-weighted assets (RWA) remained almost unchanged at EUR 105.9 billion as of 31 March 2010 (31 December 2009: EUR 106.4 billion).

Total eligible qualifying capital of Erste Group credit institution according to the Austrian Banking Act was unchanged as of 31 March 2010 at EUR 15.9 billion. The cover ratio with respect to the statutory minimum requirement as of the reporting date (EUR 9.9bn) was 161% (year-end 2009: 159%).

Tier 1 capital after the deductions defined in the Austrian Banking Act equalled EUR 11.7 billion (year-end 2009: EUR 11.5 billion). The **tier 1 ratio** based on credit risk (tier 1 capital after deductions pursuant to the Austrian Banking Act as a percentage of the assessment base for credit risk pursuant to section 22 para. 2 Austrian Banking Act) increased to 11.0% (year-end 2009: 10.8%). Taking into account the capital requirements for market and operational risk (total risk), the tier 1 ratio increased to 9.4% (year-end 2009: 9.2%); after further adjustments for hybrid capital, the core tier 1 ratio improved from 8.3% at year-end 2009 to 8.5% as of 31 March 2010.

The **solvency ratio** in relation to total risk (total eligible qualifying capital as a percentage of the assessment base for total risk pursuant to section 22 para. Austrian Banking Act) was 12.8% at 31 March 2010 (year-end 2009: 12.7%), and accordingly significantly above the legal minimum requirement of 8.0%.

Condensed Consolidated Financial Statements

I. Statement of comprehensive income – 1 January to 31 March 2010

INCOME STATEMENT

in EUR million	(Notes)	1-3 10	1-3 09	Change
Interest and similar income		2,178.7	2,964.8	-26.5%
Interest and similar expenses		-861.3	-1,744.0	-50.6%
Income from associates accounted for at equity		6.2	5.2	19.2%
Net interest income	**(1)**	**1,323.6**	**1,226.0**	**8.0%**
Risk provisions for loans and advances	(2)	-531.2	-370.2	43.5%
Fee and commission income		579.0	542.6	6.7%
Fee and commission expenses		-107.5	-98.0	9.7%
Net fee and commission income	**(3)**	**471.5**	**444.6**	**6.1%**
Net trading result	(4)	141.2	143.8	-1.8%
General administrative expenses	(5)	-953.1	-975.9	-2.3%
Other operating result	(6)	-67.7	-39.9	-69.7%
Result from financial assets - FV		13.0	-44.1	na
Result from financial assets - AfS		0.1	-10.8	na
Result from financial assets - HtM		4.7	-0.1	na
Pre-tax profit from continuing operations		**402.1**	**373.4**	**7.7%**
Taxes on income		-92.5	-84.0	10.1%
Post-tax profit from continuing operations		**309.6**	**289.4**	**7.0%**
Post-tax profit from discontinuing operations		0.0	0.0	na
Net profit for the period		309.6	289.4	7.0%
attributable to				
non-controlling interests		54.4	57.3	-5.1%
owners of the parent		**255.2**	**232.1**	**10.0%**

EARNINGS PER SHARE

Earnings per share constitute net profit attributable to owners of the parent divided by the average number of shares outstanding.

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

in EUR	1-3 10	1-3 09	Change
Earnings per share	0.59	0.68	-13.2%
Diluted earnings per share	0.59	0.68	-13.2%
Cash earnings per share	0.62	0.71	-12.7%
Diluted cash earnings per share	0.61	0.71	-14.1%

STATEMENT OF COMPREHENSIVE INCOME

in EUR million	1-3 10	1-3 09	Change
Net profit for the period	**309.6**	**289.4**	**7.0%**
Available for sale - reserve (including currency translation)	218.1	-131.3	na
Cash flow hedge - reserve (including currency translation)	-3.9	28.3	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	256.4	-369.1	na
Deferred taxes on items recognised directly in equity	-62.9	19.2	na
Other comprehensive income – total	**407.7**	**-452.9**	**na**
Total comprehensive income	**717.3**	**-163.5**	**na**
attributable to			
non-controlling interests	159.3	6.1	>100.0%
owners of the parent	**558.0**	**-169.6**	**na**

II. Balance sheet at 31 March 2010

in EUR million	(Notes)	Mar 10	Dec 09	Change
ASSETS				
Cash and balances with central banks		5,965	5,996	-0.5%
Loans and advances to credit institutions	(7)	16,123	13,140	22.7%
Loans and advances to customers	(8)	130,255	129,134	0.9%
Risk provisions for loans and advances	(9)	-5,390	-4,954	8.8%
Trading assets	(10)	9,268	8,598	7.8%
Financial assets - at fair value through profit or loss	(11)	3,373	2,997	12.5%
Financial assets - available for sale	(12)	18,246	16,390	11.3%
Financial assets - held to maturity		13,808	14,899	-7.3%
Equity holdings in associates accounted for at equity		230	241	-4.6%
Intangible assets		4,926	4,867	1.2%
Property and equipment		2,369	2,344	1.1%
Tax assets		493	577	-14.6%
Assets held for sale		59	58	1.7%
Other assets		8,262	7,423	11.3%
Total assets		**207,987**	**201,710**	**3.1%**
LIABILITIES AND EQUITY				
Deposits by banks	(13)	25,605	26,295	-2.6%
Customer deposits	(14)	115,595	112,042	3.2%
Debt securities in issue		30,596	29,612	3.3%
Trading liabilities		3,302	3,157	4.6%
Provisions	(15)	1,646	1,670	-1.4%
Tax liabilities		352	361	-2.5%
Liabilities associated with assets held for sale		0	0	na
Other liabilities		7,824	6,302	24.2%
Subordinated liabilities	(16)	6,191	6,148	0.7%
Total equity		16,876	16,123	4.7%
attributable to				
non-controlling interests		3,560	3,414	4.3%
owners of the parent		13,316	12,709	4.8%
Total liabilities and equity		**207,987**	**201,710**	**3.1%**

III. Statement of changes in equity

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings	Total owners of the parent	Non-controlling interests	Total capital
Equity at 1 January 2009	**634**	**4,583**	**2,862**	**8,079**	**3,016**	**11,095**
Changes in own shares			-14	-14		-14
Dividends					-1	-1
Capital increases						
Participation capital	1,000			1,000		1,000
Total comprehensive income			-170	-170	6	-164
Net profit before minorities			232	232	57	289
Other comprehensive income			-402	-402	-51	-453
Currency translation			-324	-324	-45	-369
Change in interest in subsidiaries					144	144
Total equity at 31 March 2009	**1,634**	**4,583**	**2,678**	**8,895**	**3,165**	**12,060**
Cash flow hedge reserve at 31 March 2009				90	29	119
Available for sale reserve at 31 March 2009				-1,188	-422	-1,610
Actuarial gains/losses from long-term employee provisions at 31 March 2009				-254	-112	-366
Deferred tax reserve at 31 March 2009				397	127	524
Total equity at 1 January 2010	**2,517**	**6,171**	**4,021**	**12,709**	**3,414**	**16,123**
Changes in own shares			55	55		55
Changes in own participation certificates	-5*		-1	-6		-6
Dividends					-13	-13
Capital increases						
Total comprehensive income			558	558	159	717
Net profit before minorities			255	255	55	310
Other comprehensive income			303	303	104	407
Currency translation			227	227	29	256
Change in interest in subsidiaries						
Total equity at 31 March 2010	**2,512**	**6,171**	**4,633**	**13,316**	**3,560**	**16,876**
Cash flow hedge reserve at 31 March 2010				78	17	95
Available for sale reserve at 31 March 2010				-262	125	-137
Actuarial gains/losses from long-term employee provisions at 31 March 2010				-238	-90	-328
Deferred tax reserve at 31 March 2010				43	-7	36

* Capital tax

IV. Condensed cash-flow statement

in EUR million	1-3 10	1-3 09	Change
Cash and cash equivalents at end of the previous year	**5,996**	**7,556**	**-20.6%**
Cash flow from operating activities	-1,054	-2,546	-58.6%
Cash flow from investing activities	913	96	>100.0%
Cash flow from financing activities	37	1,020	-96.4%
Effect of currency translation	73	-229	na
Cash and cash equivalents at the end of period	**5,965**	**5,897**	**1.2%**

V. Notes to the financial statements of Erste Group for the period from 1 January to 31 March 2010

The consolidated financial statements of Erste Group were prepared in compliance with the applicable International Financial Reporting Standards (IFRS) and International Accounting Standards published by the International Accounting Standards Board (IASB) and with their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as applicable in the European Union.

The interim report for the period from 1 January to 31 March 2010 is prepared in accordance with IAS 34 ("Interim Reporting"). The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. Therefore, the interim report should be read in conjunction with Erste Group's annual financial statements as at 31 December 2009.

This interim report was neither audited nor reviewed by an auditor.

A. INFORMATION ON THE INCOME STATEMENT OF ERSTE GROUP

1. Net interest income

in EUR million	1-3 10	1-3 09	Change
Interest income			
Lending and money market transactions with credit institutions	283.9	673.3	-57.8%
Lending and money market transactions with customers	1,567.4	1,879.8	-16.6%
Bonds and other interest-bearing securities	269.3	306.9	-12.3%
Other	2.2	3.4	-35.3%
Current income			
Equity-related securities	24.0	24.9	-3.6%
Investments	2.9	3.3	-12.1%
Investment properties	19.4	21.5	-9.8%
Interest and similar income	**2,169.1**	**2,913.1**	**-25.5%**
Interest income from financial assets - at fair value through profit or loss	9.6	51.7	-81.4%
Total interest and similar income	**2,178.7**	**2,964.8**	**-26.5%**
Interest expenses			
Deposits by banks	-122.2	-611.7	-80.0%
Customer deposits	-442.3	-739.9	-40.2%
Debt securities in issue	-218.8	-286.0	-23.5%
Subordinated liabilities	-75.5	-101.0	-25.2%
Other	-0.8	-4.4	-81.8%
Interest and similar expenses	**-859.6**	**-1,743.0**	**-50.7%**
Interest expenses from financial assets - at fair value through profit or loss	-1.7	-1.0	70.0%
Total interest and similar expenses	**-861.3**	**-1,744.0**	**-50.6%**
Income from associates accounted for at equity	6.2	5.2	19.2%
Total	**1,323.6**	**1,226.0**	**8.0%**

2. Risk provisions for loans and advances

in EUR million	1-3 10	1-3 09	Change
Net allocation to risk provisions for loans and advances	-528.1	-368.1	43.5%
Direct write-offs of loans and advances and amounts received against written-off loans and advances	-3.1	-2.1	47.6%
Total	**-531.2**	**-370.2**	**43.5%**

3. Net fee and commission income

in EUR million	1-3 10	1-3 09	Change
Lending business	75.3	74.7	0.8%
Payment transfers	204.8	192.7	6.3%
Card business	43.6	44.7	-2.5%
Securities transactions	111.3	97.4	14.3%
Investment fund transactions	44.1	39.1	12.8%
Custodial fees	11.0	12.7	-13.4%
Brokerage	56.2	45.6	23.2%
Insurance brokerage business	26.3	27.1	-3.0%
Building society brokerage	11.4	9.8	16.3%
Foreign exchange transactions	6.8	7.2	-5.6%
Investment banking business	9.7	3.0	>100.0%
Other	25.9	32.7	-20.8%
Total	**471.5**	**444.6**	**6.1%**

4. Net trading result

in EUR million	1-3 10	1-3 09	Change
Securities and derivatives trading	99.2	76.2	30.2%
Foreign exchange transactions	42.0	67.6	-37.9%
Total	**141.2**	**143.8**	**-1.8%**

5. General administrative expenses

in EUR million	1-3 10	1-3 09	Change
Personnel expenses	-545.7	-558.6	-2.3%
Other administrative expenses	-313.8	-329.4	-4.7%
Depreciation and amortisation	-93.6	-87.9	6.5%
Total	**-953.1**	**-975.9**	**-2.3%**

6. Other operating result

in EUR million	1-3 10	1-3 09	Change
Other operating income	40.4	34.1	18.5%
Other operating expenses	-108.1	-74.0	46.1%
Total	**-67.7**	**-39.9**	**-69.7%**
Result from real estate/property/movable property and software	-16.1	2.8	na
Allocation/release of other provisions/risks	-1.9	-0.9	na
Expenses for deposit insurance contributions	-14.3	-12.4	15.3%
Amortisation of intangible assets (customer relationships)	-17.5	-15.8	10.8%
Other taxes	-5.5	-6.0	-8.3%
Result from other operating expenses/income	-12.4	-7.6	-63.2%
Total	**-67.7**	**-39.9**	**-69.7%**

B. INFORMATION ON THE BALANCE SHEET OF ERSTE GROUP

7. Loans and advances to credit institutions

in EUR million	Mar 10	Dec 09	Change
Loans and advances to domestic credit institutions	1,028	1,337	-23.1%
Loans and advances to foreign credit institutions	15,095	11,803	27.9%
Total	**16,123**	**13,140**	**22.7%**

8. Loans and advances to customers

in EUR million	Mar 10	Dec 09	Change
Loans and advances to domestic customers			
Public sector	2,772	2,758	0.5%
Commercial customers	35,368	35,610	-0.7%
Private customers	23,586	23,285	1.3%
Unlisted securities	250	250	0.0%
Other	173	153	13.1%
Total loans and advances to domestic customers	**62,149**	**62,056**	**0.1%**
Loans and advances to foreign customers			
Public sector	2,857	2,802	2.0%
Commercial customers	34,851	34,686	0.5%
Private customers	29,211	28,417	2.8%
Unlisted securities	958	944	1.5%
Other	229	229	0.0%
Total loans and advances to foreign customers	**68,106**	**67,078**	**1.5%**
Total	**130,255**	**129,134**	**0.9%**

9. Risk provisions for loans and advances

in EUR million	1-3 10	1-3 09	Change
Risk provisions for loans and advances			
At start of reporting period	**4,954**	**3,783**	**31.0%**
Acquisition of subsidiaries	0	42	na
Use	-123	-103	19.4%
Net allocation to risk provisions for loans and advances	528	368	43.5%
Interest income from impaired loans	-25	-23	8.7%
Currency translation	56	-59	na
At end of reporting period	**5,390**	**4,008**	**34.5%**
Provision for off-balance-sheet and other risks	370	270	37.0%
Total	**5,760**	**4,278**	**34.6%**

10. Trading assets

in EUR million	Mar 10	Dec 09	Change
Bonds and other interest-bearing securities	5,887	5,597	5.2%
Equity-related securities	480	415	15.7%
Positive fair value of derivative financial instruments	2,901	2,586	12.2%
Total	**9,268**	**8,598**	**7.8%**

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

in EUR million	Mar 10	Dec 09	Change
Bonds and other interest-bearing securities	2,923	2,524	15.8%
Equity-related securities	450	473	-4.9%
Total	**3,373**	**2,997**	**12.5%**

12. Financial assets – available for sale

in EUR million	Mar 10	Dec 09	Change
Bonds and other interest-bearing securities	14,888	13,000	14.5%
Equity-related securities	2,839	2,874	-1.2%
Equity holdings	519	516	0.6%
Total	**18,246**	**16,390**	**11.3%**

13. Deposits by bank

in EUR million	Mar 10	Dec 09	Change
Deposits by domestic credit institutions	8,499	9,239	-8.0%
Deposits by foreign credit institutions	17,106	17,056	0.3%
Total	**25,605**	**26,295**	**-2.6%**

14. Customer deposits

in EUR million	Mar 10	Dec 09	Change
Savings deposits	53,838	53,368	0.9%
Sundry	61,757	58,674	5.3%
Total	**115,595**	**112,042**	**3.2%**

15. Provisions

in EUR million	Mar 10	Dec 09	Change
Long-term employee provisions	1,169	1,171	-0.2%
Sundry provisions	477	499	-4.4%
Total	**1,646**	**1,670**	**-1.4%**

16. Subordinated liabilities

in EUR million	Mar 10	Dec 09	Change
Subordinated issues and deposits	3,054	3,013	1.4%
Supplementary capital	1,953	1,955	-0.1%
Hybrid issues	1,184	1,180	0.3%
Total	**6,191**	**6,148**	**0.7%**

C. ADDITIONAL INFORMATION

17. Contingent liabilities – legal proceedings

There has been no change since the end of last year regarding legal proceedings in which Erste Group Bank and some of its subsidiaries have been involved. For a description of the proceedings currently ongoing, please refer to Note 46 in the 2009 Annual Report.

18. Related party transactions

As of 31 March 2010, Erste Group had outstanding liabilities of EUR 13.4 million (31 December 2009: EUR 33.1 million) and amounts receivable of EUR 283.4 million (31 December 2009: EUR 283.4 million) in relation to DIE ERSTE österreichische Spar-Casse Privatstiftung. Furthermore, as of 31 March 2010 there existed between Erste Group und DIE ERSTE österreichische Spar-Casse Privatstiftung standard derivative transactions for hedging purposes on usual market terms. These were interest rate swaps with caps and floors in a notional amount of EUR 247.4 million (31 December 2009: EUR 247.4 million).

19. Headcount at 31 March 2010

(weighted by degree of employment)

	Mar 10	Dec 09	Change
Employed by Erste Group	**50,152**	**50,488**	**-0.7%**
Austria incl. Haftungsverbund savings banks	16,013	16,107	-0.6%
Erste Group, EB Oesterreich and subsidiaries	8,302	8,359	-0.7%
Haftungsverbund savings banks	7,711	7,748	-0.5%
Central and Eastern Europe / International	34,139	34,381	-0.7%
Česká spořitelna Group	10,716	10,698	0.2%
Banca Comercială Română Group	8,950	9,012	-0.7%
Slovenská sporiteľňa Group	4,074	4,238	-3.9%
Erste Bank Hungary Group	3,146	3,181	-1.1%
Erste Bank Croatia Group	2,284	2,265	0.8%
Erste Bank Serbia	910	909	0.1%
Erste Bank Ukraine	1,725	1,727	-0.1%
Other subsidiaries and foreign branch offices	2,334	2,351	-0.7%

D. SEGMENT REPORTING

As of the fourth quarter of 2009, the so-called “unwinding effect” stemming from IAS 39 (compounded interest effect due to anticipated cash flows from nonperforming customer loans) is no longer reported as an overall sum in the Corporate Center segment but will be presented in the respective segments. The corresponding periods from 2009 have been adjusted accordingly. While these effects are on the whole earnings neutral, they nevertheless impact net interest income and risk provisions.

Retail & SME

Erste Bank Oesterreich

The Erste Bank Oesterreich segment includes Erste Bank Oesterreich’s retail and SME business and Erste Bank Oesterreich’s subsidiaries, which primarily include the savings banks in which Erste Bank Oesterreich holds majority stakes (savings banks in Salzburg, Tirol, Hainburg, Weinviertel since May 2009), as well as s Bausparkasse.

The operating result rose by EUR 21.1 million, or 28.6%, from EUR 73.9 million in the first quarter of 2009 to EUR 95.0 million. A marked improvement in net commission income and a decline in general administrative expenses contributed to this result. Due to higher fees from a revived securities business and from the SME business, net commission income improved by EUR 15.2 million, or 21.4%, from EUR 70.6 million in the first quarter of 2009 to EUR 85.8 million. On the one hand, the deposit business was characterised by increasing volumes, and on the other hand by narrowing margins, whereby net interest income, at EUR 158.9 million, was just 0.2% above the previous year’s level of EUR 158.7 million. The net trading result improved by EUR 1.0 million, or 51.7%, from last year’s EUR 1.9 million to EUR 2.9 million. Operating expenses dropped from EUR 157.3 million in the year earlier by EUR 4.7 million, or 3.0%, to EUR 152.6 million. The cost/income ratio improved to 61.6%, from 68.0% in the first quarter of 2009. The increase in risk provisions from EUR 36.4 million in 2009 by EUR 8.4 million, or 23.1%, to EUR 44.8 million resulted mainly from the corporate business. The other result, which was affected by write-downs in the fair value portfolio in the first quarter of 2009, rose by EUR 9.5 million to EUR 4.1 million due to revaluation gains in this segment. Net profit after minority interests rose by EUR 16.1 million, or 68.9%, from EUR 23.4 million to EUR 39.5 million. Return on equity rose to 13.0%, from 8.6% in the same period of 2009.

Haftungsverbund/Savings Banks

Net interest income fell in the first quarter of 2010 by 6.6%, or EUR 16.2 million, to EUR 230.5 million, due especially to changing margins and the continuous decline in market interest rates during 2009. Net commission income increased by EUR 4.7 million, or 4.9%, from EUR 96.2 million in the first quarter of 2009 to EUR 100.9 million. This was due mainly to higher fees from the securities business and payment transfers. The deterioration of the net trading result from EUR 15.0 million in the first quarter of 2009 by EUR 7.8 million, or 51.9% to EUR 7.2 million resulted primarily from earnings in relation to interest rate derivatives in the year-earlier period, which could not be repeated in the current business year. Operating expenses, at EUR 233.5 million, were just 0.4% above the 2009 level of EUR 232.7 million. The improvement in the other result, from EUR -18.5 million in the first quarter of 2009 in the previous year to EUR -1.0 million, was attributable to the impairment of securities outside of the trading portfolio in 2009. Net profit after minorities improved from EUR -1.5 million in the first quarter of 2009 by EUR 1.4 million to EUR -0.1 million. The cost/income ratio stood at 69.0%.

in EUR million	Retail & SME[1] 1-3 10	Retail & SME[1] 1-3 09	GCIB 1-3 10	GCIB 1-3 09	Group Markets 1-3 10	Group Markets 1-3 09	Corporate Center 1-3 10	Corporate Center 1-3 09
Net interest income	1,129.1	1,092.4	147.6	138.7	31.4	58.4	15.4	-63.5
Risk provisions	-451.6	-287.8	-79.6	-82.4	0.0	0.0	0.0	0.0
Net fee and commission income	397.9	362.6	37.6	37.7	43.0	27.9	-7.0	16.5
Net trading result	30.9	17.8	3.7	-0.3	97.1	127.2	9.4	-1.0
General administrative expenses	-819.5	-834.2	-43.5	-42.7	-56.5	-45.8	-33.5	-53.1
Other result	-16.3	-47.6	3.6	-4.0	5.5	-1.1	-42.7	-42.2
Pre-tax profit	**270.6**	**303.1**	**69.4**	**47.0**	**120.5**	**166.6**	**-58.4**	**-143.3**
Taxes on income	-59.0	-68.8	-15.7	-10.0	-25.2	-35.9	7.3	30.8
Post-tax profit from continuing operations	211.6	234.3	53.7	37.0	95.4	130.7	-51.0	-112.5
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**211.6**	**234.3**	**53.7**	**37.0**	**95.4**	**130.7**	**-51.0**	**-112.5**
attributable to								
non-controlling interests	45.9	58.1	5.5	2.4	6.3	6.1	-3.3	-9.3
owners of the parent	**165.7**	**176.2**	**48.2**	**34.6**	**89.1**	**124.6**	**-47.7**	**-103.2**
Average risk-weighted assets	**74,968.1**	**73,202.2**	**26,218.4**	**24,545.9**	**3,012.3**	**2,992.7**	**1,995.3**	**3,988.4**
Average attributed equity	**4,148.5**	**3,904.9**	**2,098.6**	**1,925.3**	**327.4**	**330.3**	**6,453.8**	**1,988.8**
Cost/income ratio	**52.6%**	**56.6%**	**23.0%**	**24.2%**	**33.0%**	**21.4%**	**n.a.**	**n.a.**
ROE based on net profit	**16.0%**	**18.0%**	**9.2%**	**7.2%**	**108.8%**	**150.9%**	**n.a.**	**n.a.**

in EUR million	Savings Banks 1-3 10	Savings Banks 1-3 09	EB Oesterreich 1-3 10	EB Oesterreich 1-3 09	Austria 1-3 10	Austria 1-3 09
Net interest income	230.5	246.7	158.9	158.7	389.4	405.3
Risk provisions	-65.3	-67.0	-44.8	-36.4	-110.1	-103.3
Net fee and commission income	100.9	96.2	85.8	70.6	186.7	166.8
Net trading result	7.2	15.0	2.9	1.9	10.1	16.9
General administrative expenses	-233.5	-232.7	-152.6	-157.3	-386.1	-390.0
Other result	-1.0	-18.5	4.1	-5.4	3.1	-23.9
Pre-tax profit	**38.7**	**39.7**	**54.3**	**32.1**	**93.1**	**71.8**
Taxes on income	-10.1	-14.3	-12.4	-7.8	-22.5	-22.2
Post-tax profit from continuing operations	28.6	25.4	41.9	24.2	70.5	49.6
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**28.6**	**25.4**	**41.9**	**24.2**	**70.5**	**49.6**
attributable to						
non-controlling interests	28.7	26.9	2.4	0.8	31.1	27.7
owners of the parent	**-0.1**	**-1.5**	**39.5**	**23.4**	**39.5**	**21.9**
Average risk-weighted assets	**23,584.5**	**24,535.9**	**14,785.6**	**13,763.6**	**38,370.1**	**38,299.5**
Average attributed equity	**284.3**	**286.1**	**1,214.3**	**1,082.7**	**1,498.6**	**1,368.8**
Cost/income ratio	**69.0%**	**65.0%**	**61.6%**	**68.0%**	**65.9%**	**66.2%**
ROE based on net profit	**n.a.**	**n.a.**	**13.0%**	**8.6%**	**10.5%**	**6.4%**

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

in EUR million	Czech Republic 1-3 10	Czech Republic 1-3 09	Romania 1-3 10	Romania 1-3 09	Slovakia 1-3 10	Slovakia 1-3 09	Hungary 1-3 10	Hungary 1-3 09
Net interest income	264.5	268.9	213.1	194.8	103.5	83.7	88.9	72.9
Risk provisions	-97.2	-41.2	-122.5	-70.6	-33.4	-24.4	-55.7	-23.3
Net fee and commission income	109.0	94.0	35.4	38.3	24.3	26.1	22.6	18.0
Net trading result	16.9	-1.4	-7.8	0.2	0.0	1.8	7.2	-4.6
General administrative expenses	-179.5	-175.4	-94.3	-99.7	-56.5	-67.0	-50.0	-51.1
Other result	-3.7	-28.5	-6.7	11.2	-4.9	-4.3	-2.9	-1.5
Pre-tax profit	**110.1**	**116.3**	**17.2**	**74.3**	**33.0**	**15.8**	**10.1**	**10.4**
Taxes on income	-20.7	-23.6	-3.3	-12.7	-6.2	-2.9	-3.2	-2.6
Post-tax profit from continuing operations	89.4	92.7	13.9	61.6	26.8	12.9	6.9	7.8
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**89.4**	**92.7**	**13.9**	**61.6**	**26.8**	**12.9**	**6.9**	**7.8**
attributable to								
non-controlling interests	1.3	2.1	8.5	19.9	0.0	0.2	0.0	0.0
owners of the parent	**88.1**	**90.6**	**5.4**	**41.7**	**26.8**	**12.8**	**6.9**	**7.8**
Average risk-weighted assets	**12,237.2**	**10,488.8**	**9,395.0**	**9,882.4**	**5,418.8**	**5,046.4**	**4,791.4**	**4,474.0**
Average attributed equity	**1,012.4**	**883.0**	**534.8**	**560.8**	**447.0**	**424.1**	**394.2**	**369.9**
Cost/income ratio	**46.0%**	**48.5%**	**39.2%**	**42.7%**	**44.2%**	**60.1%**	**42.1%**	**59.2%**
ROE based on net profit	**34.8%**	**41.0%**	**4.1%**	**29.7%**	**24.0%**	**12.0%**	**7.0%**	**8.4%**

in EUR million	Croatia 1-3 10	Croatia 1-3 09	Serbia 1-3 10	Serbia 1-3 09	Ukraine 1-3 10	Ukraine 1-3 09	Total group[1] 1-3 10	Total group[1] 1-3 09
Net interest income	56.1	50.7	6.1	7.7	7.5	8.3	1,323.6	1,226.0
Risk provisions	-25.3	-9.0	-2.2	-1.4	-5.4	-14.6	-531.2	-370.2
Net fee and commission income	17.4	16.8	2.3	2.4	0.3	0.1	471.5	444.6
Net trading result	1.9	1.5	0.4	1	2.2	2.7	141.2	143.8
General administrative expenses	-34.6	-32.9	-7.5	-7.8	-11.0	-10.3	-953.1	-975.8
Other result	-1.4	0.1	0.4	-0.3	-0.3	-0.3	-49.9	-94.9
Pre-tax profit	**14.2**	**27.2**	**-0.5**	**1.4**	**-6.6**	**-14.1**	**402.1**	**373.5**
Taxes on income	-3.0	-5.4	0.0	-0.1	0.0	0.6	-92.5	-84.0
Post-tax profit from continuing operations	11.1	21.9	-0.5	1.3	-6.6	-13.6	309.6	289.5
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**11.1**	**21.9**	**-0.5**	**1.3**	**-6.6**	**-13.6**	**309.6**	**289.5**
attributable to								
non-controlling interests	5.2	7.8	-0.1	0.3	0.0	0.0	54.4	57.3
owners of the parent	**5.9**	**14.1**	**-0.3**	**0.9**	**-6.6**	**-13.6**	**255.2**	**232.2**
Average risk-weighted assets	**3,582.8**	**3,618.1**	**638.1**	**815.4**	**534.8**	**577.6**	**106,194.1**	**104,729.2**
Average attributed equity	**169.8**	**195.1**	**42.5**	**53.7**	**49.3**	**49.5**	**13,028.3**	**8,149.3**
Cost/income ratio	**45.9%**	**47.7%**	**85.3%**	**71.9%**	**109.3%**	**93.0%**	**49.2%**	**53.8%**
ROE based on net profit	**14.0%**	**28.8%**	**n.a.**	**7.1%**	**n.a.**	**n.a.**	**7.8%**	**11.4%**

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

Central and Eastern Europe

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

Czech Republic

Net interest income from the Czech retail and SME business decreased from EUR 268.9 million in the first quarter of 2009 by EUR 4.4 million, or 1.6% (currency-adjusted: -7.1%), to EUR 264.5 million. Net interest income was negatively influenced by declining market interest rates (e.g. the 2-week reference interest rate, which compared to the year before declined from 3.75% to the current 1%) and lower new business volume. Net commission income rose from EUR 94.0 million in the first quarter of 2009 by a substantial 15.9% (currency-adjusted: +9.5%) to EUR 109.0 million this year, mainly because of higher fees from securities business and payment transfers. Operating expenses increased by EUR 4.1 million, or 2.4%, to EUR 179.5 million in the first quarter of 2010. On a currency-adjusted basis, however, operating expenses declined by 3.3% as a consequence of cost-cutting measures. A strong net trading result (EUR 16.9 million versus EUR -1.4 million in the first quarter of 2009) was due in particular to the good performance in the SME business as well as to favourable exchange-rate development.

The operating result increased from EUR 186.1 million in the first quarter of 2009 by EUR 24.9 million, or 13.4%, to EUR 211.0 million. On a currency-adjusted basis, the operating profit grew by 7.1%. A sharp increase in risk provisions from EUR 41.2 million in the first quarter of 2009 by EUR 56.0 million to this year's EUR 97.2 million reflected the rising provisioning requirements due to the economic development, which particularly impacted the retail and SME business segments. The other result improved from EUR -28.5 million in the previous year by EUR 24.8 million to EUR -3.7 million. This corresponds to a currency-adjusted improvement of 87.8% and is due to the negative results in the first quarter of 2009 that were caused by large revaluation requirements in the securities portfolio. Net profit after minorities declined by 2.8%, from EUR 90.6 million in the first quarter of 2009 to EUR 88.1 million. On a currency-adjusted basis, this represents a deterioration of 8.2%. The cost/income ratio stood at 46.0% (48.5% in the first quarter of 2009) and return on equity was 34.8% (2009: 41.0%).

Romania

Net interest income at Banca Comercială Română increased in the first quarter of 2010 by 9.4% (currency-adjusted: +7.3%), from EUR 194.8 million to EUR 213.1 million. This improvement was achieved above all in the corporate segment. The negative net trading result (down by EUR -8.0 million from EUR 0.2 million to EUR -7.8 million) reflected especially negative valuation adjustments due to currency volatility in the first two months of the current financial year, as well as decreasing foreign exchange transactions in the SME business. Net commission income declined by EUR 2.9 million, or 7.8% (currency-adjusted: -9.5%), from EUR 38.3 million in the first quarter of 2009 to EUR 35.4 million. That was attributable to the continued low level of new lending business. Higher expenses due to branch network expansion (20 new branches compared to Q1 2009) were offset by lower personnel expenses resulting in an overall decrease in operating expenses of 5.4% (currency-adjusted: -7.2%), from EUR 99.7 million in the first quarter of 2009 to EUR 94.3 million.

While operating profit was solid at EUR 146.4 million (versus EUR 133.7 million in Q1 2009, corresponding to 7.4% growth on a currency-adjusted basis), risk provisions also rose by EUR 51.9 million, from EUR 70.6 million in the first quarter of 2009 to EUR 122.5 million. Higher risk provisions were necessary due to the general market development (economic crisis and higher unemployment), and above all in the SME segment. Compared to third and fourth quarters of 2009 (EUR 155.7 million and EUR 200.1 million, respectively), however, this line item developed very favourably and showed first signs of the trend reversal.

A decrease in the other result from EUR 11.2 million by EUR 17.9 million to this year's EUR -6.7 million resulted on the one hand from positive one-off effects in the first quarter of 2009 but also from a need for impairments in the leasing business. Net profit after minorities, at EUR 5.4 million, came out EUR 36.3 million (-87.0%, or currency-adjusted -87.2%) lower than in the year before (EUR 41.7 million). The cost/income ratio improved from 42.7% in 2009 to 39.2%, and return on equity stood at 4.1%.

Slovakia

Net interest income in the Slovak retail and SME business stood at EUR 103.5 million, which was EUR 19.8 million, or 23.7%, higher than in the first quarter of 2009. In addition to maintaining a consistent pricing policy, growth in both retail loan and deposit volumes contributed to this development. Due to lower income from the securities business, net commission income fell by 6.8%, from EUR 26.1 million in the first quarter of 2009 to EUR 24.3 million. The net trading result declined from EUR 1.8 million to EUR -0.0 million in the first quarter of 2010 due to revaluation requirements in relation to interest rate derivatives. Risk costs reflected the weaker economic environment in comparison to the first quarter of 2009 and stood at EUR 33.4 million, which was EUR 9.0 million, or 36.8%, above the previous year's EUR 24.4 million. A reduction in operating expenses by EUR 10.5 million, or 15.8%, from EUR 67.0 million to EUR 56.5 million resulted on the one hand from higher IT expenses in the first quarter of 2009 but also from efficiency improvements initiated in the second quarter of 2009. The markedly better net interest income and lower operating expenses led to a more than doubling of net profit after minorities, which was EUR 26.8 million in the first quarter of 2010 and EUR 12.8 million in the same period of 2009.

Return on equity stood at 24.0%, as compared with 12.0% in the first quarter of 2009. The cost/income ratio improved to 44.2%, from 60.1% in the first quarter of 2009.

Hungary

In the Hungarian retail and SME business, net interest income grew from EUR 72.9 million in the first quarter of 2009 to this year's EUR 88.9 million (+22.0%, or currency-adjusted +11.9%) and was substantially driven by the retail segment. The rise in net commission income from EUR 18.0 million in the first quarter of 2009 by EUR 4.6 million to EUR 22.6 million (+25.3%, or currency-adjusted +15.0%) was for the most part due to improved fee income from the lending business. A marked rise in the net trading result from EUR -4.6 million in the previous year by EUR 11.8 million to EUR 7.2 million was driven especially by negative revaluations of interest rate and currency positions in the first quarter of 2009. Operating expenses decreased from EUR 51.1 million in the first quarter of 2009 by EUR 1.1 million (-2.2%, or currency-adjusted -10.3%) to EUR 50.0 million. Consequently, the operating profit nearly doubled to EUR 68.7 million, from EUR 35.2 million in the first quarter of 2009.

The cost/income ratio declined significantly from 59.2% in the first quarter of 2009 to 42.1% this year. Hungary's general economic situation was also reflected at Erste Bank Hungary and led to a rise in risk provisions from EUR 23.3 million in the first quarter of 2009 to EUR 55.7 million. Impairments for other financial investments caused a decline in the other result from EUR -1.5 million in the first quarter of 2009 to EUR -2.9 million. Net profit after minorities deteriorated by 11.3% (currency-adjusted: -18.7%) from EUR 7.8 million to EUR 6.9 million. Return on equity stood at 7.0%.

Croatia

Net interest income in the Croatian retail and SME business increased from EUR 50.7 million in the first quarter of 2009 to EUR 56.1 million (+10.6%, or currency-adjusted +8.8%). This was due to improved interest income in the SME segment as well as to the inclusion of Erste Bank Montenegro, which contributed EUR 3.0 million to net interest income in 2010 (Erste Bank Montenegro was included from the second quarter of 2009). Net commission income rose from EUR 16.8 million by 3.6% (currency-adjusted: +1.9%) to EUR 17.4 million in the first quarter of 2010. The net trading result improved from EUR 1.5 million in the previous year by EUR 0.4 million (+25.9%, or currency-adjusted +23.8%) to EUR 1.9 million.

Due to the inclusion of Erste Bank Montenegro, operating expenses rose by EUR 1.7 million, from EUR 32.9 million to EUR 34.6 million in the first quarter of 2010. Operating profit grew in the first quarter of 2010 by 12.9% (currency-adjusted: +11.0%), from EUR 36.2 million to EUR 40.8 million. At the same time, the cost/income ratio improved from 47.7% in the first quarter of 2009 to 45.9%. An increase in risk provisions from EUR 9.0 million in the first quarter of 2009 by EUR 16.3 million to EUR 25.3 million was due to generally higher risk provisioning requirements resulting from worsened market conditions that affected corporate customers and the real estate segment in particular. Net profit after minorities declined from EUR 14.1 million in the first quarter of 2009 by EUR 8.2 million to EUR 5.9 million (-57.8%, or currency-adjusted -58.5%). Return on equity stood at 14.0%, down from 28.8% in the first quarter 2009.

Serbia

Net interest income at Erste Bank Serbia fell from EUR 7.7 million in the first quarter of 2009 to EUR 6.1 million (-21.2%, or currency-adjusted -16.9%). Due to the worsened market situation, risk costs were up by EUR 0.8 million, from EUR 1.4 million in the first quarter of 2009 to EUR 2.2 million this year. At EUR 2.3 million, net commission income declined by 3.7% (currency-adjusted: +1.5%) compared to EUR 2.4 million in the first quarter of 2009 due to lower payment transfer commissions. Operating expenses fell by EUR 0.3 million (-4.1%, or currency-adjusted +1.1%) compared with the previous year to EUR 7.5 million. The cost/income ratio stood at 85.3%. The operating result decreased from EUR 3.1 million in the first quarter of 2009 by EUR 1.8 million to EUR 1.3 million this year. A EUR 0.7 million improvement in the other result from last year's EUR -0.3 million to EUR 0.4 million was due to the release of provisions, which were no longer required, in the first quarter of 2010. Net profit after minorities declined by EUR 1.2 million compared with the previous year to EUR -0.3 million.

Ukraine

Due to falling lending volumes, net interest income at Erste Bank Ukraine declined by EUR 0.8 million (-9.8%, or currency-adjusted -6.1%) compared with the first quarter of 2009, from EUR 8.3 million to EUR 7.5 million. Net commission income improved due to higher payment transfer fees from EUR 0.1 million in the first quarter of 2009 to EUR 0.3 million. The net trading result fell to EUR 2.2 million versus EUR 2.7 million in the first quarter of 2009. While operating expenses grew by EUR 0.7 million from EUR 10.3 million to EUR 11.0 million in the first quarter of 2010, the EUR 0.8 million operating result worsened by EUR 1.7 million to EUR -0.9 million. Risk costs declined by a significant EUR 9.2 million from EUR 14.6 million in the first quarter of 2009 to EUR 5.4 million this year, mainly as a result of substantial write-downs in 2009 and the fact that nearly no new business was generated. Accordingly, the net result after minorities improved by EUR 7.0 million (+51.2%, or currency-adjusted: +49.3%) from EUR -13.6 million in 2009 to EUR -6.6 million.

Group Corporate & Investment Banking (GCIB)

The Group Corporate & Investment Banking segment includes large corporates, the real estate business of Erste Group with large corporate customers, Equity Capital Markets, and international business (not including treasury activities). This segment also includes the leasing subsidiary Immorent.

An increase in net interest income from EUR 138.7 million in the first quarter of 2009 by EUR 8.9 million, or 6.4%, to EUR 147.6 million this year was achieved above all by maintaining a consistent pricing policy and selectively taking on new lending business. At EUR 37.6 million, net commission income remained stable compared to the 2009 level of EUR 37.7 million. This is true, too, of general administrative expenses, which, at EUR 43.5 million, were only 2.0% higher in the first quarter of 2010 than the EUR 42.7 million in 2009. As a result, operating profit rose by 9.0%, from EUR 133.4 million in 2009 to EUR 145.4 million. Compared to EUR 82.4 million in the first quarter of 2009, risk provisions were almost unchanged at EUR 79.6 million, reflecting the continued difficult market environment. Net profit after minorities rose by 39.2%, from EUR 34.6 million to EUR 48.2 million. A EUR 7.6 million increase in the other result, from EUR -4.0 million in the previous year to EUR 3.6 million, reflected positive revaluations in the AfS portfolio. The cost/income ratio improved from 24.2% in the previous year to 23.0%, and return on equity stood at 9.2%.

Group Markets

The Group Markets segment combines the divisionalised business units Group Treasury and Capital Markets (except Equity Capital Markets) and, in addition to the treasury activities of Erste Bank Group AG, of the CEE subsidiaries, of the foreign branches in Hong Kong and New York, and of the investment banking subsidiaries, it also includes the results of Erste Asset Management (formerly Sparinvest KAG).

The operating result in the Group Markets segment decreased from EUR 167.7 million in the first quarter of 2009 to EUR 115.0 million. The crucial factor behind this trend was above all the money market result, which worsened as a consequence of interest rate developments. At EUR 31.4 million, net interest income was EUR 27.0 million, or 46.2%, below the previous year's EUR 58.4 million. A rise in net commission income from EUR 27.9 million in the first quarter of 2009 by EUR 15.1 million, or 54.3%, to EUR 43.0 million in 2010 was due to good sales results in the core business and a notably positive development in the asset management business. Operating expenses increased by 23.5%, from EUR 45.8 million in the first quarter of 2009 to EUR 56.5 million. That was mainly due to the inclusion of additional companies into the Asset Management division. The cost/income ratio deteriorated from 21.4% to 33.0%. Net profit after minorities declined by EUR 35.5 million, or 31.4%, from EUR 124.6 million in the previous year to EUR 89.1 million. Return on equity equalled 108.8% versus 150.9% in the first quarter of 2009.

Corporate Center

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

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

An improvement in net interest income was achieved through positive contributions from asset/liability management and higher investment income (particularly on the participation capital issued in the first half of 2009 and on the equity raised in November 2009). The development in net commission income and in general administrative expenses was essentially due to profit consolidation from banking support operations. A significant improvement in the net trading result was driven mainly by positive valuation results from the trading book.

The other result included the required linear amortisation of customer relationships for BCR, Erste Card Club and Ringturm KAG totalling EUR 17.5 million, as well as write-downs on IT projects in the amount of EUR 10 million.

E. RISK REPORT *

LOAN BOOK BY REPORTING SEGMENT OF ERSTE GROUP

	Low risk		Mgmt attention		Substandard		Non-performing		Total loan book		Risk provisions		NPL coverage		NPL ratio	
in EUR million	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09
Retail & SME	**78,296**	**77,484**	**18,436**	**18,512**	**5,282**	**5,018**	**7,953**	**7,570**	**109,967**	**108,584**	**4,749**	**4,417**	**59.7%**	**58.3%**	**7.2%**	**7.0%**
Austria	**47,276**	**46,429**	**9,726**	**10,115**	**1,613**	**1,504**	**3,908**	**3,943**	**62,522**	**61,990**	**2,201**	**2,160**	**56.3%**	**54.8%**	**6.3%**	**6.4%**
EB Oesterreich	21,938	21,447	2,837	3,083	377	371	1,252	1,237	26,404	26,137	716	688	57.2%	55.6%	4.7%	4.7%
Savings Banks	25,338	24,982	6,889	7,032	1,236	1,133	2,655	2,706	36,118	35,853	1,485	1,472	55.9%	54.4%	7.4%	7.5%
CEE	**31,021**	**31,056**	**8,710**	**8,397**	**3,669**	**3,514**	**4,045**	**3,627**	**47,445**	**46,594**	**2,549**	**2,256**	**63.0%**	**62.2%**	**8.5%**	**7.8%**
Czech Republic	12,854	12,546	2,900	2,751	687	658	880	766	17,321	16,721	607	507	69.0%	66.2%	5.1%	4.6%
Romania	5,724	5,761	2,260	2,235	1,822	1,728	1,579	1,466	11,385	11,190	896	832	56.7%	56.8%	13.9%	13.1%
Slovakia	4,125	4,214	669	775	291	258	431	423	5,517	5,670	332	310	77.1%	73.2%	7.8%	7.5%
Hungary	4,966	5,316	1,350	986	507	448	619	552	7,442	7,301	308	255	49.8%	46.2%	8.3%	7.6%
Croatia	2,910	2,889	1,235	1,255	227	252	346	289	4,719	4,684	245	228	70.7%	79.0%	7.3%	6.2%
Serbia	330	237	124	234	18	6	45	41	517	518	44	42	99.0%	102.1%	8.7%	8.0%
Ukraine	110	92	172	161	117	167	145	89	545	509	116	81	79.9%	91.3%	26.6%	17.5%
GCIB	**12,868**	**12,977**	**4,419**	**4,284**	**1,332**	**1,280**	**994**	**918**	**19,613**	**19,458**	**532**	**394**	**53.5%**	**42.9%**	**5.1%**	**4.7%**
Group Markets	**250**	**224**	**4**	**4**	**0**	**32**	**0**	**0**	**254**	**260**	**0**	**0**	**>100.0%**	**>100.0%**	**0.0%**	**0.0%**
Corporate Center	**253**	**632**	**100**	**143**	**5**	**6**	**62**	**50**	**420**	**831**	**35**	**70**	**56.9%**	**>100.0%**	**14.7%**	**6.0%**
Total group	**91,668**	**91,317**	**22,959**	**22,944**	**6,619**	**6,335**	**9,008**	**8,537**	**130,255**	**129,134**	**5,317**	**4,880**	**59.0%**	**57.2%**	**6.9%**	**6.6%**

*) Key definitions

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

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

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

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

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

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

LOAN BOOK BY COUNTRY OF ORIGINATION OF ERSTE GROUP

in EUR million	Low risk		Mgmt attention		Substandard		Non-performing		Total loan book			
	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10		Dec 09	
									Share of total		Share of total	
Core market	**84,715**	**85,141**	**21,019**	**20,937**	**6,244**	**5,910**	**8,266**	**7,809**	**120,245**	**92.3%**	**119,796**	**92.8%**
Austria	48,031	47,819	8,857	9,209	1,531	1,428	3,531	3,556	61,951	47.6%	62,011	48.0%
Croatia	4,172	4,303	1,878	1,926	289	296	423	353	6,762	5.2%	6,879	5.3%
Romania	6,328	6,452	3,062	3,014	2,072	1,969	1,720	1,598	13,182	10.1%	13,033	10.1%
Serbia	362	283	204	316	19	7	61	59	646	0.5%	665	0.5%
Slovakia	4,779	4,908	950	1,009	349	304	474	451	6,552	5.0%	6,673	5.2%
Slovenia	1,267	1,325	214	185	110	116	160	163	1,751	1.3%	1,789	1.4%
Czech Republic	14,132	13,917	3,632	3,482	1,171	1,080	1,002	880	19,937	15.3%	19,359	15.0%
Hungary	5,497	6,007	1,722	1,298	558	519	726	636	8,503	6.5%	8,460	6.6%
Ukraine	148	127	500	498	145	191	170	112	962	0.7%	928	0.7%
Other EU	**4,313**	**3,849**	**1,183**	**1,310**	**235**	**221**	**426**	**423**	**6,156**	**4.7%**	**5,803**	**4.5%**
Other industrialised countries	**1,619**	**1,441**	**330**	**317**	**78**	**118**	**166**	**168**	**2,194**	**1.7%**	**2,044**	**1.6%**
Emerging markets	**1,022**	**886**	**427**	**381**	**62**	**87**	**150**	**137**	**1,660**	**1.3%**	**1,491**	**1.2%**
Southeastern Europe / CIS	755	682	243	226	13	70	131	119	1,143	0.9%	1,098	0.8%
Asia	135	91	49	21	42	5	7	6	233	0.2%	123	0.1%
Latin America	90	84	51	46	6	6	9	8	156	0.1%	144	0.1%
Middle East / Africa	41	29	83	88	0	5	4	4	128	0.1%	126	0.1%
Total	**91,668**	**91,317**	**22,959**	**22,944**	**6,619**	**6,335**	**9,008**	**8,537**	**130,255**	**100.0%**	**129,134**	**100.0%**
Share of total	**70.4%**	**70.7%**	**17.6%**	**17.8%**	**5.1%**	**4.9%**	**6.9%**	**6.6%**	**100.0%**		**100.0%**	
Risk provisions									**5,317**		**4,880**	

LOAN BOOK BY INDUSTRY SECTOR OF ERSTE GROUP

	Low risk		Mgmt attention		Substandard		Non-performing		Total loan book			
in EUR million	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Dec 09	Mar 10	Share of total	Dec 09	Share of total
Agriculture and forestry	1,030	1,040	578	596	170	142	170	155	1,947	1.5%	1,932	1.5%
Mining	447	381	95	72	11	11	91	94	643	0.5%	558	0.4%
Manufacturing	5,364	5,565	3,405	3,271	1,069	1,089	1,139	1,019	10,977	8.4%	10,944	8.5%
Energy and water supply	1,893	1,749	483	535	75	72	116	115	2,567	2.0%	2,470	1.9%
Construction	3,494	3,436	1,538	1,566	653	543	609	566	6,294	4.8%	6,111	4.7%
Development of building projects	1,257	1,222	488	495	288	248	129	120	2,161	1.7%	2,085	1.6%
Trade	5,244	5,284	2,496	2,468	560	608	1,028	963	9,328	7.2%	9,322	7.2%
Transport and communication	2,373	2,510	1,097	977	326	284	412	365	4,208	3.2%	4,137	3.2%
Hotels and restaurants	1,851	1,870	1,549	1,547	280	273	559	575	4,239	3.3%	4,265	3.3%
Financial and insurance services	5,872	6,065	916	774	237	238	343	331	7,368	5.7%	7,408	5.7%
Holding companies	3,388	3,486	437	367	138	131	184	182	4,148	3.2%	4,165	3.2%
Real estate and housing	13,783	13,952	3,432	3,792	908	875	818	774	18,941	14.5%	19,392	15.0%
Services	3,245	3,362	1,086	1,117	244	223	545	497	5,121	3.9%	5,200	4.0%
Public administration	5,995	5,548	314	335	14	14	6	4	6,329	4.9%	5,900	4.6%
Education, health and art	1,649	1,700	461	429	68	59	105	104	2,282	1.8%	2,292	1.8%
Private households	39,316	38,530	5,459	5,401	1,965	1,866	3,046	2,942	49,786	38.2%	48,739	37.7%
Other	112	324	51	66	40	40	22	34	225	0.2%	463	0.4%
Total	**91,668**	**91,317**	**22,959**	**22,944**	**6,619**	**6,335**	**9,008**	**8,537**	**130,255**	**100.0%**	**129,134**	**100.0%**
Share of total	**70.4%**	**70.7%**	**17.6%**	**17.8%**	**5.1%**	**4.9%**	**6.9%**	**6.6%**	**100.0%**		**100.0%**	
Risk provisions									**5,317**		**4,880**	

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

in EUR million	Jun 09	Sep 09	Dec 09	Mar 10
Customer segment split				
Retail - Priavte individuals	46,972	47,840	48,045	49,064
Retail - Micros	13,654	13,814	13,402	13,471
Large Corporates	61,412	61,606	61,011	60,744
Public sector	6,072	6,694	6,675	6,975
Total	**128,110**	**129,954**	**129,134**	**130,255**
Asset quality overview				
Low risk	91,158	92,407	91,317	91,668
Mgmt attention	23,745	22,945	22,944	22,959
Substandard	5,605	6,468	6,335	6,619
Non-performing	7,603	8,134	8,537	9,008
Total	**128,110**	**129,954**	**129,134**	**130,255**
Currency overview				
CEE-LCY	25,518	26,090	24,847	25,648
CHF	16,036	15,861	15,790	16,100
EUR	80,585	82,400	82,806	82,439
USD	3,931	3,542	3,473	3,677
Other	2,040	2,061	2,217	2,390
Total	**128,110**	**129,954**	**129,134**	**130,255**
Key asset quality ratios				
NPL ratio	5.9%	6.3%	6.6%	6.9%
NPL coverage (excl. collateral)	55.2%	56.7%	57.2%	59.0%

F. CHANGES IN TOTAL QUALIFYING CAPITAL

in EUR million	Mar 10	Dec 09
Subscribed capital	2,520	2,520
Share capital	756	756
Participation capital	1,764	1,764
Reserves	8,240	8,240
Deduction of Erste Group Bank shares held within the group	-568	-622
Consolidation difference	-2,347	-2,467
Non-controlling interests (excluding hybrid tier-1 capital pursuant to section 24 (2) 5 and 6 Banking Act)	3,346	3,330
Hybrid tier-1 capital pursuant to section 24 (2) 5 and 6 Banking Act	1,185	1,174
Intangible assets	-478	-498
Tier-1 capital before regulatory deductions pursuant to section 23 (13) 3 and 4 (excl. 4a)	**11,898**	**11,677**
Eligible subordinated liabilities	4,114	4,159
Revaluation reserve	173	167
Excess risk provisions	0	0
Qualifying supplementary capital (Tier-2)	**4,287**	**4,326**
Short-term subordinated capital (Tier- 3)	**399**	**406**
Total qualifying capital	**16,584**	**16,409**
Deductions pursuant to section 23 (13) 3 and 4 (excl. 4a) Banking Act - 50% from tier-1 capital and 50% from tier-2 capital	-492	-454
Deductions pursuant to section 23 (13) 4a Banking Act – 100% from tier-2 capital	-185	-183
Total eligible qualifying capital	**15,907**	**15,772**
Capital requirement	9,906	9,911
Surplus capital	6,001	5,861
Cover ratio (in %)	161.6	159.1
Tier-1 capital (after regulatory deductions)	11,652	11,450
Core tier-1 capital (after regulatory deductions)(1)	10,467	10,276
Tier-1 ratio – credit risk (in %)(2)	11.0	10.8
Core tier-1 ratio – total risk (in %)(3)	8.5	8.3
Tier-1 ratio – total risk (in %)(4)	9.4	9.2
Solvency ratio (in %)(5)	12.8	12.7

(1) Core tier-1 capital (after regulatory deductions) is tier-1 capital (excluding hybrid capital pursuant to section 24 (2) 5 and 6 Banking Act) after regulatory deductions.

(2) Tier-1 ratio - credit risk is the ratio of tier-1 capital (including hybrid capital pursuant to section 24 (2) 5 and 6 Banking Act) after regulatory deductions, to the risk weighted assets pursuant to section 22 (2) Banking Act.

(3) Core tier-1 ratio – total risk is the ratio of core tier-1 capital (excluding hybrid capital pursuant to section 24 (2) 5 and 6 Banking Act) after regulatory deductions, to the calculation base for the capital requirement pursuant to section 22 (1) Banking Act.

(4) Tier-1 ratio – total risk is the ratio of tier-1 capital (including hybrid capital pursuant to section 24 (2) 5 and 6 Banking Act) after regulatory deductions, to the calculation base for the capital requirement pursuant to section 22 (1) Banking Act.

(5) Solvency ratio is the ratio of the sum of tier-1, tier-2 and tier-3 capital, after regulatory deductions to the calculation base for the capital requirement pursuant to section 22 (1) Banking Act.

The risk-weighted basis pursuant to section 22 (1) of the Banking Act and the resulting capital requirement are as follows:

in EUR million	Calculation base/total risk(1)	Capital requirement (2)	Calculation base/total risk(1)	Capital requirement(2)
Risk pursuant to section 22 (1) 1 Banking Act(3)	105,944	8,476	106,383	8,511
a) standardised approach	28,597	2,288	29,940	2,395
b) Internal ratings based approach	77,347	6,188	76,443	6,115
Risk pursuant to section 22 (1) 2 Banking Act(4)	4,930	394	5,048	404
Risk pursuant to section 22 (1) 3 Banking Act(5)	63	5	22	2
Risk pursuant to section 22 (1) 4 Banking Act(6)	12,892	1,031	12,438	995
Total	**123,829**	**9,906**	**123,891**	**9,911**

(1) Internal calculation base used for calculation of the tier-1 ratio, core tier-1 ratio and the solvency ratio (capital requirement multiplied by 12.5).

(2) Capital requirement pursuant to the Banking Act.

(3) Risk weighted assets – credit risk.

(4) Market risk (trading book).

(5) Commodities risk and foreign exchange-risk, including the risk arising from gold positions, each for positions outside the trading book.

(6) Operational risk.

QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

Income statement

in EUR million	Q1 10	Q1 09	Change
Interest and similar income	2,178.7	2,964.8	-26.5%
Interest and similar expenses	-861.3	-1,744.0	-50.6%
Income from associates accounted for at equity	6.2	5.2	19.2%
Net interest income	**1,323.6**	**1,226.0**	**8.0%**
Risk provisions for loans and advances	-531.2	-370.2	43.5%
Fee and commission income	579.0	542.6	6.7%
Fee and commission expenses	-107.5	-98.0	9.7%
Net fee and commission income	**471.5**	**444.6**	**6.1%**
Net trading result	141.2	143.8	-1.8%
General administrative expenses	-953.1	-975.9	-2.3%
Other operating result	-67.7	-39.9	69.7%
Result from financial assets - FV	13.0	-44.1	na
Result from financial assets - AfS	0.1	-10.8	na
Result from financial assets - HtM	4.7	-0.1	na
Pre-tax profit from continuing operations	**402.1**	**373.4**	**7.7%**
Taxes on income	-92.5	-84.0	10.1%
Post-tax profit from continuing operations	**309.6**	**289.4**	**7.0%**
Post-tax profit from discontinuing operations	0.0	0.0	na
Net profit for the period	**309.6**	**289.4**	**7.0%**
attributable to			
non-controlling interests	54.4	57.3	-5.1%
owners of the parent	**255.2**	**232.1**	**10.0%**

Statement of comprehensive income

in EUR million	1-3 10	1-3 09	Change
Net profit for the period	**309.6**	**289.4**	**7.0%**
Available for sale - reserve (including currency translation)	218.1	-131.3	na
Cash flow hedge - reserve (including currency translation)	-3.9	28.3	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	256.4	-369.1	na
Deferred taxes on items recognised directly in equity	-62.9	19.2	na
Other comprehensive income – total	**407.7**	**-452.9**	**na**
Total comprehensive income	**717.3**	**-163.5**	**na**
attributable to			
non-controlling interests	159.3	6.1	>100.0%
owners of the parent	**558.0**	**-169.6**	**na**

Quarterly Financial Data

INCOME STATEMENT OF ERSTE GROUP

in EUR million	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Net interest income	1,226.0	1,279.3	1,335.6	1,380.0	1,323.6
Risk provisions for loans and advances	-370.2	-521.9	-557.1	-607.4	-531.2
Net fee and commission income	444.6	443.6	425.1	459.5	471.5
Net trading result	143.8	199.3	159.9	82.1	141.2
General administrative expenses	-975.9	-984.3	-920.1	-927.1	-953.1
Other operating result	-39.9	-47.6	-114.3	-154.0	-67.7
Result from financial assets - FV	-44.1	32.0	68.5	56.8	13.0
Result from financial assets - AfS	-10.8	-7.9	-87.7	-97.7	0.1
Result from financial assets - HtM	-0.1	-0.8	2.9	-8.8	4.7
Pre-tax profit from continuing operations	373.4	391.7	312.8	183.4	402.1
Taxes on income	-84.0	-107.3	-78.3	-15.1	-92.5
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0
Net profit for the period	**289.4**	**284.4**	**234.5**	**168.3**	**309.6**
attributable to					
non-controlling interests	57.3	24.4	6.5	-15.0	54.4
owners of the parent	**232.1**	**260.0**	**228.0**	**183.3**	**255.2**

BALANCE SHEET OF ERSTE GROUP

in EUR million	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10
Loans and advances to credit institutions	12,088	13,800	13,938	13,140	16,123
Loans and advances to customers	126,337	128,110	129,954	129,134	130,255
Risk provisions for loans and advances	-4,008	-4,311	-4,713	-4,954	-5,390
Trading and other financial assets	42,775	43,275	42,491	42,884	44,695
Other assets	21,879	23,293	21,883	21,506	22,304
Total assets	**199,071**	**204,167**	**203,553**	**201,710**	**207,987**
Deposits by banks	30,747	29,776	26,920	26,295	25,605
Customer deposits	108,707	113,489	113,317	112,042	115,595
Debt securities in issue	30,951	30,130	30,431	29,612	30,596
Other liabilities	10,536	11,338	12,618	11,490	13,124
Subordinated liabilities	6,070	6,141	6,184	6,148	6,191
Total equity	12,060	13,293	14,083	16,123	16,876
attributable to					
non-controlling interests	3,165	3,195	3,416	3,414	3,560
owners of the parent	8,895	10,098	10,667	12,709	13,316
Total liabilities and equity	**199,071**	**204,167**	**203,553**	**201,710**	**207,987**

SHAREHOLDER EVENTS

12 May 2010	Annual general meeting
14 May 2010	**Record date for dividend payment**
17 May 2010	Ex-dividend day
19 May 2010	Dividend payment day
28 May 2010	Dividend payment day – Participation Capital
30 July 2010	H1 2010 results
29 October 2010	Q3 2010 results

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TICKER SYMBOLS

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