

PROFILE

Founded in 1819 as the first Austrian savings bank, Erste Group went public in 1997 with a strategy to expand its retail business into Central and Eastern Europe (CEE). Since then, Erste Group has grown through numerous acquisitions and organic growth to one of the largest financial services providers in the Eastern part of EU in terms of clients and total assets:

ONE OF THE LEADING FINANCIAL SERVICE PROVIDERS IN THE EASTERN PART OF EU

AMONG THE TOP 3 BANKS IN ITS CORE MARKETS

INNOVATION LEADER IN RETAIL BANKING IN AUSTRIA

AS PER H1 2018, ERSTE GROUP HAD:

- 16.5 MILLION CUSTOMERS
- 47,600 EMPLOYEES
- 2,524 BRANCHES IN 7 COUNTRIES
- EUR 230 BILLION TOTAL ASSETS
- EUR 774 MILLION NET PROFIT
- EUR 1.3 BILLION OPERATING RESULT
- EUR 17.7 BILLION TOTAL EQUITY
- 12.6% CET1 RATIO (BASEL 3; PHASED-IN)

STRATEGY

CUSTOMER BANKING IN CENTRAL AND EASTERN EUROPE

EASTERN PART OF EU

RETAIL BANKING

Focus on local currency mortgage and consumer loans funded by local deposits

FX loans only in EUR for clients with EUR income (or equivalent) and where funded by local FX deposits (HR and RS)

Savings products, asset management and pension products

Expansion of digital banking offering

CORPORATE BANKING

Large, local corporate and SME banking

Advisory services, with focus on providing access to capital markets and corporate finance

Real estate business that goes beyond financing

FOCUS ON CEE, LIMITED EXPOSURE TO OTHER EUROPE

CAPITAL MARKETS

Focus on customer business, including customer-based trading activities

In addition to core markets, presence in Poland, Germany and London with institutional client focus and selected product mix

Building debt and equity capital markets in CEE

PUBLIC SECTOR

Financing sovereigns and municipalities with focus on infrastructure development in core markets

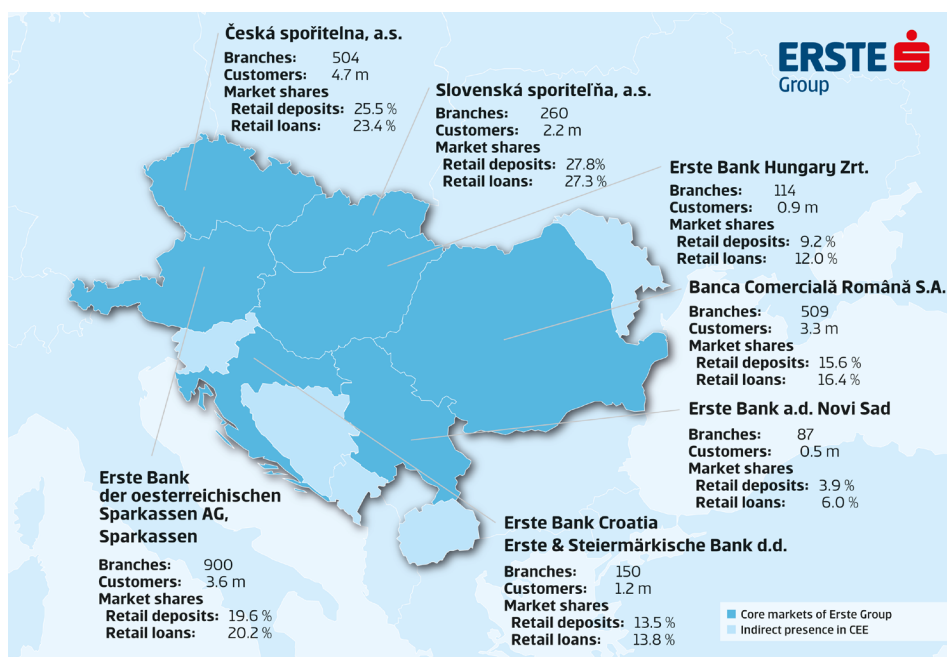
Any sovereign holdings are only held for market making, liquidity or balance sheet management reasons

INTERBANK BUSINESS

Focus on banks that operate in the core markets

Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

EXTENSIVE PRESENCE IN CEE

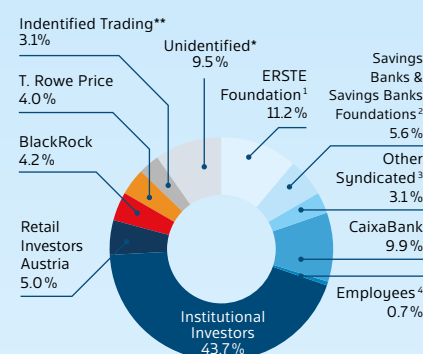


MANAGEMENT BOARD

- Andreas Treichl, CEO
- Gernot Mittendorfer, CFO & CPO
- Willibald Cernko, CRO
- Peter Bosek, Retail Banking
- Jozef Síkela, Corporate Banking & Markets
- Petr Brávek, COO

SHAREHOLDER STRUCTURE

21.08.2018



Total number of shares: **429,800,000**
Free float: **70.35%**

- ¹ Economic interest Erste Foundation
 - ² Economic interest Savings Banks & Savings Banks Foundations
 - ³ Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank
 - ⁴ Including Erste Employees Private Foundation
- * Institutional and Retail Investors international
 ** Including Market Makers, Prime Brokerage, Proprietary Trading, Collateral and Stock Lending positions which are visible through custodian banklists

LISTINGS AND INDEX REPRESENTATION

10.08.2018

LISTINGS	INDEX	WEIGHTING
Vienna Stock Exchange	ATX	20.24%
Prague Stock Exchange	PX	20.19%
Bucharest Stock exchange	BET-BK	7.50%

- Public trading via a level I ADR programme in the U.S.
- MSCI Standard Index
- EURO STOXX Banks Index
- FTSEurofirst 300 Index

RATINGS

16.05.2018

	LONG-TERM	SHORT-TERM	OUTLOOK
S&P	A	A-1	Positive
Fitch	A-	F1	Stable
Moody's	A2	P-1	Positive

CURRENT FINANCIAL RESULTS

CEO STATEMENT

Erste Group's performance in the first six months of this year has been one of the best ever -- our net profit rose by 24 percent year-on-year to 774 million euros. This was driven by an increase of 3.3 percent in net interest income and 5.3 percent in fees income, risk costs remaining at low levels and the cost/income ratio dropping from 64.3 percent to 58.8 percent in the second quarter.

We expect this positive trend in our operating performance to continue in the second half of 2018, based on the persisting outperformance of CEE economies, with low unemployment rates, rising real wages and increasing economic competitiveness.

Andreas Treichl, CEO of Erste Group Bank AG

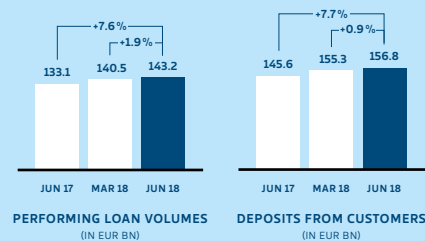
OUTLOOK 2018

Operating environment anticipated to be conducive to credit expansion. Real GDP growth is expected to be approximately between 3% and 4% in Erste Group's CEE core markets, including Austria, in 2018. It should primarily be driven by solid domestic demand, as real wage growth and declining unemployment should support economic activity in CEE. Fiscal discipline is expected to be maintained across CEE.

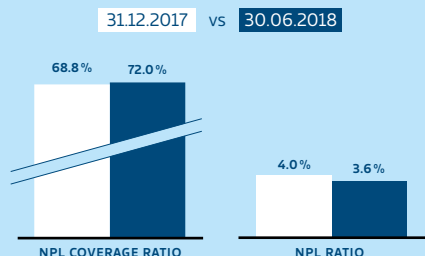
Business outlook. Erste Group aims to achieve a return on tangible equity (ROTE) of more than 10% in 2018 (based on average tangible equity in 2018). The underlying assumptions are slightly growing revenues (assuming 5%+ net loan growth and interest rate hikes in the Czech Republic and Romania), slightly falling expenses due to lower project-related costs and risk costs remaining at historically low levels.

Risks to guidance. Impact from other than expected interest rate development; political or regulatory measures against banks; and geopolitical risks and global economic risks.

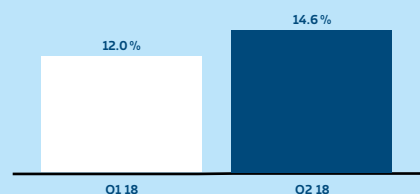
CUSTOMER LOANS & CUSTOMER DEPOSITS



NPL COVERAGE RATIO & NPL RATIO



RETURN ON TANGIBLE EQUITY (ROTE)



CENTRAL AND EASTERN EUROPE

MACROECONOMIC OUTLOOK FROM ERSTE RESEARCH

REAL GDP GROWTH (%)

	HR	CZ	HU	PL	RO	RS	SK	SI	CEE8	AT	EZ
2016	3.5	2.5	2.2	2.9	4.8	2.8	3.3	3.1	3.1	1.5	1.9
2017	2.9	4.6	4.0	4.6	6.9	1.9	3.4	5.0	4.7	3.0	2.4
2018f	2.8	3.6	4.0	4.9	4.1	3.5	3.9	4.5	4.3	3.0	2.3
2019f	2.7	3.1	3.3	3.3	3.4	3.2	4.2	3.7	3.3	2.2	2.2

STATUS: 23.08.2018

Economic growth in 2Q18 remained rather healthy in CEE countries compared to the already upbeat preceding quarter. While manufacturing sentiment indicators cooled off (albeit still being expansive), household consumption remained the backbone of growth. After a marked slowdown, real GDP growth in Romania stabilized in 2Q18 at 4.1% y/y, while Poland remained the growth champion in the region this past quarter with 5.1%, leading us to revise our full-year growth outlook for the country to 4.9%. Serbia also posted very strong 2Q18 growth of 4.4%; we thus currently have our full-year forecast for the country under revision. Hungary too managed to post good numbers in 2Q18 (4.6% vs. our call at 4.1%), likely due to strong consumption growth, as suggested by high retail sales figures; we therefore see upside risks to our FY forecast of 4.0%. Slovakia also posted good numbers, with GDP growth accelerating to 4.1% despite some slowdown in monthly retail sales and construction growth. The scheduled launch of Jaguar-Land Rover's new plant as of autumn is set to boost growth in Slovakia in 2H18. An expected slowdown came, however, for the Czech Republic (2.3% in 2Q18), but this is mainly due to the high base of the previous year. As for the full-year outlook for the CEE region as a whole, we see growth averaging 4.3% in 2018, compared to last year's 4.7%.

DID YOU KNOW THAT ...



... THAT OVER 90% OF SLOVAKS AND ROMANIANS OWN THEIR OWN HOMES?



... FITNESS WEARABLES PRODUCER FITBIT CHOSE BUCHAREST FOR ITS LARGEST RESEARCH & DEVELOPMENT CENTER IN EUROPE?



... HUNGARY HAS ONE OF THE FASTEST 4G INTERNET ACCESS SPEEDS IN ALL OF EUROPE?



... GROWTH IN THE CEE REGION HAS BEEN OUTPERFORMING THAT IN THE EU15 FOR NEARLY TWO DECADES?

CONTACTS

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