

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 Q3 2017, ERSTE GROUP HAD:

- 16 MILLION CUSTOMERS
- 47,300 EMPLOYEES
- 2,577 BRANCHES IN 7 COUNTRIES
- EUR 221.7 BILLION TOTAL ASSETS
- EUR 987.6 MILLION NET PROFIT
- EUR 1.92 BILLION OPERATING RESULT
- EUR 18.0 BILLION TOTAL EQUITY
- 12.8% CET1 RATIO (BASEL 3; PHASED-IN)

STRATEGY

CUSTOMER BANKING IN CENTRAL AND EASTERN EUROPE

EASTERN PART OF EU

FOCUS ON CEE, LIMITED EXPOSURE TO OTHER EUROPE

RETAIL BANKING

CORPORATE BANKING

CAPITAL MARKETS

PUBLIC SECTOR

INTERBANK BUSINESS

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

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 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

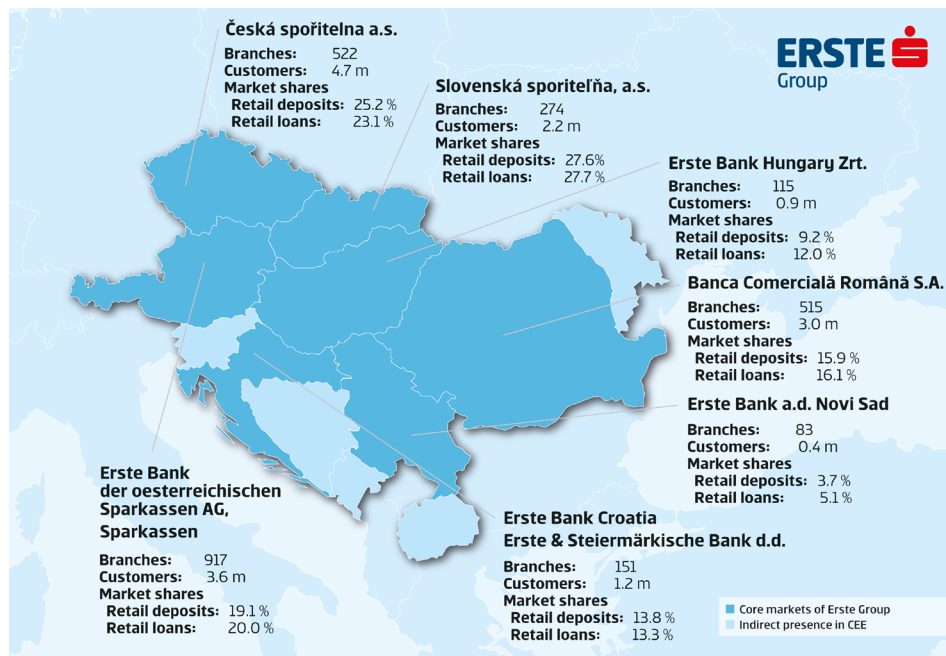
Financing sovereigns and municipalities with focus on infrastructure development in core markets

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

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

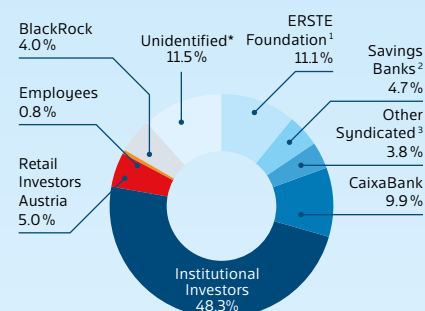


MANAGEMENT BOARD

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

SHAREHOLDER STRUCTURE

30.09.2017



Total number of shares: **429,800,000**
Free float: **70.5%**

¹ Economic interest Erste Foundation

² Economic interest Savings Banks

³ Other parties to the shareholder agreement of

Erste Foundation, Savings Banks and CaixaBank

* Institutional and Retail Investors

LISTINGS AND INDEX REPRESENTATION

30.09.2017

| LISTINGS | INDEX | WEIGHTING |
|--------------------------|--------|-----------|
| Vienna Stock Exchange | ATX | 19.93% |
| Prague Stock Exchange | PX | 20.30% |
| Bucharest Stock exchange | BET-BK | 7.59% |

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

RATINGS

30.10.2017

| | LONG-TERM | SHORT-TERM | OUTLOOK |
|---------|-----------|------------|----------|
| S&P | A | A-1 | Positive |
| Fitch | A- | F1 | Stable |
| Moody's | A3 | P-2 | Positive |

FINANCIAL RESULTS H1 2017

CEO STATEMENT

Erste Group posted a net profit of 987.6 million euros for the first nine months of 2017. As foreseen, this is lower than the 1,179.2 million euros we reported for the same period a year earlier, which had been positively influenced by the one-off from the sale of shares in VISA Europe. We are satisfied with our latest results, which were achieved on the back of solid lending growth of 5.6 percent, historically low risk costs at seven basis points and very healthy asset quality, with the non-performing loans ratio of 4.3 percent, at the lowest level since 2008.

Deposit growth continued unabated, posting an extraordinarily strong growth of 7.5 percent despite the low-interest-rate environment and its adverse impact on savers, and bringing our total customer deposits base to 148.4 billion euros. This continues to be a major driver of Erste Group's excellent liquidity and funding position. Our capitalization remained strong, with the Basel 3 phased-in CET1 ratio at 12.8 percent as per the end of September 2017. Another sign we're doing many things right: all three major rating agencies have given us rating upgrades in the course of this year, with S&P just this week upping its long-term issuer credit rating for us to "A" with a positive outlook.

The results we are presenting today are fully in line with our targets for 2017 and demonstrate that our performance remains stable even in a persistently low interest rate environment. But we know that in the medium to long term, stability alone will not be enough. Banking has undergone a breathtaking transformation in recent years. Customer expectations have changed enormously, with smart phones now more important than branches for many customers. An increasingly complex regulatory framework has substantially increased not only capital requirements and the need for IT investments, but also administrative workloads. In responding to this new environment, we can count on our strong market position in Central and Eastern Europe -- the region with the most dynamic economic growth in Europe -- along with our focused digital strategy to ensure Erste Group's success in the long run. Investing in our data management capabilities and in the roll-out and ongoing development of our popular digital platform George while simultaneously developing new digital products will translate into cost savings in the years ahead and also enable us to fully exploit our earnings potential.

Andreas Treichl, CEO of Erste Group Bank AG

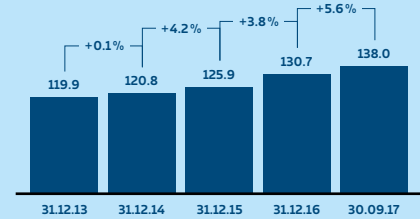
Outlook 2017 & 2018

Operating environment anticipated to be conducive to credit expansion in 2018. Real GDP growth is expected to be between 2% and 4% in Erste Group's CEE core markets, including Austria, in 2018. Real GDP growth 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 confirms an expected return on tangible equity (ROTE) of more than 10% in 2017 and aims to achieve a ROTe of more than 10% in 2018 (based on average tangible equity in 2018). The underlying assumptions for 2018 are flat to slightly growing revenues (assuming 5%+ net loan growth and interest rate hikes in the Czech Republic and Romania), currency-adjusted flat costs (± 1%) due to lower project-related costs and an increase in risk costs, albeit remaining at historically low levels).

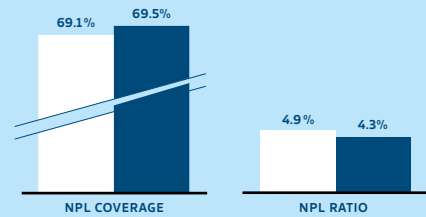
Risks to guidance. Impact of longer than expected expansionary monetary policies by central banks including negative interest rates; political risks including consumer protection initiatives and geopolitical risks and global economic risks.

NET LOANS EUR BN

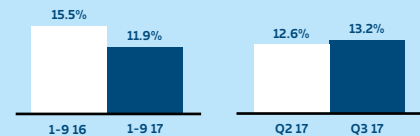


NPL COVERAGE RATIO & NPL RATIO

31.12.2016 vs 30.09.2017



RETURN ON TANGIBLE EQUITY



CENTRAL AND EASTERN EUROPE

MACROECONOMIC OUTLOOK FROM ERSTE RESEARCH

REAL GDP GROWTH (%)

| | HR | CZ | HU | PL | RO | RS | SK | SI | CEE8 | AT | EZ |
|-------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|
| 2016 | 3.0 | 2.5 | 2.2 | 2.8 | 4.8 | 2.8 | 3.3 | 3.1 | 3.0 | 1.5 | 1.8 |
| 2017f | 3.0 | 4.1 | 3.7 | 4.4 | 7.1 | 2.1 | 3.3 | 4.0 | 4.5 | 2.6 | 2.3 |
| 2018f | 2.8 | 3.4 | 3.4 | 3.7 | 4.1 | 3.0 | 3.9 | 3.3 | 3.6 | 2.2 | 2.1 |
| 2019f | 2.9 | 2.9 | 3.3 | 3.0 | 2.4 | 3.2 | 4.2 | 3.0 | 3.0 | - | - |

STATUS: 16.11.2017

On average, the 3Q17 GDP growth data that has already been released by CEE economies once again surprised to the upside. Romanian growth was strongest (at 8.8% y/y), surpassing expectations by a wide margin. While this growth is unlikely to continue at such a pace on account of the fiscal boost likely fading in 2018, growth in Romania may still remain strong. Czech 3Q17 growth at 5% was also unexpectedly strong. Across the region, both domestic and export demand are supporting growth, due to increasing wages and employment levels, and the demand surge in the eurozone. Although some slowdown is expected in 2018, given the lower fiscal boost and increased inflation eating into real wages, EU-funded projects could speed up further, so the slowdown could be dampened on average in CEE. We will likely revise our growth assumption of 4.3% for CEE (including Poland) in 2017 and also see upside risk for the 3.6% forecast for 2018. The region's overall GDP growth in 2017 could come in about 2pp higher than in the eurozone, and this margin is likely to remain nearly as high in 2018.

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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