

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 2018, ERSTE GROUP HAD:

- 16.2 MILLION CUSTOMERS
- 47,400 EMPLOYEES
- 2,510 BRANCHES IN 7 COUNTRIES
- EUR 234.8 BILLION TOTAL ASSETS
- EUR 1.23 BILLION NET PROFIT
- EUR 2.1 BILLION OPERATING RESULT
- EUR 18.4 BILLION TOTAL EQUITY
- 13.2% CET 1 RATIO (BASEL 3, FULLY-LOADED, PRO FORMA)

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

Expansion of digital banking offering

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

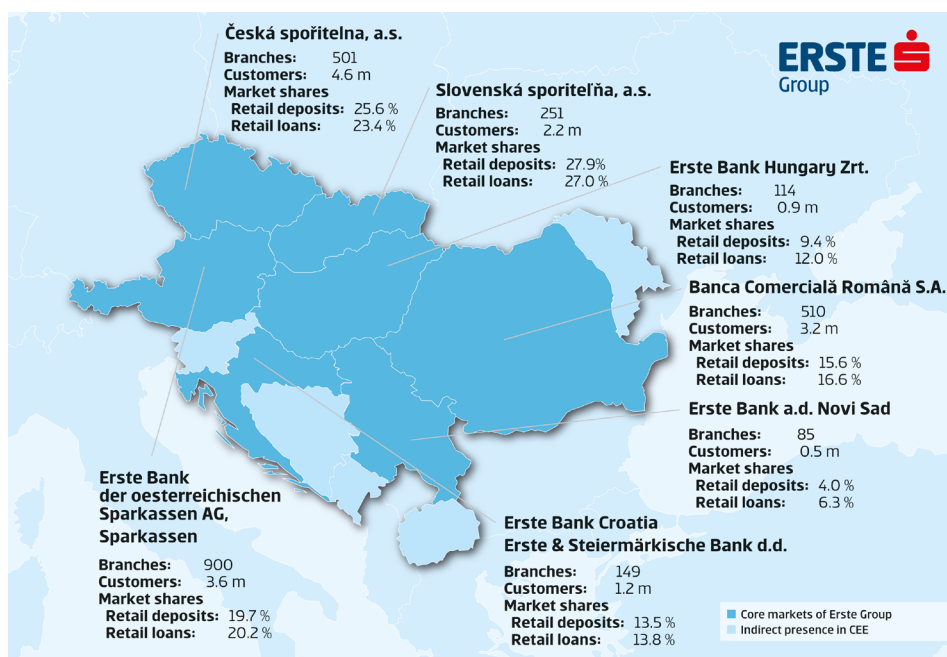
Financing sovereigns and municipalities with focus on infrastructure development in core markets

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

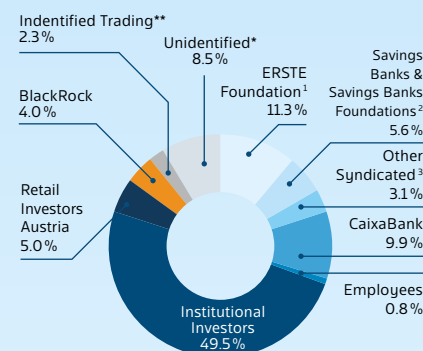


MANAGEMENT BOARD

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

SHAREHOLDER STRUCTURE

14.11.2018



Total number of shares: **429,800,000**
Free float: **70.1%**

- ¹ Economic interest Erste Foundation, including Erste Employees Private Foundation
 - ² Economic interest Savings Banks & Savings Banks Foundations
 - ³ Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank
- * 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

30.09.2018

LISTINGS	INDEX	WEIGHTING
Vienna Stock Exchange	ATX	19.21%
Prague Stock Exchange	PX	20.53%
Bucharest Stock exchange	BET-BK	7.08%

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

RATINGS

5.2.2019

	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

» We are pleased that our strong operating performance and net profit in the first nine months of this year were driven by several healthy developments: all our home markets have been enjoying robust economic growth; we have been performing very well in Retail and SME business, increasing overall loans (+6.3% year to date) and deposits (+5.9% year to date); and we have also increased our digital advantage and improved customers' experience thanks to George, our pan-European digital platform that is now being used by over 3 million customers in four markets.

As the countries in CEE region are mostly riding a really good economic wave right now, our NPL ratio continued to decline to 3.5%. The NPL coverage remains high at 70.7%. On the other hand, we are experiencing incredibly low risk costs, which we should treat as a gift that will not be here forever. This makes the trend reversal that we have achieved in the operating result, driven by sustained growth in our core revenues – net interest and net fee and commission income were up 4.4% and 5.1%, respectively – all the more important. Equally significant for our future is the strong level of our capitalization: taking into account the net profit for third quarter and the positive impact of about 30 basis points resulting from the approval of a new operational risk model, our CET 1 ratio (Basel 3 fully loaded, pro forma) stands at 13.2%.

Based on this solid set of results, we are improving our outlook for the full year 2018 and target a return on tangible equity above 12%."

Andreas Treichl, CEO of Erste Group Bank AG

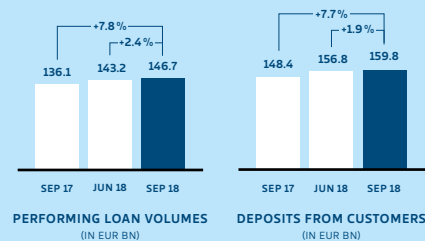
OUTLOOK 2018

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.

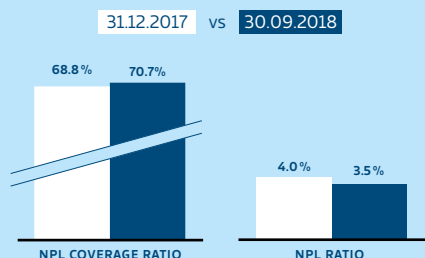
Business outlook. Erste Group aims to achieve a return on tangible equity (ROTE) of more than 12% in 2018 (based on average tangible equity in 2018). The underlying assumptions are growing revenues (assuming 5%+ net loan growth and interest rate hikes in the Czech Republic and Romania) and flat expenses with risk costs remaining at historically low levels.

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

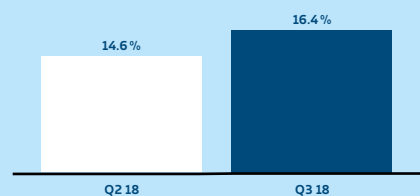
CUSTOMER LOANS & CUSTOMER DEPOSITS



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	2.4	2.3	3.0	4.8	2.8	3.1	3.1	3.1	2.0	1.9
2017	2.9	4.5	4.1	4.6	7.3	1.9	3.2	4.9	4.7	2.6	2.4
2018f	2.8	3.5	4.3	4.9	3.8	4.3	3.9	4.2	4.2	3.0	2.0
2019f	2.7	3.0	3.5	3.8	3.4	3.7	4.2	3.8	3.6	2.2	1.8

STATUS: 14.11.2018

CEE economies in 3Q18 sustained the dynamic pace of expansion that we have been observing since the beginning of the year, despite a recent worsening of market sentiment and the weaker performance of the external environment. Actually, as of mid-November, four of the five fastest-growing economies in Europe in the third quarter were in CEE: Poland, Hungary, Slovakia and Romania. Poland remained the growth champion in the region this past quarter and its GDP is expected to expand by at least 5% in 2018 as domestic demand remains solid. Hungary appears to be keeping up the pace, with its GDP growth of 4.8% y/y in 3Q18 likely driven by strong consumption growth, as retail sales figures have been impressive lately. Slovakia and Romania also surprised on the upside, expanding 4.6% y/y and 4.3% y/y, respectively, and making it likely that both countries will grow close to 4% for 2018 as a whole. Serbia grew 3.7% y/y in 3Q18, while the Czech Republic maintained its pace from the previous quarter (2.3% y/y). We see the growth for the CEE region averaging 4.3% in 2018. Because many countries seem to have reached the peak of the cycle, we expect CEE economies to grow closer to their potential next year, expanding on average by 3.6%.

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

ERSTE GROUP BANK AG
Am Belvedere 1
1100 Vienna, Austria
Tel.: +43 (0) 50 100
press@erstegroup.com

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