

Erste Group investor presentation FY 2015 preliminary results

26 February 2016

Erste Group posts net profit of EUR 968.2m in 2015 (ROTE: 10.8%) on return of volume growth to CEE, normalisation in risk costs and reduced one-offs – solid capital position underpins dividend proposal of EUR 0.5 per share

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Cautionary note regarding forward-looking statements

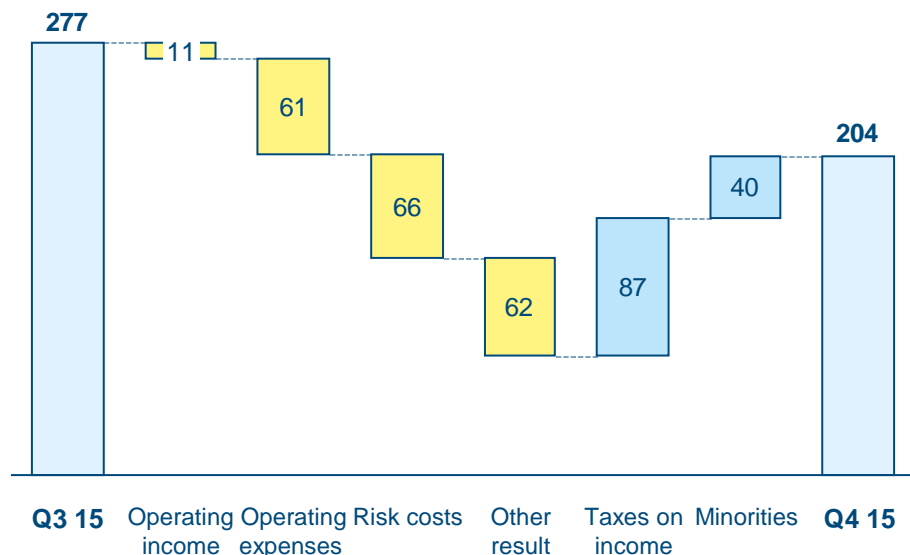
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Presentation topics

- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- Outlook
- Additional information

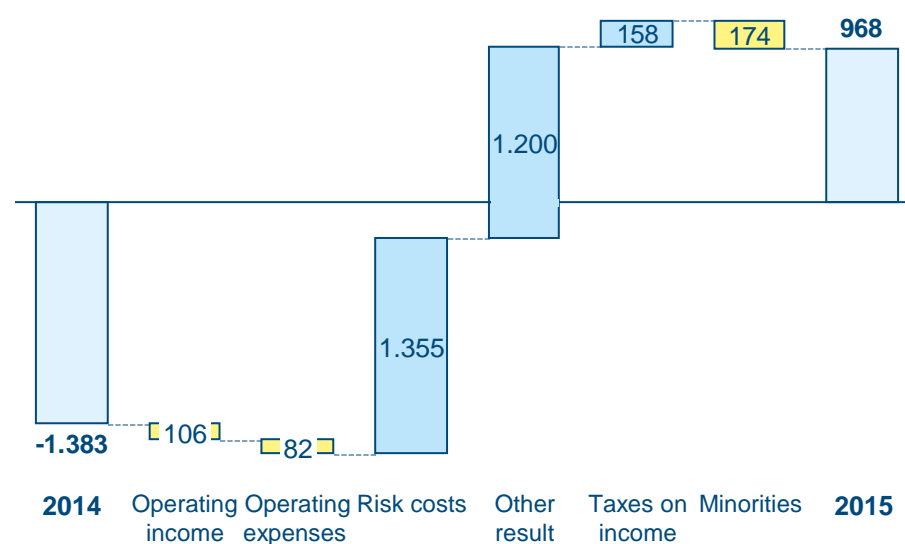
Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Erste Group Q4 15 net profit declined to EUR 204.0m qoq due to higher risk provisions and weaker other result (negative one-offs of EUR 121.0m in Q4 15, related to Romania and Hungary), partly offset by lower tax charge
- Q4 15 also impacted by seasonally higher operating expenses and negative fair value impact in net trading and fair value result, NII stable, fees seasonally up

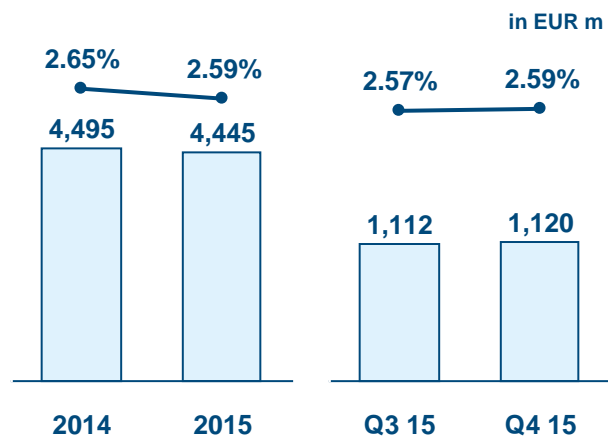
YoY net profit reconciliation (EUR m)



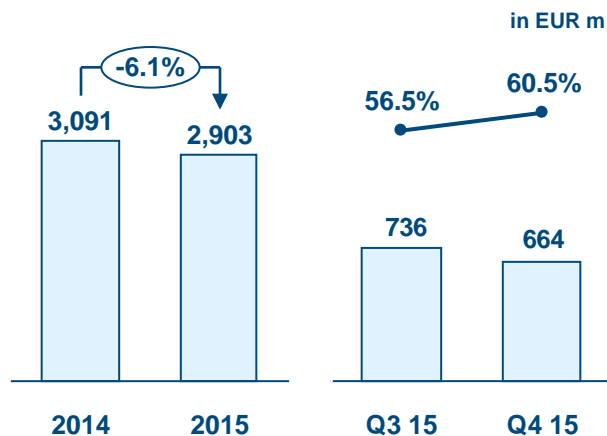
- Erste Group 2015 net profit equalled EUR 968.2m; turnaround driven by significantly lower risk costs, strongly improved other result (reduced one-offs compared to 2014) and lower tax charge
- Decline in operating performance, as revenues (NII, trading & FV result) impacted by low interest rate environment; costs up slightly
- Historically high minority charge due to exceptional risk performance at the savings banks and turnaround in Romania

Executive summary – Key income statement data

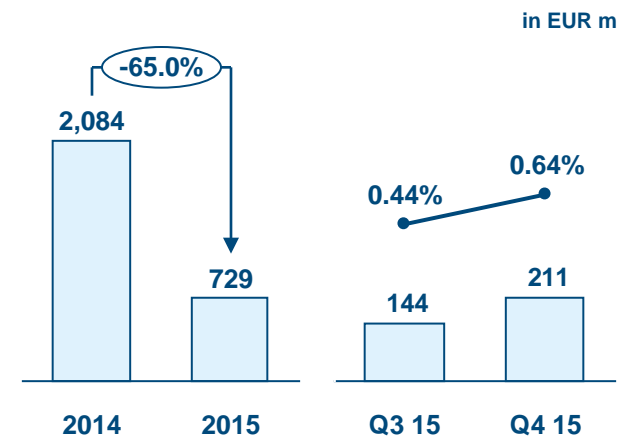
Net interest income & margin



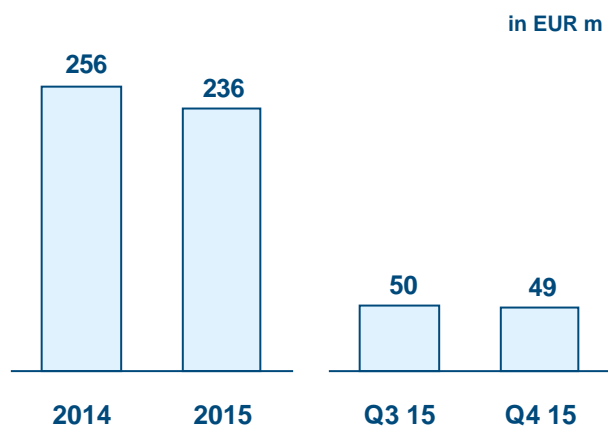
Operating result & cost/income ratio



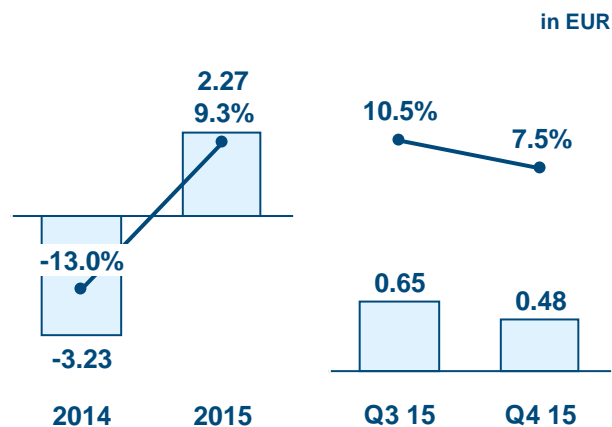
Cost of risk



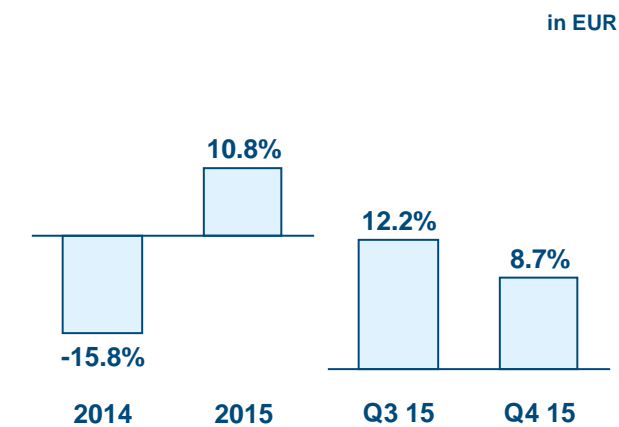
Banking levies



Reported EPS & ROE

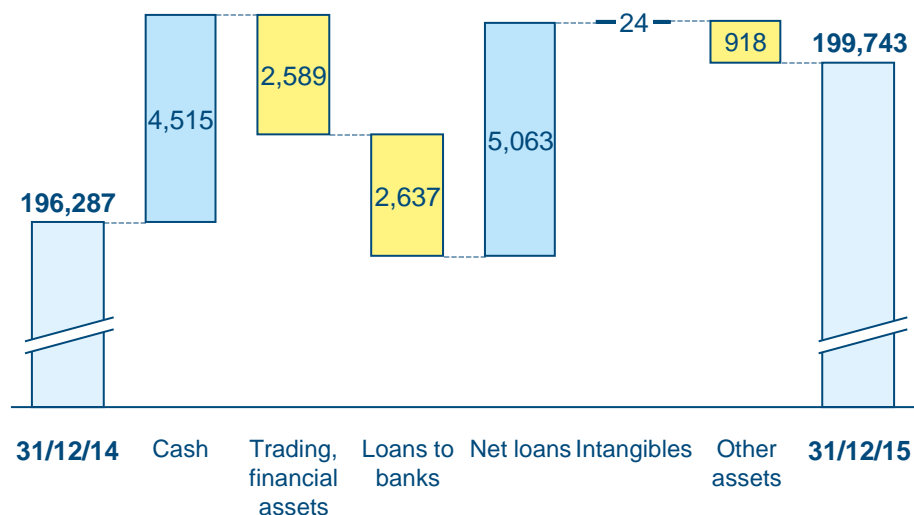


Return on tangible equity

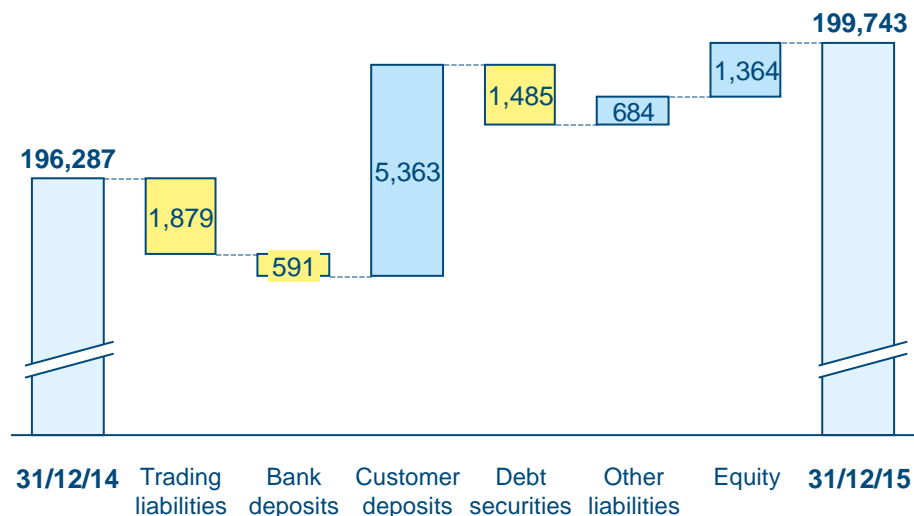


Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



YTD equity & total liability reconciliation (EUR m)



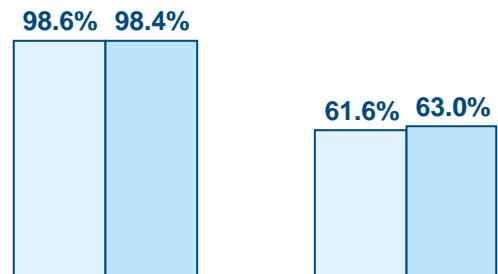
- Balance sheet total rises by 1.8% in 2015, driven by net loans and higher cash position, which was partly offset by lower stock of trading and financial assets and significant decline in interbank lending
- Net customer loans rise by 4.2% ytd, supported mainly by continued strong demand in Slovakia, accelerating growth in the Czech Republic and Austria

- 4.4% increase in customer deposits was main driver for expanding liabilities, partly offset by declines in trading liabilities, bank deposits and debt securities in issue
- 10.0% rise in total equity mainly driven by turnaround in profitability; shareholders' equity rose by 11.7% to EUR 11.0bn

Executive summary – Key balance sheet data

31/12/14
31/12/15

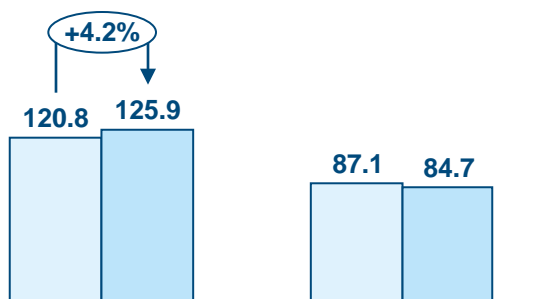
Loan/deposit & loan/TA ratio



Loan/deposit ratio Loans/total assets

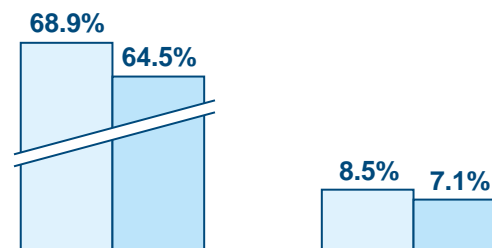
Net loans & credit RWA

in EUR bn



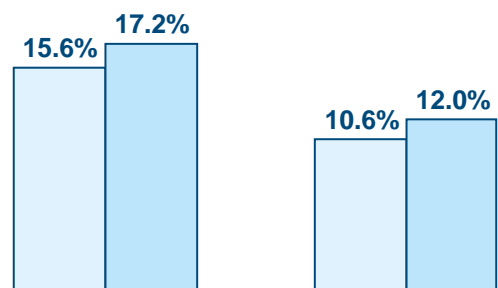
Net loans Credit RWA

NPL coverage ratio & NPL ratio



NPL coverage NPL ratio

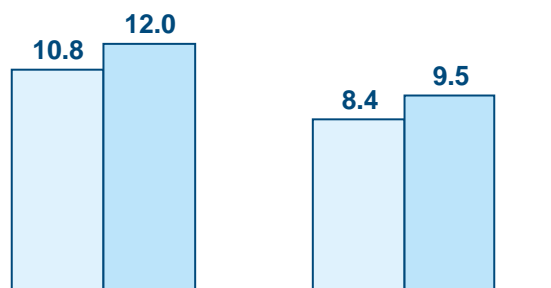
B3FL capital ratios



Total capital CET 1

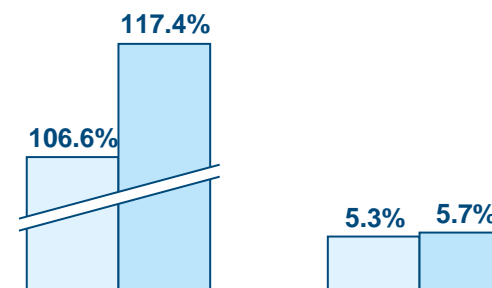
B3FL capital & tangible equity*

in EUR bn



CET1 Tangible equity

Liquidity coverage & leverage ratio



LCR LR (B3FL)

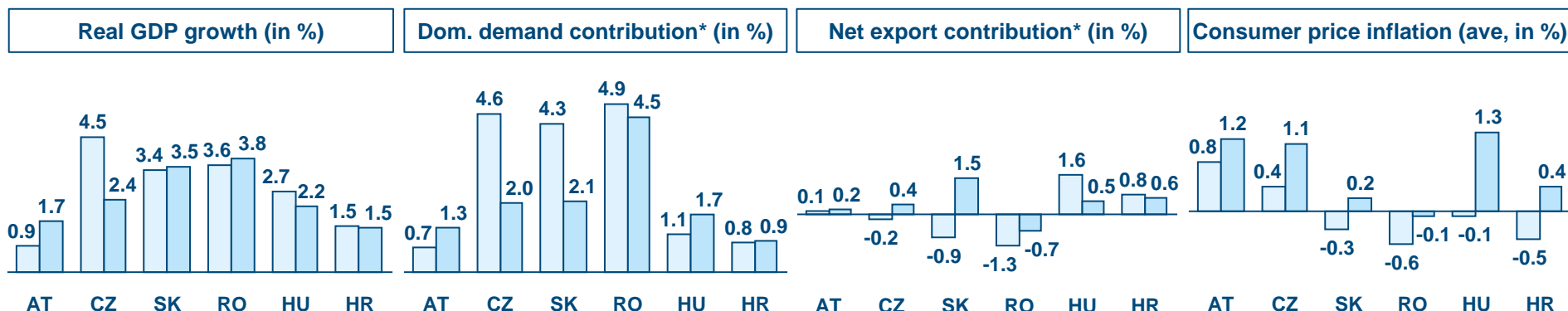
* Based on shareholders' equity, not total equity.

Presentation topics

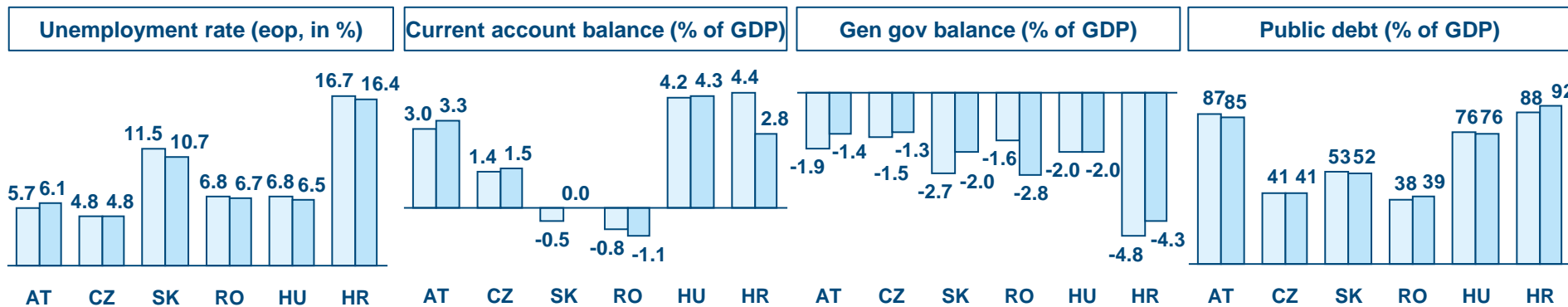
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Business environment – Solid CEE GDP growth expectations for 2016

2015
2016



- Erste Group's core CEE markets posted solid GDP growth in 2015, with continued positive outlook for 2016
 - Domestic demand is expected to be main driver of economic growth in 2016
 - Consumption is supported by wage increase across the region and by very low inflation rates across the region



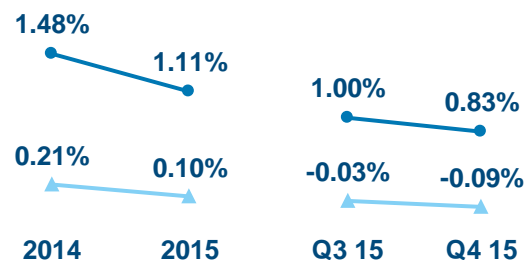
- Solid public finances across Erste Group's core CEE markets: almost all countries fulfill Maastricht criteria
- Sustainable current account balances, supported by competitive economies with decreasing unemployment rates

* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research.

Business environment – Decline in market interest rates continued in Q4 15

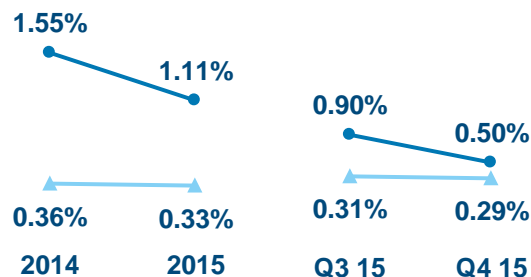
—▲ 3M Interbank
—● 10YR GOV

Austria



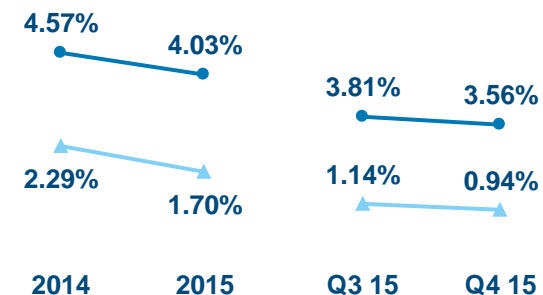
- ECB cut discount rate to 0.05% in Sept 14
- Maintains expansionary monetary policy stance

Czech Republic



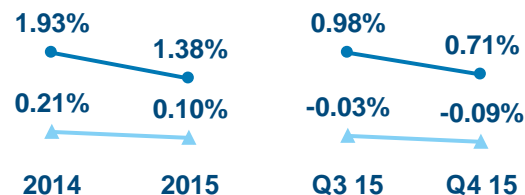
- National bank maintains ultra-low interest rates since November 2012 at 0.05%

Romania



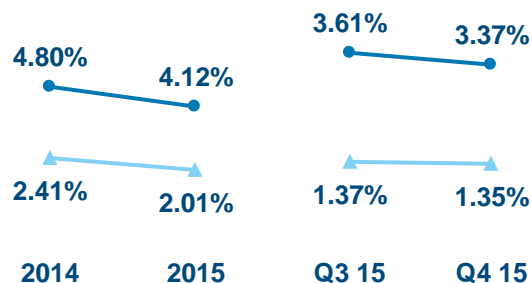
- Central bank cut policy rate to historic low of 1.75% in May 2015

Slovakia



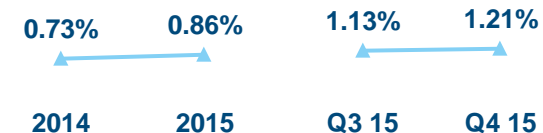
- As part of euro zone ECB rates are applicable in SK

Hungary



- National bank restarted easing cycle in Feb 2015; cutting base rate to 1.35% in July 2015, completing easing cycle

Croatia

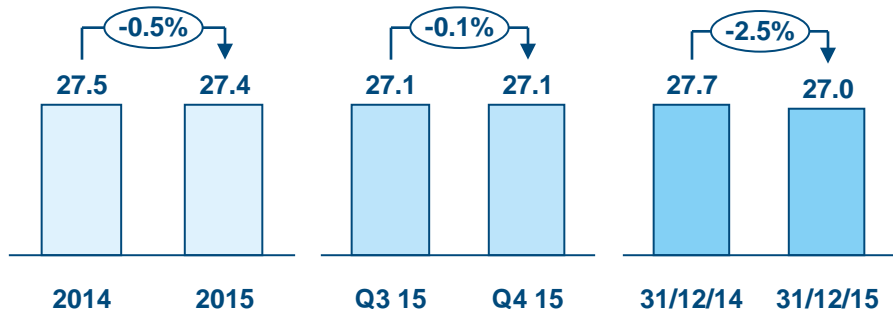


- Central bank maintains discount rate at 7.0% since mid-2011

Source: Bloomberg.

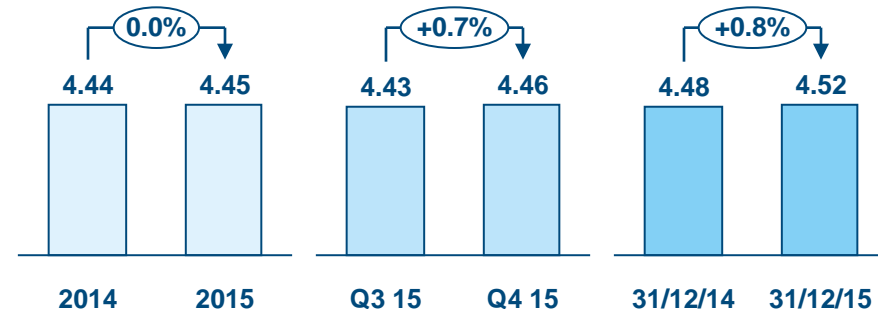
Business environment – Limited currency volatility in CEE

EUR/CZK



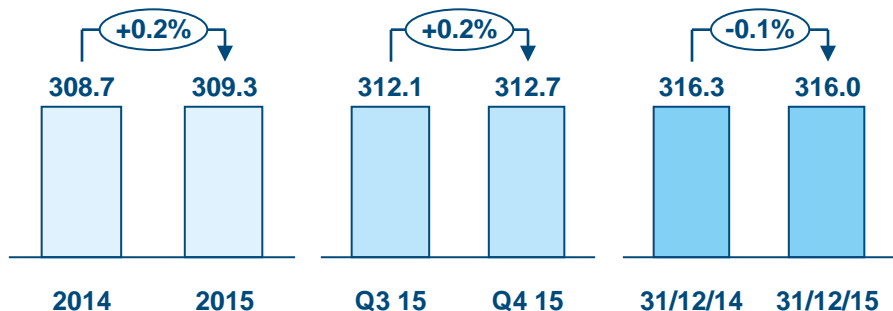
- Czech National Bank maintains exchange rate stability; discount rate also stable at 0.05% in Q3 15

EUR/RON



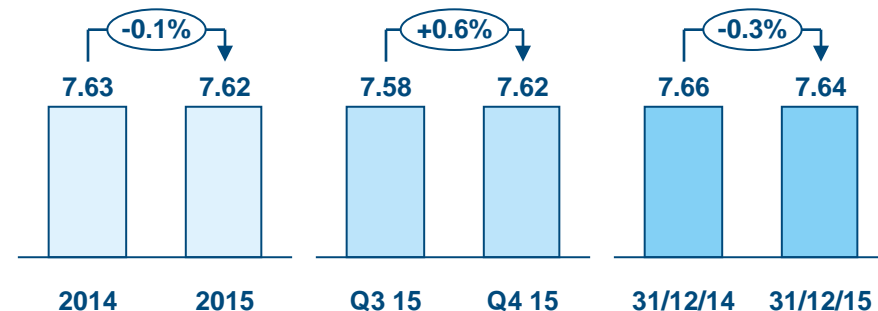
- RON movements marked by limited volatility, despite decreasing interest rates: policy rate cut to 1.75% in Q2 15

EUR/HUF



- Stable currency development, despite expansionary monetary stance of the national bank; easing cycle completed

EUR/HRK



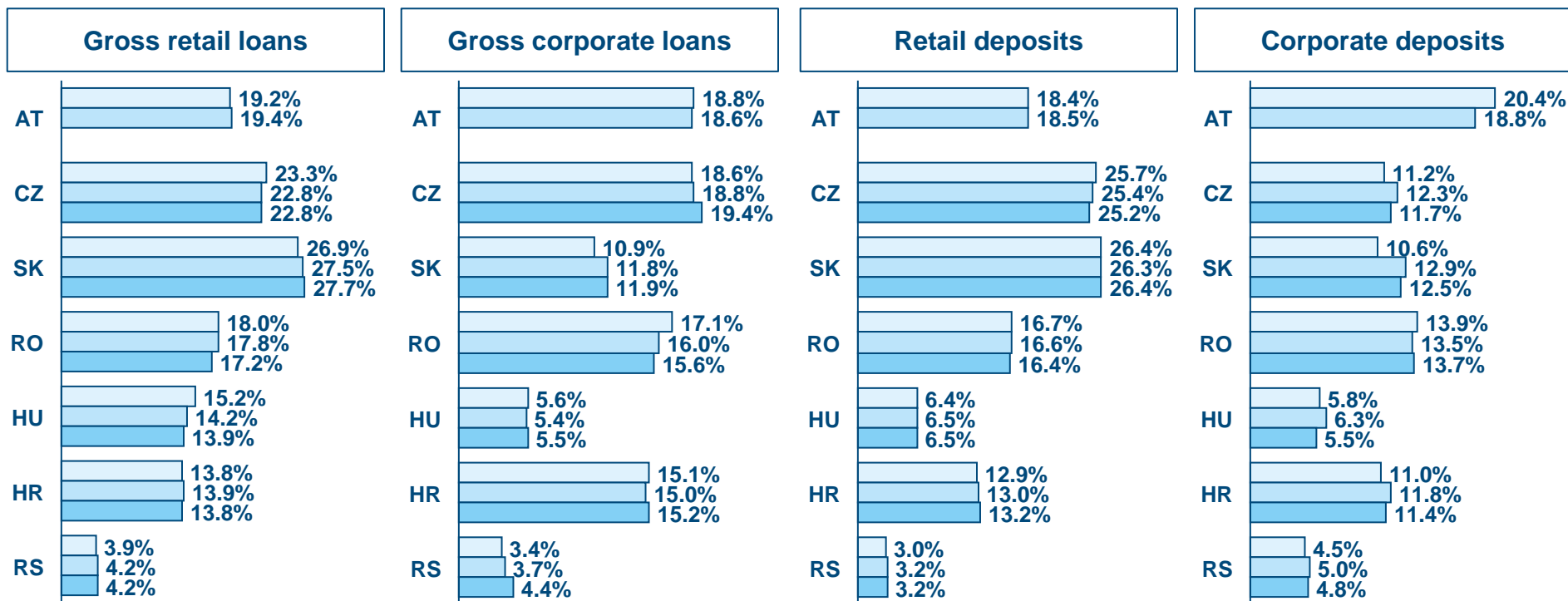
- Strong grip of national bank on HRK is reflected in lack of volatility

Source: Bloomberg.

Business environment –

Market shares: mostly stable, RO impacted by NPL sales, write-offs

31/12/14
30/09/15
31/12/15



- SK: steady market share gains in a growing market
- CZ: stable qoq market share in as market growth accelerates
- RO: qoq decline mainly due to lower new business volumes in Q4 15

- RO: continued pressure on gross loan based market share due to NPL sales
- CZ: qoq increase driven mainly by higher large corporate loan volumes

- Continued inflows in all markets despite low interest rate environment, with broadly stable market shares

- Changes mainly due to normal quarterly volatility in corporate business

Presentation topics

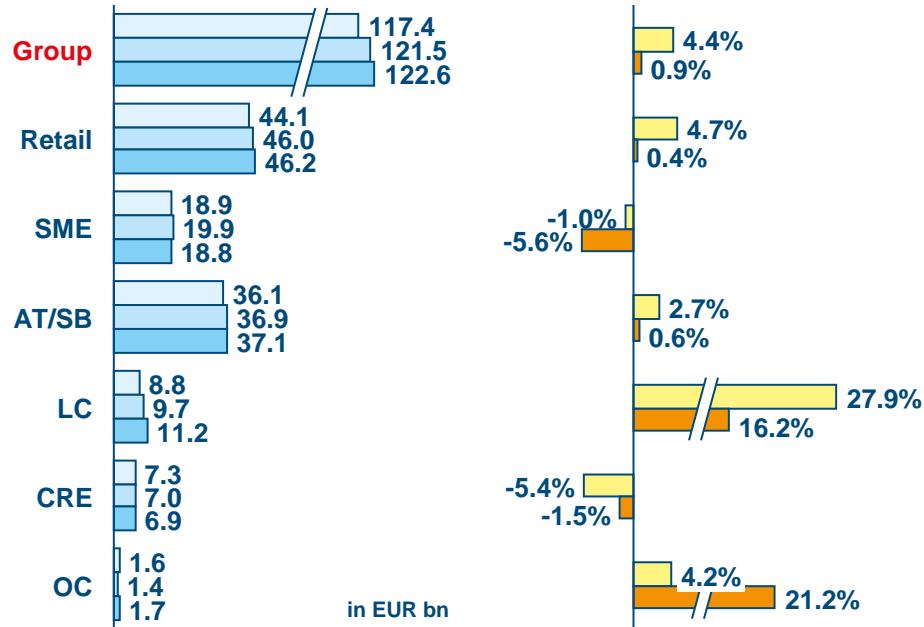
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Business performance: performing loan stock & growth –

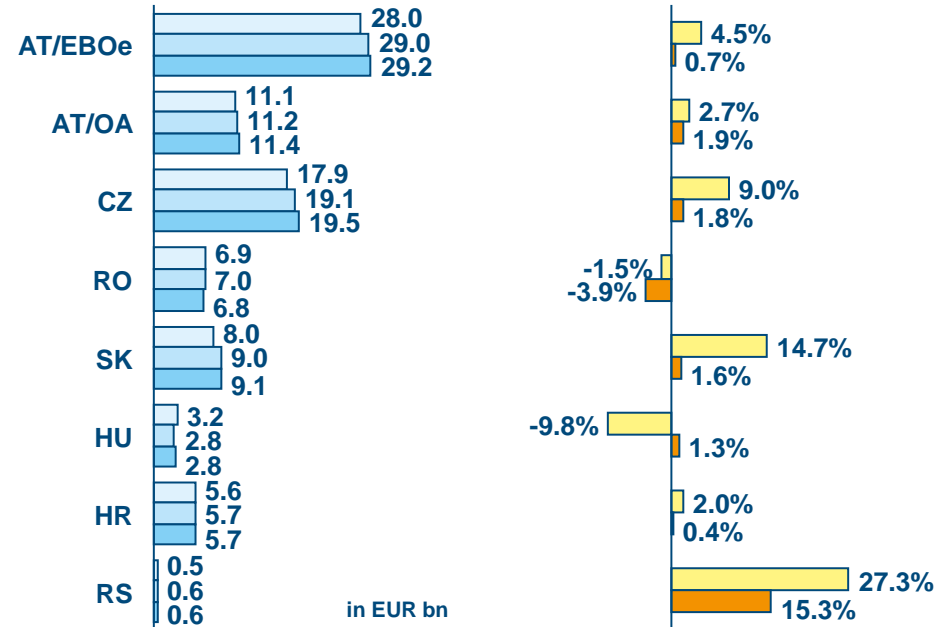
Performing loan volume increases by 4.4% yoy, up 0.9% qoq

■ YoY ■ 31/12/14
■ QoQ ■ 30/09/15
■ 31/12/15

Business line view (BL)



Geographic view (geo)



- Rising performing loan volume trend steadies in Q4 15, due to qoq increases in most geographies, except RO, HU and HR
- Retail: solid yoy and qoq growth driven mainly by mortgage business; small yoy contribution from consumer loans
- LC & SME: qoq rise in LC primarily due to EUR 1.2bn shift from SME to LC

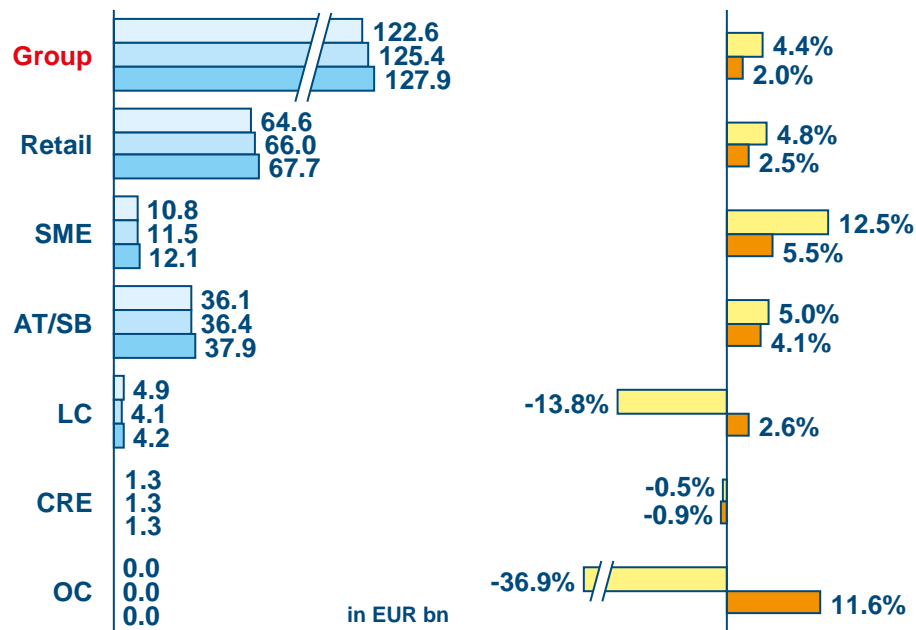
- SK: remains growth driver based on continued Retail strength
- CZ: accelerating growth (yoy and qoq) predominantly in Retail mortgages
- EBOe: yoy and qoq increase driven by Retail and SME
- HU: yoy decline mainly attributable to FX Retail loan conversion, marginal qoq increase due to higher corporate loan volumes

Business performance: customer deposit stock & growth –

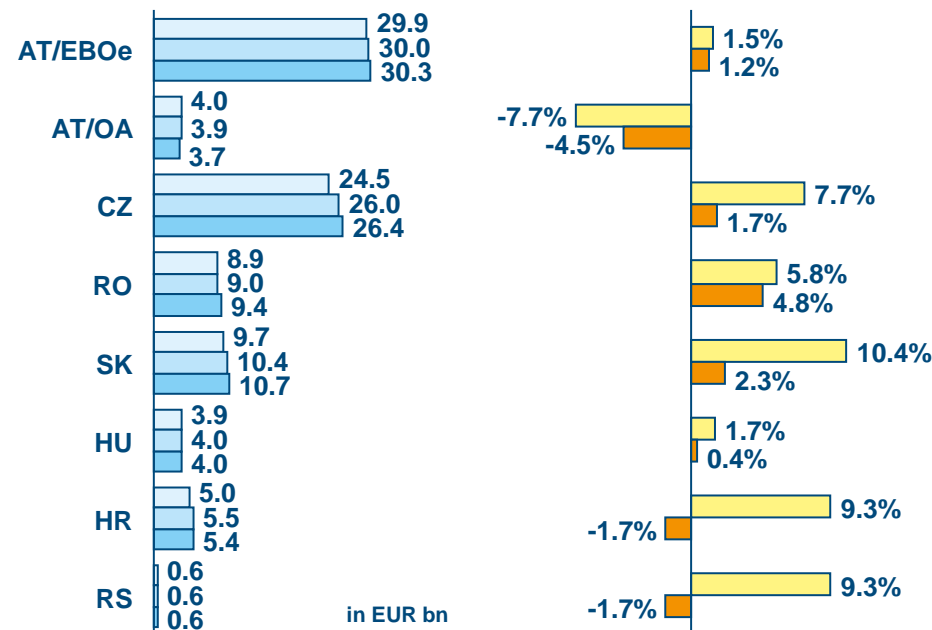
Deposits grow by 4.4% yoy, up 2.0% qoq

■ YoY ■ 31/12/14
■ QoQ ■ 30/09/15
■ 31/12/15

Business line view (BL)



Geographic view (geo)



- Customer deposits up 4.4% in 2015, qoq up 2.0%, mainly driven by Retail, AT/SB and SME business lines
- Retail: well balanced yoy and qoq growth across all geographies
- SME: yoy inflows mainly driven by CZ, SK and RO
- LC: yoy decrease due to deposit outflows on holding level, only partially offset by increase in SK and EBOe, qoq growth mainly in CZ

- AT/OA: qoq and yoy driven by LC and CRE outflows
- CZ: yoy increase predominantly in Retail and SME, whereas qoq growth mainly in Retail and LC
- SK: yoy deposit growth broadly in line with loan growth
- RO: yoy and qoq increase driven by Retail
- HR: yoy and qoq customer deposits growth mainly in Retail

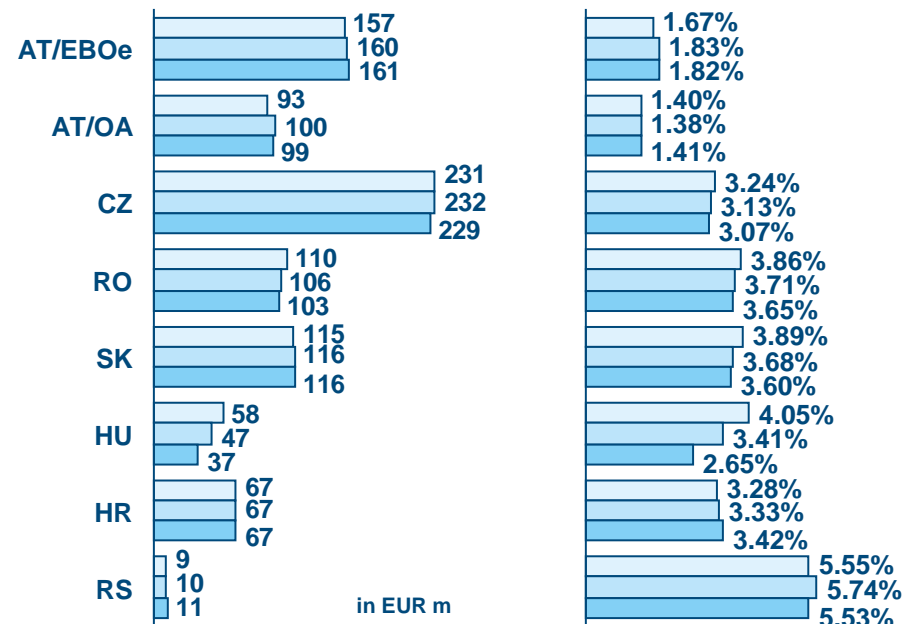
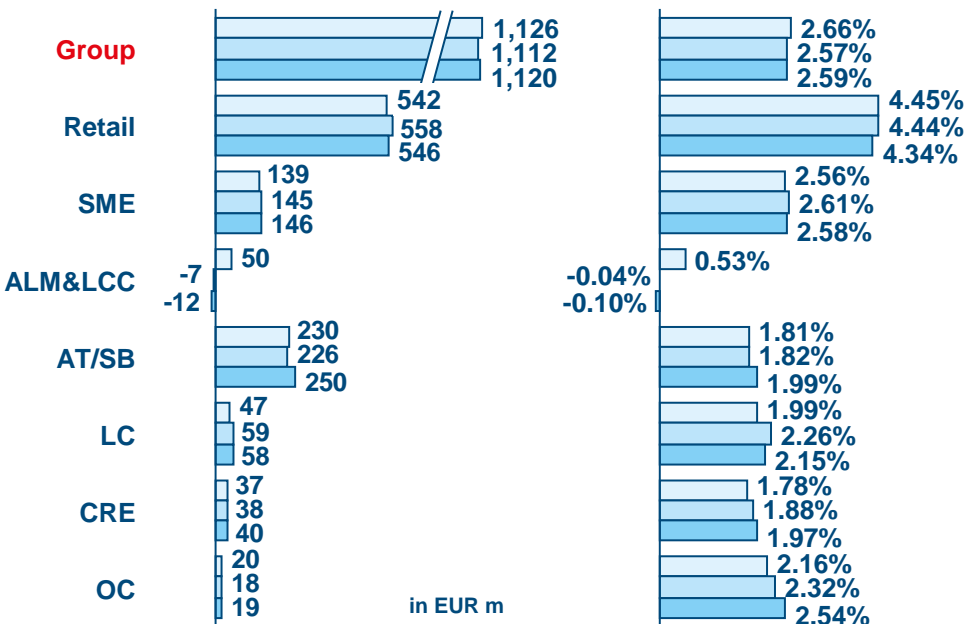
Business performance: NII and NIM –

Stable yoy and qoq NII in Q4 15 supported by loan growth, stable NIM

Q4 14
Q3 15
Q4 15

Business line view (BL)

Geographic view (geo)

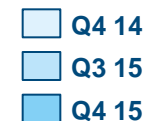


- AT/SB: rise in qoq and yoy NII mainly driven by deposit repricing and low single digit loan growth
- ALM/LCC: decline in NII driven by low interest rate environment
- Retail: qoq decrease mainly driven by Hungarian one-off, which also impacted NIM, yoy increase on higher volumes

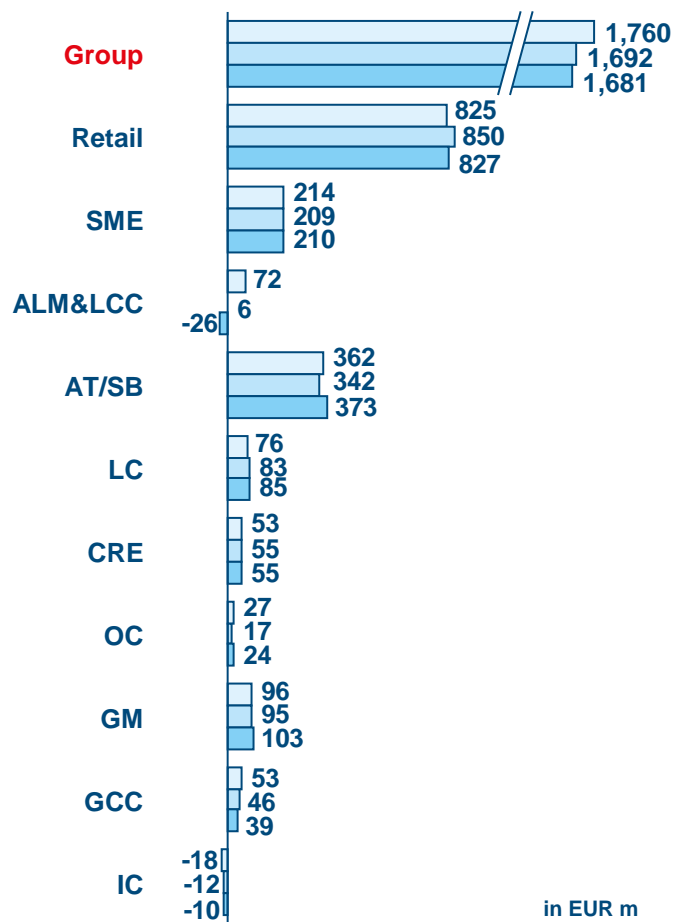
- Stable performance across most geographic segments, except for Hungary and Romania
- RO: yoy and to a lesser extent qoq decrease driven by significantly lower average loan volumes and lower unwinding impact
- HU: yoy decline driven by CHF conversion induced lower volumes; fair interest rate settlement and negative one-off of EUR 10.0m in Q4 15; qoq decline due to one-off in Q4 15

Business performance: operating income –

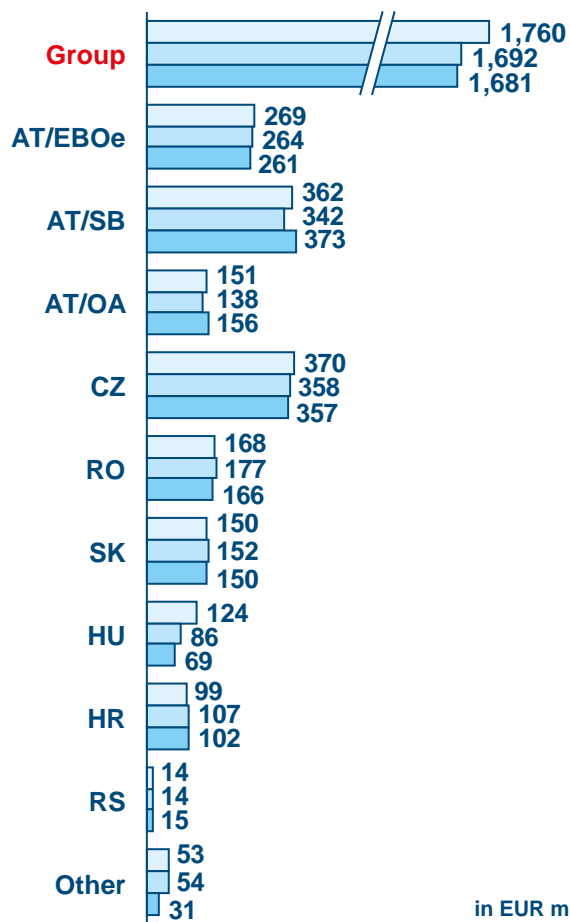
Q4 15 operating income stable qoq, down yoy on trading & FV result



Business line view (BL)



Geographic view (geo)

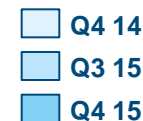


Highlights

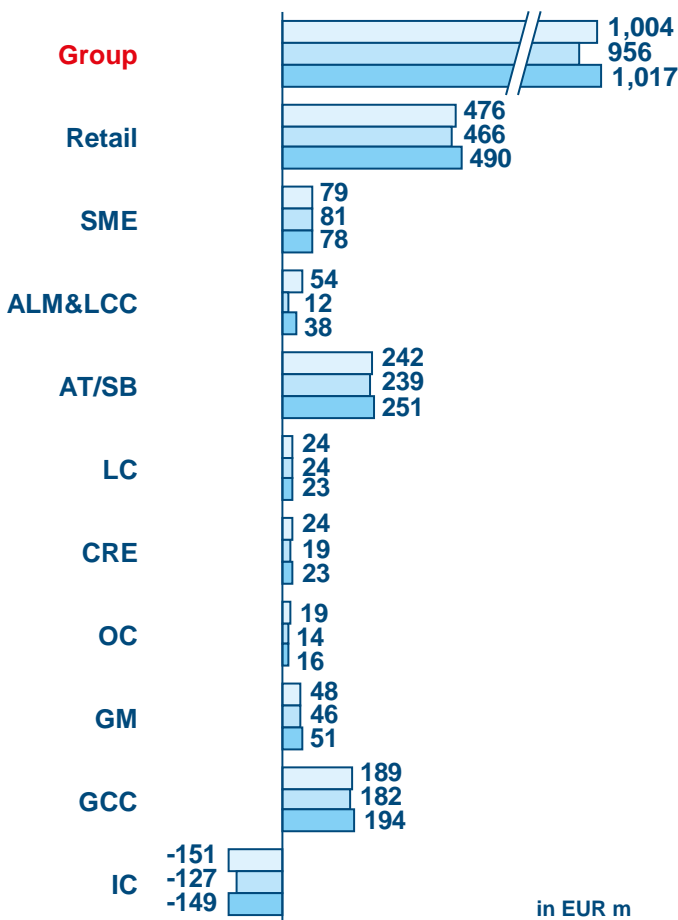
- Yoy decline primarily due to positive FX conversion-related trading one-off of EUR 32.4m in Q4 14 (Hungary) and negative fair value effects related to own issues; qoq also impacted by latter effect but partly offset by seasonally better fee development
- ALM&LCC: yoy decline primarily due to NII being impacted by low interest rate environment; qoq reduction mainly due to net trading and fair value result on the back of lower own issues valuations
- Retail: yoy stable, qoq reduction driven by lower NII (Hungary one-off) and lower fees
- GCC (prior to intragroup elimination): yoy decline due to lower fees, qoq down on lower rental income
- HU: qoq decline overstated by EUR 10.0m NII-related one-off, also impacted by lower net trading and FV result, yoy decline due to FX conversion-related trading one-off of EUR 32.4m in Q4 14 and lower NII on shrinking loan volumes (FX conversion)
- AT/SBs: yoy and qoq increase driven primarily by net interest income; fees flat yoy but seasonally up qoq
- Other: qoq and yoy lower due to deterioration in net trading and FV result
- CZ: yoy decrease driven mainly by lower fees, NII broadly stable qoq and yoy
- AT/OA: qoq increase driven by net trading and fair value result on the back of valuation volatility
- AT/EBOe: slight yoy decline due to lower trading income
- RO: stable yoy and down qoq on the back of currency related lower net trading and FV result

Business performance: operating expenses –

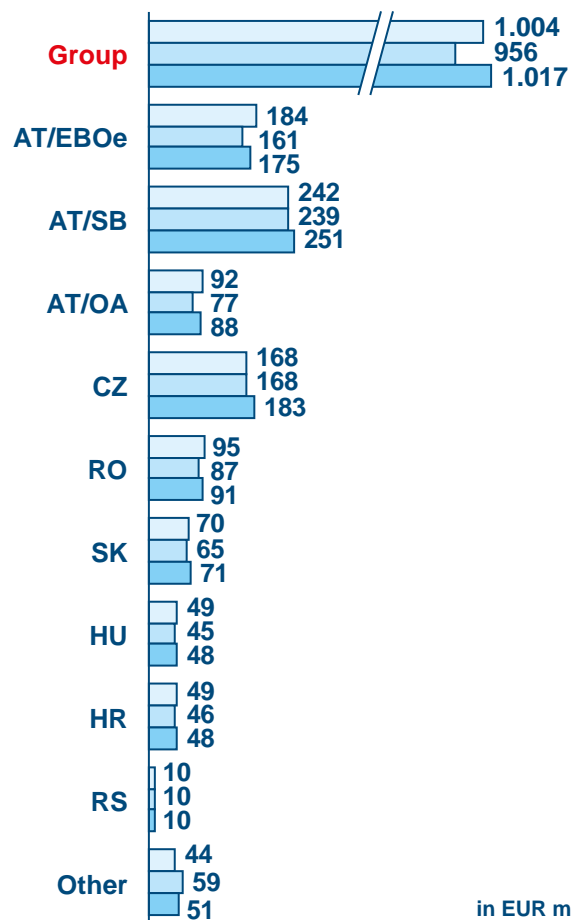
Q4 15 costs stable yoy, up qoq on seasonally higher costs



Business line view (BL)



Geographic view (geo)

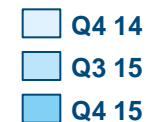


Highlights

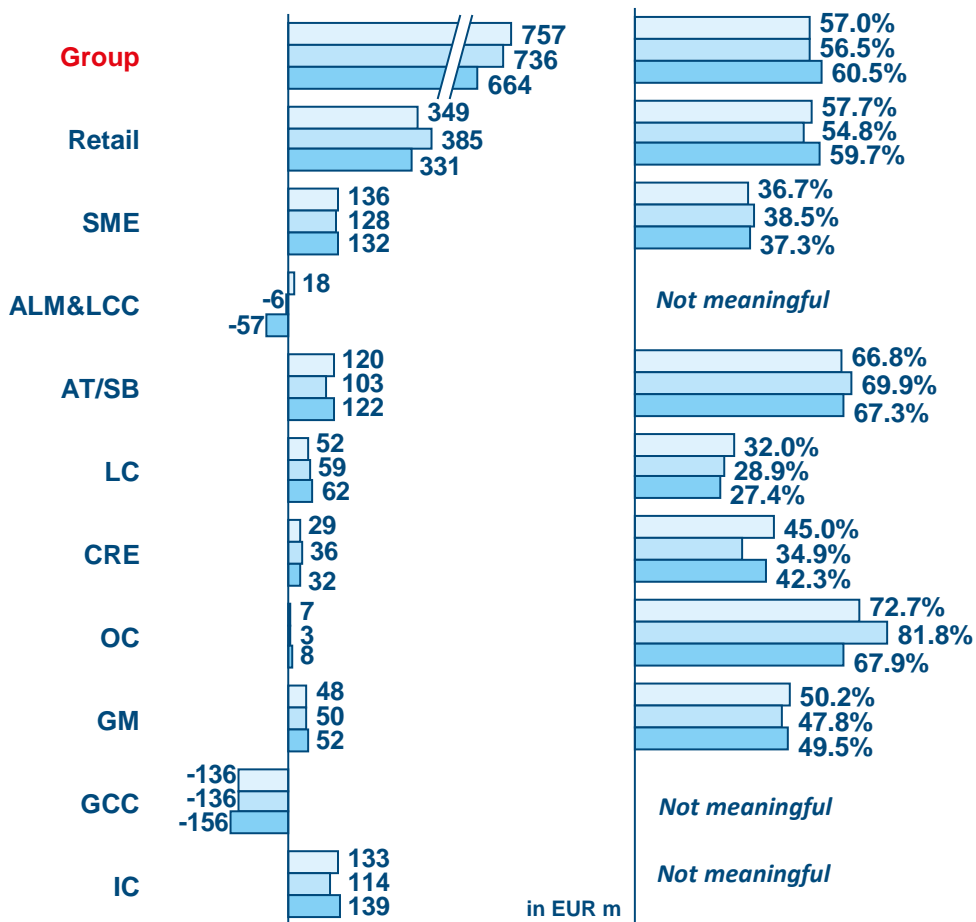
- Yoy costs almost stable; qoq up due to seasonality, driven by other administrative and personnel expenses
- Retail: yoy increase mainly due to Romania (higher personnel and project costs); qoq increases across all geographies on higher personnel, IT and other administrative expenses
- ALM/CC: yoy decrease driven by Romania due to change in cost allocation methodology; qoq increase due to higher personnel related expenses in EBOe
- AT/SB: up yoy and qoq on higher other administrative expenses
- AT/OA: qoq higher IT costs, as well as generally higher costs in International business
- CZ: qoq and yoy higher property management, marketing and personnel related costs
- Other: in general mirrors GCC and IC business line developments

Business performance: operating result and CIR –

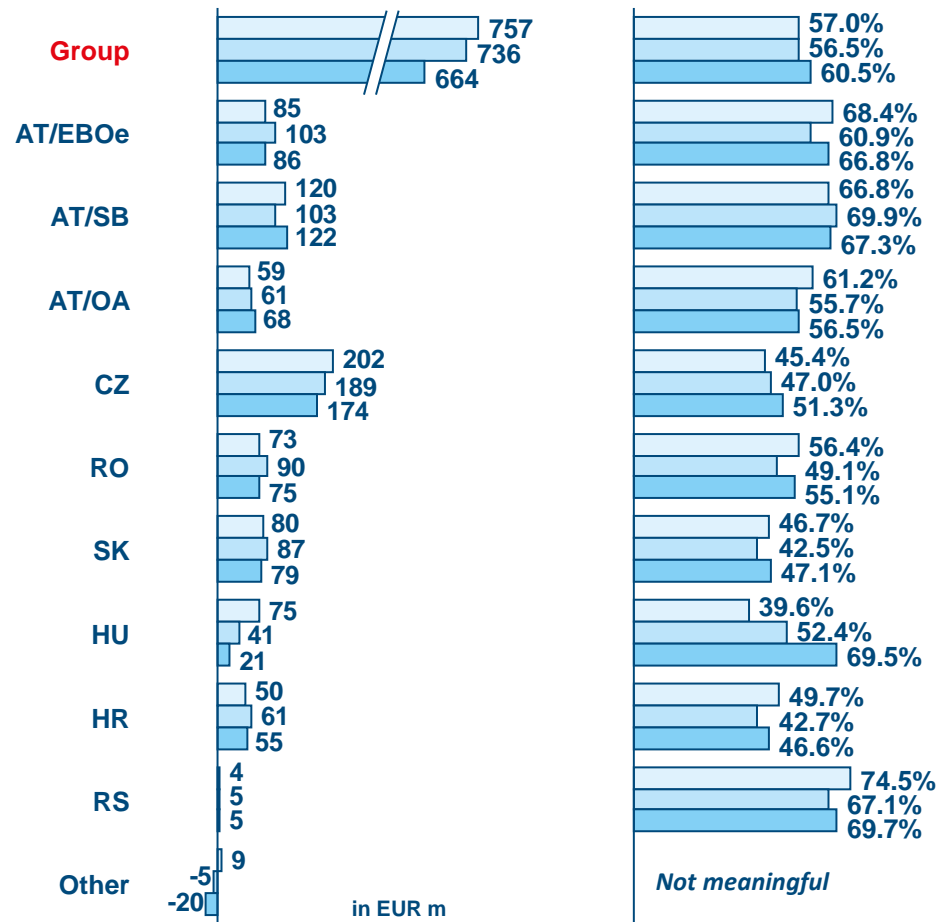
Operating result down qoq and yoy on weak trading & FV result, costs



Business line view (BL)



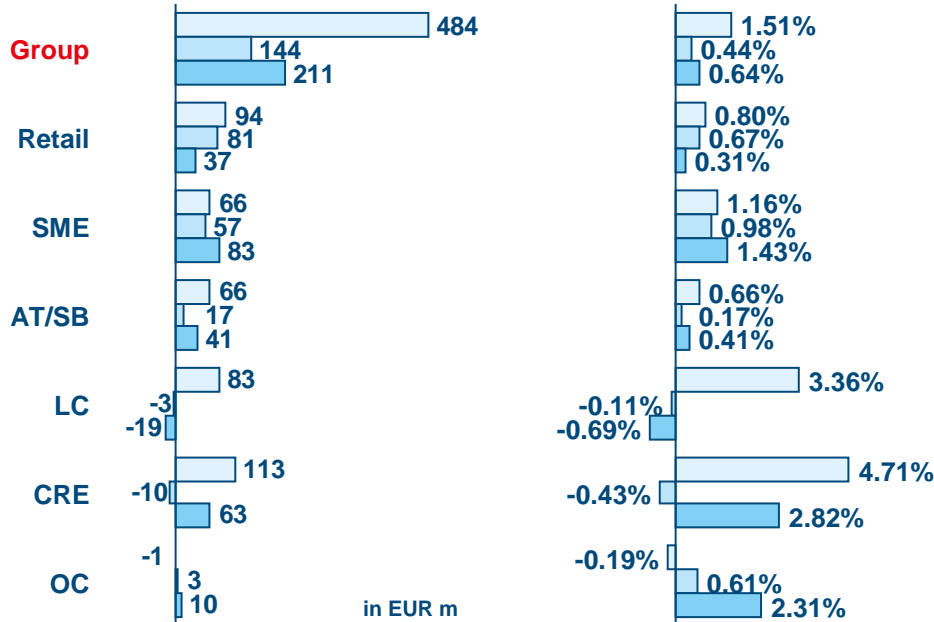
Geographic view (geo)



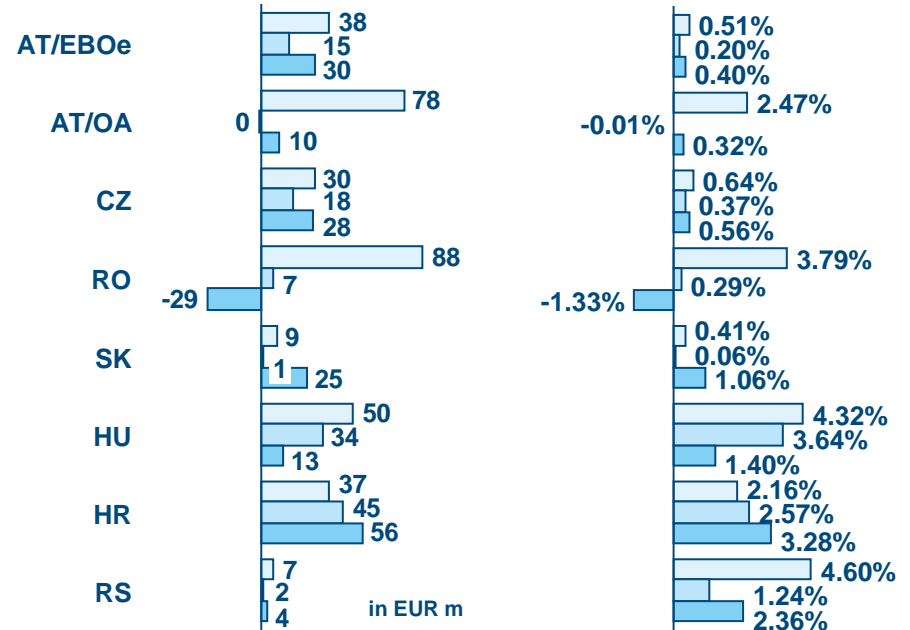
Business performance: risk costs (abs/rel*) – Risk costs remain at benign levels in Q4 15

Q4 14
Q3 15
Q4 15

Business line view (BL)



Geographic view (geo)



- Continued strong risk performance in Q4 15 supported by across the board yoy improvements in all business lines except SME, qoq increase in risk costs from very low levels due to SME, CRE and AT/SB
- Retail: yoy improvement mainly attributable to RO, qoq driven by RO and HU
- SME: yoy and qoq deterioration mainly due to higher provisions in HR
- LC: improvements yoy in RO, AT/OA and EBOe; qoq improvement due to RO
- CRE: yoy improvements mainly driven by better portfolio quality; qoq increase due to single defaults in SK, CZ and workout costs in HR
- AT/SB: moderate year-end increase from historically low provisioning requirements

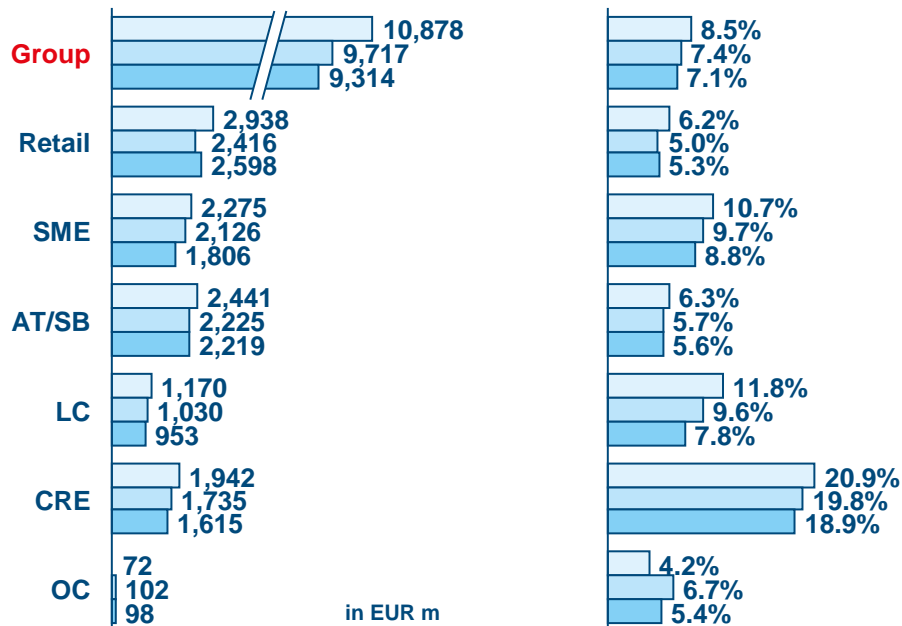
- RO: significant decline yoy and qoq in provisioning following extra provisions booked for accelerated NPL resolution in 2014; releases in 2015
- AT/EBOe: qoq higher LC provisions and impairments of participations
- AT/OA: yoy improvement driven by CRE (see left)
- CZ: qoq deterioration on CRE, PD calibration in Retail
- HU: yoy and qoq mainly driven by CRE and EUR 8.5m positive one-off
- SK: yoy and qoq increase due to single CRE default case
- HR: up yoy and qoq on difficult economic situation

*) Relative risk costs are defined as annualised quarterly risk costs over average gross customer loans.

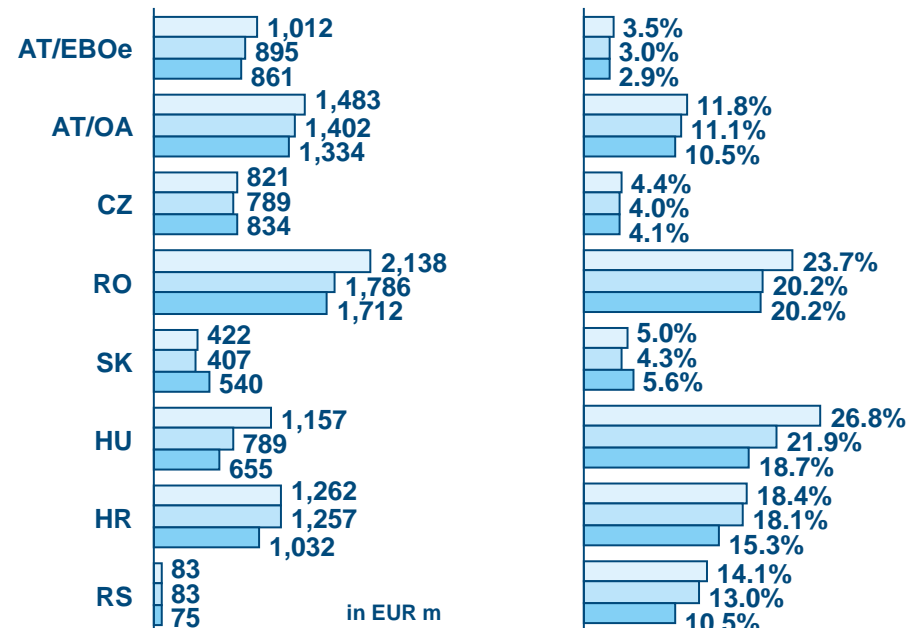
Business performance: non-performing loans and NPL ratio – NPL ratio improves to 7.1%, excluding Romanian NPL sale impact

31/12/14
30/09/15
31/12/15

Business line view (BL)



Geographic view (geo)



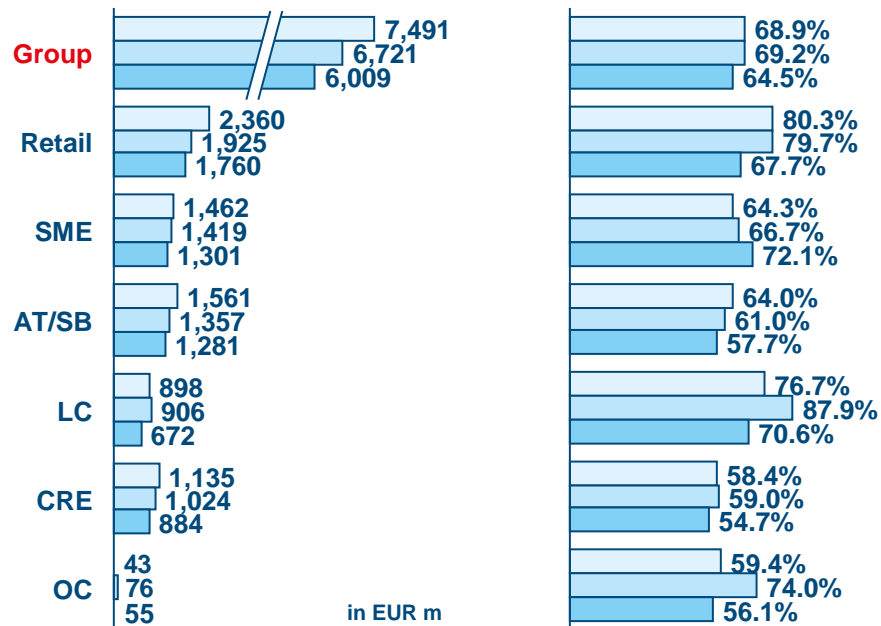
- Continued decline of group NPL volume in Q4 15 mainly due to lower NPL inflows across all major business lines and geographic segments and continued NPL sales in HR, RO and HU
- About EUR 500m NPL reduction impact from corporate NPL sale expected to be included as per Q1 16
- Despite adoption of EBA default definitions as per Q4 15 with negative impact of 38bps, NPL ratio improved to 7.1%

- NPL sales of EUR 448.7m in Q4 15 (Q3 15: EUR 94.9m)
 - Retail: EUR 77.0m (Q3 15: EUR 43.5m)
 - Corporate: EUR 371.7m (Q3 15: EUR 51.3m)
- NPL sales mainly in HR (178.3m), RO (EUR 80.0m), HU (EUR 56.5m), minor sales in AT, SK, CZ and RS

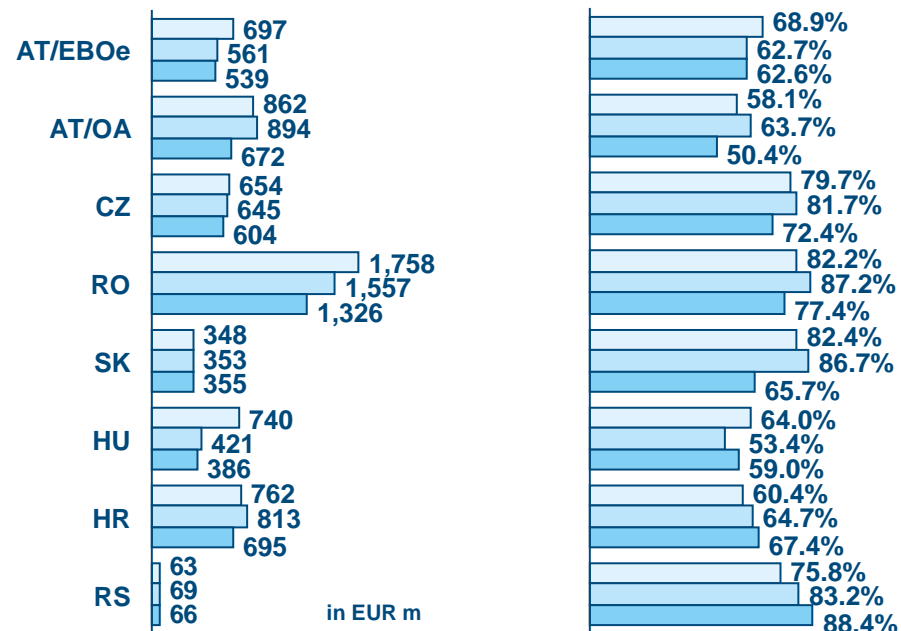
Business performance: allowances for loans and NPL coverage – NPL coverage remains at comfortable level of 64.5%

31/12/14
30/09/15
31/12/15

Business line view (BL)



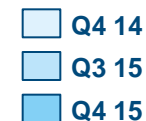
Geographic view (geo)



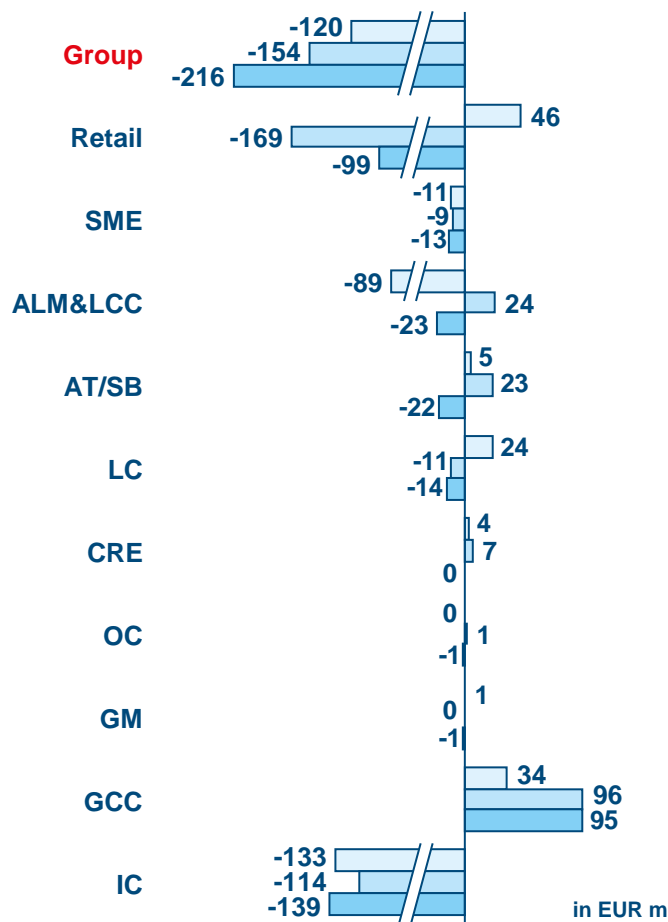
- NPL coverage declined qoq and yoy exclusively due to adoption of EBA default definitions, which led to a EUR 502m updrift in NPLs and to a similar reduction in substandard loans; no underlying change in asset quality
- Retail and SME segments primarily affected by EBA default definitions adoption

- SK: qoq decline due to higher NPL stock on EBA default definition adoption, as provisions remained flat
- AT/OA and CZ: similar development as in SK, with unchanged underlying asset quality but methodological changes (EBA NPE definition adoption)

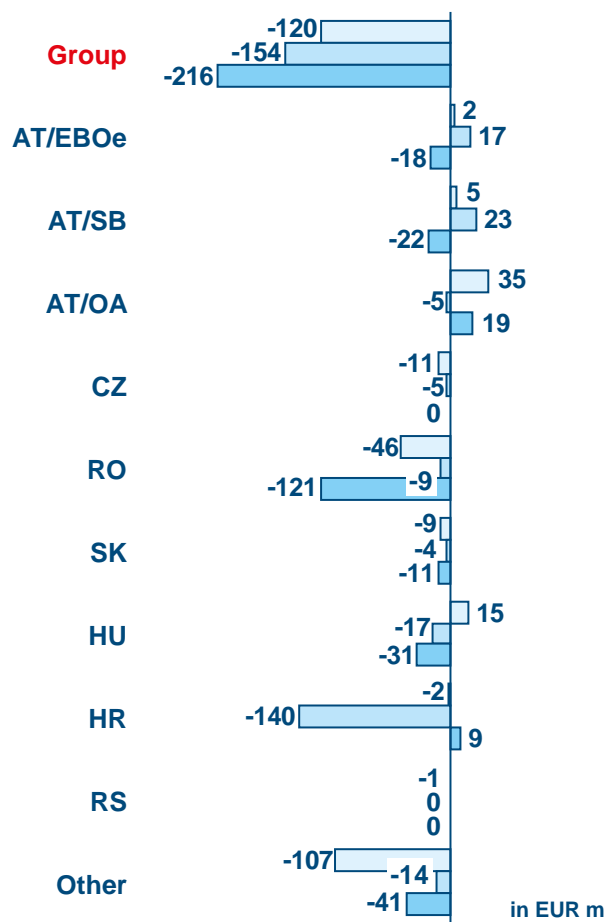
Business performance: other result – Q4 15 other result burdened by one-offs, mainly related to Romania



Business line view



Geographic view

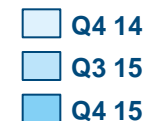


Highlights

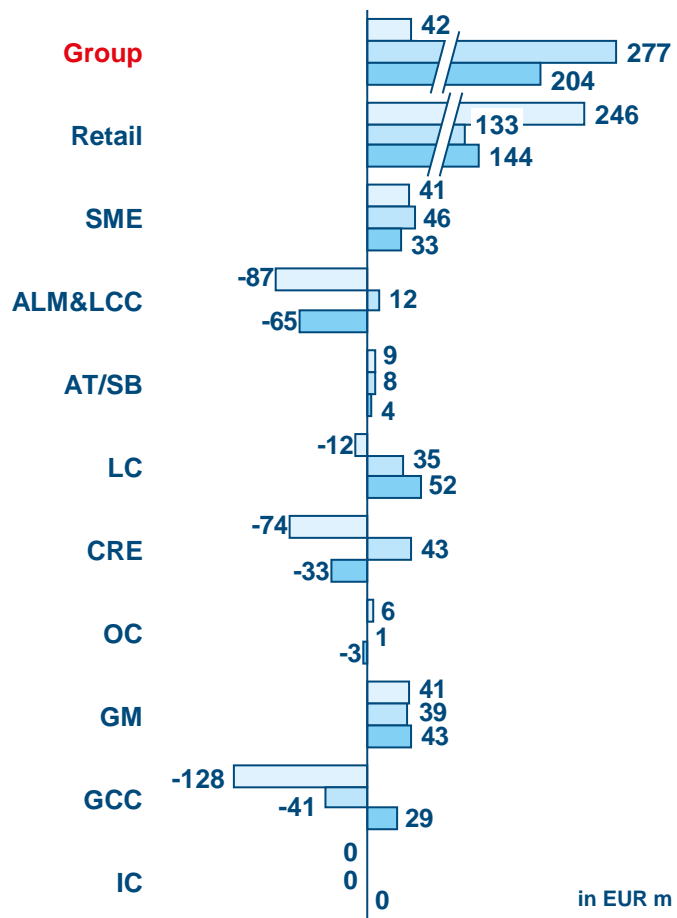
- Yoy deterioration in group other result mainly due to higher one-offs in Q4 15 (EUR 121.0m) on account of provision for risks related to Romanian consumer protection claims and exceptional Hungarian provisions for guarantees given
- Qoq deterioration mainly due to provision for risks related to Romanian consumer protection claims
- Retail: yoy down on provision for risks related to Romanian consumer protection claims, qoq improvement due to lower one-offs (HR CHF conversion in Q3 15 vs RO provision in Q4 15)
- ALM&LCC: qoq decline due to participation sale in AT in Q3 15; yoy improvement due to gains on financial liabilities and lower real estate impairments in RO
- LC: yoy deterioration due to higher provisions for commitments and guarantees given in Q4 15
- GCC: yoy improvement driven by lack of goodwill impairments in Q4 15; GCC has to be read in conjunction with IC elimination
- HU: yoy decline due to higher provisions for contingent credit risk liabilities in Q4 15 and positive one-off in Q4 14 (FX conversion)
- HR: qoq improvement as a result of EUR 144.9m CHF conversion one-off in Q3 15. Following partial release in Q4 15, full-year pre-tax, pre-minorities impact of EUR 129.5m
- RO: yoy and qoq deterioration due to provision of EUR 101.6m for risks related to Romanian consumer protection claims
- AT/OA: qoq improvement mainly on lower provisions for contingent credit risk liabilities
- Other: see GCC explanation; Other segment mirrors developments in GCC and IC elimination

Business performance: net result –

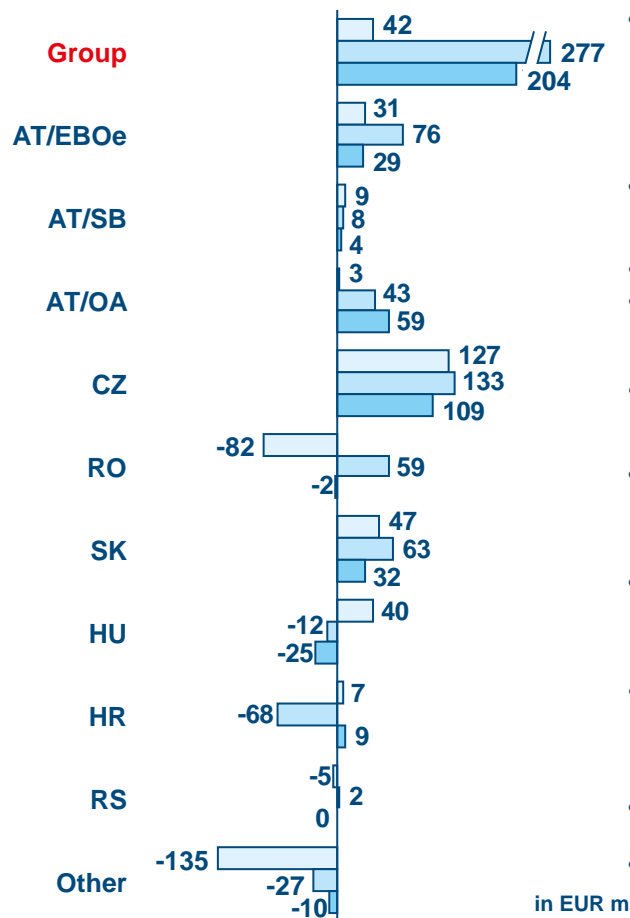
Q4 15 net result up yoy on lower risk costs, down qoq



Net result by business line



Net result by geography



Highlights

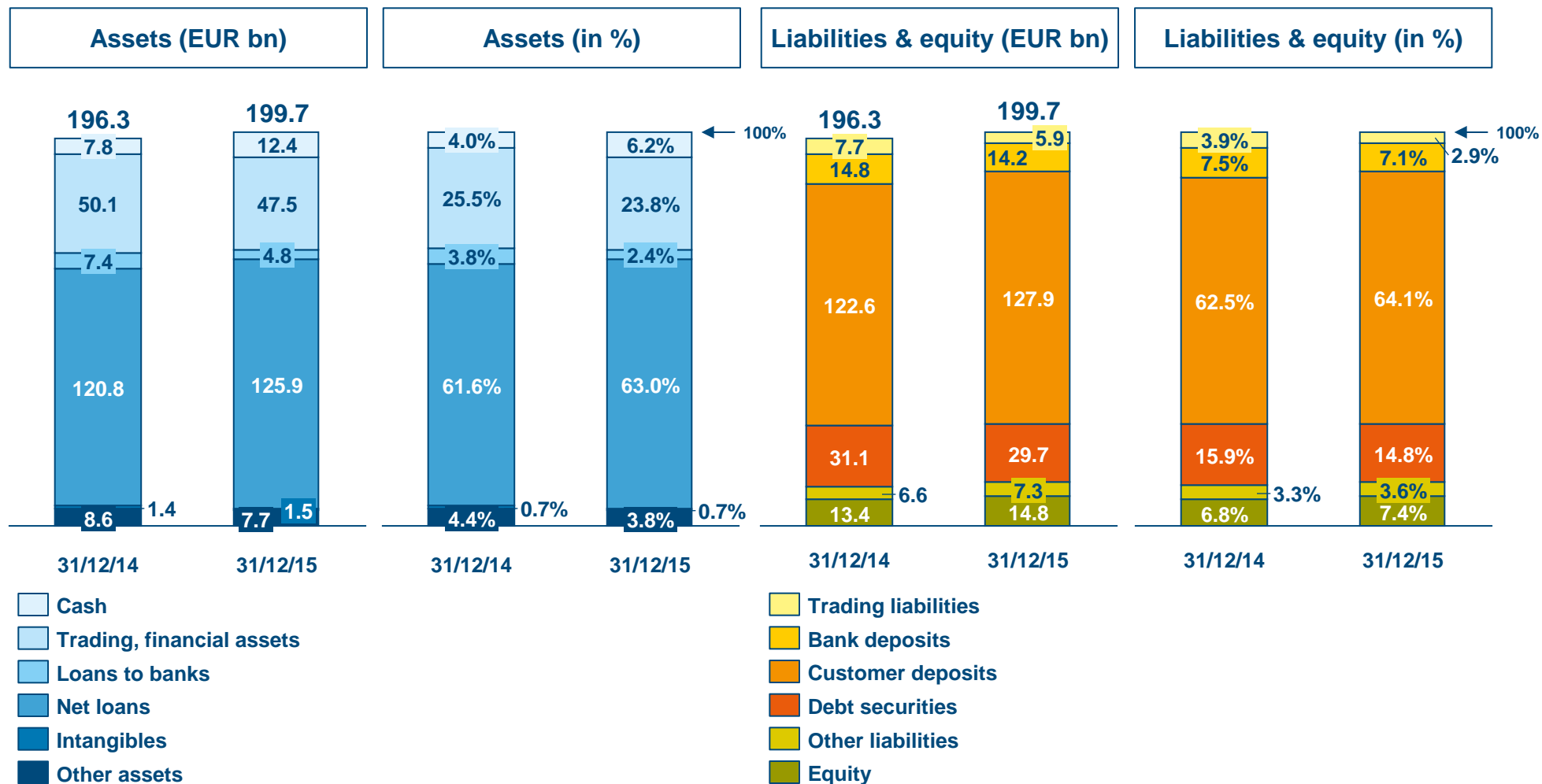
- Yoy rise in profitability primarily driven by lower risk costs; qoq decline in net profit due to higher one-offs in other operating result and weaker operating result in Q4 15, only partly offset by very low tax rate in Q4 15
- Retail: yoy decline mainly due to one-off in other result in RO (see below), qoq improvement on partial release of CHF impact in HR (see below)
- SME: net result driven by risk costs development
- ALM&LCC: qoq deterioration due to sale of non-core participation in AT/EBOe in Q3 15
- RO: yoy up on lower risk costs, which more than offset provision of EUR 101.6m for risks related to Romanian consumer protection claims
- HR: qoq improvement as a result of EUR 144.9m CHF conversion one-off in Q3 15. Following partial release in Q4 15, full-year pre-tax, pre-minorities impact of EUR 129.5m
- HU: yoy decline primarily driven by FX conversion-related trading one-off of EUR 32.4m in Q4 14; qoq deterioration mainly due to weaker other result
- AT/OA: yoy improvement due to lower risk costs
AT/EBOe: qoq decline on the back of EUR 38.3m gain on participation sale in Q3 15
- Return on equity at 7.5% in Q4 15, following 10.5% in Q3 15 and 1.7% in Q4 14
- Cash return on equity at 7.6% in Q4 15, following 10.6% in Q3 15 and 2.1% in Q4 14

Presentation topics

- Executive summary
- Business environment
- Business performance
- **Assets and liabilities**
- Outlook
- Additional information

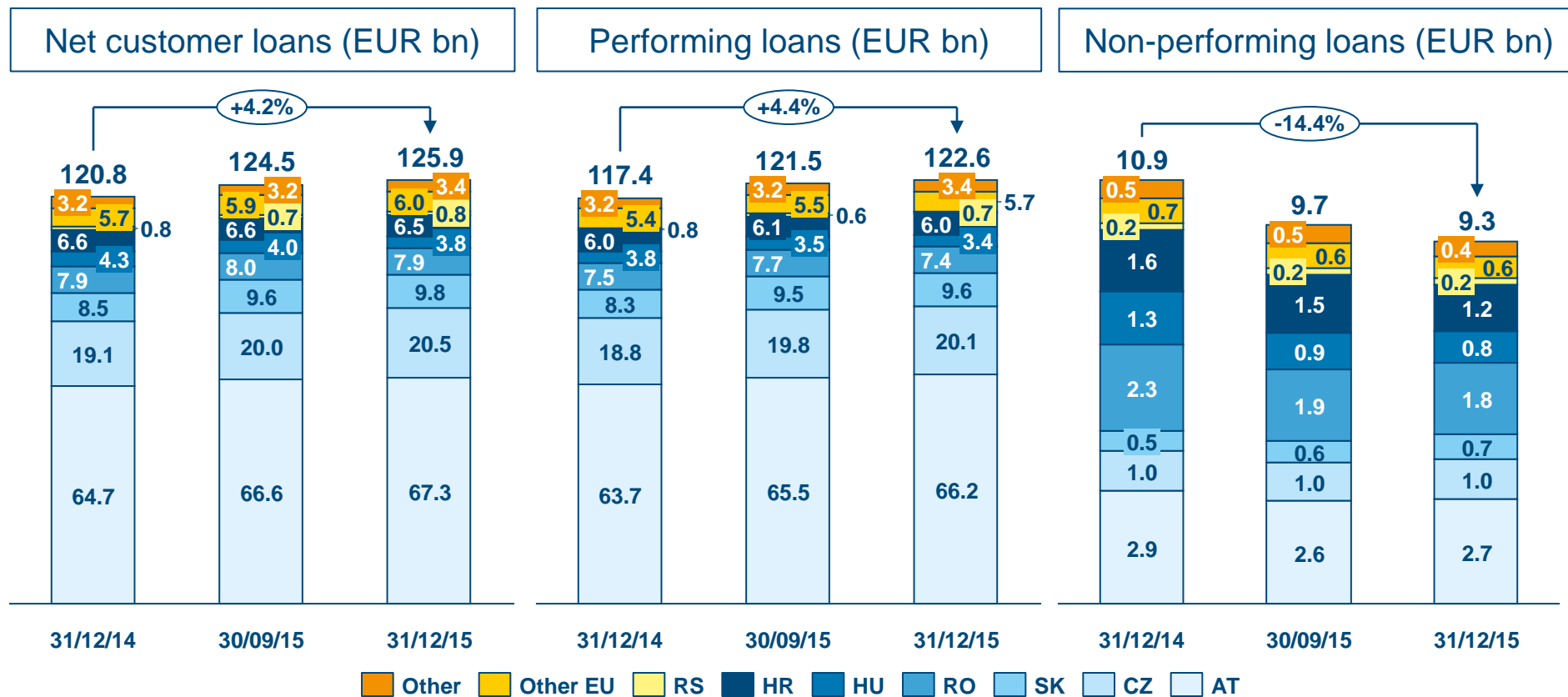
Assets and liabilities: YTD overview –

Loan/deposit ratio stable at 98.4% (Dec 14: 98.6%)



Assets and liabilities: customer loans by country of risk –

Performing loans up 4.4% yoy, NPLs down 14.4%

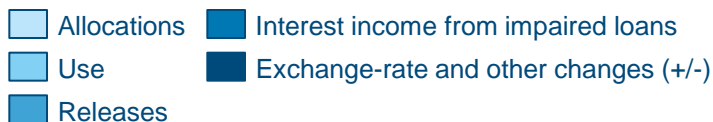
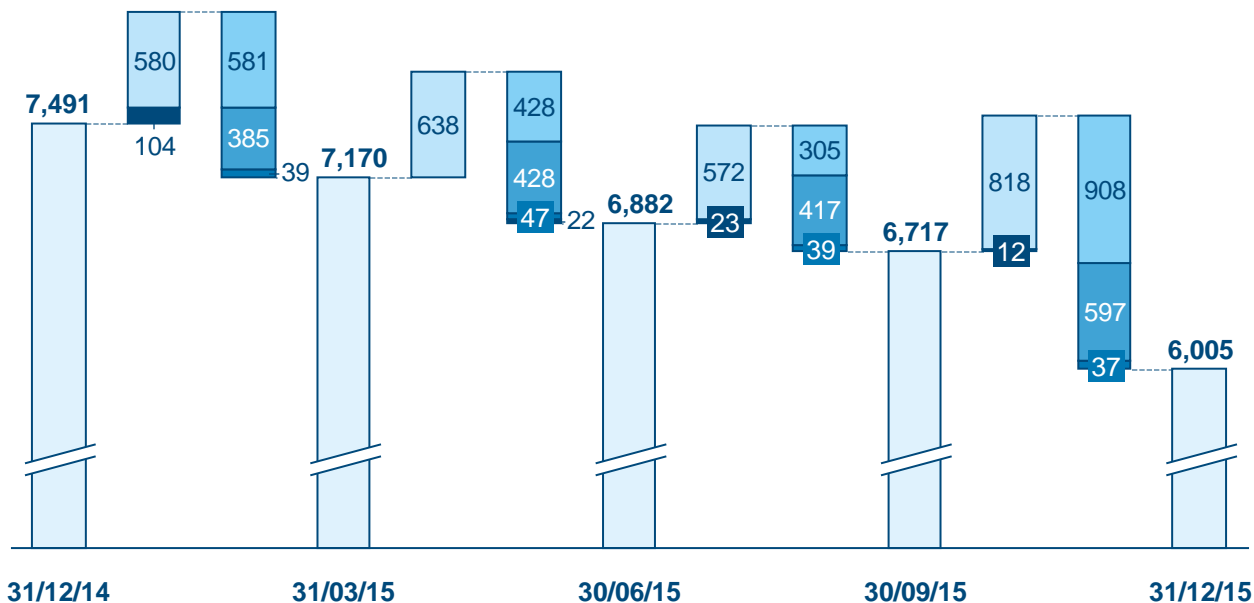


- Performing loan growth accelerates, driven by Austria, Slovakia and Czech Republic:
 - Main contributing business lines: Retail, SME and Large Corporates
 - Continued stabilisation in performing loans in Romania, continued decline in Hungary
- 14.4% yoy decline in NPL stock mainly driven by NPL sales and positive migration trends across most geographies

Assets and liabilities: allowances for customer loans –

Decrease in allowances mainly due to continued NPL reduction in Q4 15

Quarterly development (EUR m)



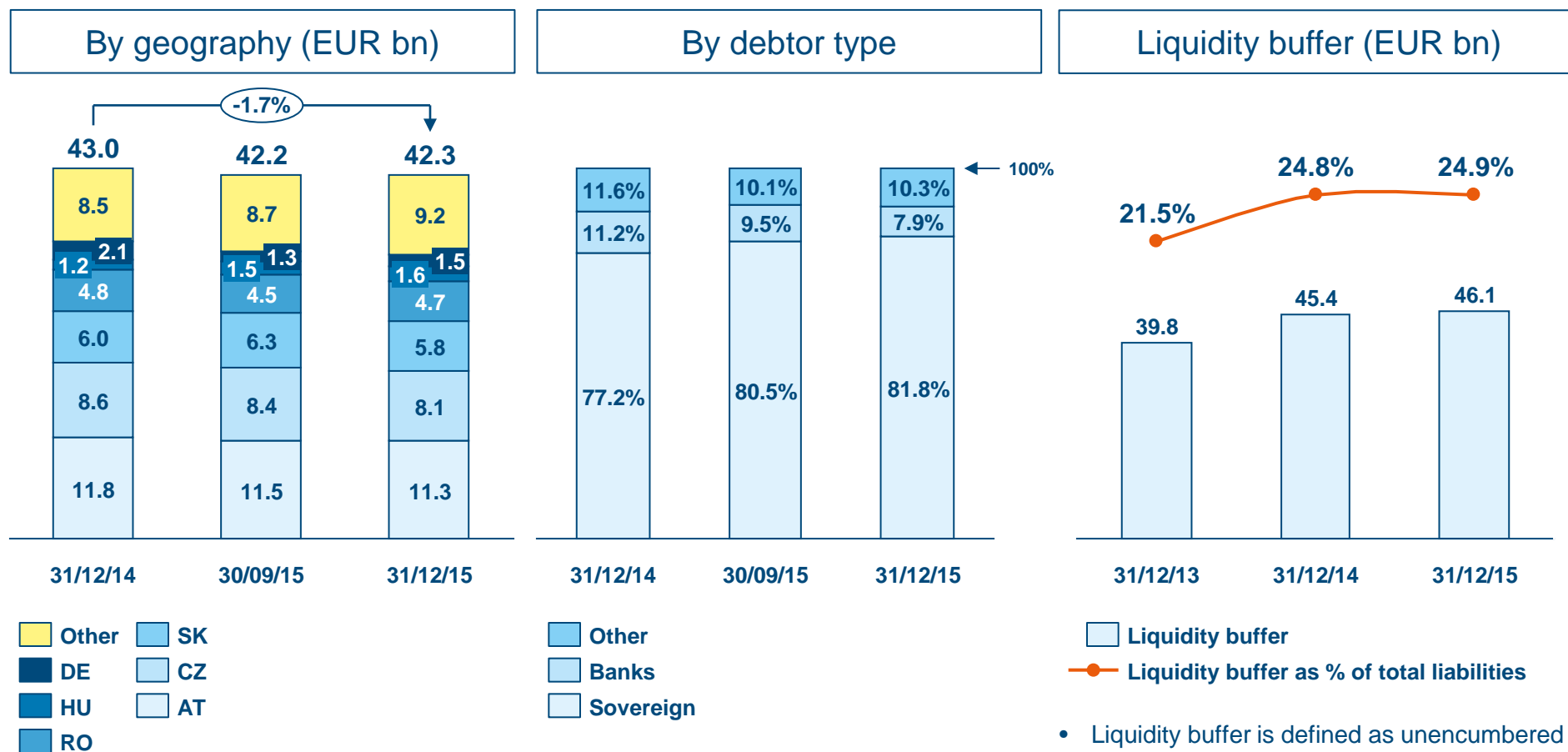
Highlights

- Higher allocations in Q4 15 on the back of higher NPL infows
- P&L unwinding impact = interest income from impaired loans = EUR 37m in Q4 15 (Q4 14: EUR 43m, Q3 15: EUR 39m)

Unwinding impact explained

- Erste Group does not accrue interest on NPLs
- When a loan turns NPL Erste Group estimates the recoverable amount and the time frame of recovery
- The recoverable amount is discounted to present (at the effective interest rate of the underlying contract) and a provision reflecting the time value of money is created, ie a higher provision than without discounting
- The time value is released through NII until recovery realisation

Assets and liabilities: financial and trading assets * – LCR at comfortable 117.4%



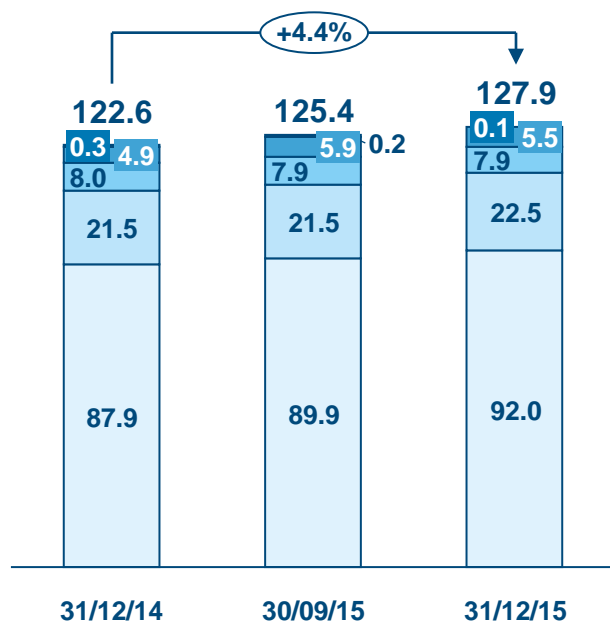
* Excludes derivatives held for trading.

- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

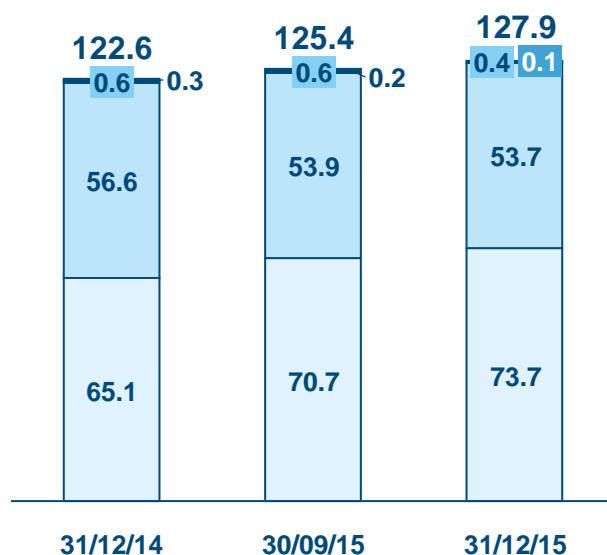
Assets and liabilities: customer deposit funding –

Customer deposits grow by 2.0% qoq, up 4.4% yoy

By customer type

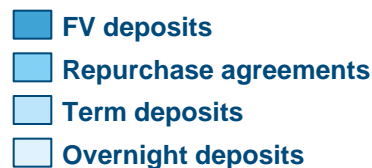


By product type



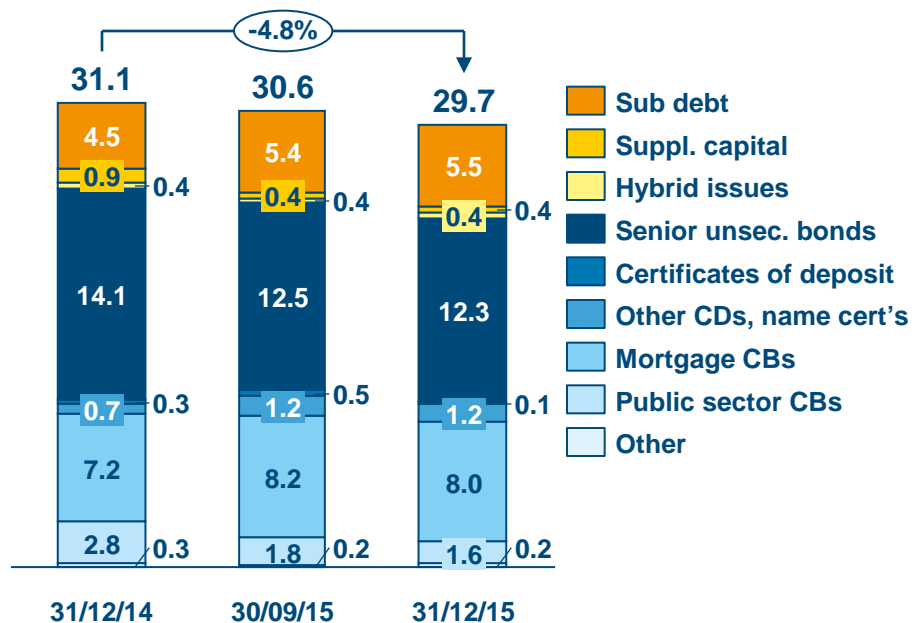
Highlights

- Continued deposit inflows driven by Retail segment with highest demand for overnight deposits amid low interest rate environment
- Limited volatility in corporate and public sector deposits
- Increasing share of overnight deposits with significantly longer behavioural maturity provides a cost effective funding source

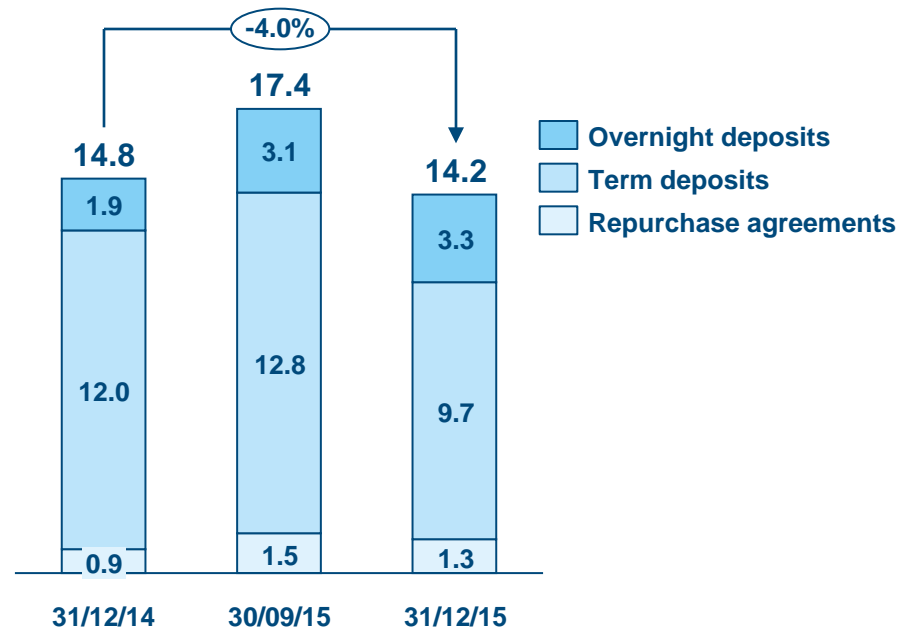


Assets and liabilities: debt vs interbank funding – Stable wholesale funding base

Debt securities issued (EUR bn)



Interbank deposits (EUR bn)

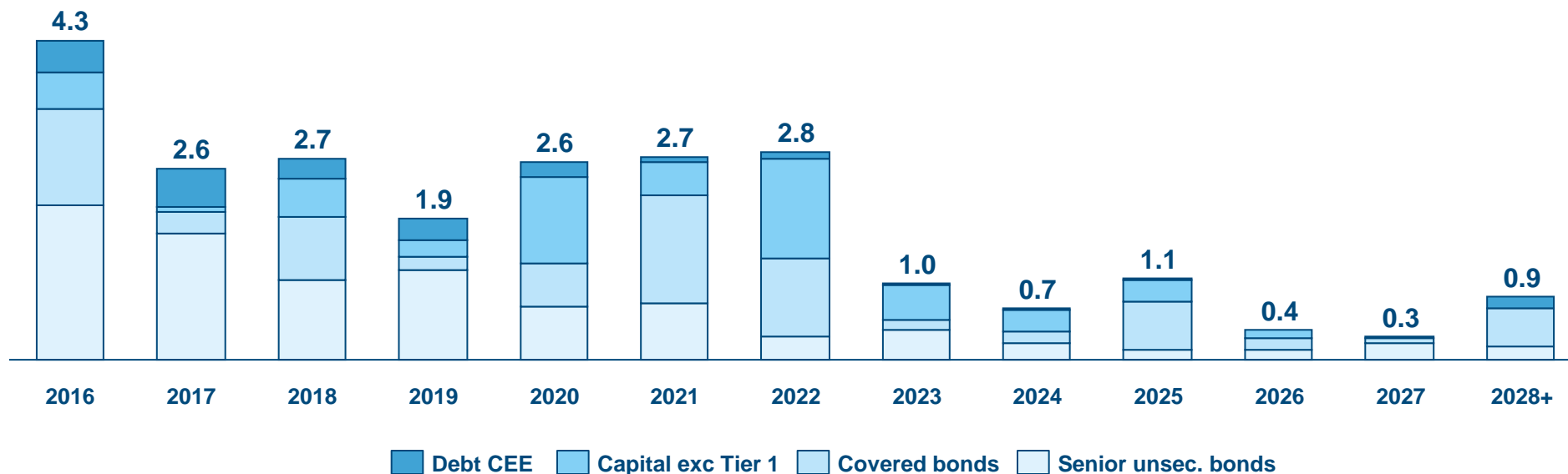


- Overall reduction in wholesale funding reliance led by decline in outstanding senior unsecured debt, which was only partly offset by increased subsidiary debt and mortgage covered bonds

- Qoq and yoy reduction in term deposits led to overall decline in interbank funding reliance

Assets and liabilities: LT funding – Limited LT funding needs

Maturity profile of debt (EUR bn)



- Total issuance activities in 2015 amounted to EUR 2.4bn, thereof 2 mortgage covered bond benchmark issues totalling EUR 1bn
- The average maturity of bonds issued in 2015 is above 7 years
- In January 2016 Erste Group issued a EUR 750m 7y mortgage covered bond (MS +16 bps)

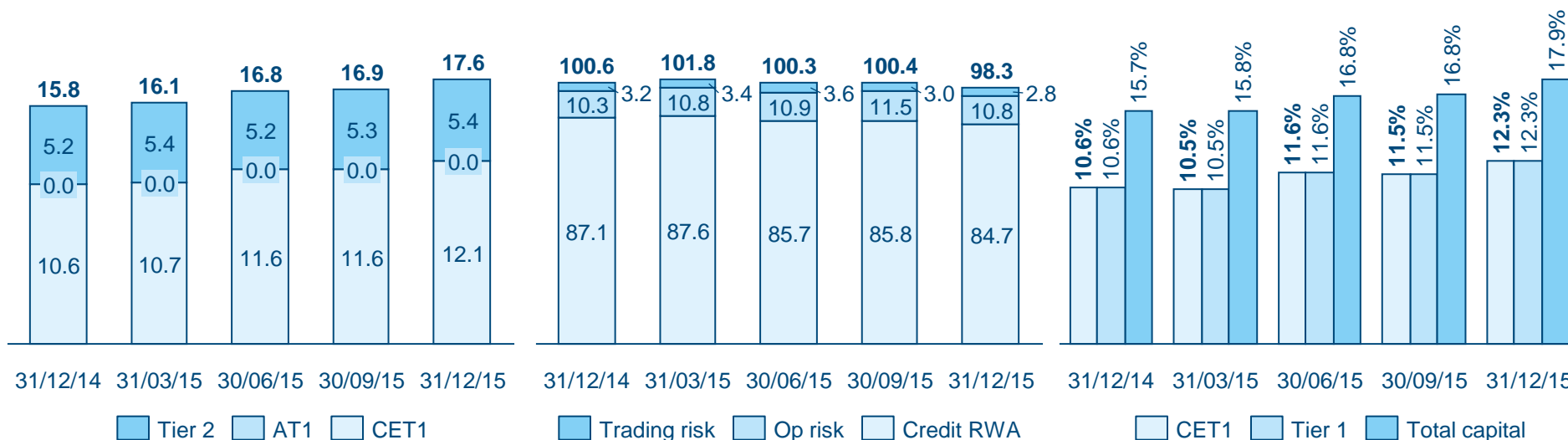
Assets and liabilities: capital position –

B3FL CET1 ratio advances to 12.0%, driven primarily by capital build-up

Basel 3 capital (phased-in)

Risk-weighted assets (phased-in)

Basel 3 capital ratios (phased-in)



- B3FL CET1 capital build contributed EUR 1.2bn or about +120 bps to higher capital ratios in 2015; B3FL CET1 capital at EUR 12.0bn (YE14: EUR 10.8bn)
- Main drivers for B3FL CET1 ratio increase:
 - Retained profit of EUR 0.7bn
 - Higher minority capital of EUR 0.3bn
 - Lower other comprehensive income deduction of about EUR 135m

- B3FL RWA declined from EUR 101.9bn at YE14 to EUR 100.3bn at YE15 (ratio impact of about +20bps), due to:
 - Decline in credit RWA due to portfolio improvements, which more than offset business growth
 - Decline in trading risk RWA
 - Increase in operational risk RWA

- B3FL CET1 ratio at 12.0% YE15 (YE14: 10.6%)
- B3FL total capital ratio at 17.2% at YE15 (YE14: 15.6%)
- SREP requirement for 2016: 9.5% + 0.25% systemic risk buffer; B3FL SREP ratio as per 1 Jan 2019 (based on 2016 data): 9.5% + 2.0% = 11.5%

Presentation topics

- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- **Outlook**
- Additional information

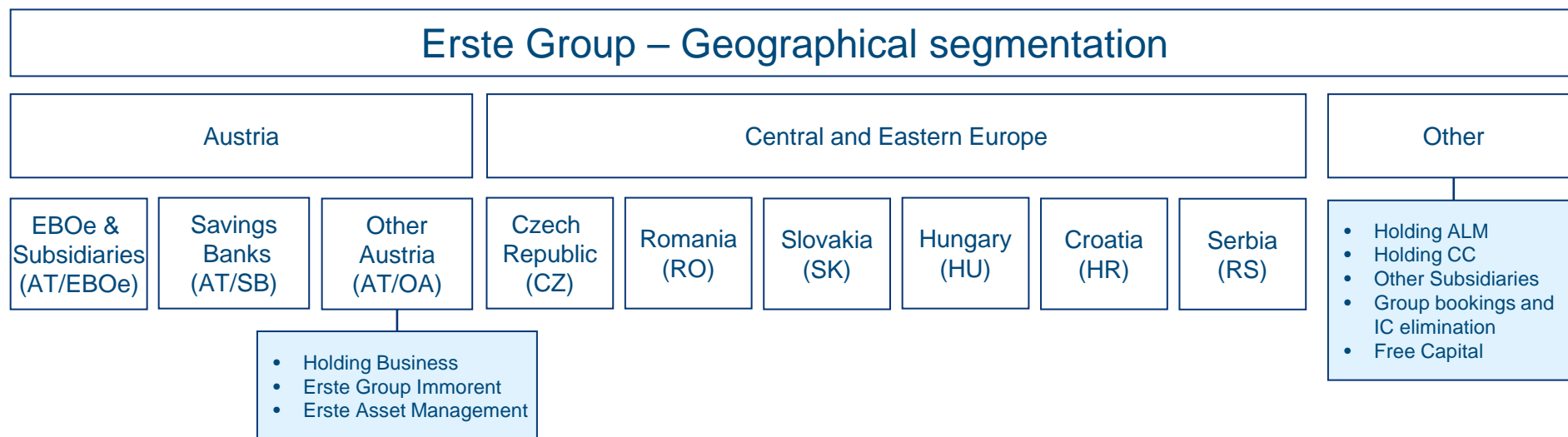
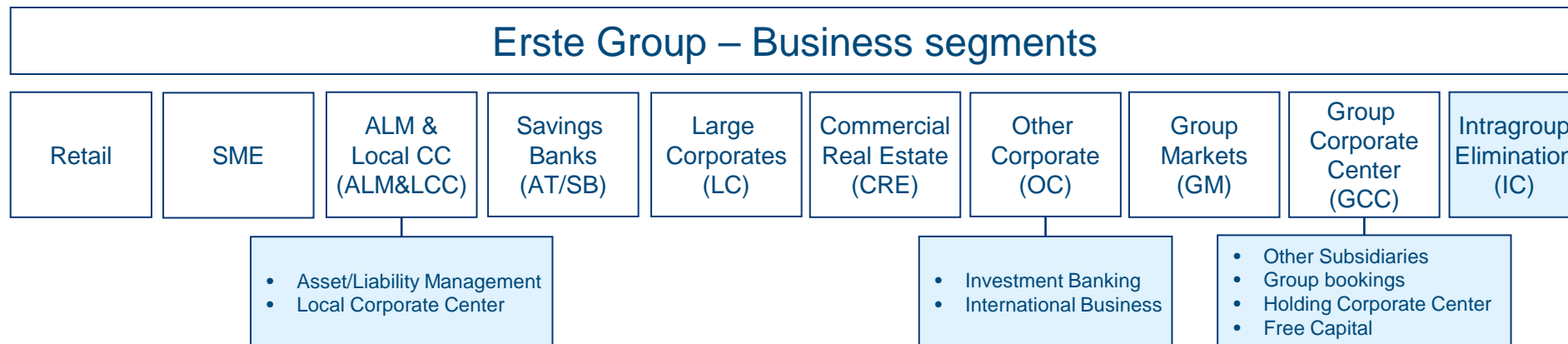
Conclusion – Outlook 2016

- **CEE economic environment anticipated to be conducive to credit expansion**
 - Real GDP growth of between 1.5-3.8% expected in 2016 in all major CEE markets, including Austria
 - Real GDP growth to be driven by solid domestic demand
- **Return on tangible equity (ROTE) expected at about 10-11% in 2016 underpinning continued dividend payout**
 - Support factors: re-emerging loan growth; continued improvement in asset quality amid a benign risk environment; positive one-off related to VISA sale in the amount of about EUR 127m pre-tax
 - Headwinds: persistent low interest rate environment affecting group operating income, primarily NII; lower operating results in Hungary (lower volumes) and Romania (following asset re-pricing); banking levies (total of banking taxes, FTT, resolution fund and deposit insurance fund contributions) expected at about EUR 360m pre-tax in 2016
 - Banking taxes and FTT booked pro rata in other operating result, except HU banking tax (booked upfront in Q1 16)
 - Resolution fund contributions expected to be booked upfront in Q1 16 in other operating result
 - Deposit insurance contributions expected to be booked partly pro rata and partly upfront in Q1 16 in operating expenses
- **Risks to guidance**
 - Geopolitical risks and global economic risks
 - Impact from negative interest rates
 - Consumer protection initiatives

Presentation topics

- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- Outlook
- **Additional information**

Additional information: segmentation – Business line and geographic view



Additional information: income statement – Year-to-date and quarterly view

in EUR million	Year-to-date view			Quarterly view				
	2014	2015	YOY-Δ	Q4 14	Q3 15	Q4 15	YOY-Δ	QOQ-Δ
Net interest income	4,495.2	4,444.7	-1.1%	1,125.6	1,112.3	1,120.4	-0.5%	0.7%
Net fee and commission income	1,869.8	1,861.8	-0.4%	497.1	455.2	489.2	-1.6%	7.5%
Dividend income	74.2	49.9	-32.8%	11.3	11.2	6.6	-41.5%	-40.9%
Net trading and fair value result	242.3	210.1	-13.3%	75.8	56.4	17.2	-77.3%	-69.5%
Net result from equity method investments	15.8	17.5	10.8%	4.2	4.7	3.1	-25.7%	-32.9%
Rental income from investment properties & other operating leases	180.6	187.9	4.0%	46.5	51.7	44.4	-4.5%	-14.2%
Personnel expenses	-2,184.2	-2,244.6	2.8%	-577.2	-553.6	-577.1	0.0%	4.3%
Other administrative expenses	-1,136.9	-1,179.3	3.7%	-315.1	-295.6	-324.1	2.9%	9.6%
Depreciation and amortisation	-466.1	-445.0	-4.5%	-111.3	-106.4	-115.3	3.6%	8.3%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	18.3	100.9	>100.0%	4.0	22.8	42.1	>100.0%	85.2%
Net impairment loss on financial assets not measured at fair value through profit or loss	-2,083.7	-729.1	-65.0%	-484.3	-144.4	-210.7	-56.5%	45.9%
Other operating result	-1,752.9	-635.6	-63.7%	-124.3	-176.8	-258.2	>100.0%	46.0%
Levies on banking activities	-256.3	-236.2	-7.8%	-47.6	-50.5	-48.5	1.9%	-4.0%
Pre-tax result from continuing operations	-727.7	1,639.1	n/a	152.2	437.4	237.6	56.1%	-45.7%
Taxes on income	-521.5	-363.9	-30.2%	-75.5	-88.9	-1.6	-97.8%	-98.2%
Net result for the period	-1,249.2	1,275.1	n/a	76.7	348.5	236.0	>100.0%	-32.3%
Net result attributable to non-controlling interests	133.4	307.0	>100.0%	34.7	71.6	32.0	-8.0%	-55.4%
Net result attributable to owners of the parent	-1,382.6	968.2	n/a	42.0	276.9	204.0	>100.0%	-26.3%
Operating income	6,877.9	6,771.8	-1.5%	1,760.5	1,691.6	1,680.9	-4.5%	-0.6%
Operating expenses	-3,787.3	-3,868.9	2.2%	-1,003.6	-955.6	-1,016.5	1.3%	6.4%
Operating result	3,090.7	2,902.9	-6.1%	756.9	735.9	664.4	-12.2%	-9.7%

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	7,835	8,223	7,011	11,097	12,350	57.6%	57.6%	11.3%
Financial assets - held for trading	10,531	11,366	9,022	8,805	8,719	-17.2%	-17.2%	-1.0%
Derivatives	7,173	7,628	5,613	5,633	5,303	-26.1%	-26.1%	-5.9%
Other trading assets	3,357	3,738	3,409	3,172	3,416	1.7%	1.7%	7.7%
Financial assets - at fair value through profit or loss	350	271	269	332	359	2.7%	2.7%	8.2%
Financial assets - available for sale	22,373	23,187	21,804	21,187	20,763	-7.2%	-7.2%	-2.0%
Financial assets - held to maturity	16,877	17,462	17,949	17,585	17,701	4.9%	4.9%	0.7%
Loans and receivables to credit institutions	7,442	8,345	8,775	8,384	4,805	-35.4%	-35.4%	-42.7%
Loans and receivables to customers	120,834	123,437	123,504	124,521	125,897	4.2%	4.2%	1.1%
Derivatives - hedge accounting	2,872	2,914	2,181	2,284	2,191	-23.7%	-23.7%	-4.1%
Changes in fair value of portfolio hedged items	0	0	0	0	0	n/a	n/a	n/a
Property and equipment	2,264	2,340	2,330	2,368	2,402	6.1%	6.1%	1.4%
Investment properties	950	947	805	751	753	-20.7%	-20.7%	0.2%
Intangible assets	1,441	1,415	1,395	1,393	1,465	1.6%	1.6%	5.2%
Investments in associates and joint ventures	195	190	194	164	167	-14.6%	-14.6%	1.5%
Current tax assets	107	107	150	166	119	10.7%	10.7%	-28.6%
Deferred tax assets	301	293	255	234	310	3.0%	3.0%	32.4%
Assets held for sale	291	229	429	487	526	80.7%	80.7%	8.1%
Other assets	1,623	1,844	1,457	1,411	1,217	-25.0%	-25.0%	-13.8%
Total assets	196,287	202,570	197,532	201,171	199,743	1.8%	1.8%	-0.7%

Additional information: group balance sheet – Liabilities and equity

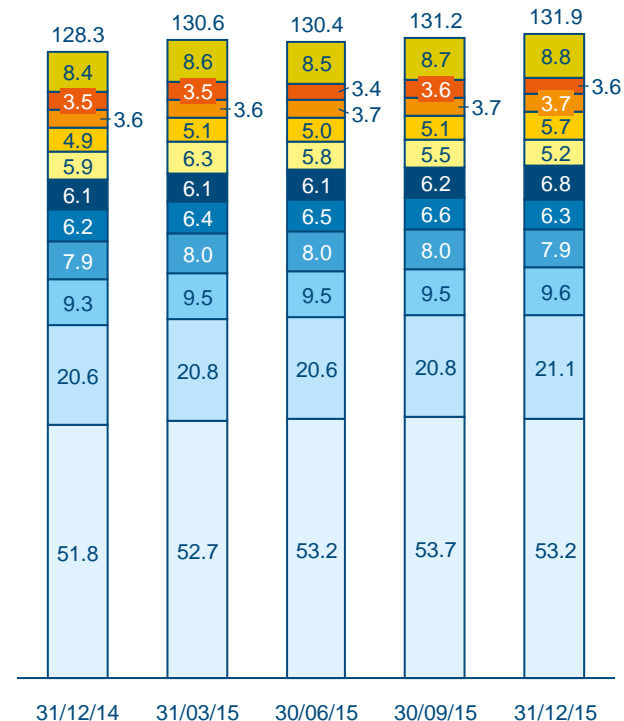
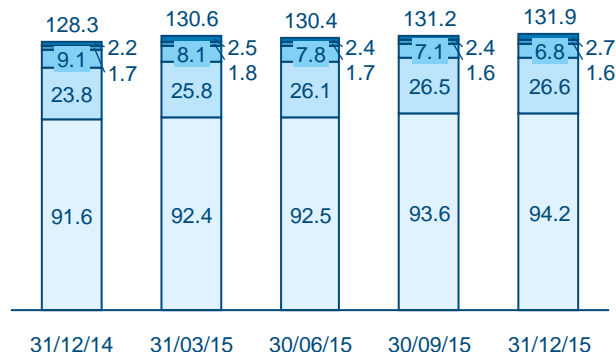
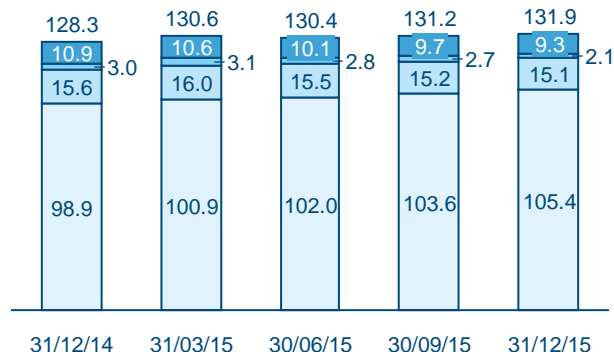
in EUR million	Quarterly data					Change		
	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities - held for trading	7,746	8,988	6,632	6,364	5,867	-24.3%	-24.3%	-7.8%
Derivatives	7,188	8,163	5,875	5,654	5,434	-24.4%	-24.4%	-3.9%
Other trading liabilities	558	824	758	711	434	-22.3%	-22.3%	-39.0%
Financial liabilities - at fair value through profit or loss	2,073	1,966	1,881	1,907	1,907	-8.0%	-8.0%	0.0%
Deposits from banks	0	0	0	0	0	n/a	n/a	n/a
Deposits from customers	320	257	237	197	149	-53.5%	-53.5%	-24.5%
Debt securities issued	1,753	1,709	1,644	1,710	1,758	0.3%	0.3%	2.8%
Other financial liabilities	0	0	0	0	0	n/a	n/a	n/a
Financial liabilities measured at amortised cost	166,921	170,616	168,769	172,186	170,787	2.3%	2.3%	-0.8%
Deposits from banks	14,803	16,389	15,704	17,414	14,212	-4.0%	-4.0%	-18.4%
Deposits from customers	122,263	124,495	124,296	125,242	127,797	4.5%	4.5%	2.0%
Debt securities issued	29,387	29,143	28,270	28,910	27,896	-5.1%	-5.1%	-3.5%
Other financial liabilities	469	590	497	620	882	87.9%	87.9%	42.2%
Derivatives - hedge accounting	726	833	639	621	593	-18.3%	-18.3%	-4.5%
Changes in fair value of portfolio hedged items	1,225	1,277	962	1,013	966	-21.2%	-21.2%	-4.7%
Provisions	1,653	1,688	1,608	1,752	1,736	5.1%	5.1%	-0.9%
Current tax liabilities	91	111	121	120	90	-1.2%	-1.2%	-25.0%
Deferred tax liabilities	99	140	85	92	96	-3.0%	-3.0%	4.2%
Liabilities associated with assets held for sale	0	0	33	33	578	n/a	n/a	>100.0%
Other liabilities	2,310	2,996	2,786	2,647	2,317	0.3%	0.3%	-12.5%
Total equity	13,443	13,956	14,015	14,437	14,807	10.1%	10.1%	2.6%
Equity attributable to non-controlling interests	3,605	3,718	3,701	3,746	3,802	5.5%	5.5%	1.5%
Equity attributable to owners of the parent	9,838	10,238	10,314	10,691	11,005	11.9%	11.9%	2.9%
Total liabilities and equity	196,287	202,570	197,532	201,171	199,743	1.8%	1.8%	-0.7%

Additional information: gross customer loans – By risk category, by currency, by industry

Gross cust. loans by risk category (EUR bn)

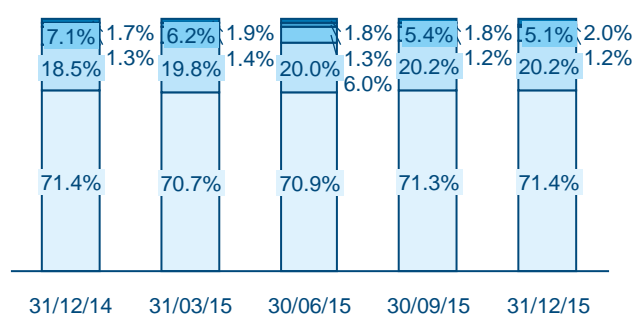
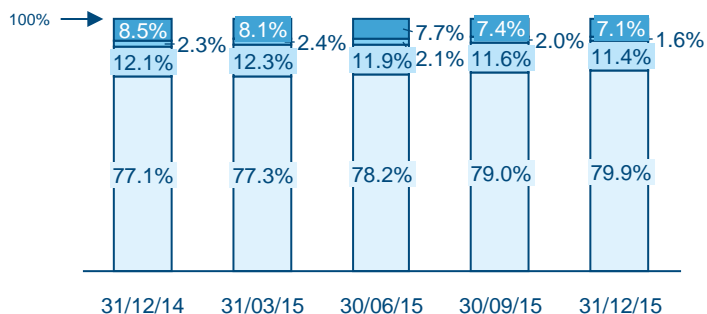
Gross customer loans by currency (EUR bn)

Gross customer loans by industry (EUR bn)



Gross customer loans by risk category in %

Gross customer loans by currency in %



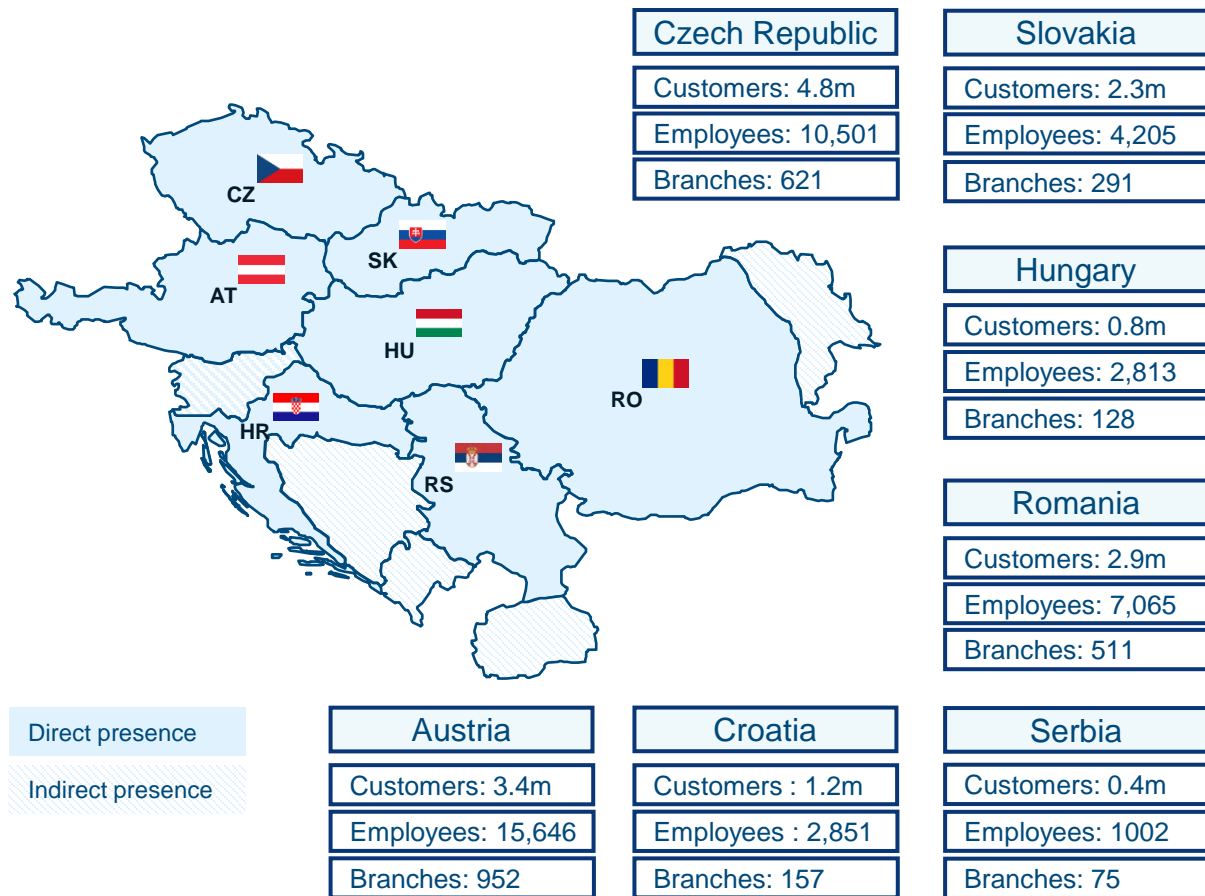
■ Non-performing ■ Management attention
■ Substandard ■ Low risk

■ USD ■ Other ■ CHF ■ CEE-LCY ■ EUR

■ Other ■ Financial inst. ■ Manufacturing
■ Transport & comms ■ Public admin ■ Real estate
■ Tourism ■ Construction ■ Households
■ Services ■ Trade

Additional information: footprint – Customer banking in Austria and the eastern part of the EU

Erste Group footprint



Highlights

- Leading retail and corporate bank in 7 geographically connected countries
- Favourable mix of mature & emerging markets with low penetration rates
- Potential for cross selling and organic growth in CEE

Additional information: strategy –

A real customer need is the reason for all business

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 & RS)

Savings products, asset management and pension products

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

Capital markets

Focus on customer business, incl. customer-based trading activities

In addition to core markets, presences in Poland, Turkey, 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

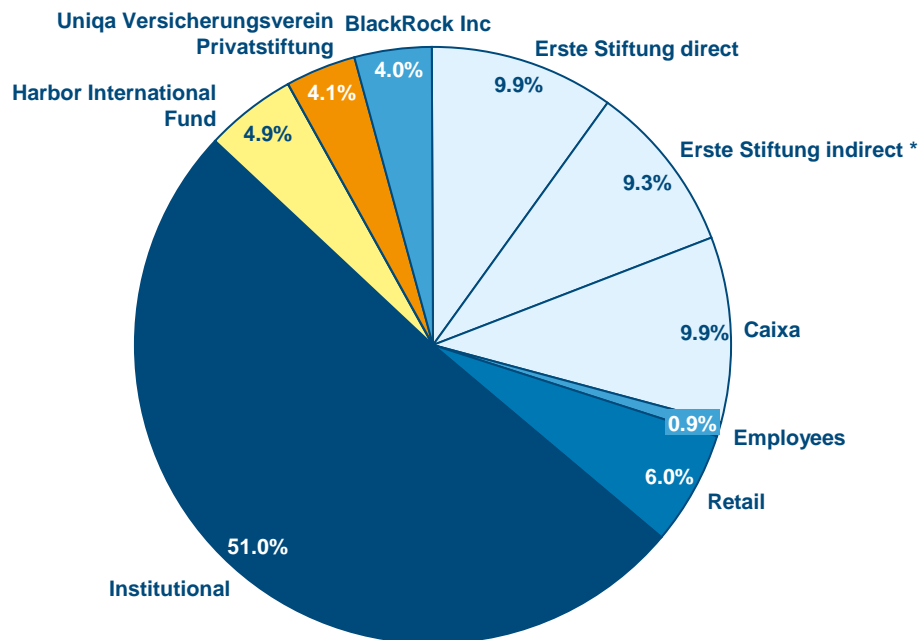
Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

Focus on CEE, limited exposure to other Europe

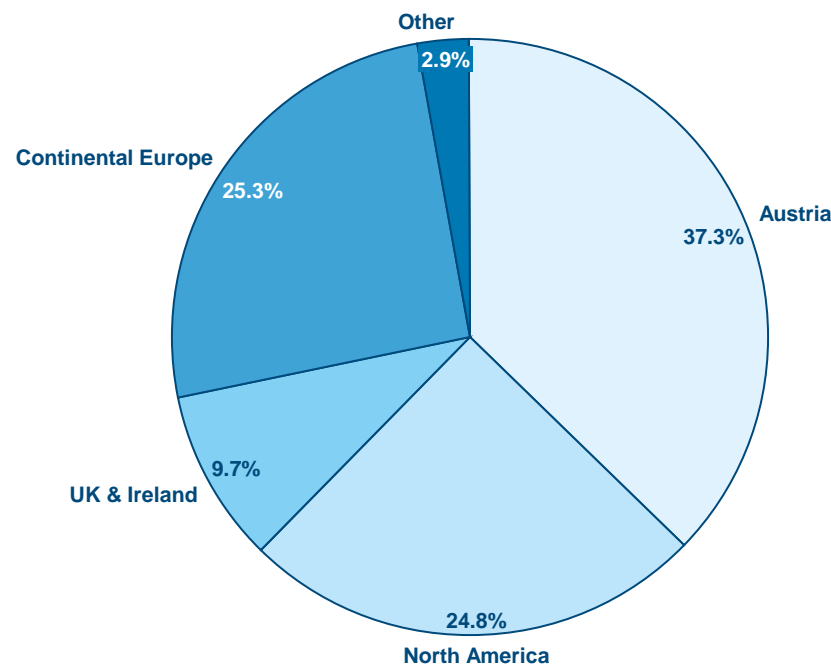
Additional information: shareholder structure –

Total number of shares: 429,800,000

By investor



By region



* Including voting rights of Erste Foundation, savings banks, savings banks foundations and Wiener Städtische Wechselseitige Versicherungsverein

Investor relations details

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Erste Group IR App for iPad, iPhone and Android http://www.erstegroup.com/de/Investoren/IR_App

Reuters: **ERST.VI** Bloomberg: **EBS AV**

Datastream: **O:ERS** ISIN: **AT0000652011**

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