

Erste Group investor presentation

Q2 2016 results

5 August 2016

Erste Group powers ahead: capital generation at historic high, asset quality improvement continues

Andreas Treichl, CEO Erste Group

Gernot Mittendorfer, CFO Erste Group

Andreas Gottschling, CRO Erste Group

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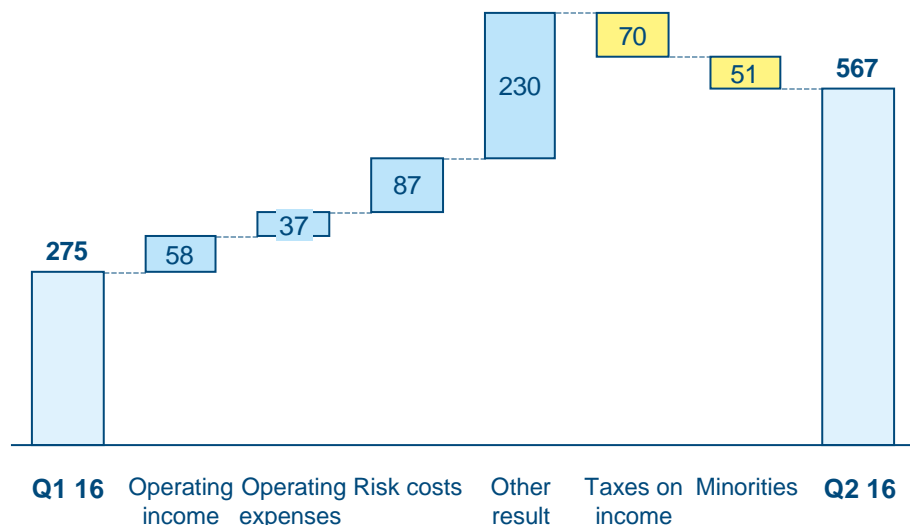
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Presentation topics

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

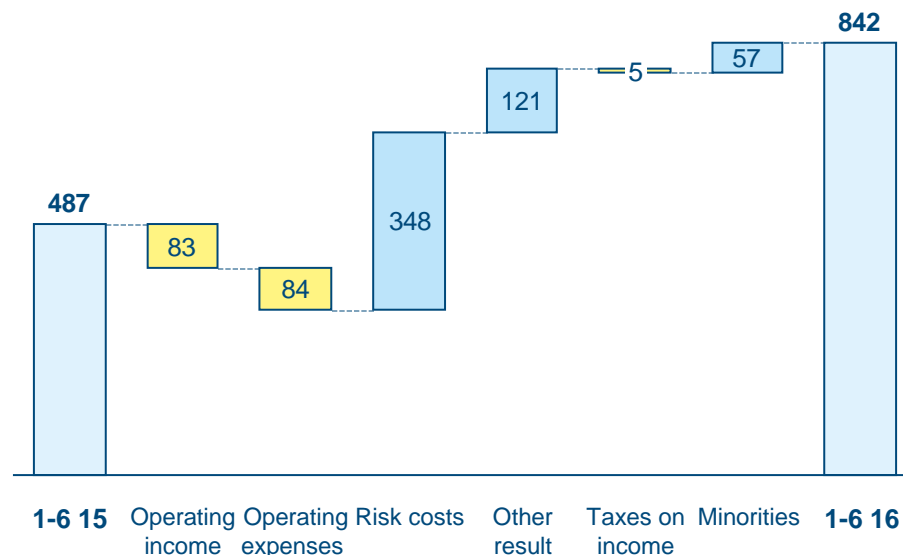
Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Erste Group Q2 16 net profit advanced to EUR 567.0m qoq due to decline in risk provisions and improved other result (lack of negative one-offs, but positive VISA one-off in Q2 16)
- Revenues advanced, as net interest income held up, trading and dividend income increased in Q2 16
- Operating expenses declined due to upfront booking of most of FY16e deposit insurance fees in Q1 16

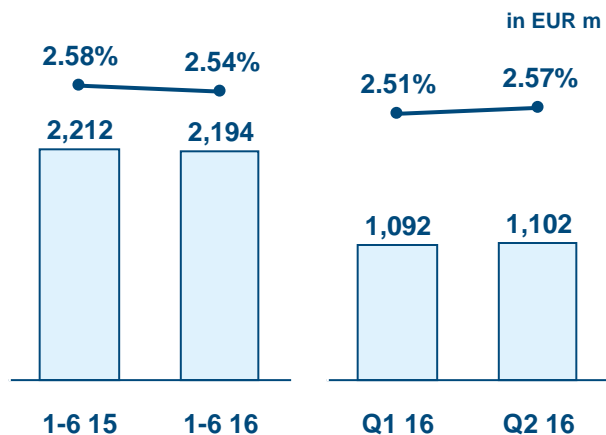
YoY net profit reconciliation (EUR m)



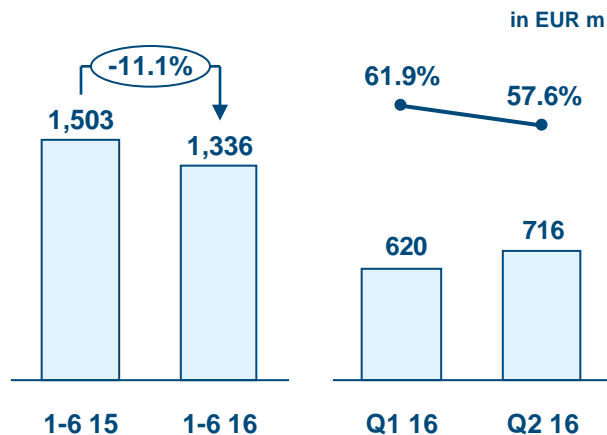
- 72.8% yoy rise in net profit primarily driven by decrease in risk provisions as well as better other result, lower minority charge
- Negative yoy impact from lower revenues, as a result of positive trading one-off in CZ in H1 15 (EUR +25.0m) as well as lower fees and slightly lower net interest income
- Negative yoy impact from costs partly due to upfront booking of deposit insurance fees, primarily in Q1 16

Executive summary – Key income statement data

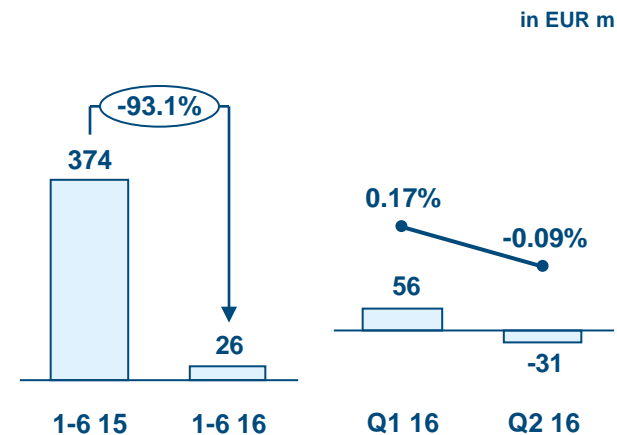
Net interest income & margin



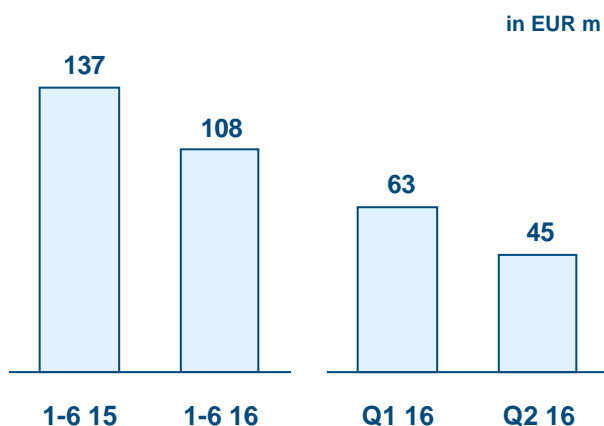
Operating result & cost/income ratio



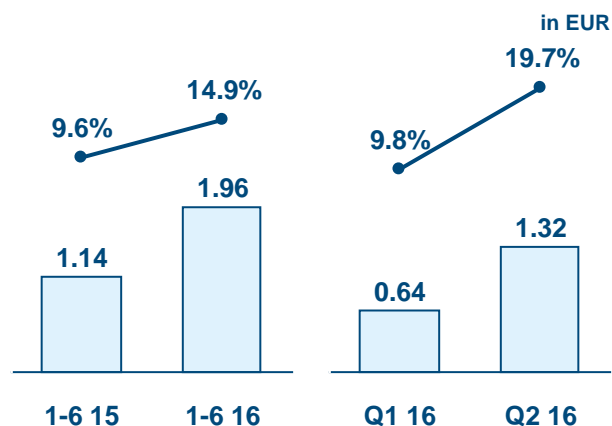
Cost of risk



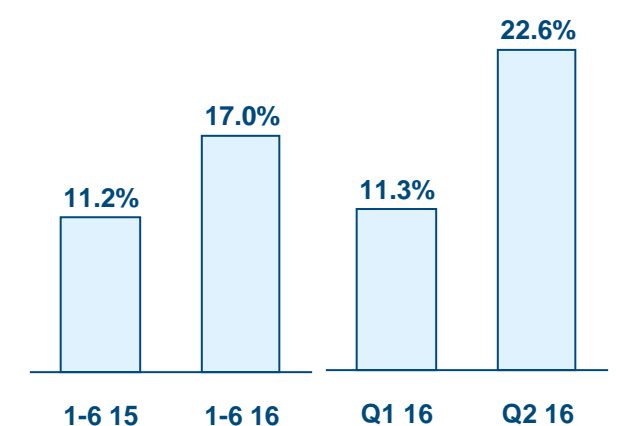
Banking levies



Reported EPS & ROE

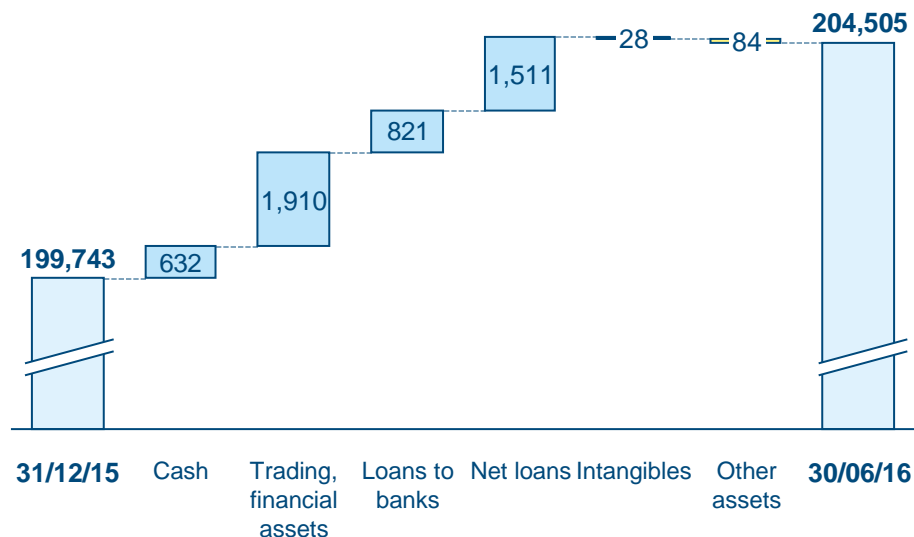


Return on tangible equity



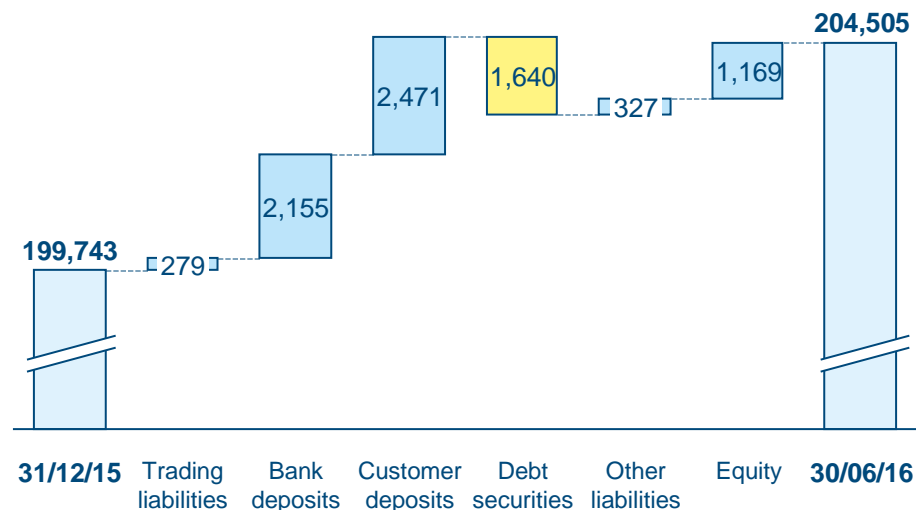
Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Balance sheet total rises by 2.4% in H1 16, driven by increase in net customer loans and investment in trading and financial assets
- Net customer loans rise by 1.2% ytd, supported mainly by continued strong demand in Czech Republic (+3.5% ytd) and Slovakia (+2.5% ytd), as Romania, Hungary and Croatia lag behind

YTD equity & total liability reconciliation (EUR m)

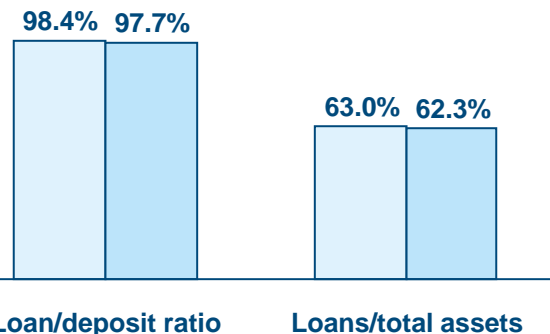


- 1.9% increase in customer deposits outpaced customer loan development in H1 16
- Significant 7.9% rise in total equity due to better profitability; and inclusion of AT1 instrument (EUR 500m) in equity as of Q2 16
- Seasonal increase in bank deposits reflects general expansion of interbank business in H1 16; mirrors asset side

Executive summary – Key balance sheet data

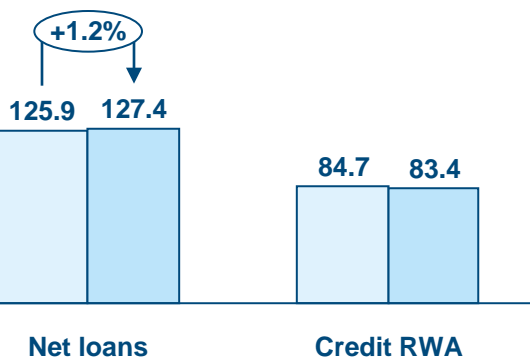
31/12/15
30/06/16

Loan/deposit & loan/TA ratio

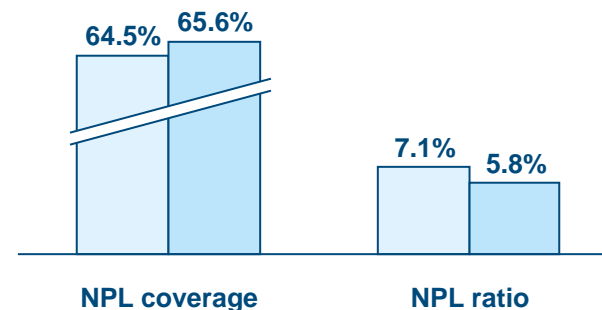


Net loans & credit RWA

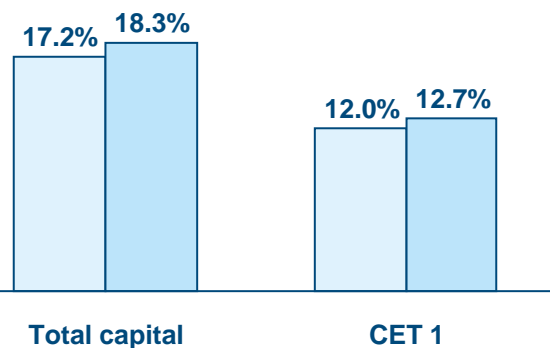
in EUR bn



NPL coverage ratio & NPL ratio

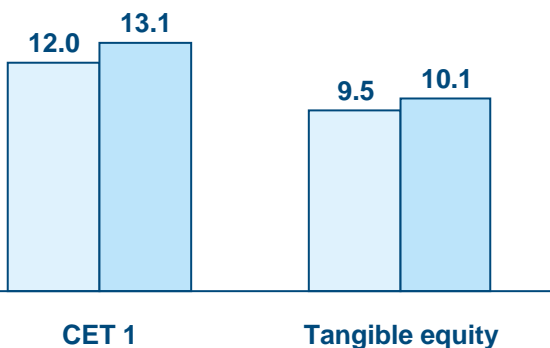


B3FL capital ratios

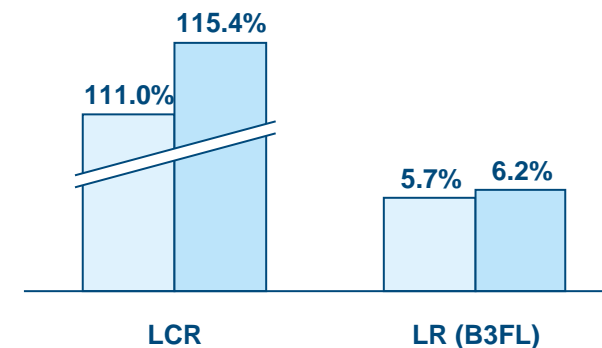


B3FL capital & tangible equity*

in EUR bn



Liquidity coverage & leverage ratio**



* Based on shareholders' equity, not total equity

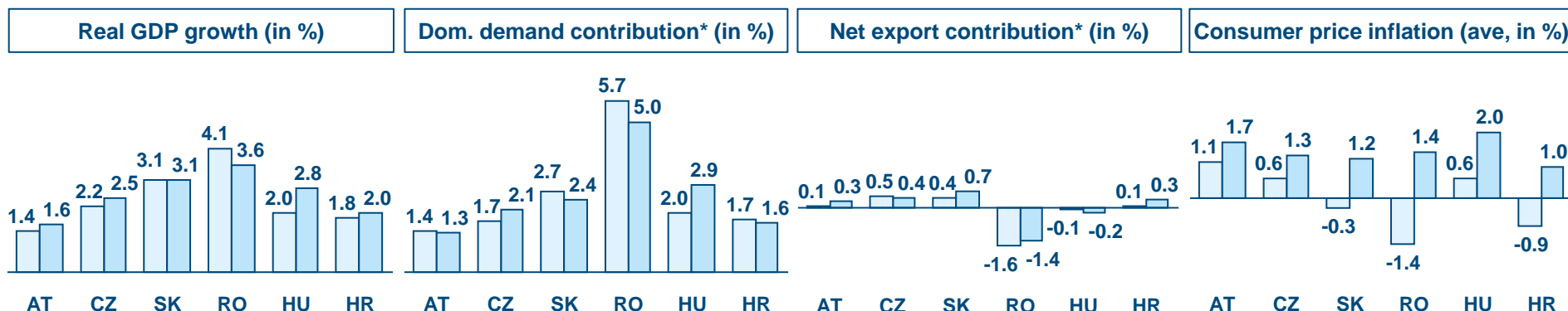
** Pursuant to Delegated Act

Presentation topics

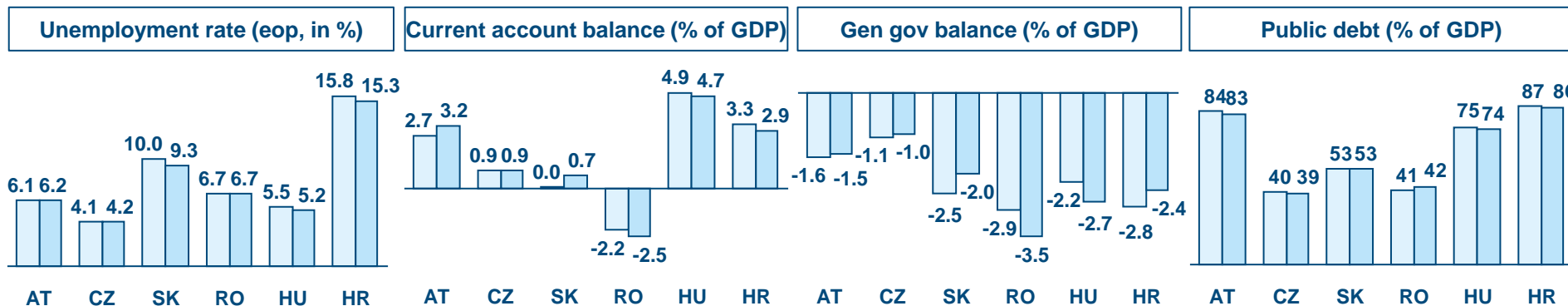
- Executive summary
- **Business environment**
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Business environment – Solid CEE GDP growth expectations for 2016

2016
2017



- Erste Group's core CEE markets expected to grow by 2-4% in 2016, with continued positive outlook for 2017
 - Domestic demand is expected to be main driver of economic growth in 2016 and 2017
 - Consumption is supported by improving labour markets, wage increases and 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 –

Interest rates remain at historically low levels in Q2 16

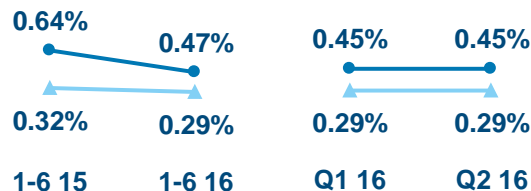
—▲ 3M Interbank
—● 10YR GOV

Austria



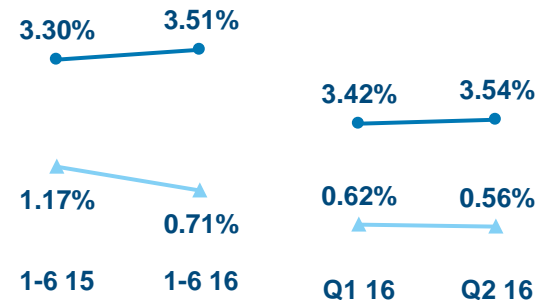
- ECB cut discount rate to zero in March 16
- Maintains expansionary monetary policy stance

Czech Republic



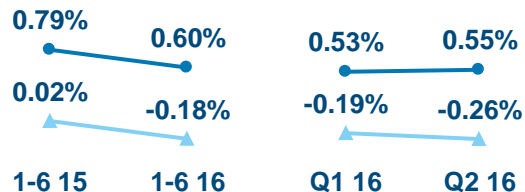
- National bank maintains ultra-low interest rates since November 2012 at 0.05%

Romania



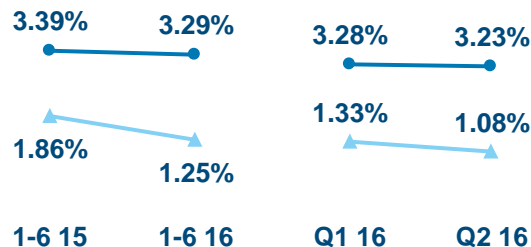
- Central bank cut policy rate to historic low of 1.75% in May 2015

Slovakia



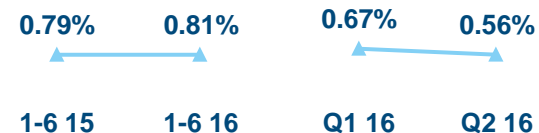
- As part of euro zone ECB rates are applicable in SK

Hungary



- Easing cycle continues in 2016
- National bank cut the benchmark interest rate to record low of 0.9% in May 2016

Croatia

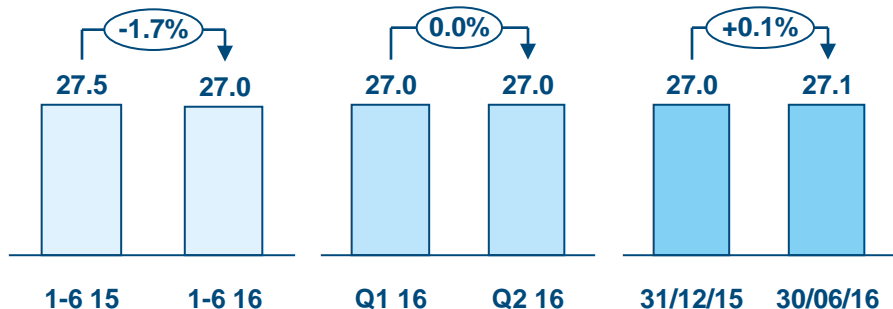


- Central bank maintains discount rate at 7.0% since mid-2011

Source: Bloomberg

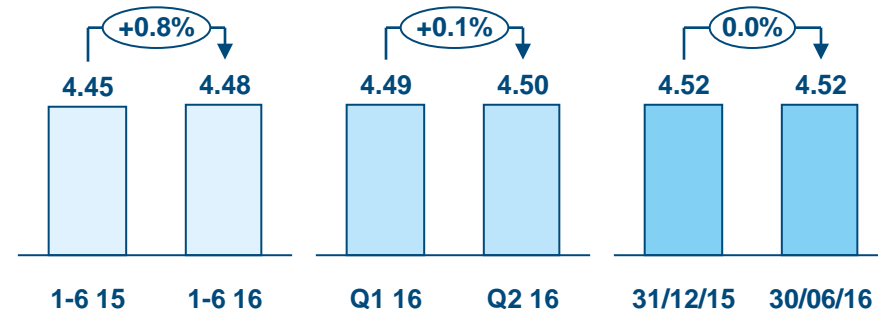
Business environment – Limited currency volatility in CEE

EUR/CZK



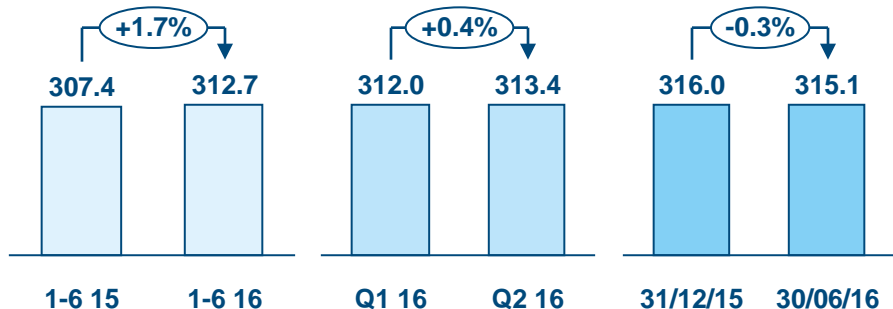
- Czech National Bank maintains exchange rate stability; discount rate also stable at 0.05% in Q2 16

EUR/RON



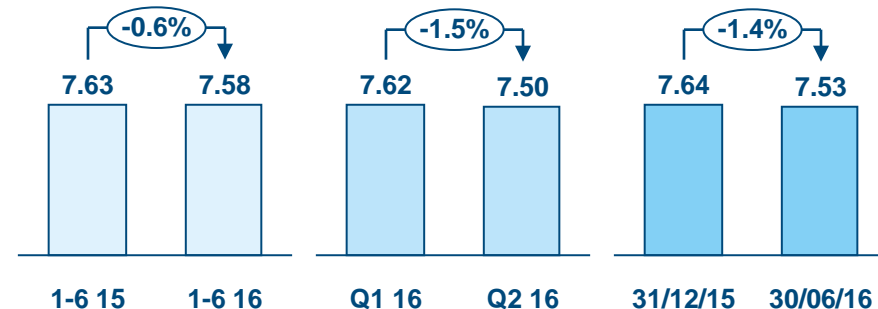
- RON movements marked by limited volatility, despite decreasing interest rates: policy rate cut to 1.75% in Q2 15

EUR/HUF



- Stable currency development, despite expansionary monetary stance of the national bank

EUR/HRK



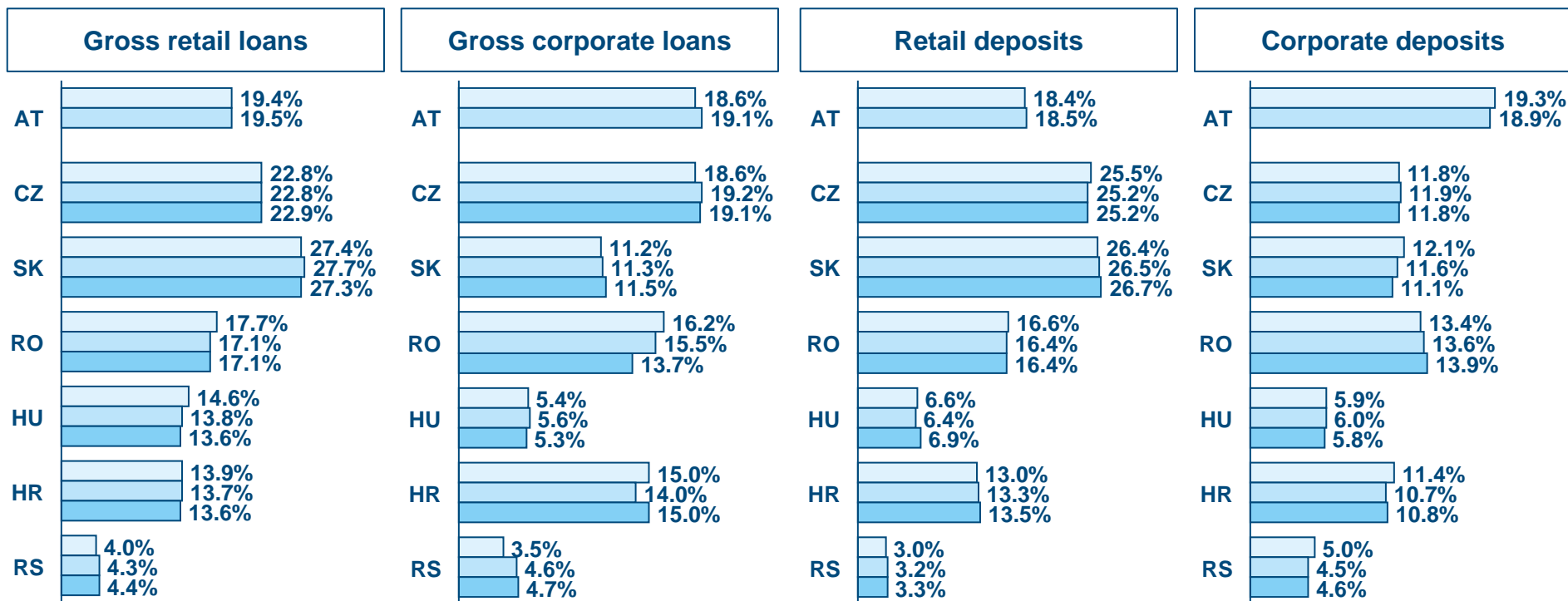
- Strong grip of national bank on HRK is reflected in lack of volatility

Source: Bloomberg

Business environment –

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

30/06/15
31/03/16
30/06/16



- SK: slightly lower market share in a growing market
- CZ: slightly higher qoq market share as market growth accelerates
- RO: stable qoq market share with higher new business volumes in Q2 16
- RO: continued pressure on gross loan based market share due to NPL sales
- HU: Declining qoq market share with strong new disbursement offset by significant repayments
- 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

AT market shares for 30/06/2016 not yet available

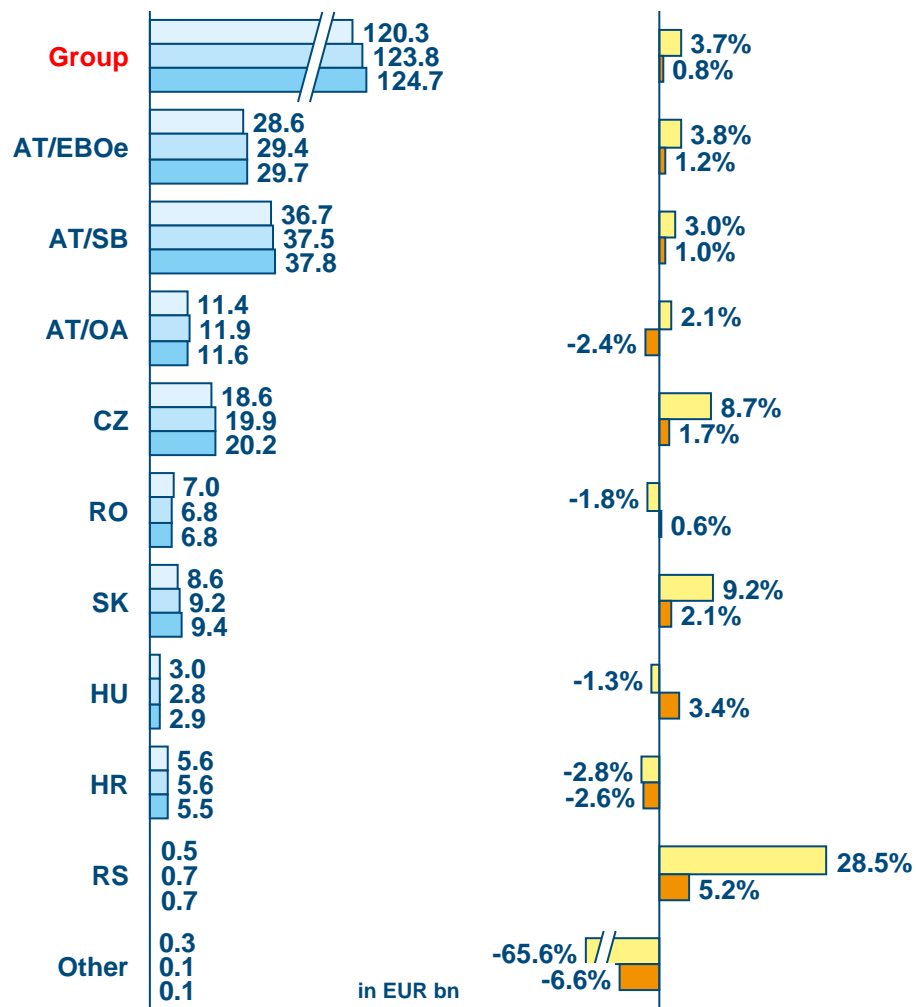
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Business performance: performing loan stock & growth –

Performing loan volume increases by 1.8% ytd

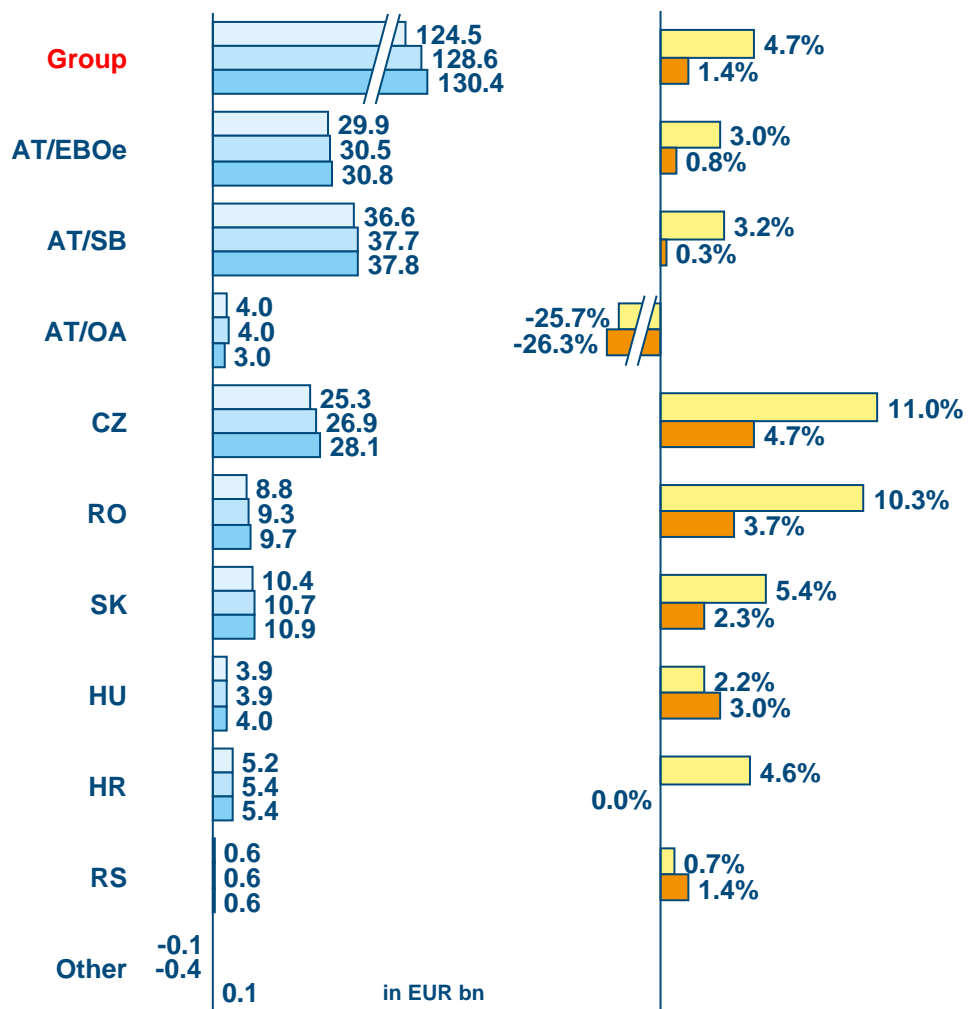
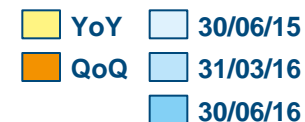
■ YoY ■ 30/06/15
■ QoQ ■ 31/03/16
■ 30/06/16



- Rising performing loan volume trend continues in Q2 16 across most geographies, most pronounced in AT and CZ; yoy growth driven by AT, CZ and SK
- Yoy growth driven by Corporates business lines and to a lesser extent by Retail
- Qoq growth mainly attributable to Retail
- Year-on-year segment trends:
 - SK: continued Retail growth, substantial growth in SME
 - CZ: unchanged growth in Retail, accompanied by increases in SME and Local Large Corporates
 - AT/EBOe: strong performance in Corporates business lines
- Quarter-on-quarter segment trends:
 - AT/OA: decline driven by Group Large Corporates and Commercial Real Estate
 - CZ: growth equally distributed between Retail and Corporates business lines
 - AT/EBOe: balanced increase in Corporates and Retail portfolio

Business performance: customer deposit stock & growth –

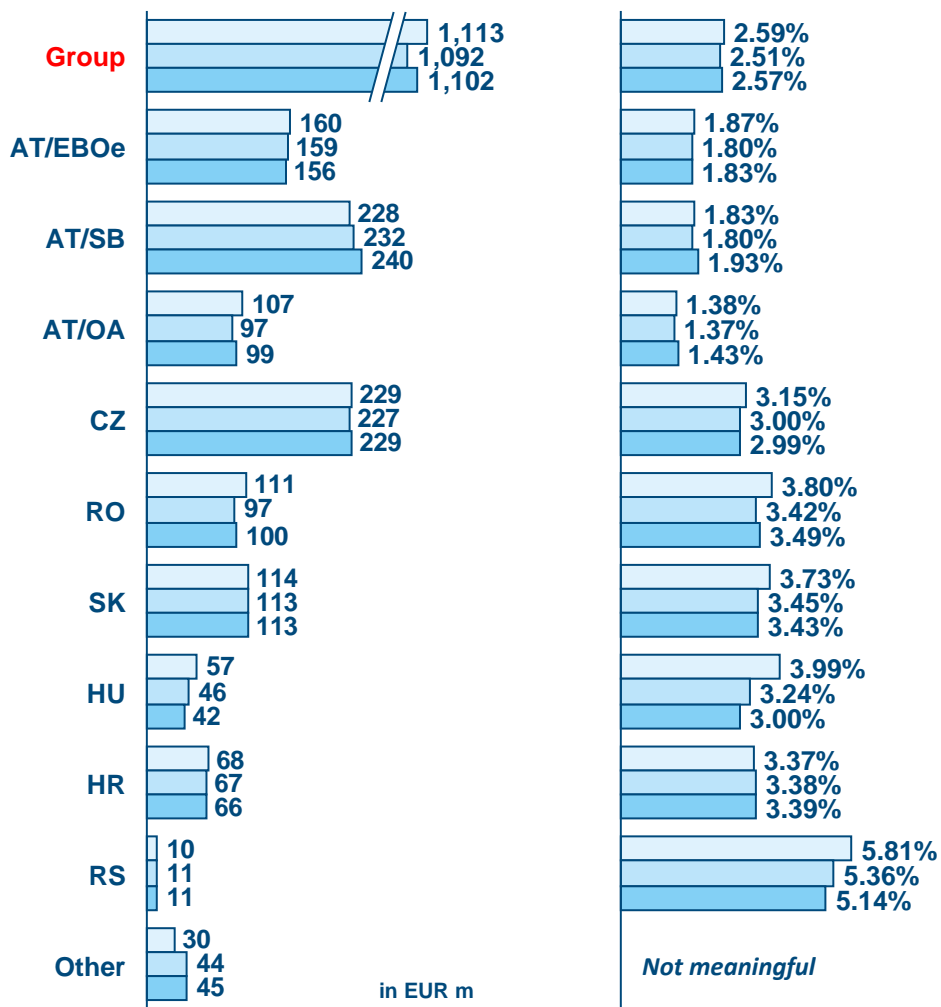
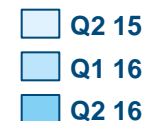
Deposits grow by 1.9% ytd



- Continued inflow in customer deposits, mainly driven by CZ, RO and EBOe
- Yoy growth predominantly due to Retail business line
- Qoq increase mainly driven by Retail and to a lesser extent by Corporates business lines
- Year-on-year segment trends:
 - CZ: growth mainly in Retail and Corporates in line with loan development, additional growth in Group Markets
 - RO: equally balanced growth in Retail and Corporates
 - SK: deposit inflow exclusively in Retail, minor outflows in Corporates
 - AT/EBOe: growth in Retail and SME business
- Quarter-on-quarter segment trends:
 - CZ: growth in Retail and across Corporates business lines
 - RO: increase in Retail and Group Large Corporates

Business performance: NII and NIM –

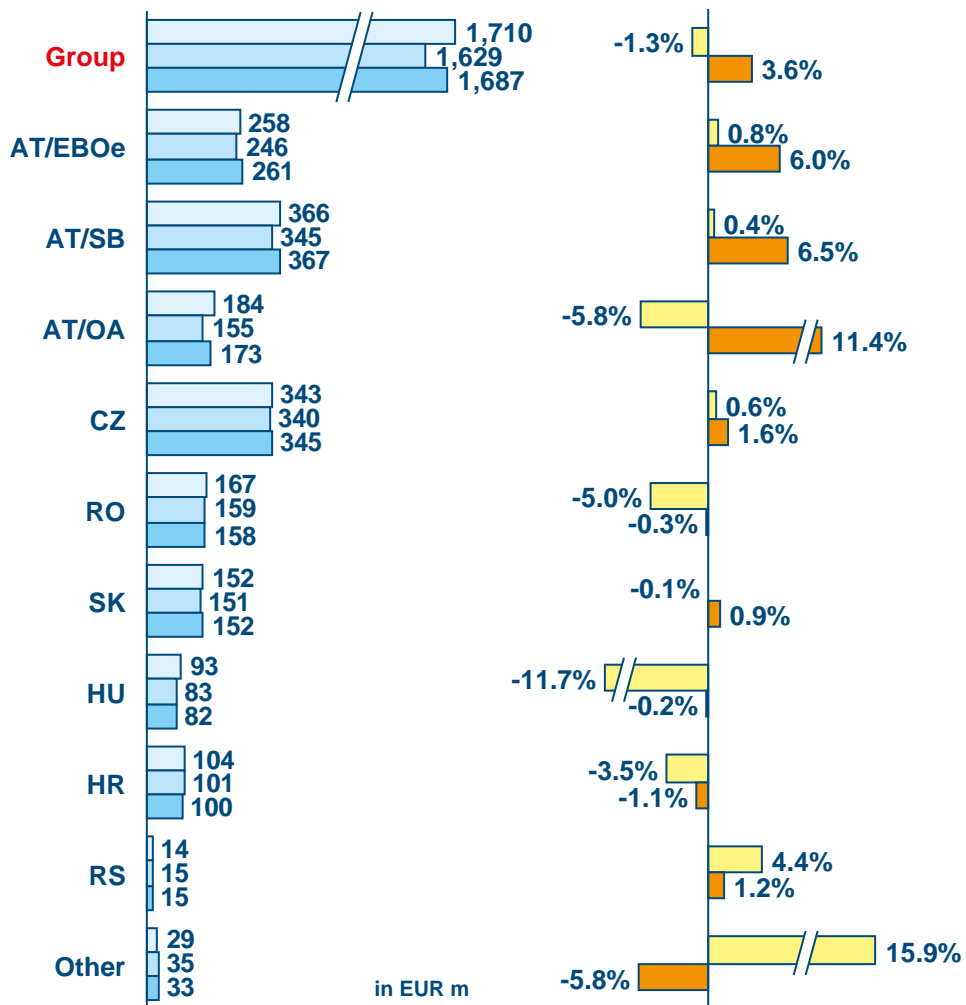
Low interest rate environment results in NIM pressure, improved qoq



- Yoy relatively stable as increase in Other segment (due to higher benefit from free capital) and AT/SB (driven by higher loan volumes and deposit repricing) was offset by decline in HU, RO and AT/OA
- Qoq increase mainly in AT/SB (due to derivatives valuations and deposit repricing) and also in CZ, RO
- Year-on-year segment trends:
 - AT/SB: increase driven by higher loan volumes and deposit repricing (see above)
 - RO: decrease mainly due to mortgage refinancing campaign and lower market rates
 - AT/OA: decline in NII primarily due to the non-recurrence of one-off income in the real estate business
 - HU: decrease driven by fair interest rate settlement combined with lower performing loan volumes
- Quarter-on-quarter segment trends:
 - AT/SB: increase in NII driven by derivatives valuations and deposit repricing (see above)
 - RO: increase driven by derivatives valuation
 - HU: decline resulting from lower Group Markets business

Business performance: operating income –

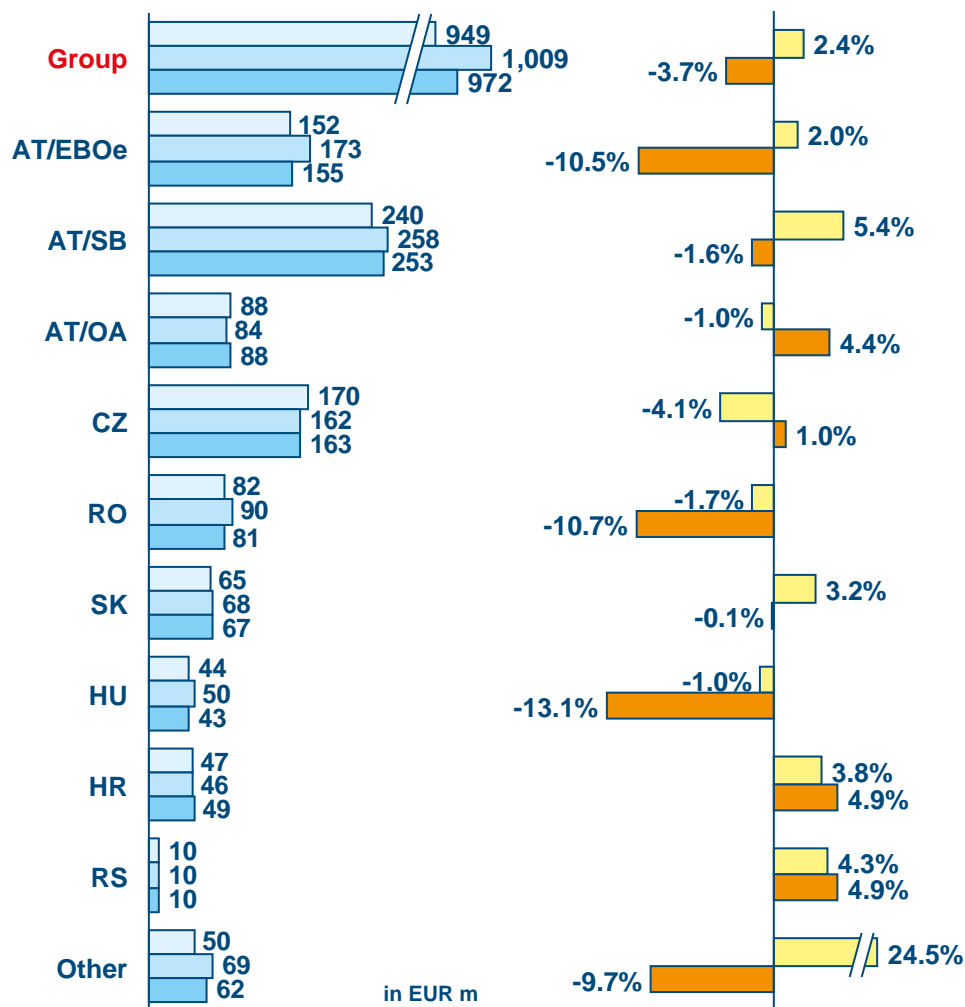
Operating income up qoq due to better trading and dividend income



- Yoy down in HU, RO and AT/OA primarily on NII and fees
- Qoq increase driven by dividend income as well as net trading and FV result (AT/EBOe, AT/SB)
- Year-on-year segment trends:
 - HU: decline due to significantly lower NII (lower performing loan volumes and fair interest rate settlement), only partially offset by stronger trading and FV result
 - RO: primarily driven by lower NII
 - AT/OA: decline in NII in Commercial Real Estate and lower fee income in Group Large Corporates
 - HR: down on NII and rental income
- Quarter-on-quarter segment trends:
 - AT/SB: increase in net trading and FV result mainly driven by securities valuations, while NII improved on deposit repricing, partially offset by lower fee income (driven by insurance and securities business)
 - AT/EBOe: strong net trading and FV result (valuation of derivatives), partially offset by lower NII and lower fee income
 - AT/OA: improvements in net trading and FV result (Commercial Real Estate), NII (Group Large Corporates) and fee income

Business performance: operating expenses –

QoQ decline due to upfront booking of deposit insurance fees

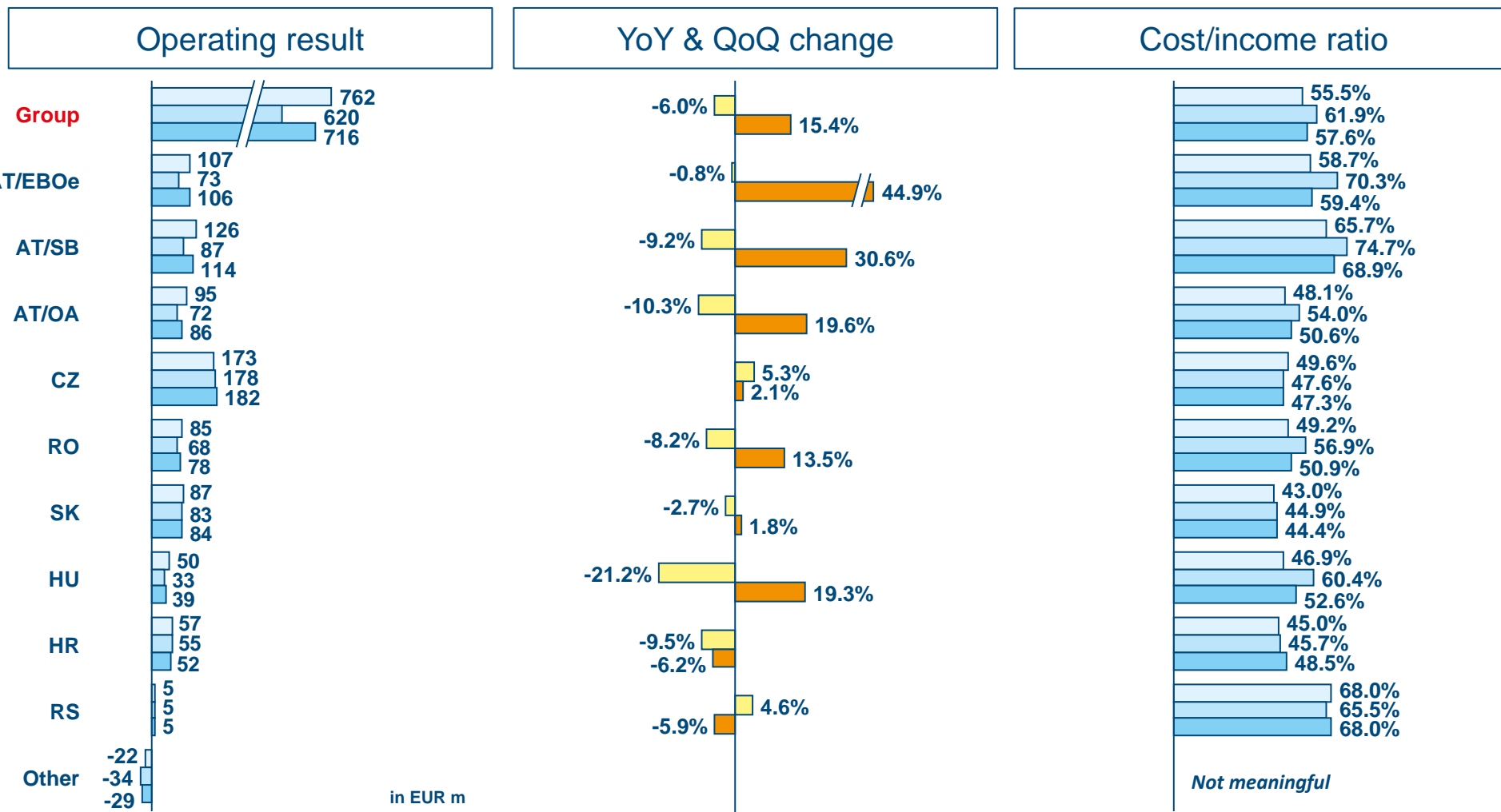


- Yoy costs increase primarily driven by regular adjustment of salaries at constant FTE level and parallel operation of buildings after move to the new headquarters Erste Campus, partially offset by lower payment into deposit insurance fund due to upfront booking in Q1 16
- QoQ down due to upfront booking of deposit insurance contributions in Q1 16, partially offset by higher personnel expenses
- Year-on-year segment trends:
 - AT/SB: rise mainly driven by IT due to lower capitalisation of project expenditures and increase personnel costs due to regular adjustment of salaries
 - CZ: down on lower contribution to deposit insurance fund
 - Other: driven by growing number of group-wide regulatory projects
- Quarter-on-quarter segment trends:
 - AT/EBOe: decline due to deposit insurance contributions, partially offset by higher IT driven by lower capitalisation of project expenses
 - HU, RO: cost reduction due to deposit insurance contributions fully booked in Q1 16
 - AT/OA: increase in the Holding on higher volume of projects related to Corporates and Markets and higher office space cost due to parallel building costs after move to the new headquarters Erste Campus

Business performance: operating result and CIR –

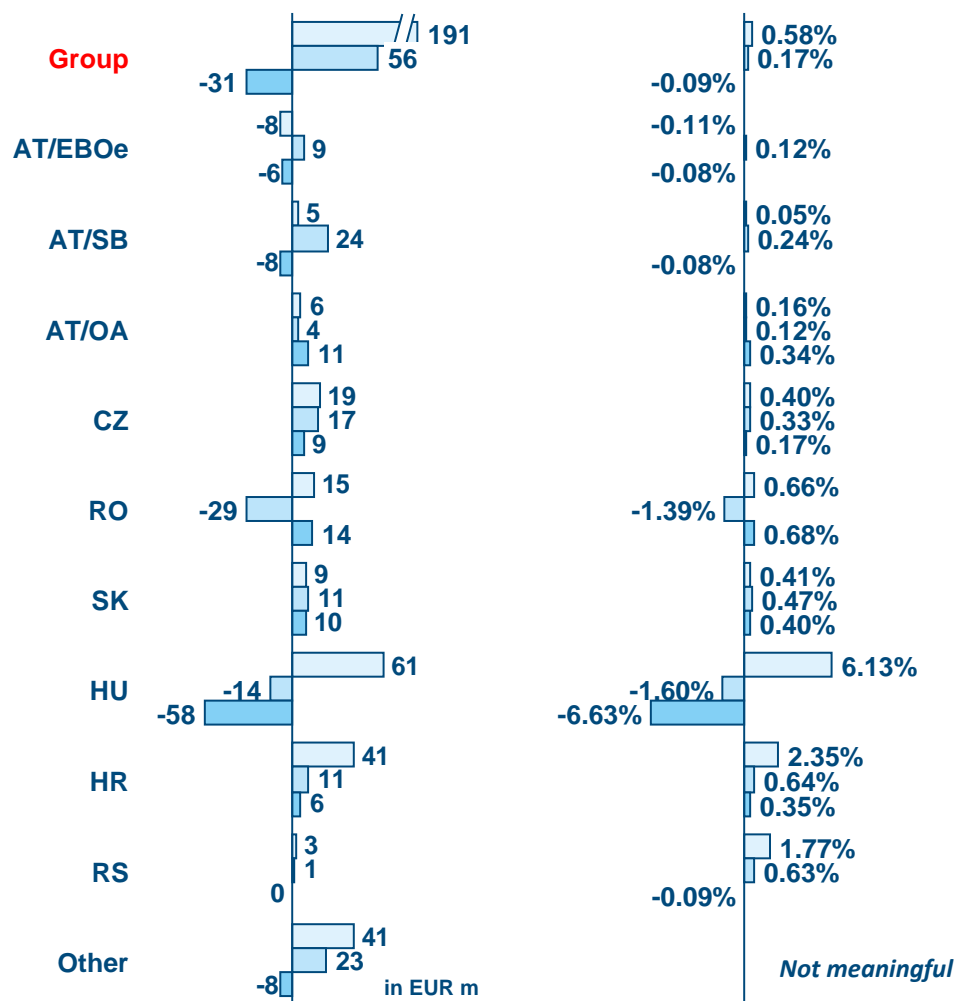
Operating result recovers in Q2 16, still down yoy

■ YoY ■ Q2 15
■ QoQ ■ Q1 16
■ Q2 16



Business performance: risk costs (abs/rel*) – Releases in HU and AT drive risk costs

Q2 15
Q1 16
Q2 16



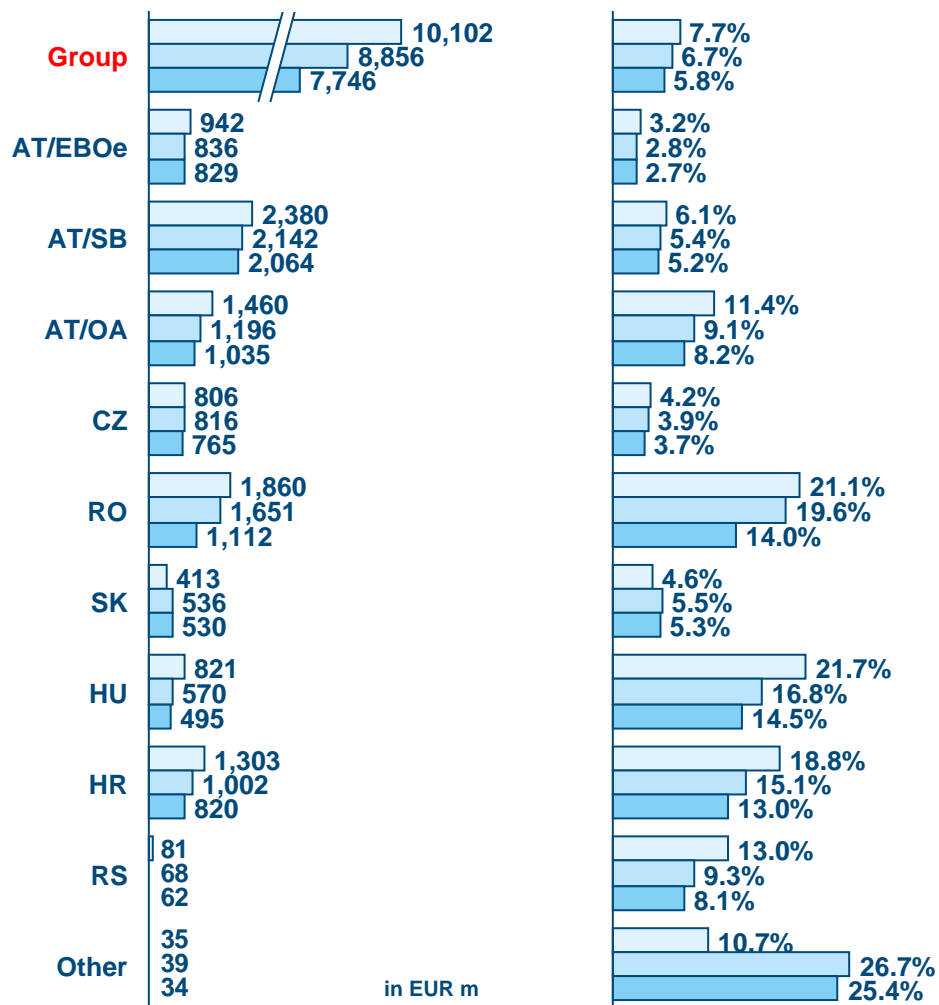
- Continued strong risk performance in Q2 16 across the board and further improvements in Retail
- Year-on-year segment trends:
 - HU: releases in Retail portfolio (which also explains qoq trend) as parameters reset after FX conversion
 - HR: improvements mainly in Corporates, to a lower extent in Retail
 - CZ: further improvements of portfolio quality in Retail and Corporates
- Quarter-on-quarter segment trends:
 - RO: low risk costs across all major business lines following releases in Q1 16
 - AT/SB: releases in several savings banks
 - AT/EBOe: releases mainly in Corporates, positive development in AT supported by parameter calibrations
 - HR: improvements in Corporates partially offset by slightly higher risk costs in Retail

* 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 5.8%, lowest since June 2009

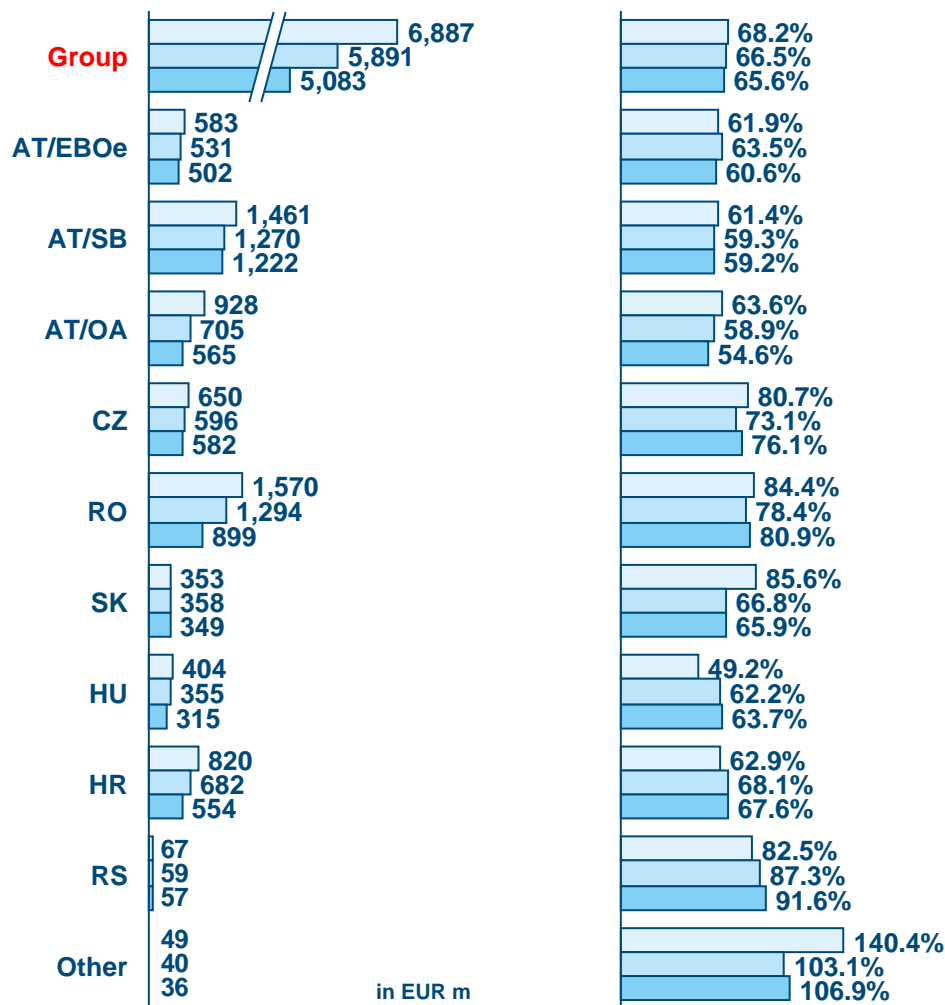
30/06/15
31/03/16
30/06/16



- Continued decline of group NPL volume in Q2 16 mainly due to low NPL inflows and continued NPL sales
- NPL sales of EUR 864.1m in Q2 16 (Q1 16: EUR 126.6m)
 - Retail: EUR 103.5m (Q1 16: EUR 28.5m)
 - Corporate: EUR 760.6m (Q1 16: EUR 98.1m)
- NPL sales mainly in RO (578.4m), HR (152.1m), Other Austria (79.6m) and further sales in HU, SK, CZ and RS

Business performance: allowances for loans and NPL coverage – NPL coverage at comfortable 65.6%

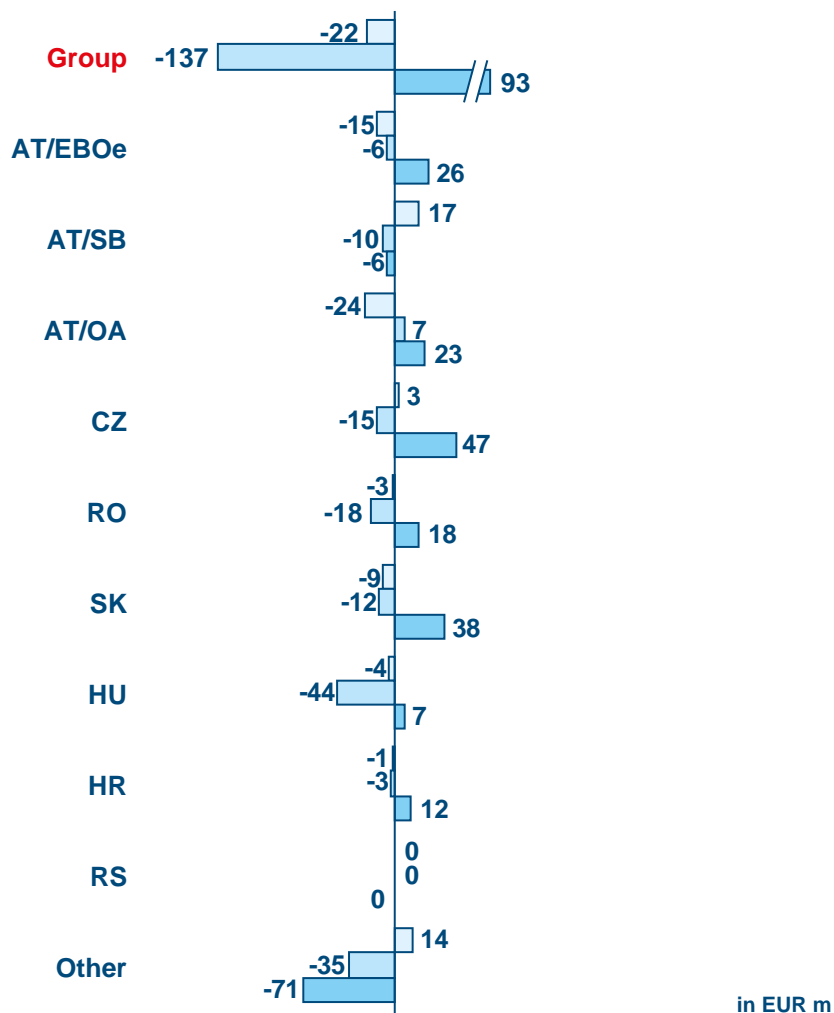
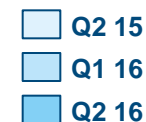
■ 30/06/15
■ 31/03/16
■ 30/06/16



- NPL coverage at 65.6%, slight decline due to NPL sales and higher collateralisation
- HU: coverage stabilises above 60% after significant decline resulting from the CHF conversion in 2015
- SK: coverage ratio stable at comfortable level following temporary decline at year-end (due to adoption of EBA default definition)
- AT/OA: decline of coverage as a result of NPL sales, partly compensated by higher collateral
- RO: coverage improved despite sizeable NPL sales

Business performance: other result –

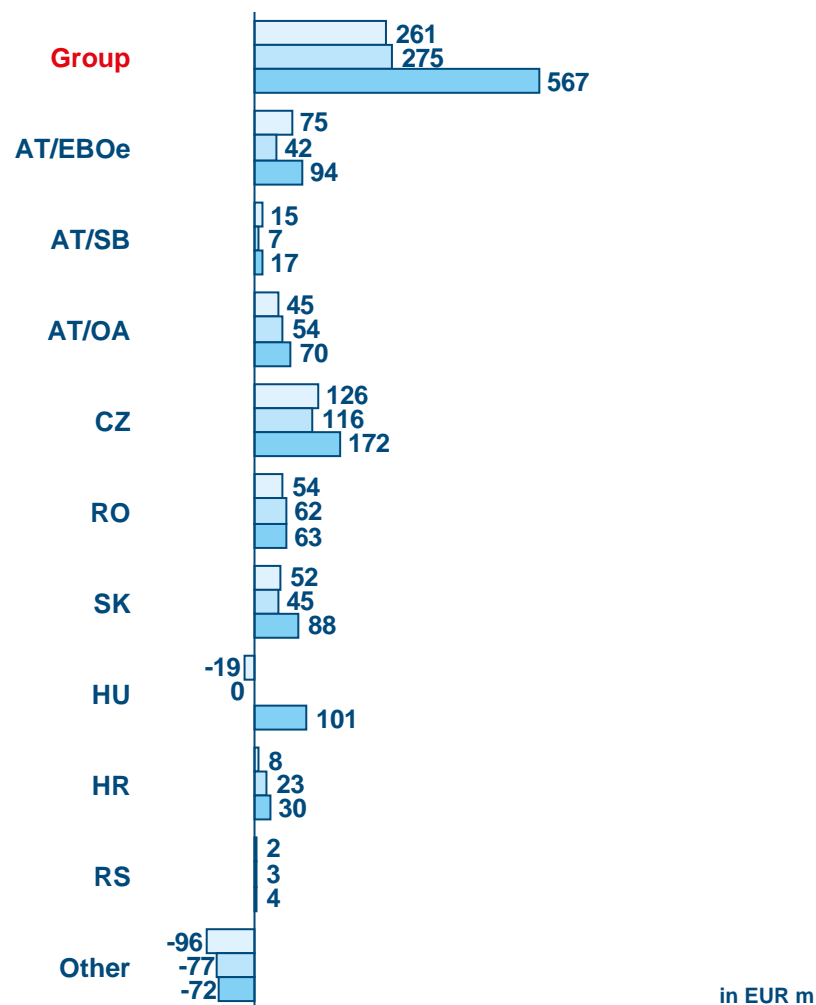
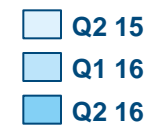
Other result improves yoy and qoq on VISA gain in Q2 16



- Yoy development due to sale of VISA Europe shares totalling EUR 138.7m
- Qoq improvement also driven by non-recurrence of regulatory costs (HU banking tax, contributions to recovery and resolution fund)
- Year-on-year segment trends:
 - CZ, SK, AT/EBOe, HR, RO: improvement mainly due to VISA sale
 - AT/SB: decrease driven by valuation of investment funds
- Quarter-on-quarter segment trends:
 - CZ, SK, AT/EBOe, HR, RO: improvement driven by VISA sale and non-recurrence of contributions into recovery and resolution fund and in AT/EBOe also by real estate selling gains
 - HU: driven by VISA sale and non-recurrence of contributions to recovery and resolution fund as well as banking levy (full amount for 2016 booked in Q1 16)

Business performance: net result –

Q2 16 net result up yoy and qoq on risk costs, VISA sale and other result



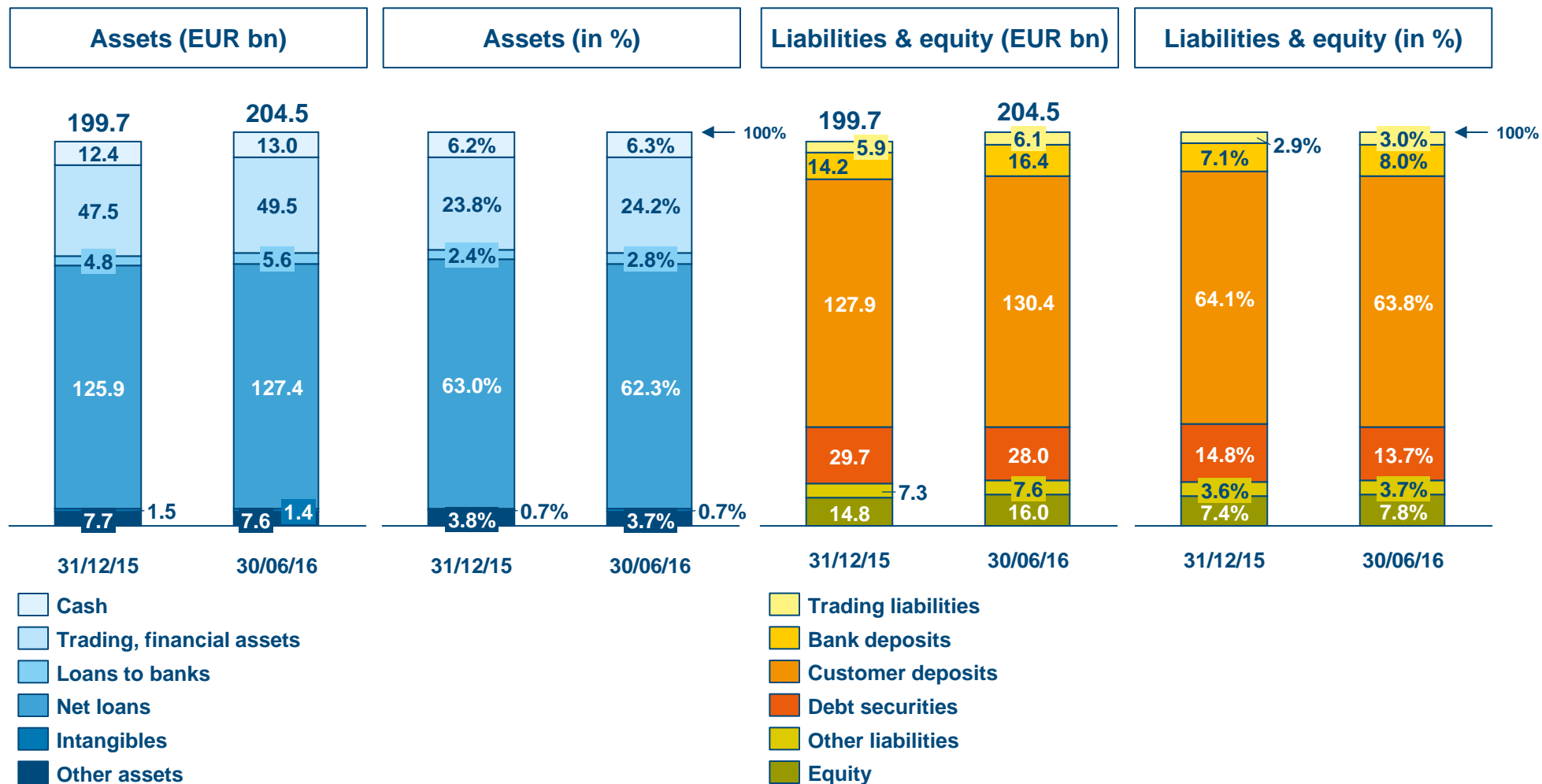
- Yoy and qoq rise in profitability driven by net releases of risk provisions, significantly improved other result (VISA sale one-off) and also qoq better operating performance
- Year-on-year segment trends:
 - HU: mainly driven by release of risk provisions and VISA sale
 - CZ: strong increase predominantly due to VISA sale, to a lesser extent due to lower risk costs
 - AT/OA: higher net result mainly due to real estate business and lower off-balance sheet risk provisions
 - HR: significantly lower risk costs and VISA sale
- Quarter-on-quarter segment trends:
 - HU, CZ: same drivers as yoy development (see above)
 - AT/EBOe: releases of risk provisions, VISA sale and one-off gains in subsidiaries
 - SK: higher net result due to VISA sale and lower risk costs
 - AT/OA: driven by Commercial Real Estate and Group Large Corporates
- Return on equity at 19.7% in Q2 16, following 9.8% in Q1 16, and 10.2% in Q2 15
- Cash return on equity at 19.8% in Q2 16, following 9.9% in Q1 16, and 10.2% in Q2 15

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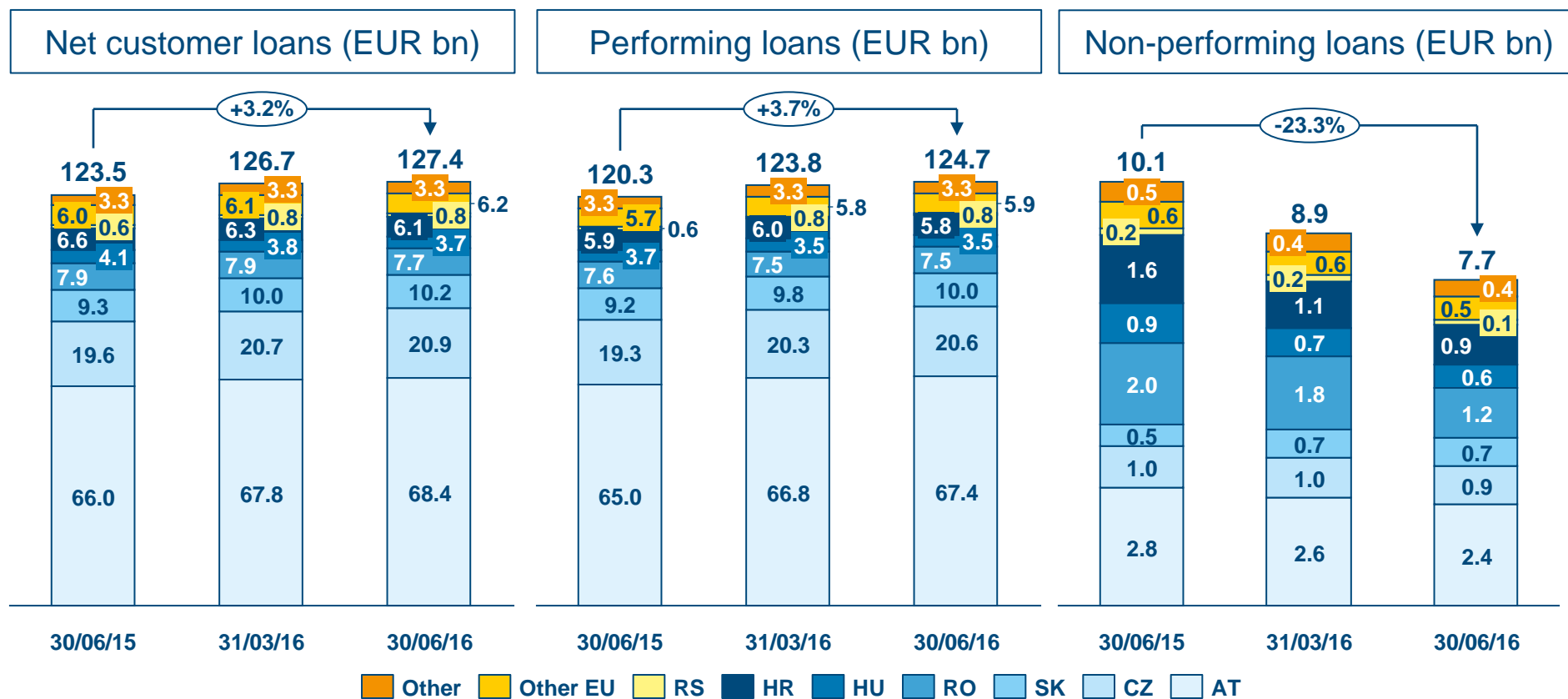
Assets and liabilities: YTD overview –

Loan/deposit ratio stable at 97.7% (Dec 15: 98.4%)



Assets and liabilities: customer loans by country of risk –

Performing loans up 3.7% yoy, NPLs down 23.3%

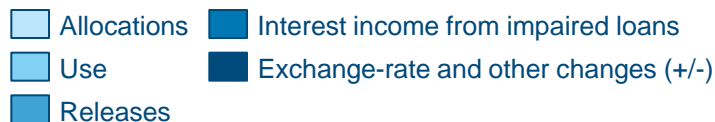
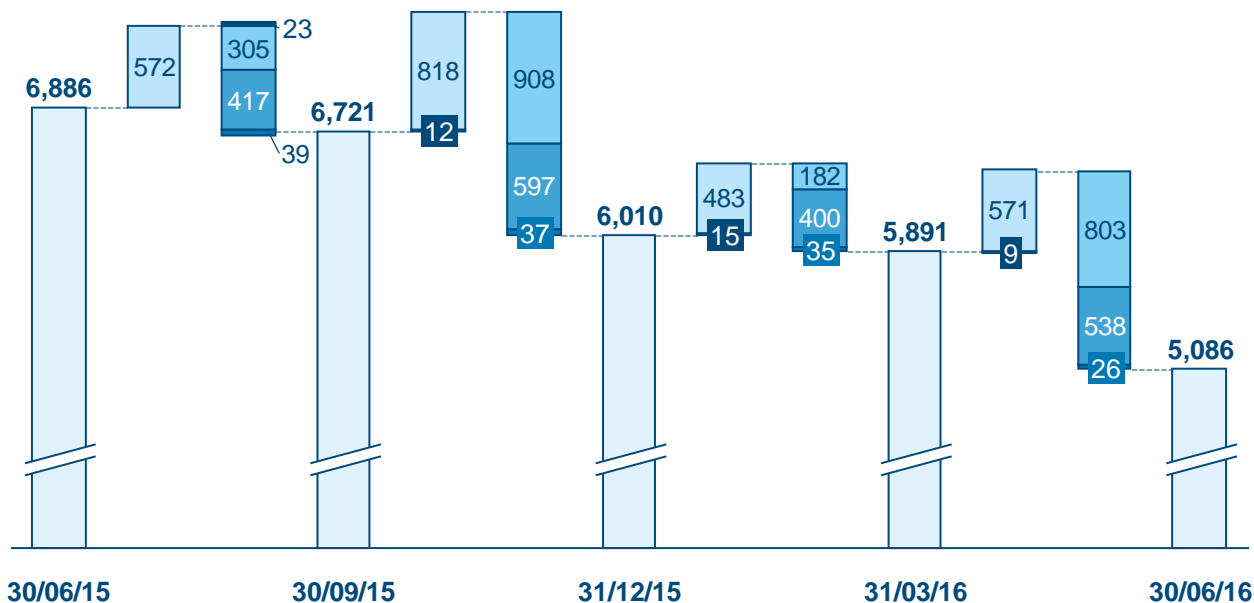


- Performing loan growth driven by Austria, Slovakia and Czech Republic:
 - Main contributing business lines: Retail and Corporates
 - Broadly stable loan volumes in RO, HU and HR
- 23.3% yoy decline in NPL stock mainly driven by NPL sales and positive migration trends across most geographies

Assets and liabilities: allowances for customer loans –

Decrease in allowances mainly due to continued NPL reduction in Q2 16

Quarterly development (EUR m)



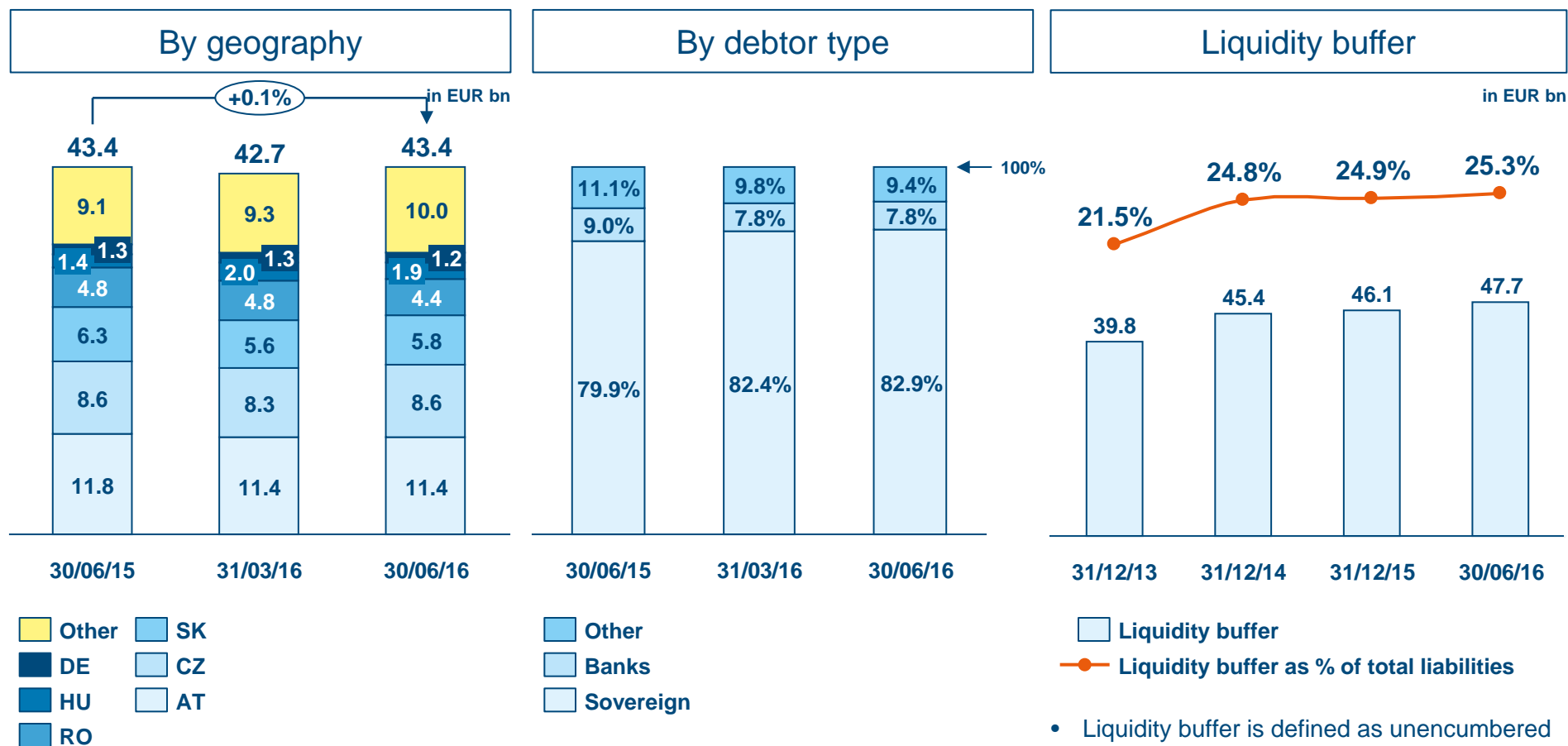
Highlights

- Substantially increased use of allowances because of higher sales and write-offs
- Higher releases partly due to NPL sales above carrying amount
- P&L unwinding impact = interest income from impaired loans = EUR 26m in Q2 16 (Q1 16: EUR 35m, Q2 15: EUR 47m)

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 115.4%



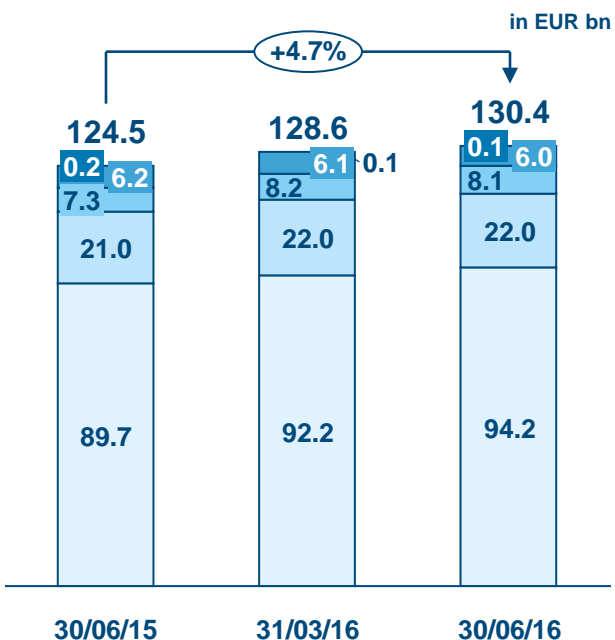
- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

* Excludes derivatives held for trading.

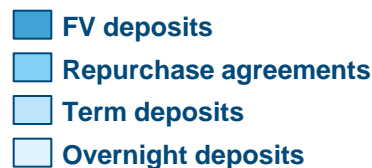
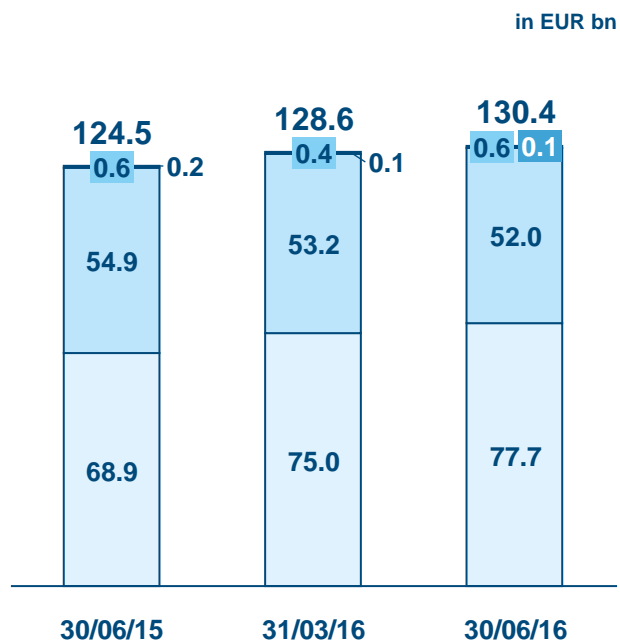
Assets and liabilities: customer deposit funding –

Customer deposits grow by 1.4% qoq, up 4.7% yoy

By customer type



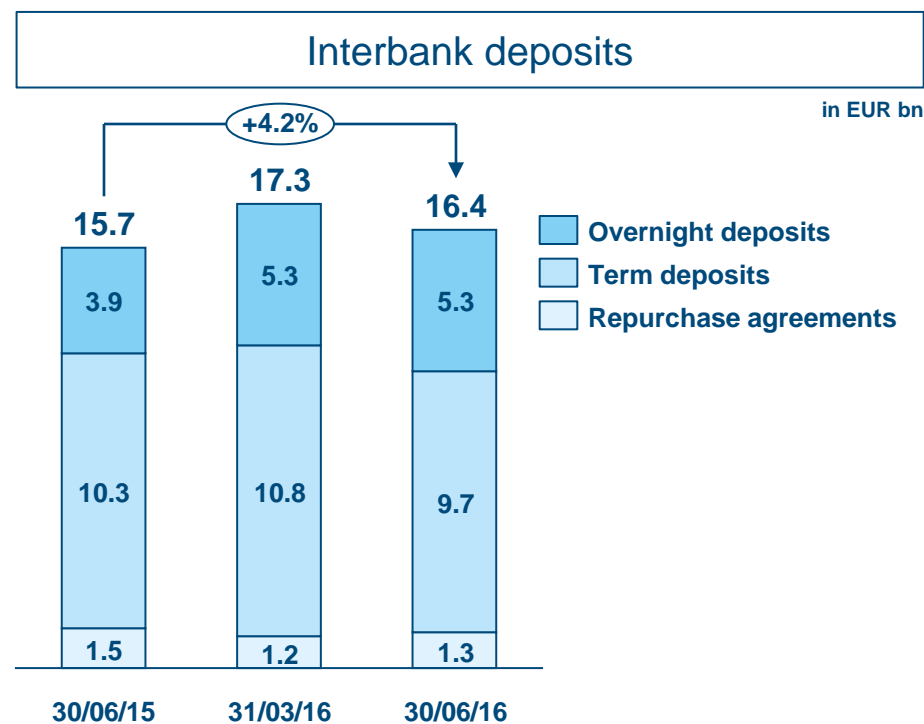
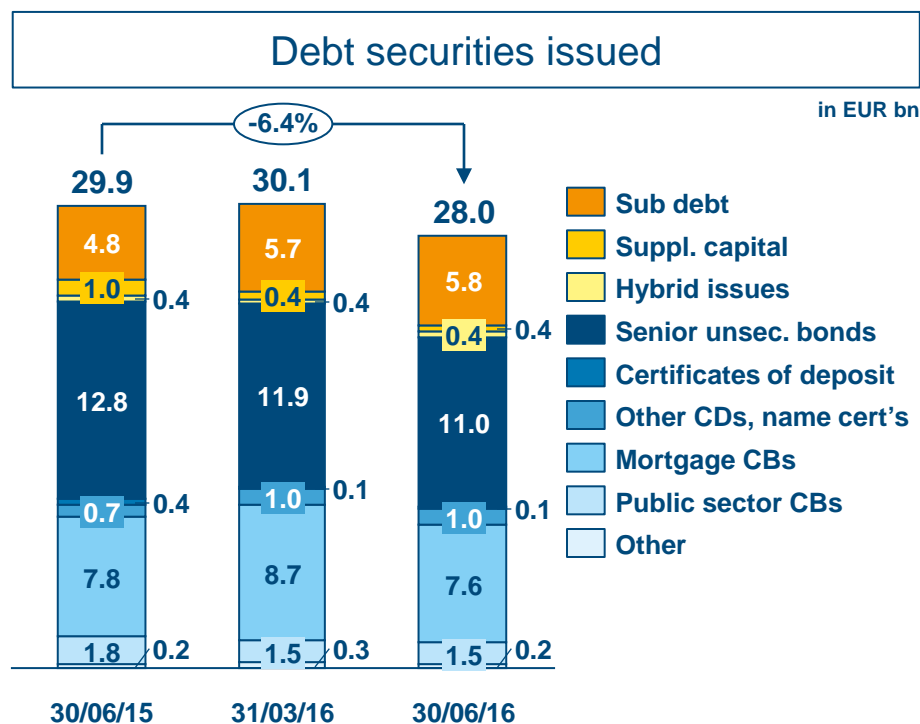
By product type



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

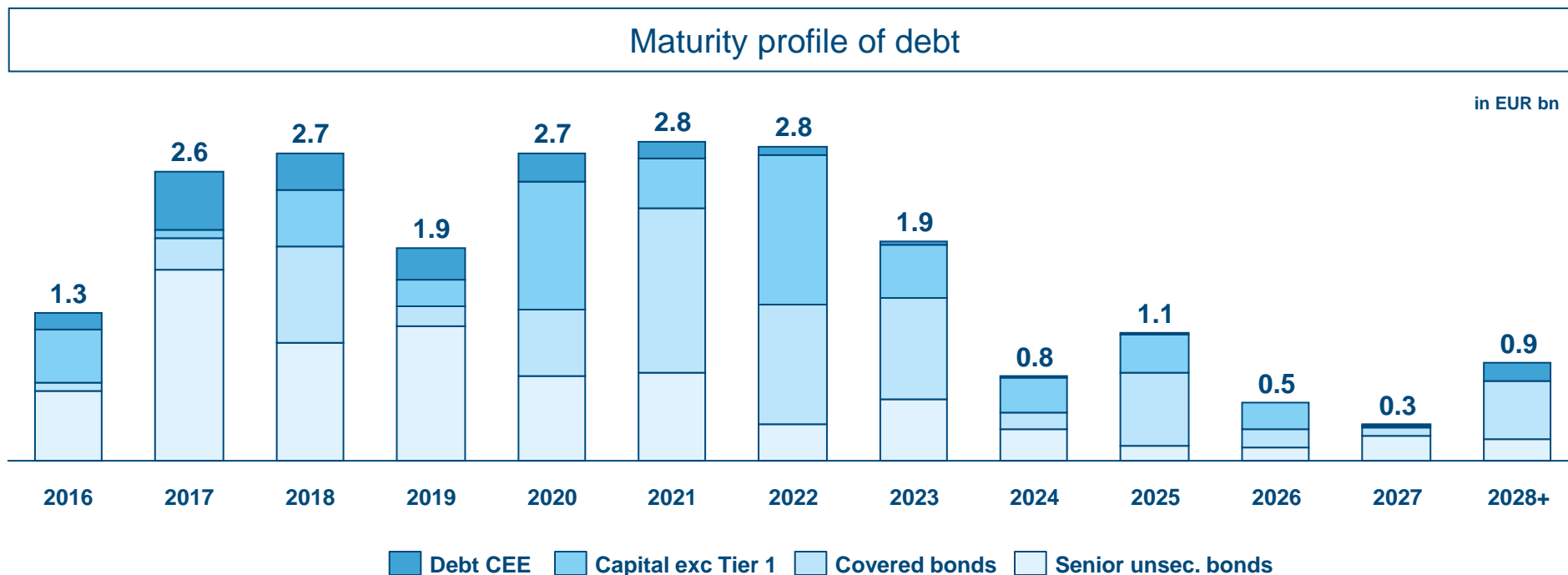
Assets and liabilities: debt vs interbank funding – Stable wholesale funding base



- Overall reduction in wholesale funding reliance led by decline in outstanding senior unsecured debt, which was only partly offset by increased subordinated debt

- Qoq decline in interbank deposits mainly due to balance sheet contraction

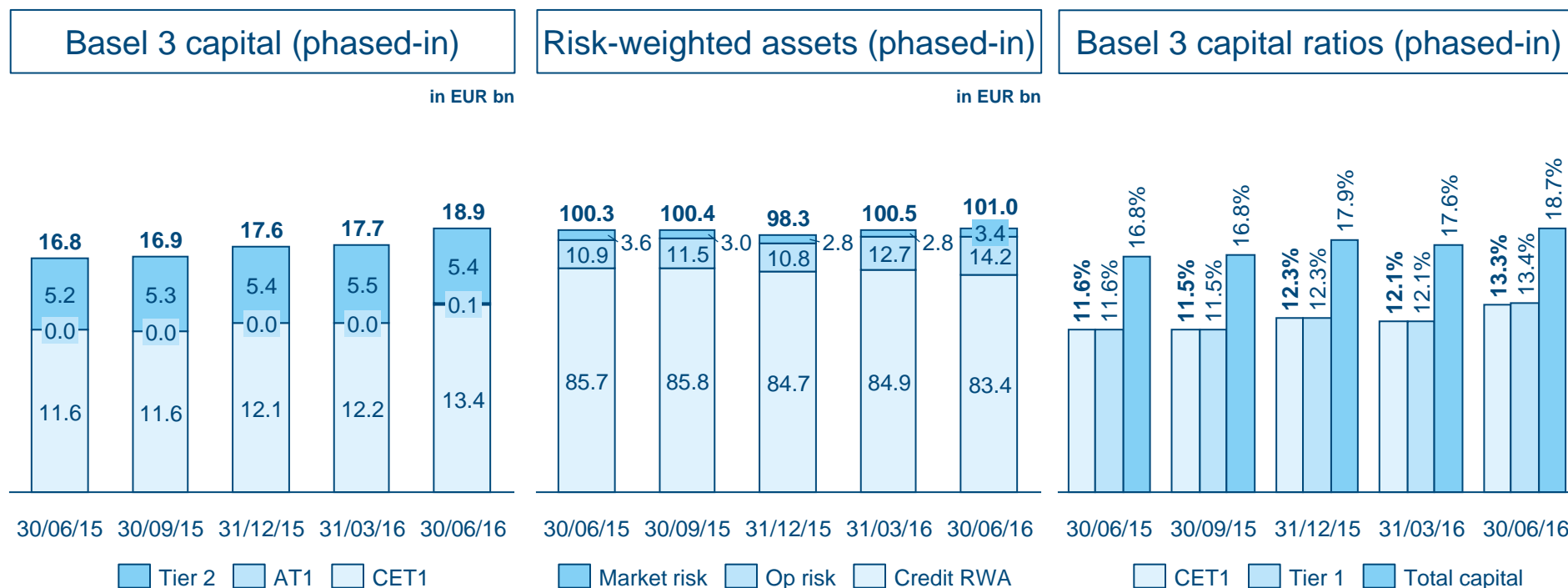
Assets and liabilities: LT funding – Limited LT funding needs



- In January 2016 Erste Group opened the covered bond market for Austrian issuers with a EUR 750m 7y mortgage covered bond.
- Erste Group followed-up in May with Austria's inaugural CRDIV CRR compliant Additional Tier 1 transaction (EUR 500m PerpNC5.5). The issue attracted more than 160 accounts and had orders above EUR 2bn. The already comfortable capital position of Erste Group was strengthened further and the issue contributes to the transition towards an optimal CRR-compliant capital structure.

Assets and liabilities: capital position –

B3FL CET1 ratio increases to 12.7%, ADIs triple to EUR 1.7bn



- Strong rise in CET1 capital
 - Inclusion of ytd interim profit
 - VISA gain was already included at year-end 2015
- Strong rise in available distributable items (ADIs) to EUR 1.7bn (pre dividend and AT1 coupon for 2016)

- Lower credit RWA offset increased operational risk RWA in Q2 16
 - Credit RWA driven lower by across-the-board improved portfolio quality
 - Inclusion of politically driven historical events as operational risk (Romania, Hungary) led to up-drift in operational RWA in Q1 & Q2 16
- B3FL RWA increased to EUR 102.7bn

- B3FL CET1 ratio at 12.7% at 30 June 2016 (YE 2015: 12.0%)
- B3FL total capital ratio at 18.3% including AT1 issued in Q2 16 (YE15: 17.2%)
- SREP requirement for 2016: 9.5% + 0.25% systemic risk buffer; currently expected B3FL SREP ratio as of 1 Jan 2019: 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 1.4-4.1% 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 to exceed 12% in 2016 underpinning continued dividend payout**
 - Support factors in 2016: continued loan growth; further asset quality improvement amid a benign risk environment
 - Headwinds in 2016: persistent low interest rate environment affecting group operating income; 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, prior to potential banking tax one-off payment in Austria in 2016 (pending parliamentary approval of the government proposal) of about EUR 200m
 - Additional Austrian banking tax one-off payment in 2016 would result in sustainable Austrian banking tax reduction from about EUR 130m to about EUR 20m pre-tax per annum from 2017
 - Guidance assumes no material negative one-offs in H2 16
- **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: income statement – Year-to-date and quarterly view

in EUR million	Year-to-date view			Quarterly view				
	1-6 15	1-6 16	YOY-Δ	Q2 15	Q1 16	Q2 16	YOY-Δ	QOQ-Δ
Net interest income	2,211.9	2,194.1	-0.8%	1,113.4	1,092.2	1,101.9	-1.0%	0.9%
Net fee and commission income	917.4	884.9	-3.5%	456.3	443.1	441.8	-3.2%	-0.3%
Dividend income	32.1	31.5	-2.0%	24.8	2.6	28.8	16.5%	>100.0%
Net trading and fair value result	136.5	107.5	-21.2%	64.1	43.5	64.0	-0.2%	47.0%
Net result from equity method investments	9.7	5.7	-41.1%	5.0	1.9	3.7	-25.2%	92.2%
Rental income from investment properties & other operating leases	91.7	92.9	1.3%	46.6	45.9	47.1	1.0%	2.7%
Personnel expenses	-1,113.9	-1,152.7	3.5%	-559.9	-565.4	-587.2	4.9%	3.9%
Other administrative expenses	-559.6	-610.1	9.0%	-278.5	-333.5	-276.6	-0.7%	-17.1%
Depreciation and amortisation	-223.3	-217.6	-2.6%	-110.4	-109.8	-107.7	-2.4%	-1.9%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	36.0	148.4	>100.0%	25.2	2.4	146.0	>100.0%	>100.0%
Net impairment loss on financial assets not measured at fair value through profit or loss	-373.9	-25.8	-93.1%	-190.8	-56.4	30.6	n/a	n/a
Other operating result	-200.6	-192.2	-4.2%	-47.1	-139.5	-52.6	11.8%	-62.3%
Levies on banking activities	-137.2	-107.6	-21.6%	-45.4	-62.8	-44.9	-1.2%	-28.5%
Pre-tax result from continuing operations	964.1	1,266.7	31.4%	548.8	427.0	839.7	53.0%	96.6%
Taxes on income	-273.4	-278.8	2.0%	-154.8	-104.5	-174.3	12.6%	66.9%
Net result for the period	690.7	987.9	43.0%	394.0	322.6	665.3	68.9%	>100.0%
Net result attributable to non-controlling interests	203.4	146.2	-28.1%	132.6	47.8	98.4	-25.8%	>100.0%
Net result attributable to owners of the parent	487.2	841.7	72.8%	261.4	274.7	567.0	>100.0%	>100.0%
Operating income	3,399.4	3,316.6	-2.4%	1,710.3	1,629.3	1,687.3	-1.3%	3.6%
Operating expenses	-1,896.8	-1,980.3	4.4%	-948.7	-1,008.8	-971.5	2.4%	-3.7%
Operating result	1,502.6	1,336.3	-11.1%	761.6	620.5	715.8	-6.0%	15.4%

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	7,011	11,097	12,350	14,641	12,982	85.2%	5.1%	-11.3%
Financial assets - held for trading	9,022	8,805	8,719	9,960	10,373	15.0%	19.0%	4.1%
Derivatives	5,613	5,633	5,303	5,668	5,610	-0.1%	5.8%	-1.0%
Other trading assets	3,409	3,172	3,416	4,292	4,763	39.7%	39.4%	11.0%
Financial assets - at fair value through profit or loss	269	332	359	404	433	60.9%	20.7%	7.3%
Financial assets - available for sale	21,804	21,187	20,763	20,743	20,822	-4.5%	0.3%	0.4%
Financial assets - held to maturity	17,949	17,585	17,701	17,573	17,823	-0.7%	0.7%	1.4%
Loans and receivables to credit institutions	8,775	8,384	4,805	6,680	5,626	-35.9%	17.1%	-15.8%
Loans and receivables to customers	123,504	124,521	125,897	126,740	127,407	3.2%	1.2%	0.5%
Derivatives - hedge accounting	2,181	2,284	2,191	2,347	2,253	3.3%	2.8%	-4.0%
Changes in fair value of portfolio hedged items	0	0	0	0	0	n/a	n/a	n/a
Property and equipment	2,330	2,368	2,402	2,370	2,334	0.2%	-2.8%	-1.5%
Investment properties	805	751	753	744	753	-6.5%	-0.1%	1.2%
Intangible assets	1,395	1,393	1,465	1,447	1,437	3.0%	-1.9%	-0.7%
Investments in associates and joint ventures	194	164	167	169	190	-1.8%	14.4%	12.8%
Current tax assets	150	166	119	142	132	-12.2%	11.2%	-7.1%
Deferred tax assets	255	234	310	308	253	-0.8%	-18.4%	-17.7%
Assets held for sale	429	487	526	456	294	-31.4%	-44.1%	-35.5%
Other assets	1,457	1,411	1,217	1,646	1,391	-4.5%	14.3%	-15.5%
Total assets	197,532	201,171	199,743	206,369	204,505	3.5%	2.4%	-0.9%

Additional information: group balance sheet – Liabilities and equity

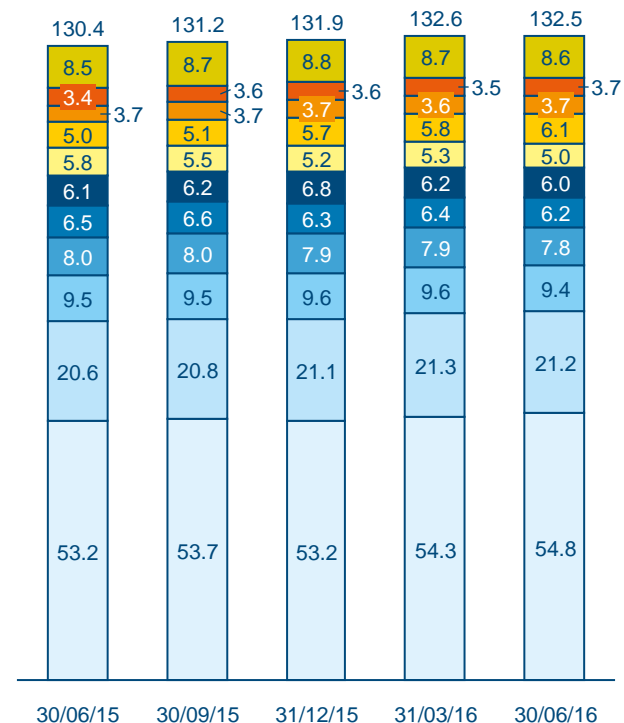
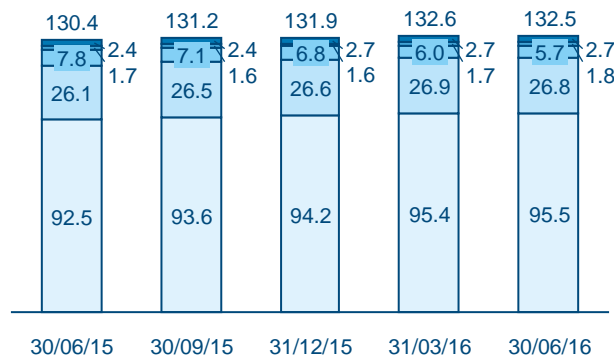
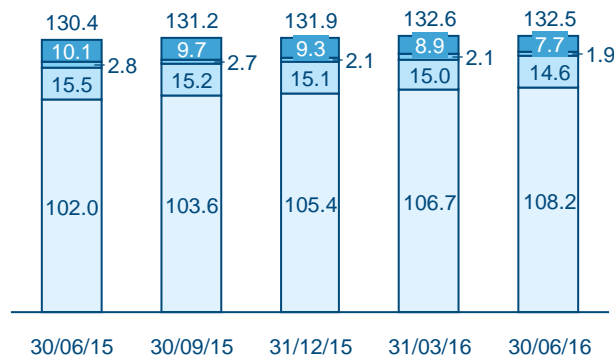
in EUR million	Quarterly data					Change		
	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities - held for trading	6,632	6,364	5,867	6,612	6,146	-7.3%	4.8%	-7.0%
Derivatives	5,875	5,654	5,434	5,782	5,341	-9.1%	-1.7%	-7.6%
Other trading liabilities	758	711	434	830	805	6.3%	85.8%	-2.9%
Financial liabilities - at fair value through profit or loss	1,881	1,907	1,907	1,918	1,765	-6.1%	-7.4%	-8.0%
Deposits from banks	0	0	0	0	0	n/a	n/a	n/a
Deposits from customers	237	197	149	122	113	-52.2%	-23.7%	-7.0%
Debt securities issued	1,644	1,710	1,758	1,796	1,652	0.5%	-6.0%	-8.0%
Other financial liabilities	0	0	0	0	0	n/a	n/a	n/a
Financial liabilities measured at amortised cost	168,769	172,186	170,787	175,026	173,943	3.1%	1.8%	-0.6%
Deposits from banks	15,704	17,414	14,212	17,330	16,367	4.2%	15.2%	-5.6%
Deposits from customers	124,296	125,242	127,797	128,518	130,304	4.8%	2.0%	1.4%
Debt securities issued	28,270	28,910	27,896	28,263	26,362	-6.8%	-5.5%	-6.7%
Other financial liabilities	497	620	882	914	911	83.2%	3.4%	-0.3%
Derivatives - hedge accounting	639	621	593	650	666	4.3%	12.4%	2.4%
Changes in fair value of portfolio hedged items	962	1,013	966	1,089	1,148	19.4%	18.9%	5.4%
Provisions	1,608	1,752	1,736	1,801	1,715	6.6%	-1.3%	-4.8%
Current tax liabilities	121	120	90	101	98	-19.2%	9.1%	-2.4%
Deferred tax liabilities	85	92	96	119	133	56.1%	38.5%	11.1%
Liabilities associated with assets held for sale	33	33	578	451	0	-100.0%	-100.0%	-100.0%
Other liabilities	2,786	2,647	2,317	3,383	2,913	4.5%	25.8%	-13.9%
Total equity	14,015	14,437	14,807	15,218	15,977	14.0%	7.9%	5.0%
Equity attributable to non-controlling interests	3,701	3,746	3,802	3,889	3,948	6.7%	3.8%	1.5%
Equity attributable to owners of the parent	10,314	10,691	11,005	11,329	12,029	16.6%	9.3%	6.2%
Total liabilities and equity	197,532	201,171	199,743	206,369	204,505	3.5%	2.4%	-0.9%

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

Gross cust. loans by risk category (EUR bn)

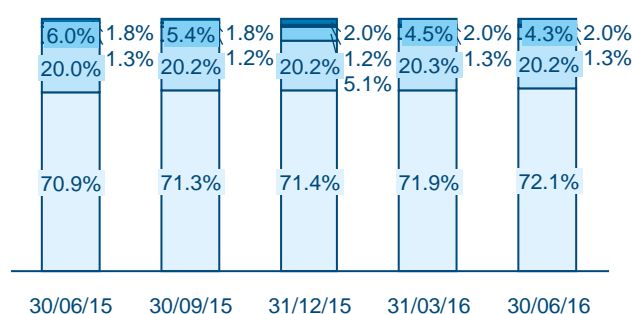
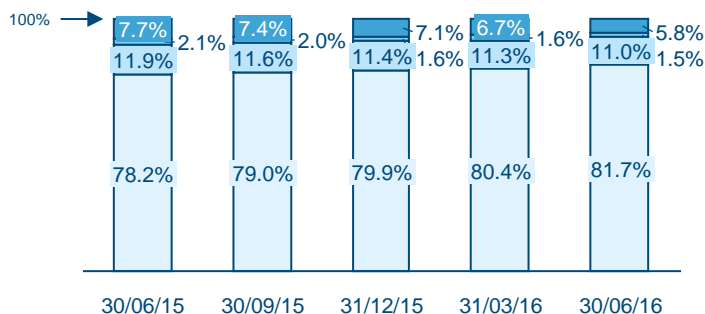
Gross customer loans by currency (EUR bn)

Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)

Gross customer loans by currency (in %)



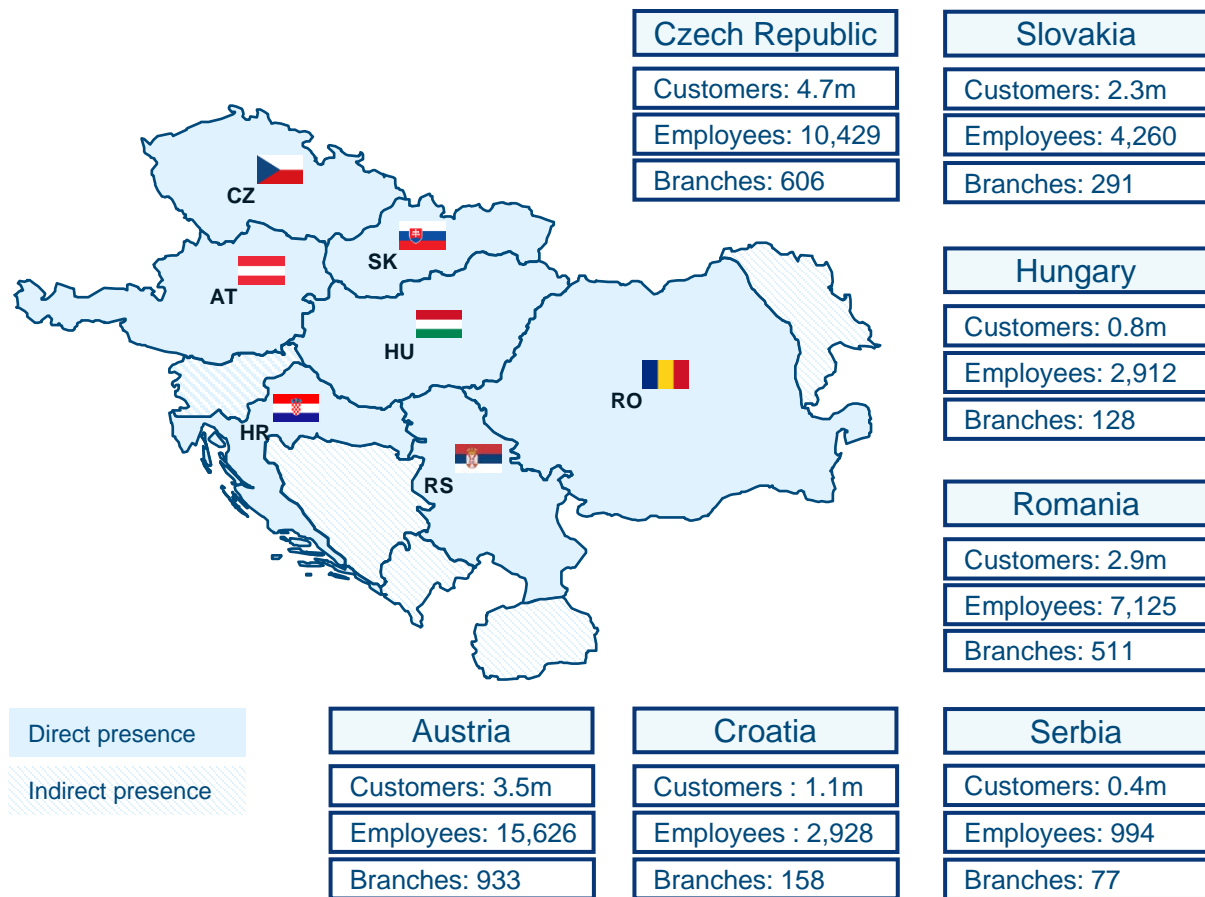
■ Non-performing ■ Management attention
■ Substandard ■ Low risk

■ 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

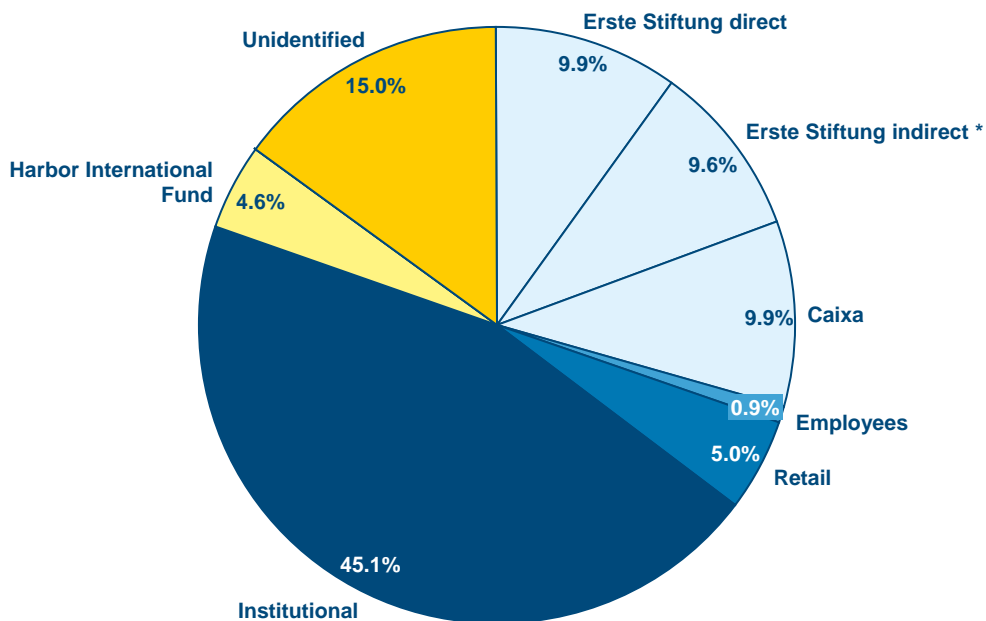
Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

Focus on CEE, limited exposure to other Europe

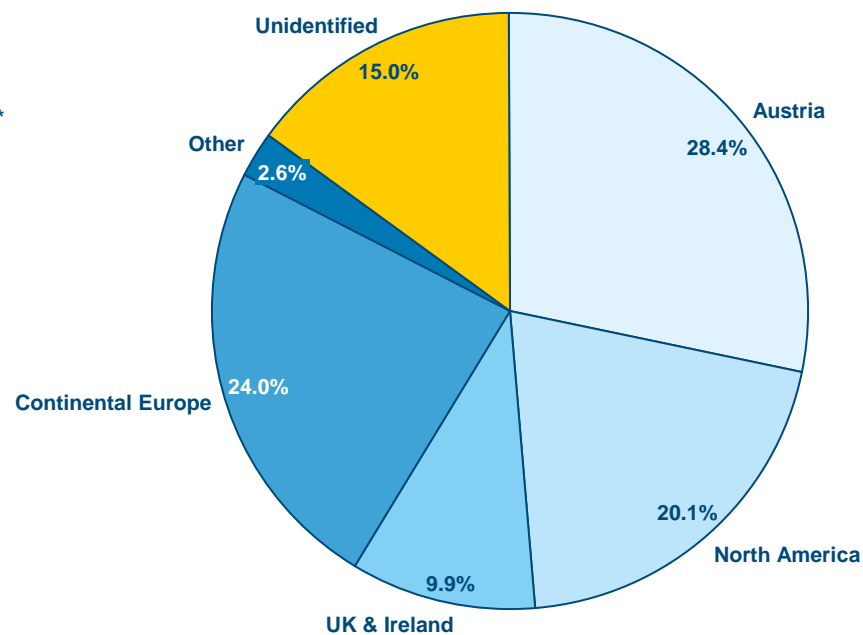
Additional information: shareholder structure –

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

- **Erste Group Bank AG, Am Belvedere 1, 1100 Vienna**

E-mail: investor.relations@erstegroup.com

Internet: <http://www.erstegroup.com/investorrelations>

<http://twitter.com/ErsteGroupIR> http://www.slideshare.net/Erste_Group

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**

- **Contacts**

Thomas Sommerauer

Tel: +43 (0)5 0100 17326

e-mail: thomas.sommerauer@erstegroup.com

Peter Makray

Tel: +43 (0)5 0100 16878

e-mail: peter.makray@erstegroup.com

Simone Pilz

Tel: +43 (0)5 0100 13036

e-mail: simone.pilz@erstegroup.com

Gerald Krames

Tel: +43 (0)5 0100 12751

e-mail: gerald.krames@erstegroup.com