

# Goldman Sachs Twentieth Annual European Financials Conference

Paris, June 2016

**Erste Group posts net profit of EUR 274.7m (ROTE: 11.3%) in Q1 16 despite upfront booking of banking levies and regulatory charges**

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### Cautionary note regarding forward-looking statements

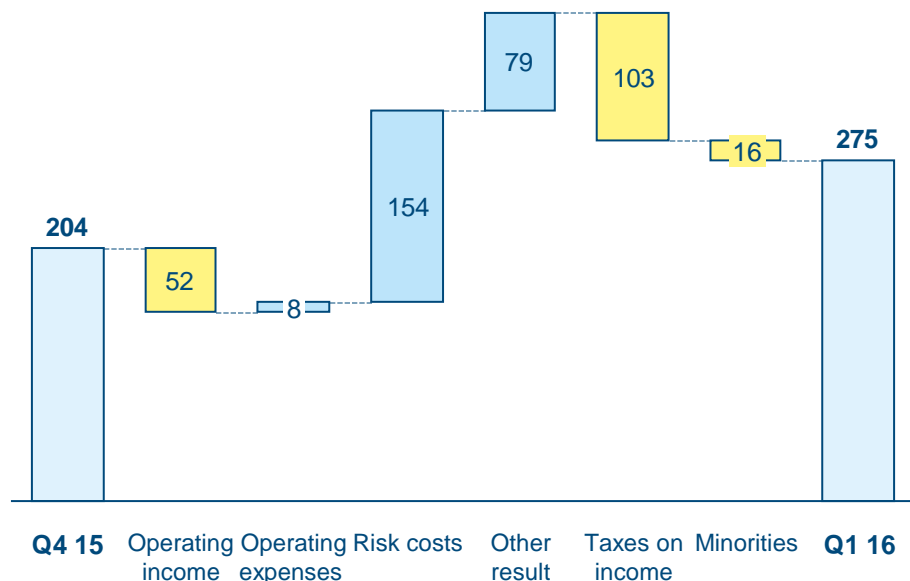
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# Presentation topics

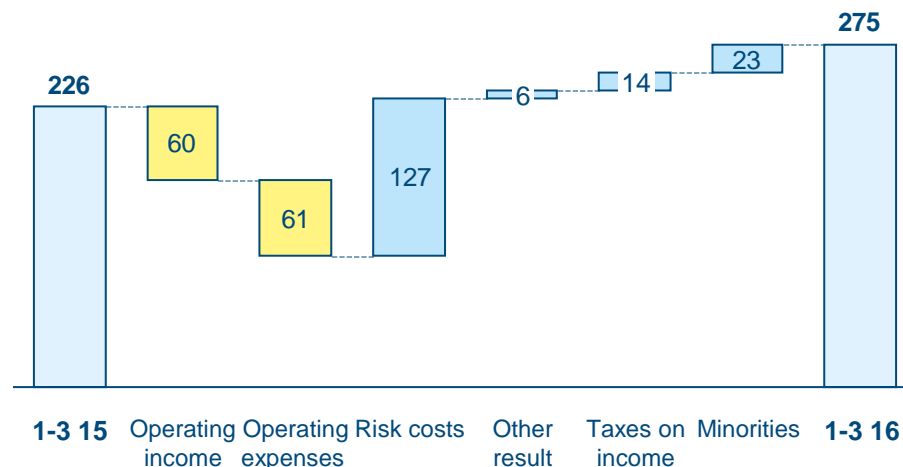
- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- Outlook
- Additional information

# Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



YoY net profit reconciliation (EUR m)

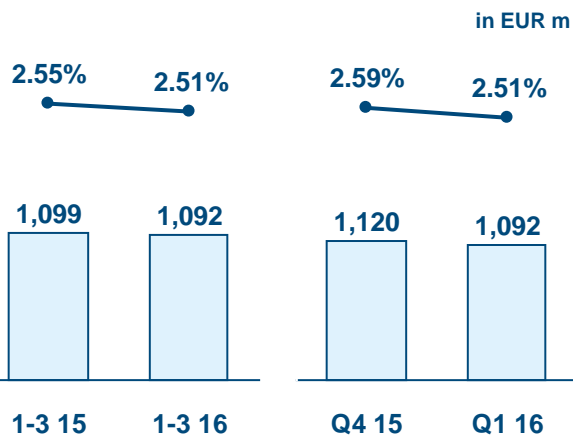


- Erste Group Q1 16 net profit advanced to EUR 274.7m qoq due to plummeting risk provisions and improved other result (one-offs of EUR -121.0m in Q4 15 vs one-offs of EUR -61.8m in Q1 16)
- Normalisation of tax rate weighed on bottom line, as did decline in revenues, driven by lighter fees and net interest income
- Operating expenses improved despite upfront booking of most of FY16e deposit insurance fees (EUR 52.5m related to Q2-Q4 16)

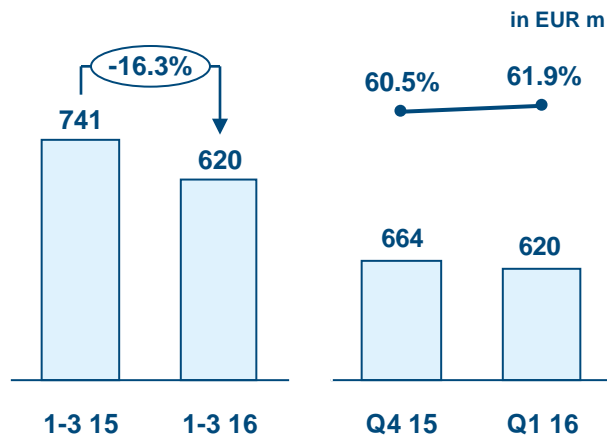
- 21.7% yoy rise in net profit primarily driven by plummeting risk provisions as well as lower tax and minority charges
- Negative yoy impact from lower revenues, as a result of positive trading one-off in CZ in Q1 15 (EUR +25.0m) as well as lower fees and slightly lower net interest income
- Negative yoy impact from costs exclusively due to upfront booking of deposit insurance fees (o/w EUR 52.5m related to Q2-Q4 16)

# Executive summary – Key income statement data

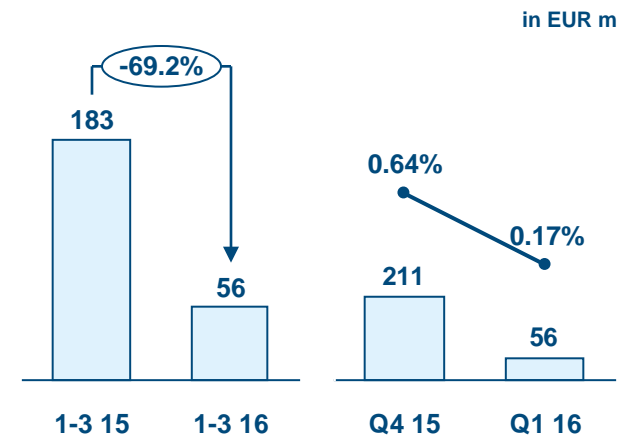
## Net interest income & margin



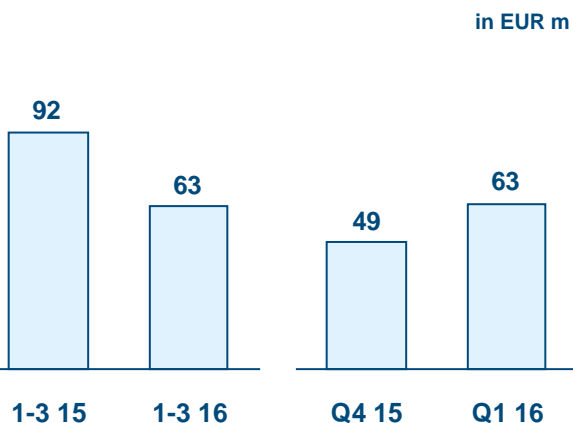
## Operating result & cost/income ratio



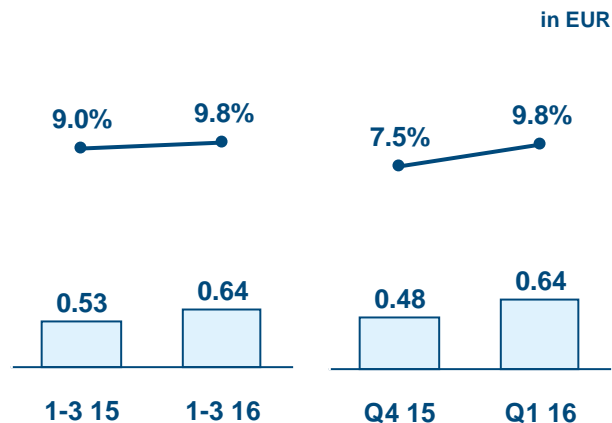
## Cost of risk



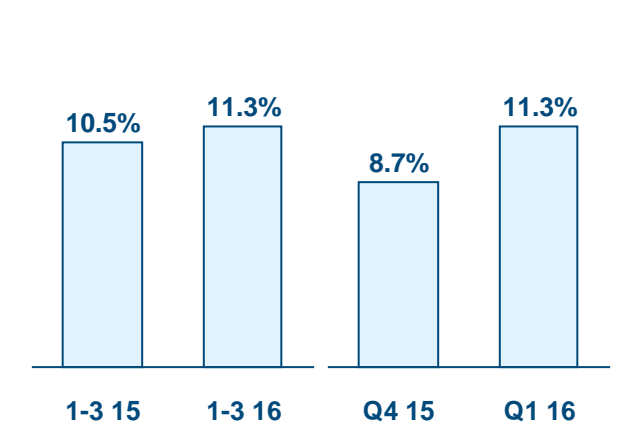
## Banking levies



## Reported EPS & ROE

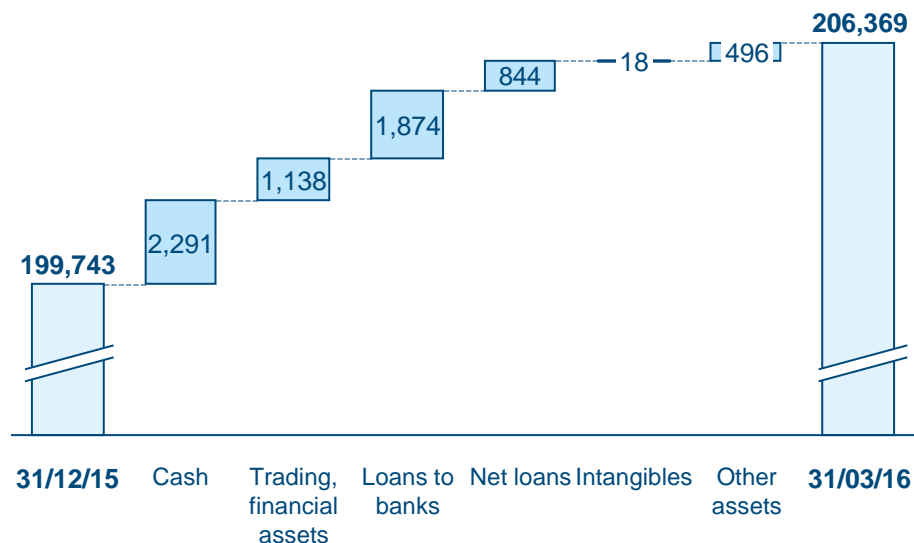


## Return on tangible equity



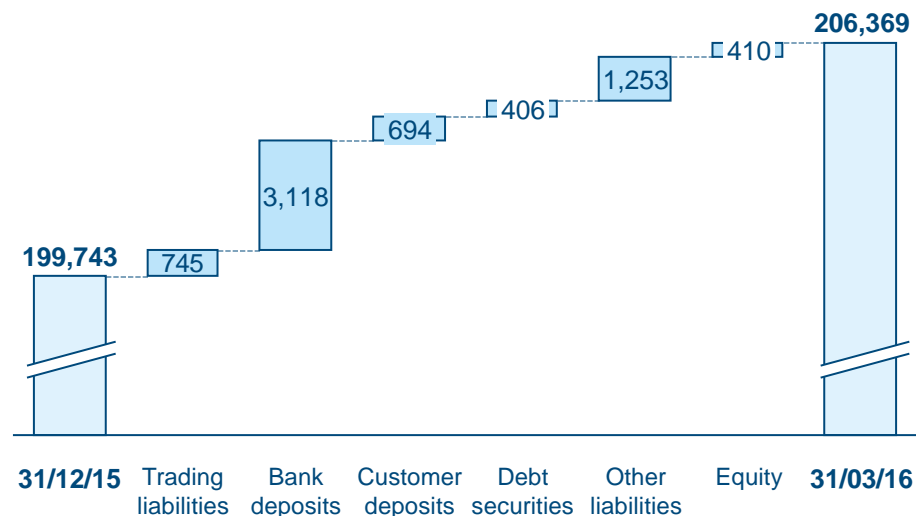
# Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Balance sheet total rises by 3.3% in Q1 16, driven by increase in interbank lending, shown in the line item cash (overnight lending) and loans to banks (longer than overnight maturities)
- Net customer loans rise by 0.7% ytd, supported mainly by continued strong demand in Czech Republic (+1.8% ytd) and some growth in most other markets

YTD equity & total liability reconciliation (EUR m)

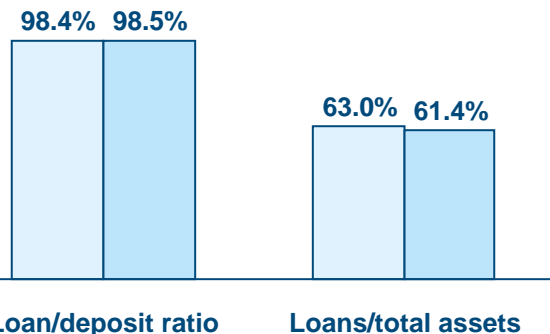


- Strong increase in bank deposits reflects general expansion of interbank business in Q1 16; mirrors asset side
- 0.5% increase in customer deposits broadly in line with net customer loan development
- 2.8% rise in total equity due to better profitability; shareholders' equity rose by 2.9% to EUR 11.3bn

# Executive summary – Key balance sheet data

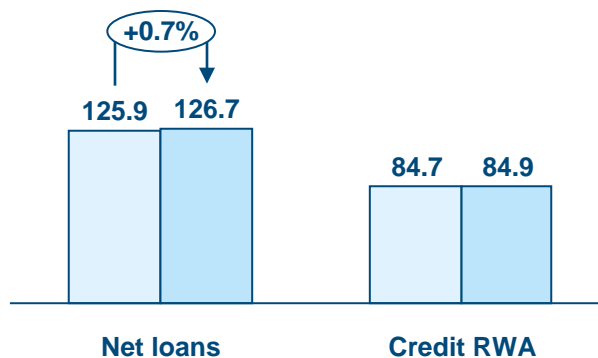
31/12/15  
31/03/16

## Loan/deposit & loan/TA ratio

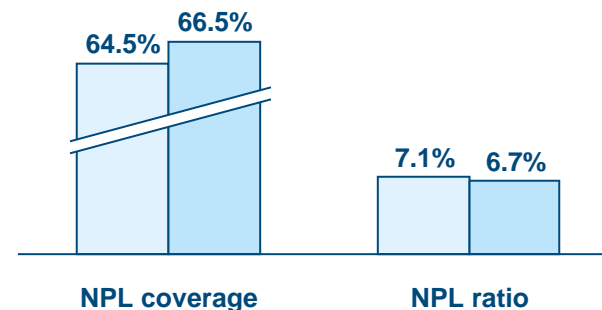


## Net loans & credit RWA

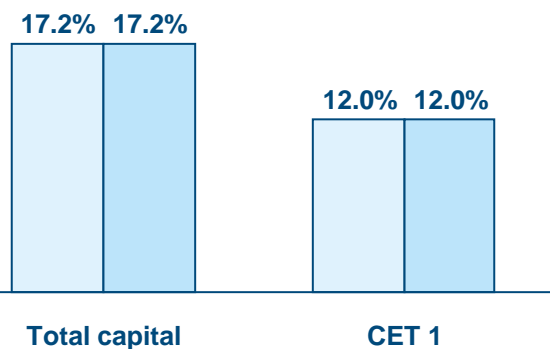
in EUR bn



## NPL coverage ratio & NPL ratio

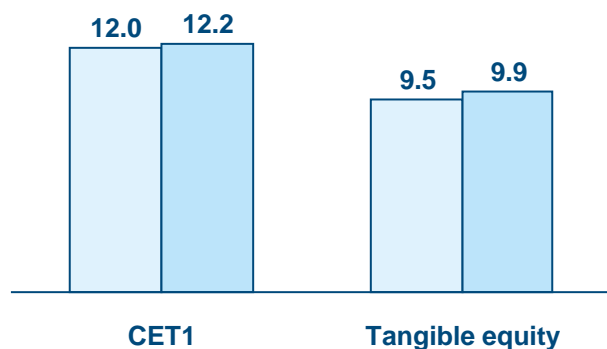


## B3FL capital ratios

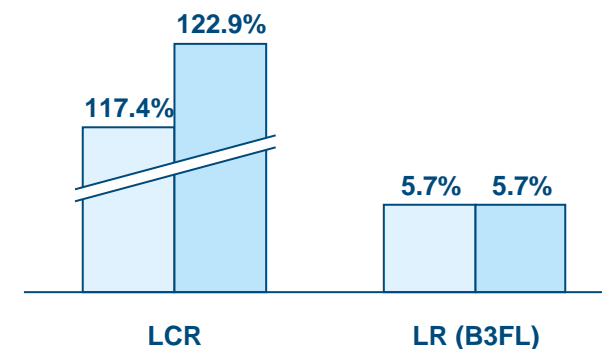


## B3FL capital & tangible equity\*

in EUR bn



## Liquidity coverage & leverage ratio



\* Based on shareholders' equity, not total equity.

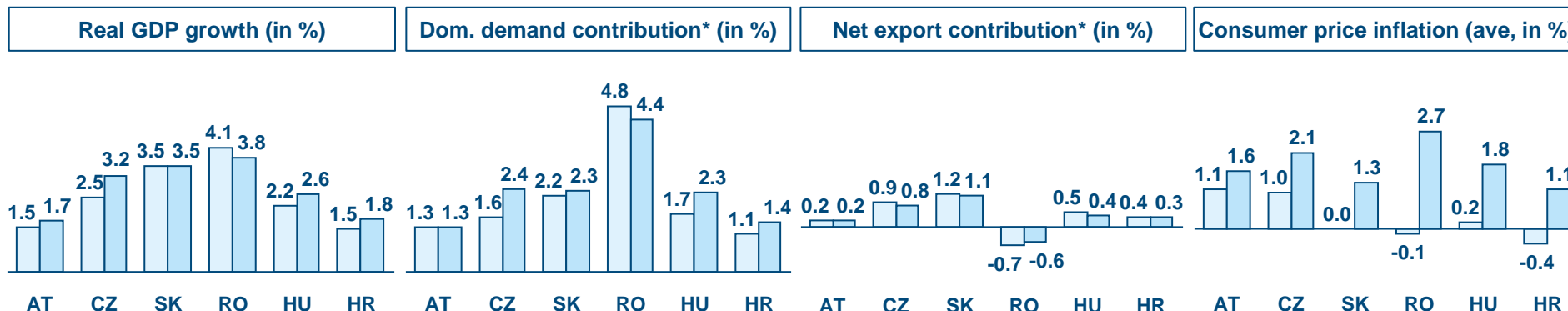
# Presentation topics

- Executive summary
- **Business environment**
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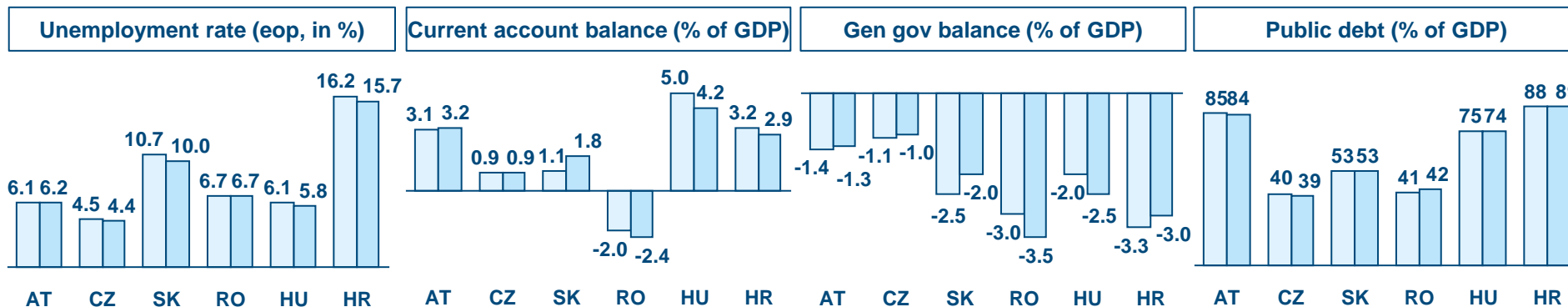


# Business environment – Solid CEE GDP growth expectations for 2016

2016  
2017



- Erste Group's core CEE markets 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 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

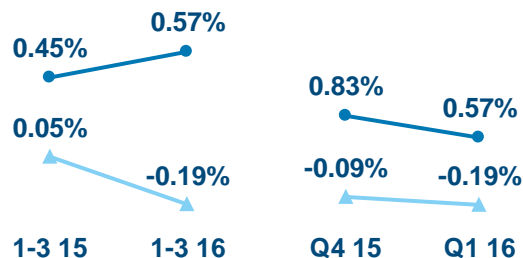
\* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research.

# Business environment –

## Interest rates remain at historically low levels in Q1 16

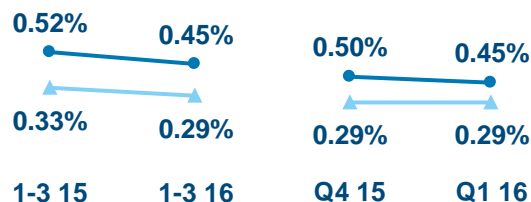
—▲ 3M Interbank  
—● 10YR GOV

### Austria



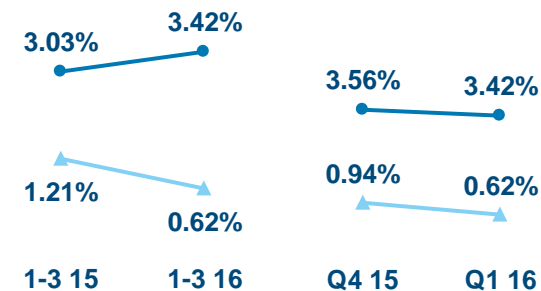
- ECB cut discount rate to zero in March 16
- Maintains expansionary monetary policy stance

### Czech Republic



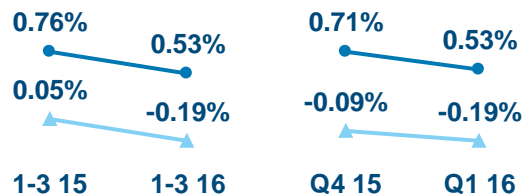
- National bank maintains ultra-low interest rates since November 2012 at 0.05%

### Romania



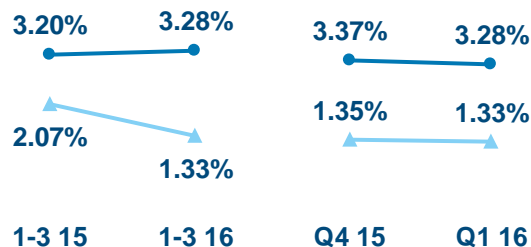
- Central bank cut policy rate to historic low of 1.75% in May 2015

### Slovakia



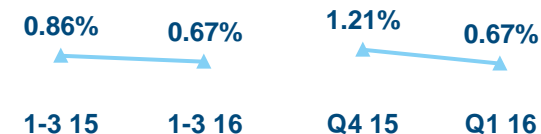
- As part of euro zone ECB rates are applicable in SK

### Hungary



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

### Croatia

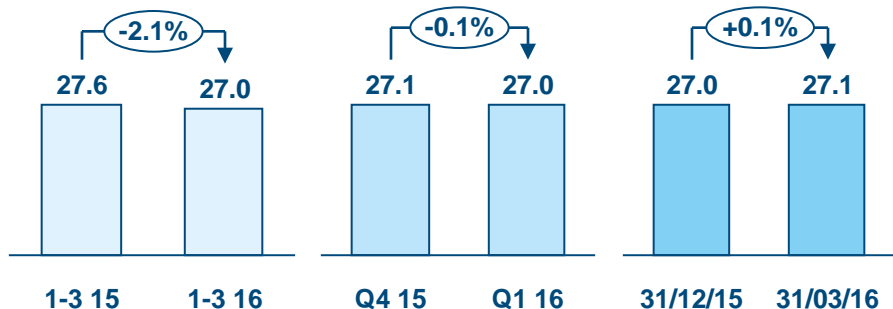


- Central bank maintains discount rate at 7.0% since mid-2011

Source: Bloomberg.

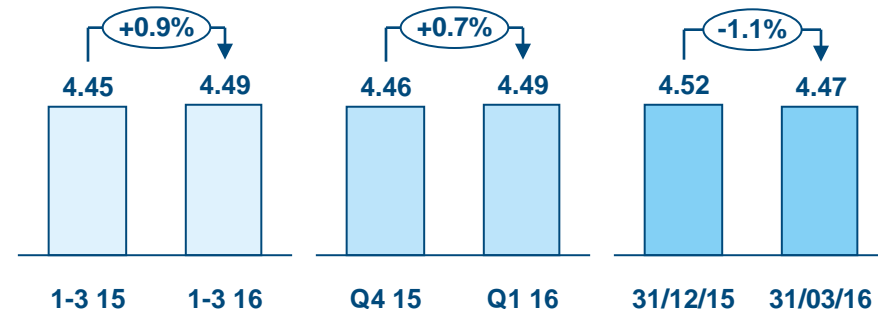
# Business environment – Limited currency volatility in CEE

EUR/CZK



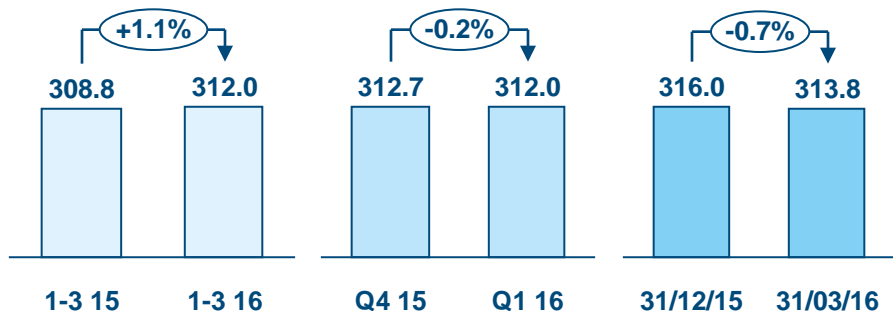
- Czech National Bank maintains exchange rate stability; discount rate also stable at 0.05% in Q1 16

EUR/RON



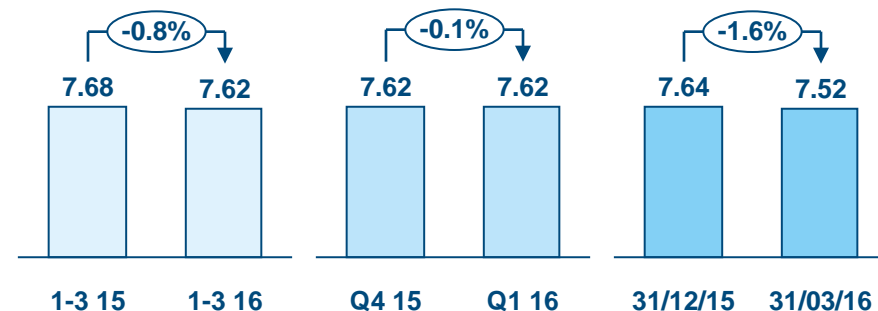
- RON movements marked by limited volatility, despite decreasing interest rates: policy rate cut to 1.75% in Q2 15

EUR/HUF



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

EUR/HRK



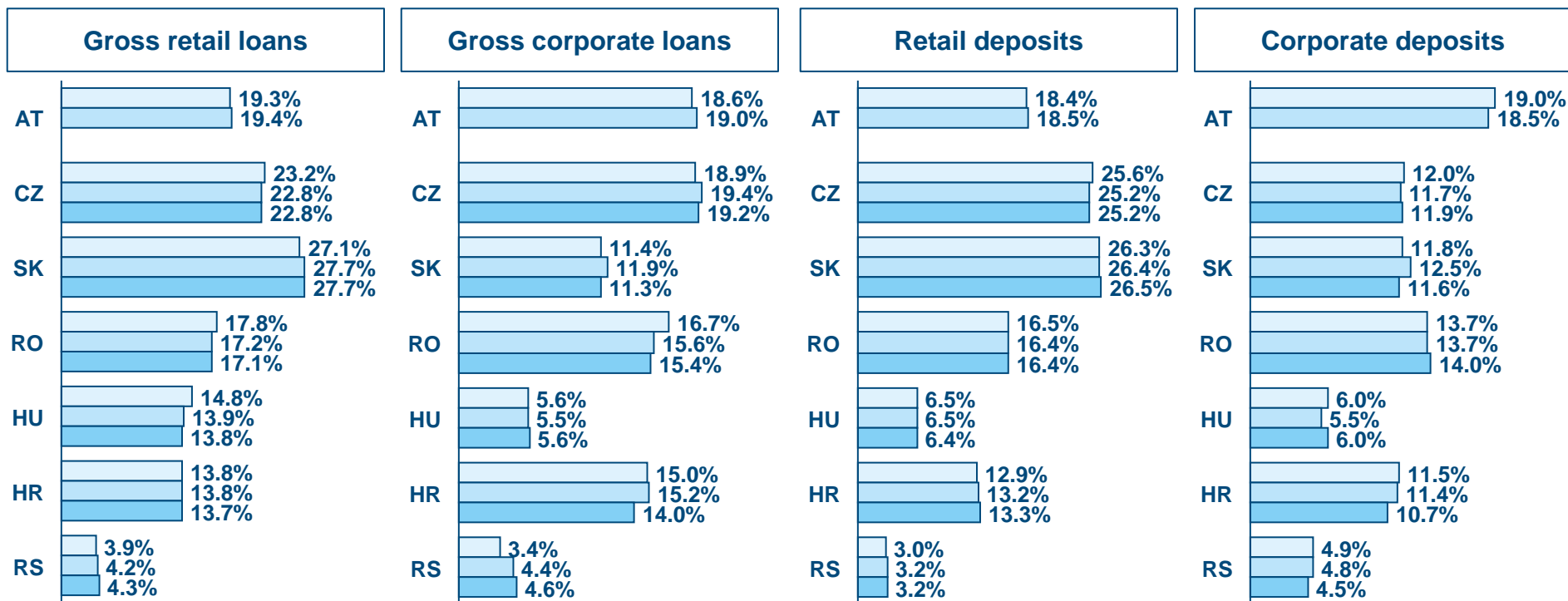
- Strong grip of national bank on HRK is reflected in lack of volatility

Source: Bloomberg.

# Business environment –

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

31/03/15  
31/12/15  
31/03/16



- SK: stable market share in a growing market
- CZ: stable qoq market share as market growth accelerates
- RO: qoq decline mainly due to lower new business volumes in Q1 16

- RO: continued pressure on gross loan based market share due to NPL sales
- HR: qoq decrease driven mainly by NPL sales

- 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 31/03/2016 not yet available

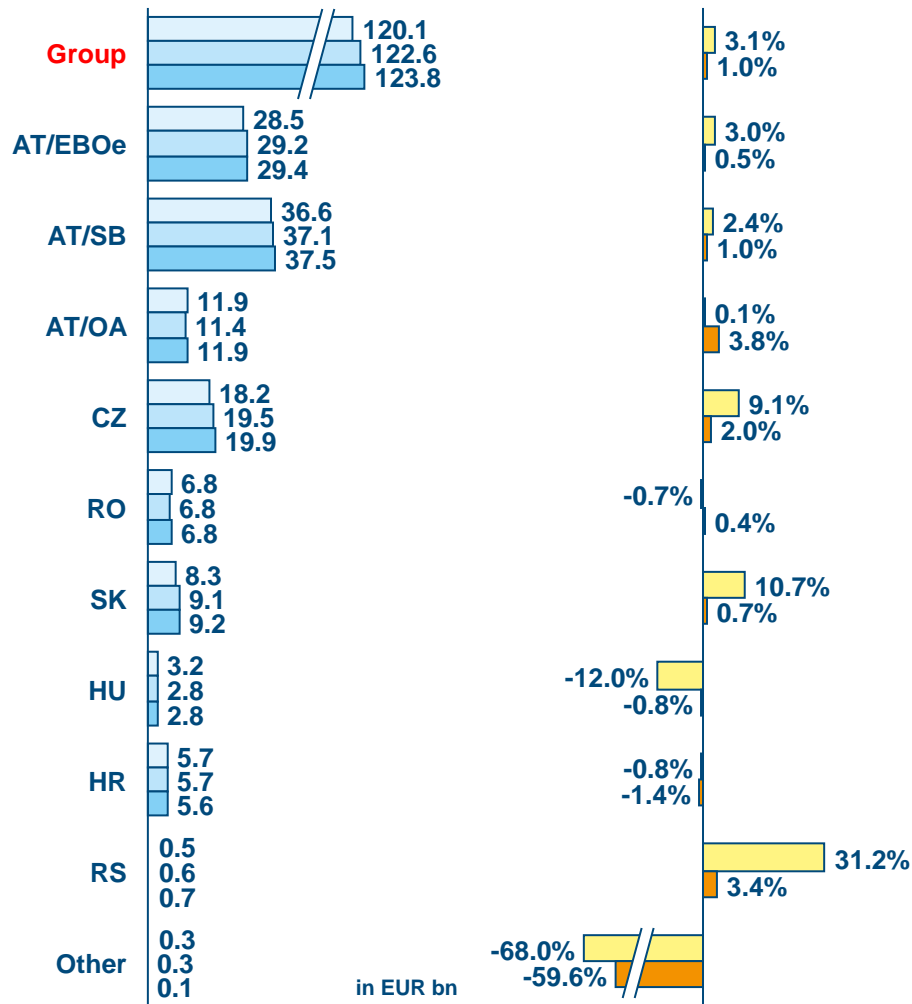
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# Business performance: performing loan stock & growth –

## Performing loan volume increases by 1.0% ytd

■ YoY ■ 31/03/15  
■ QoQ ■ 31/12/15  
■ 31/03/16

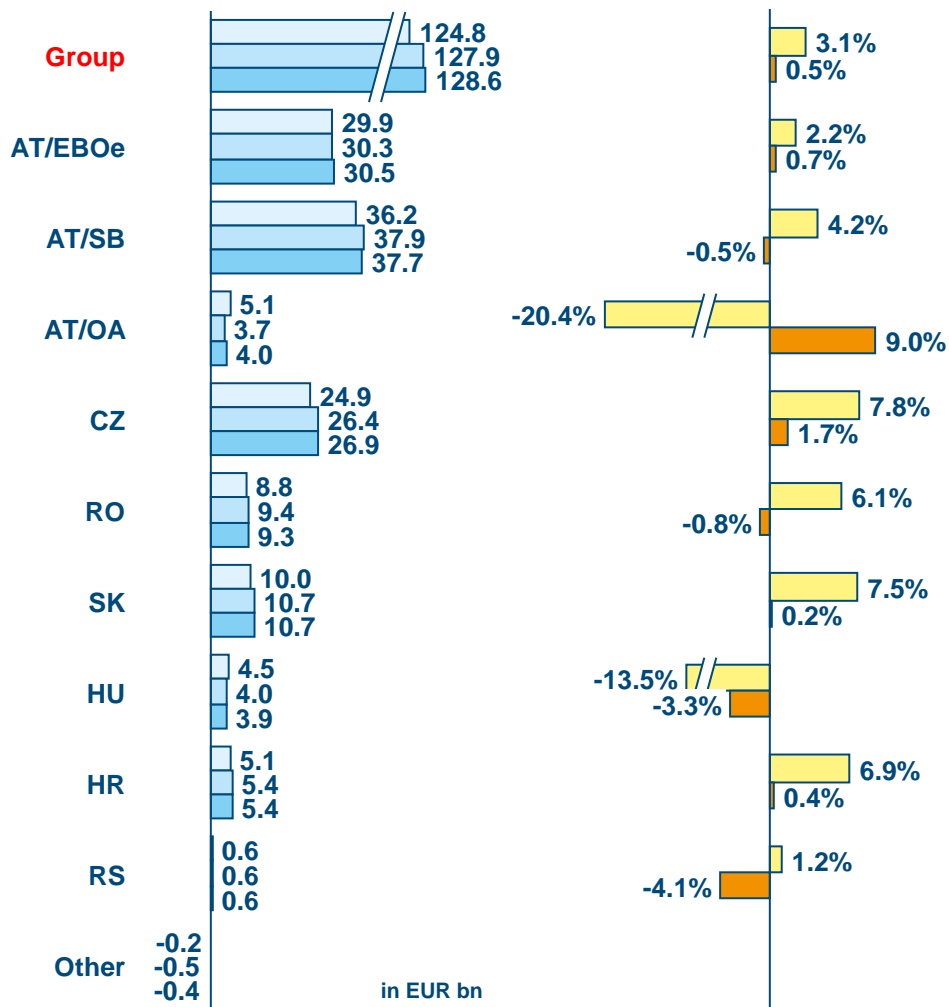


- Rising performing loan volume trend continues in Q1 16, due to qoq increases in most geographies, most pronounced in AT and CZ; yoy growth driven by AT, CZ and SK
- Yoy growth driven by Retail and Corporates business lines
- Qoq growth equally distributed between Retail, Corporates and Group Markets business lines
- Year-on-year segment trends:
  - SK: remains growth driver based on continued Retail strength
  - CZ: unchanged growth in Retail, while increase in Local Large Corporates was offset by reduced volumes in GLC
  - AT/EBOe: continued increase in Retail portfolio
- Quarter-on-quarter segment trends:
  - AT/OA: Corporates growth driven by Local Large Corporates, while SME declined slightly
  - CZ: growth driven by Corporates business line
  - AT/EBOe: continued increase in Retail portfolio, Corporates flat

# Business performance: customer deposit stock & growth –

## Deposits grow by 0.5% in Q1 16

■ YoY ■ 31/03/15  
■ QoQ ■ 31/12/15  
■ 31/03/16

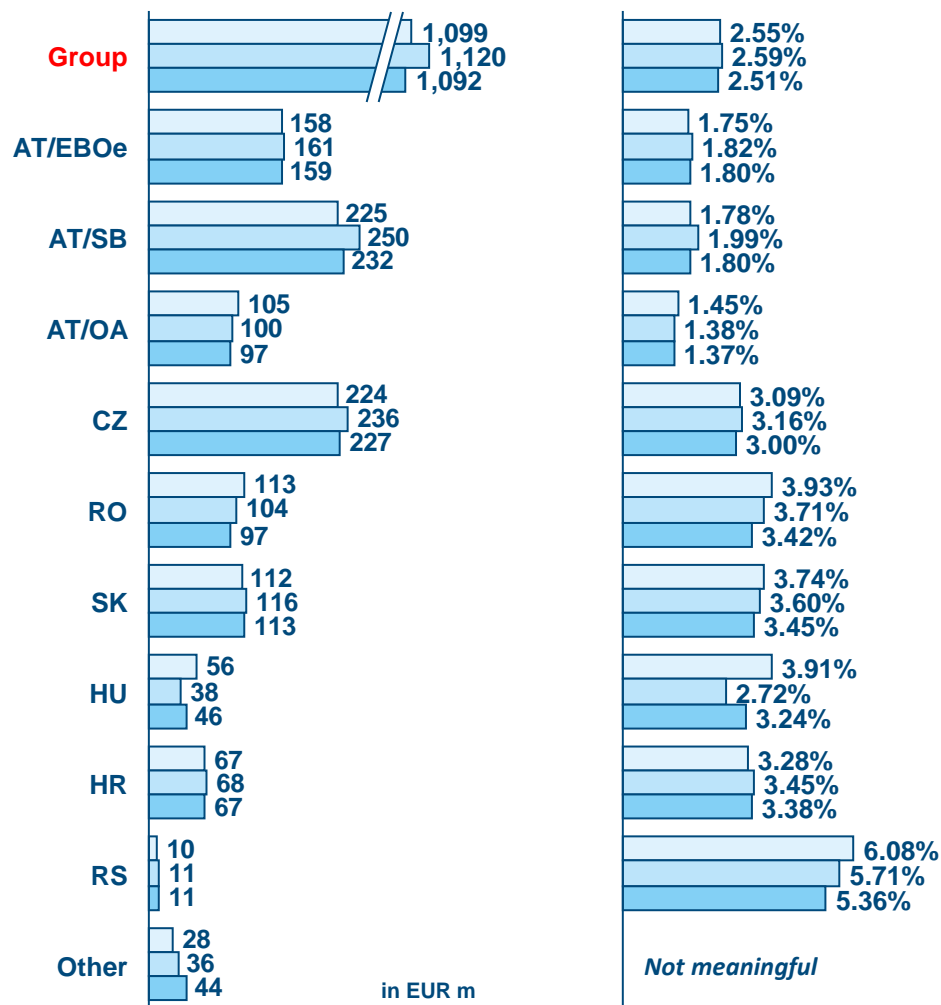


- Continued inflow in customer deposits, mainly driven by CZ, EBOe
- Yoy growth almost exclusively due to Retail business line
- Qoq increase driven by Retail and to a lesser extent by Corporates business lines
- Year-on-year segment trends:
  - SK: inflow in Retail, partially offset by outflows in Local Large Corporates
  - CZ: unchanged growth in Retail in line with loan development
  - HU: driven by Group Markets due do decreasing volumes of current accounts of financial institutions, while Retail remained stable
  - AT/EBOe: growth in Retail and SME business
- Quarter-on-quarter segment trends:
  - CZ: growth in Retail and Group Large Corporates
  - AT/EBOe: increase in Group Markets stemming from financial institutions, while other business lines remained stable

# Business performance: NII and NIM –

## Low interest rate environment results in NIM pressure

Q1 15  
Q4 15  
Q1 16



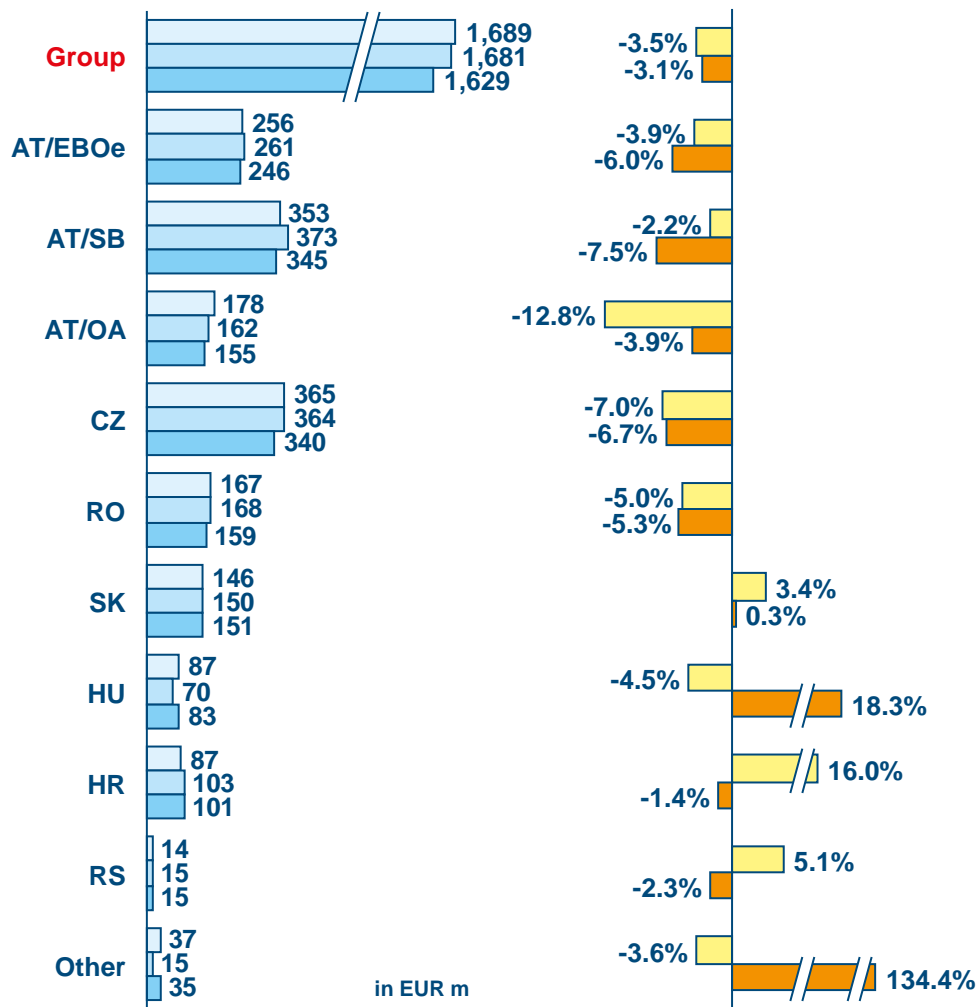
- Yoy relatively stable as increase in Other segment (due to higher benefit from free capital) and AT/SB (driven by higher loan volumes and deposit repricing) was offset by decline in RO, HU and AT/OA
- Qoq decline mainly in AT/SB (due to consolidation of investment funds as total amount for 2015 was booked in Q4 15), CZ and RO, while HU improved
- Year-on-year segment trends:
  - RO: decrease driven by lower average loan volumes and by Q4 15 refinancing campaign, income from unwinding declines
  - AT/OA: decline in NII driven by lower lending volumes in the Holding and by higher interest expense for Immorent
  - HU: decrease driven by fair interest rate settlement combined with lower performing loan volumes
- Quarter-on-quarter segment trends:
  - AT/SB: decline due to consolidation of investment funds (see above)
  - CZ: decline driven by maturing bond portfolio
  - RO: decrease mainly due to the refinancing campaign
  - HU: normalisation following one-off booked in Q4 15



# Business performance: operating income –

## Operating income decreases yoy and qoq

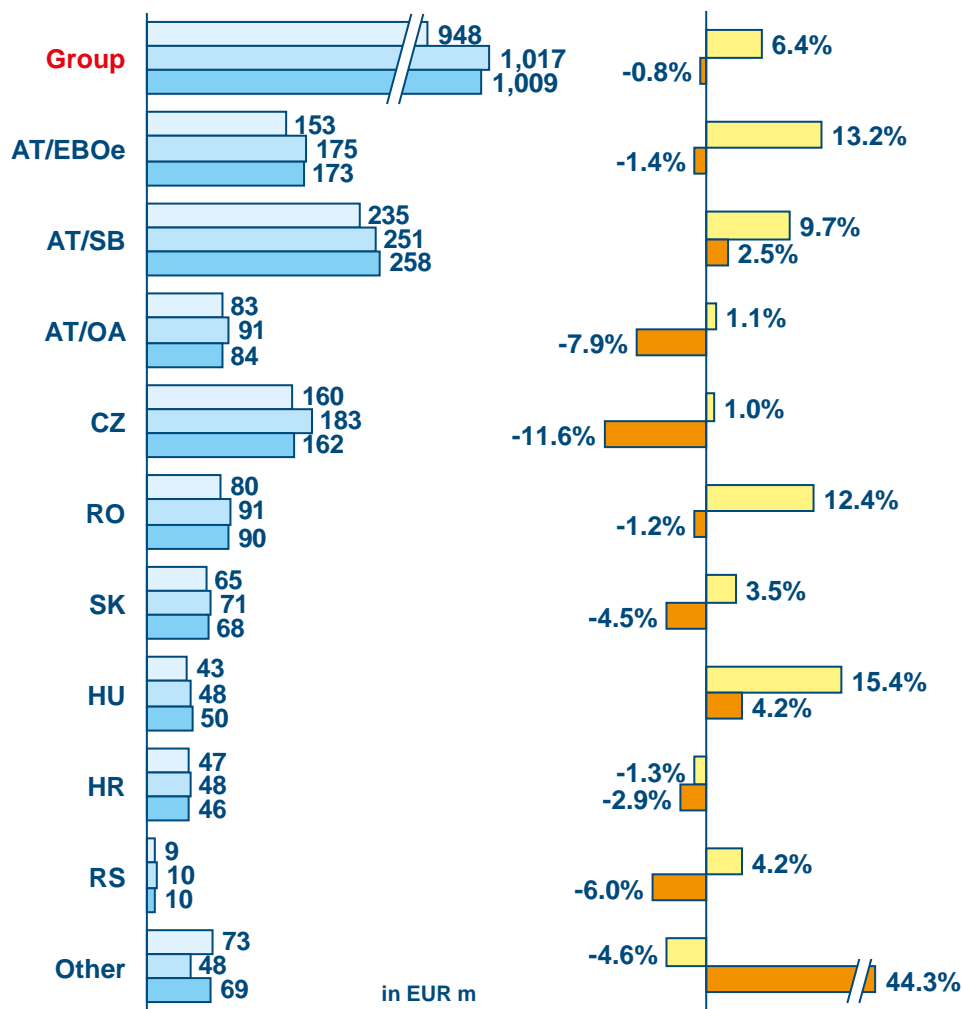
■ YoY ■ Q1 15  
■ QoQ ■ Q4 15  
■ Q1 16



- Yoy down across all geographies except SK, HR primarily on net fee and commission income and lower net trading and FV result
- Qoq decline mainly due to lower NII and fee income despite improved net trading and FV result
- Year-on-year segment trends:
  - CZ: decrease due to net trading and FV result (positive EUR 25.0m one-off in Q1 15) and lower fee income (interchange fee regulation and lower current account fees)
  - AT/EBOe: primarily driven by lower valuation effect in net trading and FV result and lower fees from securities business
  - AT/OA: weaker valuations of derivatives impact net trading and FV result, lower NII in Immorent
  - HR: up on strong net trading and FV result; Q1 15 affected by negative one-off effect from FX fixing in 2015
- Quarter-on-quarter segment trends:
  - AT/SB: decline driven by lower NII following the consolidation of investment funds in Q4 15 and lower fee income from payments and securities business
  - CZ: declining fee income due to exceptionally strong Q4 15 and lower NII due to maturing bonds
  - AT/EBOe: lower securities business weighs on fee income
  - RO: NII reduction driven by refinancing campaign, lower lending fees

# Business performance: operating expenses –

## Upfront booking of deposit insurance fees trigger yoy cost increase

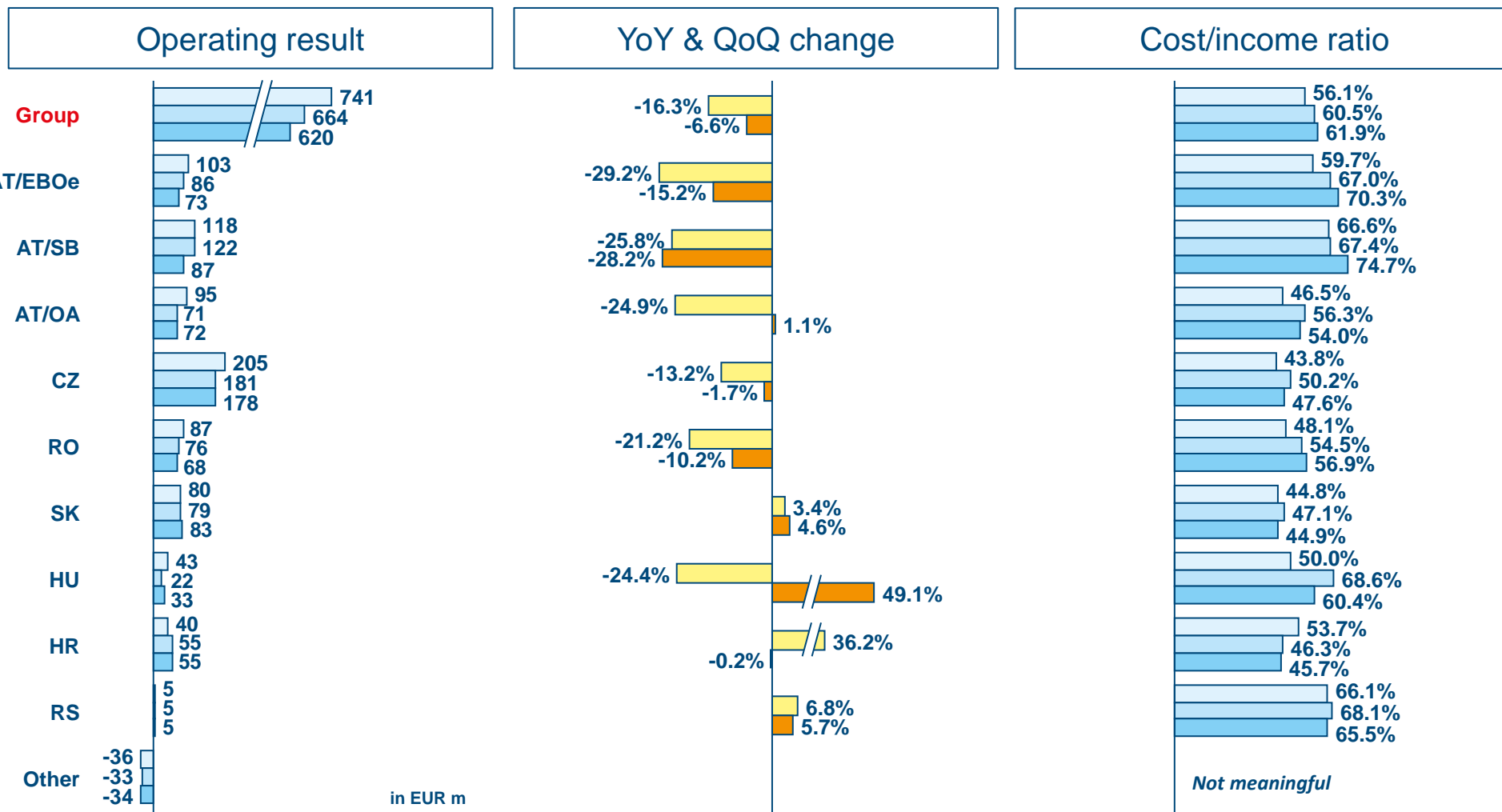


- Yoy costs increase primarily due to upfront booking of deposit insurance contributions in the amount of EUR 71.7m
- Qoq relatively flat across all geographies, improvements mainly in CZ
- Year-on-year segment trends:
  - AT/SB: rise mainly driven by deposit insurance contributions
  - AT/EBOe: increase exclusively due to deposit insurance contributions
  - RO: development driven by deposit insurance, only minor increase of personnel expenses from higher number of FTEs
- Quarter-on-quarter segment trends:
  - CZ: significantly down on lower deposit insurance, marketing and personnel expenses
  - AT/SB: decline in personnel expenses and other administrative expenses could not offset impact from deposit insurance contributions
  - AT/OA: lower IT costs in the Holding

# Business performance: operating result and CIR –

Operating result hit by upfront booking of deposit insurance fees

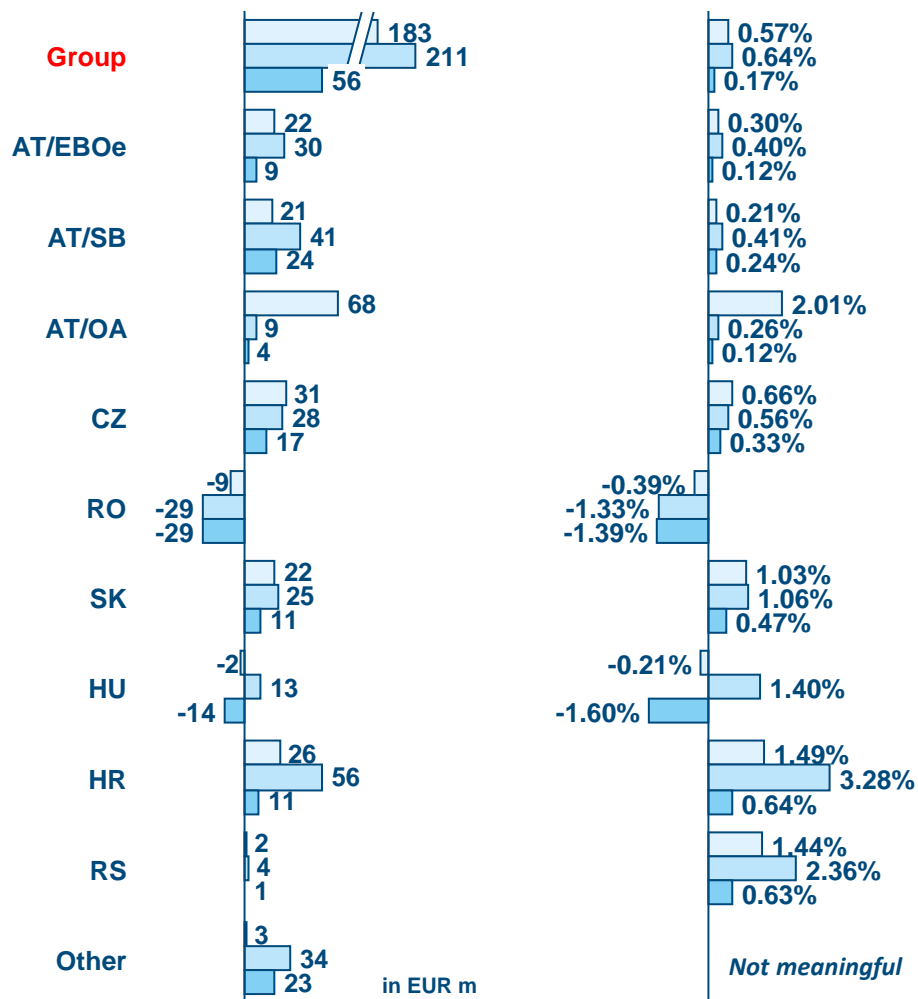
■ YoY ■ Q1 15  
■ QoQ ■ Q4 15  
■ Q1 16



# Business performance: risk costs (abs/rel\*) –

## Risk costs plummet to historic lows in Q1 16

Q1 15  
Q4 15  
Q1 16



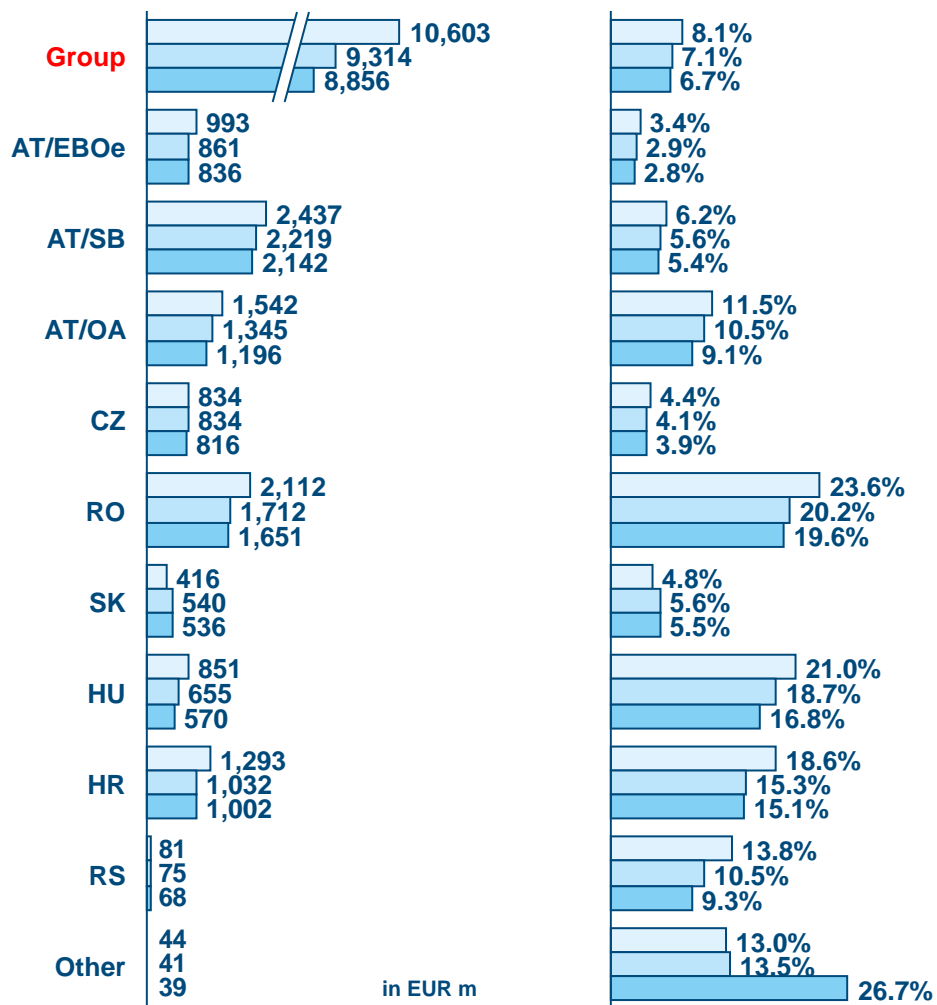
- Continued strong risk performance in Q1 16 supported by across the board yoy and qoq declining risk costs except AT/SB, which remained flat at a low level yoy
- Year-on-year segment trends:
  - AT/OA: significant improvement in EGI real estate and Holding corporate business
  - AT/EBOe: lower risk costs mainly in Retail and SME
  - CZ: improvements of portfolio quality in Retail and Corporates
- Quarter-on-quarter segment trends:
  - HR: improvements mainly in SME and CRE business and to a lower extent in Retail
  - HU: release of provisions in Corporates
  - SK: decline driven by lower risk costs in CRE

\*) 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 6.7%, excluding Romanian NPL sale impact

31/03/15  
31/12/15  
31/03/16

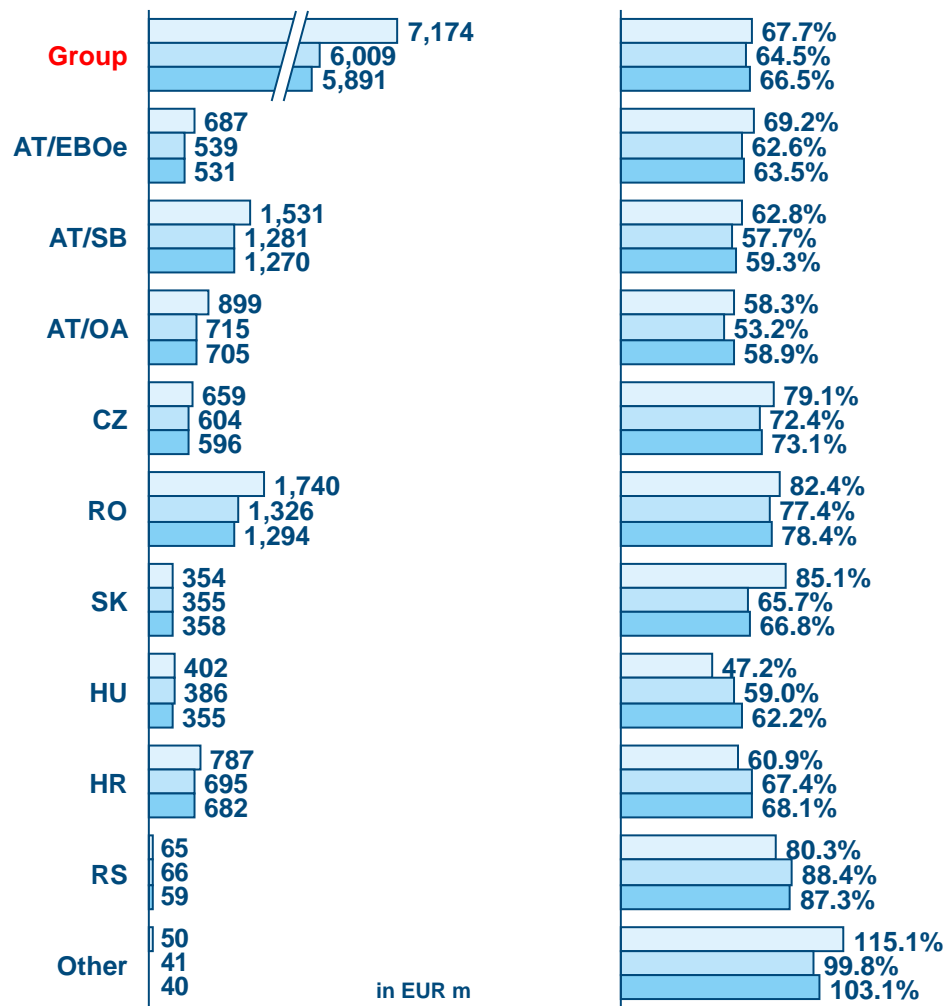


- Continued decline of group NPL volume in Q1 16 mainly due to lower NPL inflows across geographic segments and continued NPL sales
- About EUR 500m NPL reduction impact from corporate NPL sale expected to be included as per Q2 16
- NPL sales of EUR 126.6m in Q1 16 (Q4 15: EUR 448.7m)
  - Retail: EUR 28.5m (Q4 15: EUR 77.0m )
  - Corporate: EUR 98.1m (Q4 15: EUR 371.7m)
- NPL sales mainly in HU (EUR 40.2m), Holding (EUR 38.4m), HR (EUR 19.3m), minor sales in SK, CZ, RO and RS

# Business performance: allowances for loans and NPL coverage –

## NPL coverage improves to 66.5%

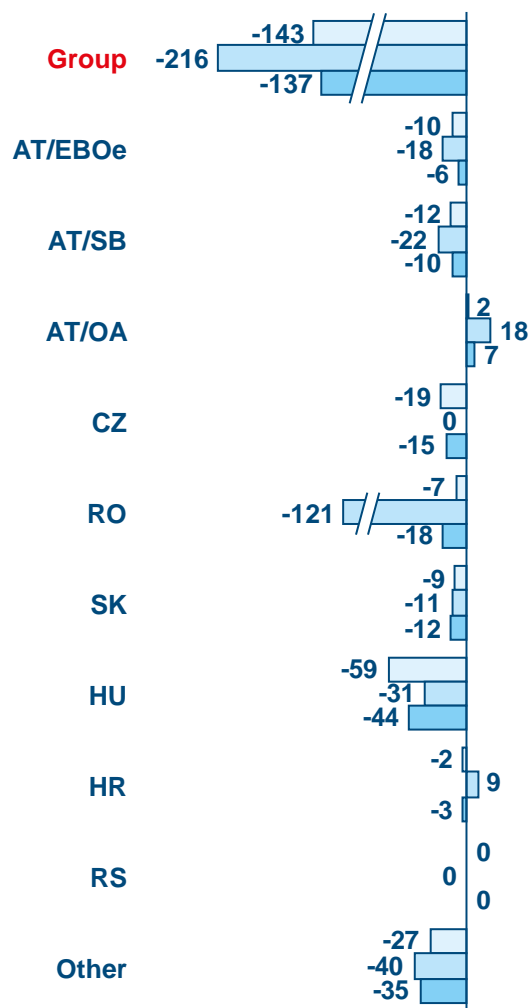
31/03/15  
31/12/15  
31/03/16



- NPL coverage improved to 66.5% after temporary decline at year-end exclusively due to adoption of EBA default definitions
- HU: coverage again above 60% after significant decline resulting from the CHF conversion in Q1 15
- SK: coverage ratio stable at comfortable level following decline at year-end (see above)

# Business performance: other result – Other result improves yoy and qoq

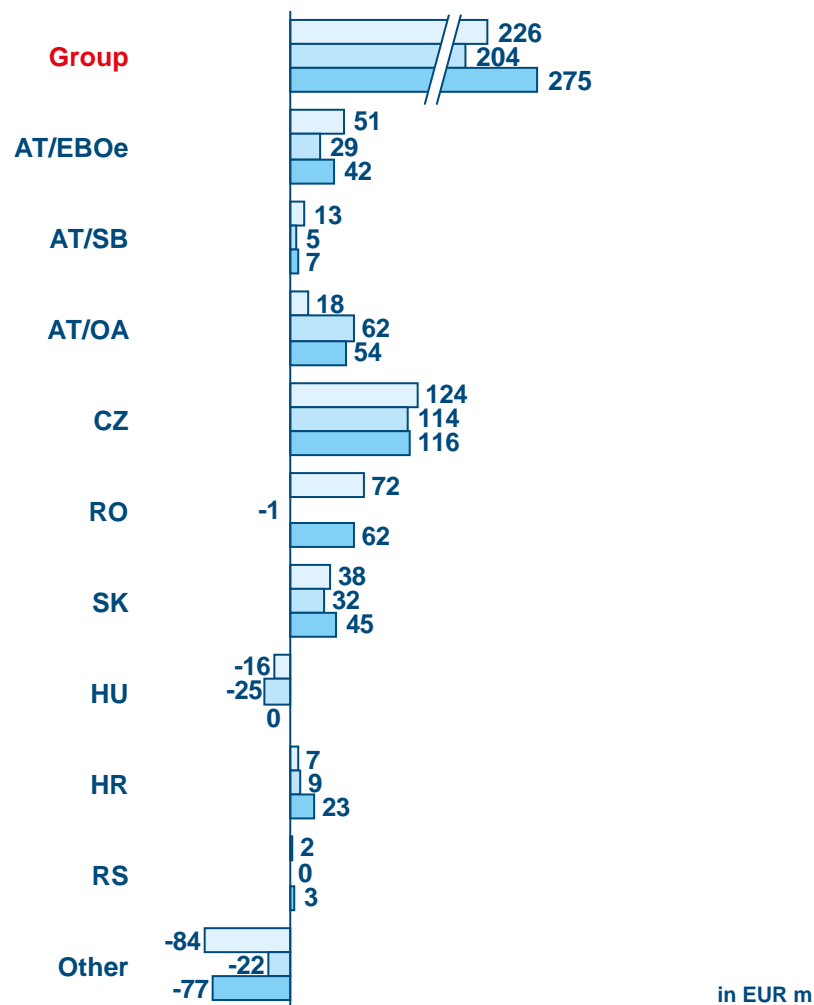
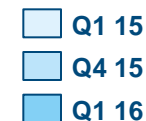
Q1 15  
Q4 15  
Q1 16



in EUR m

- Yoy positive development as a result of lower banking tax in HU, despite overall higher contributions to recovery and resolution funds (EUR 64.7m)
- Qoq improvement mainly due to provisions for risks related to Romanian consumer protection claims booked in Q4 15
- Year-on-year segment trends:
  - RO: higher allocations of provisions for contingent credit risk liabilities
  - HU: lower banking tax for 2016, partially offset by higher off-balance provisions
- Quarter-on-quarter segment trends:
  - RO: significant improvement driven by one-off effect in Q4 15 (see above)
  - AT/EBOe: development mainly due to release of provisions for contingent credit risk liabilities, improvement partially offset by payment into recovery and resolution fund
  - CZ: deterioration mainly driven by contribution to recovery and resolution fund
  - HU: full amount of banking tax booked in Q1

# Business performance: net result – Q1 16 net result up yoy and qoq on lower risk costs



- Yoy and qoq rise in profitability driven by lower risk costs that more than offset higher administrative expenses resulting from upfront booking of deposit insurance contributions
- Year-on-year segment trends:
  - AT/OA: significantly up due to normalised risk costs (since Q2 15)
  - HR: improvement on better operating result driven by net trading and FV result as well as on lower risk costs
  - CZ: decline due to positive one-off in Q1 15
- Quarter-on-quarter segment trends:
  - RO: significantly up due to negative one-off in Q4 15
  - SK: improved operating performance and lower risk costs
  - HU: up on better NII and risk line
- Return on equity at 9.8% in Q1 16, following 7.5% in Q4 15, and 9.0% in Q1 15
- Cash return on equity at 9.9% in Q1 16, following 7.6% in Q4 15, and 9.1% in Q1 15

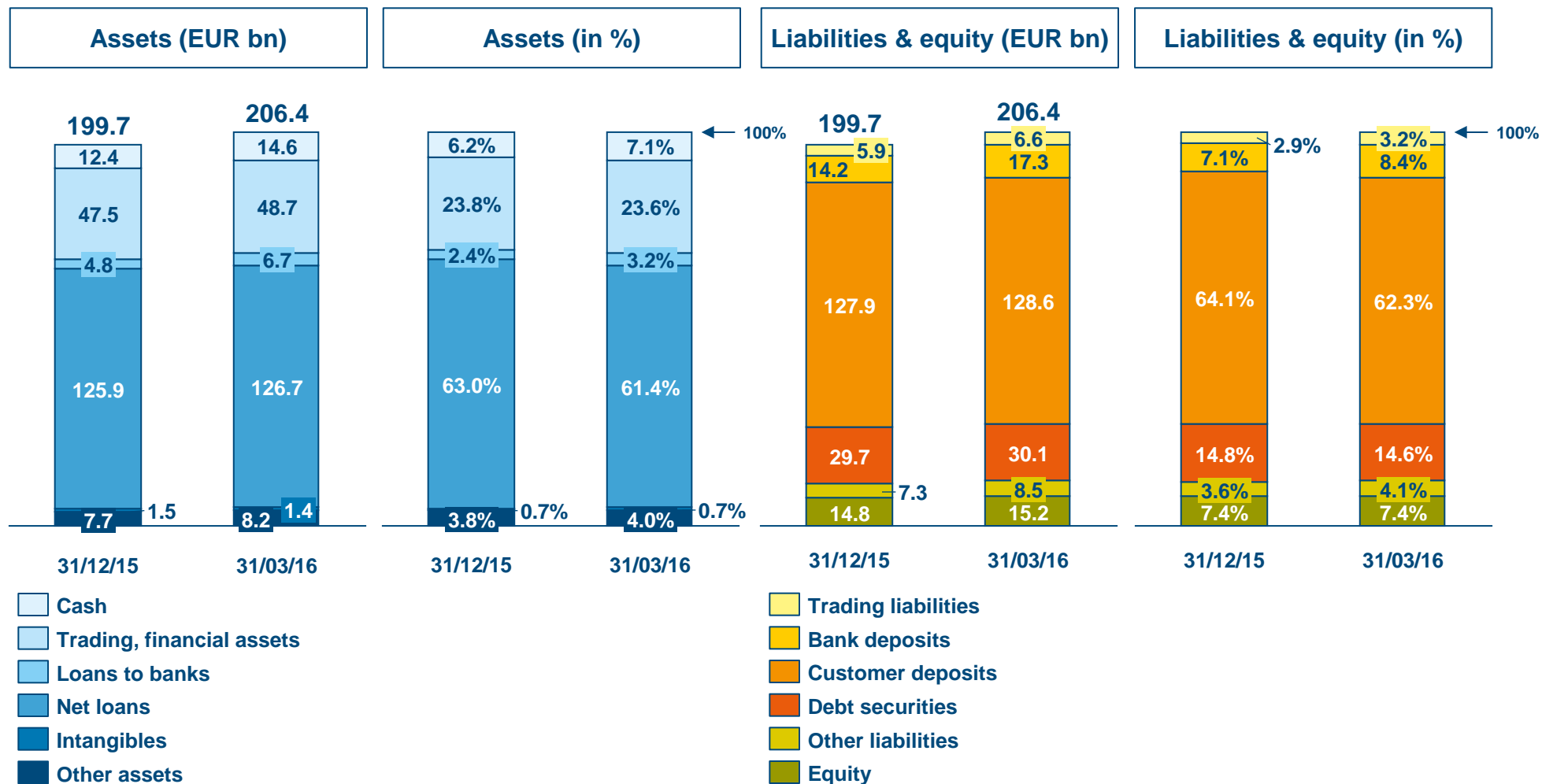


# Presentation topics

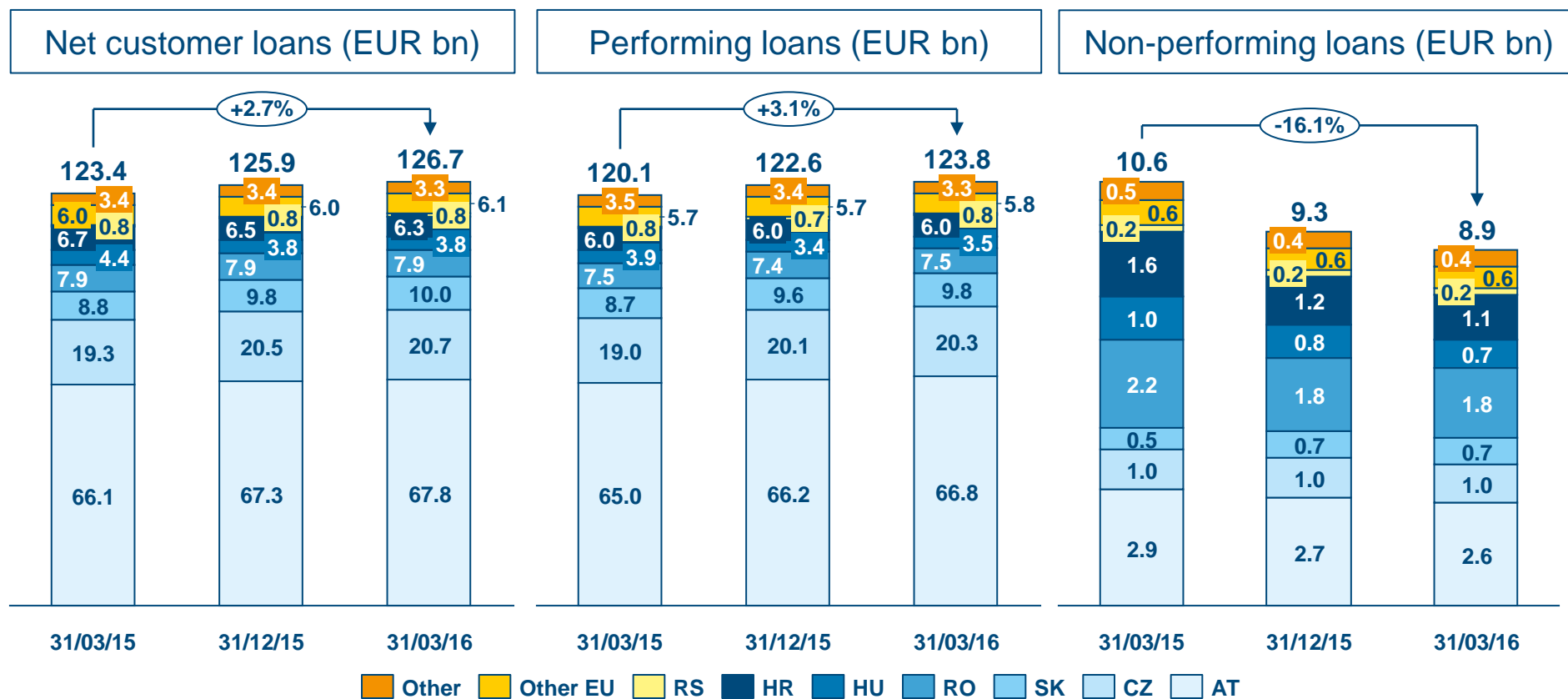
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# Assets and liabilities: YTD overview –

## Loan/deposit ratio stable at 98.5% (Dec 15: 98.4%)



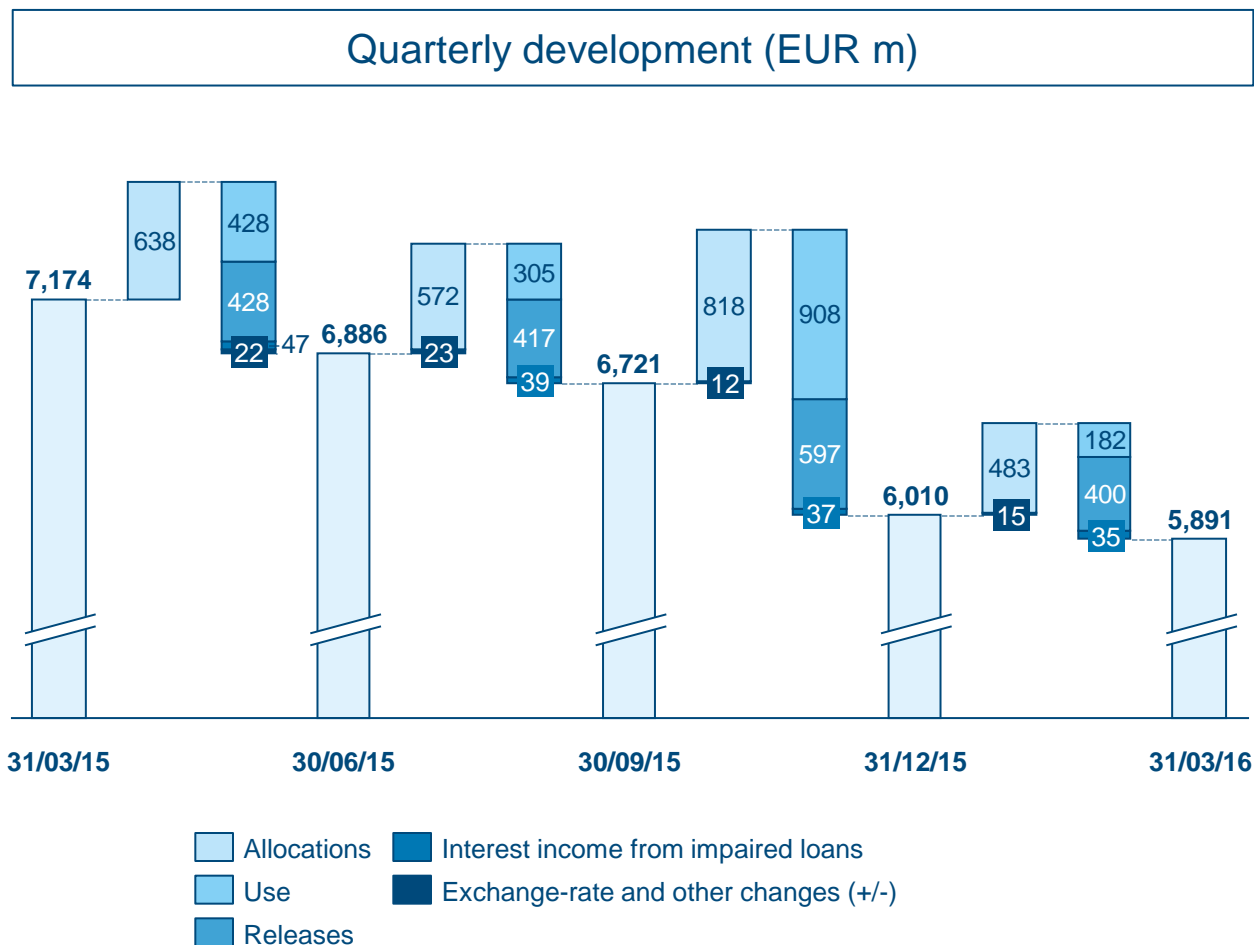
# Assets and liabilities: customer loans by country of risk – Performing loans up 3.1% yoy, NPLs down 16.1%



- Performing loan growth accelerates, driven by Austria, Slovakia and Czech Republic:
  - Main contributing business lines: Retail and Corporates
  - Stable loan volumes in RO and HR, small growth in HU ytd after extended period of portfolio streamlining
- 16.1% yoy decline in NPL stock mainly driven by positive migration trends across most geographies and NPL sales

# Assets and liabilities: allowances for customer loans –

## Decrease in allowances mainly due to continued NPL reduction in Q1 16



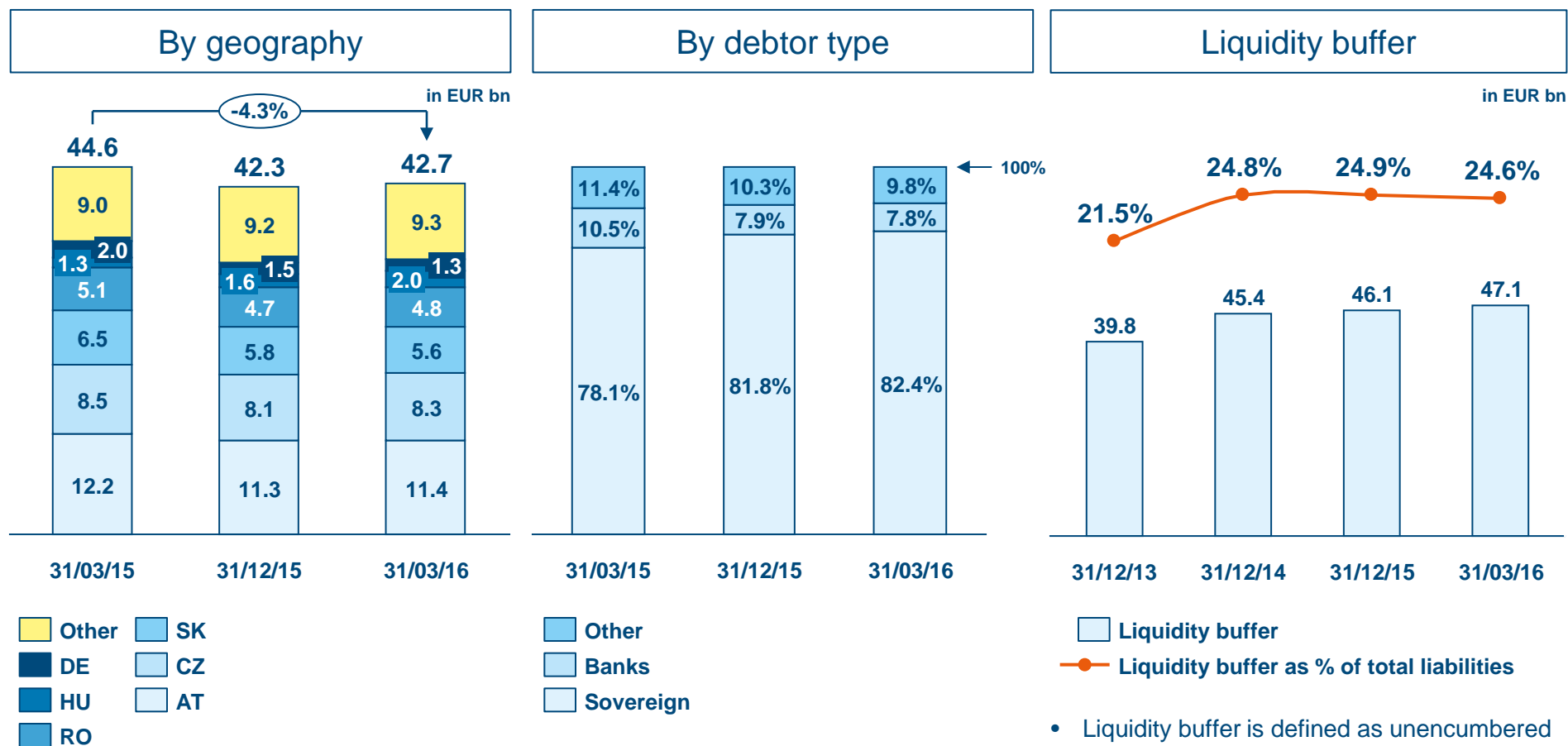
### Highlights

- Qoq significant decline in allocations to allowances due to sharply reduced inflow of new NPLs
- Reduced use of allowances because of lower sales and write-offs
- P&L unwinding impact = interest income from impaired loans = EUR 35m in Q1 16 (Q1 15: EUR 39m, Q4 15: EUR 37m)

### 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 122.9%



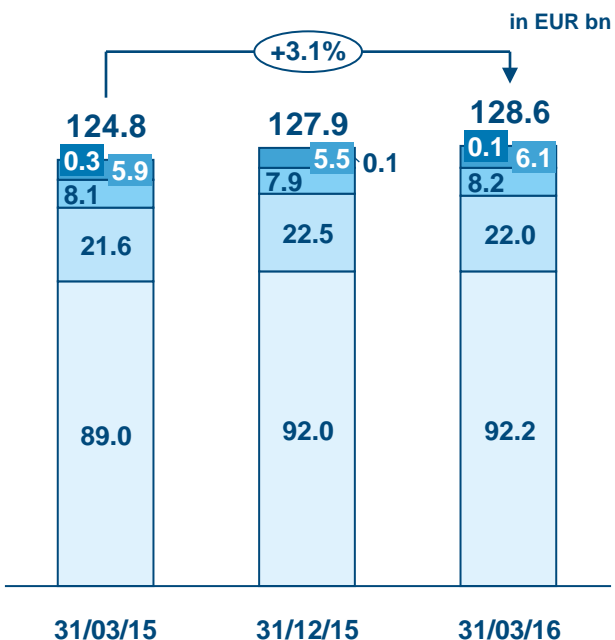
- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

\* Excludes derivatives held for trading.

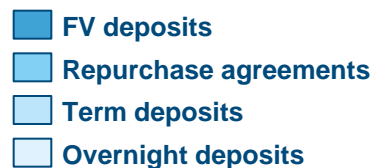
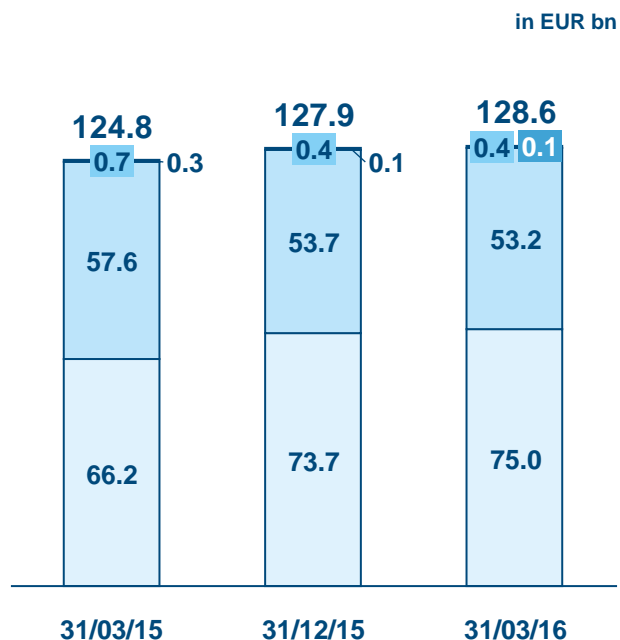
# Assets and liabilities: customer deposit funding –

## Customer deposits grow by 0.5% qoq, up 3.1% yoy

### By customer type



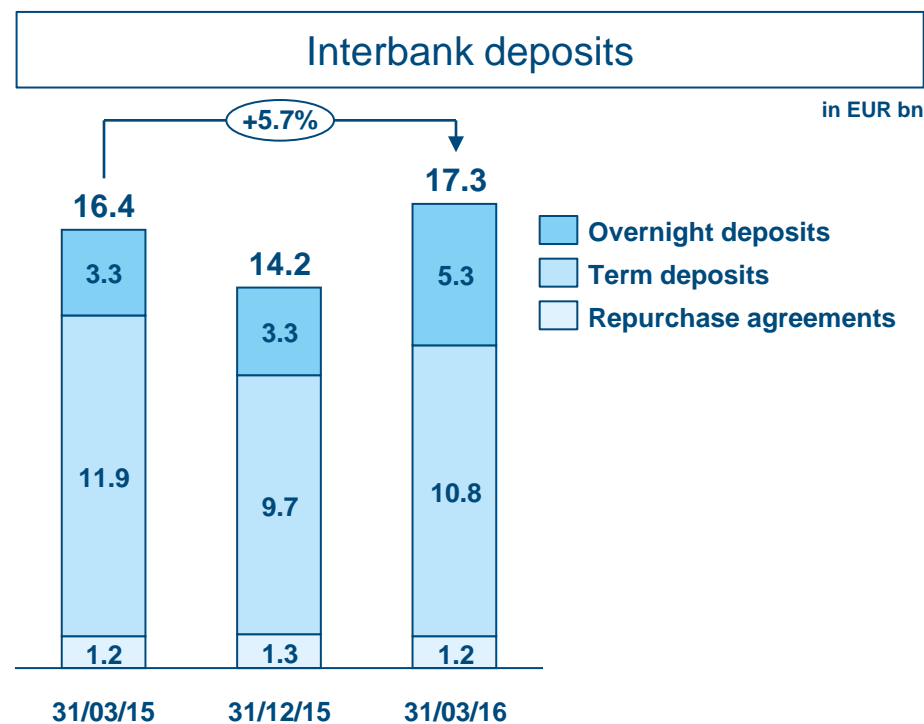
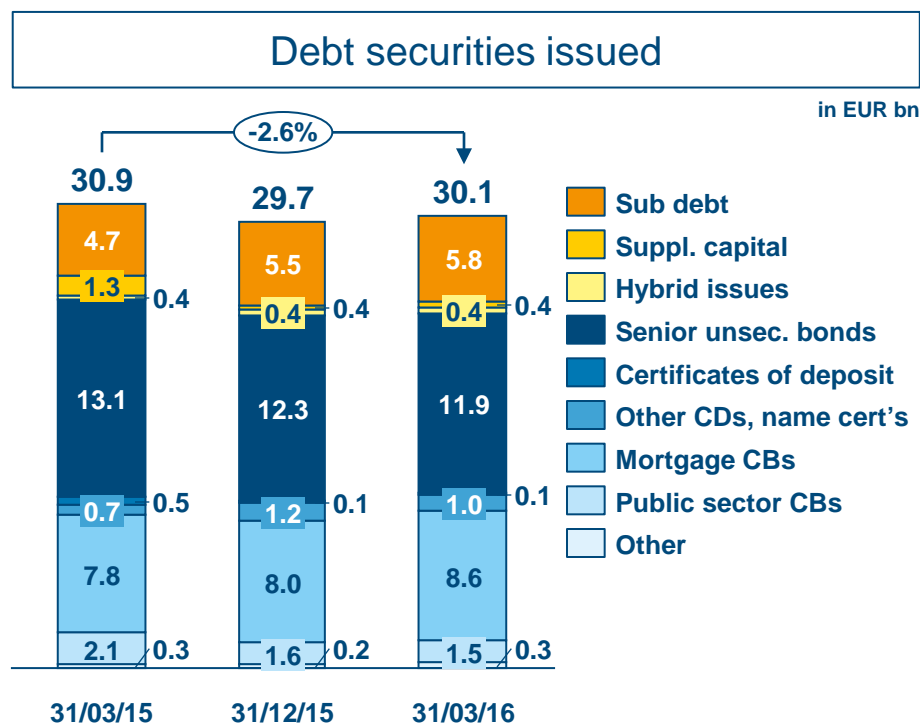
### By product type



### 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

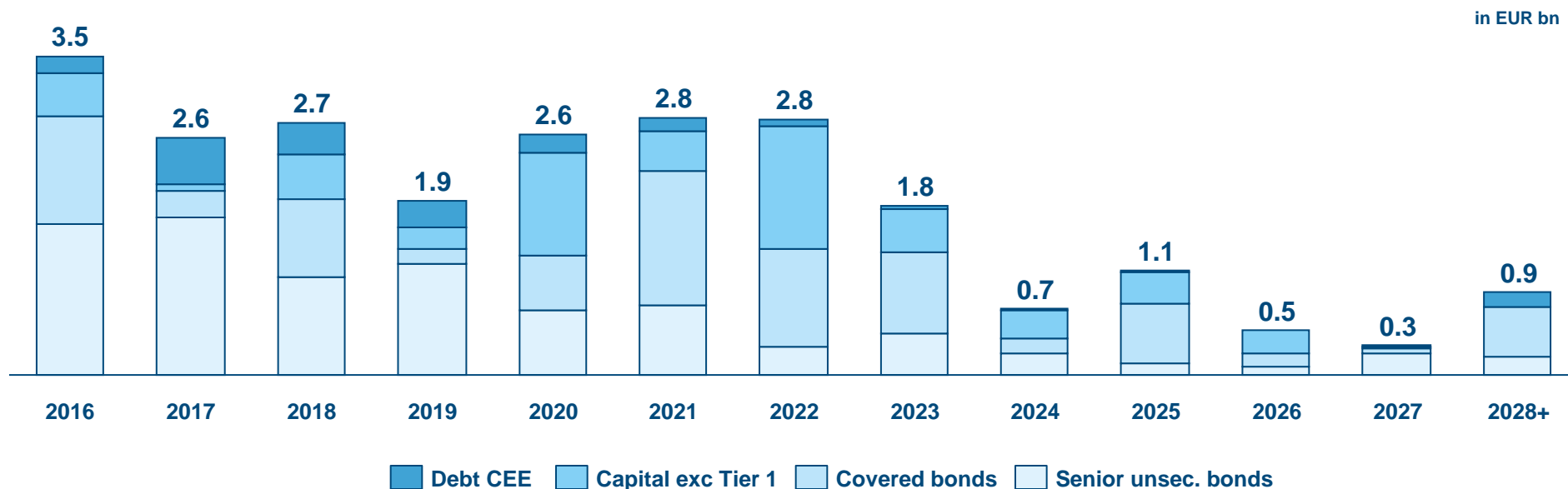


- Overall reduction in wholesale funding reliance led by decline in outstanding senior unsecured debt, which was only partly offset by increased subsidiary debt and mortgage covered bonds

- Qoq increase in interbank deposits mainly due to balance sheet expansion

# Assets and liabilities: LT funding – Limited LT funding needs

Maturity profile of debt



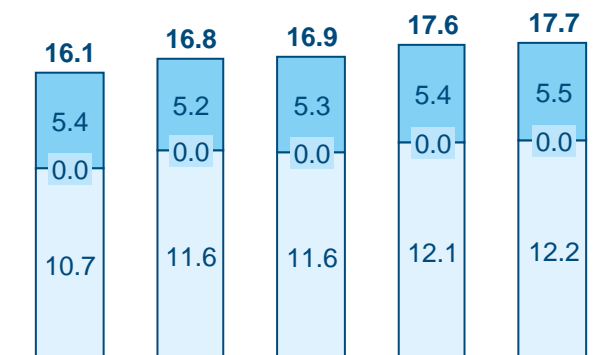
- Erste Group issued a EUR 750m mortgage covered bond with a 7y tenor in January 2016
- The transaction marks a further benchmark within its redemption profile after issuing a 10y and 5y mortgage covered bond in 2015
- Going forward covered bonds will continue to represent an important mean of refinancing despite Erste Group's current participation in TLTRO I amounting to EUR 2.9bn



# Assets and liabilities: capital position – Clean B3FL CET1 at 12.3%

Basel 3 capital (phased-in)

in EUR bn

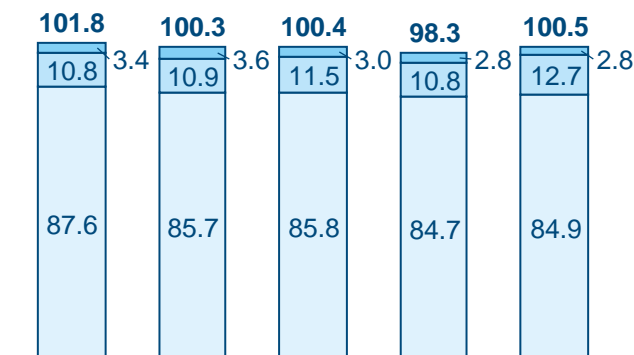


31/03/15 30/06/15 30/09/15 31/12/15 31/03/16

■ Tier 2 ■ AT1 ■ CET1

Risk-weighted assets (phased-in)

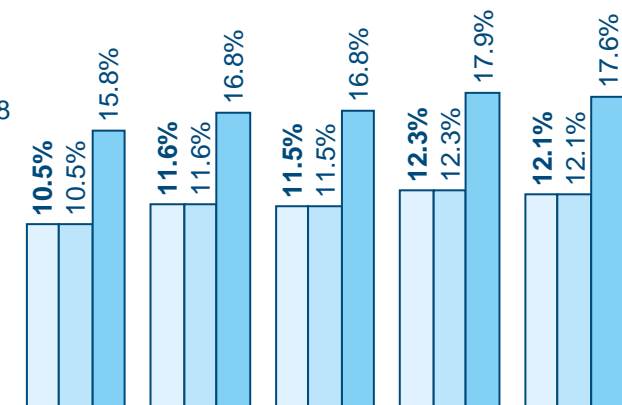
in EUR bn



31/03/15 30/06/15 30/09/15 31/12/15 31/03/16

■ Trading risk ■ Op risk ■ Credit RWA

Basel 3 capital ratios (phased-in)



31/03/15 30/06/15 30/09/15 31/12/15 31/03/16

■ CET1 ■ Tier 1 ■ Total capital

- Increase in B3FL CET1 capital by EUR 202m mainly due to abolition of AfS haircut
- In Q1 16 non-inclusion of interim profit and deduction of risk costs

- Qoq stable credit RWA
- Inclusion of politically driven historical events as operational risk leads to updrift in operational RWA in Q1 16
- B3FL RWA increased to EUR 102.2bn

- B3FL CET1 ratio at 12.0% at Q1 16 (YE15: 12.0%)
- B3FL total capital ratio at 17.2% at Q1 16 (YE15: 17.2%)
- 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

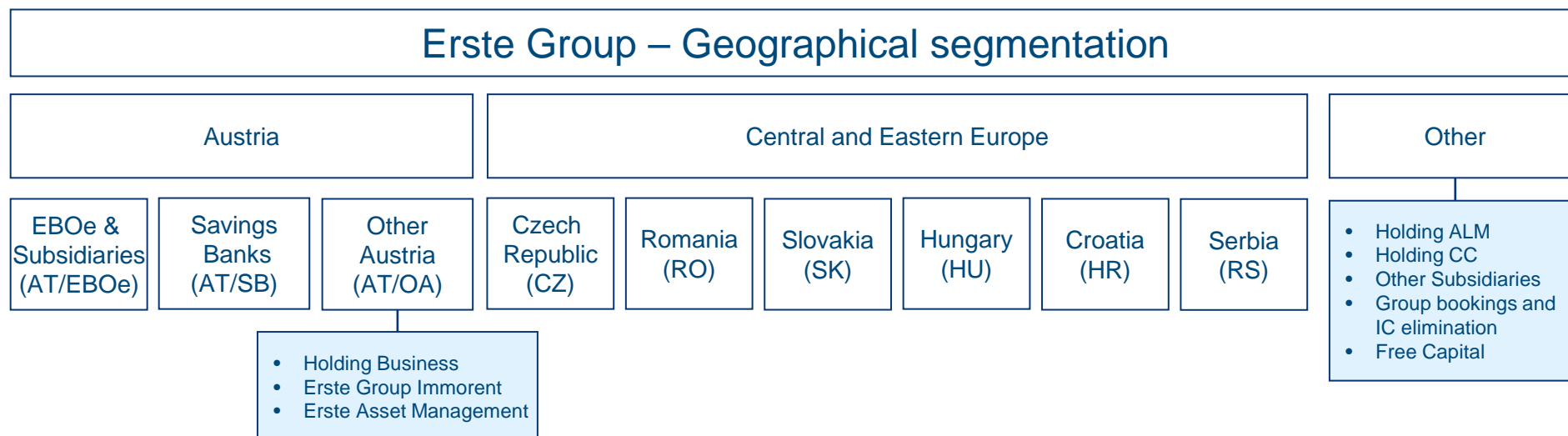
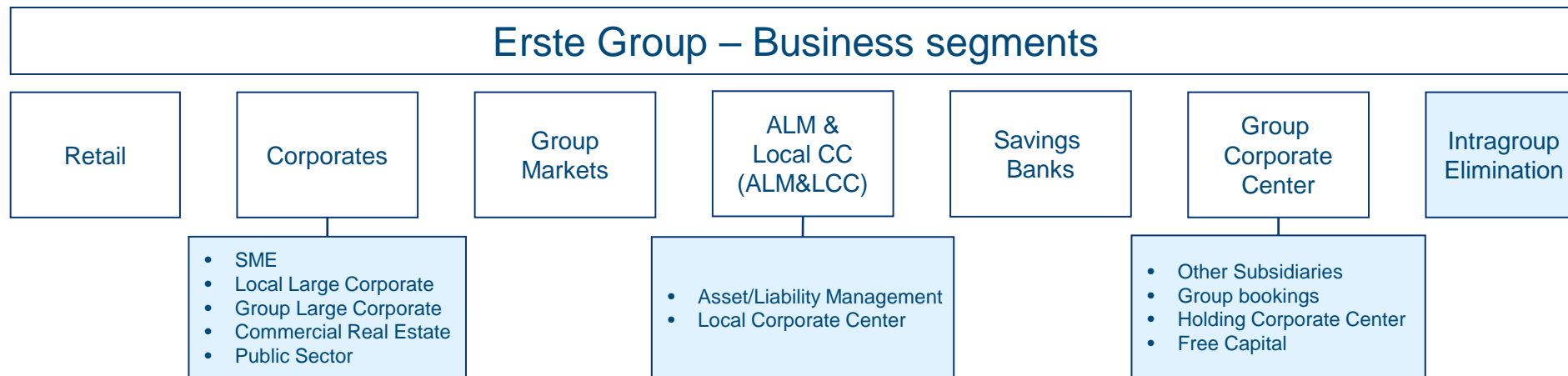
## Conclusion – Outlook 2016

- **CEE economic environment anticipated to be conducive to credit expansion**
  - Real GDP growth of between 1.5-4.1% 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 at about 10-11% in 2016 underpinning continued dividend payout**
  - Support factors: continued loan growth; further asset quality improvement 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
- **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: new 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				
	1-3 15	1-3 16	YOY-Δ	Q1 15	Q4 15	Q1 16	YOY-Δ	QOQ-Δ
Net interest income	1,098.5	1,092.2	-0.6%	1,098.5	1,120.4	1,092.2	-0.6%	-2.5%
Net fee and commission income	461.0	443.1	-3.9%	461.0	489.2	443.1	-3.9%	-9.4%
Dividend income	7.4	2.6	-64.2%	7.4	6.6	2.6	-64.2%	-60.1%
Net trading and fair value result	72.4	43.5	-39.9%	72.4	17.2	43.5	-39.9%	>100.0%
Net result from equity method investments	4.7	1.9	-58.1%	4.7	3.1	1.9	-58.1%	-38.1%
Rental income from investment properties & other operating leases	45.1	45.9	1.6%	45.1	44.4	45.9	1.6%	3.3%
Personnel expenses	-554.0	-565.4	2.1%	-554.0	-577.1	-565.4	2.1%	-2.0%
Other administrative expenses	-281.1	-333.5	18.6%	-281.1	-324.1	-333.5	18.6%	2.9%
Depreciation and amortisation	-112.9	-109.8	-2.8%	-112.9	-115.3	-109.8	-2.8%	-4.7%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	10.9	2.4	-77.7%	10.9	42.1	2.4	-77.7%	-94.3%
Net impairment loss on financial assets not measured at fair value through profit or loss	-183.1	-56.4	-69.2%	-183.1	-210.7	-56.4	-69.2%	-73.3%
Other operating result	-153.5	-139.5	-9.1%	-153.5	-258.2	-139.5	-9.1%	-46.0%
Levies on banking activities	-91.8	-62.8	-31.6%	-91.8	-48.5	-62.8	-31.6%	29.4%
<b>Pre-tax result from continuing operations</b>	<b>415.2</b>	<b>427.0</b>	<b>2.8%</b>	<b>415.2</b>	<b>237.6</b>	<b>427.0</b>	<b>2.8%</b>	<b>79.7%</b>
Taxes on income	-118.6	-104.5	-11.9%	-118.6	-1.6	-104.5	-11.9%	>100.0%
<b>Net result for the period</b>	<b>296.6</b>	<b>322.6</b>	<b>8.8%</b>	<b>296.6</b>	<b>236.0</b>	<b>322.6</b>	<b>8.8%</b>	<b>36.7%</b>
Net result attributable to non-controlling interests	70.8	47.8	-32.5%	70.8	32.0	47.8	-32.5%	49.7%
<b>Net result attributable to owners of the parent</b>	<b>225.8</b>	<b>274.7</b>	<b>21.7%</b>	<b>225.8</b>	<b>204.0</b>	<b>274.7</b>	<b>21.7%</b>	<b>34.7%</b>
Operating income	1,689.1	1,629.3	-3.5%	1,689.1	1,680.9	1,629.3	-3.5%	-3.1%
Operating expenses	-948.1	-1,008.8	6.4%	-948.1	-1,016.5	-1,008.8	6.4%	-0.8%
<b>Operating result</b>	<b>741.0</b>	<b>620.5</b>	<b>-16.3%</b>	<b>741.0</b>	<b>664.4</b>	<b>620.5</b>	<b>-16.3%</b>	<b>-6.6%</b>

# Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	8,223	7,011	11,097	12,350	14,641	78.0%	18.6%	18.6%
Financial assets - held for trading	11,366	9,022	8,805	8,719	9,960	-12.4%	14.2%	14.2%
Derivatives	7,628	5,613	5,633	5,303	5,668	-25.7%	6.9%	6.9%
Other trading assets	3,738	3,409	3,172	3,416	4,292	14.8%	25.6%	25.6%
Financial assets - at fair value through profit or loss	271	269	332	359	404	48.9%	12.5%	12.5%
Financial assets - available for sale	23,187	21,804	21,187	20,763	20,743	-10.5%	-0.1%	-0.1%
Financial assets - held to maturity	17,462	17,949	17,585	17,701	17,573	0.6%	-0.7%	-0.7%
Loans and receivables to credit institutions	8,345	8,775	8,384	4,805	6,680	-20.0%	39.0%	39.0%
<b>Loans and receivables to customers</b>	<b>123,437</b>	<b>123,504</b>	<b>124,521</b>	<b>125,897</b>	<b>126,740</b>	<b>2.7%</b>	<b>0.7%</b>	<b>0.7%</b>
Derivatives - hedge accounting	2,914	2,181	2,284	2,191	2,347	-19.4%	7.1%	7.1%
Changes in fair value of portfolio hedged items	0	0	0	0	0	n/a	n/a	n/a
Property and equipment	2,340	2,330	2,368	2,402	2,370	1.3%	-1.3%	-1.3%
Investment properties	947	805	751	753	744	-21.5%	-1.3%	-1.3%
Intangible assets	1,415	1,395	1,393	1,465	1,447	2.2%	-1.2%	-1.2%
Investments in associates and joint ventures	190	194	164	167	169	-11.2%	1.4%	1.4%
Current tax assets	107	150	166	119	142	32.7%	19.7%	19.7%
Deferred tax assets	293	255	234	310	308	4.9%	-0.8%	-0.8%
Assets held for sale	229	429	487	526	456	99.1%	-13.3%	-13.3%
Other assets	1,844	1,457	1,411	1,217	1,646	-10.8%	35.3%	35.3%
<b>Total assets</b>	<b>202,570</b>	<b>197,532</b>	<b>201,171</b>	<b>199,743</b>	<b>206,369</b>	<b>1.9%</b>	<b>3.3%</b>	<b>3.3%</b>

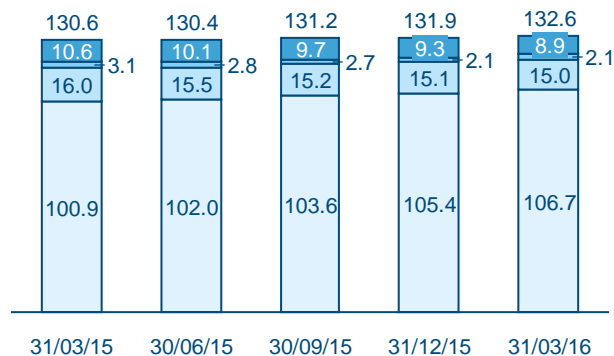
# Additional information: group balance sheet – Liabilities and equity

in EUR million	Quarterly data					Change		
	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities - held for trading	8,988	6,632	6,364	5,867	6,612	-26.4%	12.7%	12.7%
Derivatives	8,163	5,875	5,654	5,434	5,782	-29.2%	6.4%	6.4%
Other trading liabilities	824	758	711	434	830	0.7%	91.4%	91.4%
Financial liabilities - at fair value through profit or loss	1,966	1,881	1,907	1,907	1,918	-2.4%	0.6%	0.6%
Deposits from banks	0	0	0	0	0	n/a	n/a	n/a
<b>Deposits from customers</b>	<b>257</b>	<b>237</b>	<b>197</b>	<b>149</b>	<b>122</b>	<b>-52.6%</b>	<b>-18.0%</b>	<b>-18.0%</b>
Debt securities issued	1,709	1,644	1,710	1,758	1,796	5.1%	2.2%	2.2%
Other financial liabilities	0	0	0	0	0	n/a	n/a	n/a
Financial liabilities measured at amortised cost	170,616	168,769	172,186	170,787	175,026	2.6%	2.5%	2.5%
Deposits from banks	16,389	15,704	17,414	14,212	17,330	5.7%	21.9%	21.9%
<b>Deposits from customers</b>	<b>124,495</b>	<b>124,296</b>	<b>125,242</b>	<b>127,797</b>	<b>128,518</b>	<b>3.2%</b>	<b>0.6%</b>	<b>0.6%</b>
Debt securities issued	29,143	28,270	28,910	27,896	28,263	-3.0%	1.3%	1.3%
Other financial liabilities	590	497	620	882	914	55.1%	3.7%	3.7%
Derivatives - hedge accounting	833	639	621	593	650	-21.9%	9.7%	9.7%
Changes in fair value of portfolio hedged items	1,277	962	1,013	966	1,089	-14.7%	12.8%	12.8%
Provisions	1,688	1,608	1,752	1,736	1,801	6.7%	3.8%	3.8%
Current tax liabilities	111	121	120	90	101	-9.1%	11.8%	11.8%
Deferred tax liabilities	140	85	92	96	119	-14.5%	24.7%	24.7%
Liabilities associated with assets held for sale	0	33	33	578	451	n/a	-22.0%	-22.0%
Other liabilities	2,996	2,786	2,647	2,317	3,383	12.9%	46.0%	46.0%
<b>Total equity</b>	<b>13,956</b>	<b>14,015</b>	<b>14,437</b>	<b>14,807</b>	<b>15,218</b>	<b>9.0%</b>	<b>2.8%</b>	<b>2.8%</b>
Equity attributable to non-controlling interests	3,718	3,701	3,746	3,802	3,889	4.6%	2.3%	2.3%
Equity attributable to owners of the parent	10,238	10,314	10,691	11,005	11,329	10.7%	2.9%	2.9%
<b>Total liabilities and equity</b>	<b>202,570</b>	<b>197,532</b>	<b>201,171</b>	<b>199,743</b>	<b>206,369</b>	<b>1.9%</b>	<b>3.3%</b>	<b>3.3%</b>

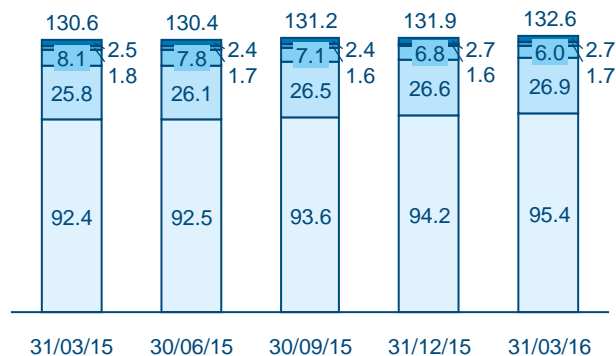


# Additional information: gross customer loans – By risk category, by currency, by industry

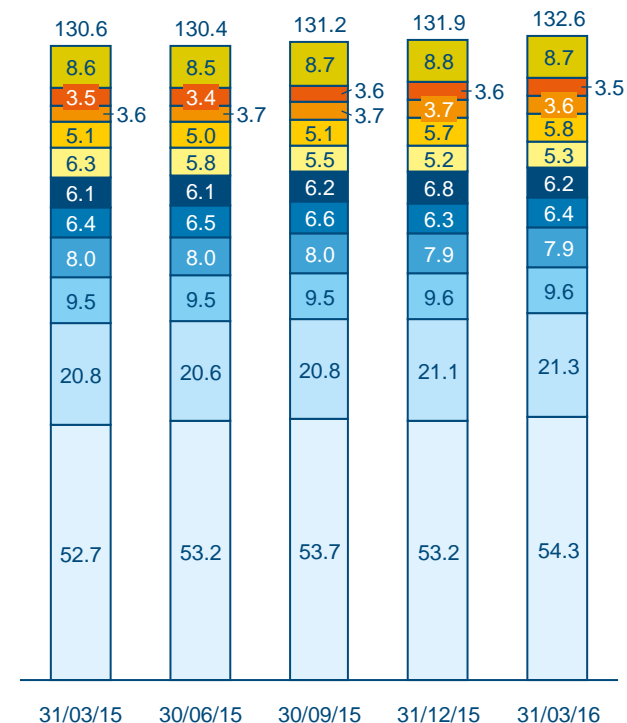
Gross cust. loans by risk category (EUR bn)



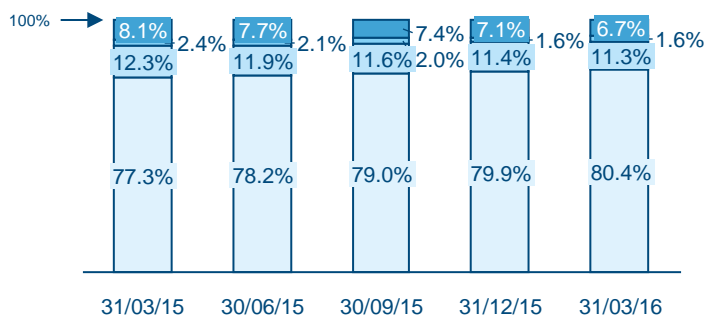
Gross customer loans by currency (EUR bn)



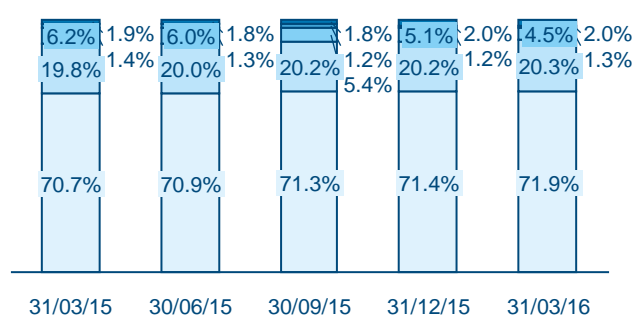
Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)



Gross customer loans by currency (in %)



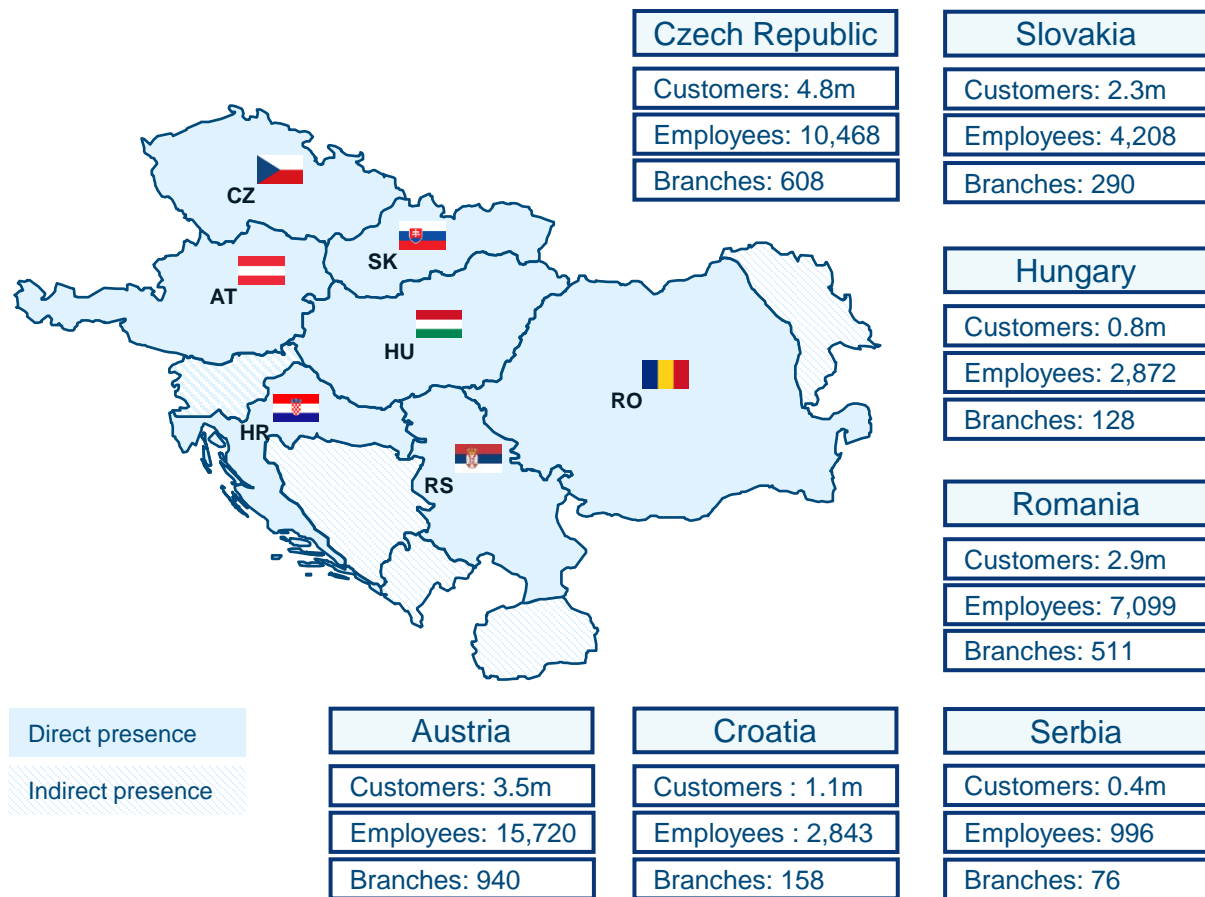
■ Non-performing    ■ Management attention  
■ Substandard    ■ Low risk

■ 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

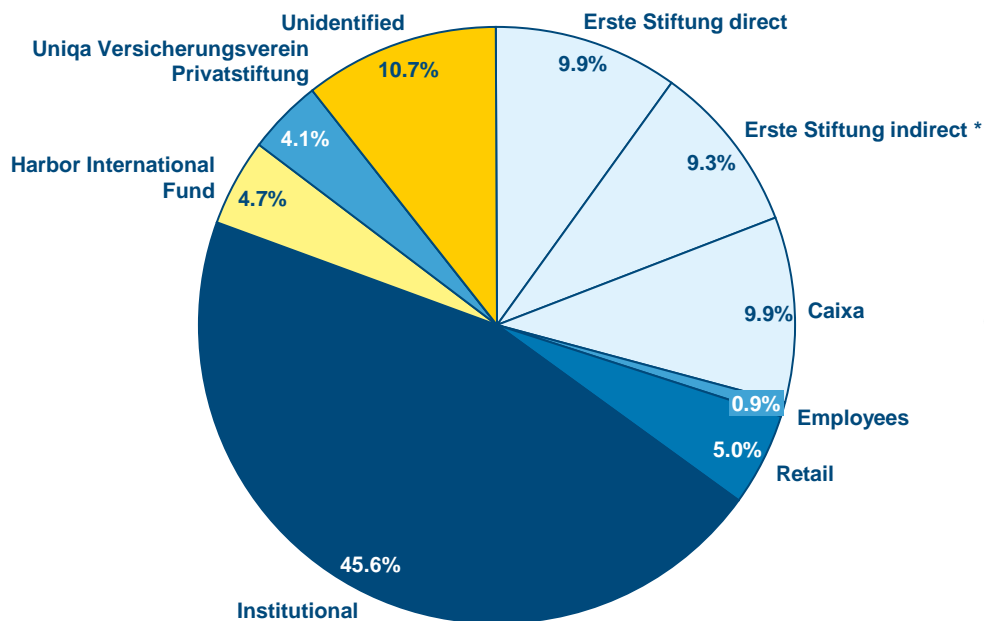
Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

#### Focus on CEE, limited exposure to other Europe

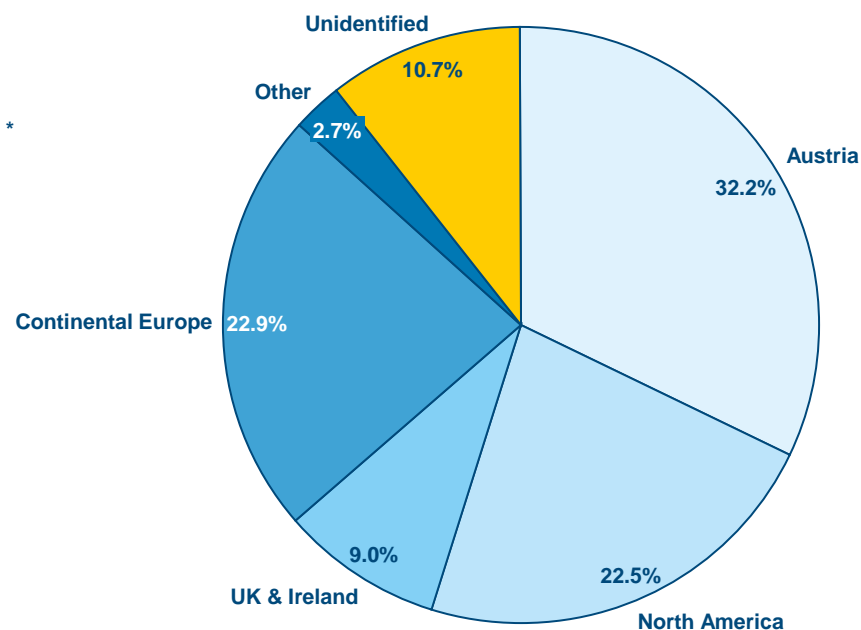
# Additional information: shareholder structure –

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

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Erste Group IR App for iPad, iPhone and Android [http://www.erstegroup.com/de/Investoren/IR\\_App](http://www.erstegroup.com/de/Investoren/IR_App)

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

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

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