

Erste Group investor presentation

Q1 18 results (unaudited)

4 May 2018

Strong risk performance drives net profit growth, guidance confirmed

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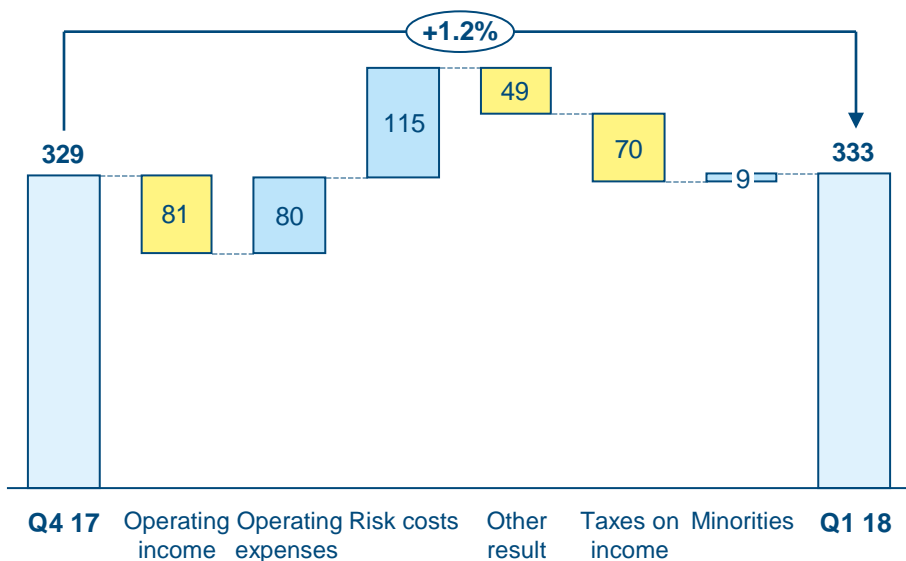
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Presentation topics

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

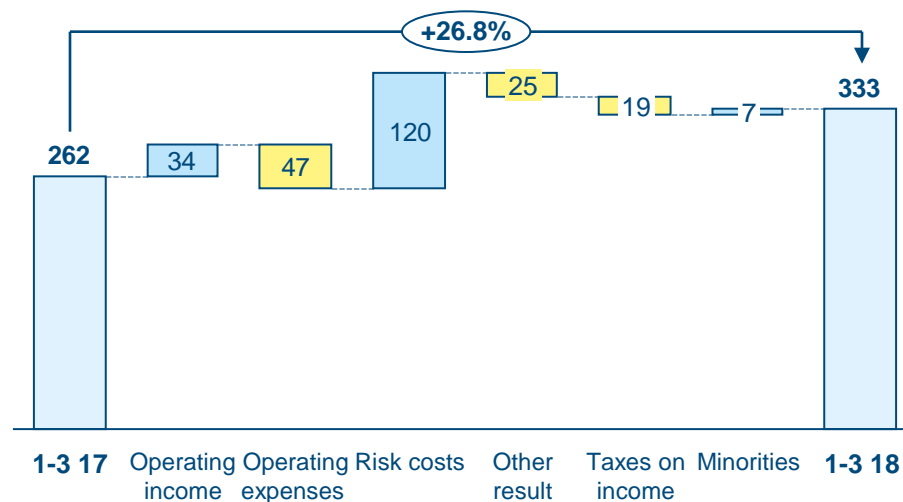
Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Erste Group Q1 18 net profit remained stable qoq at EUR 332.6m, as strong risk performance offset normalised tax charge and lower other result; operating result stable
- Costs improved significantly qoq despite upfront booking of full year deposit insurance contribution of EUR 74.2m
- Other result down qoq due to upfront booking of full year resolution fund contribution of EUR 68.2m

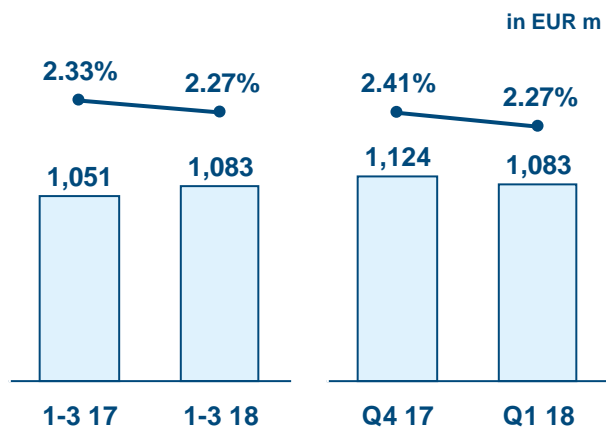
YoY net profit reconciliation (EUR m)



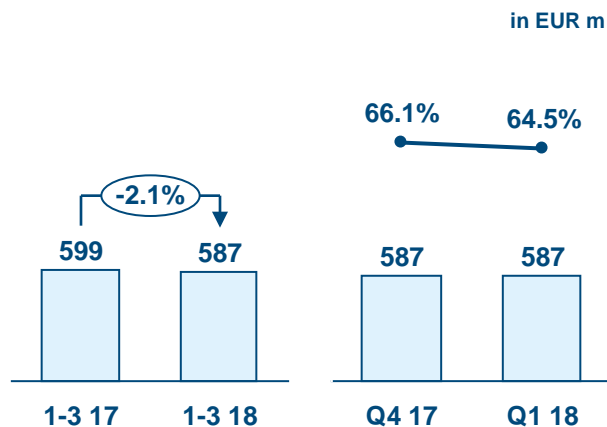
- Yoy net profit growth of 26.8% driven by strong risk performance and rising revenues (NII and fees up by 3.0% and 4.6%, resp.)
- Costs rose due to higher full year deposit insurance contribution of EUR 74.2m (Q1 17: EUR 64.7m) and higher personnel expenses
- Revenues up due to better NII, fees, offsetting weak trading result
- Other result impacted by upfront booking of resolution fund fees (EUR 68.2m) and HU banking tax (EUR 13.7m)

Executive summary – Key income statement data

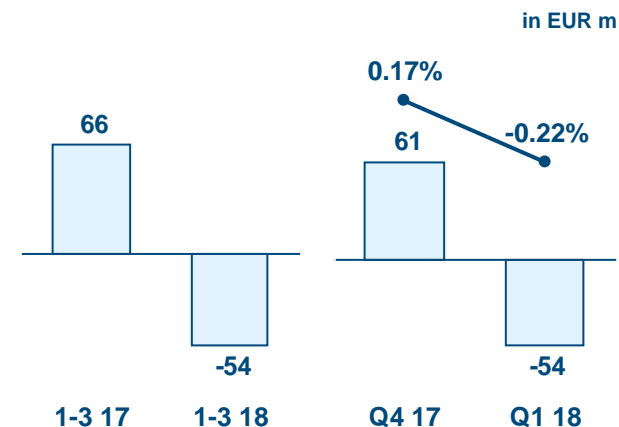
Net interest income & margin



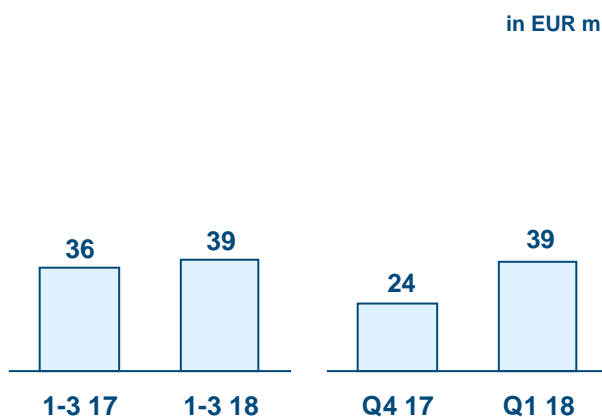
Operating result & cost/income ratio



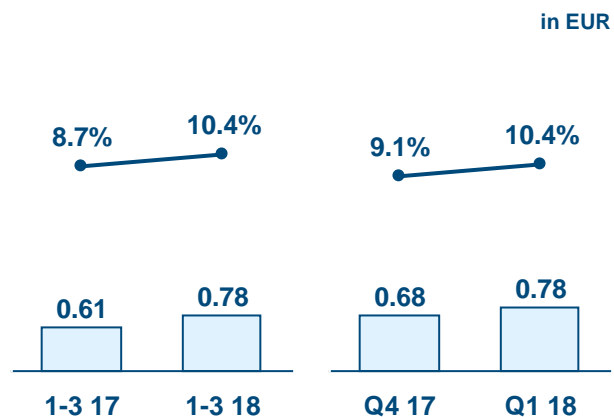
Cost of risk



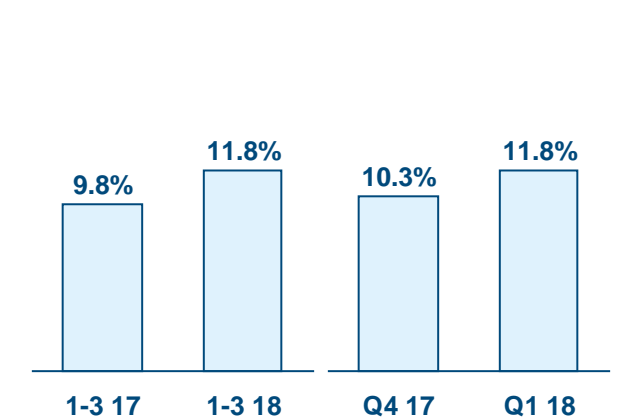
Banking levies



Reported EPS & ROE

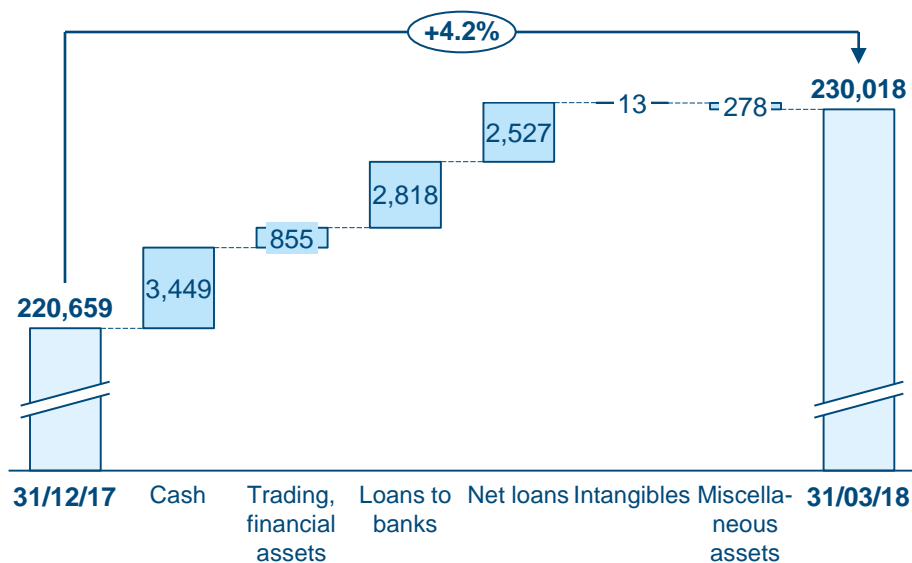


Return on tangible equity



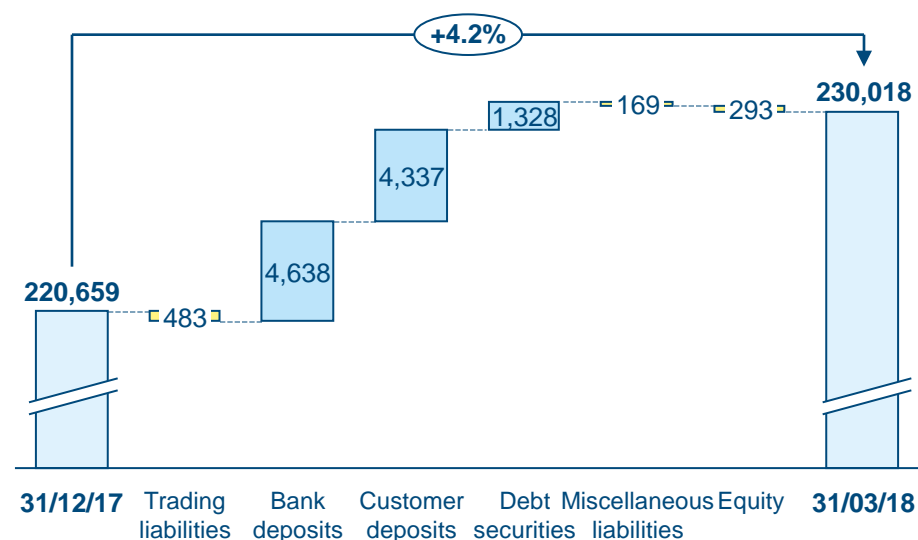
Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Total assets rose markedly in Q1 18, due to higher cash position, an increase in interbank loans and customer loan growth
- Cash position driven up by continued deposit inflows and limited reinvestment opportunities
- Interbank loans increased primarily due to overnight CB deposits being shifted into 2w facility in CZ
- Net customer loan growth driven primarily by CZ, SK and AT/SBs

YTD equity & total liability reconciliation (EUR m)

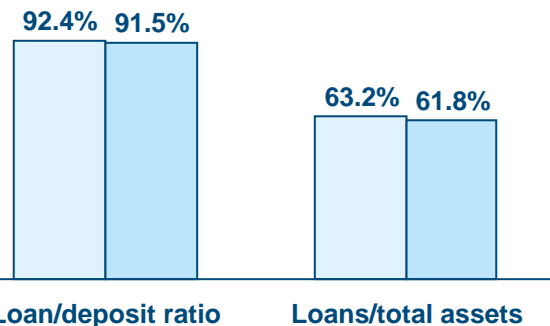


- Total liability growth in Q1 18 driven by bank and customer deposits, partly by debt issuance
- Customer deposits grew by 2.9%, pushing the loan/deposit ratio to 91.5% (2017: 92.4%)
- Decline in equity attributable to implementation of IFRS9 (-EUR 0.6bn), offset by quarterly profit

Executive summary – Key balance sheet data

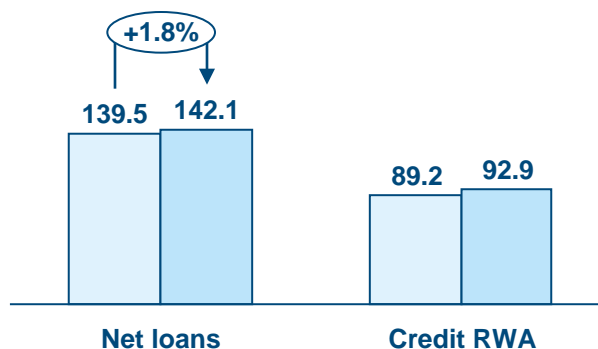
31/12/17
31/03/18

Loan/deposit & loan/TA ratio

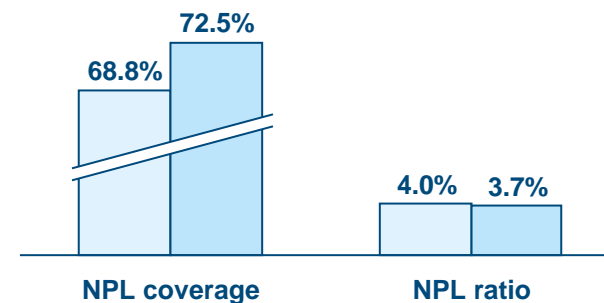


Net loans & credit RWA

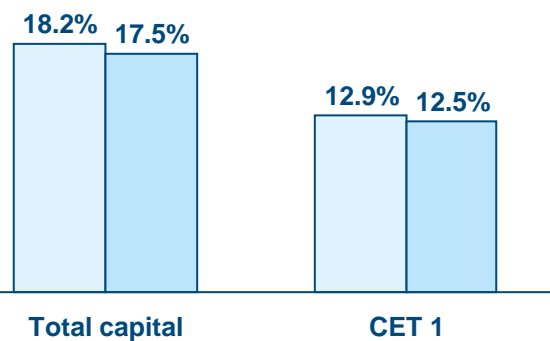
in EUR bn



NPL coverage ratio & NPL ratio

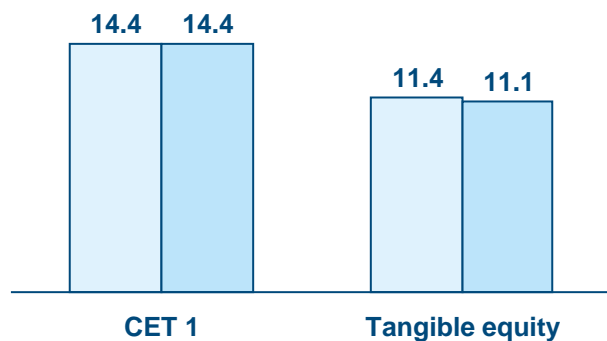


B3FL capital ratios

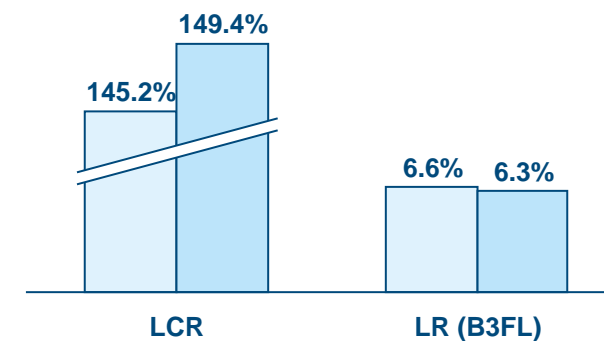


B3FL capital & tangible equity*

in EUR bn



Liquidity coverage & leverage ratio**



* Based on shareholders' equity, not total equity

** Pursuant to Delegated Act

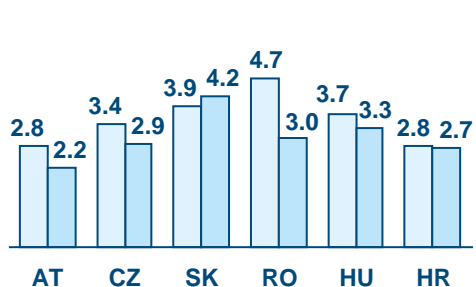
Presentation topics

- Executive summary
- **Business environment**
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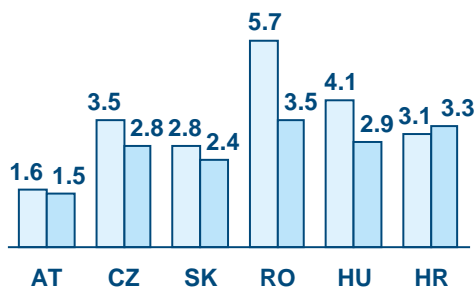
Business environment – Strong economic outlook for 2018

2018
2019

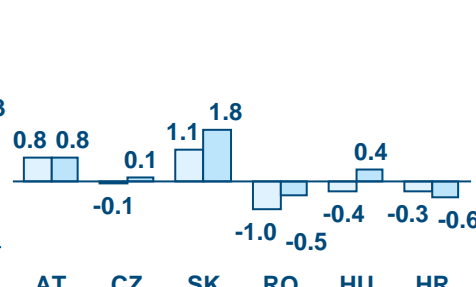
Real GDP growth (in %)



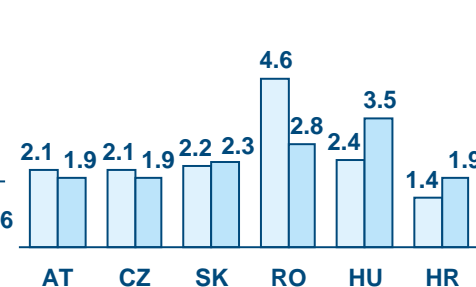
Dom. demand contribution* (in %)



Net export contribution* (in %)

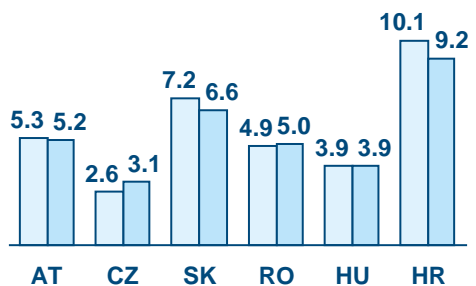


Consumer price inflation (ave, in %)

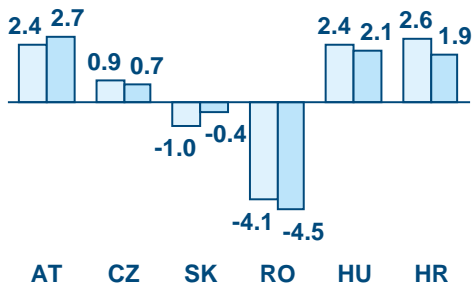


- Erste Group's core CEE markets expected to grow by about 3-5% in 2018
 - Domestic demand is expected to remain the main driver of economic growth in 2018
 - Consumption is supported by improving labour markets, wage increases and relatively low inflation rates across the region

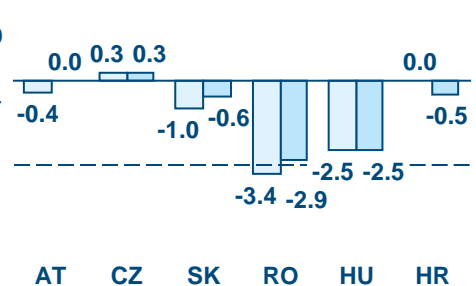
Unemployment rate (eop, in %)



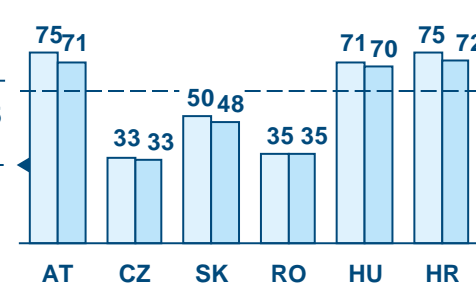
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)



- 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

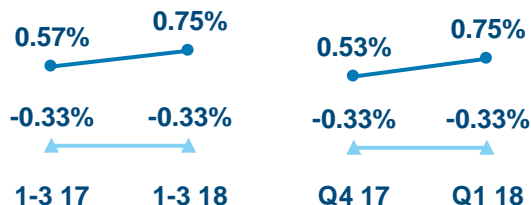
* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research

Business environment –

CZ further increases key policy rate to 75bps in February 2018

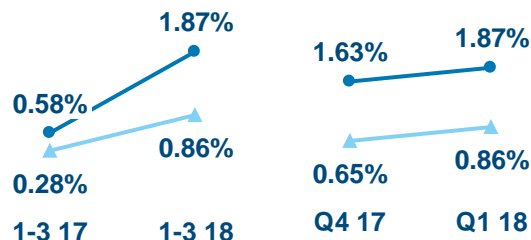
▲ 3M Interbank
● 10YR GOV

Austria



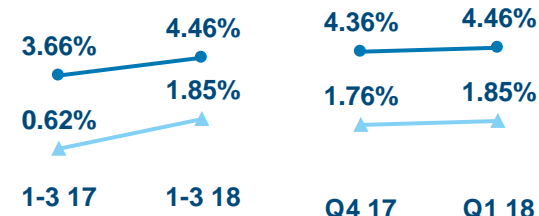
- ECB cut discount rate to zero in March 16
- Maintains expansionary monetary policy stance

Czech Republic



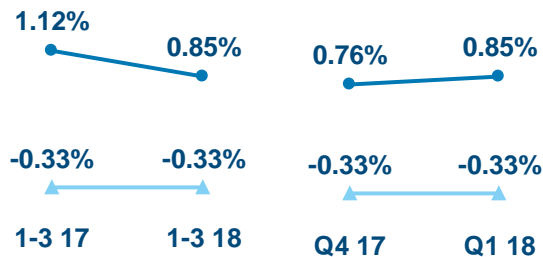
- National bank decided to lift its benchmark rate from historic low of 0.05% to 0.75% in Aug and Nov 2017 and Feb 2018

Romania



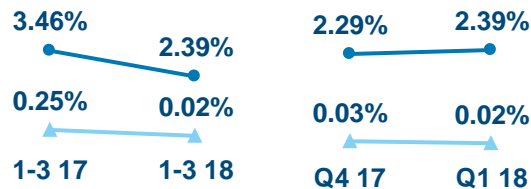
- Central bank increases policy rate from historic low of 1.75% to 2.25% in January and February 2018

Slovakia



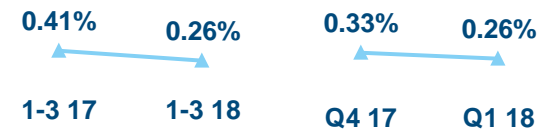
- As part of euro zone ECB rates are applicable in SK

Hungary



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

Croatia



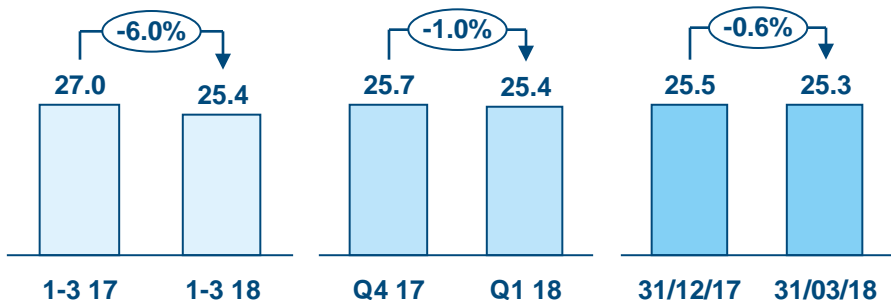
- Central bank maintains discount rate at 3.0% since 2015

Source: Bloomberg.

Business environment –

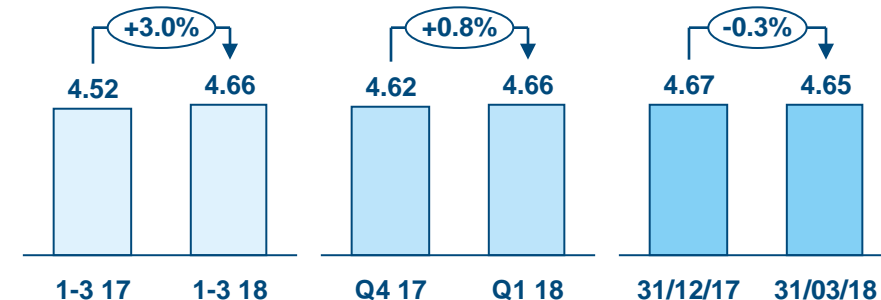
CZK appreciates amid rising rates, RON depreciates yoy

EUR/CZK



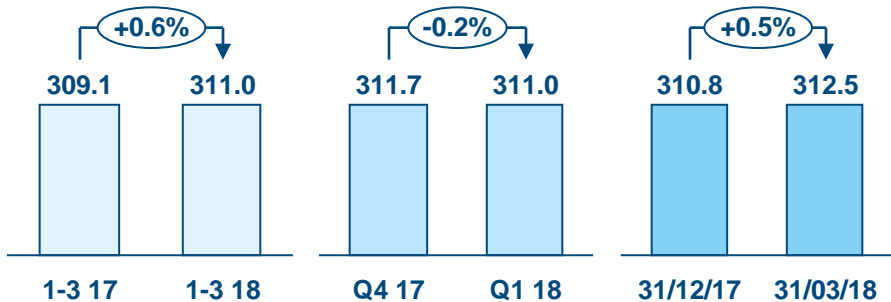
- Czech National Bank ended its currency peg in April 17; discount rate increased further to 0.75% in February 2018

EUR/RON



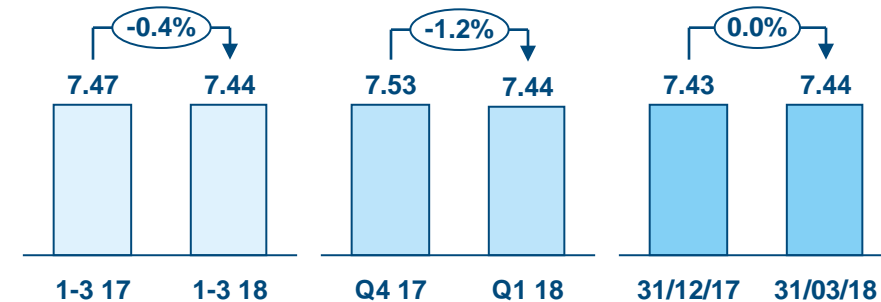
- RON depreciated slightly vs EUR amid political volatility; policy rate raised to 2.25% in February 2018

EUR/HUF



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

EUR/HRK



- Croatian National Bank continues to manage HRK in tight range

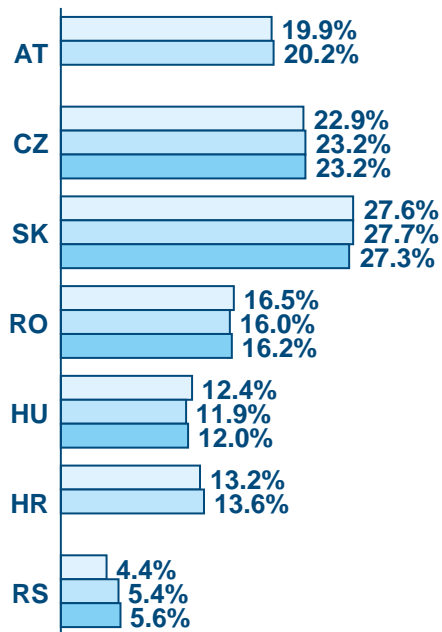
Source: Bloomberg

Business environment –

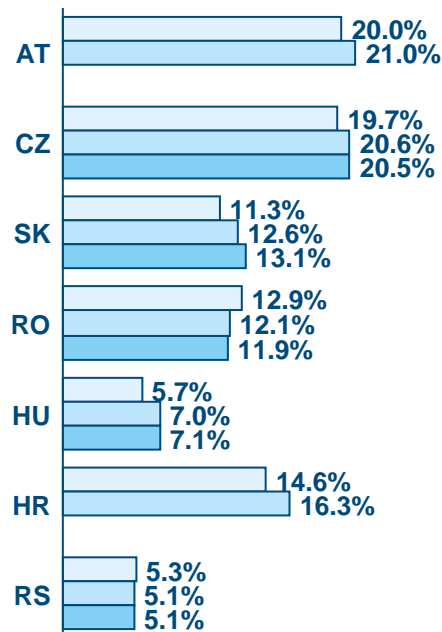
Market shares: mostly stable or increasing shares across the region

31/03/17
31/12/17
31/03/18

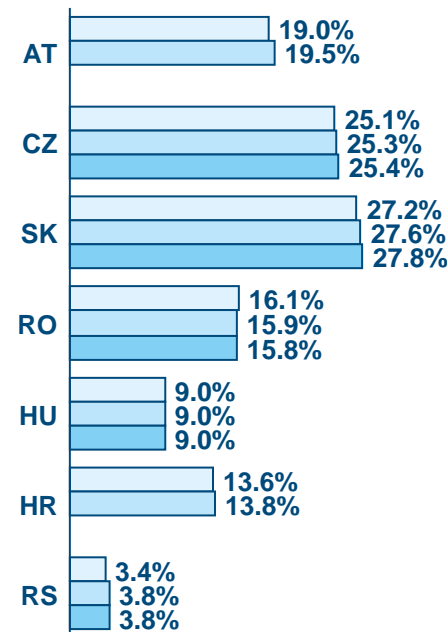
Gross retail loans



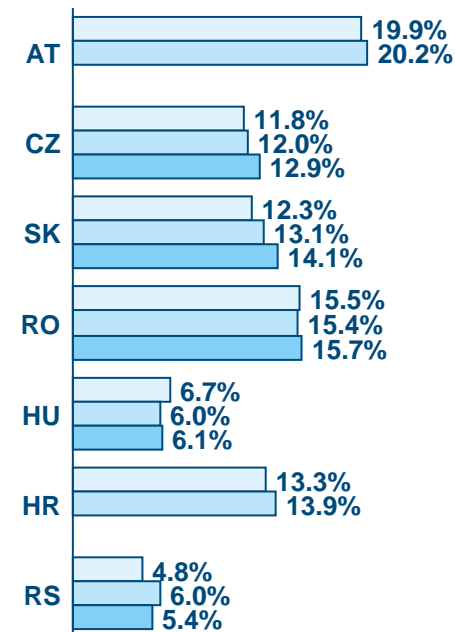
Gross corporate loans



Retail deposits



Corporate deposits



- CZ: slightly increasing yoy market shares in growing markets
- RO: slightly lower yoy market share mainly due to more restrictive lending standards
- HU: high level of repayments offsets new disbursements

- RO: conservative lending standards impact market share
- HR: market share increase as of YE 17 mainly due to substantial sale of NPLs by other market participants

- Continued inflows in all markets despite low interest rate environment, with broadly growing market shares
- HU: market share has stabilised at 9% with consolidation of Citibank since Q1 2017

- Changes mainly due to normal quarterly volatility in corporate business

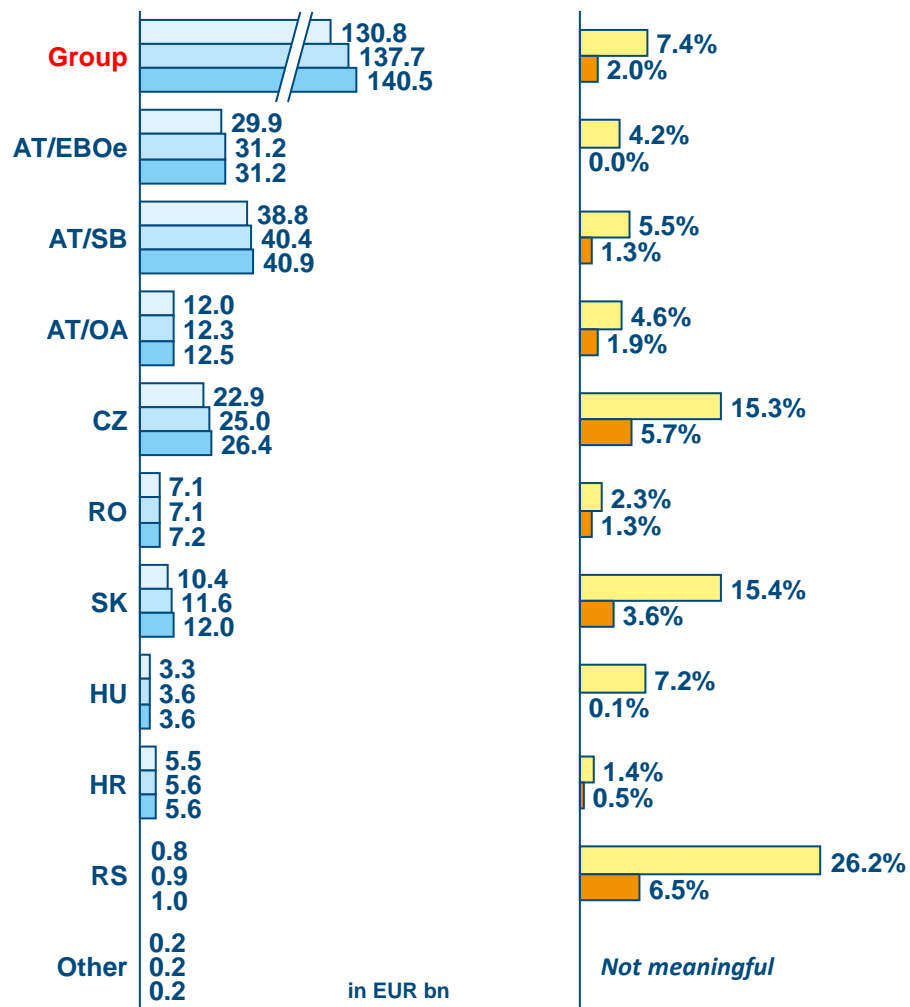
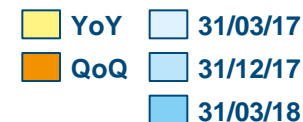
AT and HR market shares for 31/03/2018 not yet available

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Business performance: performing loan stock & growth –

Performing loans continue to grow in Q1 18

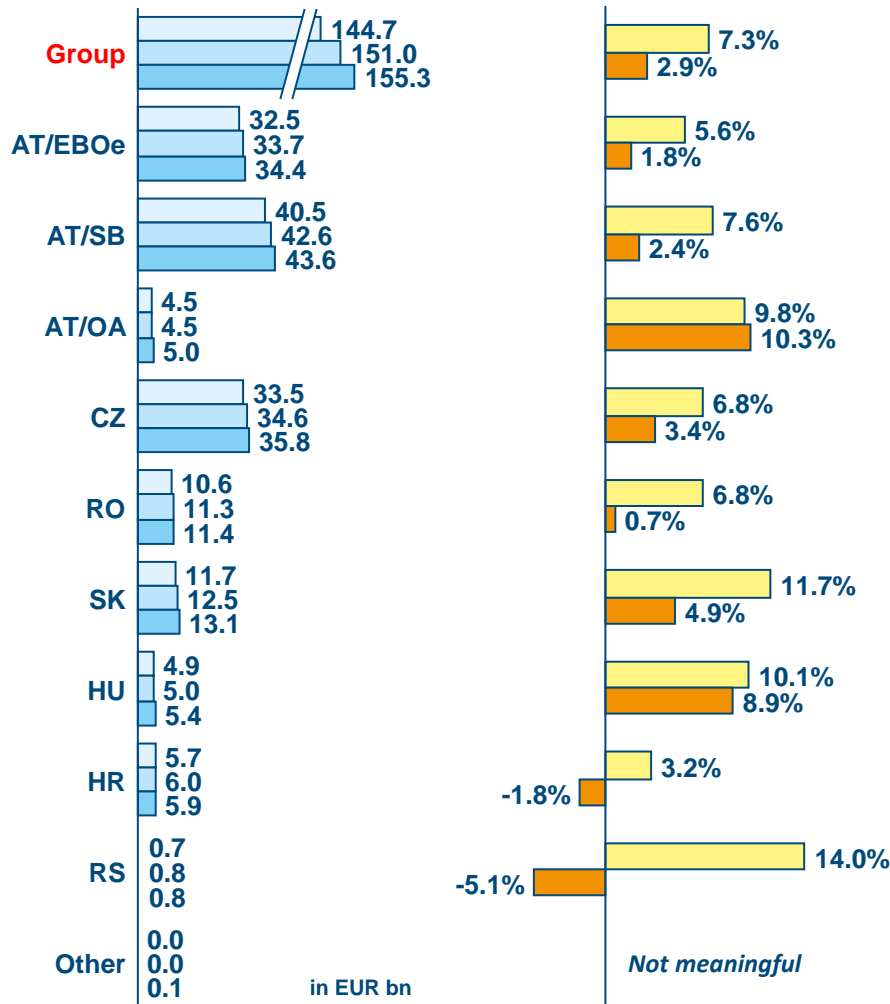


- Rising performing loan volume trend continued in Q1 18 across most geographies; yoy loan growth particularly strong in CZ (supported by currency appreciation) and SK
- Yoy growth primarily driven by Retail (+9.7%) with Corporates (+7.6%), mainly Group Large Corporates and SME, also making a strong contribution
- Qoq growth predominantly in Retail (+1.6%), solid contributions from Corporates (+1.3%), mainly in Group Large Corporates and SME
- Year-on-year segment trends:
 - CZ: strong growth across all customer segments (Retail +14.4%, Corporates +20.4%), currency-adjusted: +8.4%
 - SK: stronger growth in Corporates (+25.8%) than in Retail (+12.4%)
 - HU: increase mainly driven by Corporates segment
 - RS: continued strong growth in Retail and Corporates segments
- Quarter-on-quarter segment trends:
 - CZ: growth across all customer segments, particularly strong in Group Markets business (reverse repurchase agreements)
 - SK: stronger growth in Corporates (+9.2%) than in Retail (+2.1%)

Business performance: customer deposit stock & growth –

Deposit build-up continues in Q1 18

■ YoY ■ 31/03/17
■ QoQ ■ 31/12/17
■ 31/03/18

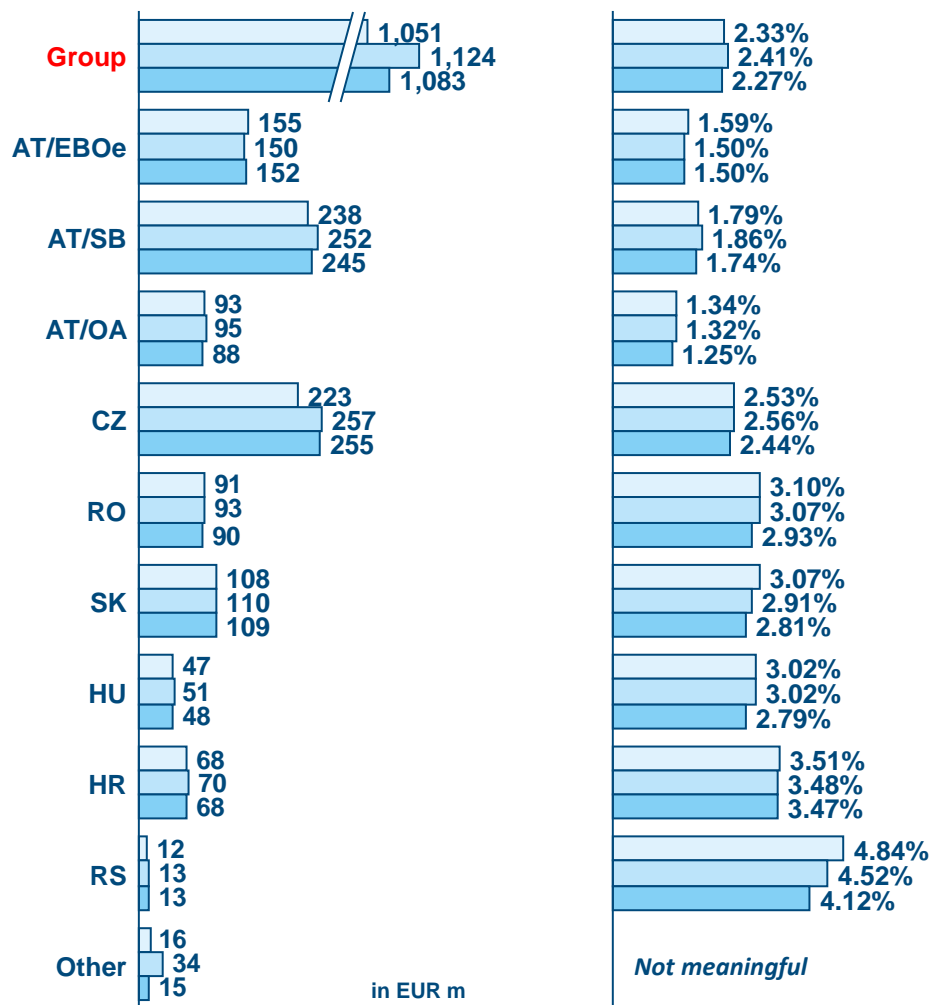


- Exceptional deposit growth across all geographies despite zero interest rate environment as retail and corporate clients park cash in overnight accounts
- Yoy growth in absolute terms mainly driven by Retail segment (+EUR 5.5bn) and Corporates segment (+EUR 3.2bn), with strong contribution from Savings Banks (+EUR 3.1bn) offsetting decline in Group Markets
- Qoq increase across most geographies
- Year-on-year segment trends:
 - CZ: substantial growth in Retail and Corporates offset decline in Group Markets (CZK peg removal)
 - SK: stronger deposit inflow in Retail than in Corporates
 - HU: growth equally solid in Retail and Corporates
 - RS: exceptional growth in Retail segment with good contribution from Group Markets
- Quarter-on-quarter segment trends:
 - AT/OA: increase driven by deposits in the Holding (Group Markets)

Business performance: NII and NIM –

NII advances 3.0% yoy, seasonally down qoq

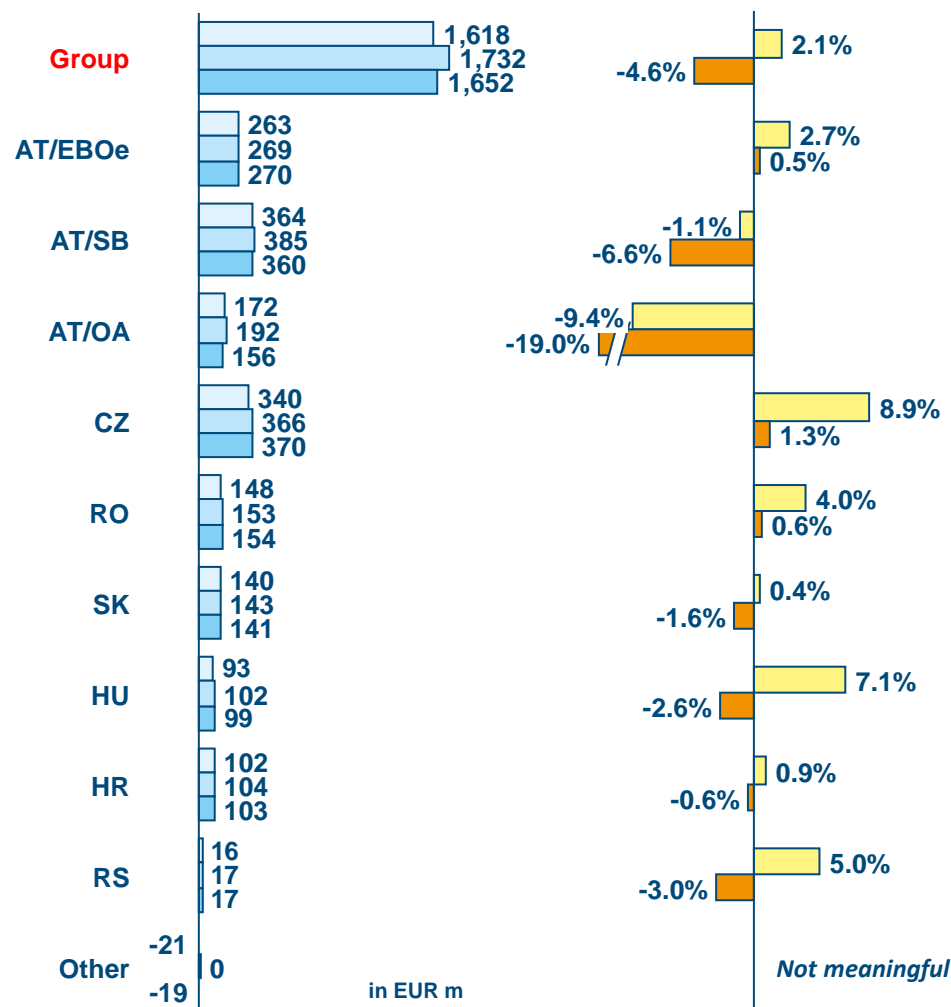
Q1 17
Q4 17
Q1 18



- Yoy increase driven by higher NII in CZ resulting from increased business volumes, rising interest rates and CZK appreciation
- Qoq decline due to fewer business days in Q1 and a minor positive one-off in Q4 17 in the segment Other
- Year-on-year segment trends:
 - CZ: volume growth, rate hikes and currency appreciation (+6.0%) pushed NII up in all key business lines (Retail, Corporates, Group Markets)
 - AT/SB: increase on higher volumes
 - AT/OA: decline due to lower contribution from MM business in the Holding
 - AT/EBOe: shift from fee expense (at building society) to interest expense weighs on NII, partially offset by higher volumes
- Quarter-on-quarter segment trends:
 - Other: lower contribution from Holding ALM due to a hedge accounting one-off in Q4 17
 - AT/SB: declining NII on lower refinancing costs in Q4 17 and lower result from consolidated investment funds in Q1 18

Business performance: operating income – Operating income up yoy on better NII and fees

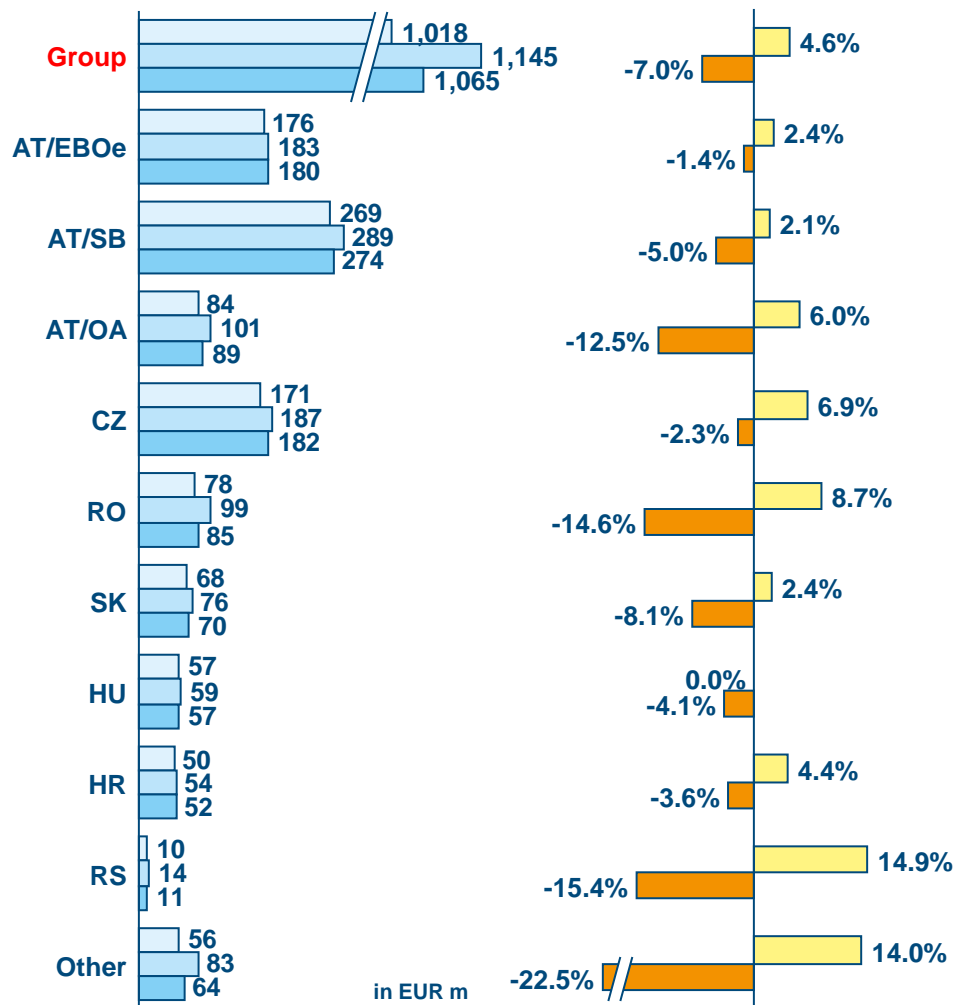
YoY Q1 17
QoQ Q4 17
Q1 18



- Yoy up on higher NII and fees, offset lower net trading result
- Qoq decline mainly due to lower net trading result, partially offset by improvement in gains/losses from financial instruments measured at FV (fair value result)
- Year-on-year segment trends:
 - Revenues rise across the board on the back of good macro environment, higher volumes and higher rates, except in:
 - AT/OA: decline mainly on lower net trading and lower fair value result, decline in NII offset by improved fee income particularly at Erste Asset Management and at Group Markets
 - AT/SB: better NII and fees only partially offset decline in FV result
- Quarter-on-quarter segment trends:
 - AT/OA: net trading result down on lower market valuations from MM and fixed income securities
 - AT/SB: lower FV result and decrease in NII weigh on operating income
 - Other: decline driven by fair value result (hedging)

Business performance: operating expenses –

Expenses up yoy on headcount and higher deposit insurance charge

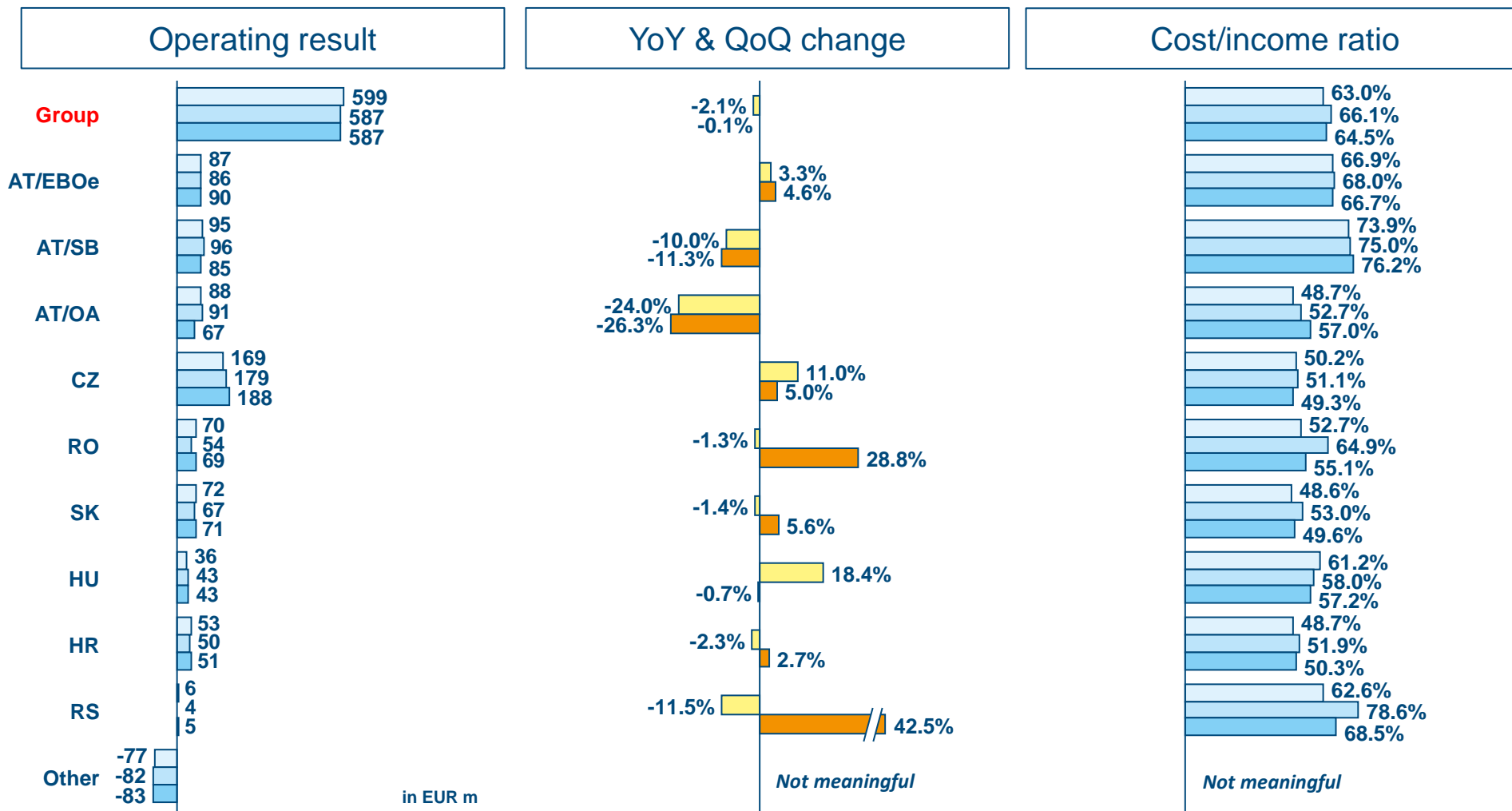


- YoY cost increase mainly driven by higher personnel headcount and higher deposit insurance contributions
- QoQ down on higher PEREX in Q4 17 (bonus accruals) and lower IT and consultancy expenses, offsetting deposit insurance contributions
- Year-on-year segment trends:
 - CZ: increase almost solely due to currency effect
 - RO: higher personnel expenses and higher payment into deposit insurance
 - AT/EBOe, AT/SB: higher payments into deposit insurance fund and higher PEREX
 - Other: increase driven primarily by higher IT costs
- Quarter-on-quarter segment trends:
 - AT/SB: lower PEREX, IT and consultancy costs, partially offset by payments into deposit insurance
 - RO: higher IT costs booked in Q4 17, lower personnel expenses, partially offset by higher depreciation charge
 - AT/OA: lower costs at Erste Asset Management following changed consolidation scope, lower IT and consultancy costs
 - Other: driven by Holding Corporate Center, mainly IT related
 - RS: decline on lower personnel and project costs

Business performance: operating result and CIR –

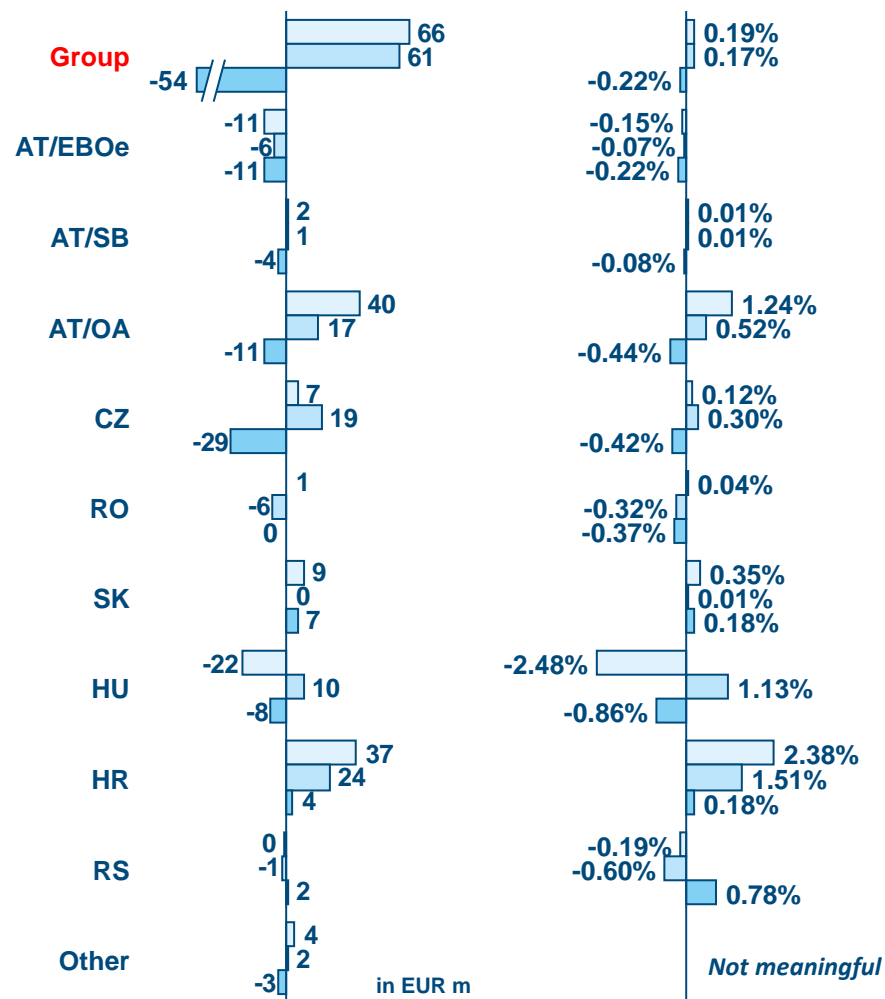
Positive revenue trends overshadowed by higher PEREX

■ YoY ■ Q1 17
■ QoQ ■ Q4 17
■ Q1 18



Business performance: risk costs (abs/rel*) – Improved asset quality results in releases of risk provisions

Q1 17
Q4 17
Q1 18



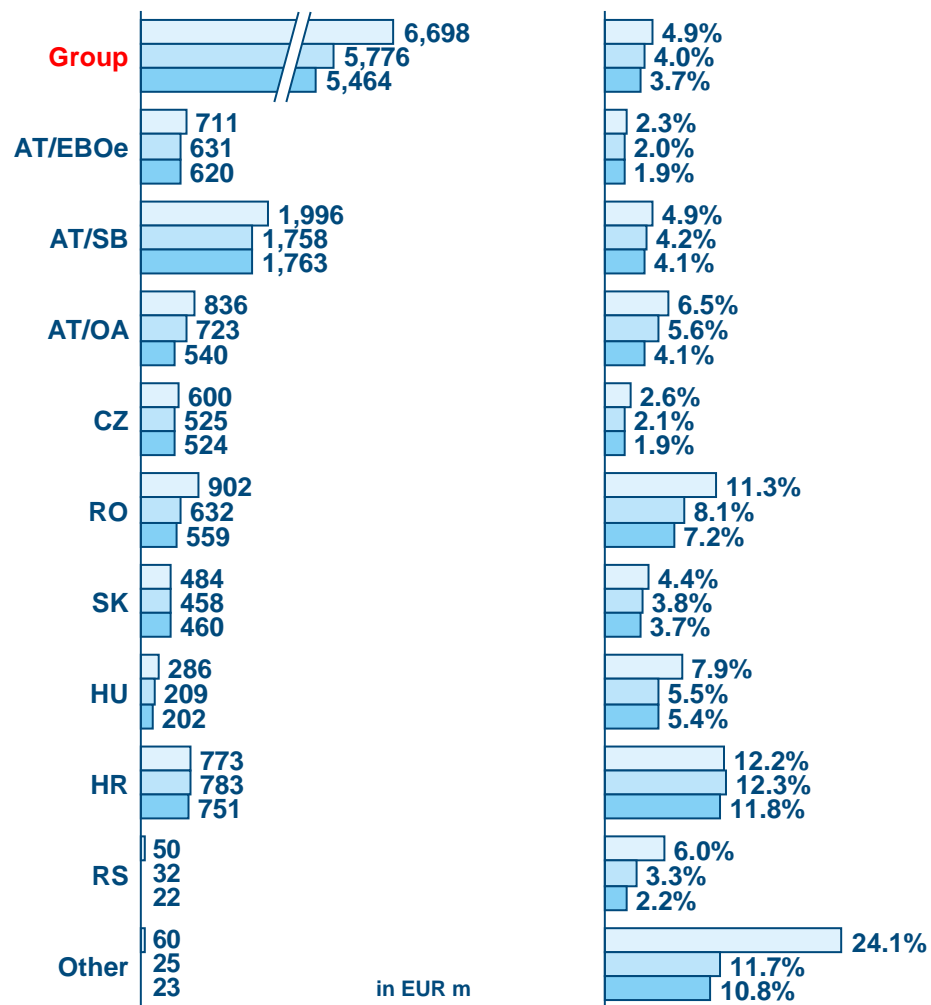
- Yoy and qoq improvement due to continued asset quality improvements, particularly in Corporate business; net releases in most geographies
- Year-on-year segment trends:
 - AT/OA: improvement due to releases in Holding vs elevated risk costs due to corporate restructuring for HR customers in Q1 17
 - CZ: net releases on improved loan portfolio quality and higher recoveries
 - HR: elevated risk costs in Corporates (Group Large Corporates) in Q1 17
- Quarter-on-quarter segment trends:
 - CZ: see above; most visible in SME and CRE
 - HU: releases in Retail and Corporates following changes in PD and LGD estimates in Q4 17
 - AT/OA: releases in Holding Corporate business

* Relative risk costs are defined as annualised quarterly impairment result from financial instruments (adjusted for net allocation of provisions for commitments and guarantees given and FVOCI) over average gross customer loans (excluding trade and other receivables in Q1 18).

Business performance: non-performing loans and NPL ratio –

NPL ratio improves further, now standing at 3.7%

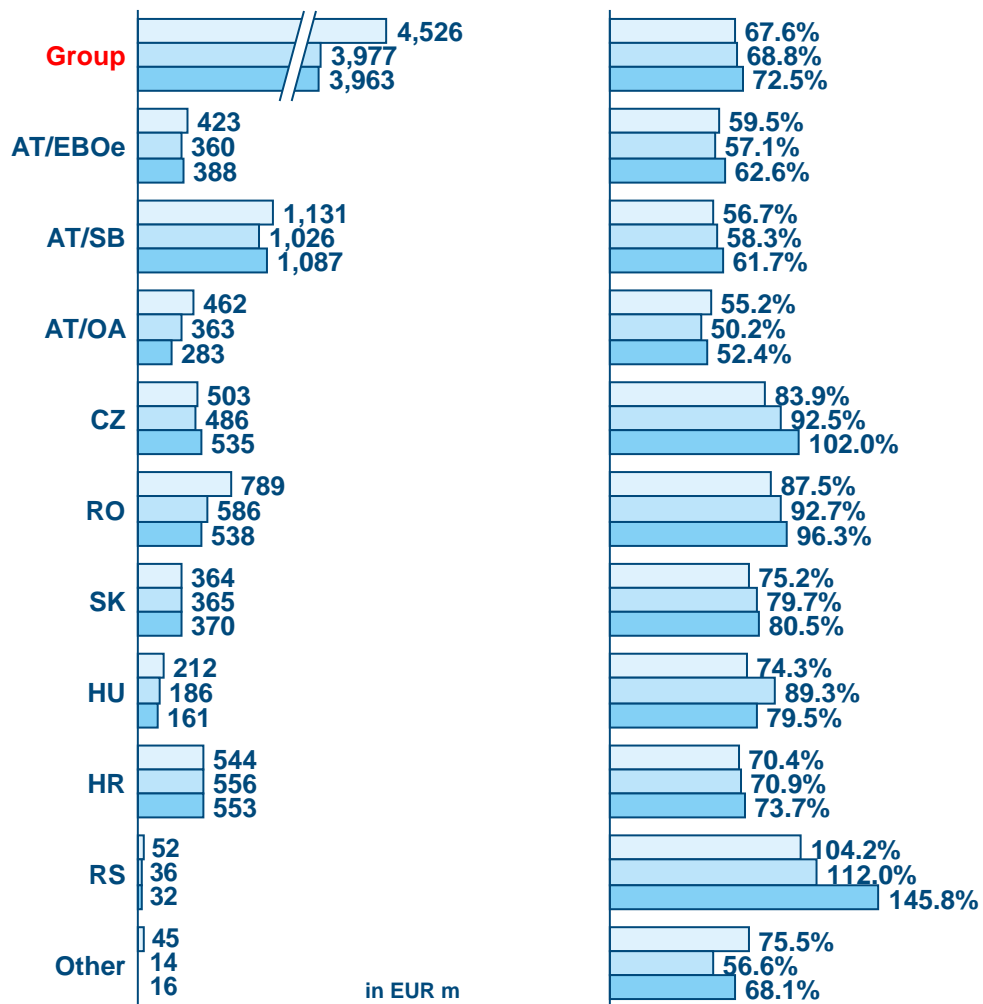
31/03/17
31/12/17
31/03/18



- NPL volume declined further to EUR 5.5bn in Q1 18 as NPL inflows remained moderate
- NPL sales of EUR 103.8m in Q1 18 (Q4 17: EUR 59.4m)
 - Retail: EUR 9.3m (Q4 17: EUR 42.8m)
 - Corporates: EUR 94.5m (Q4 17: EUR 16.6m)
 - Q1 18 NPL sales mainly in the Holding (EUR 94.0m), minor sales in other markets

Business performance: allowances for loans and NPL coverage – NPL provision coverage improves to 72.5%

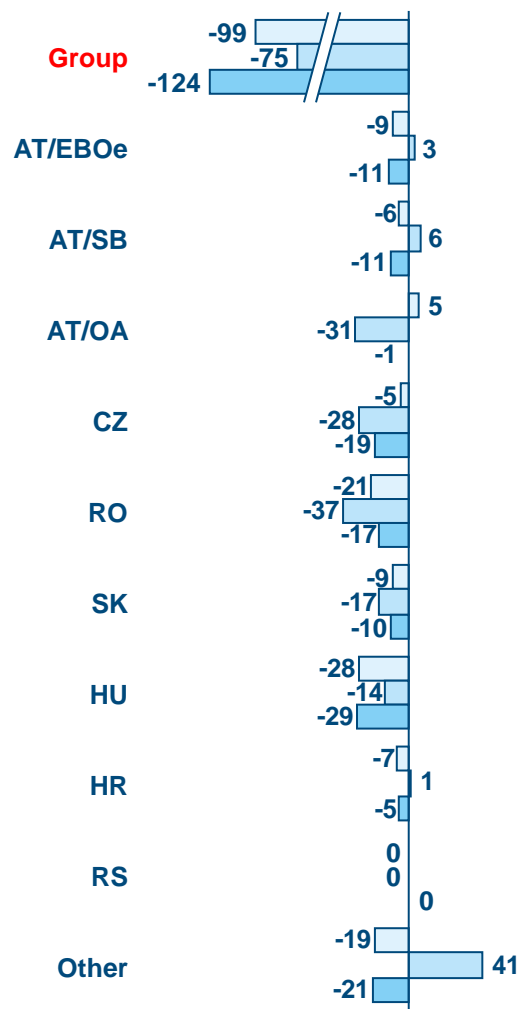
31/03/17
31/12/17
31/03/18



- NPL provision coverage improves at group level, exceptionally strong in CZ, RO, SK, HU and RS
- Year-on-year segment trends:
 - CZ: increase in provisions together with decline in NPLs result in exceptionally strong coverage
 - RO: decline in allowances driven by improved recoveries and NPL write-offs; strong coverage improves further
 - RS: NPL net recoveries drive the coverage improvement
 - AT/OA: decreasing coverage in line with lower expected losses for defaulted customers
 - No material changes in other markets; excellent macro backdrop allows for release of provisions
- Quarter-on-quarter segment trends:
 - CZ: see above
 - HU: decreasing coverage in line with lower expected losses for defaulted customers; coverage remains at comfortable level

Business performance: other result –

Other result declines yoy due to lower securities sales

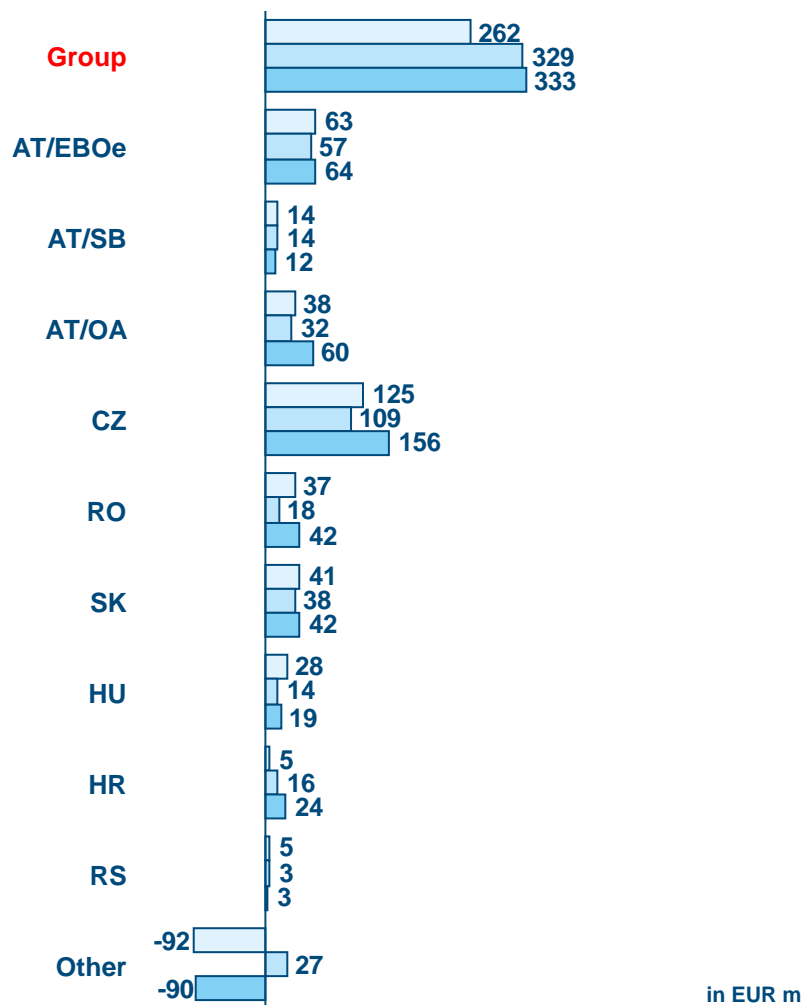


in EUR m

- Yoy other operating result remained stable, but gains/losses from financial instruments declined by EUR 24.1m
- Qoq deterioration due to one-off gain from sale of participation in Q4 17 and booking of full year recovery & resolution fund contributions as well as of HU banking tax
- Year-on-year segment trends:
 - CZ: property and securities sale in Q1 17 and higher contribution into recovery & resolution fund drive performance of other result
- Quarter-on-quarter segment trends:
 - Other: positive performance in Q4 17 was driven by one-off income from sale of participation
 - AT/OA: improvement on higher project-related provisions in Q4 17
 - RO: improvement due to higher provisions for guarantees and commitments in Q4 17

Business performance: net result – Net profit advances due to net releases

Q1 17
Q4 17
Q1 18



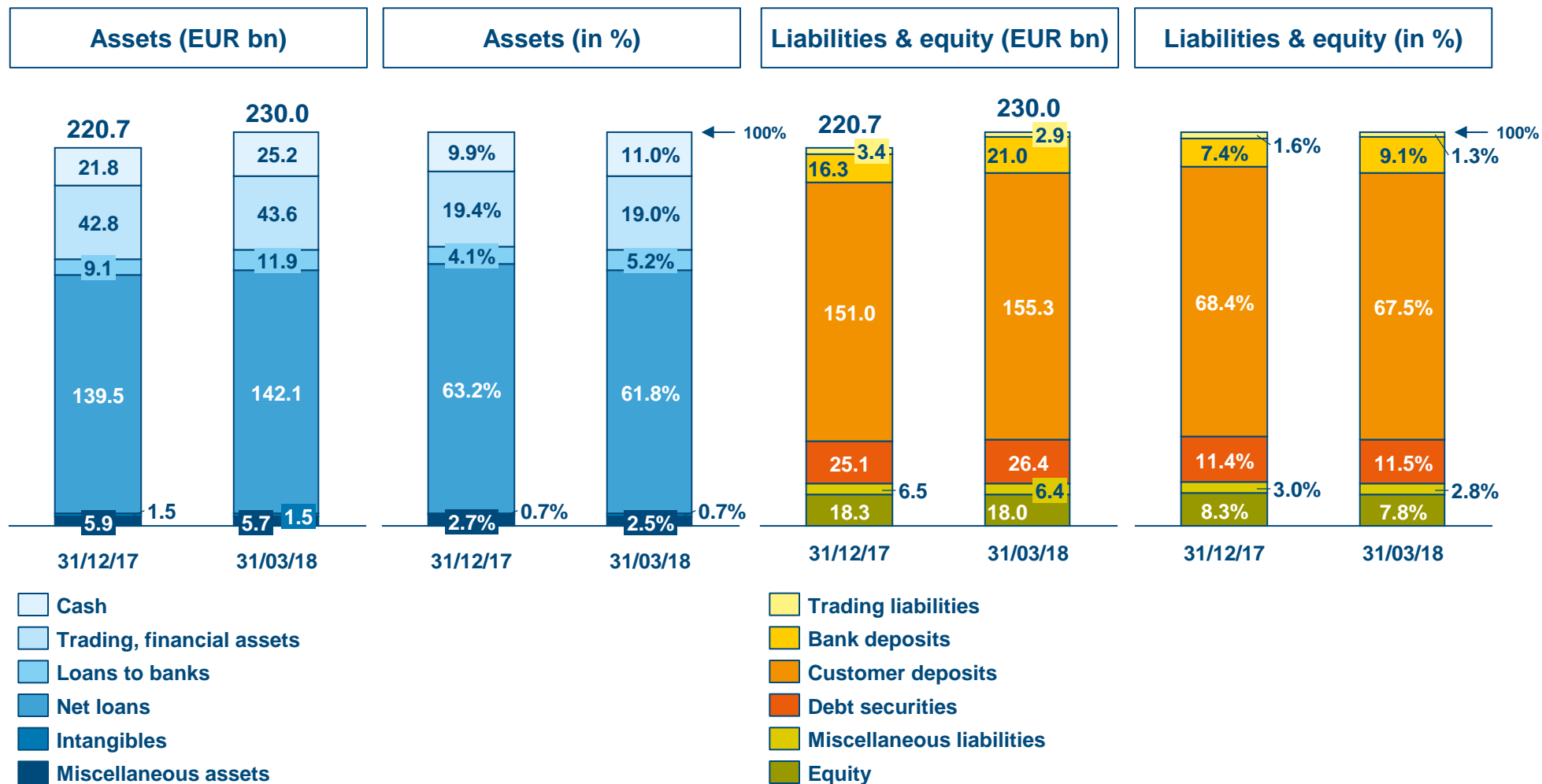
- Yoy profitability improved on net releases of risk provisions across most geographies
- Qoq stable as better risk performance offsets higher tax charge and contributions into recovery and resolution fund, HU banking levy and deposit insurance in Q1 18
- Year-on-year segment trends:
 - AT/OA: net releases of risk provisions offset lower operating performance
 - CZ: higher net result on net releases of risk provisions and improved operating performance; FX impact
 - HR: lower risk costs drive net result
 - HU: as operating performance improves, lower net releases of risk provisions weigh on net result
- Quarter-on-quarter segment trends:
 - Other: sale of participation in Q4 17
 - CZ: see above
 - RO: net result improves on operating performance and other result
 - AT/OA: see above
- Return on equity at 10.4% in Q1 18, following 9.1% in Q4 17, and 8.7% in Q1 17
- Cash return on equity at 10.5% in Q1 18, following 9.2% in Q4 17, and 8.7% in Q1 17

Presentation topics

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

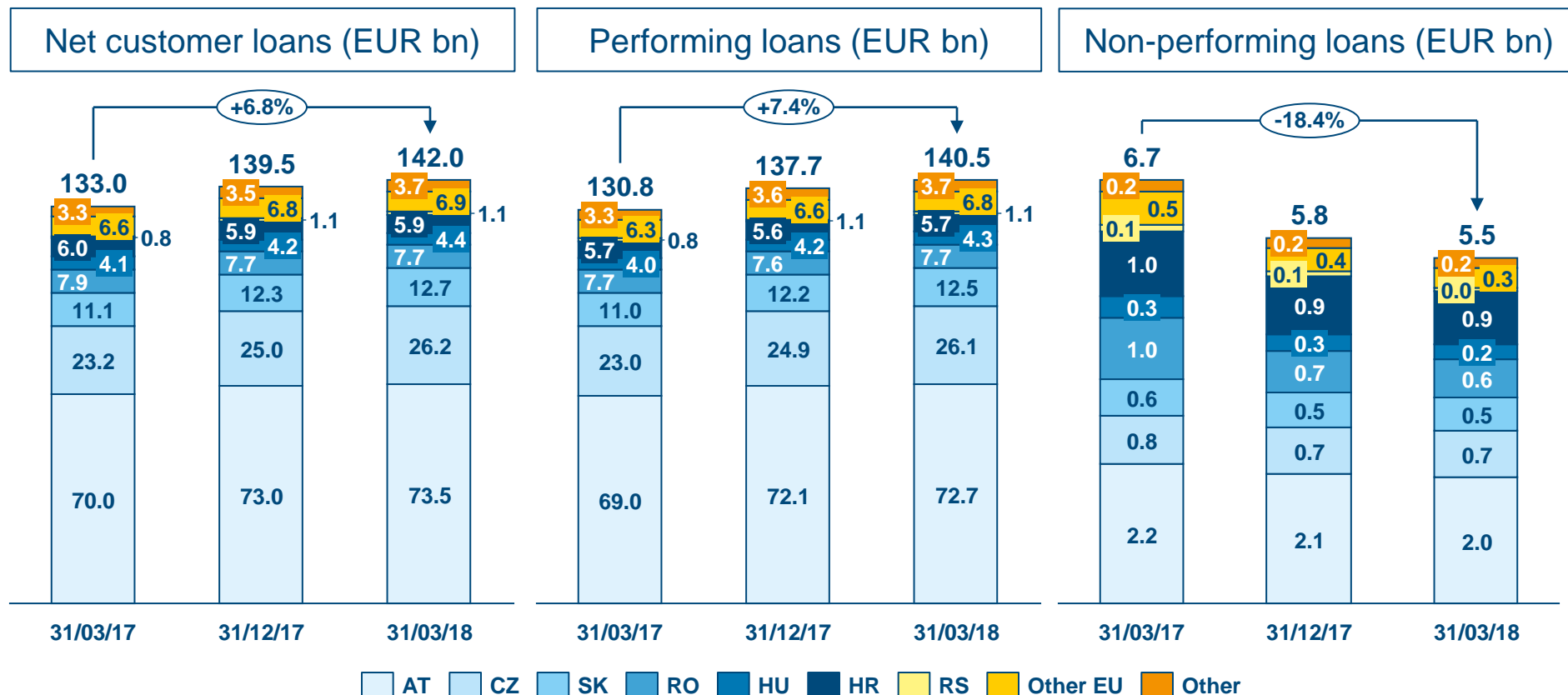
Assets and liabilities: YTD overview –

Loan/deposit ratio down to 91.5% at Mar 18 (Dec 17: 92.4 %)



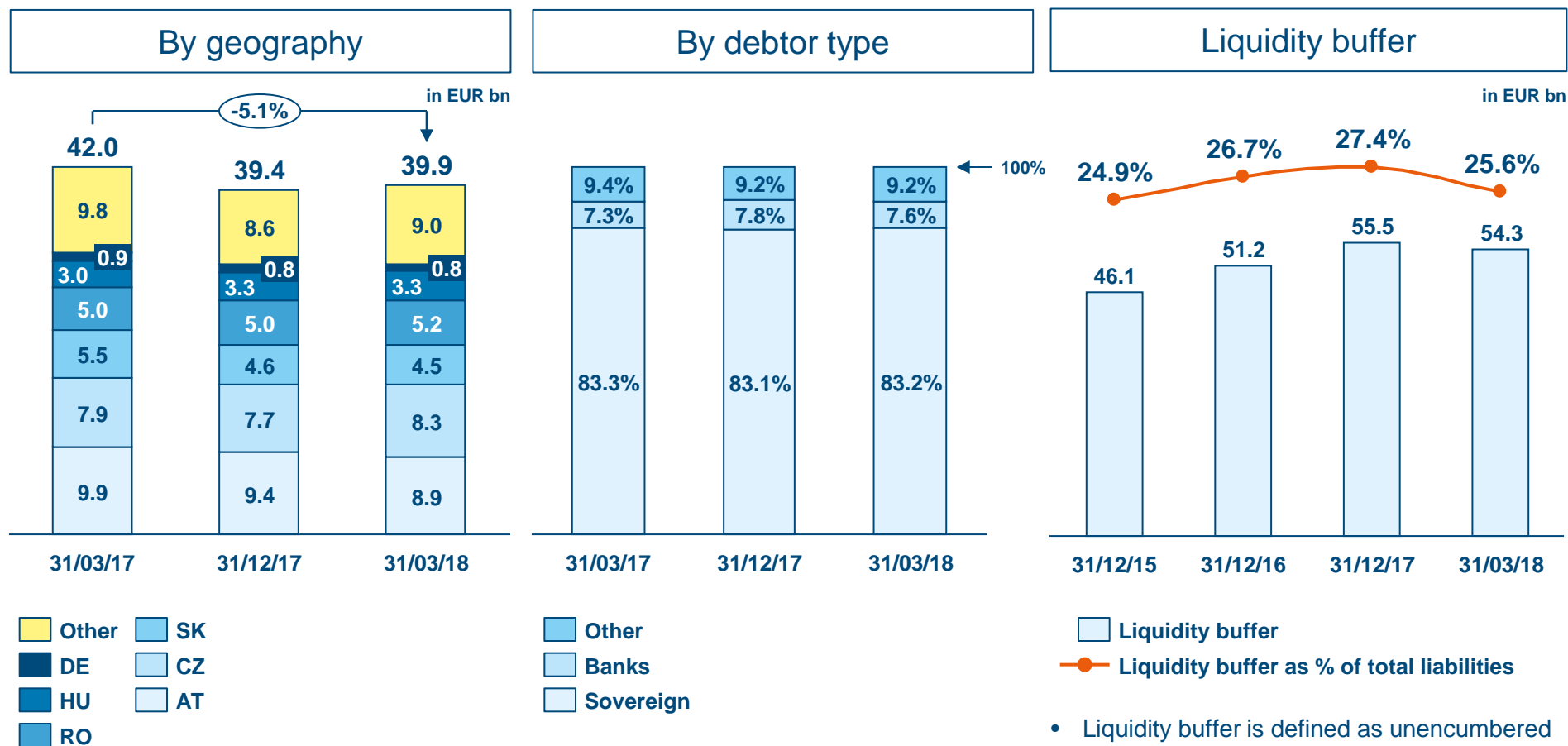
Assets and liabilities: customer loans by country of risk –

Net customer loans up 1.8% and NPLs down 5.4% in Q1 18



- Performing loan growth driven by Czech Republic, Slovakia, Austria, Hungary and Serbia
 - Main contributing business lines: Retail (+9.7%), Corporates (+7.5%), primarily Group Large Corporates and SME
 - Growing performing loans across all geographies
- 18.4% yoy decline in NPL stock driven by reductions across all geographies

Assets and liabilities: financial and trading assets * – LCR at excellent 149.4%

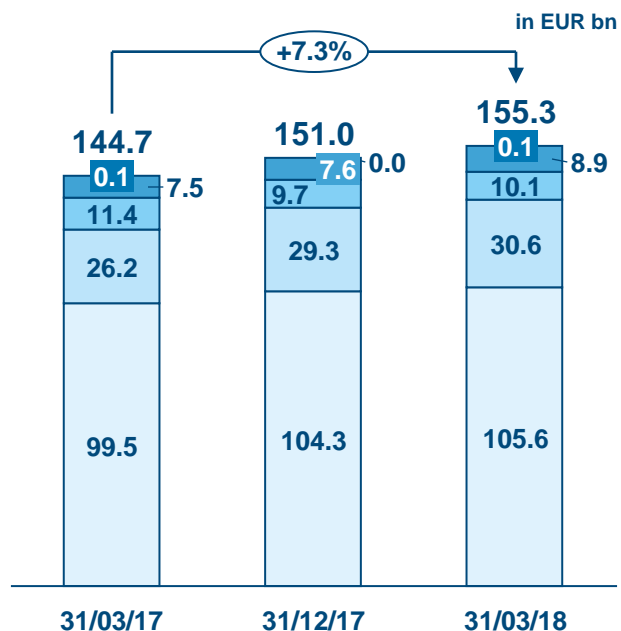


* Excludes derivatives held for trading.

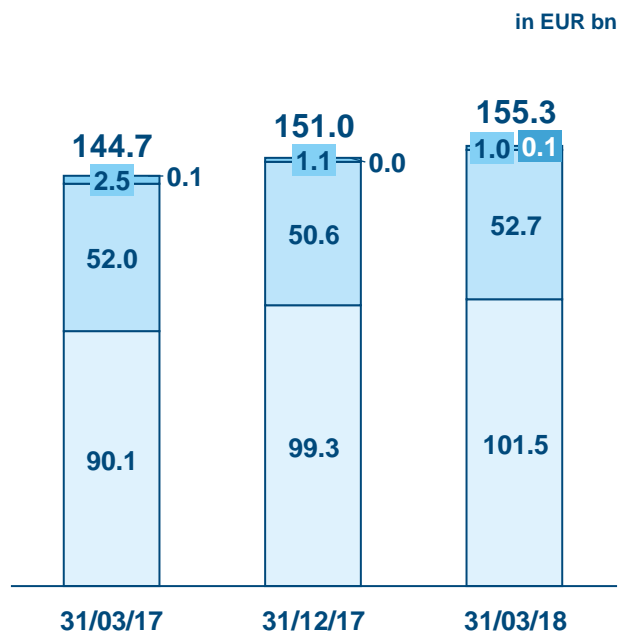
Assets and liabilities: customer deposit funding –

Customer deposits grow by 2.9% qoq, up 7.3% yoy

By customer type



By product type

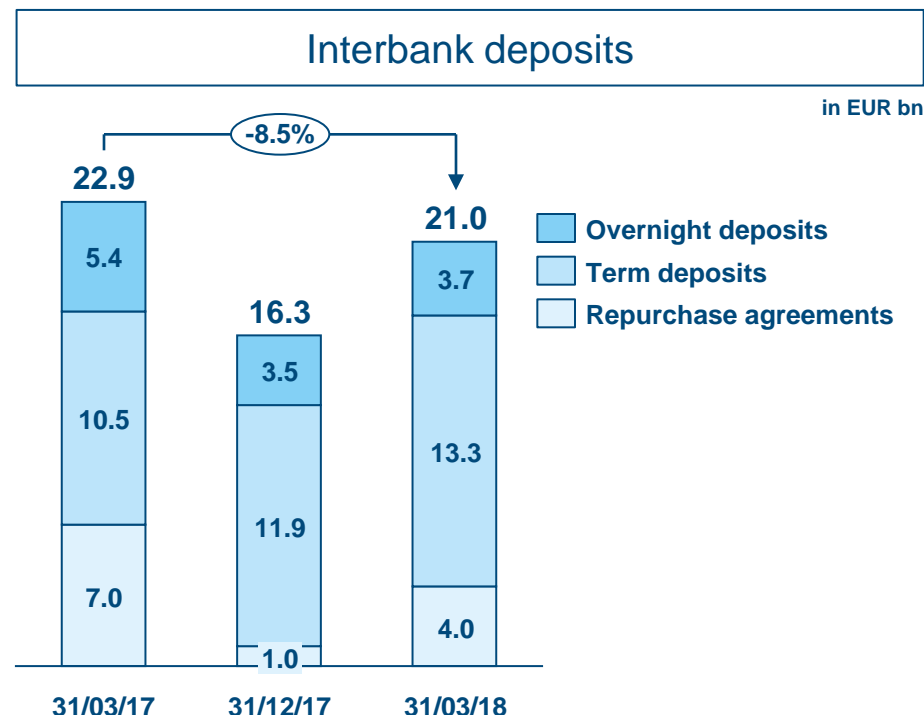
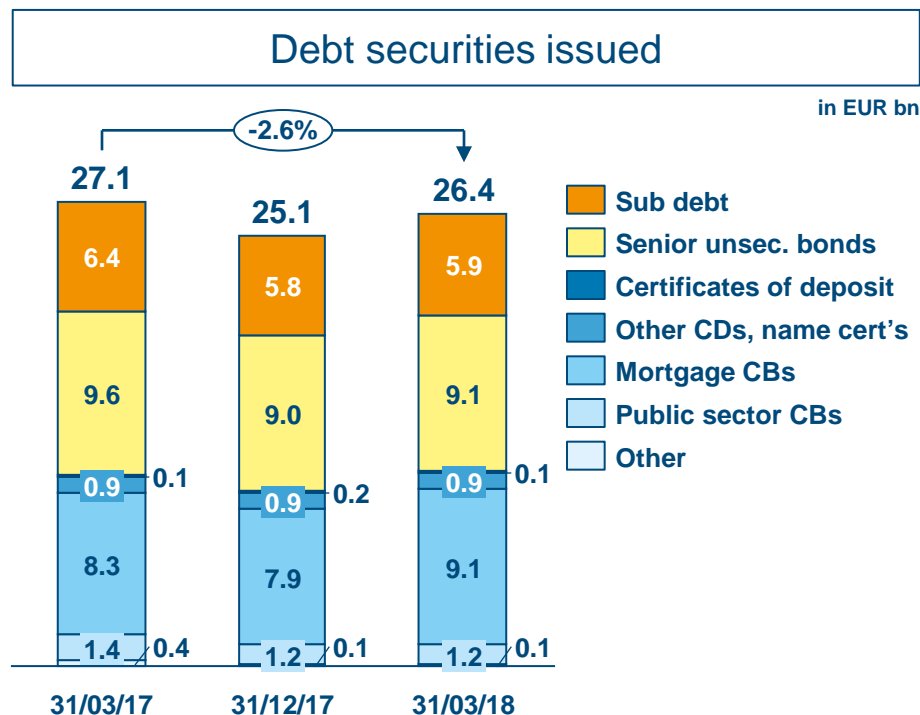


Highlights

- Continued deposit inflows driven by Retail segment with highest demand for overnight deposits amid low interest rate environment
- Solid growth also in corporate and public sector deposits
- Increased money market activities in CZ and on Holding level
- Increasing share of overnight deposits with significantly longer behavioural maturity provides a cost effective funding source



Assets and liabilities: debt vs interbank funding – Declining wholesale funding reliance, as customer deposits grow strongly

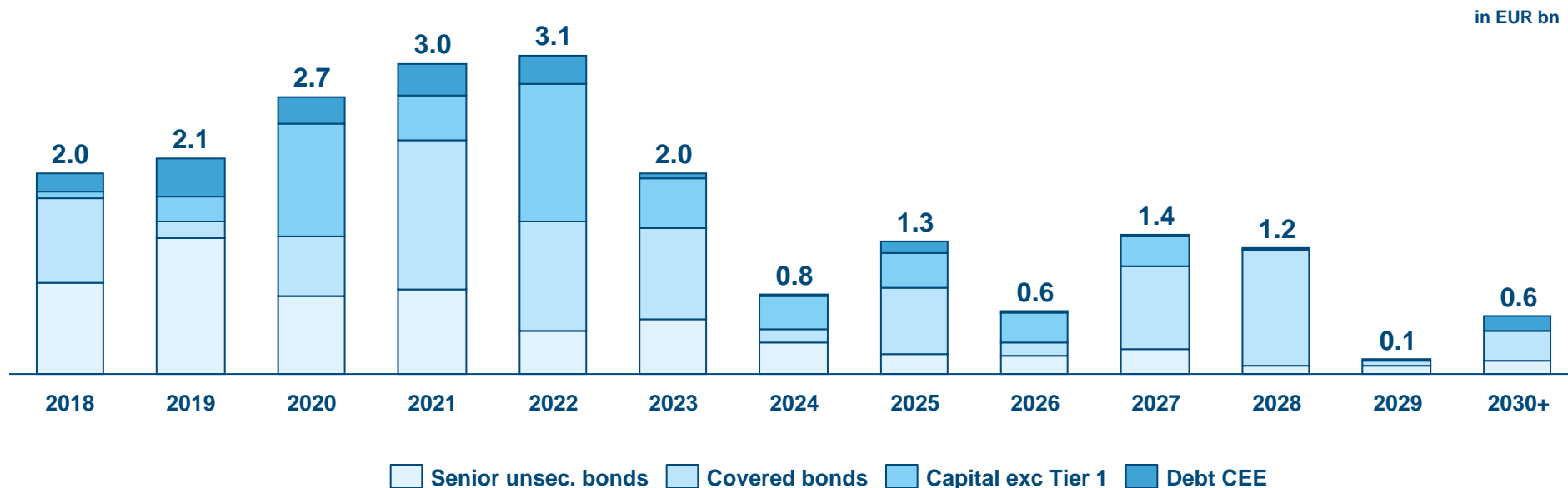


- After periods of reduced wholesale funding, volumes increased again in 2018 led by mortgage covered bonds issuances

- Money market activities peaked in CZ, interbank deposits increase by 28.4% qoq

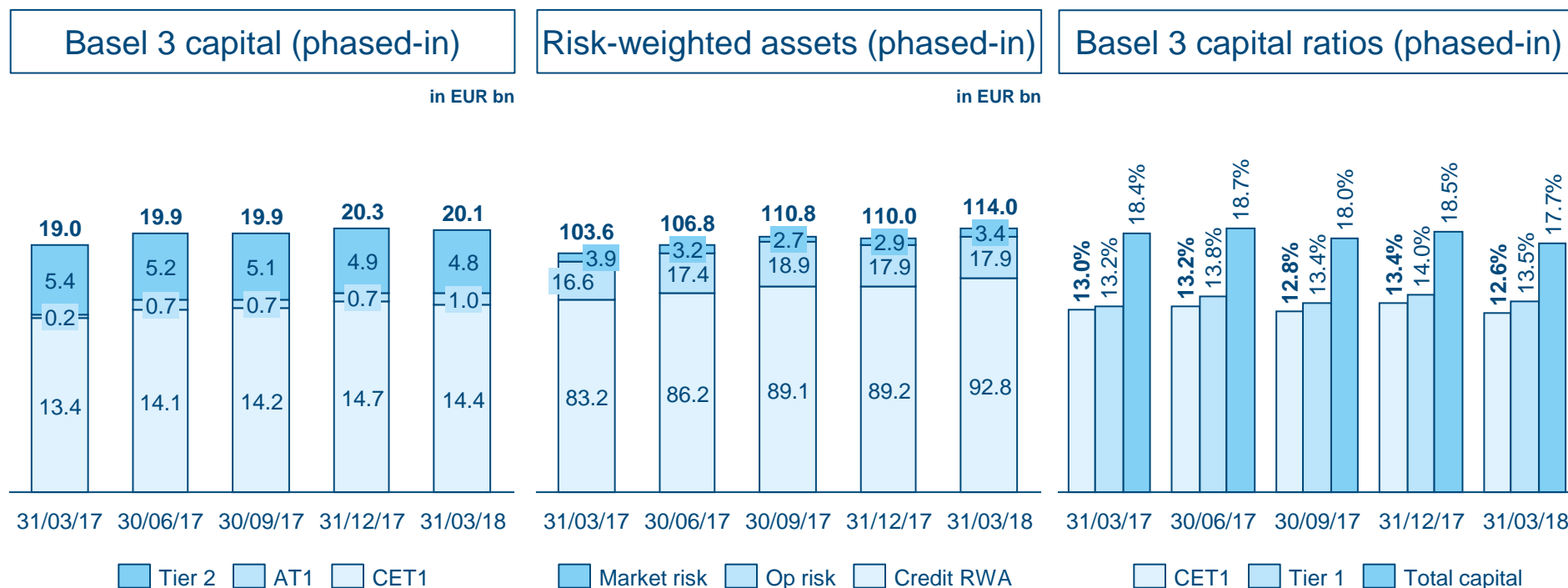
Assets and liabilities: LT funding – Limited LT funding needs

Maturity profile of debt



- In January 2018 Erste Group opened the covered bond market for Austrian issuers with a EUR 1bn 10y mortgage covered at a spread of MS-6bps.
- In April 2018 Erste Group placed a EUR 750mn 8y mortgage covered bond at a spread of MS-3pbs.
- Funding target for 2018 of approximately EUR 3.1bn is forecast slightly above last year's volume, in line with 2018 redemptions. While the focus will be on covered bonds, the planned seniorities will depend on the final resolution strategy.

Assets and liabilities: capital position – B3FL CET1 ratio at 12.5% post IFRS9



- CET1 capital: -EUR 0.3bn ytd, due to:
 - Reclassification of financial instruments to FV, as part of IFRS9 implementation: -EUR 1.1bn
 - Partly offset by prudential filter for FV changes from own credit spread: +EUR 0.6bn
 - Non-inclusion of interim profit in Q1 18

- Credit RWA: +EUR 3.7bn ytd, due to:
 - Business effects (loan growth, increased repo and interbank business): +EUR 1.8bn
 - Regulatory one-off effects (higher sovereign and equity RWA): +EUR 1.6bn
- Operational risk RWA flat in Q1 18
 - New model submitted for approval to regulator, resolution expected in H2 18

- B3FL CET1 ratio at 12.5% at 31 Mar 2018 (YE 2017: 12.9%)
- B3FL total capital ratio at 17.5% (YE17: 18.2%)
- IFRS9 impact minor at 4 bps

Presentation topics

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

Conclusion – Outlook 2018

Macro outlook 2018

- Real GDP growth of approx. 3-5% expected in 2018 in CEE and Austria
- Real GDP growth to be driven by solid domestic demand, as real wage growth and low unemployment support economic activity in CEE
- Solid public finances across CEE

Business outlook 2018

- Dividend proposal to 2018 AGM: EUR 1.2 per share
- ROTE for 2018 targeted at 10%+ (based on average tangible equity in 2018)
- Assumptions for 2018: slightly growing revenues (assuming 5%+ net loan growth and further interest rate hikes in CZ and RO); slightly falling expenses due to lower project-related costs; increase in risk costs, but remaining at historically low levels

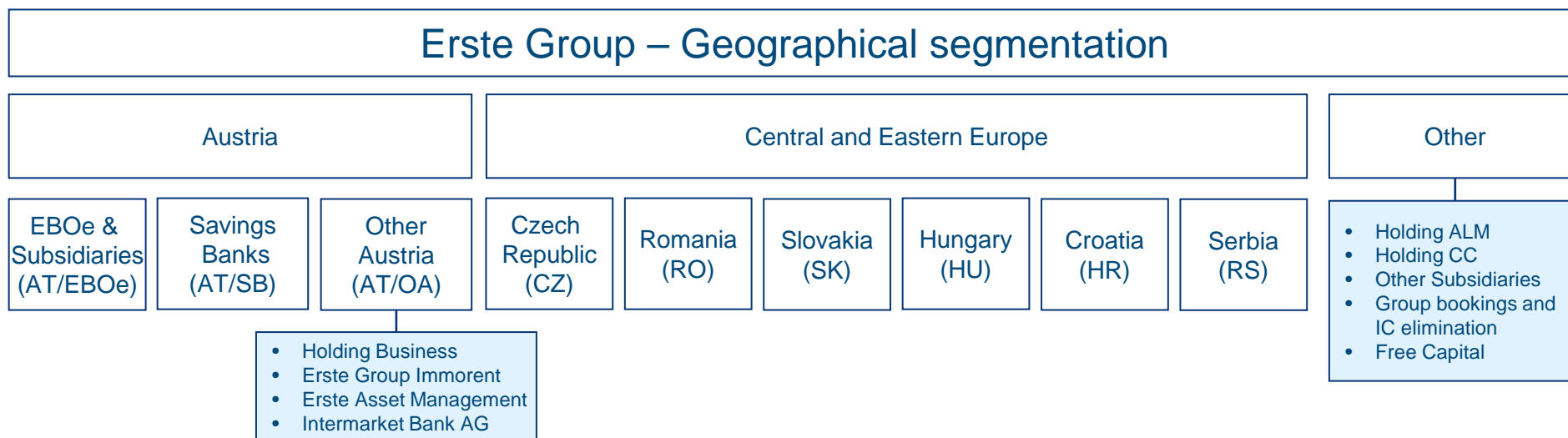
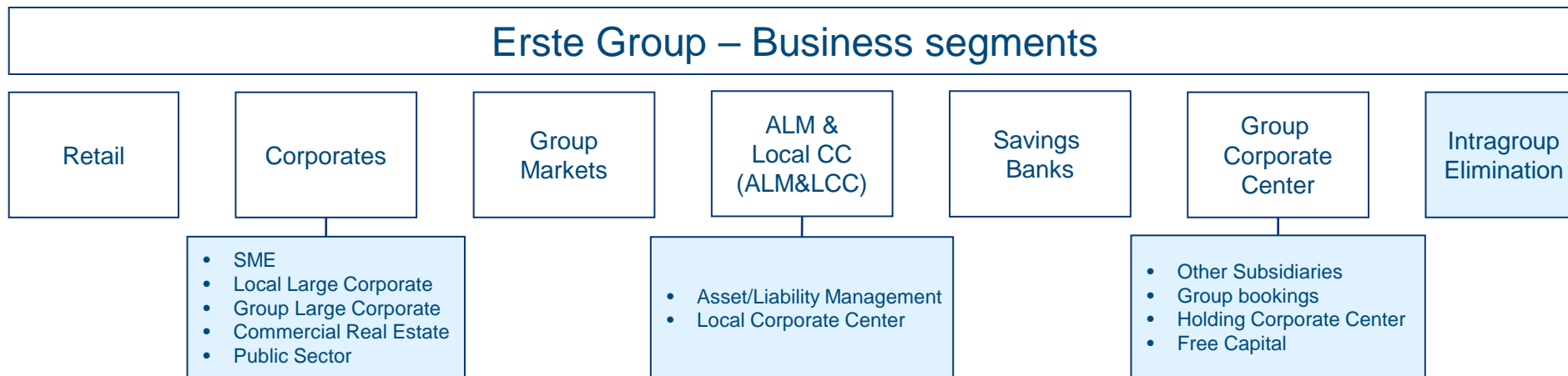
Risk factors for guidance

- Impact from other than expected interest rate development
- Political or regulatory measures against banks
- Geopolitical risks and global economic risks

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 17	1-3 18	YOY-Δ	Q1 17	Q4 17	Q1 18	YOY-Δ	QOQ-Δ
Net interest income	1,051.3	1,082.6	3.0%	1,051.3	1,123.9	1,082.6	3.0%	-3.7%
Interest income	1,397.8	1,695.8	21.3%	1,397.8	1,400.3	1,695.8	21.3%	21.1%
Interest expenses	-346.5	-613.2	77.0%	-346.5	-276.4	-613.2	77.0%	>100.0%
Net fee and commission income	457.7	478.6	4.6%	457.7	489.7	478.6	4.6%	-2.3%
Fee and commission income	571.2	602.9	5.6%	571.2	605.7	602.9	5.6%	-0.5%
Fee and commission expenses	-113.5	-124.3	9.6%	-113.5	-116.1	-124.3	9.6%	7.1%
Dividend income	3.7	2.6	-29.2%	3.7	6.2	2.6	-29.2%	-57.7%
Net trading result	48.6	11.3	-76.7%	48.6	83.5	11.3	-76.7%	-86.4%
Gains/losses from financial instruments measured at fair value through profit or loss	3.0	26.7	>100.0%	3.0	-24.4	26.7	>100.0%	n/a
Net result from equity method investments	3.2	1.8	-44.5%	3.2	5.7	1.8	-44.5%	-68.9%
Rental income from investment properties & other operating leases	50.1	47.9	-4.2%	50.1	47.6	47.9	-4.2%	0.7%
Personnel expenses	-571.7	-604.5	5.7%	-571.7	-641.3	-604.5	5.7%	-5.7%
Other administrative expenses	-332.4	-344.5	3.6%	-332.4	-384.4	-344.5	3.6%	-10.4%
Depreciation and amortisation	-114.2	-115.9	1.5%	-114.2	-118.9	-115.9	1.5%	-2.5%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	28.3	0.0	-100.0%	28.3	85.7	0.0	-100.0%	-100.0%
Gains/losses from derecognition of financial assets measured at amortised cost	0.0	0.1	n/a	0.0	0.0	0.1	n/a	n/a
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	0.0	4.1	n/a	0.0	0.0	4.1	n/a	n/a
Gains/losses from reclassification from amortised cost to fair value through profit or loss	0.0	0.0	n/a	0.0	0.0	0.0	n/a	n/a
Gains/losses from reclassification from fair value through other comprehensive income to fair value through profit or loss	0.0	0.0	n/a	0.0	0.0	0.0	n/a	n/a
Net impairment loss on financial assets	-65.8	0.0	-100.0%	-65.8	-60.5	0.0	-100.0%	-100.0%
Impairment result from financial instruments	0.0	54.4	n/a	0.0	0.0	54.4	n/a	n/a
Other operating result	-127.1	-128.0	0.7%	-127.1	-160.9	-128.0	0.7%	-20.4%
Levies on banking activities	-35.8	-38.6	7.7%	-35.8	-23.6	-38.6	7.7%	63.7%
Pre-tax result from continuing operations	434.7	517.2	19.0%	434.7	451.7	517.2	19.0%	14.5%
Taxes on income	-95.6	-114.6	19.8%	-95.6	-44.2	-114.6	19.8%	>100.0%
Net result for the period	339.0	402.6	18.8%	339.0	407.5	402.6	18.8%	-1.2%
Net result attributable to non-controlling interests	76.8	70.1	-8.8%	76.8	78.9	70.1	-8.8%	-11.2%
Net result attributable to owners of the parent	262.2	332.6	26.8%	262.2	328.6	332.6	26.8%	1.2%
Operating income	1,617.5	1,651.6	2.1%	1,617.5	1,732.1	1,651.6	2.1%	-4.6%
Operating expenses	-1,018.3	-1,065.0	4.6%	-1,018.3	-1,144.7	-1,065.0	4.6%	-7.0%
Operating result	599.2	586.6	-2.1%	599.2	587.5	586.6	-2.1%	-0.1%

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	24,731	25,842	22,104	21,796	25,246	2.1%	15.8%	15.8%
Financial assets held for trading	7,827	7,206	6,850	6,349	6,603	-15.6%	4.0%	4.0%
Derivatives	4,101	3,990	3,639	3,333	3,696	-9.9%	10.9%	10.9%
Other financial assets held for trading	3,726	3,216	3,211	3,016	2,907	-22.0%	-3.6%	-3.6%
Financial assets at fair value through profit or loss	518	539	549	543	0	-100.0%	-100.0%	-100.0%
Non-trading financial assets at fair value through profit or loss	0	0	0	0	3,405	n/a	n/a	n/a
Equity instruments	0	0	0	0	278	n/a	n/a	n/a
Debt securities	0	0	0	0	2,727	n/a	n/a	n/a
Loans and advances to banks	0	0	0	0	0	n/a	n/a	n/a
Loans and advances to customers	0	0	0	0	401	n/a	n/a	n/a
Financial assets available for sale	17,887	17,786	16,743	16,060	0	-100.0%	-100.0%	-100.0%
Financial assets at fair value through other comprehensive income	0	0	0	0	10,289	n/a	n/a	n/a
Equity instruments	0	0	0	0	262	n/a	n/a	n/a
Debt securities	0	0	0	0	10,027	n/a	n/a	n/a
Financial assets held to maturity	19,912	19,355	19,398	19,800	0	-100.0%	-100.0%	-100.0%
Loans and receivables to credit institutions	10,448	4,347	10,358	9,126	0	-100.0%	-100.0%	-100.0%
Loans and receivables to customers	132,992	135,122	138,005	139,532	0	-100.0%	-100.0%	-100.0%
Financial assets at amortised cost	0	0	0	0	172,805	n/a	n/a	n/a
Debt securities	0	0	0	0	23,710	n/a	n/a	n/a
Loans and advances to banks	0	0	0	0	11,944	n/a	n/a	n/a
Loans and advances to customers	0	0	0	0	137,151	n/a	n/a	n/a
Finance lease receivables	0	0	0	0	3,561	n/a	n/a	n/a
Hedge accounting derivatives	1,297	1,063	1,006	884	103	-92.1%	-88.4%	-88.4%
Property and equipment	2,441	2,431	2,414	2,387	2,342	-4.1%	-1.9%	-1.9%
Investment properties	1,025	1,027	1,033	1,112	1,106	7.9%	-0.5%	-0.5%
Intangible assets	1,378	1,458	1,474	1,524	1,511	9.6%	-0.8%	-0.8%
Investments in associates and joint ventures	200	196	196	198	197	-1.3%	-0.6%	-0.6%
Current tax assets	117	156	123	108	122	4.0%	13.5%	13.5%
Deferred tax assets	238	209	209	258	319	34.1%	23.7%	23.7%
Assets held for sale	262	231	217	214	228	-13.0%	6.4%	6.4%
Trade and other receivables	0	0	0	0	947	n/a	n/a	n/a
Other assets	1,525	1,190	1,036	769	1,235	-19.0%	60.6%	60.6%
Total assets	222,798	218,156	221,715	220,659	230,018	3.2%	4.2%	4.2%

Additional information: group balance sheet – Liabilities and equity

in EUR million	Quarterly data					Change		
	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities held for trading	4,314	3,960	3,551	3,423	2,940	-31.9%	-14.1%	-14.1%
Derivatives	3,855	3,646	3,206	2,934	2,384	-38.1%	-18.7%	-18.7%
Other financial liabilities held for trading	459	314	344	489	555	21.0%	13.5%	13.5%
Financial liabilities at fair value through profit or loss	1,906	1,819	1,810	1,801	14,450	>100.0%	>100.0%	>100.0%
Deposits from customers	64	51	51	49	58	-8.4%	20.2%	20.2%
Debt securities issued	1,842	1,768	1,759	1,753	13,827	>100.0%	>100.0%	>100.0%
Other financial liabilities	0	0	0	0	565	n/a	n/a	n/a
Financial liabilities at amortised cost	193,523	188,890	192,089	191,711	189,427	-2.1%	-1.2%	-1.2%
Deposits from banks	22,935	17,883	19,226	16,349	20,988	-8.5%	28.4%	28.4%
Deposits from customers	144,643	145,523	148,313	150,921	155,248	7.3%	2.9%	2.9%
Debt securities issued	25,285	24,834	23,902	23,342	12,596	-50.2%	-46.0%	-46.0%
Other financial liabilities	660	649	649	1,099	595	-9.8%	-45.8%	-45.8%
Finance lease liabilities	0	0	0	0	0	n/a	n/a	n/a
Hedge accounting derivatives	439	411	409	360	277	-37.0%	-23.2%	-23.2%
Fair value changes of hedged items in portfolio hedge of interest rate risk	863	772	745	666	0	-100.0%	-100.0%	-100.0%
Provisions	1,812	1,696	1,645	1,648	1,799	-0.7%	9.2%	9.2%
Current tax liabilities	61	102	77	101	114	86.2%	12.6%	12.6%
Deferred tax liabilities	77	67	110	61	54	-29.3%	-11.5%	-11.5%
Liabilities associated with assets held for sale	5	0	0	3	4	-22.2%	29.4%	29.4%
Other liabilities	2,905	2,923	3,310	2,596	2,958	1.8%	13.9%	13.9%
Total equity	16,894	17,515	17,969	18,288	17,996	6.5%	-1.6%	-1.6%
Equity attributable to non-controlling interests	4,209	4,262	4,367	4,416	4,353	3.4%	-1.4%	-1.4%
Additional equity instruments	497	993	993	993	993	99.9%	0.0%	0.0%
Equity attributable to owners of the parent	12,188	12,260	12,609	12,879	12,650	3.8%	-1.8%	-1.8%
Subscribed capital	860	860	860	860	860	0.0%	0.0%	0.0%
Additional paid-in capital	1,478	1,478	1,478	1,477	1,477	-0.1%	0.0%	0.0%
Retained earnings and other reserves	9,851	9,922	10,272	10,542	10,314	4.7%	-2.2%	-2.2%
Total liabilities and equity	222,798	218,156	221,715	220,659	230,018	3.2%	4.2%	4.2%

Additional information: regulatory capital position – Capital requirements (SREP) for 2018; Erste target of 12.75%+ unchanged

- As buffers are phasing in in 2018, P2G declines

	Erste Group Consolidated				Erste Group Unconsolidated			
	2016	Phased-in 2017	2018e	Fully loaded 2019e	2017	Phased-in 2018e	Fully loaded 2019e	
Pillar 1 CET1 requirement	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
Combined buffer requirement	0.88%	1.90%	3.21%	4.89%	1.34%	3.07%	4.72%	
Capital conservation buffer	0.63%	1.25%	1.88%	2.50%	1.25%	1.88%	2.50%	
Countercyclical capital buffer 3)	0.00%	0.15%	0.33%	0.39%	0.09%	0.19%	0.22%	
OSII/Systemic risk buffer	0.25%	0.50%	1.00%	2.00%	0.00%	1.00%	2.00%	
Pillar 2 CET1 requirement	4.38%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	
Pillar 2 CET1 guidance 1)		1.66%	1.05%	P2G>0%	1.00%	0.00%	0.00%	
Regulatory minimum ratios excluding P2G								
CET1 requirement	9.75%	8.15%	9.46%	11.14%	7.59%	9.32%	10.97%	
1.50% AT1 Tier 1 requirement	NM	9.65%	10.96%	12.64%	9.09%	10.82%	12.47%	
2.00% T2 Own funds requirement	NM	11.65%	12.96%	14.64%	11.09%	12.82%	14.47%	
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Regulatory minimum ratios including P2G								
CET1 requirement	9.75%	9.81%	10.51%	NA	8.59%	9.32%	NA	
1.50% AT1 Tier 1 requirement	NM	9.65%	10.96%	NA	9.09%	10.82%	NA	
2.00% T2 Own funds requirement	NM	11.65%	12.96%	NA	11.09%	12.82%	NA	
Reported CET1 ratio as of March 2018 2)		12.63%			21.43%4)			

- Buffer to MDA restriction as of 31 Mar 18: 271bps
- Pro forma available distributable items (ADI), unaudited, as of 31 Mar 18: EUR 2.3bn (pre dividend and AT1 deduction for 2017)

1) P2G is expected to be positive in the future.

2) Consolidated capital ratios pursuant to IFRS. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.

3) Planned YE values based on Q1 2018 exposure. Countercyclical buffer applicable to Q1 2018 amounts to 0.16%.

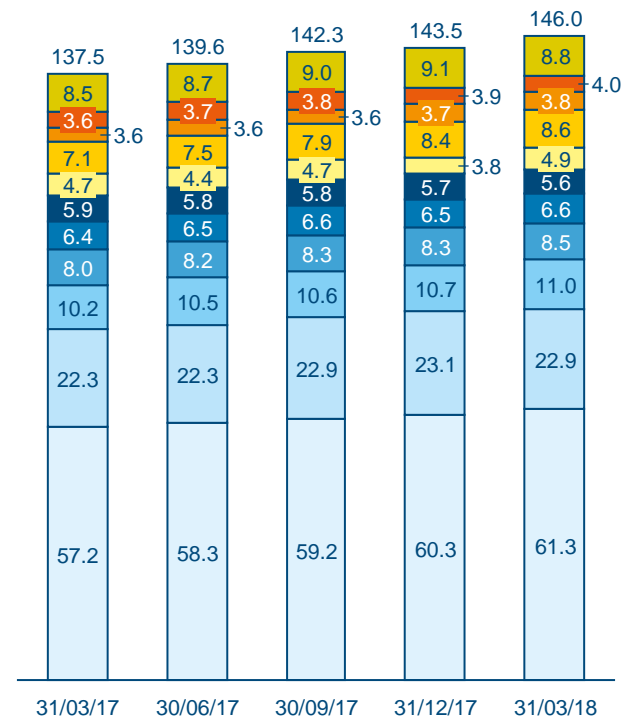
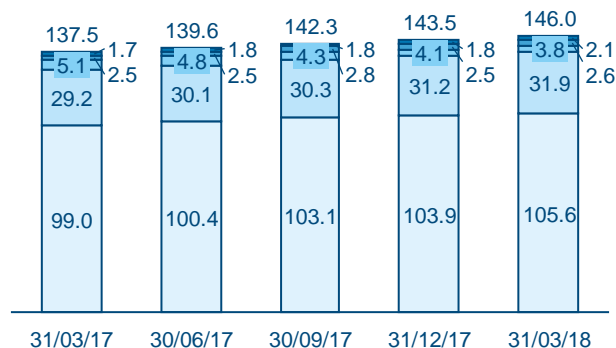
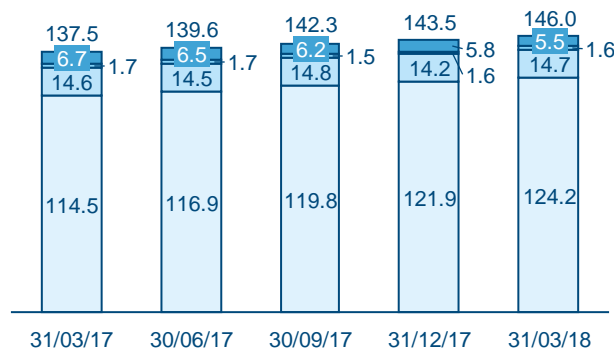
4) Value as of Q4 2017

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

Gross cust. loans by risk category (EUR bn)

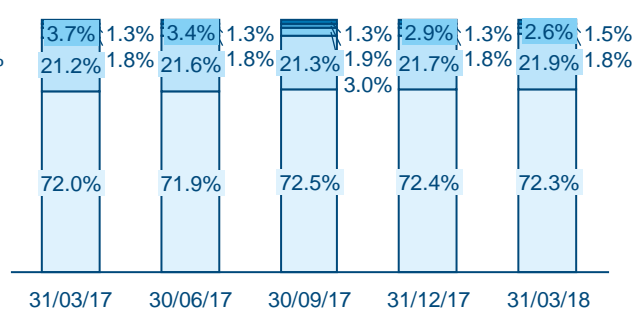
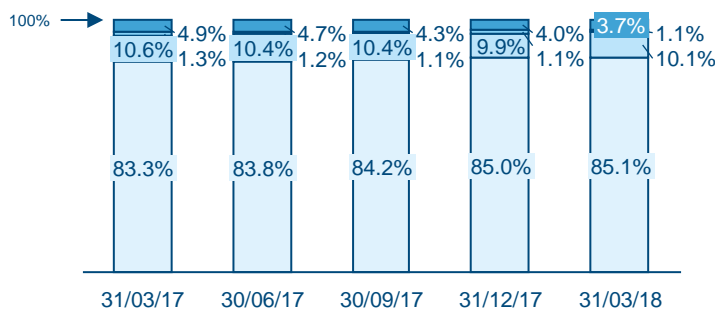
Gross customer loans by currency (EUR bn)

Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)

Gross customer loans by currency (in %)



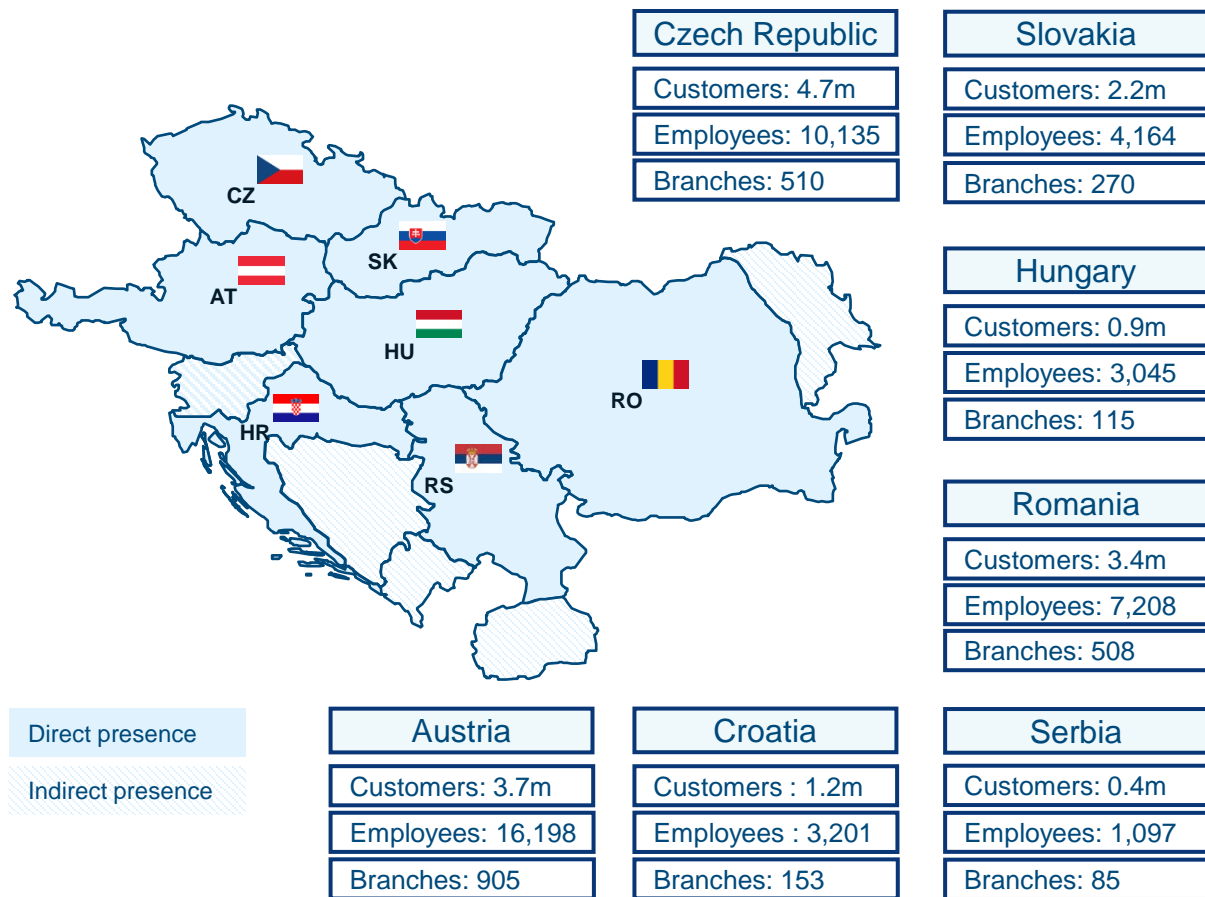
■ Non-performing ■ Management attention
■ Substandard ■ Low risk

■ Other ■ USD ■ 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

Employees: FTEs as of end of reporting period

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

Expansion of digital banking offering

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, 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: Ratings – Composition of Erste Group Bank AG's issuer ratings

MOODY'S

Macro Profile	
Strong	
+	
Financial Profile	
Asset Risk	baa2
Capital	baa1
Profitability	baa3
Funding Structure	a3
Liquid Resources	baa1
+	
Qualitative Factors	
Business Diversification	0
Opacity, Complexity	0
Corporate Behaviour	0
=	
BCA Baseline Credit Assessment	baa1
+	
Affiliate Support	0
=	
Adjusted BCA	baa1
+	
LGF Loss Given Failure	+ 2
Government Support	0
=	
Issuer Rating / Senior Unsecured Long-Term Outlook / Short-Term	
A2 Positive / P-1	

S&P Global Ratings

SACP - Stand-Alone Credit Profile		
a		
▲		
Anchor	bbb+	
Business Position	Strong	+1
Capital & Earnings	Adequate	0
Risk Position	Adequate	0
Funding	Above Average	+1
Liquidity	Strong	
+		
Support	0	
▲		
ALAC Support	0	
GRE Support	0	
Group Support	0	
Sovereign Support	0	
+		
Additional Factors	0	
=		
Issuer Credit Rating Long-Term Outlook / Short-Term		
A Positive / A-1		

FitchRatings

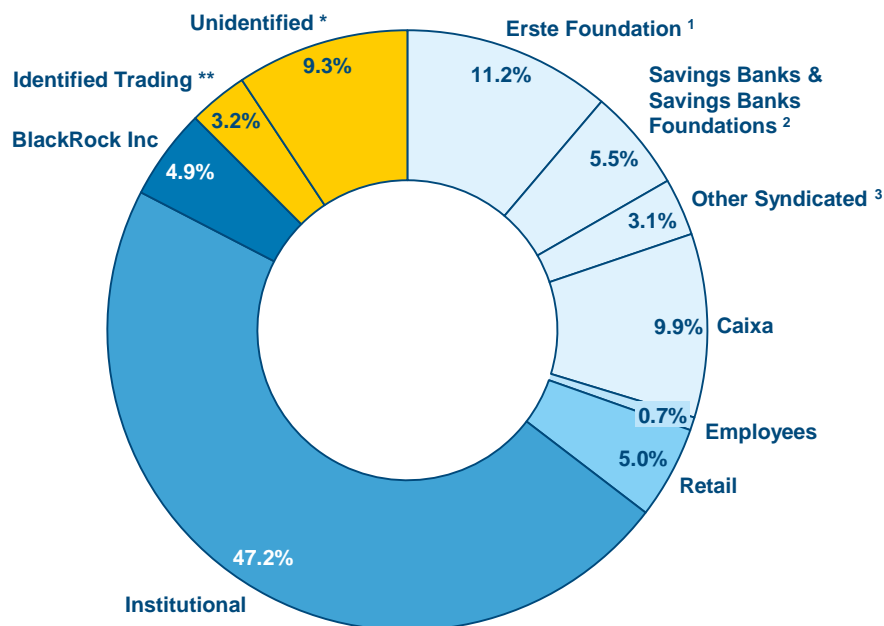
VR - Viability Rating (Individual Rating)
a-
SRF - Support Rating Floor
NF (No Floor)
IDR - Issuer Default Rating Long-Term Outlook / Short-Term
A- Stable / F1

Status as of 30 April 2018

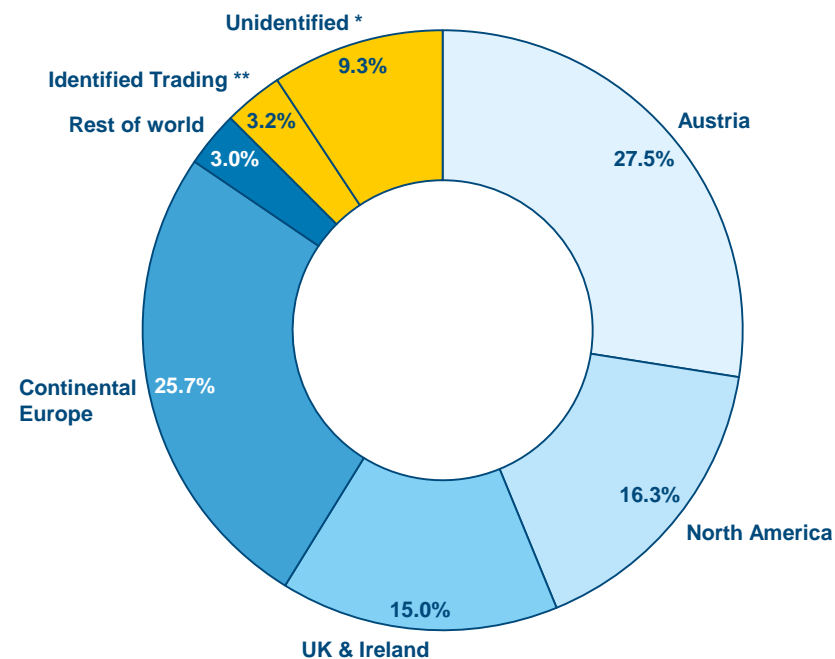
Additional information: shareholder structure –

Total number of shares: 429,800,000

By investor



By region



¹ Economic interest Erste Foundation

² Economic interest Savings Banks & Savings Banks Foundations

³ Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank

* Unidentified institutional and retail investors

** Including Market Makers, Prime Brokerage, Proprietary Trading, Collateral and Stock Lending positions which are visible through custodian banklists

Status as of 2 May 2018

Investor relations details

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<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**

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