Erste Group investor presentation
Q3 18 results

2 November 2018

Volume growth and interest rate hikes drive operating performance

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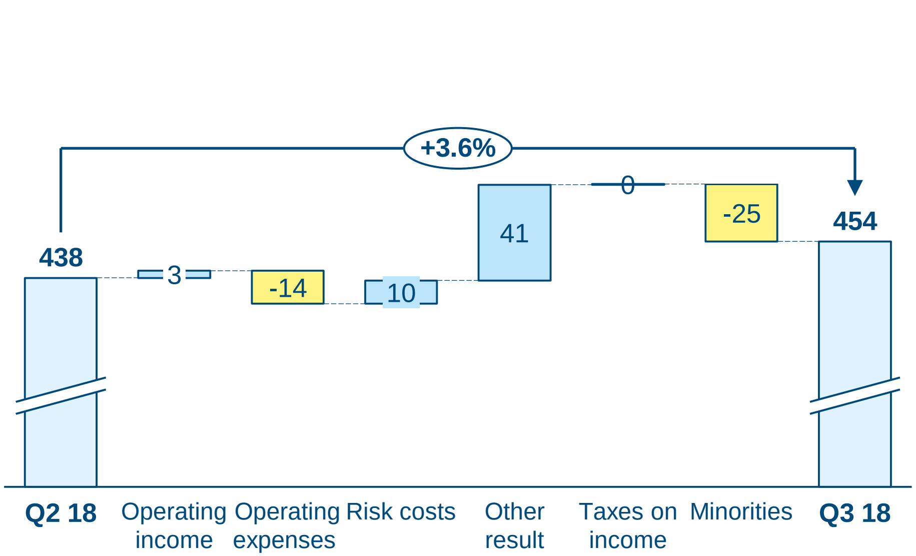
Presentation topics

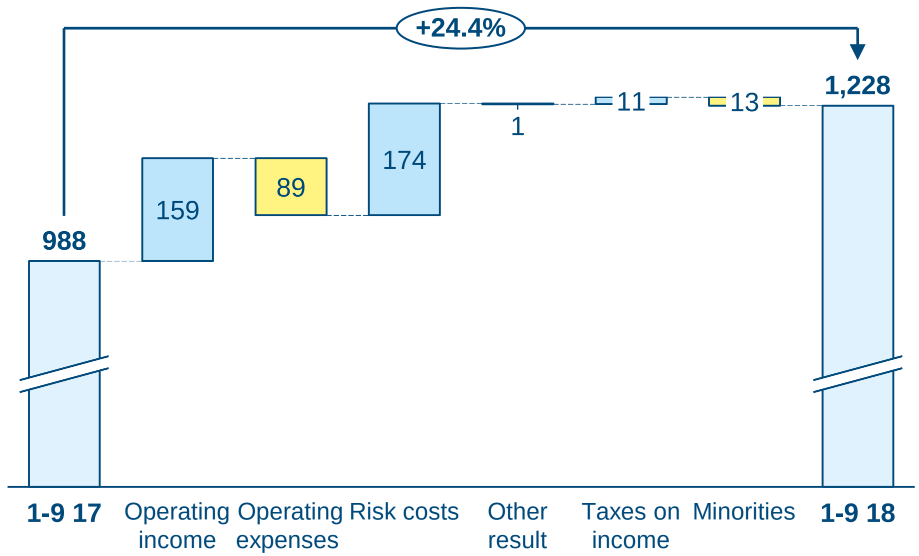
- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- Outlook
- Additional information

Executive summary –
Group income statement performance

QoQ net profit reconciliation (EUR m)



YoY net profit reconciliation (EUR m)

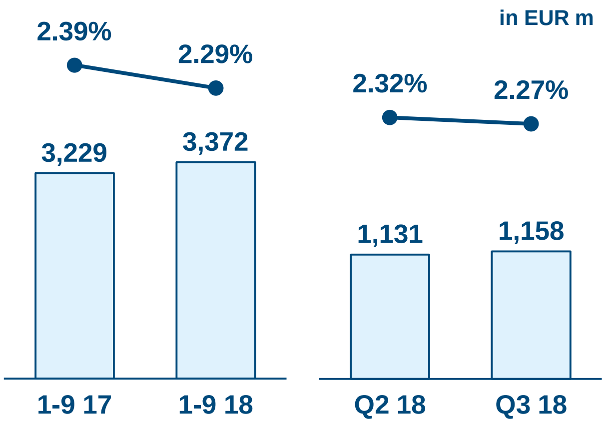


- Erste Group Q3 18 net profit advances to EUR 454m driven by improved other result, stable operating and risk performance
- Continued risk releases in Q3 18, as overall asset quality trends remained exceptionally strong with no significant defaults in Q3 18
- Higher minority charge on better performance of savings banks

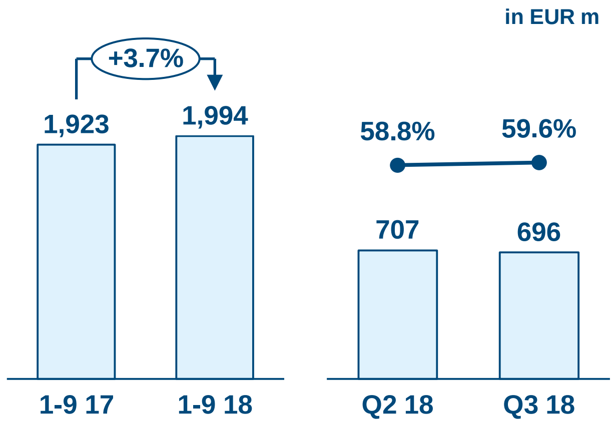
- 1-9 18 net profit rises to EUR 1,228m driven by exceptional risk performance, early stage operating turnaround (operating result up 3.7%) and lower tax charge
- Strong NII (+4.4%) and fee growth (+5.1%) more than offset weaker trading/FV result (-23.8%) and dividend income (-40.5%)
- Higher costs on the back of wage growth and higher deposit insurance contributions (+ EUR 9.5m yoy)

Executive summary –
Key income statement data

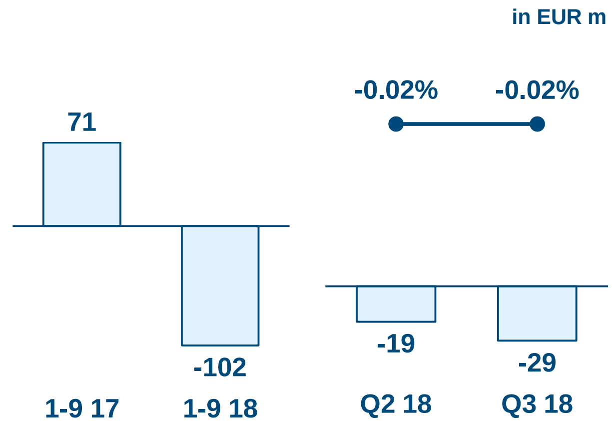
Net interest income & margin



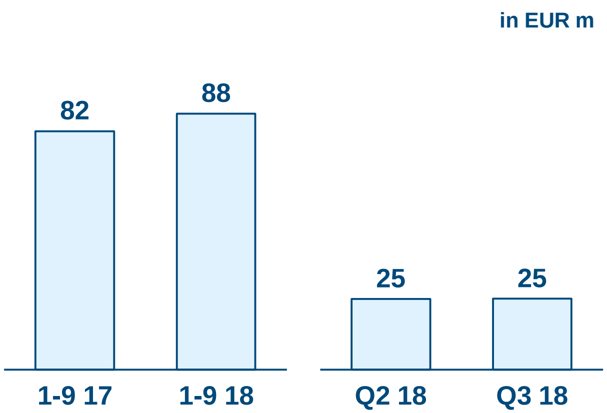
Operating result & cost/income ratio



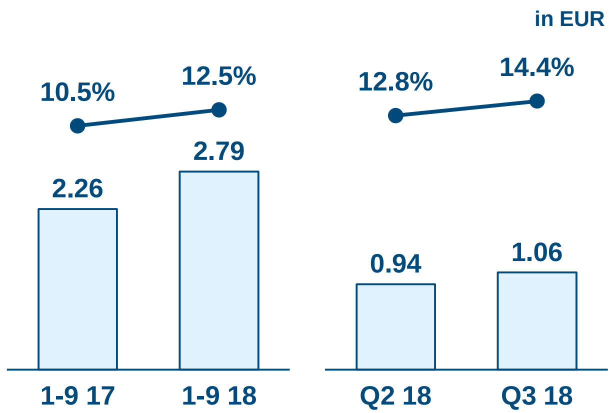
Cost of risk



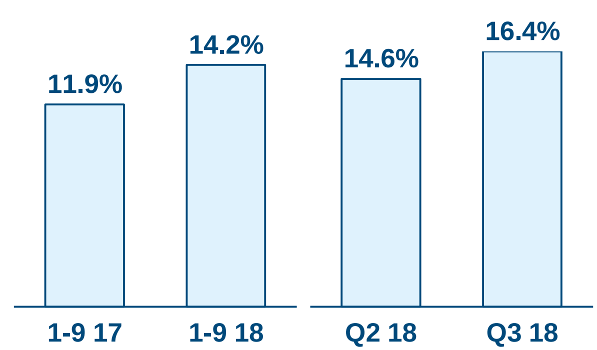
Banking levies



Reported EPS & ROE

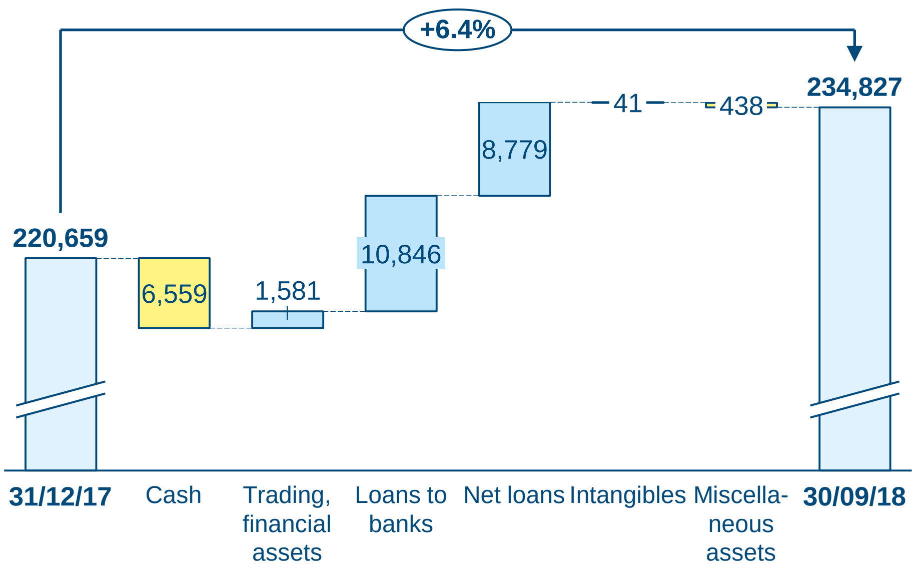


Return on tangible equity

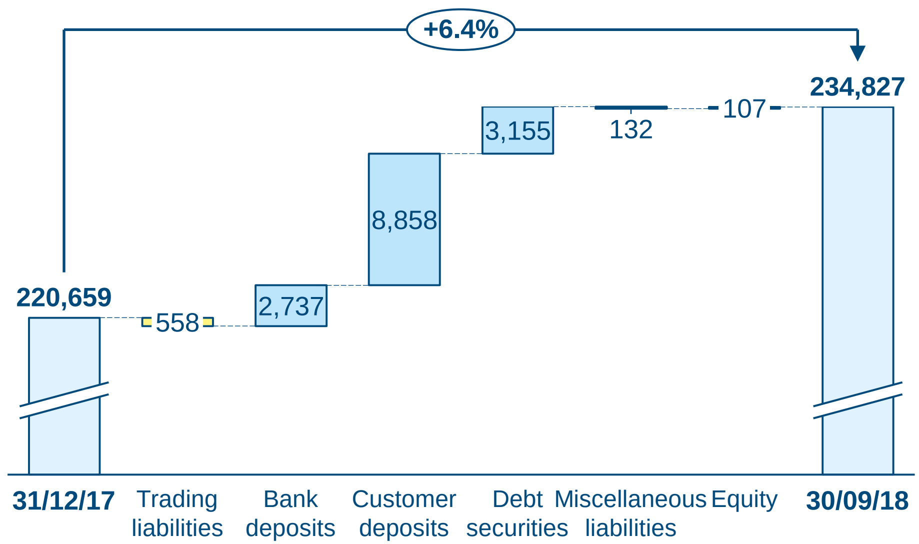


Executive summary –
Group balance sheet performance

YTD total asset reconciliation (EUR m)



YTD equity & total liability reconciliation (EUR m)



- Total assets rose markedly in 1-9 18, due to customer loan growth (+6.3% ytd) and expansion of interbank and trading volumes
- Decline in cash position directly correlated to increase in interbank assets as overnight CB deposits were shifted into 2w facility in CZ in order to maximise NII
- Shift from cash to interbank assets also contributed to rise in interest bearing assets (YE17: EUR 188bn, Sep 18: EUR 210bn)

- Total liability growth in 1-9 18 driven by customer deposits and debt issuance (primarily mortgage covered bonds)
- Customer deposits grew by 5.9%, resulting in a loan/deposit ratio of 92.8% (YE17: 92.4%)
- Marginal increase in equity attributable to implementation of IFRS9 (-EUR 0.7bn), payout of 2017 dividend in Q2 18 (-EUR 0.6bn) and currency translation effects

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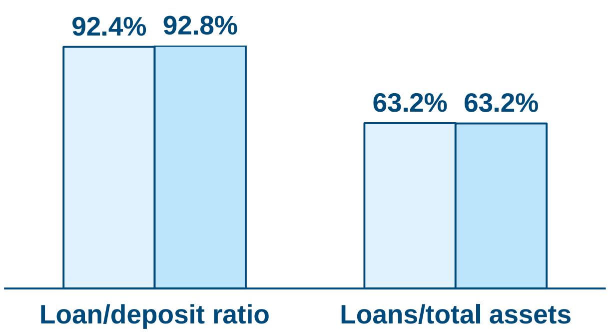
Executive summary –
Key balance sheet data

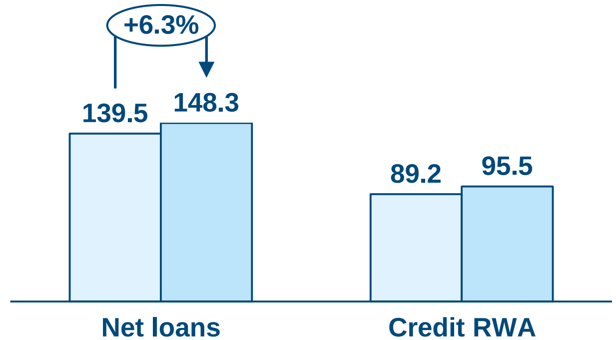
31/12/17
30/09/18

Loan/deposit & loan/TA ratio

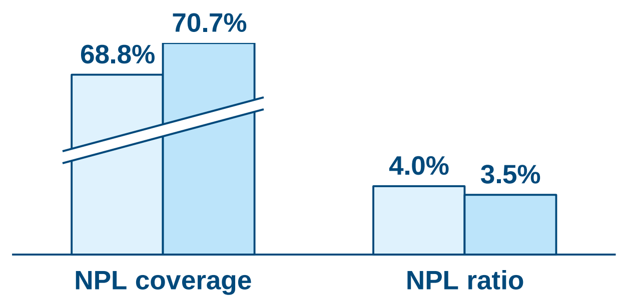


Net loans & credit RWA

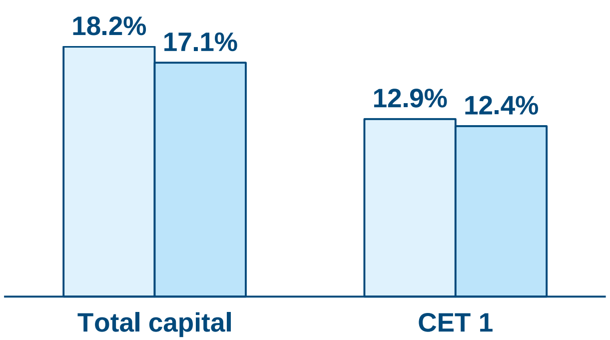
in EUR bn



NPL coverage ratio & NPL ratio

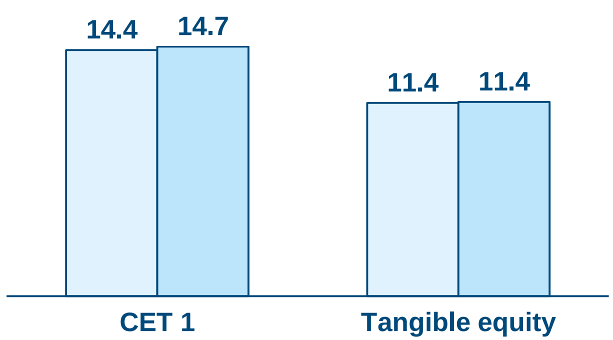


B3FL capital ratios

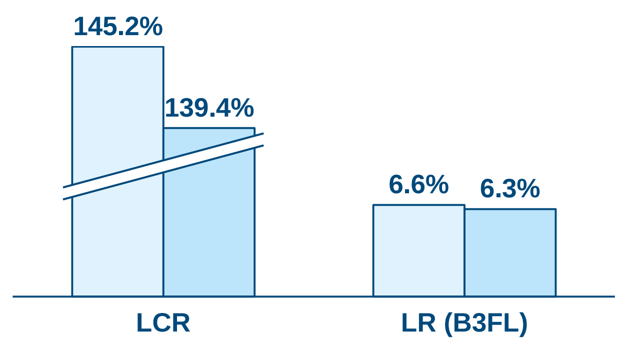


B3FL capital & tangible equity*

in EUR bn



Liquidity coverage & leverage ratio**



* Based on shareholders' equity, not total equity

** Pursuant to Delegated Act

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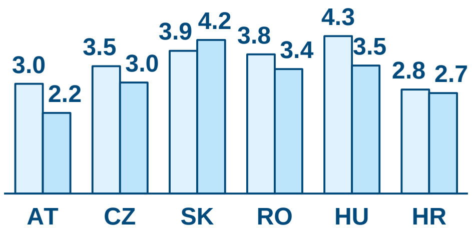
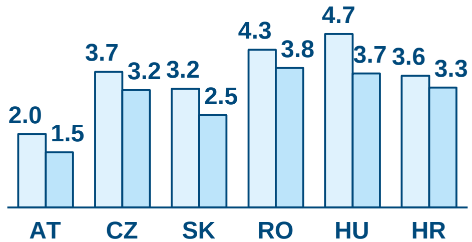
Business environment –
Strong economic outlook for 2018 and 2019

2018
2019

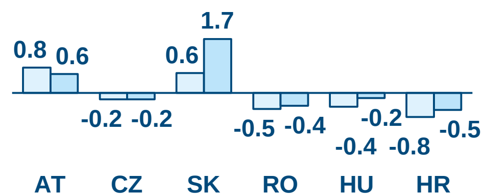
Real GDP growth (in %)



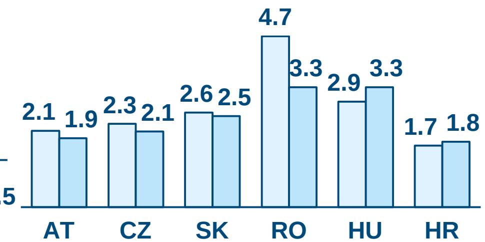
Dom. demand contribution* (in %)



Net export contribution* (in %)

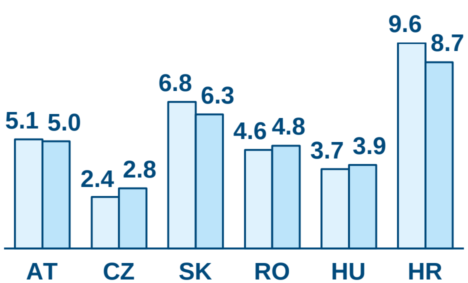


Consumer price inflation (ave, in %)

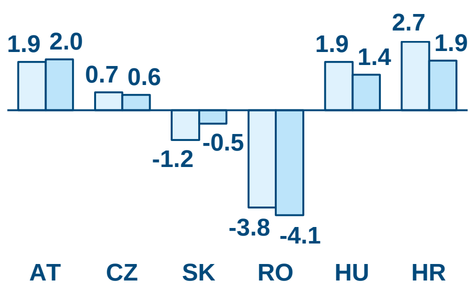


- Erste Group's core CEE markets expected to grow by about 3-4% in 2018
  - Domestic demand is expected to remain the main driver of economic growth
  - Consumption is supported by improving labour markets, wage increases and relatively low inflation rates across the region

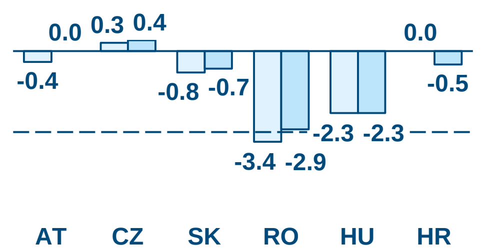
Unemployment rate (eop, in %)



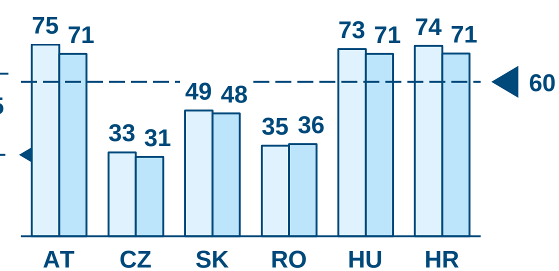
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)



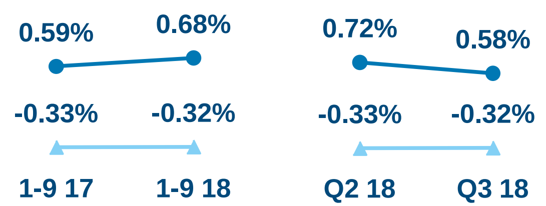
- Solid public finances across Erste Group's core CEE markets: almost all countries fulfill Maastricht criteria
- Sustainable current account balances, supported by competitive economies with decreasing unemployment rates

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

Business environment –
CZ further increases key policy rate to 175bps in November 2018

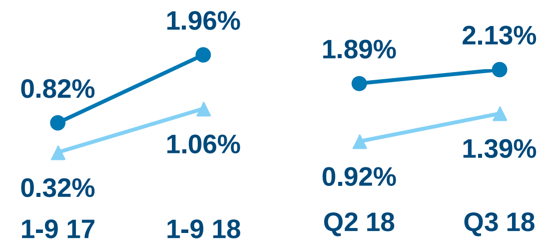
3M Interbank
10YR GOV

Austria



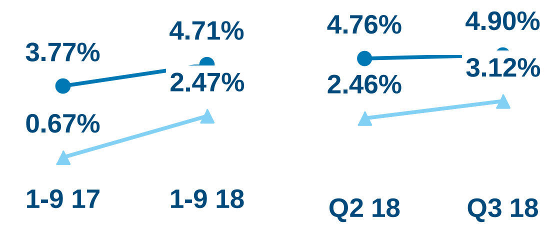
- ECB cut discount rate to zero in March 16
- Maintains expansionary monetary policy stance, despite tapering announcement

Czech Republic



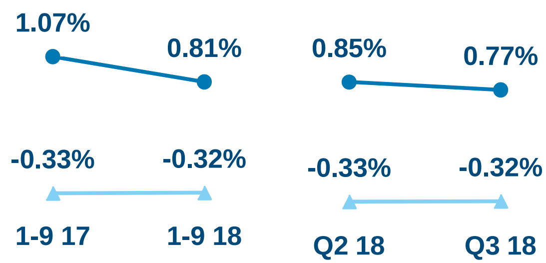
- National bank has increased its benchmark rate in seven steps from historic low of 0.05% to 1.75% since August 2017

Romania



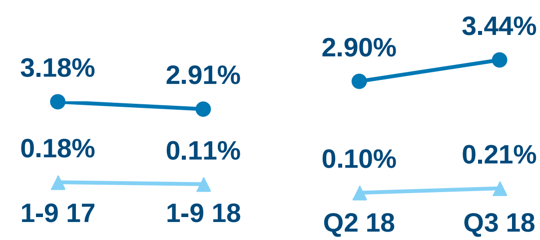
- Central bank increases policy rate from historic low of 1.75% to 2.50% in January, February and May 2018

Slovakia



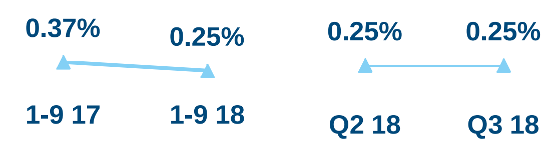
- As part of euro zone ECB rates are applicable in SK

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, Reuters for SK 10Y.

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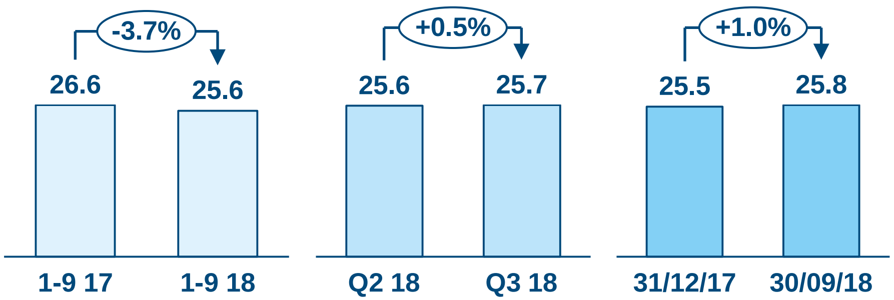
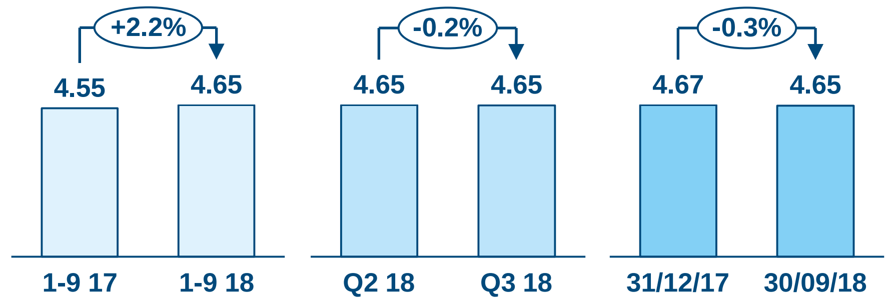
Business environment –
Emerging market volatility has minor impact on CEE currencies

EUR/CZK



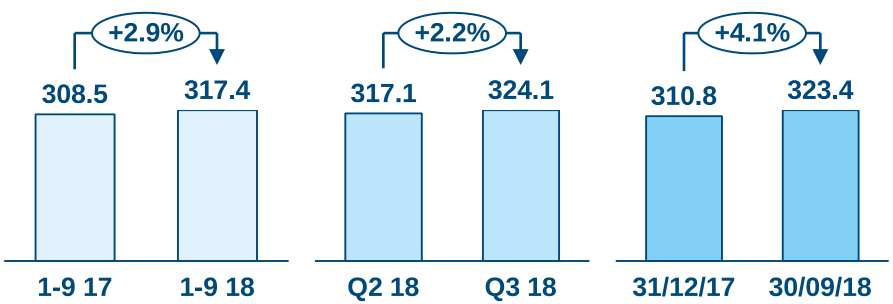
- Czech National Bank ended its currency peg in April 17; benchmark rate increased further to 1.75% in November 2018

EUR/RON



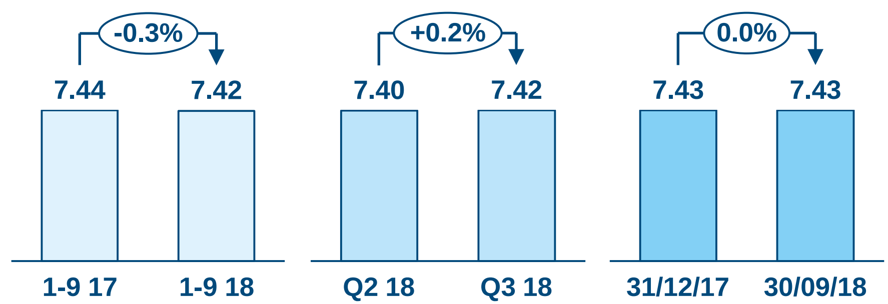
- RON depreciated slightly vs EUR amid political volatility; policy rate raised to 2.50% in May 2018

EUR/HUF



- HUF has recovered after reaching record low against the EUR

EUR/HRK



- Croatian National Bank continues to manage HRK in tight range

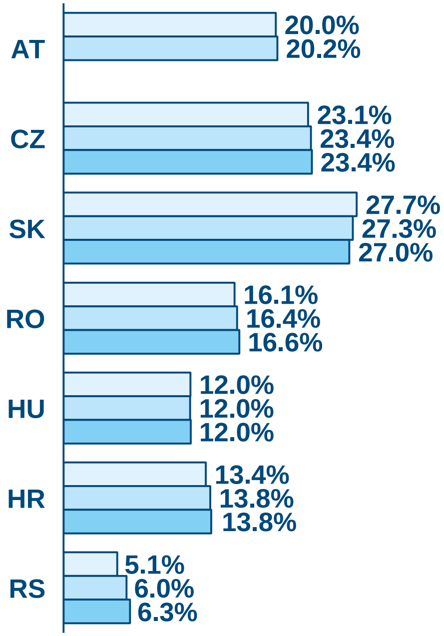
Source: Bloomberg

Business environment –

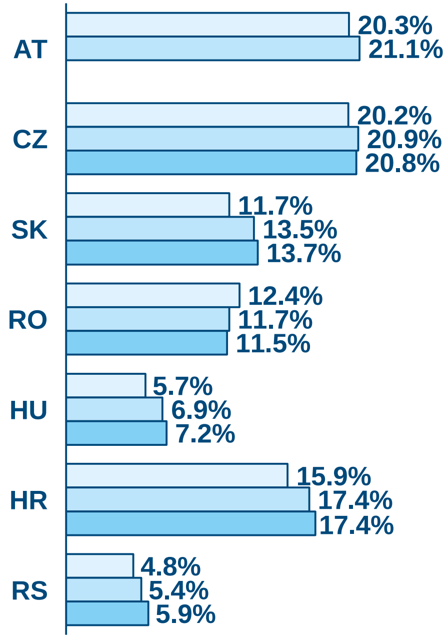
Market shares: mostly stable or increasing shares across the region

30/09/17
30/06/18
30/09/18

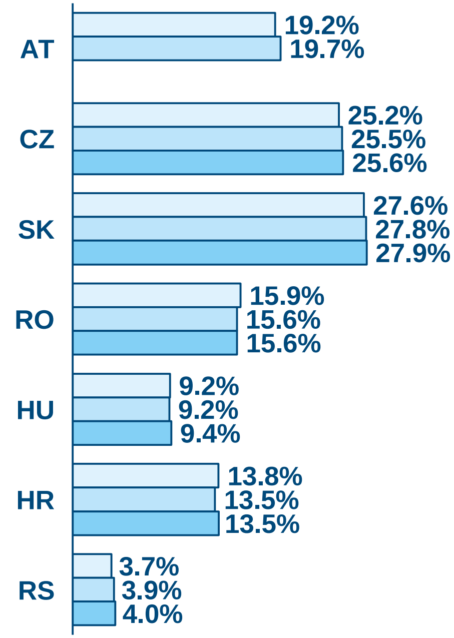
Gross retail loans



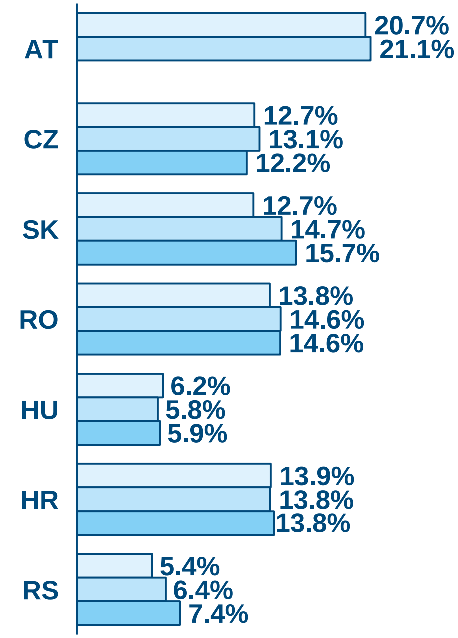
Gross corporate loans



Retail deposits



Corporate deposits



- CZ: slightly increasing yoy market shares in growing markets
- RO: increasing market shares despite restrictive lending standards
- HU: high level of repayments offsets new disbursements

- RO: conservative lending standards impact market share
- HR: yoy market share increase 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

- Changes mainly due to normal quarterly volatility in corporate business

AT market shares for 30/09/2018 not yet available

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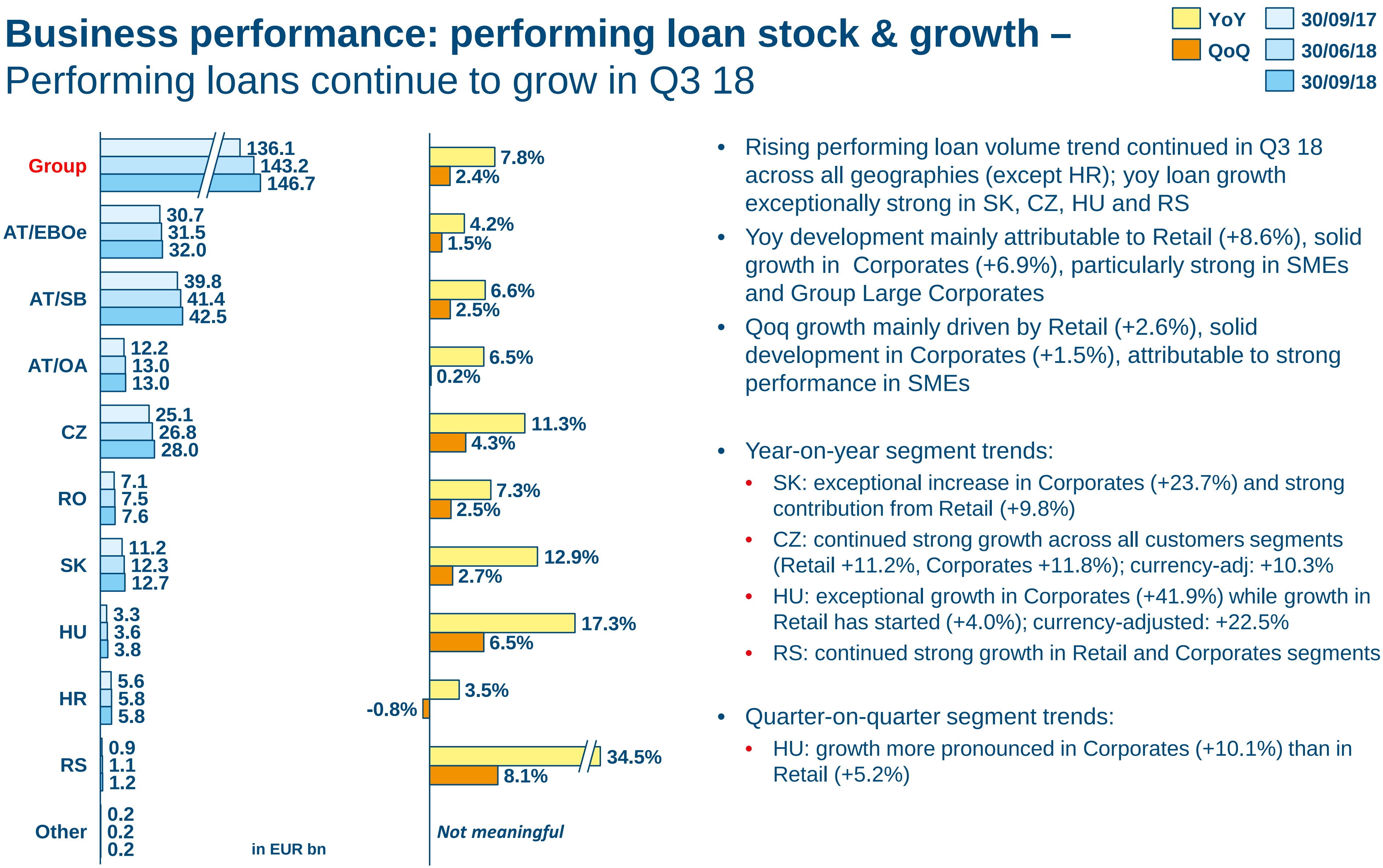
Business performance: performing loan stock & growth –
Performing loans continue to grow in Q3 18

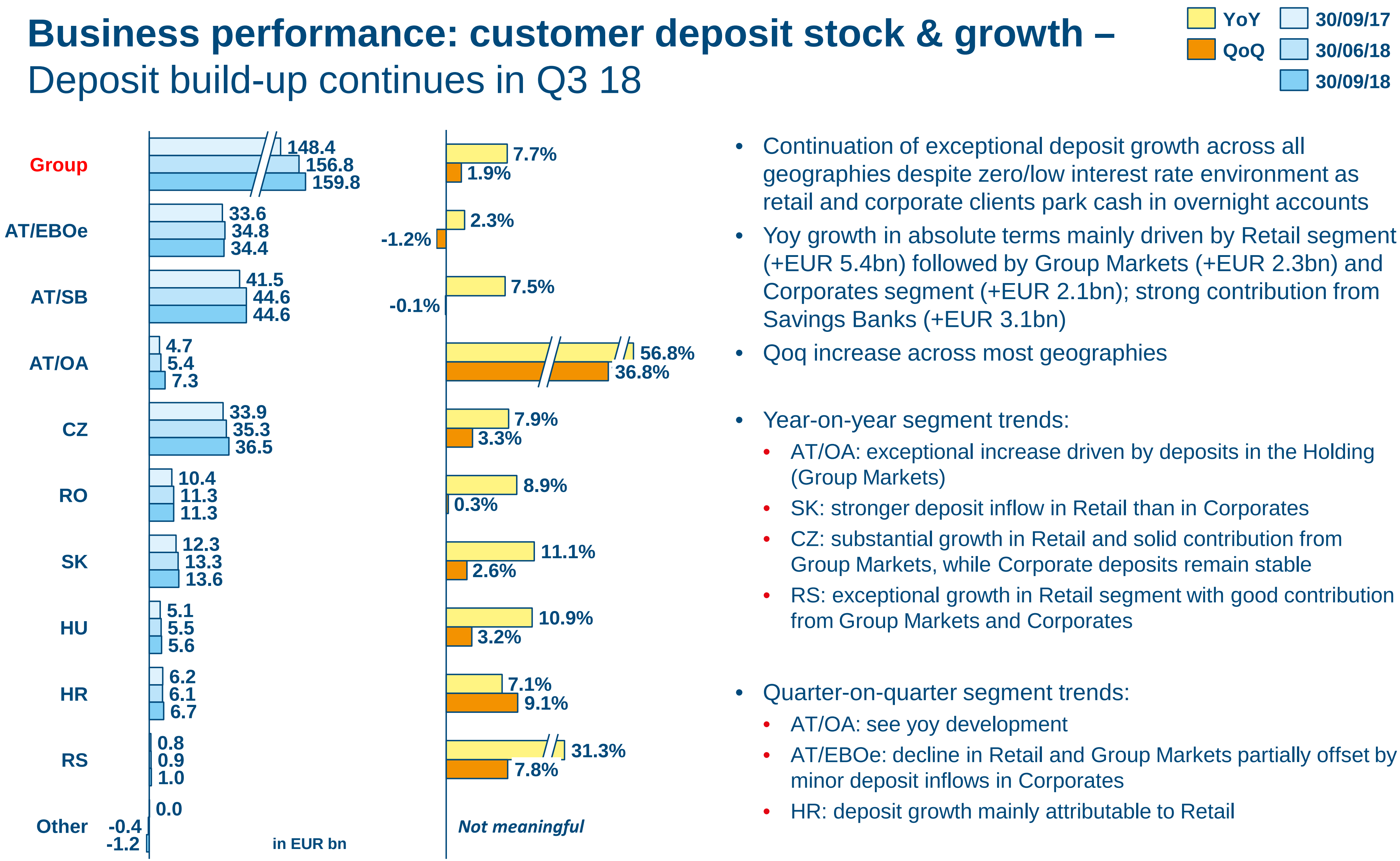


- Rising performing loan volume trend continued in Q3 18 across all geographies (except HR); yoy loan growth exceptionally strong in SK, CZ, HU and RS
- Yoy development mainly attributable to Retail (+8.6%), solid growth in Corporates (+6.9%), particularly strong in SMEs and Group Large Corporates
- Qoq growth mainly driven by Retail (+2.6%), solid development in Corporates (+1.5%), attributable to strong performance in SMEs

- Year-on-year segment trends:
  - SK: exceptional increase in Corporates (+23.7%) and strong contribution from Retail (+9.8%)
  - CZ: continued strong growth across all customers segments (Retail +11.2%, Corporates +11.8%); currency-adj: +10.3%
  - HU: exceptional growth in Corporates (+41.9%) while growth in Retail has started (+4.0%); currency-adjusted: +22.5%
  - RS: continued strong growth in Retail and Corporates segments

- Quarter-on-quarter segment trends:
  - HU: growth more pronounced in Corporates (+10.1%) than in Retail (+5.2%)

Business performance: customer deposit stock & growth –
Deposit build-up continues in Q3 18

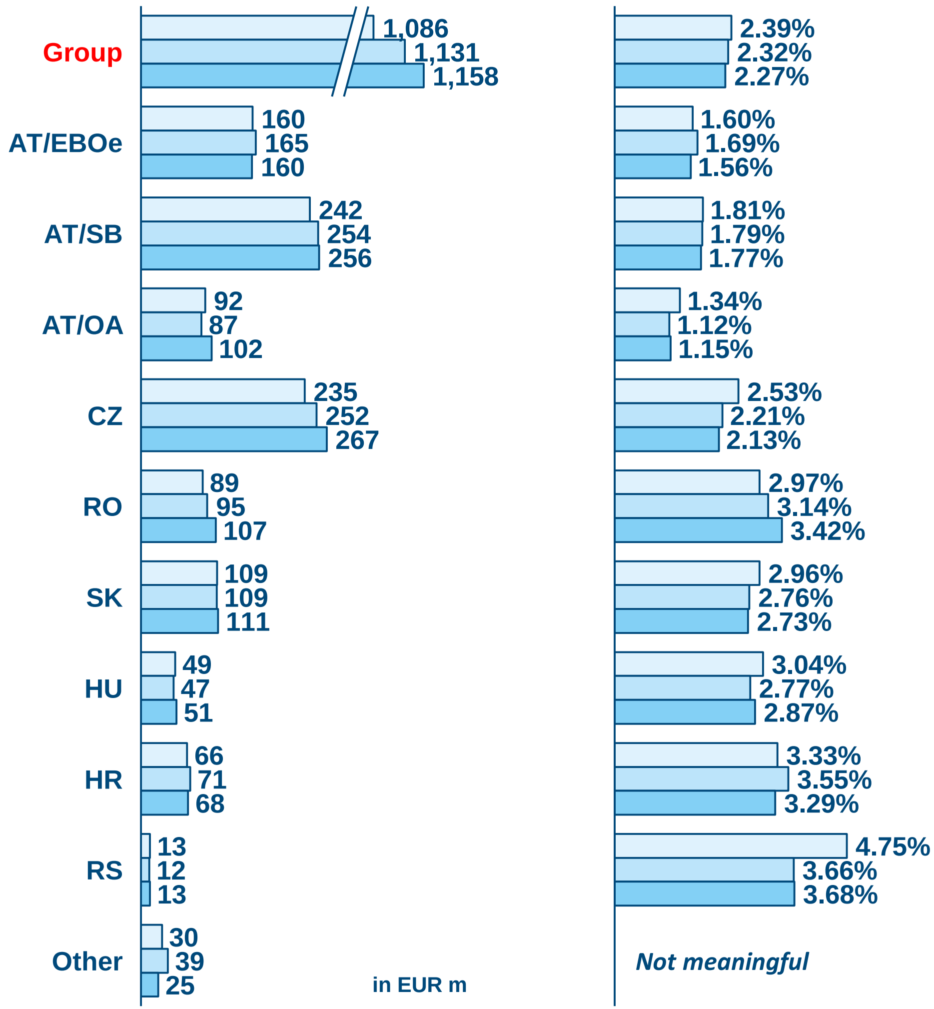


- Continuation of exceptional deposit growth across all geographies despite zero/low interest rate environment as retail and corporate clients park cash in overnight accounts
- Yoy growth in absolute terms mainly driven by Retail segment (+EUR 5.4bn) followed by Group Markets (+EUR 2.3bn) and Corporates segment (+EUR 2.1bn); strong contribution from Savings Banks (+EUR 3.1bn)
- Qoq increase across most geographies

- Year-on-year segment trends:
  - AT/OA: exceptional increase driven by deposits in the Holding (Group Markets)
  - SK: stronger deposit inflow in Retail than in Corporates
  - CZ: substantial growth in Retail and solid contribution from Group Markets, while Corporate deposits remain stable
  - RS: exceptional growth in Retail segment with good contribution from Group Markets and Corporates

- Quarter-on-quarter segment trends:
  - AT/OA: see yoy development
  - AT/EBOe: decline in Retail and Group Markets partially offset by minor deposit inflows in Corporates
  - HR: deposit growth mainly attributable to Retail

Business performance: NII and NIM –
NII advances further qoq and yoy

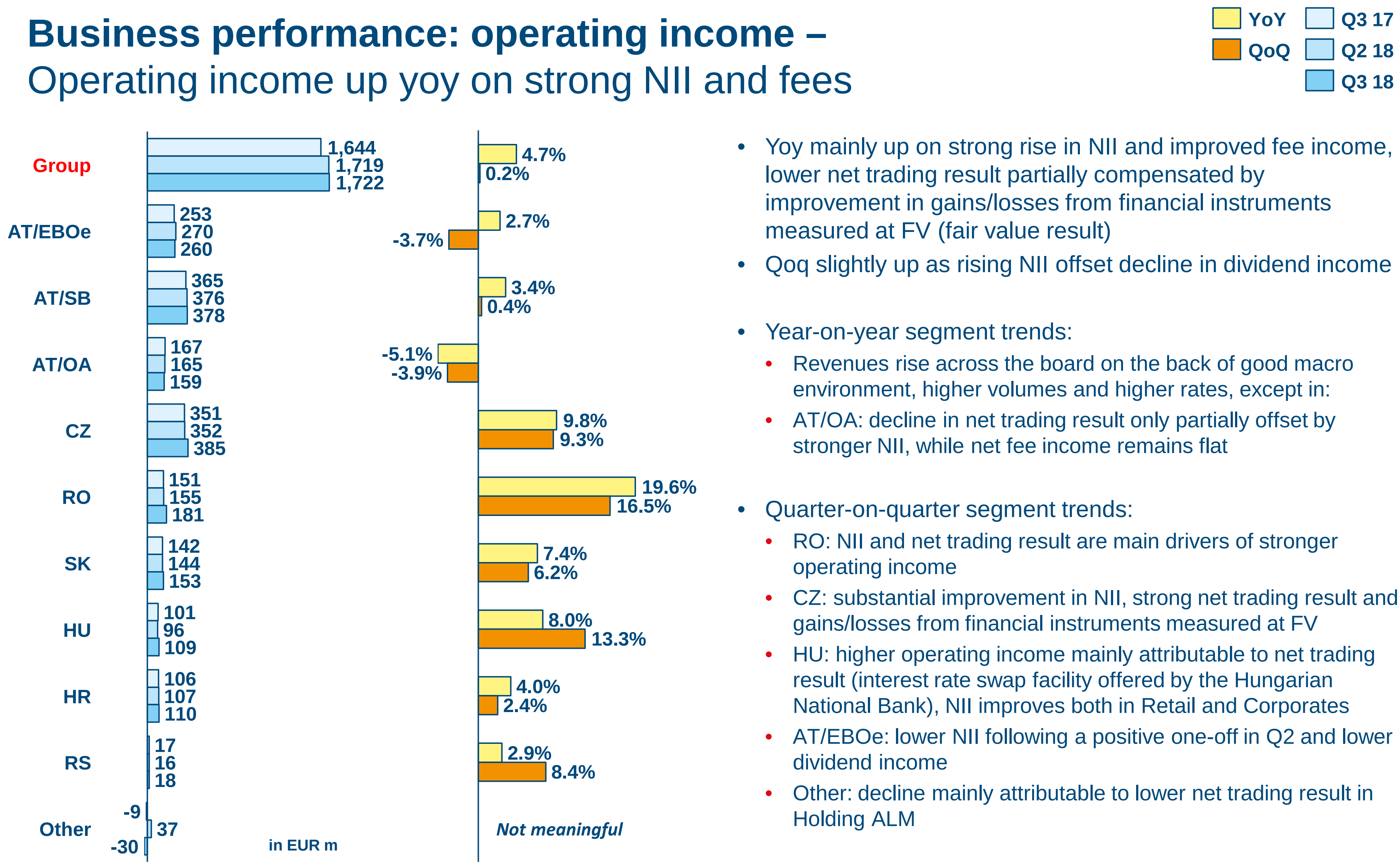


- Yoy NII increase mainly driven by CZ due to higher business volumes and rising interest rates; also strong contribution from RO; NIM decline due to changed balance sheet structure, resulting in higher interest-bearing assets
- Qoq improvement in all major business lines; lower contribution from Holding ALM (booked in geographical segment Other)

- Year-on-year segment trends:
  - CZ: higher rates and volumes push NII up, particularly strong in Retail; decline in NIM mainly related to technical effect of shifting cash to interbank assets, ie overnight CNB facility to 2-week repo
  - RO: higher interbank rates following rate hikes and higher volumes drive NII growth
  - AT/SB: increase on higher volumes

- Quarter-on-quarter segment trends:
  - CZ: continued NII growth due to rising interest rates; improvement in Corporates due to higher volumes that offset pressure on margins
  - AT/OA: strong increase in MM business in the Holding
  - Other: lower NII driven by derivative positions compared to strong Q2
  - AT/EBOe: decline due to positive one-off (EUR 7m) in Q2

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

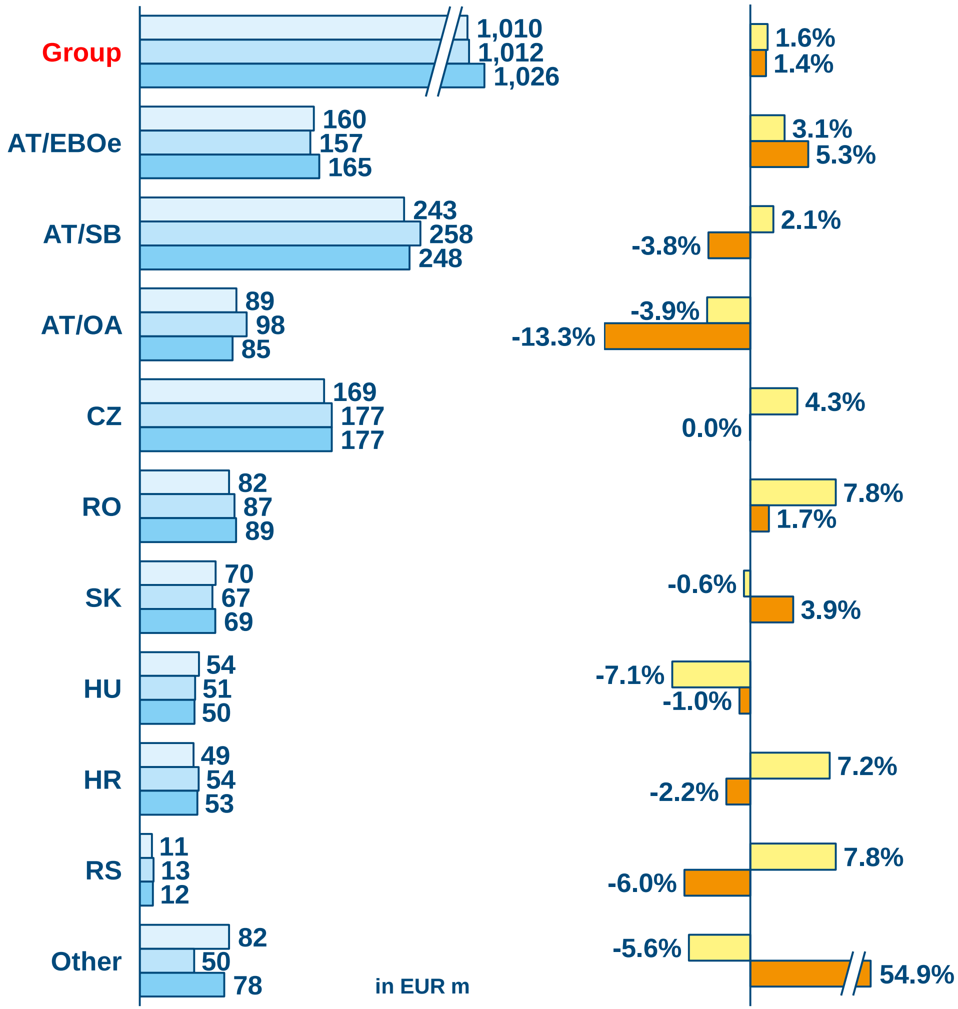


- Yoy mainly up on strong rise in NII and improved fee income, lower net trading result partially compensated by improvement in gains/losses from financial instruments measured at FV (fair value result)
- Qoq slightly up as rising NII offset decline in dividend income

- 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 in net trading result only partially offset by stronger NII, while net fee income remains flat

- Quarter-on-quarter segment trends:
  - RO: NII and net trading result are main drivers of stronger operating income
  - CZ: substantial improvement in NII, strong net trading result and gains/losses from financial instruments measured at FV
  - HU: higher operating income mainly attributable to net trading result (interest rate swap facility offered by the Hungarian National Bank), NII improves both in Retail and Corporates
  - AT/EBOe: lower NII following a positive one-off in Q2 and lower dividend income
  - Other: decline mainly attributable to lower net trading result in Holding ALM

Business performance: operating expenses –
Moderate cost development despite wage pressure in CEE



- Yoy cost increase mainly driven by higher PEREX following wage increases
- Qoq up on office operating expenses; minor increase in PEREX and depreciation charge offset by lower IT and consulting expenses

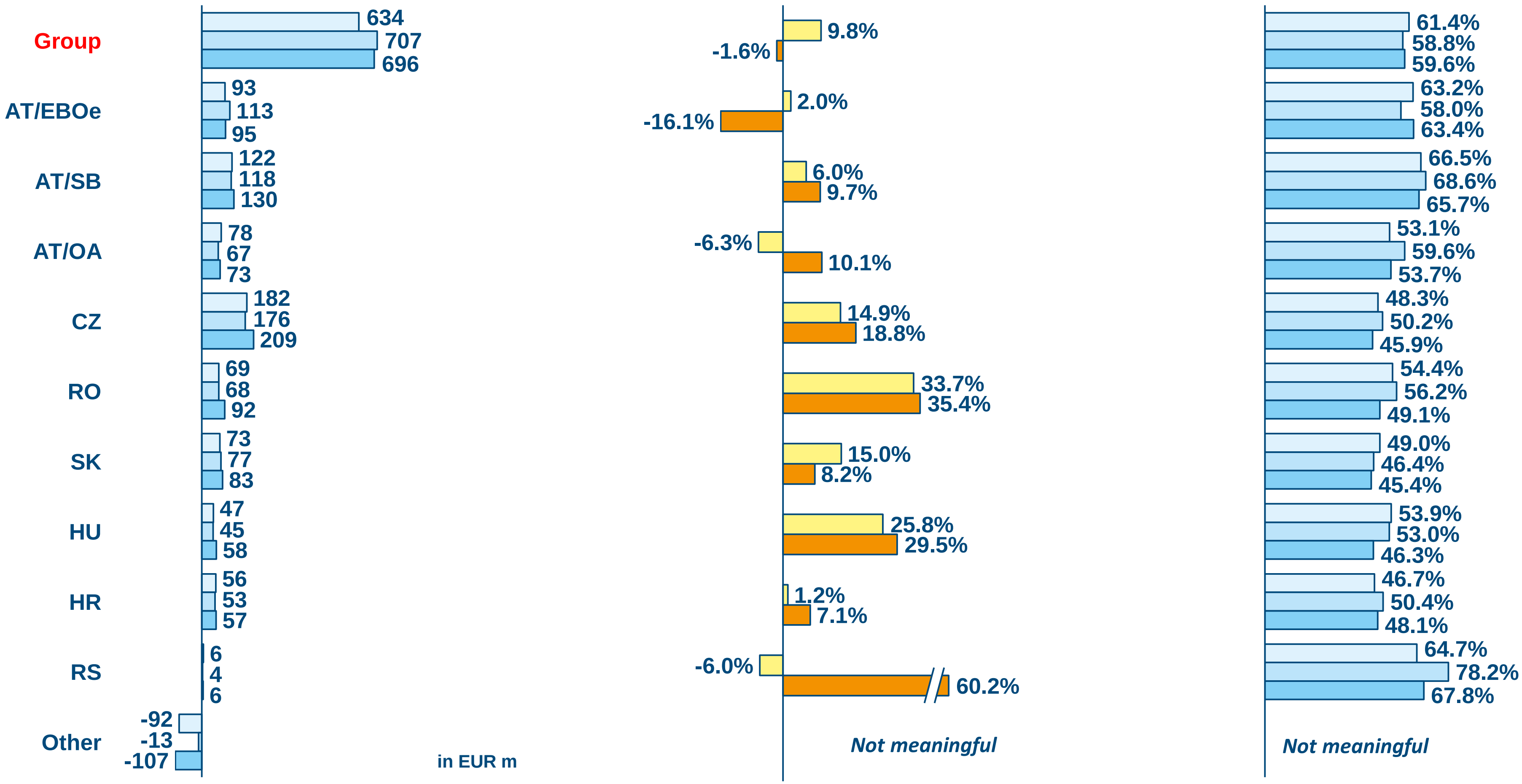
- Year-on-year segment trends:
  - AT/EBOe: higher depreciation, legal and consultancy expenses
  - CZ: PEREX rise on higher salaries and IT related expenses
  - RO: higher PEREX on wage increase and higher headcount; increase in IT related expenses

- Quarter-on-quarter segment trends:
  - AT/OA: decline in operating expenses in the Holding due to lower legal and consultancy expenses
  - AT/EBOe: higher PEREX as well as increase in IT and marketing expenses
  - AT/SB: decline mainly driven by lower PEREX due to seasonality of pension and health insurance contributions
  - Other: development mainly driven by lower costs from IT services providers in Q2

Business performance: operating result and CIR –
Operating result up 9.8% yoy, slightly down qoq on lower dividends

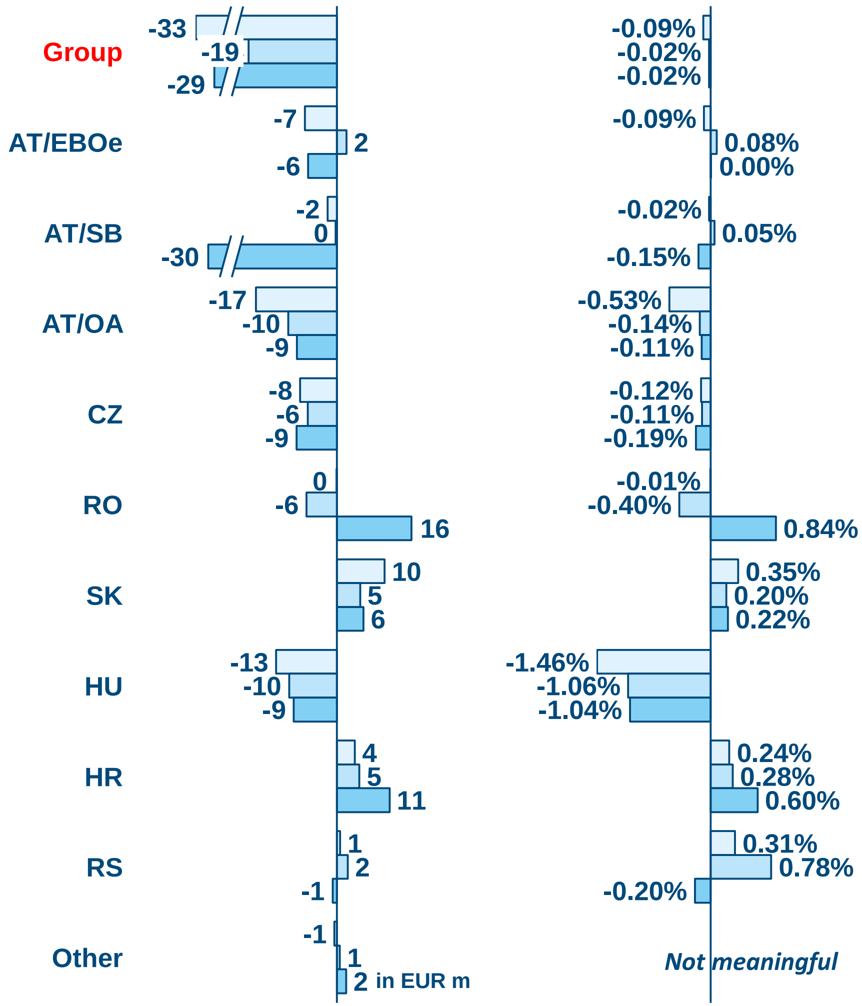
YoY
QoQ
Q3 17
Q2 18
Q3 18

Operating result | YoY & QoQ change | Cost/income ratio



Business performance: risk costs (abs/rel*) –
Continued net releases of risk provisions

Q3 17
Q2 18
Q3 18



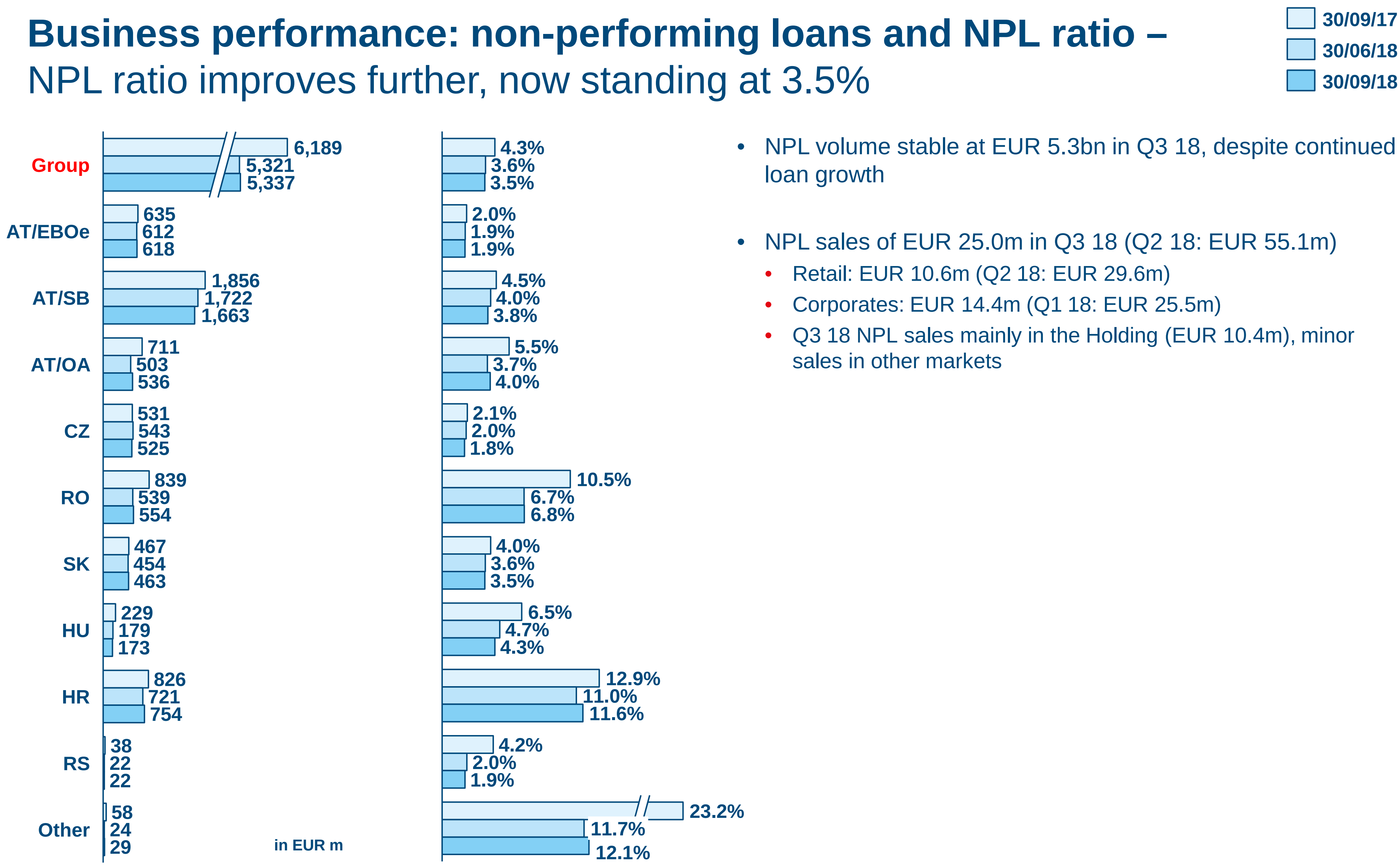
- Yoy and qoq development characterised by continuation of healthy asset quality, resulting in net releases in most geographies

- Year-on-year segment trends:
  - AT/SB: net releases across most savings banks
  - HR: allocations in Retail and Corporates
  - AT/OA: lower net releases due to minor increase in impairments in Group Large Corporates

- Quarter-on-quarter segment trends:
  - RO: higher allocations mainly in Group Large Corporates and to a lesser extent in Retail
  - AT/EBOe: lower risk provisions in Retail and releases in Local Large Customers

*) To ensure comparability with historically reported, pre-IFRS9 provisioning ratios, relative risk costs are calculated as annualised quarterly impairment result from financial instruments adjusted for net allocation of provisions for commitments and guarantees given over average gross customer loans.

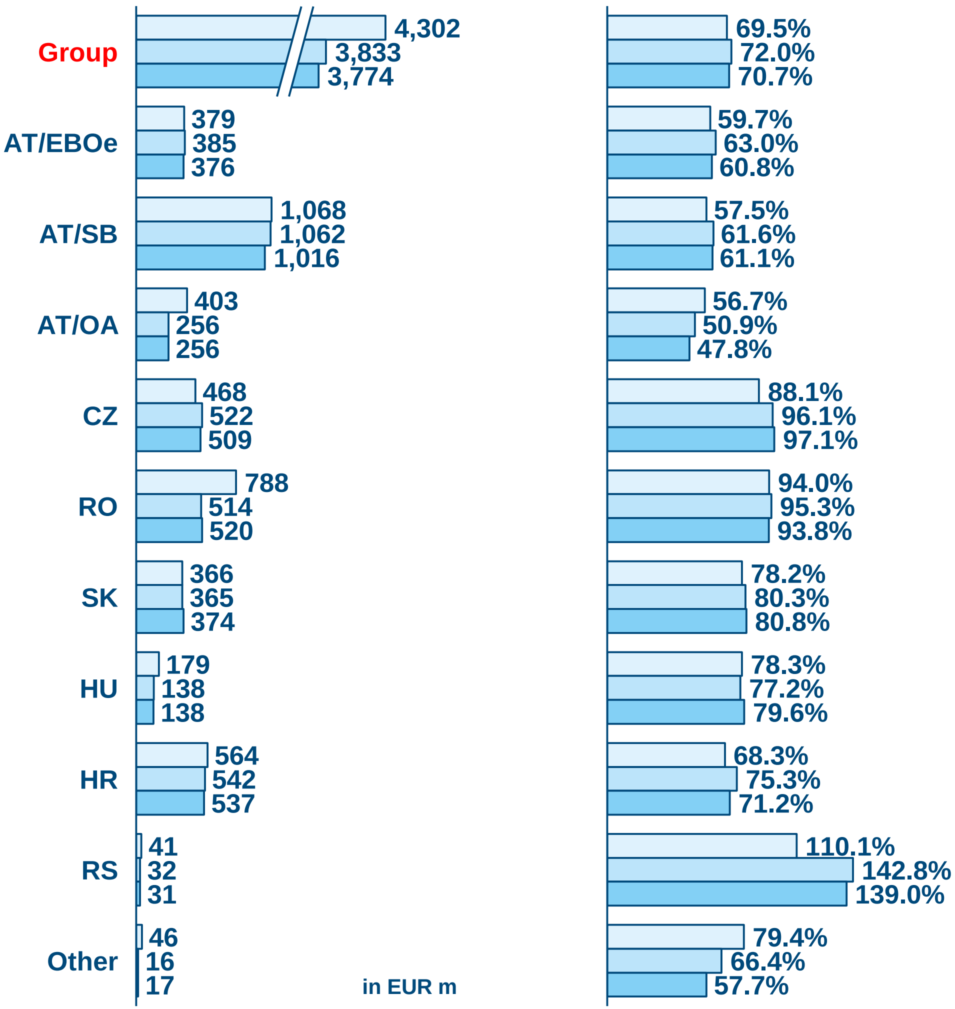
Business performance: non-performing loans and NPL ratio –
NPL ratio improves further, now standing at 3.5%



- NPL volume stable at EUR 5.3bn in Q3 18, despite continued loan growth
- NPL sales of EUR 25.0m in Q3 18 (Q2 18: EUR 55.1m)
  - Retail: EUR 10.6m (Q2 18: EUR 29.6m)
  - Corporates: EUR 14.4m (Q1 18: EUR 25.5m)
  - Q3 18 NPL sales mainly in the Holding (EUR 10.4m), minor sales in other markets

ERSTE Group

Business performance: allowances for loans and NPL coverage* – NPL provision coverage at comfortable 70.7%

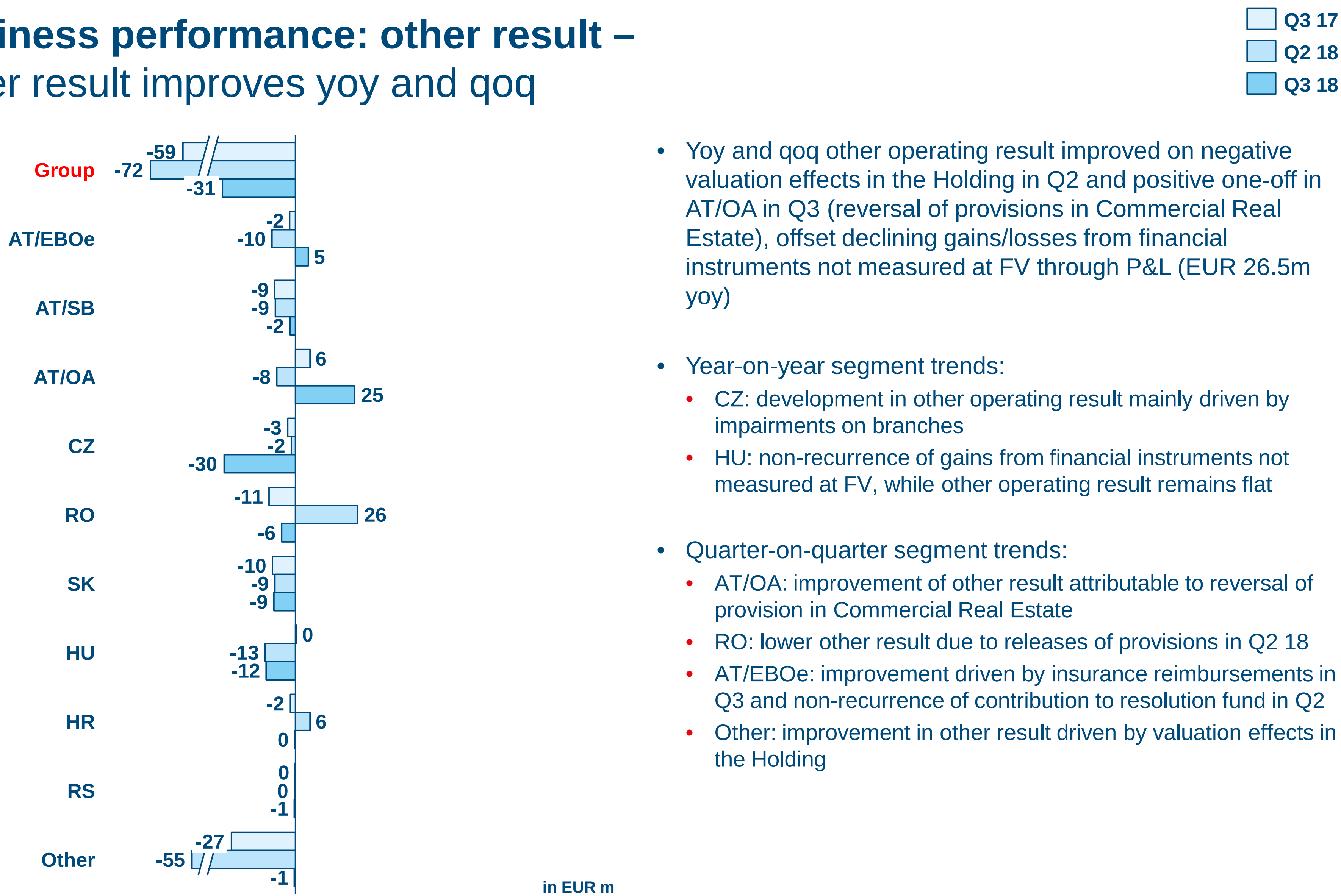


- NPL provision coverage qoq broadly stable at group level, exceptionally strong in CZ, RO, SK and RS
- Year-on-year segment trends:
  - AT/OA: decreasing coverage in line with lower expected losses for defaulted customers
  - CZ: increase in provisions together with decline in NPLs result in exceptionally strong coverage
  - No material changes in other markets; excellent macro backdrop allows for release of provisions
- Quarter-on-quarter segment trends:
  - HR: decline in coverage attributable to temporary increase in NPLs; coverage remains at comfortable level

*) To ensure comparability with historically reported, pre-IFRS9 NPL coverage ratios, non-performing loans include NPLs from all categories of customer loans.

ERSTE Group

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

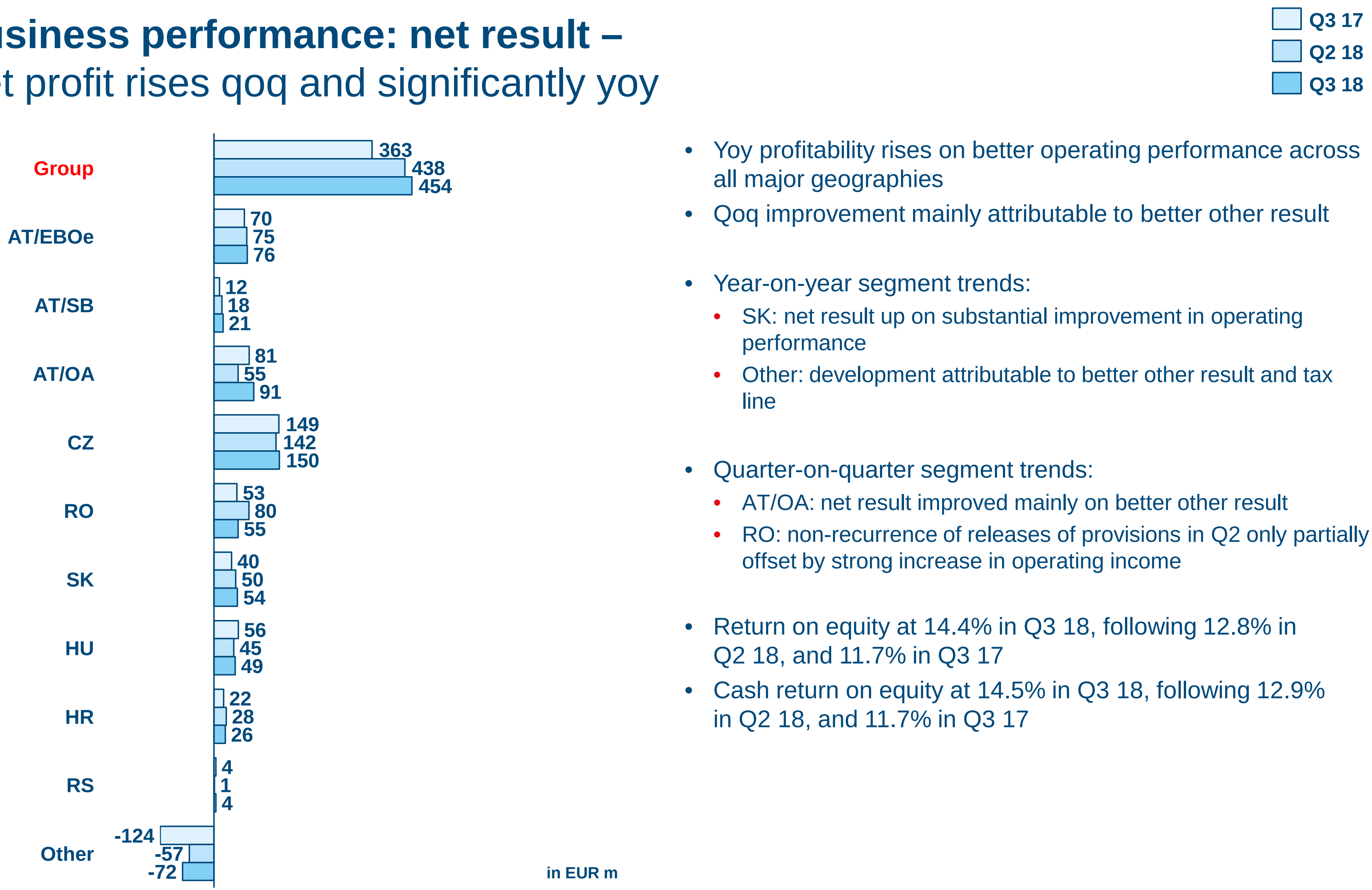


- Yoy and qoq other operating result improved on negative valuation effects in the Holding in Q2 and positive one-off in AT/OA in Q3 (reversal of provisions in Commercial Real Estate), offset declining gains/losses from financial instruments not measured at FV through P&L (EUR 26.5m yoy)

- Year-on-year segment trends:
  - CZ: development in other operating result mainly driven by impairments on branches
  - HU: non-recurrence of gains from financial instruments not measured at FV, while other operating result remains flat

- Quarter-on-quarter segment trends:
  - AT/OA: improvement of other result attributable to reversal of provision in Commercial Real Estate
  - RO: lower other result due to releases of provisions in Q2 18
  - AT/EBOe: improvement driven by insurance reimbursements in Q3 and non-recurrence of contribution to resolution fund in Q2
  - Other: improvement in other result driven by valuation effects in the Holding

Business performance: net result –
Net profit rises qoq and significantly yoy



- Yoy profitability rises on better operating performance across all major geographies
- Qoq improvement mainly attributable to better other result

- Year-on-year segment trends:
  - SK: net result up on substantial improvement in operating performance
  - Other: development attributable to better other result and tax line

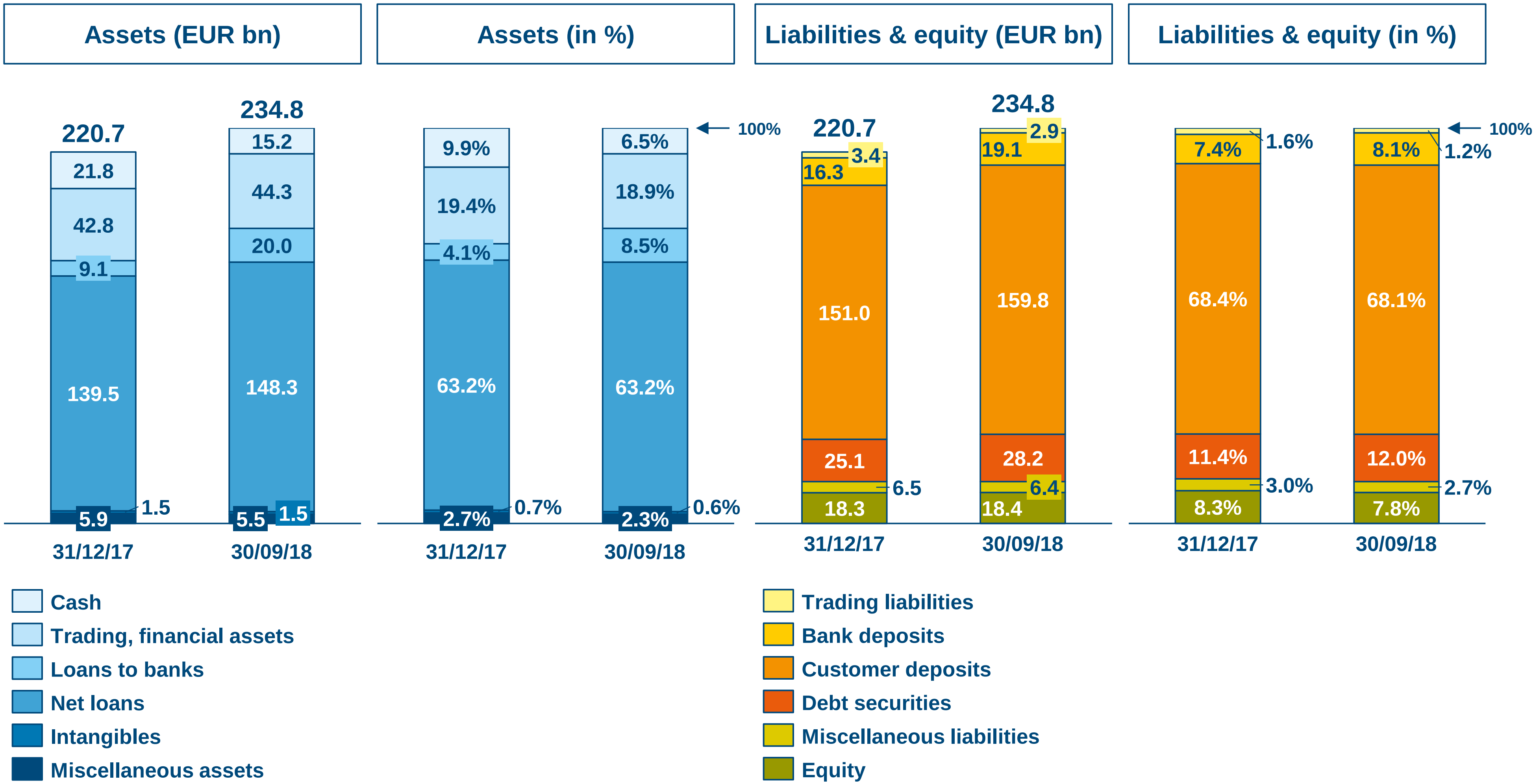
- Quarter-on-quarter segment trends:
  - AT/OA: net result improved mainly on better other result
  - RO: non-recurrence of releases of provisions in Q2 only partially offset by strong increase in operating income

- Return on equity at 14.4% in Q3 18, following 12.8% in Q2 18, and 11.7% in Q3 17
- Cash return on equity at 14.5% in Q3 18, following 12.9% in Q2 18, and 11.7% in Q3 17

Presentation topics

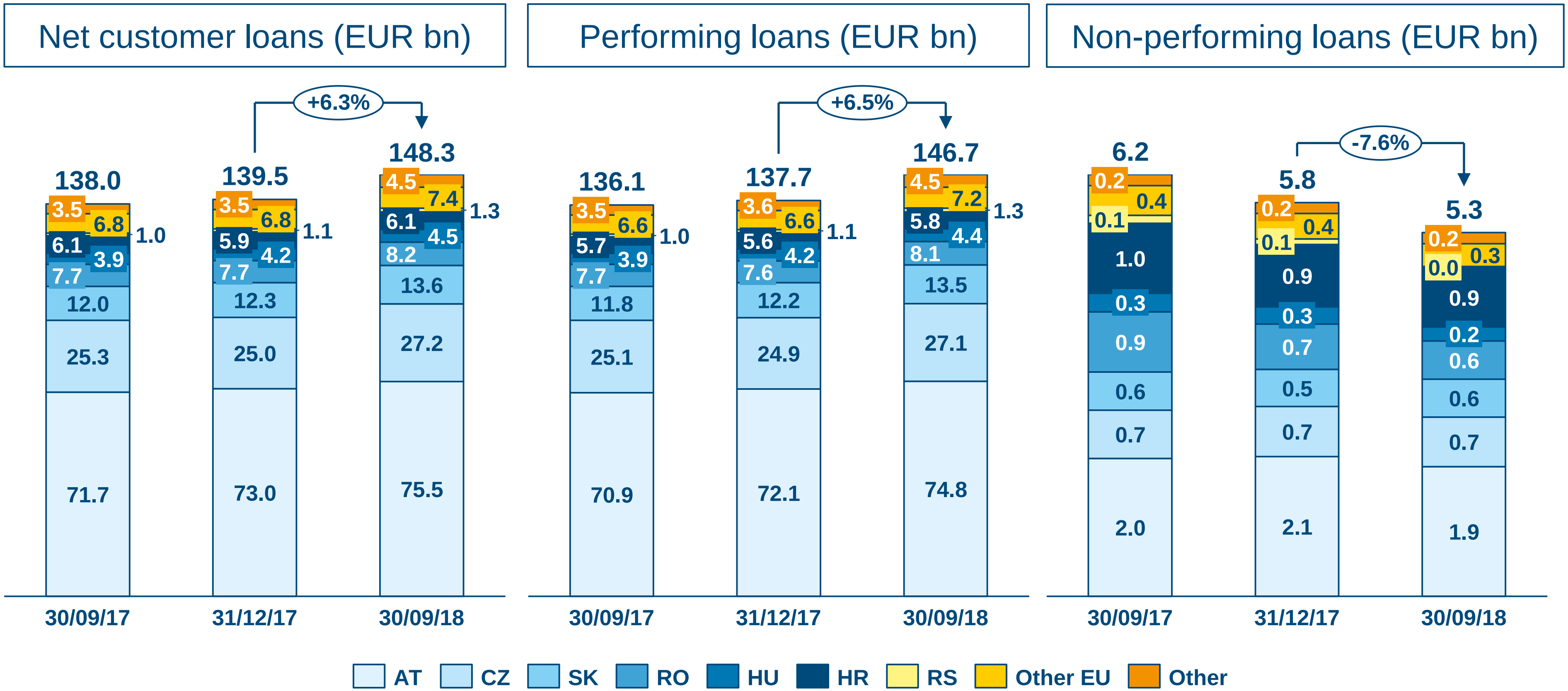
- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- Outlook
- Additional information

Assets and liabilities: YTD overview –
Loan/deposit ratio stable at 92.8% at Sep 18 (Dec 17: 92.4 %)



ERSTE Group

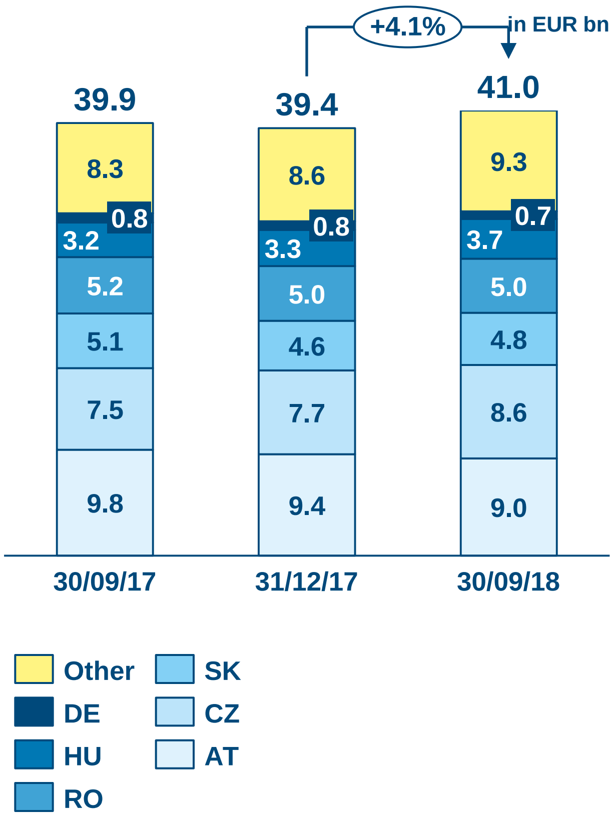
Assets and liabilities: customer loans by country of risk –
Net customer loans up 6.3% and NPLs down 7.6% ytd



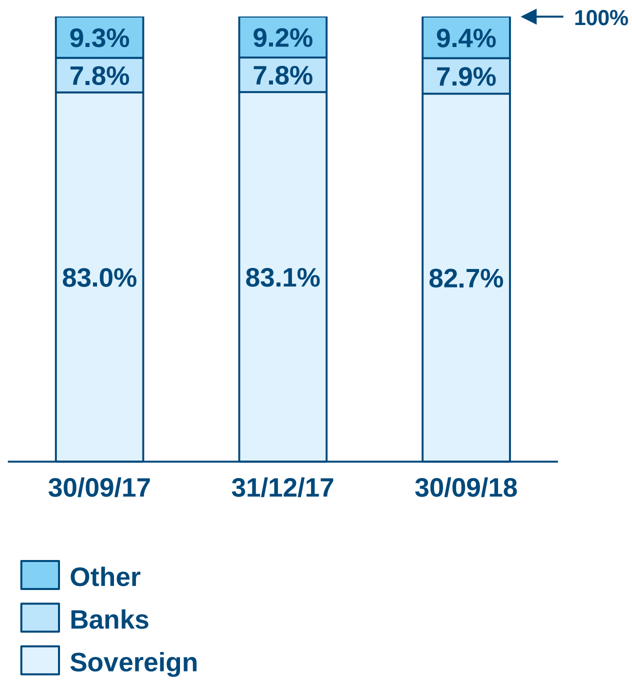
- Performing loan growth mainly driven by Czech Republic, Austria and Slovakia
  - Main contributing business lines (yoy): Retail (+8.6%), Corporates (+6.9%), primarily Group Large Corporates and SME
  - Growing performing loans across all geographies
- 13.8% yoy decline in NPL stock driven by reductions across most geographies

Assets and liabilities: financial and trading assets * –
LCR at excellent 139.4%

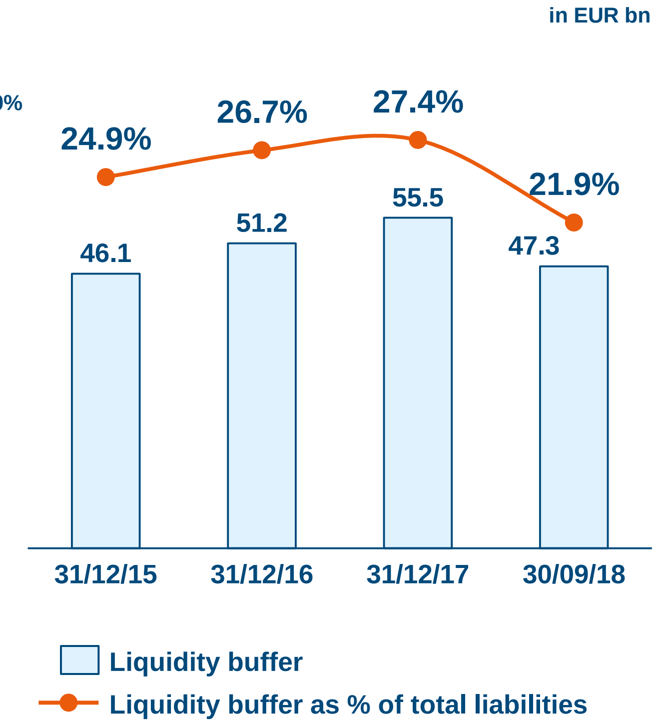
By geography



By debtor type



Liquidity buffer



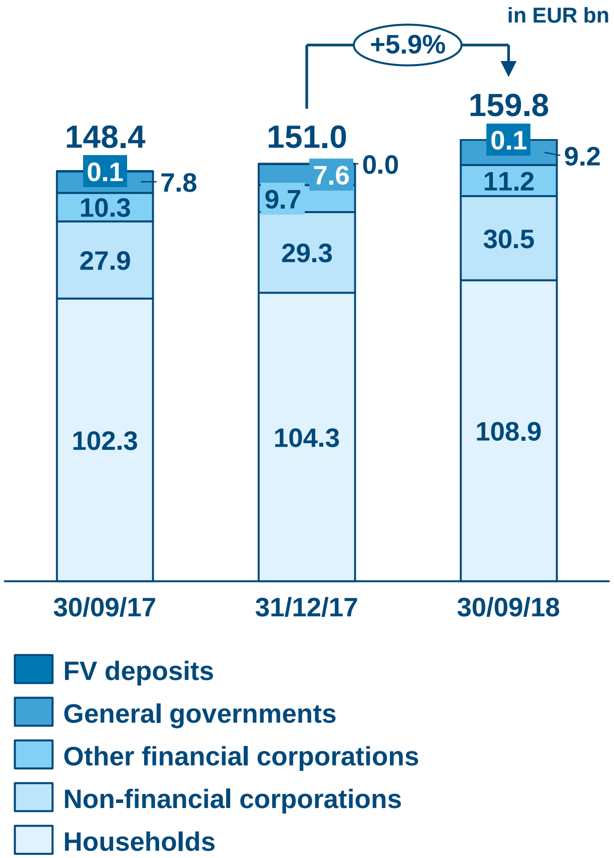
- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

* Excludes derivatives held for trading.

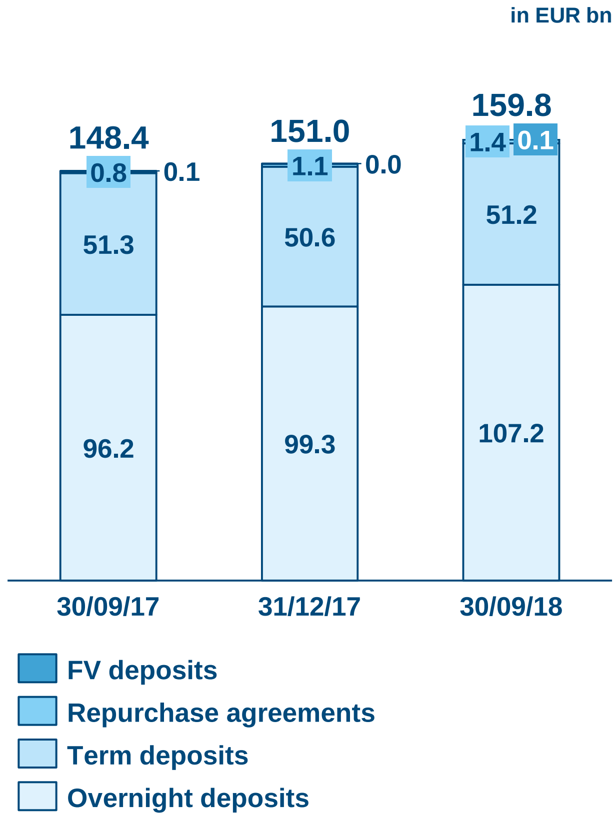
ERSTE Group

Assets and liabilities: customer deposit funding –
Customer deposits grow by 1.9% qoq, up 5.9% ytd

By customer type



By product type

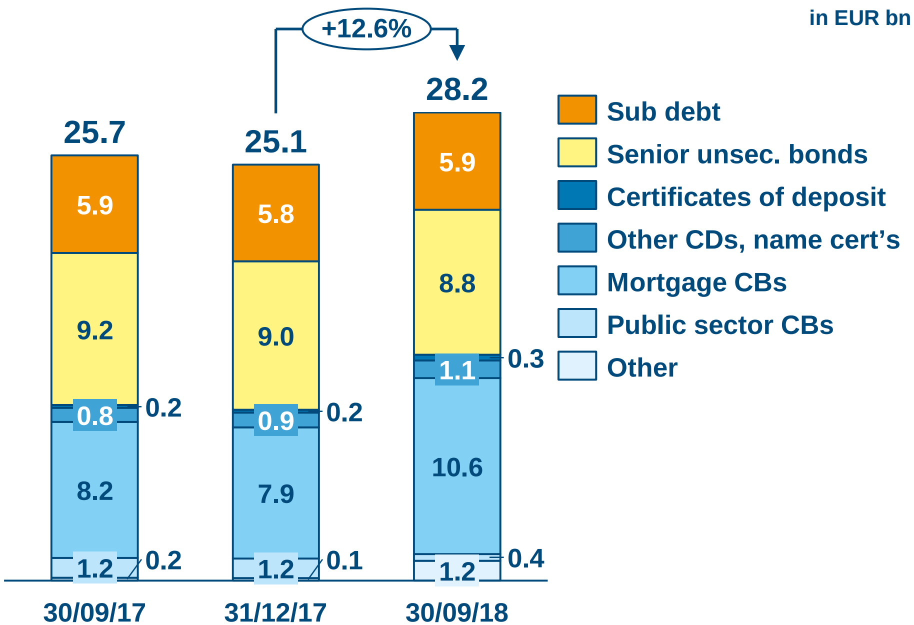


Highlights

- 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

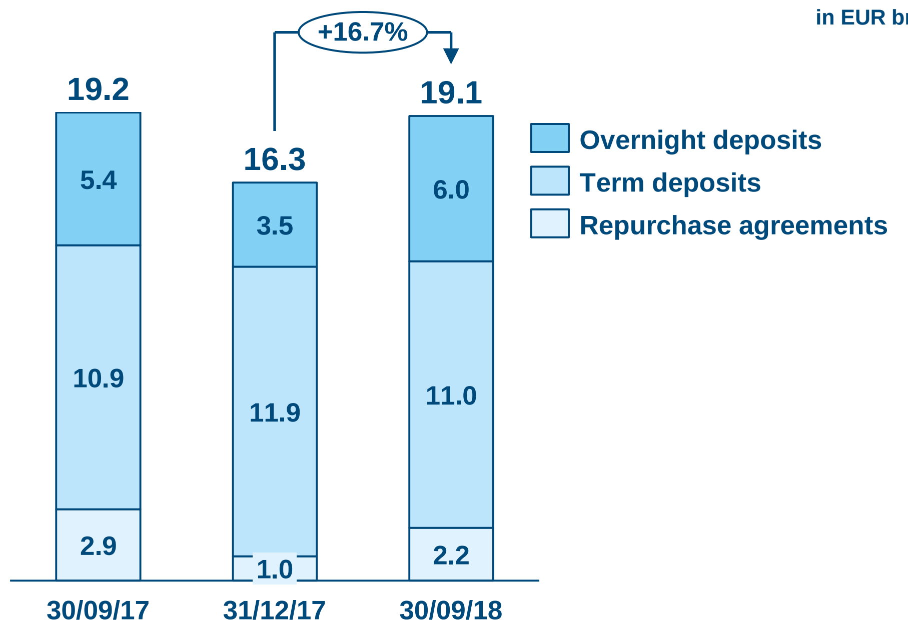
Assets and liabilities: debt vs interbank funding –
Declining wholesale funding reliance, as customer deposits grow strongly

Debt securities issued



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

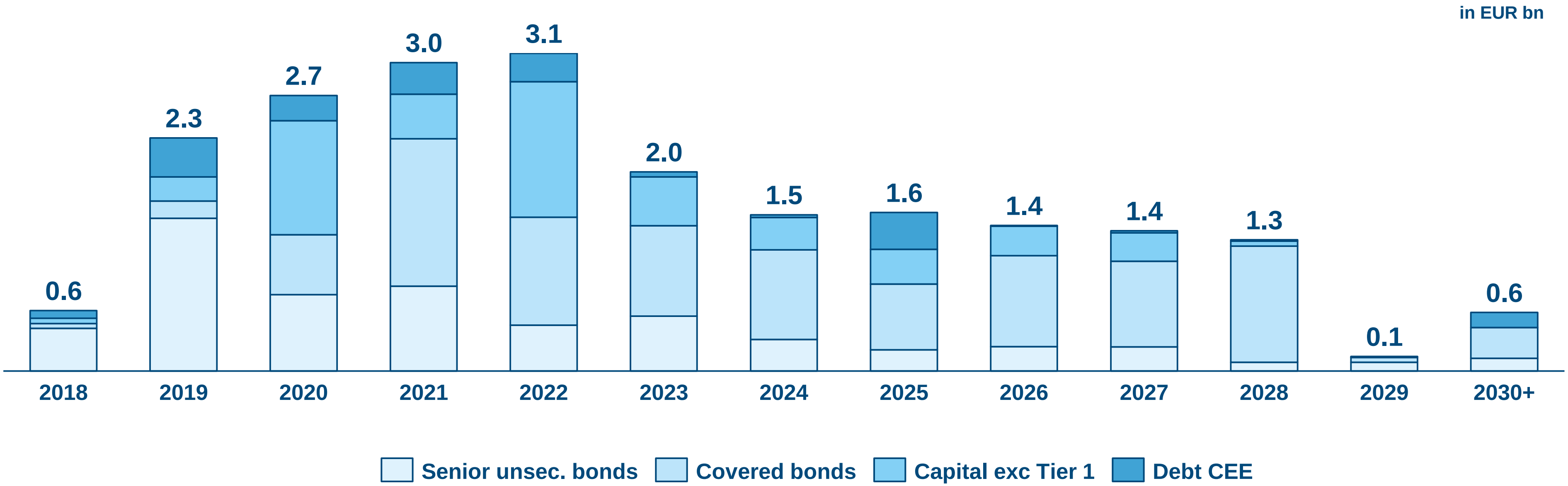
Interbank deposits



- Money market activities peaked in CZ in Q1 18, interbank deposits up by 6.8% qoq and 16.7% ytd

Assets and liabilities: LT funding –
Limited LT funding needs

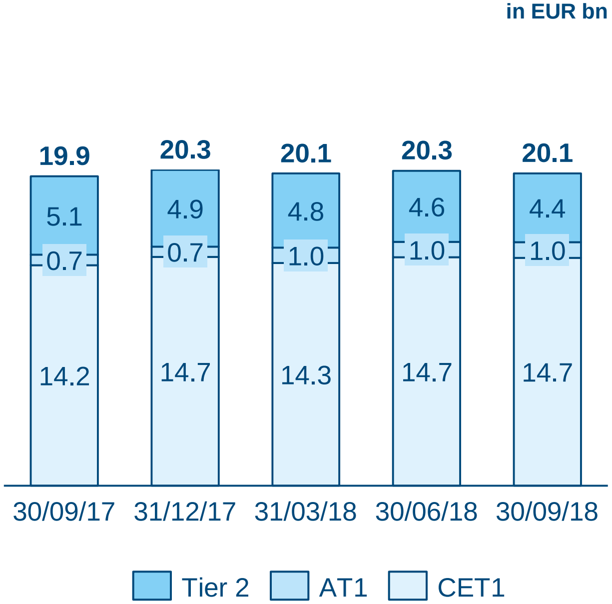
Maturity profile of debt

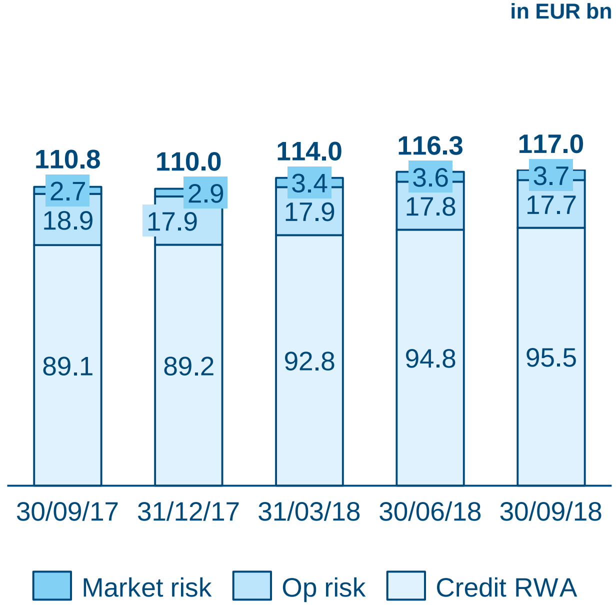


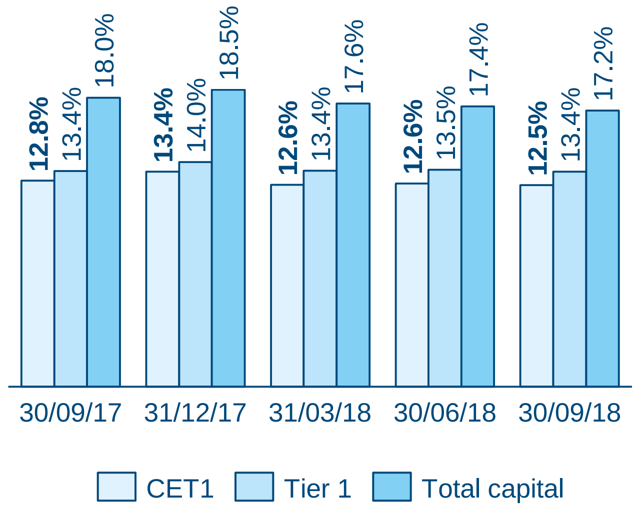
- In January 2018 Erste Group opened the covered bond market for Austrian issuers with a EUR 1bn 10y mortgage covered at a spread of MS-6bps, followed in April 2018 by a EUR 750mn 8y mortgage covered bond at a spread of MS-3bps and in June 2018 by a EUR 750mn 6y mortgage covered bond at a spread of MS-2bps.
- Funding target for 2018 of approximately EUR 3.1bn is forecast slightly above last year’s volume, in line with 2018 redemptions. With the 3 covered bonds in H1 18, the Group is on track with its funding plans.

Assets and liabilities: capital position –
B3FL CET1 ratio stable at 12.4%, ex Q3 18 interim profit

Basel 3 capital (phased-in)	Risk-weighted assets (phased-in)	Basel 3 capital ratios (phased-in)







- CET1 capital: -EUR 60m ytd, due to:
  - Reclassification of financial instruments to FV, as part of IFRS9 implementation (-EUR 1.0bn)
  - Partly offset by prudential filter for FV changes from own credit spread (+EUR 0.6bn) and interim profit in H1 18
- Available distributable items (ADIs) at EUR 2.6bn (pre dividend and AT1 coupon for 2018)

- Credit RWA: +EUR 6.9bn ytd, due to:
  - Business effects (loan growth, increased repo and interbank business): +EUR 4.1bn
  - Regulatory one-off effects (higher sovereign and equity RWA): +EUR 1.6bn
- Operational risk RWA slightly down in Q3 18
  - New model approved by regulator in Oct 18, to be included in Q4 18

- B3FL CET1 ratio at 12.4% at 30 Sep 2018 (YE 2017: 12.9%)
- B3FL total capital ratio at 17.1% (YE17: 18.2%)
- Currency impact (CZK and HUF): -14 bps
- Impact of acquired BCR-minority stake and planned squeeze-out at CS: -15 bps
- Pro-forma B3FL CET1 (including Q3 interim profit and +33bps from new op. risk model): 13.2%

Presentation topics

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Conclusion –
Outlook 2018

Macro outlook 2018

- Real GDP growth of approx. 3-4% 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

- ROTE for 2018 targeted at 12%+ (based on average tangible equity in 2018)
- Assumptions for 2018: growing revenues (assuming 5%+ net loan growth and interest rate hikes in CZ and RO); flat expenses (±1%); risk costs to remain 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

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Additional information: new segmentation –
Business line and geographic view

Erste Group – Business segments

- Retail
- Corporates
  - SME
  - Local Large Corporate
  - Group Large Corporate
  - Commercial Real Estate
  - Public Sector
- Group Markets
- ALM & Local CC (ALM&LCC)
  - Asset/Liability Management
  - Local Corporate Center
- Savings Banks
- Group Corporate Center
  - Other Subsidiaries
  - Group bookings
  - Holding Corporate Center
  - Free Capital
- Intragroup Elimination

Erste Group – Geographical segmentation

- Austria
  - EBOe & Subsidiaries (AT/EBOe)
  - Savings Banks (AT/SB)
  - Other Austria (AT/OA)
    - Holding Business
    - Erste Group Immorent
    - Erste Asset Management
    - Intermarket Bank AG
- Central and Eastern Europe
  - Czech Republic (CZ)
  - Romania (RO)
  - Slovakia (SK)
  - Hungary (HU)
  - Croatia (HR)
  - Serbia (RS)
- Other
  - Holding ALM
  - Holding CC
  - Other Subsidiaries
  - Group bookings and IC elimination
  - Free Capital

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

in EUR million	1-9 17	1-9 18	YOY-Δ	Q3 17	Q2 18	Q3 18	YOY-Δ	QOQ-Δ
	Year-to-date view			Quarterly view				
Net interest income	3,229.3	3,372.0	4.4%	1,086.3	1,131.2	1,158.2	6.6%	2.4%
Interest income	4,224.1	3,799.4	-10.1%	1,411.9	1,263.4	1,314.0	-6.9%	4.0%
Other similar income	0.0	1,335.6	n/a	0.0	413.1	448.8	n/a	8.6%
Interest expenses	-994.8	-732.9	-26.3%	-325.6	-240.7	-262.5	-19.4%	9.0%
Other similar expenses	0.0	-1,030.2	n/a	0.0	-304.6	-342.1	n/a	12.3%
Net fee and commission income	1,361.9	1,430.7	5.1%	451.0	480.7	471.4	4.5%	-1.9%
Fee and commission income	1,723.7	1,790.0	3.8%	574.3	603.0	584.0	1.7%	-3.1%
Fee and commission expenses	-361.8	-359.3	-0.7%	-123.4	-122.3	-112.6	-8.7%	-7.9%
Dividend income	37.5	22.3	-40.5%	10.4	14.8	4.8	-53.6%	-67.5%
Net trading result	139.3	-50.4	n/a	36.5	0.6	-62.2	n/a	n/a
Gains/losses from financial instruments measured at fair value through profit or loss	12.1	165.8	>100.0%	7.7	36.3	99.2	>100.0%	>100.0%
Net result from equity method investments	10.1	10.0	-1.4%	4.0	5.2	3.0	-24.9%	-41.4%
Rental income from investment properties & other operating leases	146.6	145.8	-0.6%	48.3	50.2	47.7	-1.4%	-5.0%
Personnel expenses	-1,747.2	-1,830.5	4.8%	-595.9	-612.1	-613.8	3.0%	0.3%
Other administrative expenses	-925.2	-921.5	-0.4%	-301.1	-283.0	-294.0	-2.3%	3.9%
Depreciation and amortisation	-341.1	-350.3	2.7%	-113.0	-116.3	-118.0	4.4%	1.4%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	70.8	0.0	-100.0%	28.3	0.0	0.0	-100.0%	n/a
Gains/losses from derecognition of financial assets measured at amortised cost	0.0	0.2	n/a	0.0	-0.4	0.5	n/a	n/a
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	0.0	9.7	n/a	0.0	4.7	1.0	n/a	-78.7%
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	-71.5	0.0	-100.0%	32.9	0.0	0.0	-100.0%	n/a
Impairment result from financial instruments	0.0	102.2	n/a	0.0	18.9	28.9	n/a	53.3%
Other operating result	-296.6	-237.0	-20.1%	-86.8	-76.6	-32.4	-62.7%	-57.7%
Levies on banking activities	-82.1	-88.1	7.3%	-22.7	-24.7	-24.8	9.3%	0.5%
Pre-tax result from continuing operations	**1,626.1**	**1,869.0**	**14.9%**	**608.5**	**654.0**	**694.3**	**14.1%**	**6.2%**
Taxes on income	-365.9	-355.0	-3.0%	-142.0	-120.4	-120.0	-15.5%	-0.3%
Net result for the period	**1,260.2**	**1,514.0**	**20.1%**	**466.5**	**533.6**	**574.2**	**23.1%**	**7.6%**
Net result attributable to non-controlling interests	272.6	285.8	4.8%	103.5	95.4	120.3	16.2%	26.1%
Net result attributable to owners of the parent	**987.6**	**1,228.3**	**24.4%**	**363.0**	**438.2**	**454.0**	**25.1%**	**3.6%**
Operating income	4,936.9	5,096.2	3.2%	1,644.2	1,719.0	1,722.1	4.7%	0.2%
Operating expenses	-3,013.6	-3,102.3	2.9%	-1,010.1	-1,011.5	-1,025.8	1.6%	1.4%
Operating result	**1,923.4**	**1,993.9**	**3.7%**	**634.1**	**707.5**	**696.3**	**9.8%**	**-1.6%**

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	22,104	21,796	25,246	16,888	15,237	-31.1%	-30.1%	-9.8%
Financial assets held for trading	6,850	6,349	6,603	6,888	6,034	-11.9%	-5.0%	-12.4%
Derivatives	3,639	3,333	3,696	3,804	3,303	-9.2%	-0.9%	-13.2%
Other financial assets held for trading	3,211	3,016	2,907	3,083	2,731	-14.9%	-9.5%	-11.4%
Financial assets at fair value through profit or loss	549	543	0	0	0	-100.0%	-100.0%	n/a
Non-trading financial assets at fair value through profit or loss	0	0	3,405	3,430	3,403	n/a	n/a	-0.8%
Equity instruments	0	0	278	279	303	n/a	n/a	8.7%
Debt securities	0	0	2,727	2,739	2,717	n/a	n/a	-0.8%
Loans and advances to banks	0	0	0	0	0	n/a	n/a	n/a
Loans and advances to customers	**0**	**0**	**401**	**412**	**383**	**n/a**	**n/a**	**-7.0%**
Financial assets available for sale	16,743	16,060	0	0	0	-100.0%	-100.0%	n/a
Financial assets at fair value through other comprehensive income	0	0	10,289	9,965	9,850	n/a	n/a	-1.2%
Equity instruments	0	0	262	242	259	n/a	n/a	7.2%
Debt securities	0	0	10,027	9,723	9,591	n/a	n/a	-1.4%
Financial assets held to maturity	19,398	19,800	0	0	0	-100.0%	-100.0%	n/a
Loans and receivables to credit institutions	10,358	9,126	0	0	0	-100.0%	-100.0%	n/a
Loans and receivables to customers	138,005	139,532	0	0	0	-100.0%	-100.0%	n/a
Financial assets at amortised cost	0	0	172,805	180,748	188,323	n/a	n/a	4.2%
Debt securities	0	0	23,710	24,029	25,430	n/a	n/a	5.8%
Loans and advances to banks	0	0	11,944	17,149	19,972	n/a	n/a	16.5%
Loans and advances to customers	**0**	**0**	**137,151**	**139,570**	**142,921**	**n/a**	**n/a**	**2.4%**
Finance lease receivables	0	0	3,561	3,676	3,715	n/a	n/a	1.1%
Hedge accounting derivatives	1,006	884	103	116	90	-91.1%	-89.8%	-22.5%
Property and equipment	2,414	2,387	2,342	2,363	2,327	-3.6%	-2.5%	-1.6%
Investment properties	1,033	1,112	1,106	1,102	1,100	6.5%	-1.1%	-0.2%
Intangible assets	1,474	1,524	1,511	1,507	1,483	0.6%	-2.7%	-1.6%
Investments in associates and joint ventures	196	198	197	201	200	2.0%	0.7%	-0.7%
Current tax assets	123	108	122	125	110	-9.9%	2.6%	-11.8%
Deferred tax assets	209	258	319	320	333	59.3%	29.2%	4.2%
Assets held for sale	217	214	228	203	196	-9.9%	-8.6%	-3.5%
Trade and other receivables	0	0	947	1,072	1,292	n/a	n/a	20.5%
Other assets	1,036	769	1,235	1,274	1,136	9.7%	47.8%	-10.9%
Total assets	**221,715**	**220,659**	**230,018**	**229,878**	**234,827**	**5.9%**	**6.4%**	**2.2%**

Additional information: group balance sheet –
Liabilities and equity

in EUR million	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	YOY-Δ	YTD-Δ	QOQ-Δ
	Quarterly data					Change		
Financial liabilities held for trading	3,551	3,423	2,940	3,070	2,865	-19.3%	-16.3%	-6.7%
Derivatives	3,206	2,934	2,384	2,529	2,153	-32.9%	-26.6%	-14.9%
Other financial liabilities held for trading	344	489	555	541	712	>100.0%	45.7%	31.6%
Financial liabilities at fair value through profit or loss	1,810	1,801	14,478	14,473	14,267	>100.0%	>100.0%	-1.4%
Deposits from customers	**51**	**49**	**58**	**56**	**62**	**23.1%**	**28.3%**	**11.6%**
Debt securities issued	1,759	1,753	13,855	13,874	13,668	>100.0%	>100.0%	-1.5%
Other financial liabilities	0	0	565	544	537	n/a	n/a	-1.3%
Financial liabilities at amortised cost	192,089	191,711	189,427	189,875	194,025	1.0%	1.2%	2.2%
Deposits from banks	19,226	16,349	20,988	17,867	19,086	-0.7%	16.7%	6.8%
Deposits from customers	**148,313**	**150,921**	**155,248**	**156,775**	**159,765**	**7.7%**	**5.9%**	**1.9%**
Debt securities issued	23,902	23,342	12,596	14,601	14,582	-39.0%	-37.5%	-0.1%
Other financial liabilities	649	1,099	595	633	591	-8.9%	-46.2%	-6.6%
Finance lease liabilities	0	0	0	0	0	n/a	n/a	1.1%
Hedge accounting derivatives	409	360	277	311	342	-16.4%	-5.0%	10.0%
Fair value changes of hedged items in portfolio hedge of interest rate risk	745	666	0	0	0	-100.0%	-100.0%	0.0%
Provisions	1,645	1,648	1,799	1,688	1,628	-1.0%	-1.2%	-3.6%
Current tax liabilities	77	101	114	127	126	65.0%	25.0%	-0.2%
Deferred tax liabilities	110	61	54	65	67	-39.2%	9.3%	3.5%
Liabilities associated with assets held for sale	0	3	4	3	3	n/a	10.2%	-9.0%
Other liabilities	3,310	2,596	2,958	2,558	3,109	-6.1%	19.7%	21.5%
Total equity	**17,969**	**18,288**	**17,968**	**17,708**	**18,396**	**2.4%**	**0.6%**	**3.9%**
Equity attributable to non-controlling interests	4,367	4,416	4,353	4,402	4,518	3.5%	2.3%	2.6%
Additional equity instruments	993	993	993	993	993	0.0%	0.0%	0.1%
Equity attributable to owners of the parent	12,609	12,879	12,622	12,313	12,884	2.2%	0.0%	4.6%
Subscribed capital	860	860	860	860	860	0.0%	0.0%	0.0%
Additional paid-in capital	1,478	1,477	1,477	1,477	1,477	-0.1%	0.0%	0.0%
Retained earnings and other reserves	10,272	10,542	10,286	9,977	10,548	2.7%	0.1%	5.7%
Total liabilities and equity	**221,715**	**220,659**	**230,018**	**229,878**	**234,827**	**5.9%**	**6.4%**	**2.2%**

Additional information: regulatory capital position/requirement (SREP) – Introduction of CCyBs in CZ & SK push internal CET1-target for 2020 to 13.5%

- Combined impact of countercyclical buffers amounts to 45bps in 2019
- Management buffer targeted in 100-150bps range from 2019

			Erste Group Consolidated				Erste Group Unconsolidated		
				Phased-in		Fully loaded	Phased-in		Fully loaded
			2016	2017	2018e	2019e	2017	2018e	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%**	**3.20%**	**4.95%**	**1.34%**	**3.07%**	**4.77%**
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%	0.32%	0.45%	0.09%	0.20%	0.27%
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%	9.45%	11.20%	7.59%	9.32%	11.02%
1.50%	AT1	Tier 1 requirement	NM	9.65%	10.95%	12.70%	9.09%	10.82%	12.52%
2.00%	T2	Own funds requirement	NM	11.65%	12.95%	14.70%	11.09%	12.82%	14.52%
			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%**	**10.50%**	**NA**	**8.59%**	**9.32%**	**NA**
1.50%	AT1	Tier 1 requirement	NM	9.65%	10.95%	NA	9.09%	10.82%	NA
2.00%	T2	Own funds requirement	NM	11.65%	12.95%	NA	11.09%	12.82%	NA

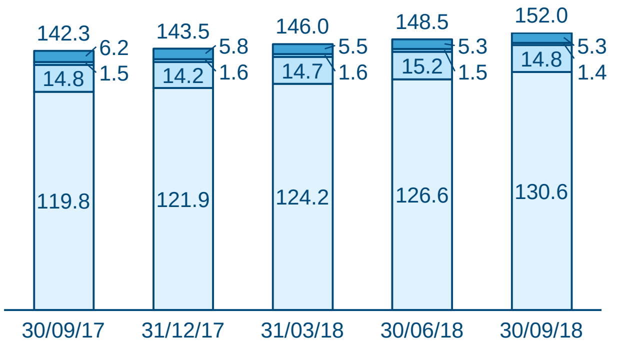
Reported CET1 ratio as of September 2018 2)	**12.53%**	**19,57%4)**

- Buffer to MDA restriction as of 30 Sept 18: 243bps
- Pro forma available distributable items (ADI), unaudited, as of 30 Sept 18: EUR 2.6bn (pre dividend and AT1 deduction for 2018)

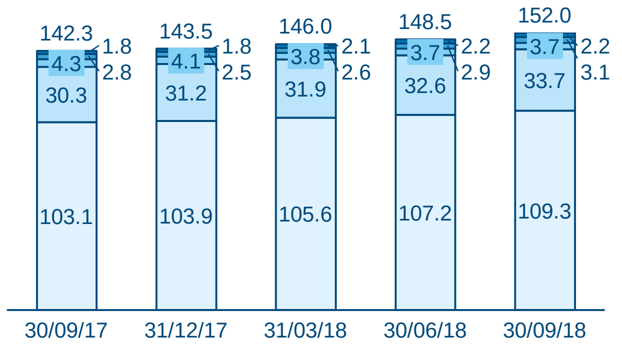
1) P2G is expected to be positive in the future.
2) Consolidated capital ratios pursuant to IFRS. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.
3) Planned values based on Q3 2018 exposure (Q3 18 countercyclical buffer of 0.32% for Erste Group Consolidated).
4) Value as of Q2 2018

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

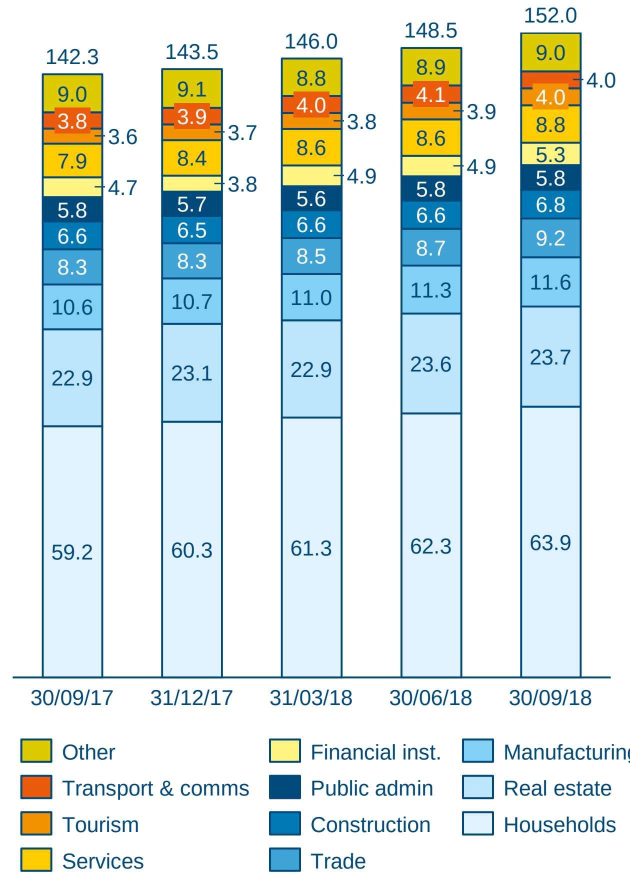
Gross cust. loans by risk category (EUR bn)



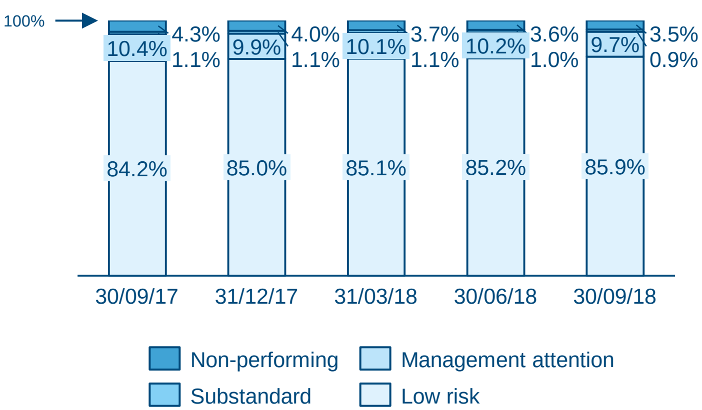
Gross customer loans by currency (EUR bn)



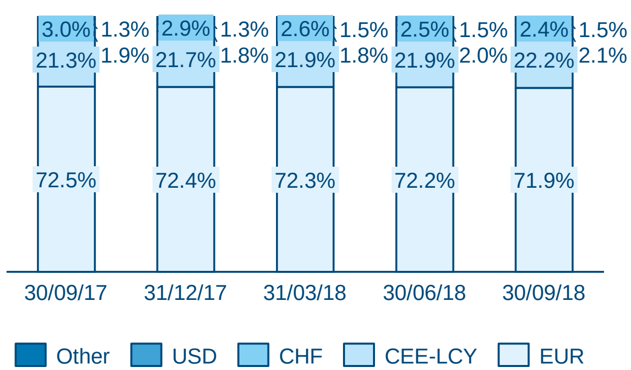
Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)



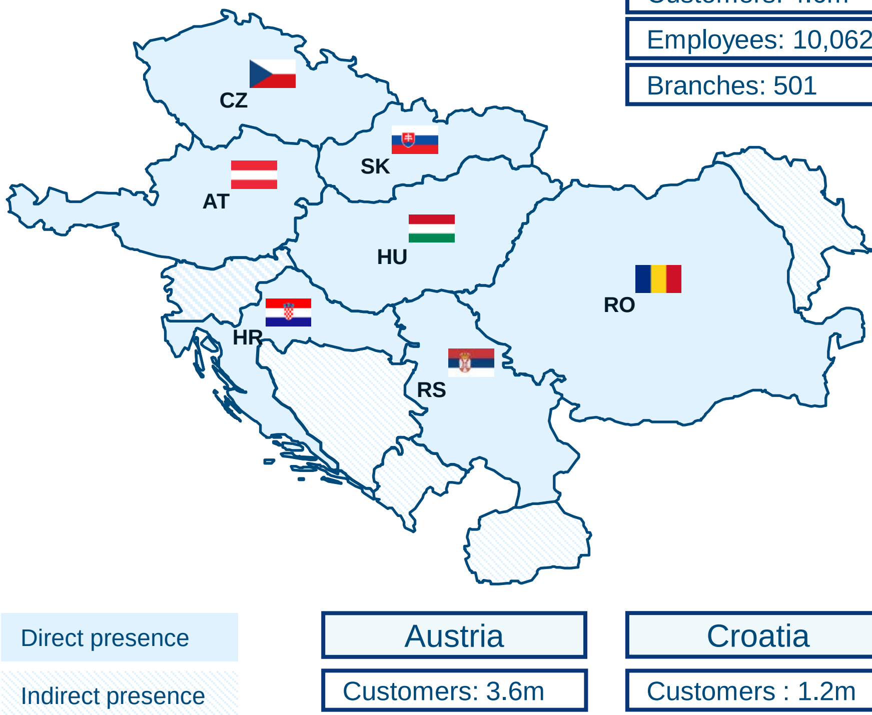
Gross customer loans by currency (in %)



Additional information: footprint –

Customer banking in Austria and the eastern part of the EU

Erste Group footprint



Czech Republic
Customers: 4.6m
Employees: 10,062
Branches: 501

Slovakia
Customers: 2.2m
Employees: 4,133
Branches: 251

Hungary
Customers: 0.9m
Employees: 3,112
Branches: 114

Romania
Customers: 3.2m
Employees: 7,241
Branches: 510

Austria
Customers: 3.6m
Employees: 16,385
Branches: 900

Croatia
Customers : 1.2m
Employees : 3,215
Branches: 149

Serbia
Customers: 0.5m
Employees: 1,095
Branches: 85

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		Focus on CEE, limited exposure to other Europe		
Retail banking	**Corporate banking**	**Capital markets**	**Public sector**	**Interbank business**
Focus on local currency mortgage and consumer loans funded by local deposits FX loans only in EUR for clients with EUR income (or equivalent) and where funded by local FX deposits (HR & RS) Savings products, asset management and pension products Expansion of digital banking offering	Large, local corporate and SME banking Advisory services, with focus on providing access to capital markets and corporate finance Real estate business that goes beyond financing	Focus on customer business, 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	Financing sovereigns and municipalities with focus on infrastructure development in core markets Any sovereign holdings are only held for market-making, liquidity or balance sheet management reasons	Focus on banks that operate in the core markets Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

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

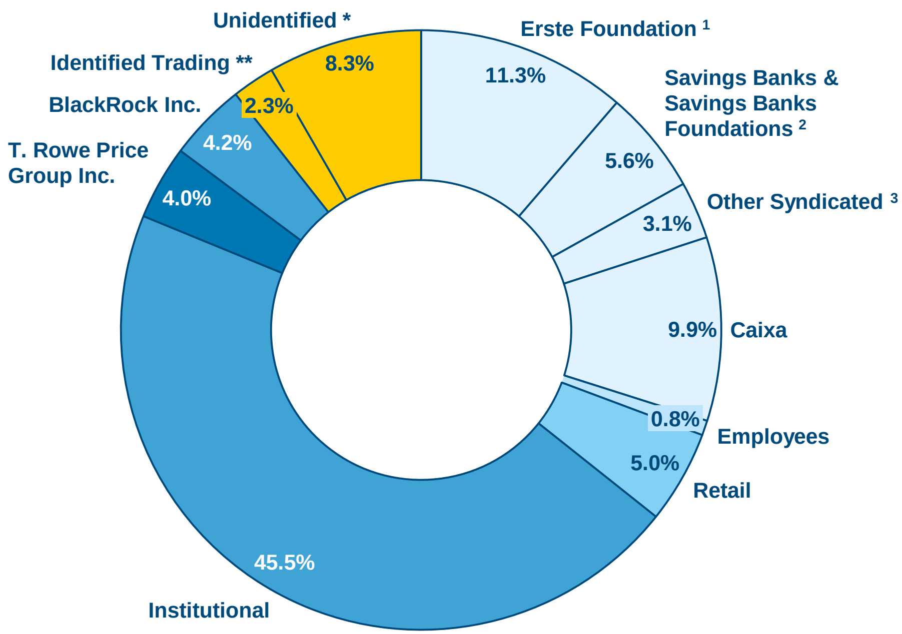
A- Stable / F1

Status as of 30 April 2018

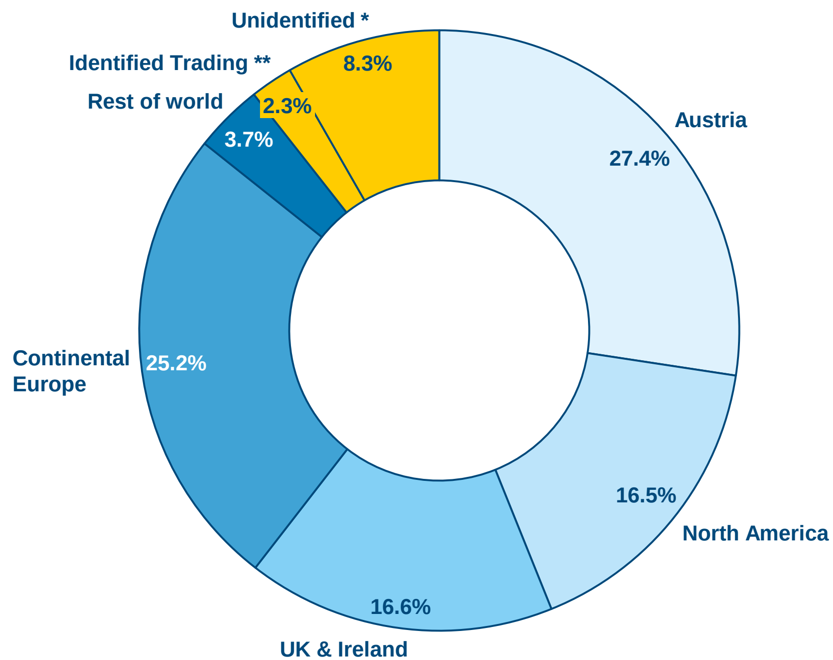
ERSTE Group

Additional information: shareholder structure –
Total number of shares: 429,800,000

By investor



By region



[1] Economic interest Erste Foundation, including Erste Employees Private Foundation
[2] Economic interest Savings Banks & Savings Banks Foundations
[3] Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank
* 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 30 October 2018

ERSTE Group

Investor relations details

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

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

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

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