Erste Group investor presentation
Q2 19 results

31 July 2019

Operating profit reaches highest level in 5 years on strong macro backdrop

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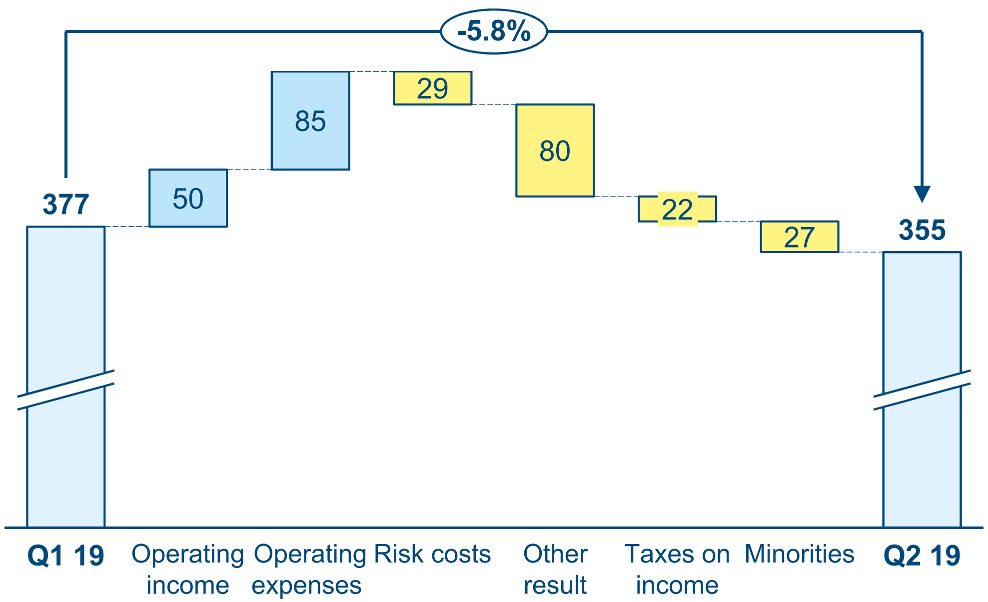
Presentation topics

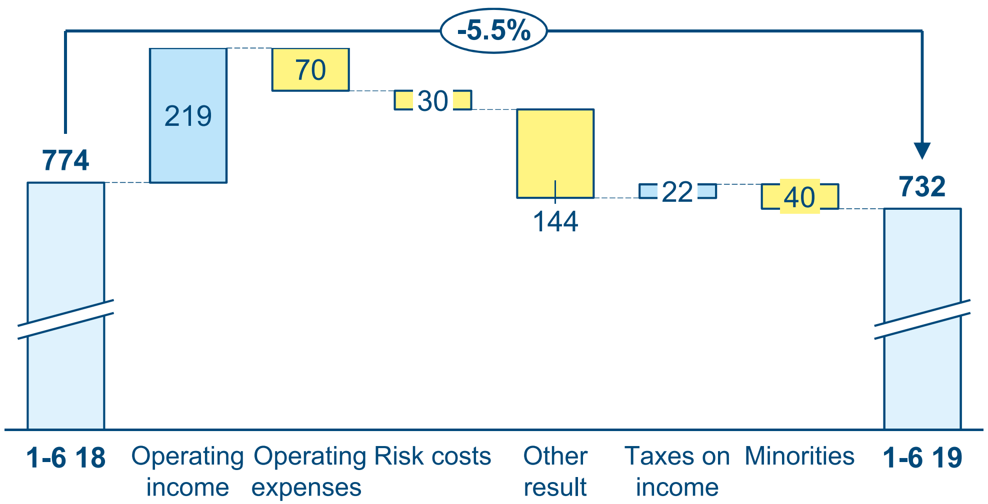
- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- Outlook
- Additional information

Executive summary –
Group income statement performance

QoQ net profit reconciliation (EUR m)



YoY net profit reconciliation (EUR m)

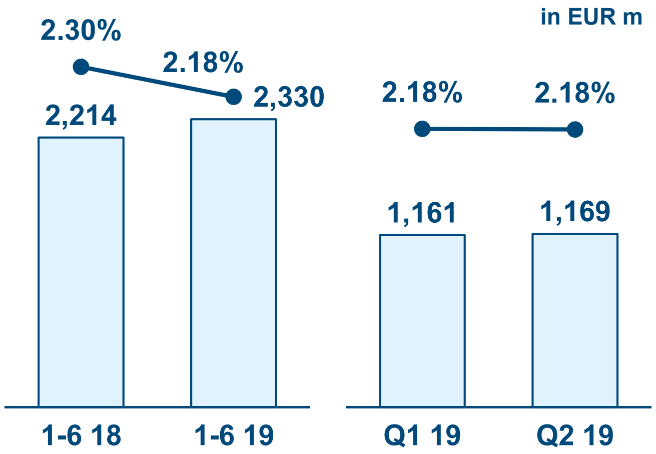


- Q2 19 net result at 355m: strong operating performance could not offset negative impact in other result following RO high court decision (EUR 150.8m provisions booked for RO building society)
- Operating income improved in all major components, particularly strong in trading/FV result due to interest rate moves
- Positive development of operating expenses due to booking of deposit insurance contributions in Q1 19

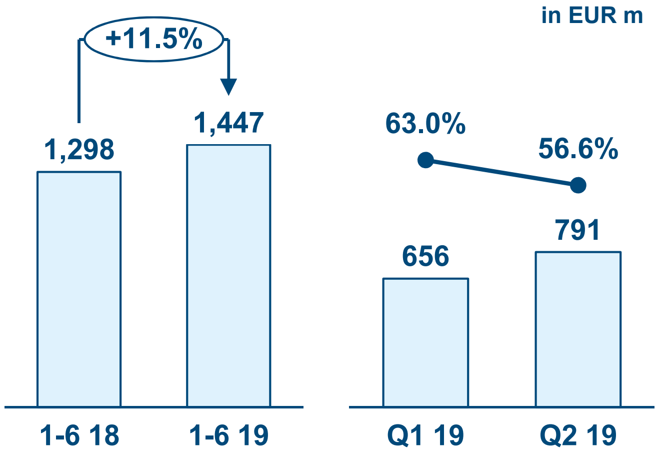
- Yoy net profit declines on booking of legal provisions in other result despite exceptionally strong operating income
- Increase in all major components of operating income: solid NII (+5.2%), fees up by 2.2%, exceptionally strong trading/FV result (+116.5%) on interest-rate driven valuations
- Operating expenses increased due to rise in personnel expenses (+3.2%); IFRS 16 implementation had marginally positive effect

Executive summary –
Key income statement data

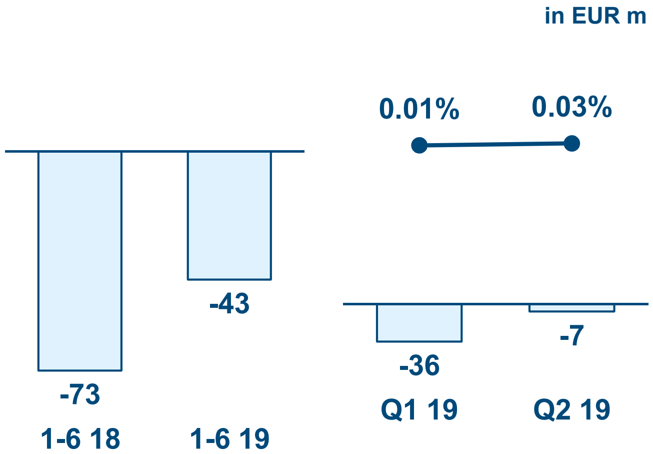
Net interest income & margin



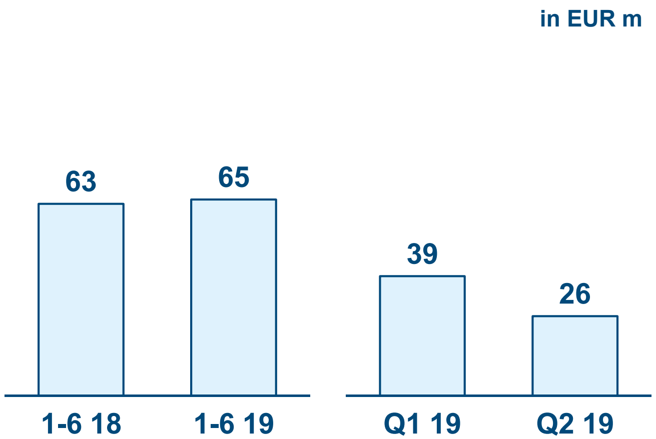
Operating result & cost/income ratio



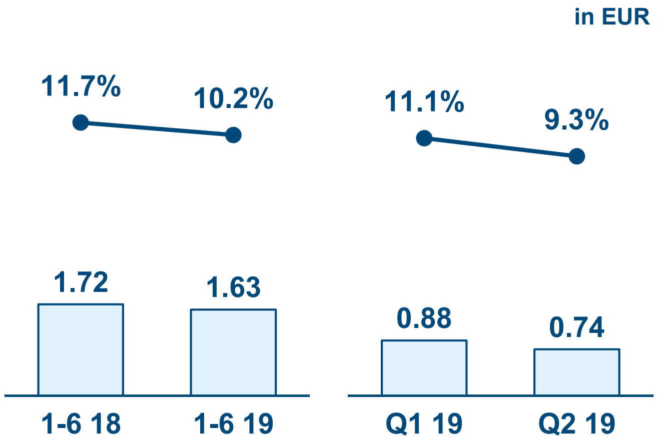
Cost of risk



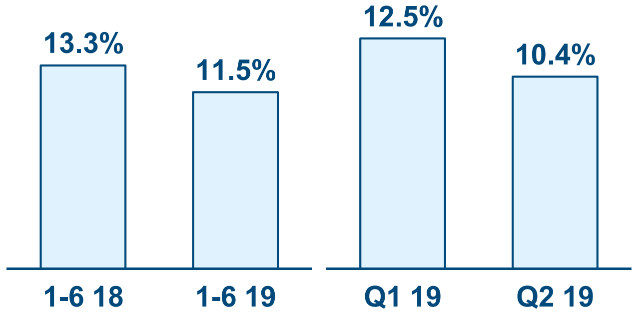
Banking levies



Reported EPS & ROE

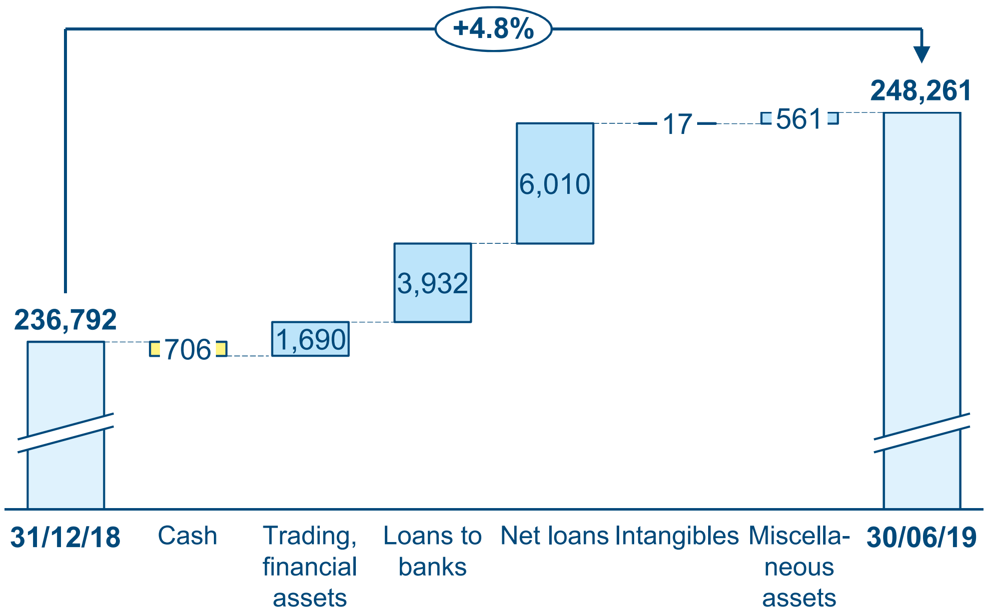


Return on tangible equity

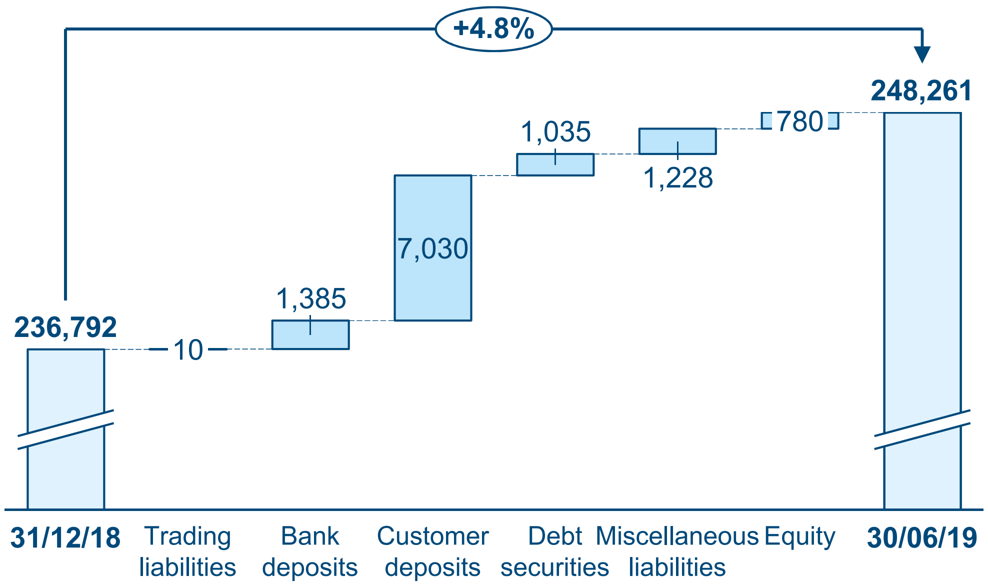


Executive summary –
Group balance sheet performance

YTD total asset reconciliation (EUR m)



YTD equity & total liability reconciliation (EUR m)



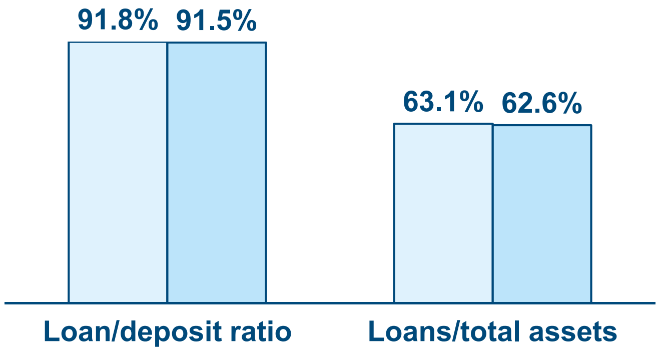
- Total assets continued to rise in Q2 19, mainly driven by interbank business (+20.6%), particularly in the Czech Republic and Holding, and customer loans (+4.0%)
- Decline in cash position correlated to increase in interbank assets
- Shift from cash to interbank assets also contributed to rise in interest bearing assets (YE18: EUR 210bn, June 19: EUR 221bn)

- Total liability growth mainly driven by a continuation of rising customer deposits (+4.3%) and bank deposits (+7.8%)
- Growing customer deposits result in a loan/deposit ratio of 91.5% (YE18: 91.8%)
- Increase in equity mainly attributable to the issuance of AT1 instruments (+EUR 497m) in Q1 19

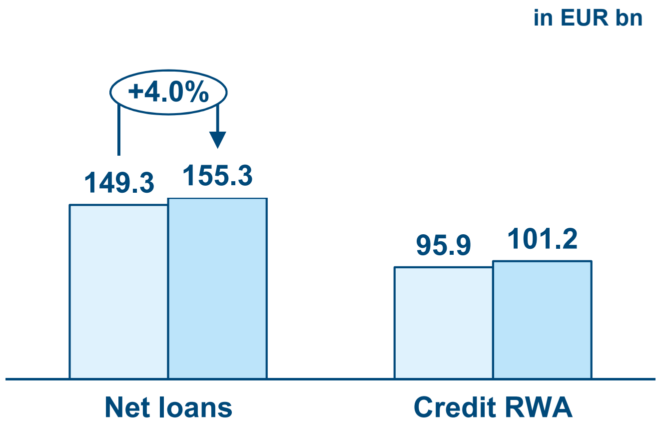
Executive summary –
Key balance sheet data

31/12/18
30/06/19

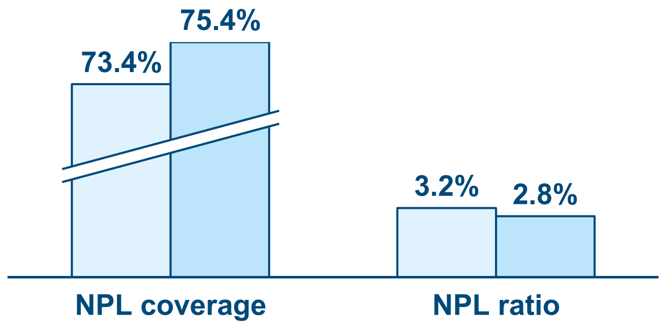
Loan/deposit & loan/TA ratio



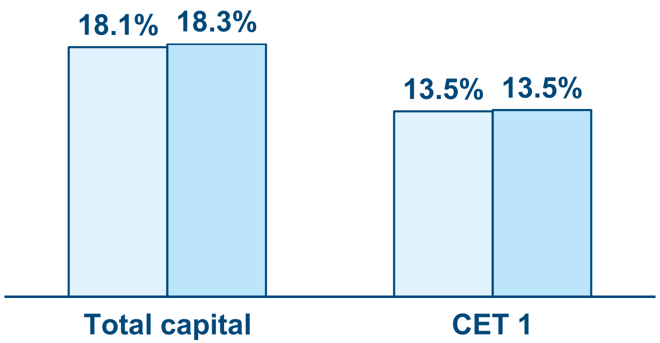
Net loans & credit RWA



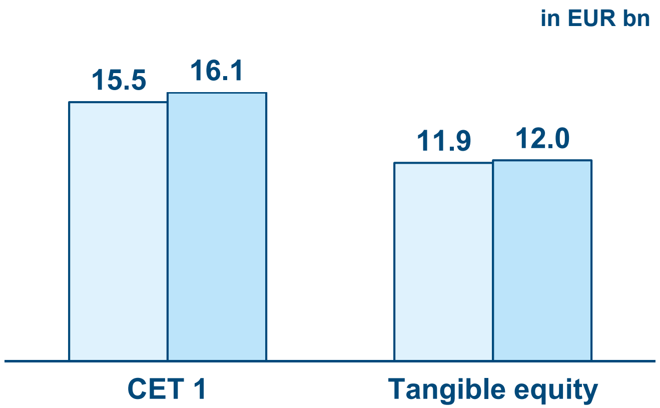
NPL coverage ratio & NPL ratio



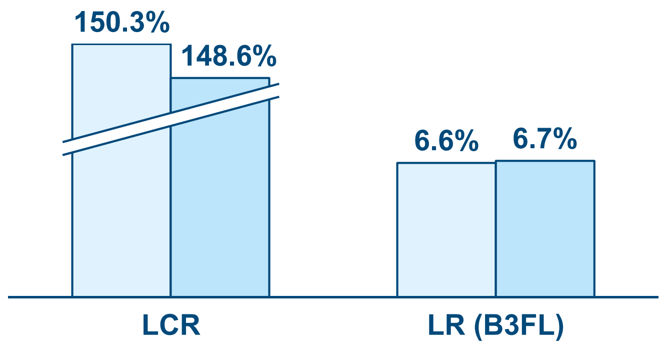
B3FL capital ratios



B3FL capital & tangible equity[1]



Liquidity coverage & leverage ratio[2]



1) Based on shareholders' equity, not total equity

2) Pursuant to Delegated Act

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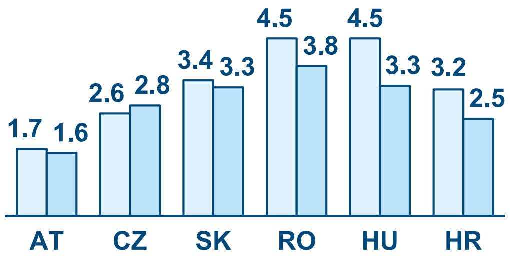
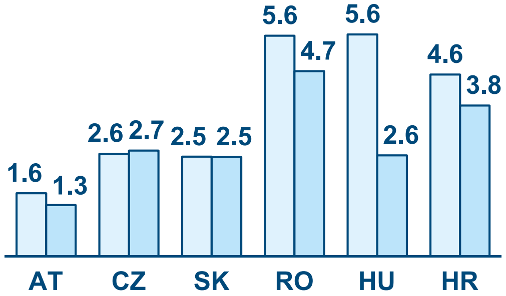
Business environment –
Economic outlook improved for 2019-2020

2019
2020

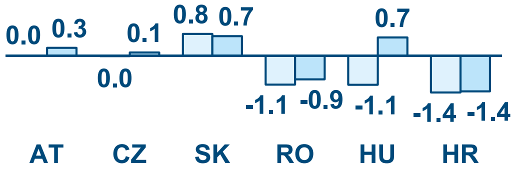
Real GDP growth (in %)



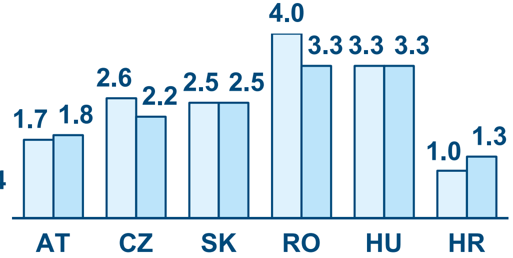
Dom. demand contribution* (in %)



Net export contribution* (in %)

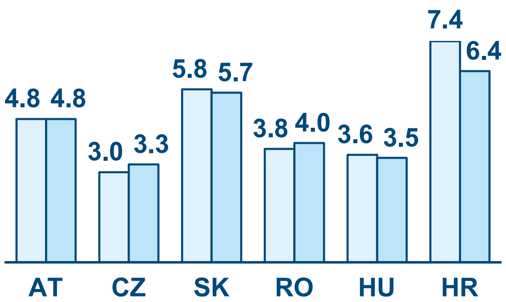


Consumer price inflation (avg, in %)

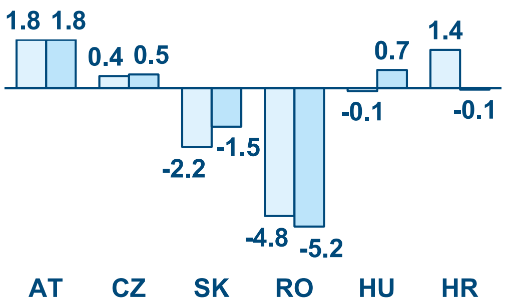


- Erste Group's core CEE markets expected to grow by about 3-4% in 2019
  - Domestic demand is expected to remain the main driver of economic growth
  - Consumption is supported by improving labour markets and significant wage increases across the region

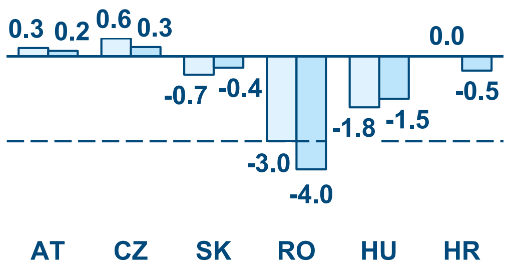
Unemployment rate (avg, in %)



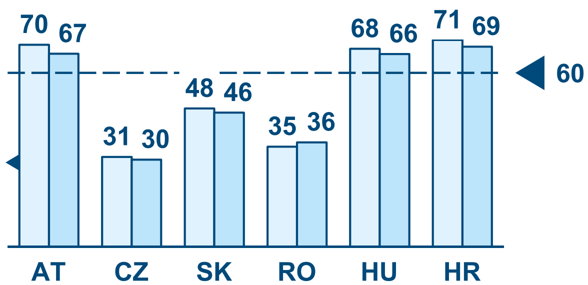
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)



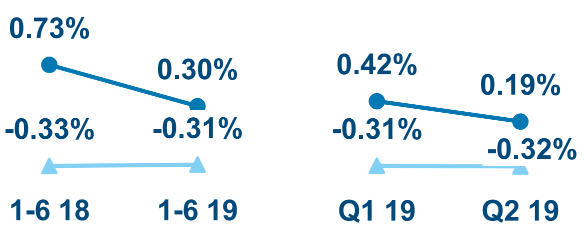
- Solid public finances across Erste Group's core CEE markets: almost all countries fulfill Maastricht criteria
- Sustainable current account balances, supported by competitive economies with decreasing unemployment rates

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

Business environment –
CZ has increased key policy rate in eight steps to 2.0% since August 2017

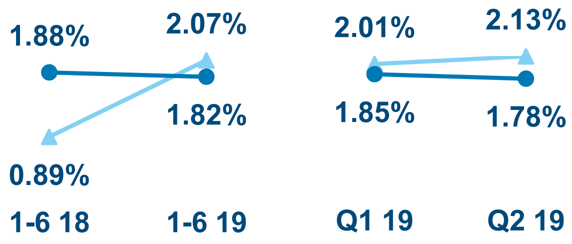
3M Interbank
10YR GOV

Austria



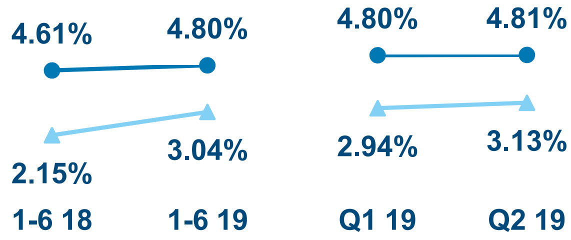
- ECB cut discount rate to zero in March 16
- Maintains expansionary monetary policy stance, despite tapering announcement

Czech Republic



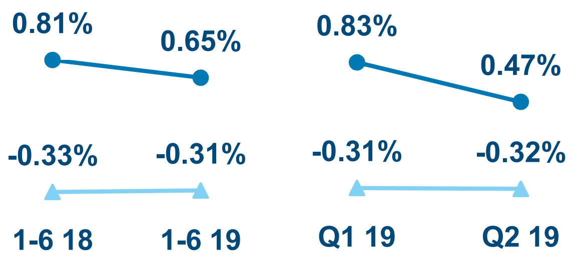
- National bank has increased its benchmark rate in eight steps from historic low of 0.05% to 2.00% since August 2017

Romania



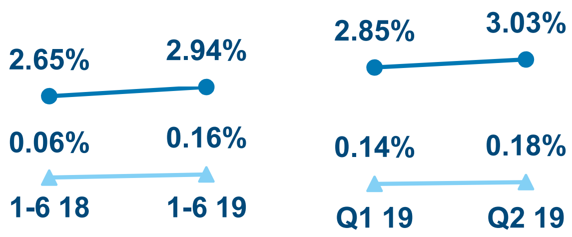
- Central bank increases policy rate from historic low of 1.75% to 2.50% in January, February and May 2018

Slovakia



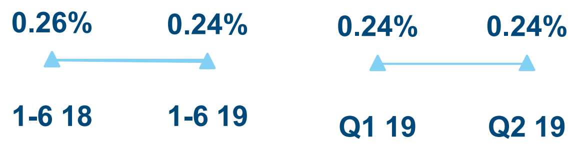
- As part of euro zone ECB rates are applicable in SK

Hungary



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

Croatia

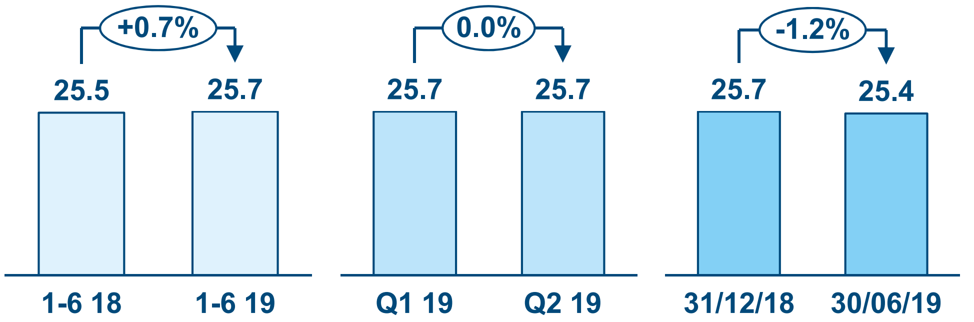


- Central bank maintains discount rate at 3.0% since 2015

Source: Bloomberg, Reuters for SK 10Y.

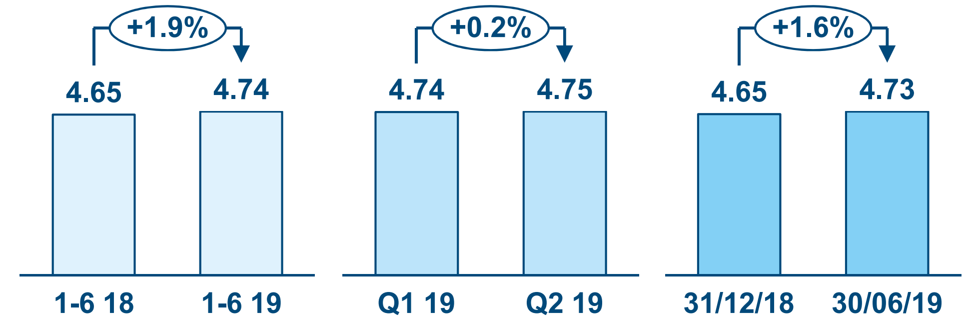
Business environment –
CEE currencies remain remarkably stable versus the euro

EUR/CZK



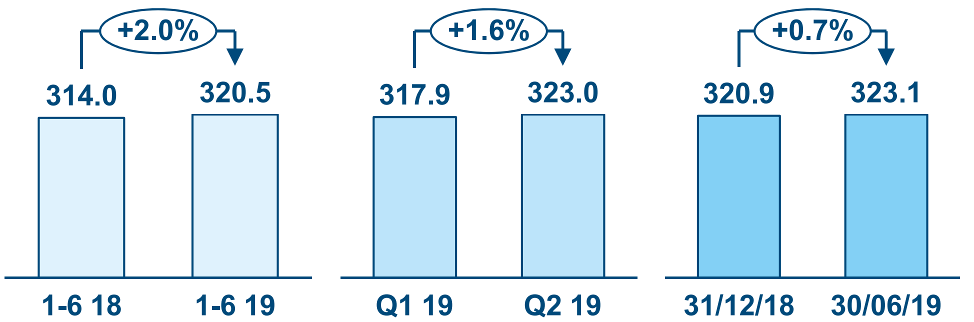
- Czech National Bank ended its currency peg in April 17; benchmark rate increased further to 2.00% in May 2019

EUR/RON



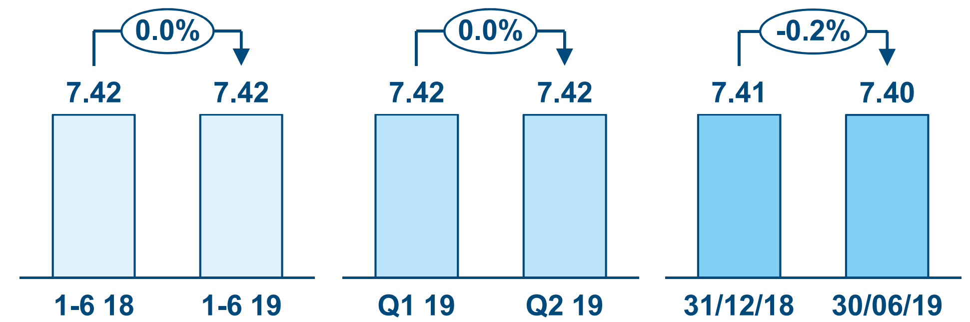
- RON depreciated slightly amid political volatility; policy rate raised to 2.50% in May 2018

EUR/HUF



- HUF depreciated slightly due to expansionary monetary policy

EUR/HRK



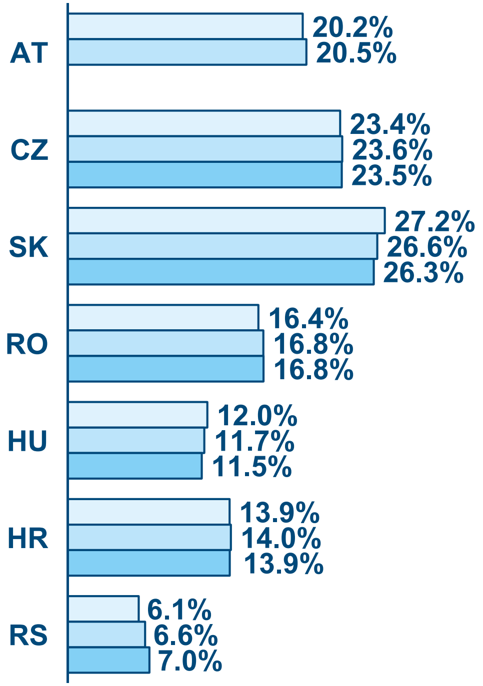
- Croatian National Bank continues to manage HRK in tight range

Source: Bloomberg

Business environment –
Austria, Croatia and Serbia continue to gain market share

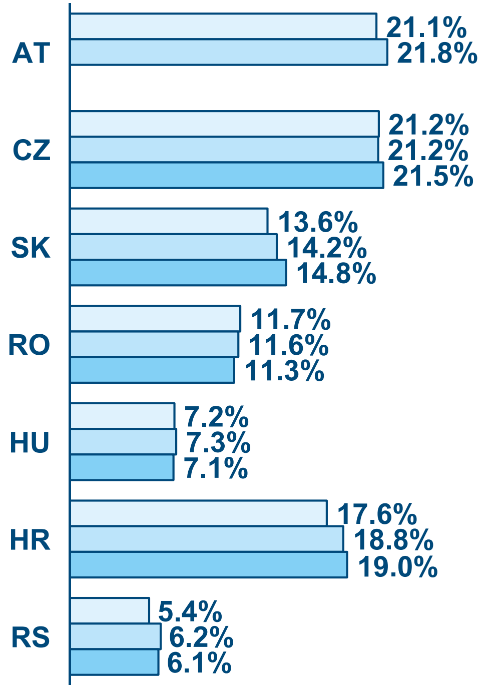
30/06/18
31/03/19
30/06/19

Gross retail loans



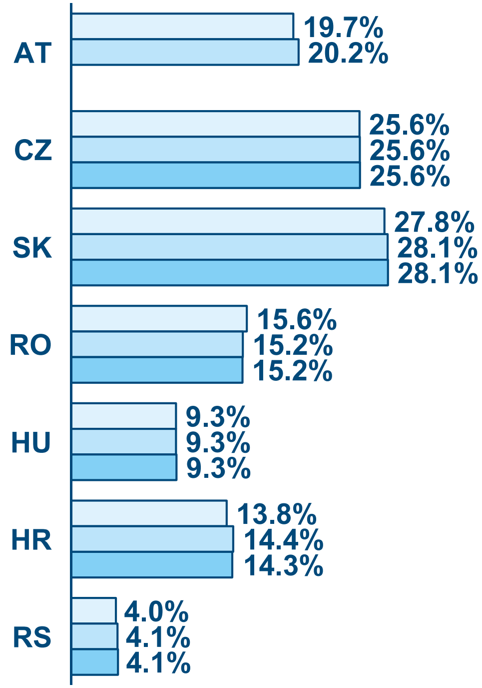
- CZ: stable market shares in growing markets
- RO: increasing yoy market shares despite restrictive lending standards
- SK: declining market shares due to aggressive pricing by some of the smaller competitors

Gross corporate loans



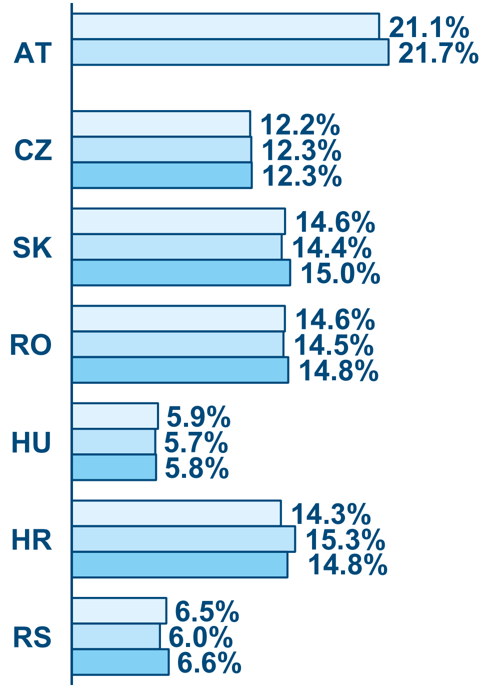
- SK: increasing market share in both SME and large corporate segments
- RO: market share decline mainly due to early repayments
- HR: market share increase driven by strong SME business

Retail deposits



- Continued inflows in all markets despite low interest rate environment
- Stable qoq market shares across the region

Corporate deposits



- Changes mainly due to normal quarterly volatility in corporate business

AT market shares for 30/06/2019 not yet available

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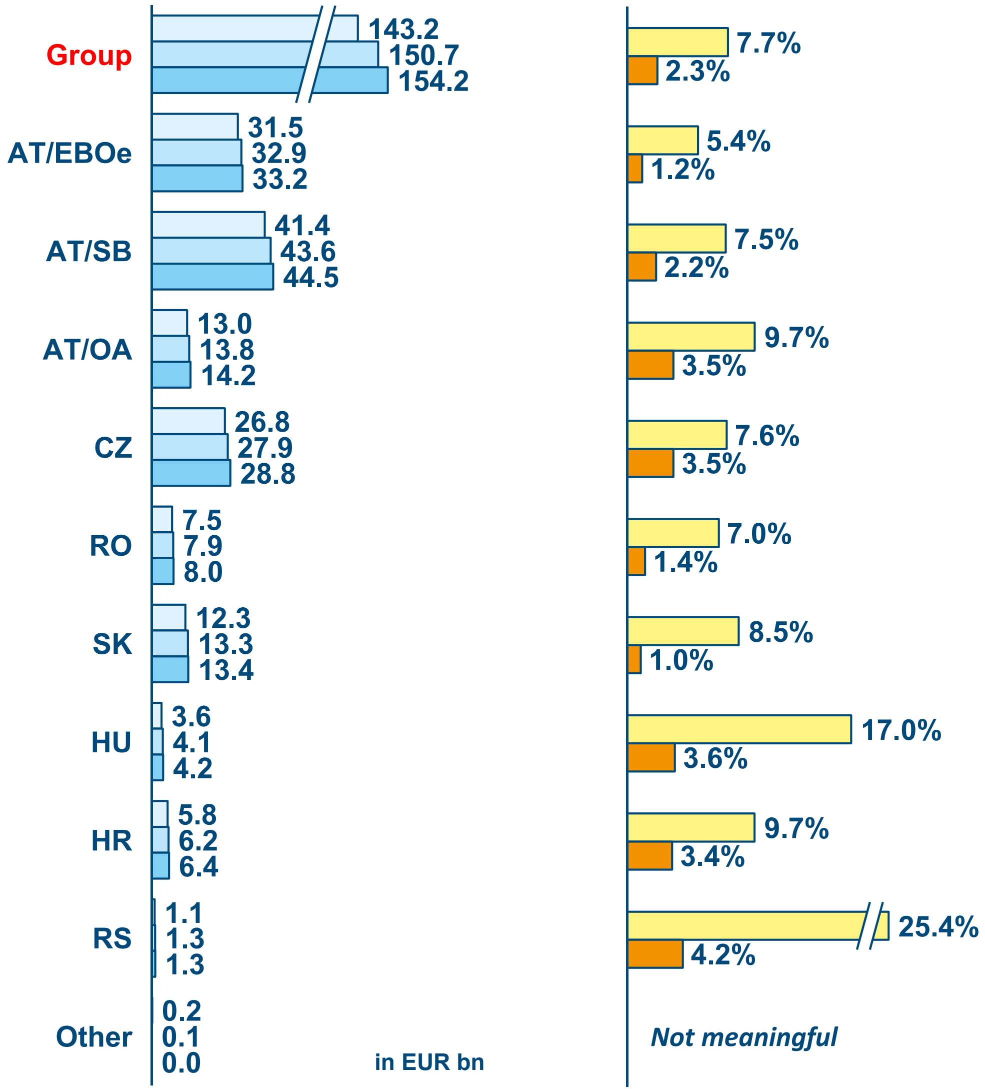
Presentation topics

Business performance: performing loan stock & growth –
Performing loans continue to grow across all geographies

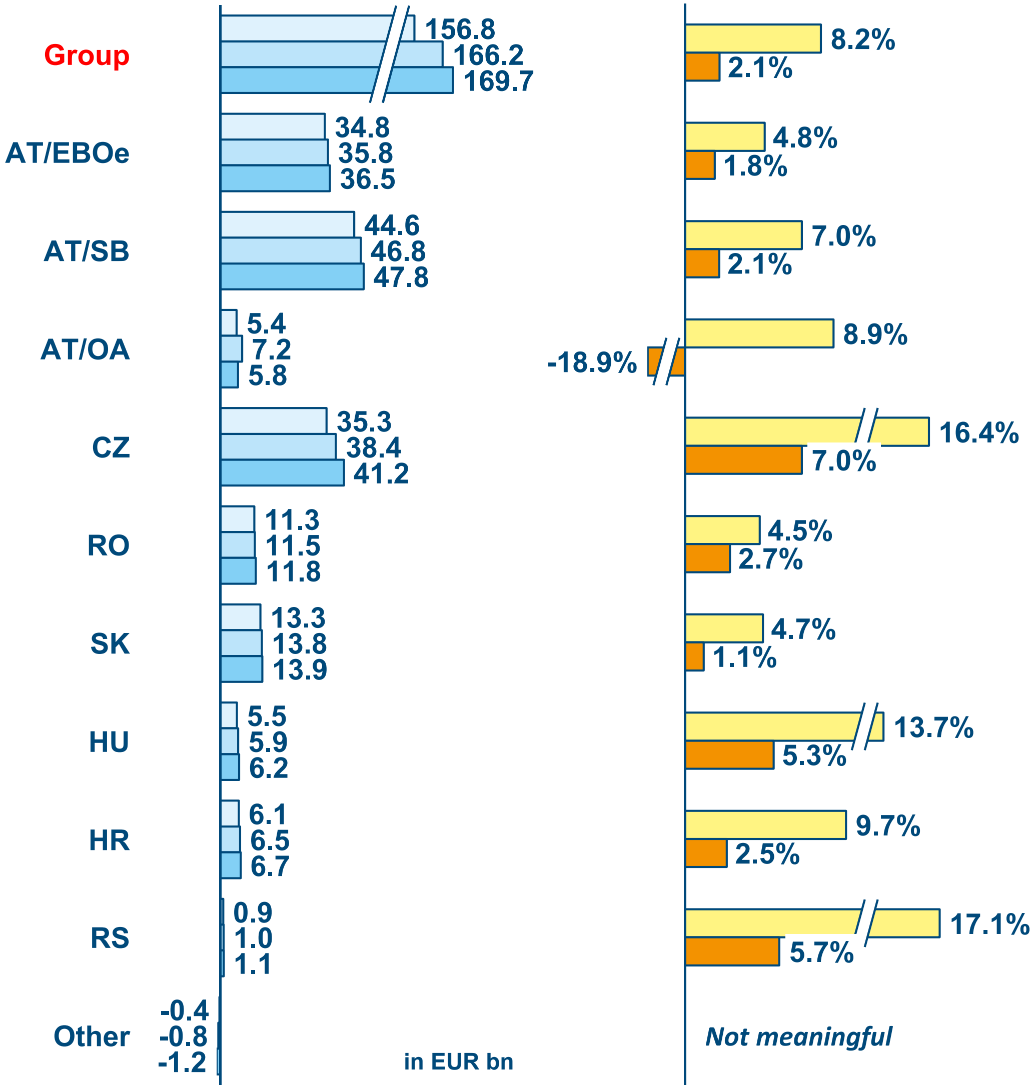


- Rising performing loan volume trend continued in Q2 19 across all geographies
- Yoy development driven by Corporates (+11.1%) and Retail (+6.2%), while Group Markets declines
- Qoq growth equally attributable to Corporates (+2.9%) and Retail (+2.3%); Group Markets declines

- Year-on-year segment trends:
  - Continued growth across all segments in line with favourable economic fundamentals
  - HU: exceptional growth in Corporates (+26.2%), accompanied by strong increase in Retail (+11.3%)
  - AT/OA: growth drivers within Corporates are Commercial Real Estate and Group Large Corporates
  - HR: Corporates (+10.9%) grow more visibly than Retail (+9.2%)

- Quarter-on-quarter segment trends:
  - HU: Corporates grow by 5.7%, Retail by 2.6%
  - HR: relatively balanced growth between Retail (+3.0%) and Corporates (+2.4%)
  - CZ: increase in Corporates (+4.2%) more pronounced than in Retail (+3.1%)

Business performance: customer deposit stock & growth –
Deposit build-up continues in Q2 19

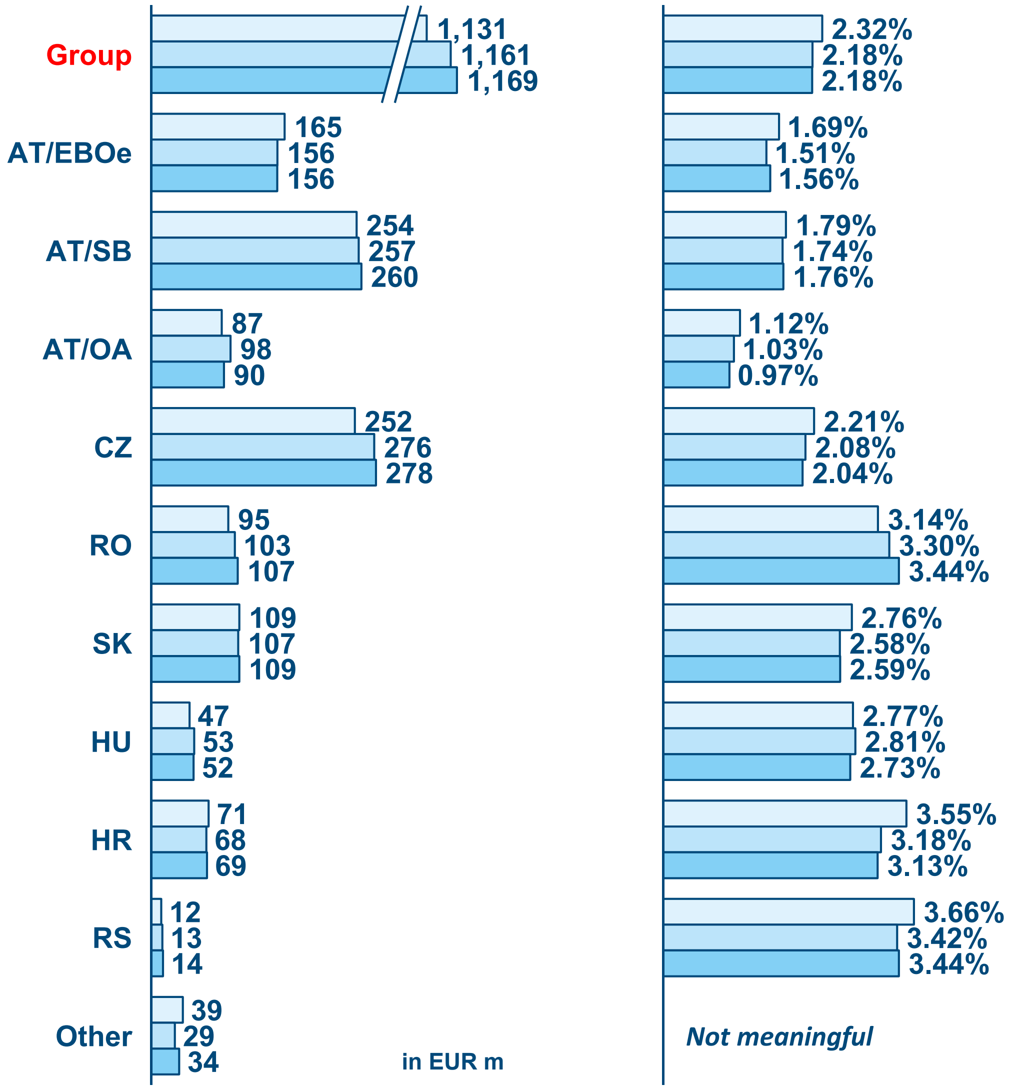


- Continuation of exceptional deposit growth across all geographies despite zero/low interest rate environment as retail and corporate clients park cash in overnight accounts
- Yoy growth in absolute terms mainly driven by Retail segment (+EUR 5.6bn) followed by Corporates (+EUR 3.2bn) and Group Markets (+EUR 1.9n); strong contribution from Savings Banks (+EUR 3.1bn)
- Qoq increase across all geographies (except AT/OA)

- Year-on-year segment trends:
  - CZ: continued strong deposit inflow both in Corporates (+36.1%) and Retail (+9.0%)
  - HU: growth driven by Group Markets (15.0%) and Retail (+12.1%), solid contribution from Corporates (+7.1%)
  - RS: growth in Corporates (+24.5%) more pronounced than in Retail (+16.0%)

- Quarter-on-quarter segment trends:
  - AT/OA: lower customer deposits in the Holding (foreign branches)
  - CZ: increase in deposits mainly due to Corporates (+24.3%)
  - HR: exceptional growth, from a low base, in Group Markets (+101.9%) with solid contribution from Corporates (6.9%)

Business performance: NII and NIM –
NII increases 3.3% yoy but growth momentum decelerates



- Yoy NII growth (+3.3%) mainly due to Corporates (esp. geographical segment CS), solid contribution from Retail and Savings Banks; NIM decline due to expanded balance sheet
- Qoq development reflects stronger NII in Retail and Corporates as well as decline in Group Markets (mainly in the Holding)

- Year-on-year segment trends:
  - CZ: higher rates and volumes push NII up; decline in NIM mainly related to technical effect of shifting cash to interbank assets, ie overnight CNB facility to 2-week repo
  - RO: NII rises mainly on the back of increased market interest rates
  - AT/EBOe: decline in NII despite volume growth in Retail and Corporates due to positive one-off booked in sBausparkasse in Q2 18
- Quarter-on-quarter segment trends:
  - AT/OA: decline in NII mainly on shrinking margins for repo transactions and lower MM placements in Holding Group Markets
  - RO: NII improves on lower interest expense on long-term funding and subordinated capital

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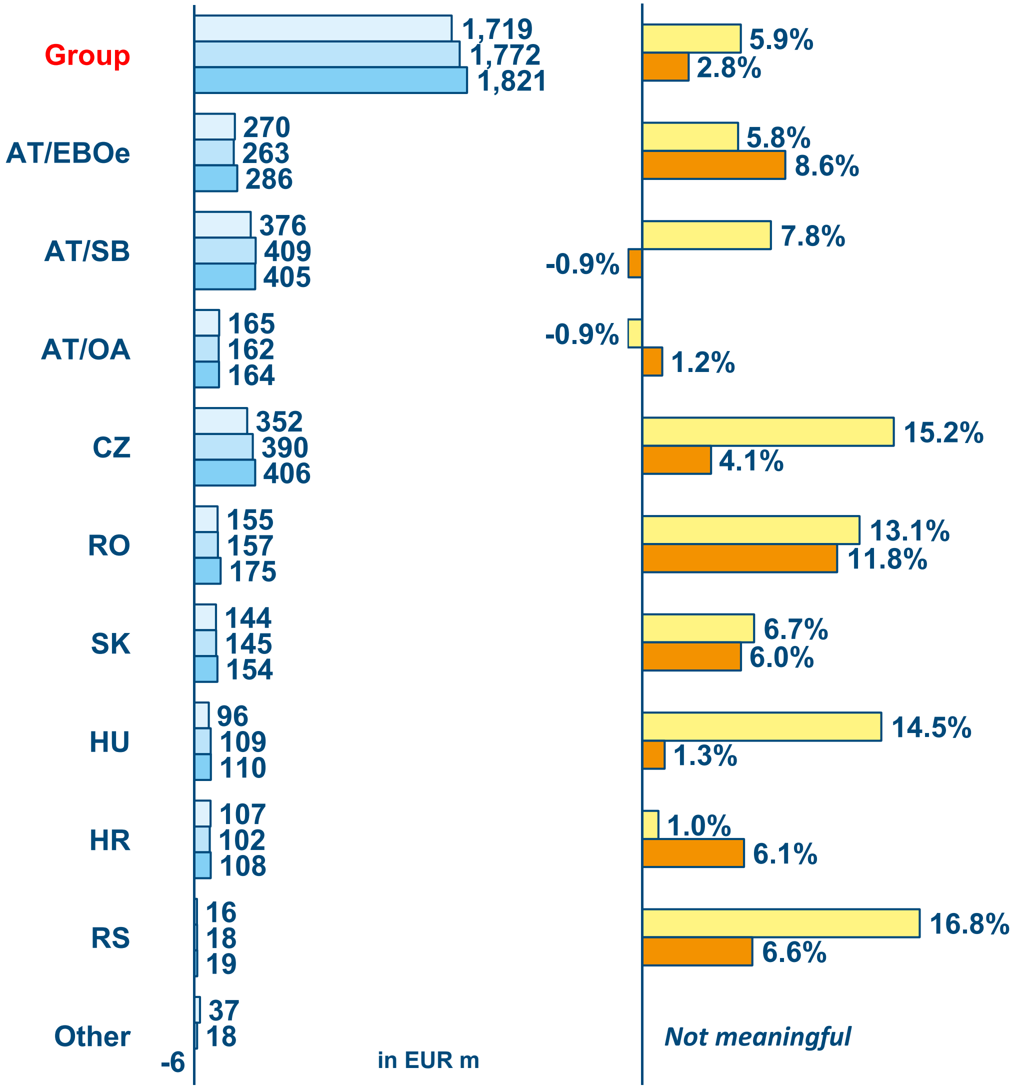
Business performance: operating income –
All major components contribute to operating income growth



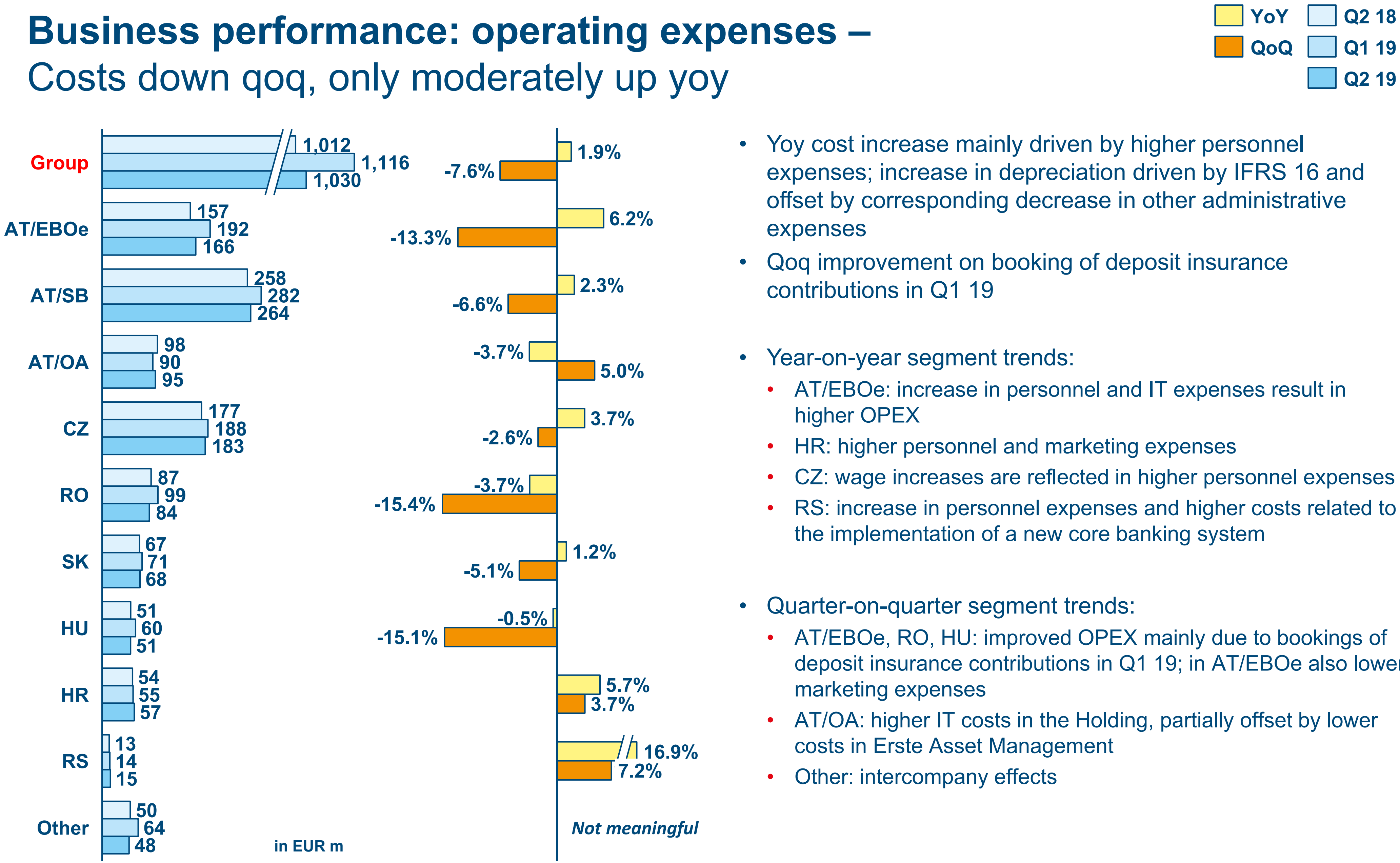
- Yoy up in most segments on the back of good macro environment; exceptionally strong rise in net trading and FV result due to valuation effects following the interest rate development in the first half 2019
- Qoq improvement mainly driven by net trading and FV result and dividend income

- Year-on-year segment trends:
  - CZ: operating income mainly driven by strong NII growth and solid net trading and FV result on valuation effects
  - HU: increase in all operating income components, mainly NII
  - RO: rising NII and improved net trading and FV result
  - RS: positive development mainly on strong NII

- Quarter-on-quarter segment trends:
  - RO: up mainly on net trading and FV result, increases in all operating income components
  - AT/EBOe: net trading and FV result improve on valuation effects, solid dividend income in Q2
  - SK: increase in all operating income components, most pronounced in fees and net trading and FV result
  - HR: rising major operating income components, particularly fee income

Business performance: operating expenses –

Costs down qoq, only moderately up yoy

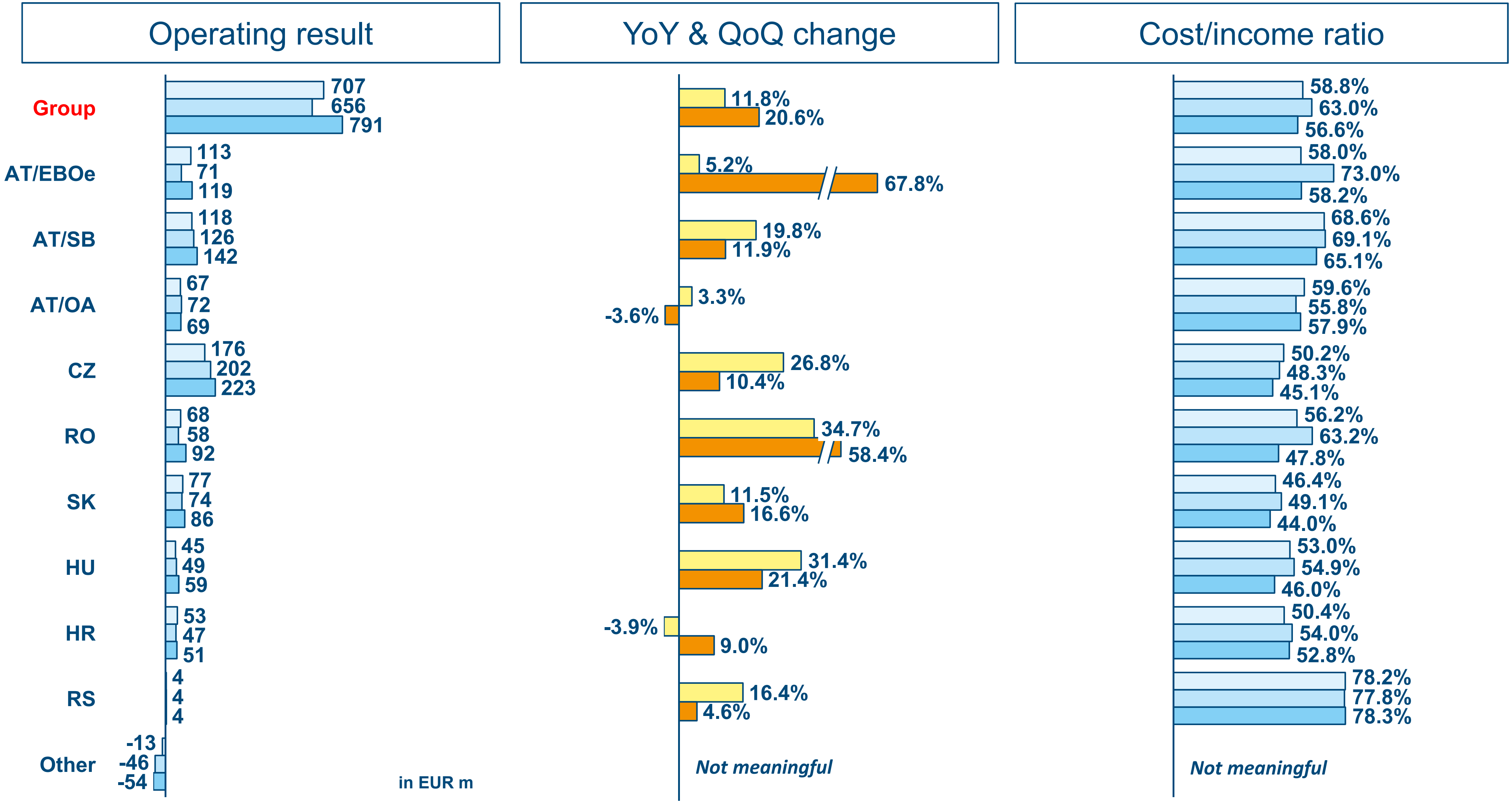


- Yoy cost increase mainly driven by higher personnel expenses; increase in depreciation driven by IFRS 16 and offset by corresponding decrease in other administrative expenses
- Qoq improvement on booking of deposit insurance contributions in Q1 19

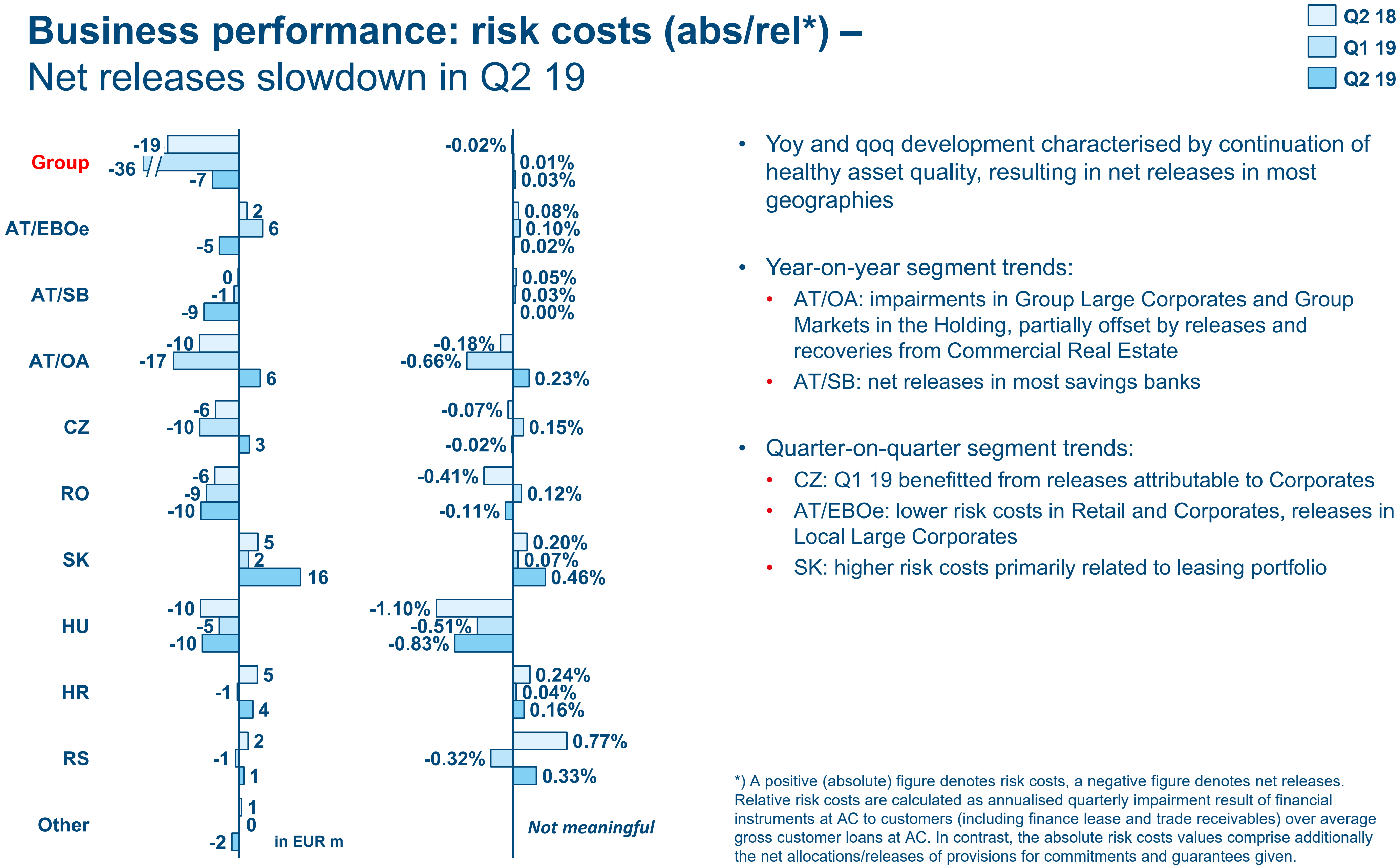
- Year-on-year segment trends:
  - AT/EBOe: increase in personnel and IT expenses result in higher OPEX
  - HR: higher personnel and marketing expenses
  - CZ: wage increases are reflected in higher personnel expenses
  - RS: increase in personnel expenses and higher costs related to the implementation of a new core banking system

- Quarter-on-quarter segment trends:
  - AT/EBOe, RO, HU: improved OPEX mainly due to bookings of deposit insurance contributions in Q1 19; in AT/EBOe also lower marketing expenses
  - AT/OA: higher IT costs in the Holding, partially offset by lower costs in Erste Asset Management
  - Other: intercompany effects

Business performance: operating result and CIR –
Operating income up 5.9% yoy, operating expenses 1.9%



Business performance: risk costs (abs/rel*) –
Net releases slowdown in Q2 19

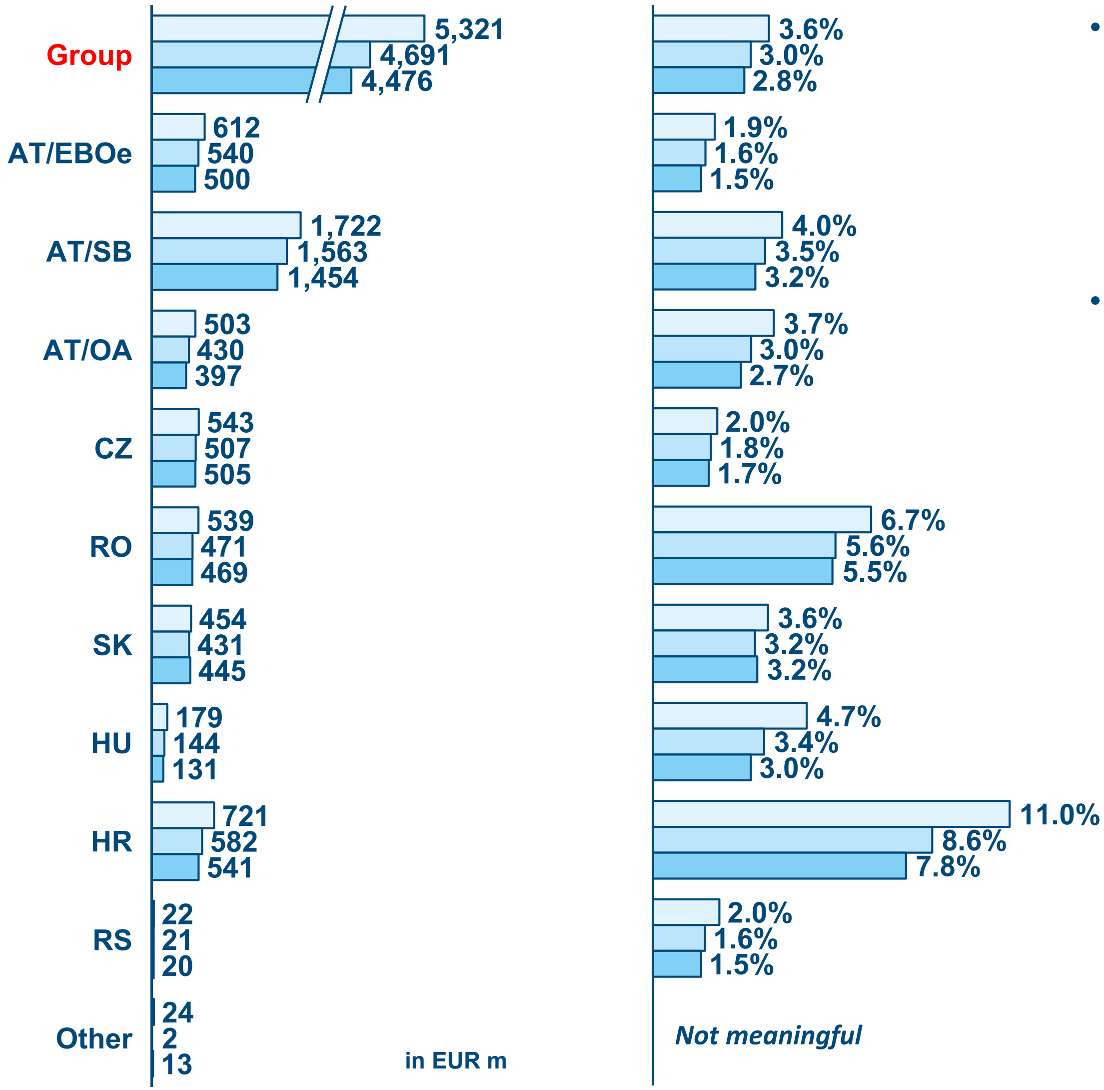


- Yoy and qoq development characterised by continuation of healthy asset quality, resulting in net releases in most geographies
- Year-on-year segment trends:
  - AT/OA: impairments in Group Large Corporates and Group Markets in the Holding, partially offset by releases and recoveries from Commercial Real Estate
  - AT/SB: net releases in most savings banks
- Quarter-on-quarter segment trends:
  - CZ: Q1 19 benefitted from releases attributable to Corporates
  - AT/EBOe: lower risk costs in Retail and Corporates, releases in Local Large Corporates
  - SK: higher risk costs primarily related to leasing portfolio

*) A positive (absolute) figure denotes risk costs, a negative figure denotes net releases. Relative risk costs are calculated as annualised quarterly impairment result of financial instruments at AC to customers (including finance lease and trade receivables) over average gross customer loans at AC. In contrast, the absolute risk costs values comprise additionally the net allocations/releases of provisions for commitments and guarantees given.

Business performance: non-performing loans and NPL ratio – NPL ratio improves further to 2.8%

30/06/18
31/03/19
30/06/19

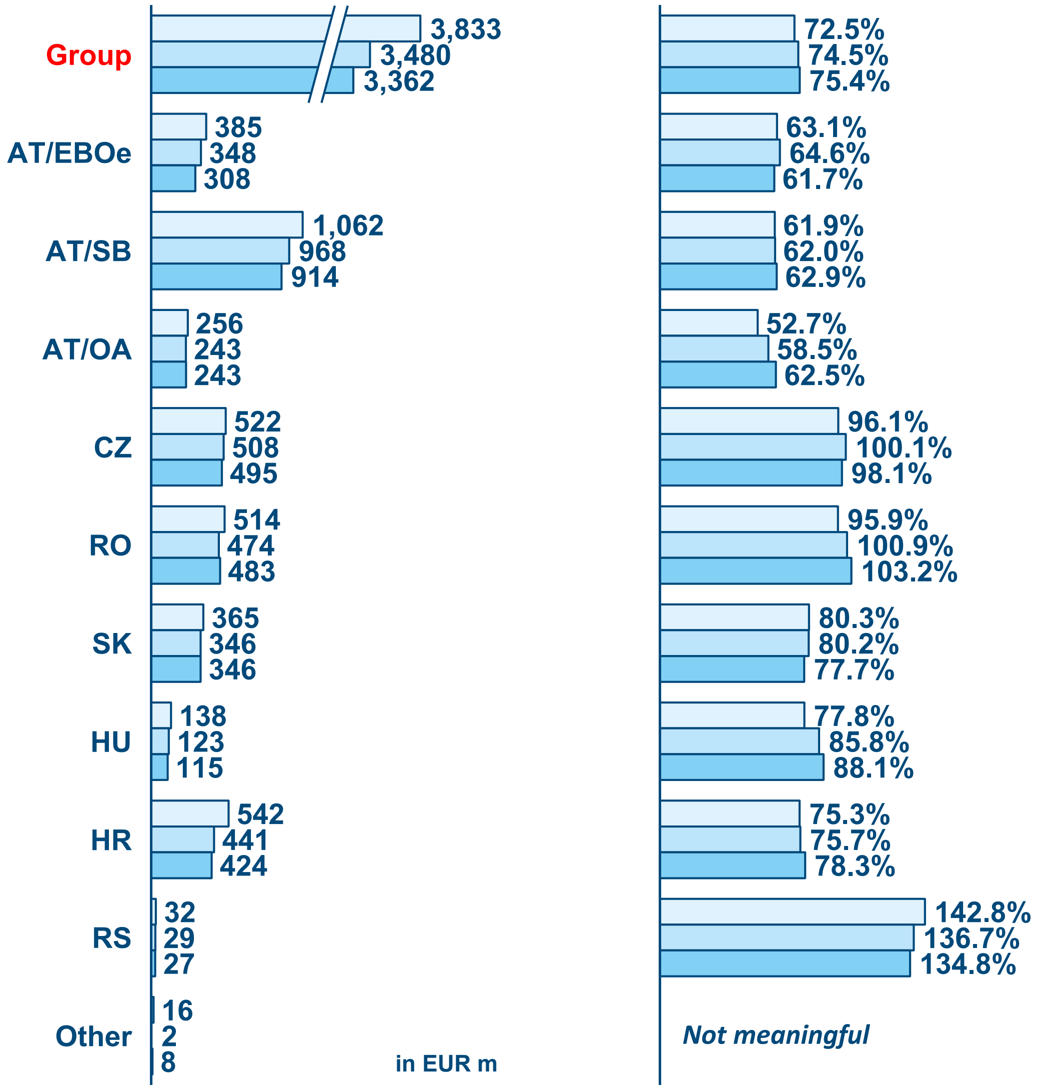


- NPL volume declines qoq by EUR 0.2bn to EUR 4.5bn in Q2 19 concurrent with loan growth leading to the NPL ratio improvement. NPL volume development was supported by:
  - High recoveries, upgrades and write-offs
  - Gross new inflows at a stable low level
- NPL sales of EUR 34.1m in Q2 19 (Q1 19: EUR 43.3m)
  - Retail: EUR 28.0m (Q1 19: EUR 40.1m)
  - Corporates: EUR 6.2m (Q1 19: EUR 3.3m)
  - Q2 19 NPL sales mainly in Slovakia

ERSTE Group

Business performance: allowances for loans and NPL coverage – NPL coverage rises to 75.4%

30/06/18
31/03/19
30/06/19

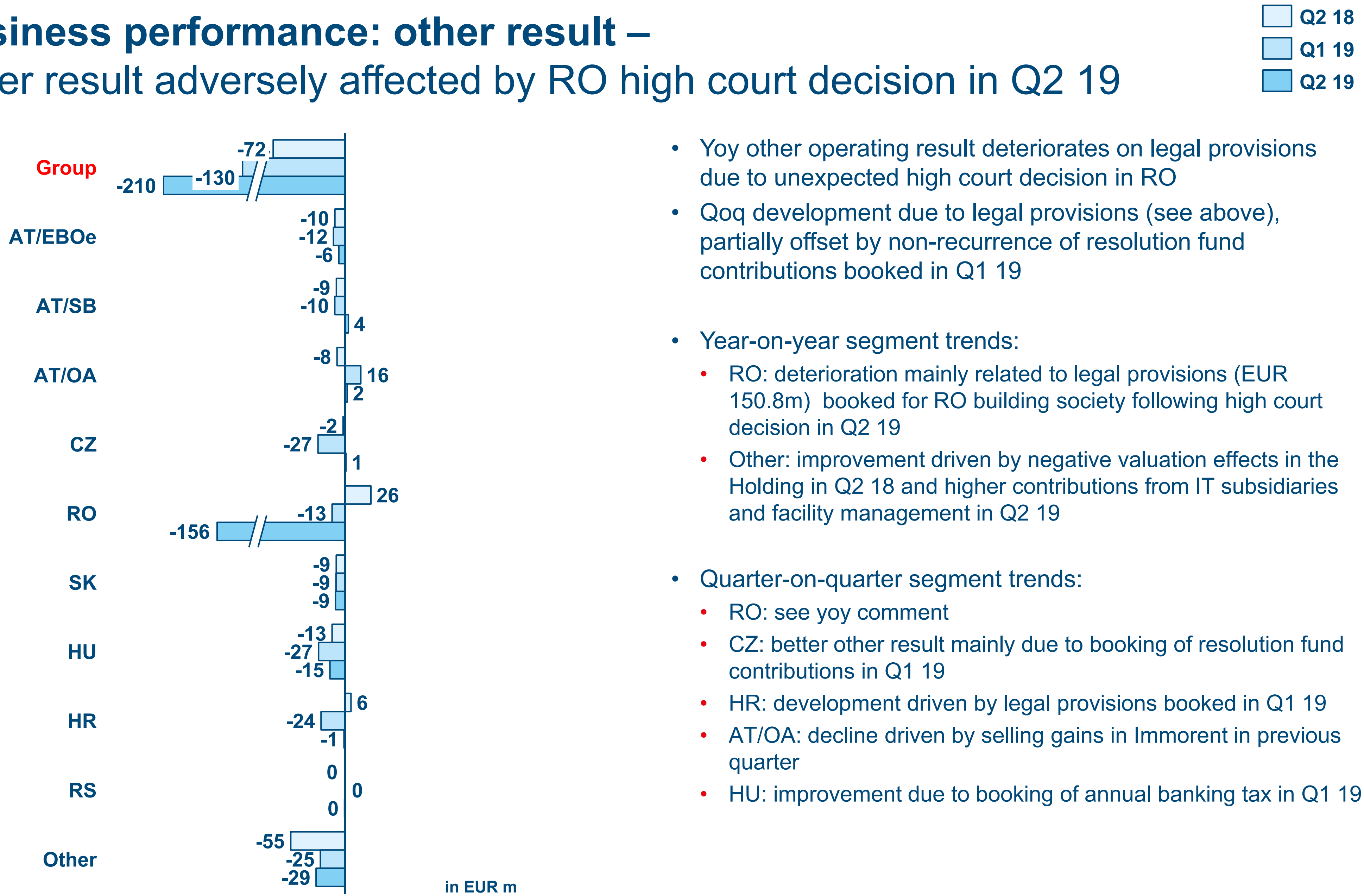


- NPL coverage rises yoy and qoq, exceptionally strong in Central & Eastern Europe
- Stock of provisions and stock of NPLs declined further

- Year-on-year segment trends:
  - AT/OA, HU, HR: reduction in NPLs at an accelerated pace compared to provisions result in higher coverage
  - No material changes in other markets; excellent macro backdrop allows for release of provisions in most markets

- Quarter-on-quarter segment trends:
  - AT/EBOe: write-offs result in lower coverage
  - In CEE, except RO and SK, allowances decline in line with NPLs

Business performance: other result –
Other result adversely affected by RO high court decision in Q2 19



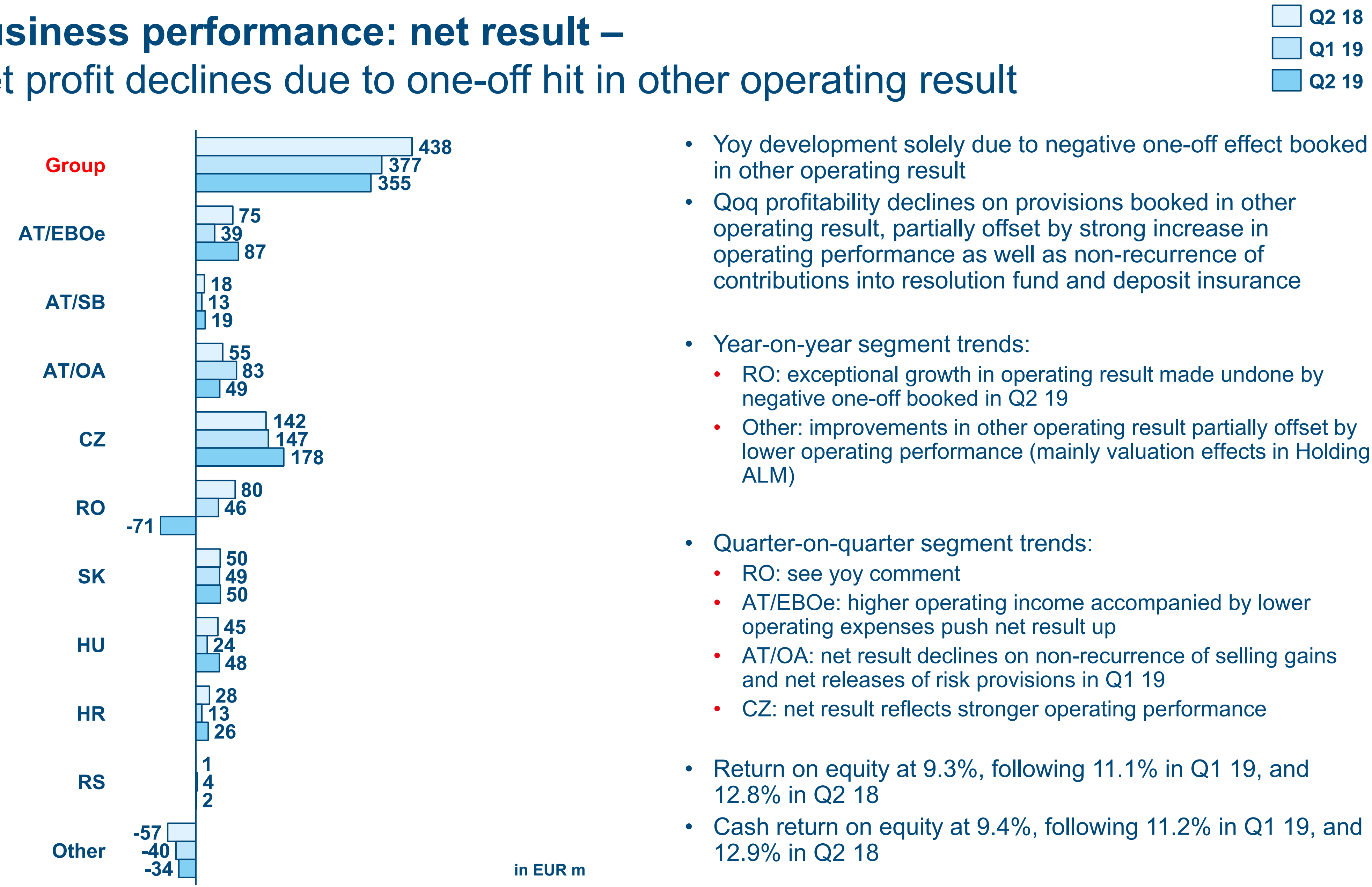
- Yoy other operating result deteriorates on legal provisions due to unexpected high court decision in RO
- Qoq development due to legal provisions (see above), partially offset by non-recurrence of resolution fund contributions booked in Q1 19

- Year-on-year segment trends:
  - RO: deterioration mainly related to legal provisions (EUR 150.8m) booked for RO building society following high court decision in Q2 19
  - Other: improvement driven by negative valuation effects in the Holding in Q2 18 and higher contributions from IT subsidiaries and facility management in Q2 19

- Quarter-on-quarter segment trends:
  - RO: see yoy comment
  - CZ: better other result mainly due to booking of resolution fund contributions in Q1 19
  - HR: development driven by legal provisions booked in Q1 19
  - AT/OA: decline driven by selling gains in Immorent in previous quarter
  - HU: improvement due to booking of annual banking tax in Q1 19

Business performance: net result –

Net profit declines due to one-off hit in other operating result



- Yoy development solely due to negative one-off effect booked in other operating result
- Qoq profitability declines on provisions booked in other operating result, partially offset by strong increase in operating performance as well as non-recurrence of contributions into resolution fund and deposit insurance

- Year-on-year segment trends:
  - RO: exceptional growth in operating result made undone by negative one-off booked in Q2 19
  - Other: improvements in other operating result partially offset by lower operating performance (mainly valuation effects in Holding ALM)

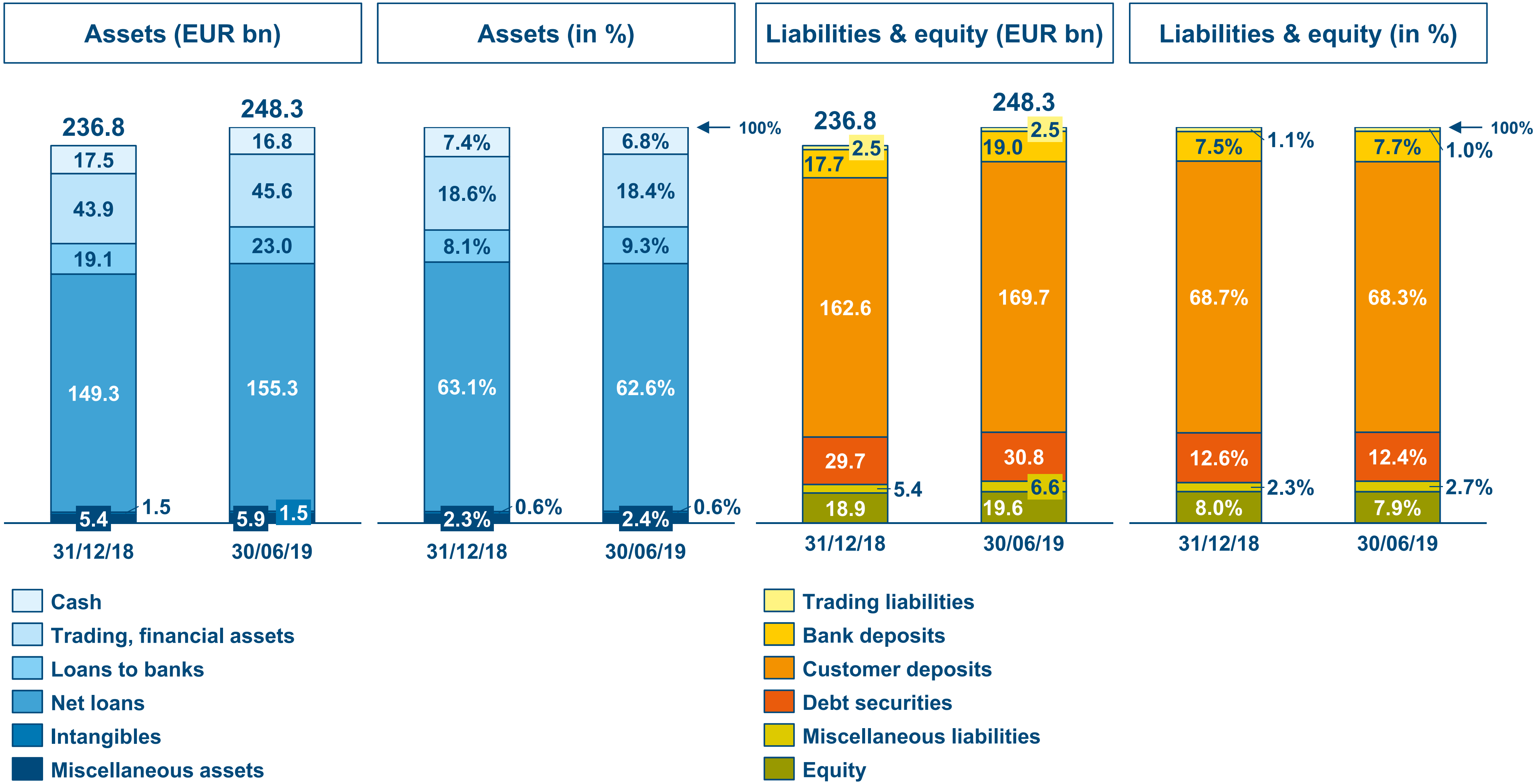
- Quarter-on-quarter segment trends:
  - RO: see yoy comment
  - AT/EBOe: higher operating income accompanied by lower operating expenses push net result up
  - AT/OA: net result declines on non-recurrence of selling gains and net releases of risk provisions in Q1 19
  - CZ: net result reflects stronger operating performance

- Return on equity at 9.3%, following 11.1% in Q1 19, and 12.8% in Q2 18
- Cash return on equity at 9.4%, following 11.2% in Q1 19, and 12.9% in Q2 18

Presentation topics

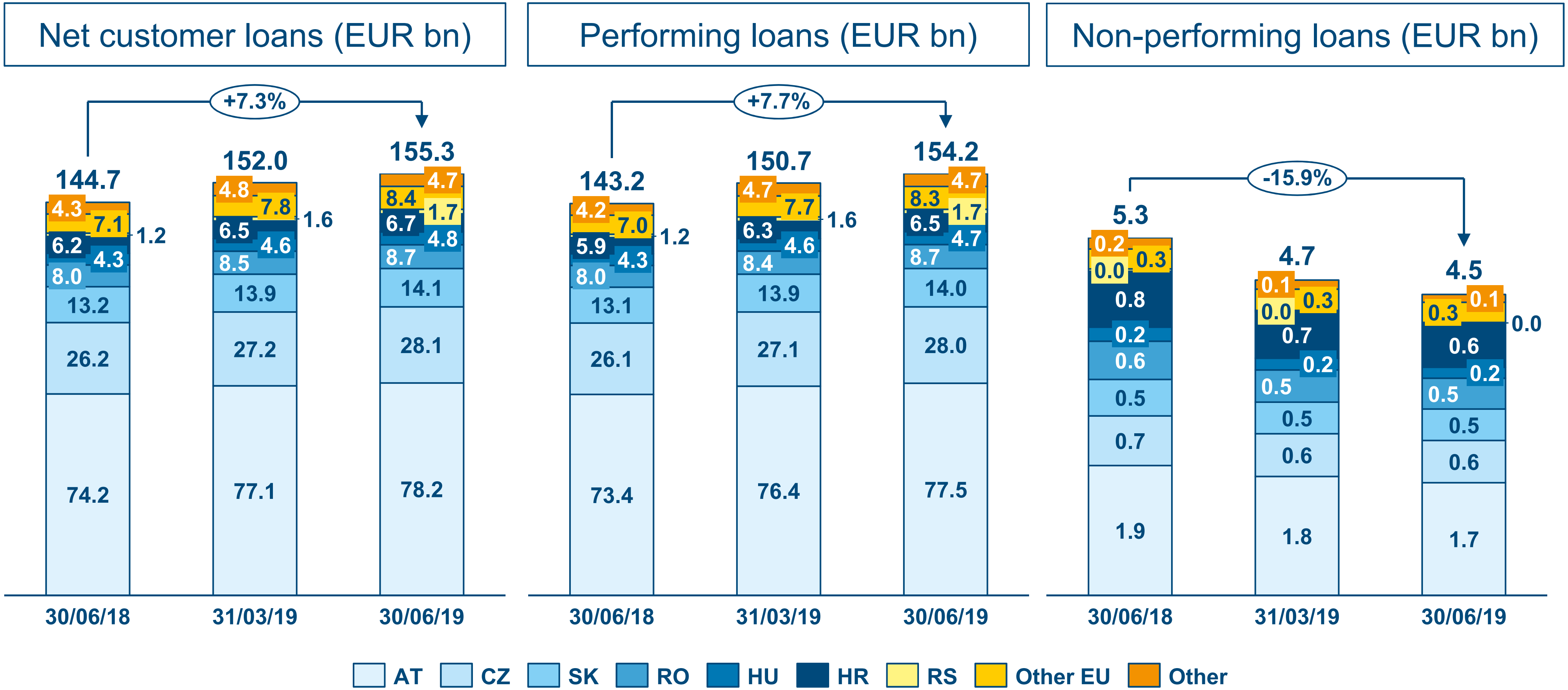
- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- Outlook
- Additional information

Assets and liabilities: YTD overview –
Loan/deposit ratio stable at 91.5% at Jun 19 (Dec 18: 91.8%)



Assets and liabilities: customer loans by country of risk –

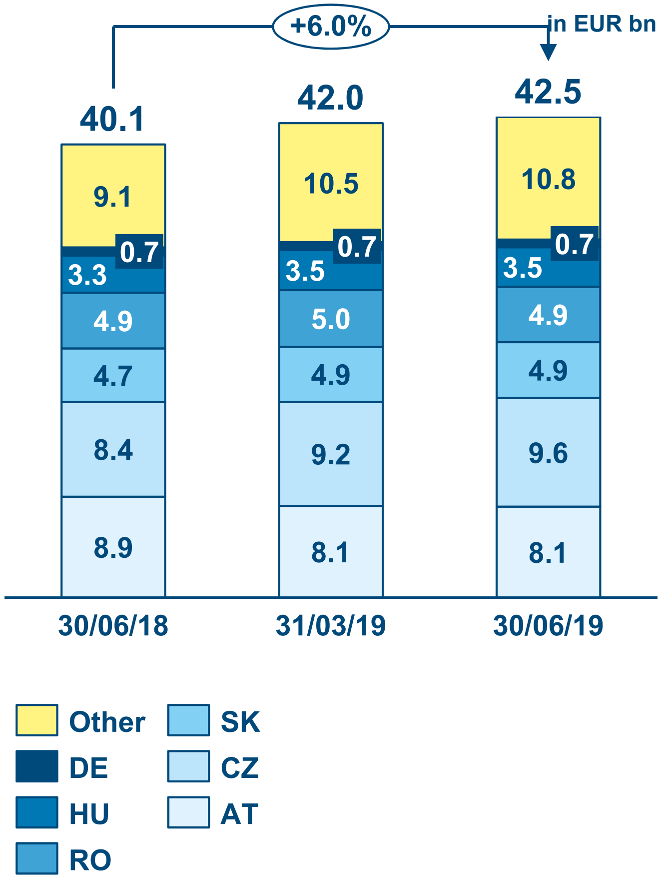
Net customer loans up 4.0%, NPLs down 8.3% ytd



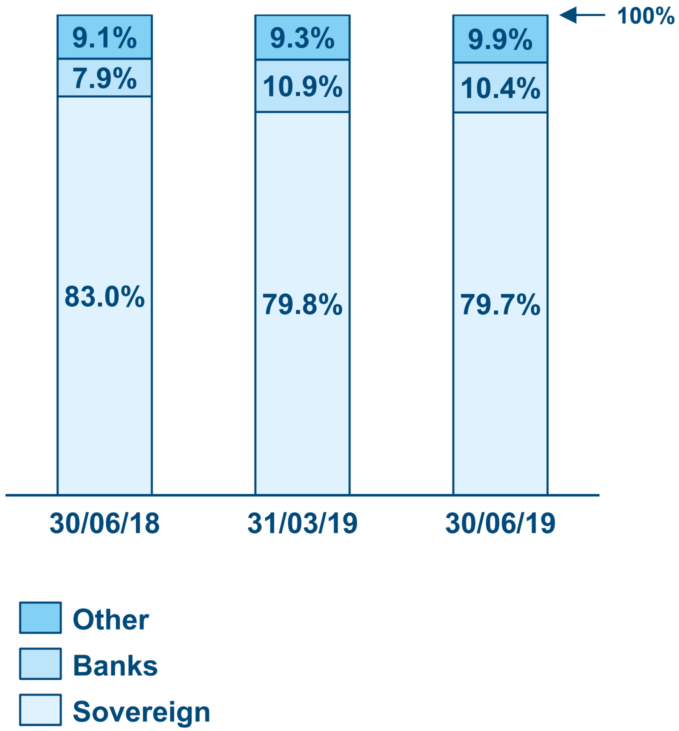
- Performing loans enjoy solid growth in all geographies
- Corporates business lines (+11.1%) contribute yoy more visibly to growing performing loans than Retail (+6.2%)
- 15.9% yoy decline in NPL stock driven by reductions across all geographies

Assets and liabilities: financial and trading assets* – LCR at excellent 148.6%

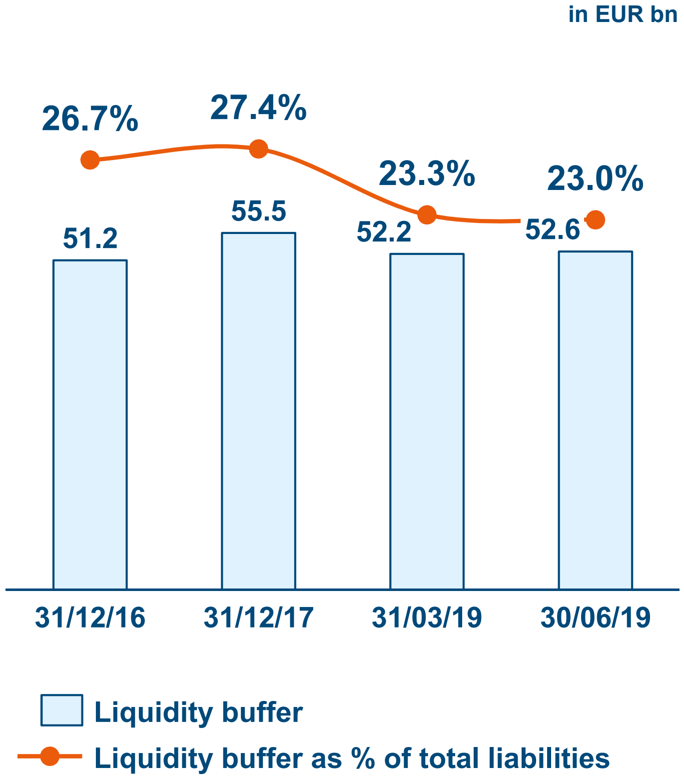
By geography



By debtor type



Liquidity buffer

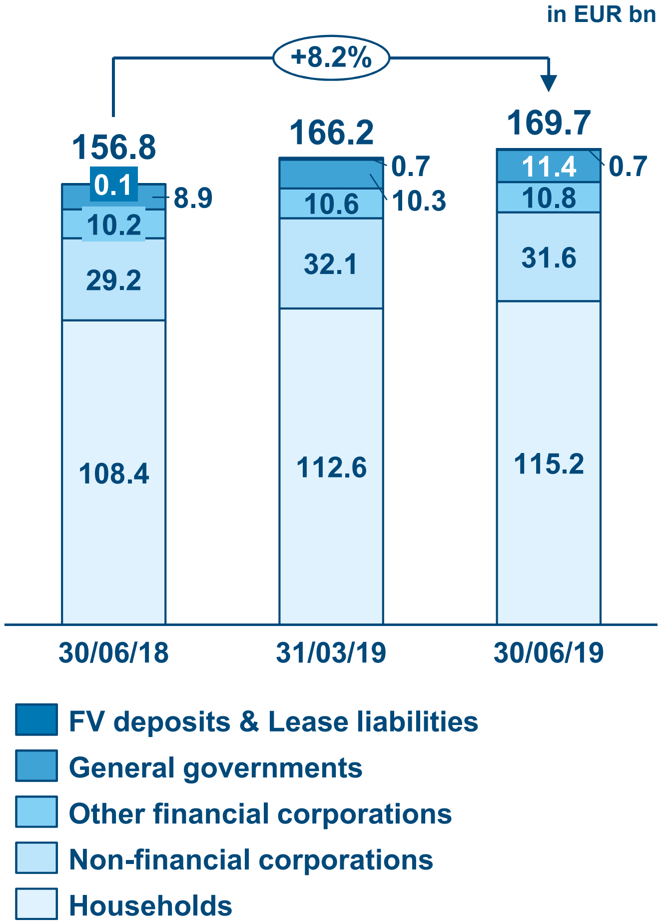


- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

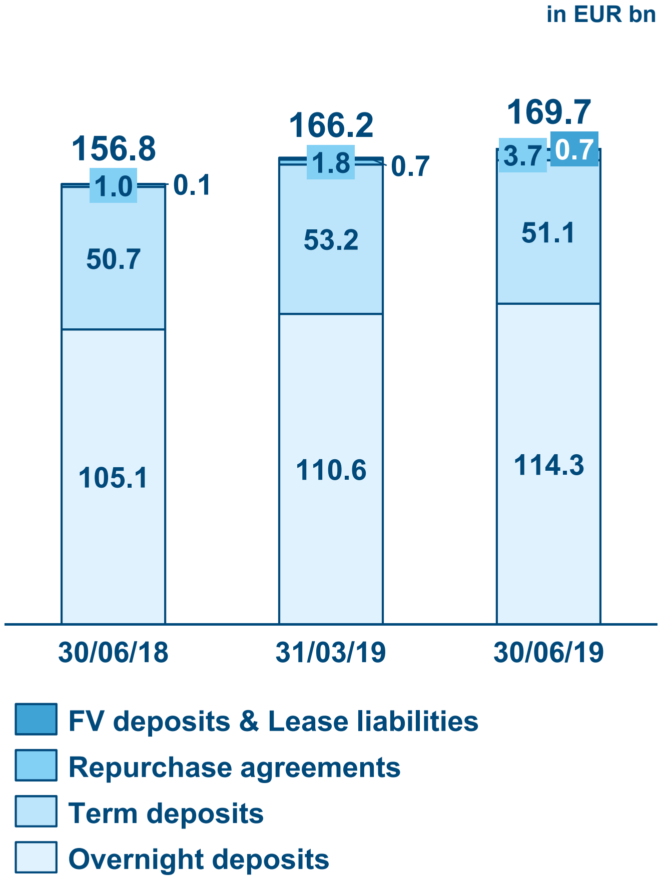
* Excludes derivatives held for trading.

Assets and liabilities: customer deposit funding –
Customer deposits grow by 4.3% ytd, driven by households and corporates

By customer type



By product type



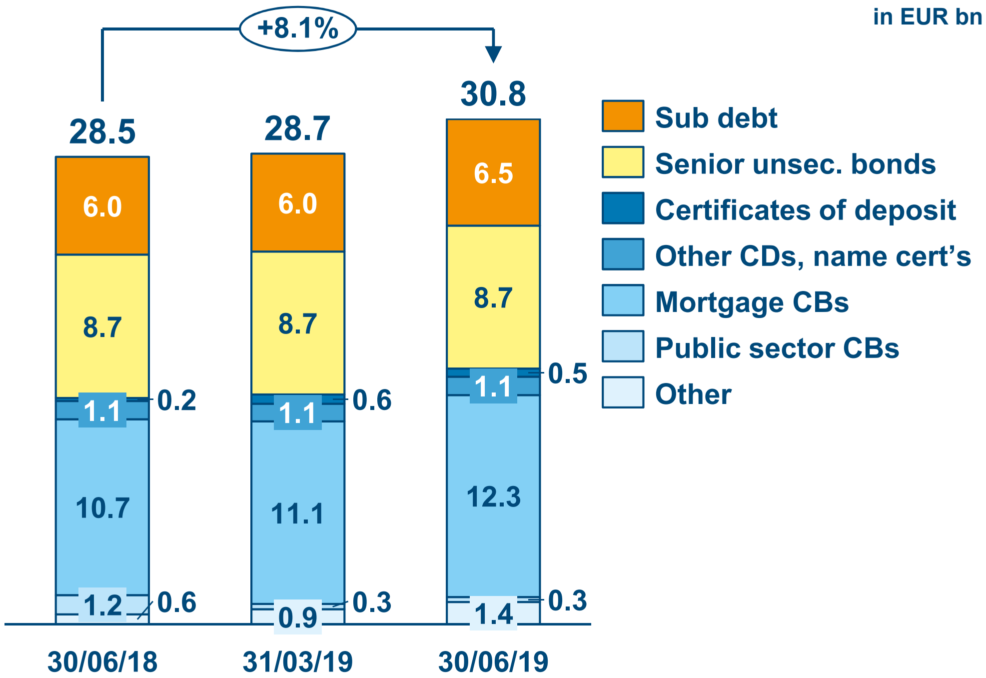
Highlights

- 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
- Increasing share of overnight deposits with significantly longer behavioural maturity provides a cost effective funding source

Assets and liabilities: debt vs interbank funding –
Taking advantage of favourable market conditions

Debt securities issued

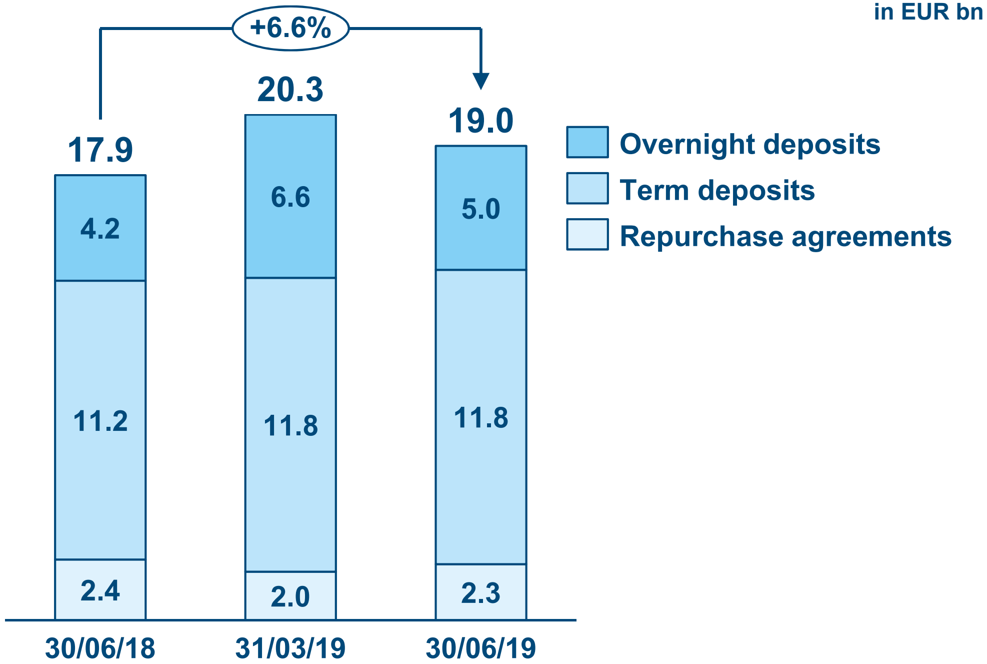
in EUR bn



- Amount of debt increased in Q2 19 as Erste Group issued non-preferred senior and covered bond.

Interbank deposits

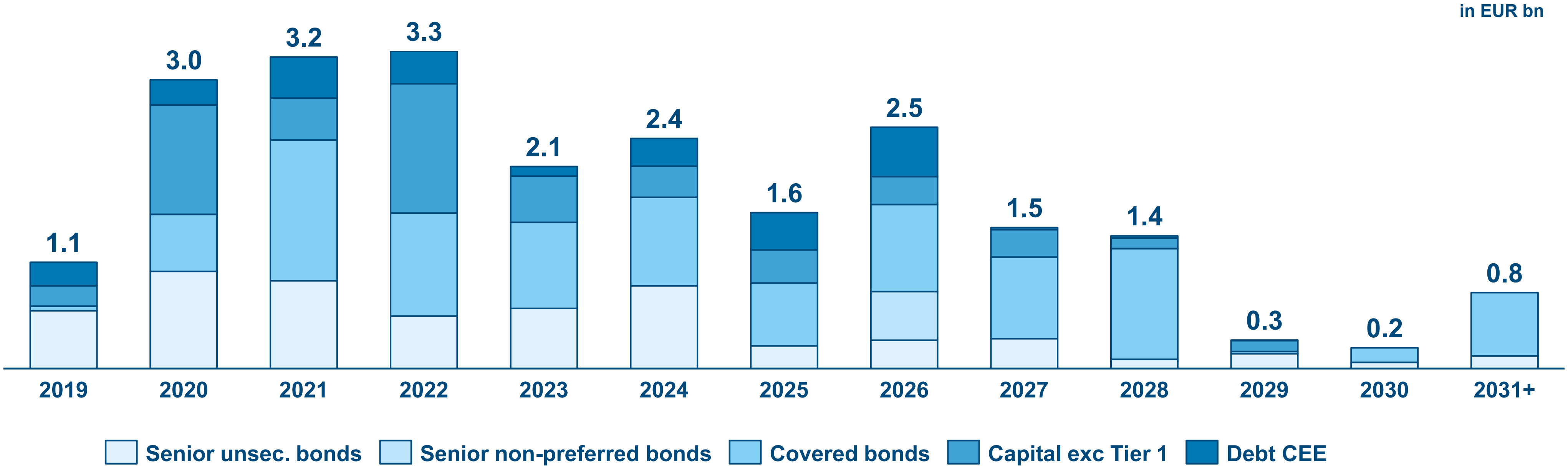
in EUR bn



- Stable development of interbank deposits

Assets and liabilities: LT funding –
Limited LT funding needs in 2019

Maturity profile of debt



- Erste Group came with 2 inaugural issues in May 2019. Erste Group issued a 15yr mortgage covered bond, being the Bank's longest syndicated EUR benchmark. The EUR 500mn transaction priced at MS+7bps and had attracted orders of EUR 3bn.
- The second bond was Erste Group's inaugural non-preferred senior issue, the EUR 500mn 7yr transaction priced at MS+80bps and the order book peaked at EUR 2.3bn.

Assets and liabilities: LT funding – MPE resolution strategy

Resolution strategy

- Direct presence in 7 geographically connected countries
- Erste Group's setup suggests a multiple point of entry (MPE) resolution strategy
- When determined, MREL needs are likely to be met with a mix of own funds, senior non-preferred and senior preferred instruments

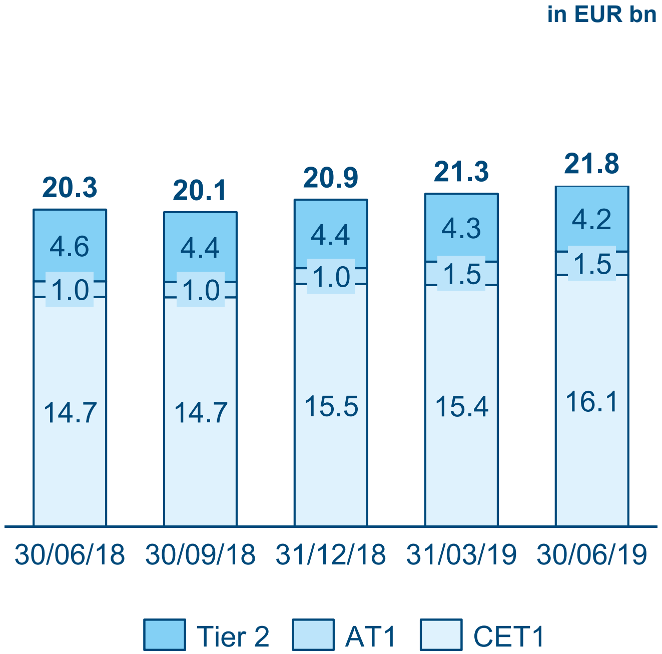
Austrian resolution group

- Major entities within the Austrian resolution group*:
  - Erste Group Bank AG
  - Erste Bank Oesterreich and its subsidiaries
  - All other savings banks of the Haftungsverbund
- Limited non-preferred senior (NPS) need as subordination requirement does not seem to be a limiting factor
- NPS out of Austrian resolution group is expected to have a positive impact on the senior unsecured rating
- Further NPS benchmark issuance by Erste Group Bank AG planned in 2020 to further strengthen subordination layer in capital structure

* Subject to joint decision of resolution authorities

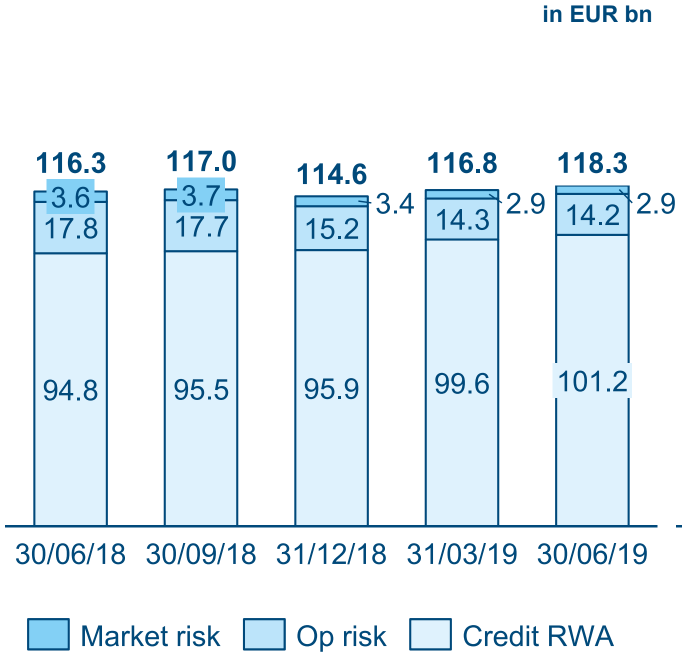
Assets and liabilities: capital position –
B3FL CET1 ratio stable at 13.5%

Basel 3 capital (phased-in)



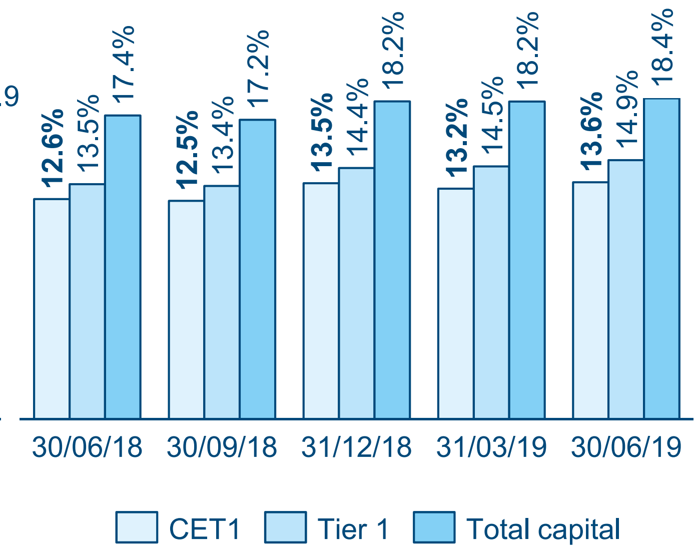
- CET1 capital (including minorities): +EUR 567m ytd mainly on
  - Inclusion of interim profit: +EUR 401m
- AT1 issuance in March 19: +EUR 497m

Risk-weighted assets (phased-in)



- Credit RWA: +EUR 5.3bn ytd, mainly on
  - Business effects (loan growth): +EUR 5.0bn
  - Regulatory one-off effects (including IFRS 16) +EUR 0.7bn
  - Portfolio changes (migration): -EUR 1.0bn
- Operational RWA declined further on parameter updates

Basel 3 capital ratios (phased-in)



- B3FL CET1 ratio at 13.5% at 30 June 2019 (YE 2018: 13.5%)
- B3FL total capital ratio at 18.3% (YE 2018: 18.1%)

Presentation topics

- Executive summary
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Conclusion – Outlook 2019

Macro outlook 2019

- Real GDP growth of approx. 3-4% expected in 2019 in CEE and about 2% in 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 2019

- ROTE for 2019 targeted at >11% (based on average tangible equity)
  - Revenue growth > cost growth based on mid-single digit loan growth
  - Risk costs to rise, but to remain at historically low levels (up to 10bps)
  - Tax rate expected below 20%

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)
  - Slovakia (SK)
  - Romania (RO
  - 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	Year-to-date view 1-6 18	1-6 19	YOY-Δ	Quarterly view Q2 18	Q1 19	Q2 19	YOY-Δ	QOQ-Δ
Net interest income	2,213.8	2,329.7	5.2%	1,131.2	1,160.9	1,168.8	3.3%	0.7%
Interest income	2,485.4	2,742.0	10.3%	1,263.4	1,356.6	1,385.5	9.7%	2.1%
Other similar income	886.9	839.4	-5.4%	413.1	425.3	414.1	0.3%	-2.6%
Interest expenses	-470.4	-554.9	18.0%	-240.7	-271.2	-283.6	17.8%	4.6%
Other similar expenses	-688.0	-696.9	1.3%	-304.6	-349.8	-347.2	14.0%	-0.7%
Net fee and commission income	959.3	980.4	2.2%	480.7	487.7	492.7	2.5%	1.0%
Fee and commission income	1,205.9	1,189.0	-1.4%	603.0	595.8	593.2	-1.6%	-0.4%
Fee and commission expenses	-246.6	-208.6	-15.4%	-122.3	-108.1	-100.5	-17.8%	-7.0%
Dividend income	17.5	19.0	8.4%	14.8	0.5	18.4	24.1%	>100.0%
Net trading result	11.9	310.1	>100.0%	0.6	153.3	156.8	>100.0%	2.3%
Gains/losses from financial instruments measured at fair value through profit or loss	66.6	-140.1	n/a	36.3	-77.1	-63.0	n/a	-18.2%
Net result from equity method investments	7.0	7.0	0.9%	5.2	1.8	5.2	0.9%	>100.0%
Rental income from investment properties & other operating leases	98.1	86.9	-11.4%	50.2	44.6	42.4	-15.5%	-4.9%
Personnel expenses	-1,216.7	-1,255.9	3.2%	-612.1	-621.9	-633.9	3.6%	1.9%
Other administrative expenses	-627.5	-625.6	-0.3%	-283.0	-358.3	-267.3	-5.6%	-25.4%
Depreciation and amortisation	-232.3	-264.6	13.9%	-116.3	-135.4	-129.1	11.0%	-4.6%
Gains/losses from derecognition of financial assets measured at amortised cost	-0.3	0.9	n/a	-0.4	0.3	0.6	n/a	67.7%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	8.8	10.1	15.0%	4.7	0.7	9.4	>100.0%	>100.0%
Impairment result from financial instruments	73.2	42.8	-41.5%	18.9	35.8	7.1	-62.5%	-80.2%
Other operating result	-204.6	-351.0	71.5%	-76.6	-131.1	-219.9	>100.0%	67.7%
Levies on banking activities	-63.3	-64.7	2.2%	-24.7	-38.8	-25.9	4.6%	-33.4%
Pre-tax result from continuing operations	**1,174.7**	**1,149.8**	**-2.1%**	**654.0**	**561.8**	**588.0**	**-10.1%**	**4.7%**
Taxes on income	-234.9	-212.7	-9.5%	-120.4	-95.5	-117.2	-2.6%	22.7%
Net result for the period	**939.8**	**937.1**	**-0.3%**	**533.6**	**466.3**	**470.8**	**-11.8%**	**1.0%**
Net result attributable to non-controlling interests	165.5	205.2	24.0%	95.4	89.3	115.9	21.5%	29.7%
Net result attributable to owners of the parent	**774.3**	**731.9**	**-5.5%**	**438.2**	**377.0**	**354.9**	**-19.0%**	**-5.8%**
Operating income	3,374.1	3,592.9	6.5%	1,719.0	1,771.7	1,821.2	5.9%	2.8%
Operating expenses	-2,076.5	-2,146.0	3.3%	-1,011.5	-1,115.6	-1,030.4	1.9%	-7.6%
Operating result	**1,297.6**	**1,446.9**	**11.5%**	**707.5**	**656.0**	**790.9**	**11.8%**	**20.6%**

* 1-3 2018 adjusted

Additional information: group balance sheet* – Assets

in EUR million	Quarterly data					Change		
	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	16,888	15,237	17,549	16,382	16,843	-0.3%	-4.0%	2.8%
Financial assets held for trading	6,888	6,034	5,584	6,331	6,464	-6.1%	15.8%	2.1%
Derivatives	3,804	3,303	3,037	3,208	3,101	-18.5%	2.1%	-3.3%
Other financial assets held for trading	3,083	2,731	2,547	3,123	3,363	9.1%	32.0%	7.7%
Non-trading financial assets at fair value through profit and loss	3,430	3,403	3,310	3,328	3,377	-1.5%	2.0%	1.5%
Equity instruments	279	303	372	367	401	43.6%	7.6%	9.2%
Debt securities	2,739	2,717	2,651	2,692	2,459	-10.2%	-7.3%	-8.7%
Loans and advances to banks	0	0	0	0	0	n/a	n/a	n/a
Loans and advances to customers	**412**	**383**	**287**	**269**	**518**	**25.6%**	**80.6%**	**92.4%**
Financial assets at fair value through other comprehensive income	9,965	9,850	9,272	9,207	9,404	-5.6%	1.4%	2.1%
Equity instruments	242	259	239	271	285	17.9%	19.4%	5.2%
Debt securities	9,723	9,591	9,033	8,936	9,119	-6.2%	1.0%	2.0%
Financial assets at amortised cost	180,748	188,323	189,106	195,852	199,411	10.3%	5.4%	1.8%
Debt securities	24,029	25,430	26,050	26,594	26,892	11.9%	3.2%	1.1%
Loans and advances to banks	17,149	19,972	19,103	22,741	23,035	34.3%	20.6%	1.3%
Loans and advances to customers	**139,570**	**142,921**	**143,953**	**146,518**	**149,484**	**7.1%**	**3.8%**	**2.0%**
Finance lease receivables	3,676	3,715	3,763	3,779	3,925	6.8%	4.3%	3.9%
Hedge accounting derivatives	116	90	132	139	168	44.7%	27.1%	21.3%
Property and equipment	2,363	2,327	2,293	2,663	2,580	9.2%	12.5%	-3.1%
Investment properties	1,102	1,100	1,159	1,243	1,228	11.4%	5.9%	-1.2%
Intangible assets	1,507	1,483	1,507	1,489	1,490	-1.1%	-1.1%	0.1%
Investments in associates and joint ventures	201	200	198	200	204	1.4%	3.1%	2.2%
Current tax assets	125	110	101	98	92	-26.9%	-9.6%	-6.7%
Deferred tax assets	320	333	402	412	417	30.5%	3.8%	1.3%
Assets held for sale	203	196	213	141	214	5.5%	0.4%	51.7%
Trade and other receivables	1,072	1,292	1,318	1,391	1,404	31.0%	6.5%	0.9%
Other assets	1,274	1,136	882	1,050	1,039	-18.5%	17.7%	-1.0%
Total assets	**229,878**	**234,827**	**236,792**	**243,706**	**248,261**	**8.0%**	**4.8%**	**1.9%**

* Mar 2018 adjusted

Additional information: group balance sheet* –
Liabilities and equity

in EUR million	Quarterly data					Change		
	Jun 18	**Sep 18**	**Dec 18**	**Mar 19**	**Jun 19**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Financial liabilities held for trading	3,070	2,865	2,508	2,277	2,518	-18.0%	0.4%	10.6%
Derivatives	2,529	2,153	2,000	1,979	2,125	-16.0%	6.2%	7.4%
Other financial liabilities held for trading	541	712	508	298	393	-27.3%	-22.6%	31.9%
Financial liabilities at fair value through profit or loss	14,473	14,267	14,122	14,449	14,605	0.9%	3.4%	1.1%
Deposits from customers	**56**	**62**	**212**	**229**	**255**	**>100.0%**	**20.3%**	**11.3%**
Debt securities issued	13,874	13,668	13,446	13,784	13,914	0.3%	3.5%	0.9%
Other financial liabilities	544	537	464	436	436	-19.9%	-6.2%	-0.2%
Financial liabilities at amortised cost	189,875	194,025	196,863	201,357	205,560	8.3%	4.4%	2.1%
Deposits from banks	17,867	19,086	17,658	20,295	19,043	6.6%	7.8%	-6.2%
Deposits from customers	**156,775**	**159,765**	**162,426**	**165,556**	**169,004**	**7.8%**	**4.0%**	**2.1%**
Debt securities issued	14,601	14,582	16,293	14,886	16,859	15.5%	3.5%	13.3%
Other financial liabilities	633	591	486	620	653	3.2%	34.3%	5.4%
Lease liabilities	0	0	0	432	409	>100.0%	>100.0%	-5.2%
Hedge accounting derivatives	311	342	277	285	276	-11.4%	-0.4%	-3.1%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	>100.0%	-5.4%	4.1%
Provisions	1,688	1,628	1,705	1,877	2,004	18.7%	17.6%	6.8%
Current tax liabilities	127	126	99	88	75	-40.6%	-24.2%	-14.3%
Deferred tax liabilities	65	67	23	30	31	-52.3%	35.3%	2.2%
Liabilities associated with assets held for sale	3	3	3	6	7	>100.0%	>100.0%	31.6%
Other liabilities	2,558	3,109	2,323	3,151	3,127	22.3%	34.6%	-0.8%
Total equity	**17,708**	**18,396**	**18,869**	**19,754**	**19,649**	**11.0%**	**4.1%**	**-0.5%**
Equity attributable to non-controlling interests	4,402	4,518	4,494	4,570	4,639	5.4%	3.2%	1.5%
Additional equity instruments	993	993	993	1,490	1,490	50.2%	50.1%	0.0%
Equity attributable to owners of the parent	12,313	12,884	13,381	13,694	13,520	9.8%	1.0%	-1.3%
Subscribed capital	860	860	860	860	860	0.0%	0.0%	0.0%
Additional paid-in capital	1,477	1,477	1,477	1,477	1,477	0.0%	0.0%	0.0%
Retained earnings and other reserves	9,977	10,548	11,045	11,358	11,183	12.1%	1.3%	-1.5%
Total liabilities and equity	**229,878**	**234,827**	**236,792**	**243,706**	**248,261**	**8.0%**	**4.8%**	**1.9%**

* Mar 2018 adjusted

Additional information: regulatory capital position/requirement (SREP) –

Capital requirements (SREP) for 2019; Erste Group target of 13.5% unchanged

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

	Erste Group Consolidated				Erste Group Unconsolidated		
	Phased-in			Fully loaded	Phased-in		Fully loaded
	2017	2018	2019	2019e	2018	2019	2019e
Pillar 1 CET1 requirement	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement	**1.90%**	**3.19%**	**4.87%**	**4.95%**	**3.07%**	**4.72%**	**4.76%**
Capital conservation buffer	1.25%	1.88%	2.50%	2.50%	1.88%	2.50%	2.50%
Countercyclical capital buffer 2)	0.15%	0.31%	0.37%	0.45%	0.20%	0.22%	0.26%
OSII/Systemic risk buffer	0.50%	1.00%	2.00%	2.00%	1.00%	2.00%	2.00%
Pillar 2 CET1 requirement	**1.75%**	**1.75%**	**1.75%**	**1.75%**	**1.75%**	**1.75%**	**1.75%**
Pillar 2 CET1 guidance		**1.05%**	**1.00%**	**1.00%**	**0.00%**	**0.00%**	**0.00%**
Regulatory minimum ratios excluding P2G							
CET1 requirement	8.15%	9.44%	11.12%	11.20%	9.32%	10.97%	11.01%
1.50% AT1 Tier 1 requirement	9.65%	10.94%	12.62%	12.70%	10.82%	12.47%	12.51%
2.00% T2 Own funds requirement	11.65%	12.94%	14.62%	14.70%	12.82%	14.47%	14.51%
Regulatory minimum ratios including P2G							
CET1 requirement	**9.81%**	**10.49%**	**12.12%**	**12.20%**	**9.32%**	**10.97%**	**11.01%**
1.50% AT1 Tier 1 requirement	9.65%	10.94%	12.62%	12.70%	10.82%	12.47%	12.51%
2.00% T2 Own funds requirement	11.65%	12.94%	14.62%	14.70%	12.82%	14.47%	14.51%
Reported CET1 ratio as of June 2019 1)			**13.59%**			**21,17% 3)**	

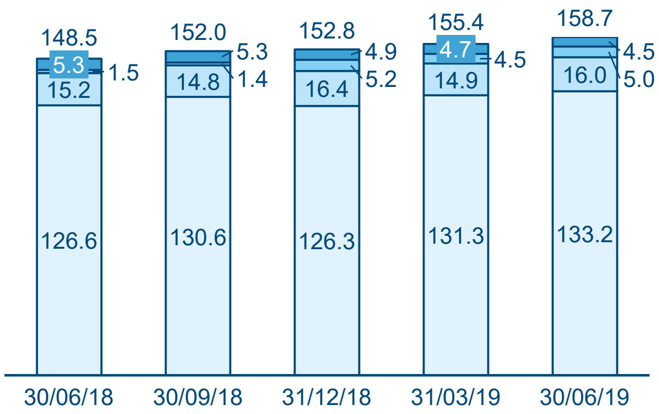
- Buffer to MDA restriction as of 30 June 19: 223bps
- Available distributable items (ADI) as of 30 Jun 19: EUR 2.8bn (pre dividend and AT1 coupon; based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 5.2bn)

1) Consolidated capital ratios pursuant to IFRS. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.
2) Planned values based on Q2 2019 exposure (Q2 19 countercyclical buffer of 0.37% for Erste Group consolidated)
3) Unconsolidated figures are based on Q1 2019.

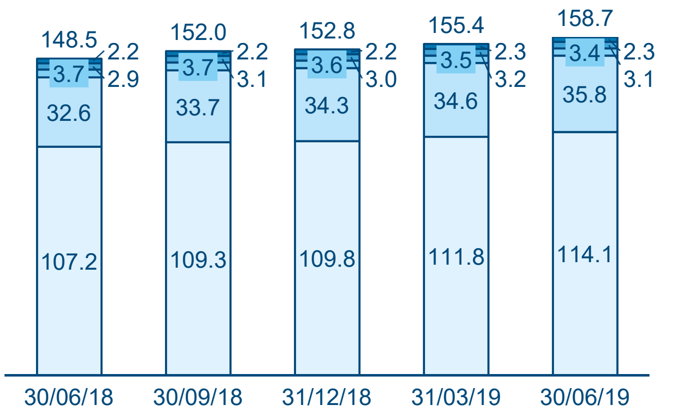
ERSTE Group

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

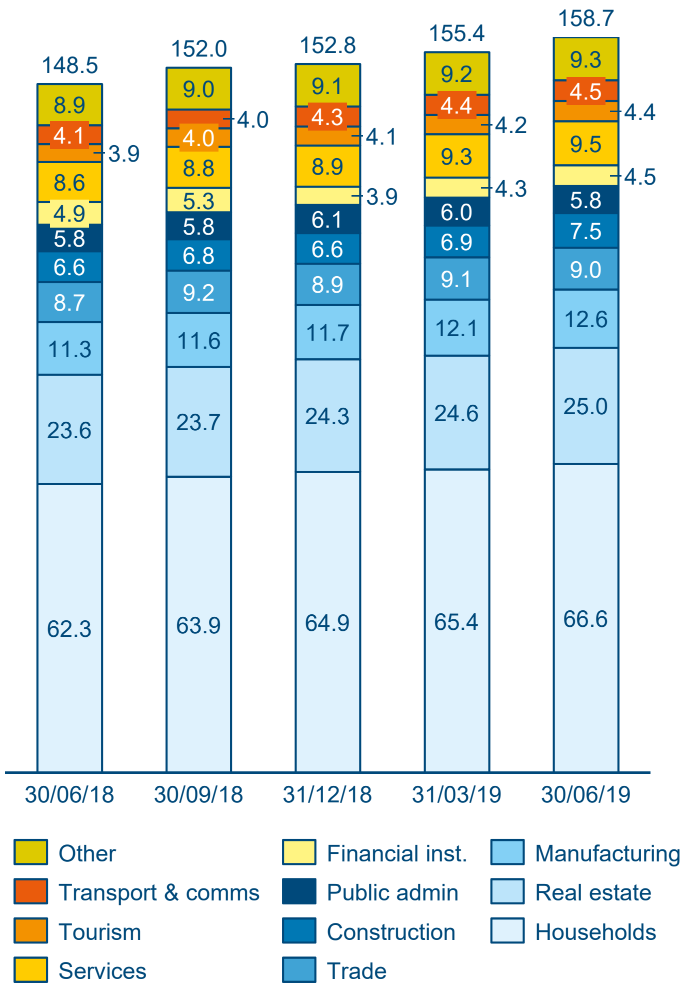
Gross cust. loans by risk category (EUR bn)



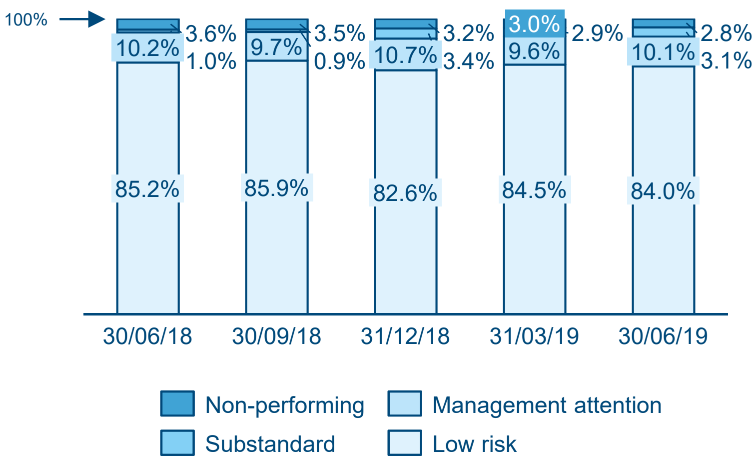
Gross customer loans by currency (EUR bn)



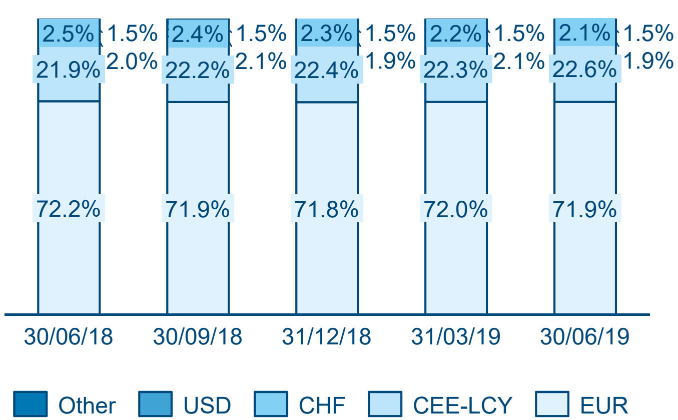
Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)

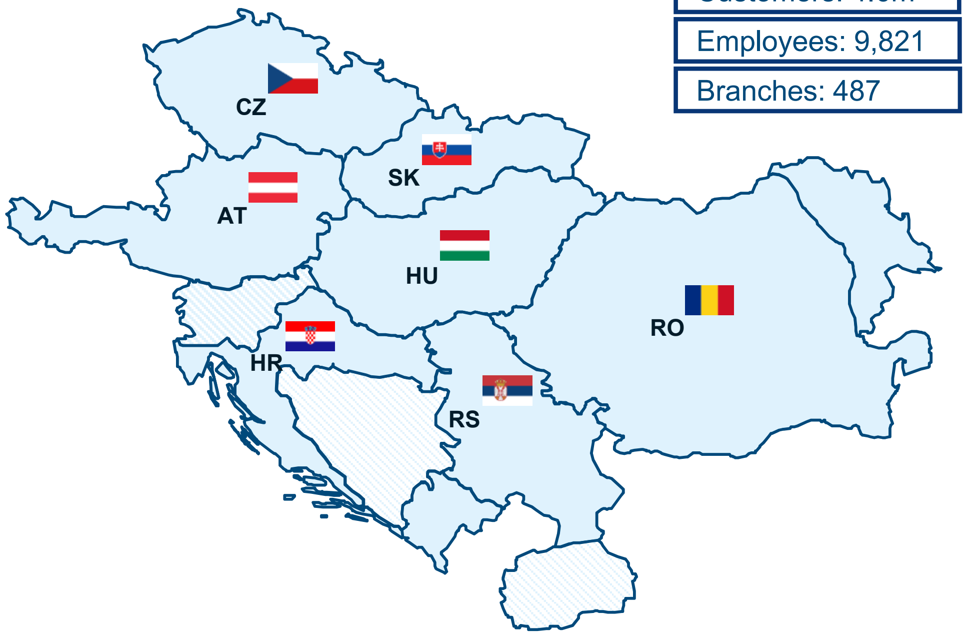


Gross customer loans by currency (in %)



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

Erste Group footprint



Majority ownership

Minority ownership

Czech Republic	Customers: 4.6m	Employees: 9,821	Branches: 487
Slovakia	Customers: 2.2m	Employees: 4,047	Branches: 241
Hungary	Customers: 0.9m	Employees: 3,133	Branches: 111
Romania	Customers: 3.4m	Employees: 6,962	Branches: 482
Austria	Customers: 3.7m	Employees: 16,171	Branches: 886
Croatia	Customers : 1.2m	Employees : 3,347	Branches: 149
Serbia	Customers: 0.5m	Employees: 1,158	Branches: 88

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 5 February 2019

Additional information: ESG ratings, indices and alignment with UN SDGs

ESG Ratings and Indices

Included in the Vienna Stock Exchange's sustainability index since its launch in 2008

Included in 2016 in the FTSE4Good Index Series, which measures the performance of companies with strong environmental, social and governance (ESG) practices

Included in 2017 in the Euronext Vigeo Index: Eurozone 120

In October 2018, Erste Group was awarded prime status in the ISS-oekom corporate ratings

At the beginning of 2019 imug Investment Research raised the rating for Erste Group from neutral to positive, and public sector covered bonds are now rated as very positive.

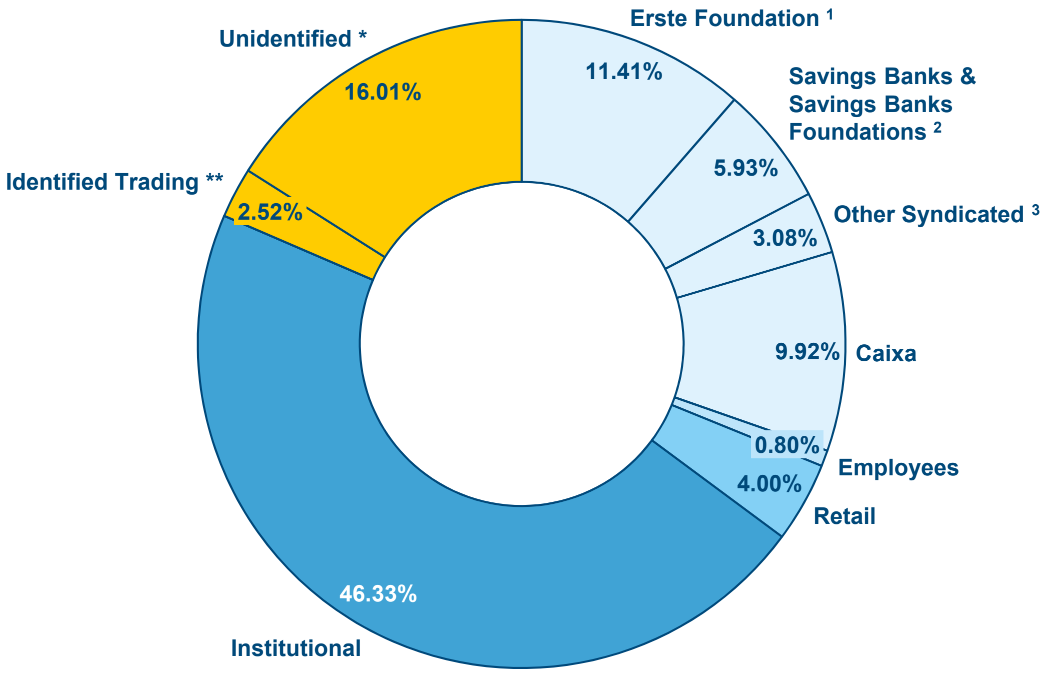
UN Sustainable Development Goals

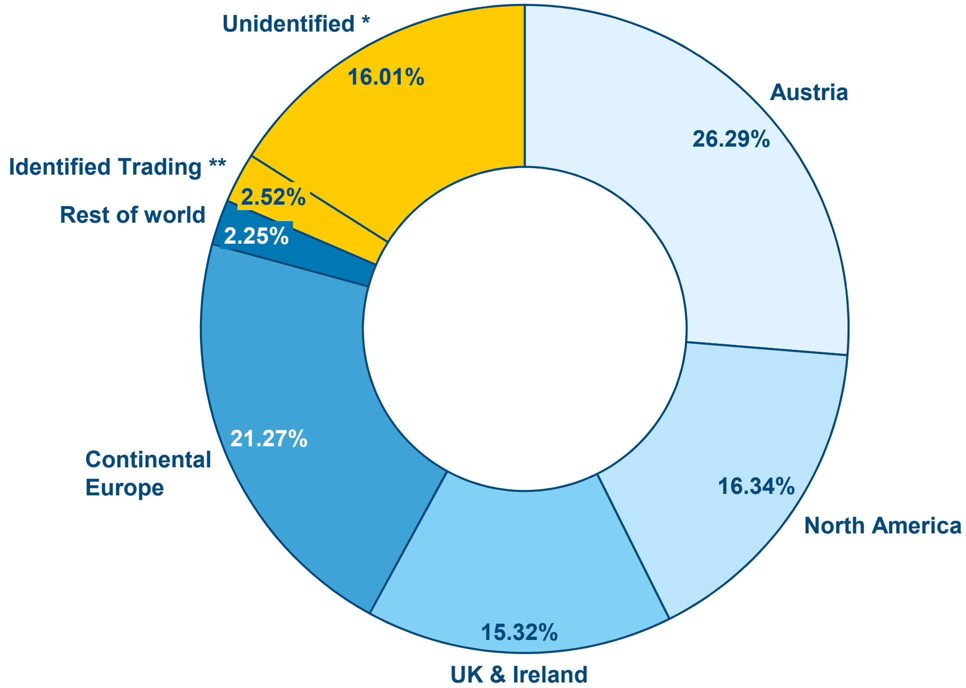
In principle, Erste Group supports all SDGs. Given its regional footprint and business model, Erste Group is in fact able to make notable contributions to the achievement of the below-mentioned SDGs:

- Since its foundation 200 years ago, Erste Group's purpose has been to promote and secure prosperity. Erste Group values responsibility, respect and sustainability.
- Financial literacy is key to economic prosperity. Therefore, Erste Group offers a variety of financial literacy trainings.
- Erste Group respects and promotes work-life balance among its employees and also contributes to their good health.
- Diversity and equal opportunity are key elements of Erste Group's human resource strategy.
- For Erste Group social and/or ecological criteria are as important as economic criteria in its investment decision process.
- Erste Group has launched social banking initiatives aiming at the financial inclusion of those parts of the population that are often excluded.
- Erste Group contributes to the cultural and social development of society.
- Erste Group aims at protecting the environment by minimising its ecological footprint, in particular with its consumption of energy and paper.
- Erste Group cooperates with national and international organisations and it promotes corporate volunteering

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 22 July 2019

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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