

# Outlook 2019

The outlook is based on a solid macroeconomic development in our markets. Real GDP growth is forecast to come around 3-4% in CEE core markets and about 2% in Austria, again driven primarily by robust domestic demand. In CEE, economic activity should be supported by real wage growth and low unemployment. Fiscal discipline is expected to be maintained across CEE.

Based on loan growth in the mid-single digit percentage range, we expect revenues to grow more strongly than costs. Risk costs will rise, but remain at historically low levels (up to 10bps). On the back of the low average tax rates in CEE, the tax rate of Erste Group is expected to remain below 20%.

Based on this assumption, Erste Group aims to achieve a return on tangible equity (ROTE) of more than 11% in 2019.