Erste Group investor presentation
Q2 17 results

4 August 2017

Erste Group well on track to deliver 10%+ ROTE in 2017

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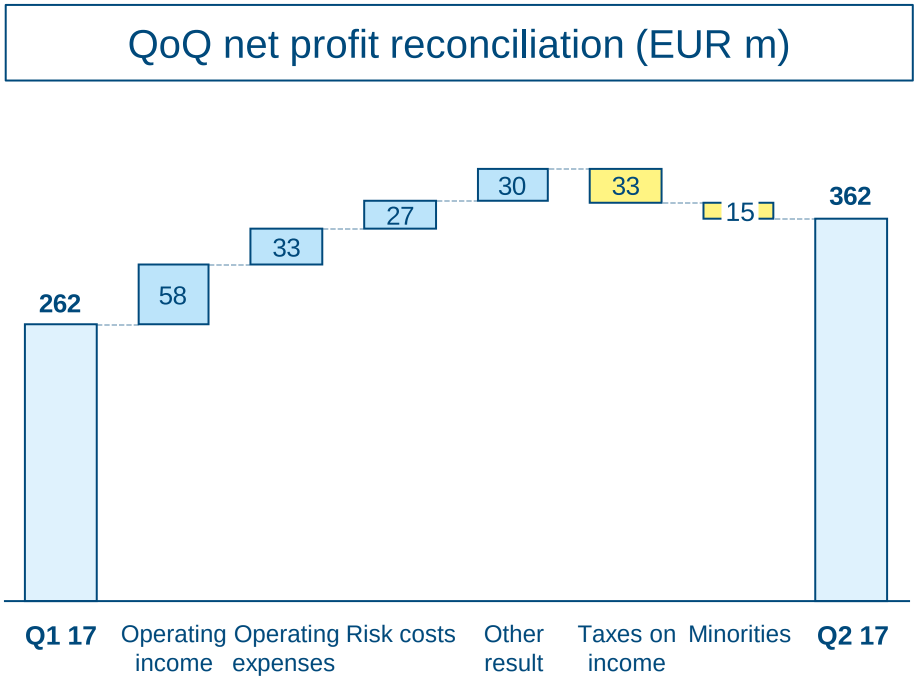
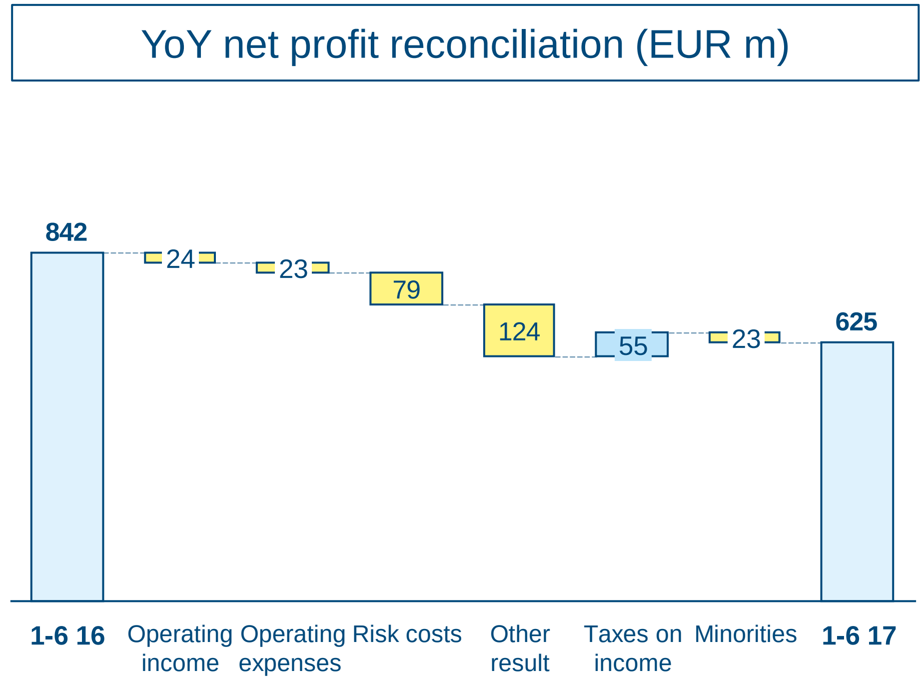
Presentation topics

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

Executive summary –
Group income statement performance



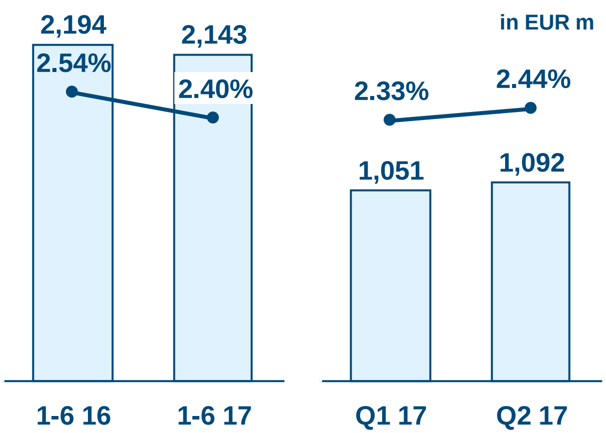


- Erste Group Q2 17 net profit amounted to EUR 362.5m; qoq rise primarily due to improved NII, better costs and other result (despite EUR 45.0m provisions for court rulings related to the passing on of negative interest rates to consumer borrowers in AT)
- Revenues increased on higher NII, supported by EUR 14.4m TLTRO impact, and seasonally higher dividend income
- Operating expenses improved primarily due to booking of full-year deposit insurance in Q1 17

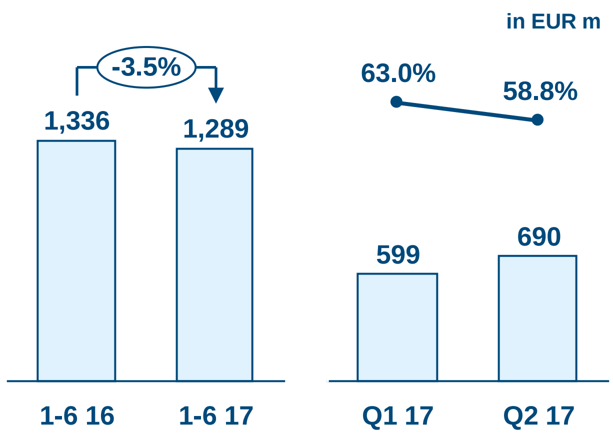
- 25.8% yoy decline in net profit primarily driven by other result and increased, but still benign risk costs
- Other result declined mainly on non-recurrence of positive one-off (VISA sale) in Q2 16
- After extremely low risk costs of 4 bps of average gross customer loans in H1 16, loan loss provisions rose to 15 bps, remaining well ahead of guidance for 2017

Executive summary –
Key income statement data

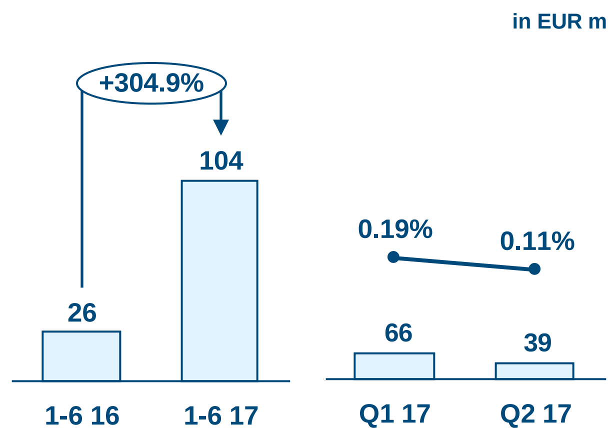
Net interest income & margin



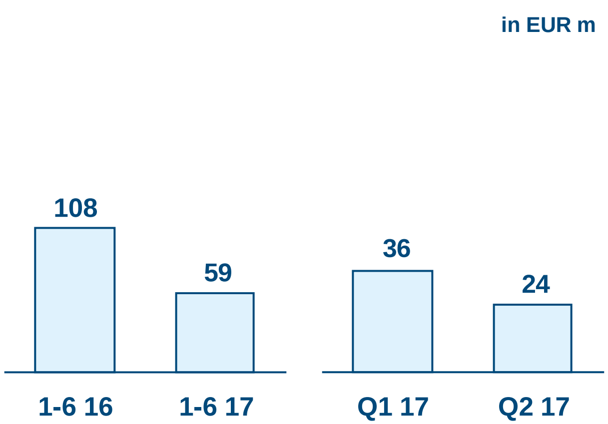
Operating result & cost/income ratio



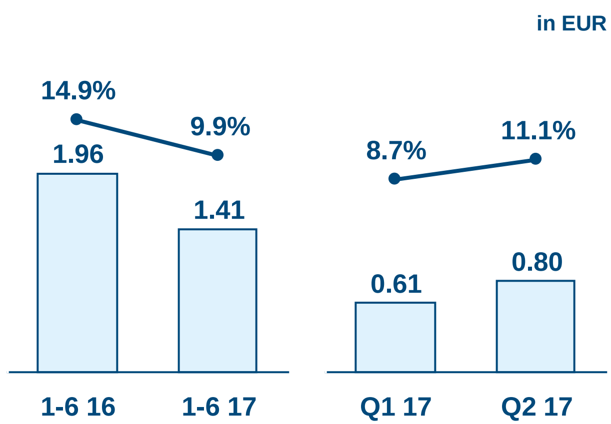
Cost of risk



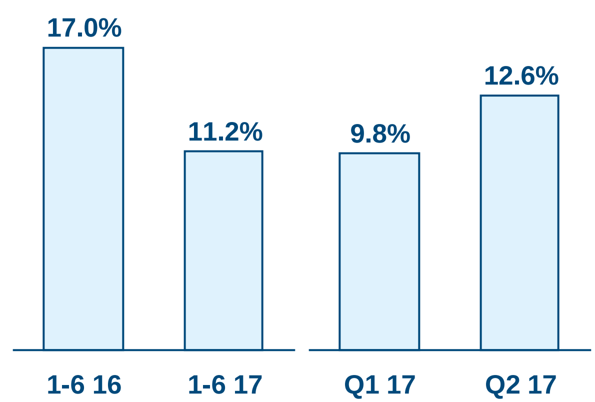
Banking levies



Reported EPS & ROE

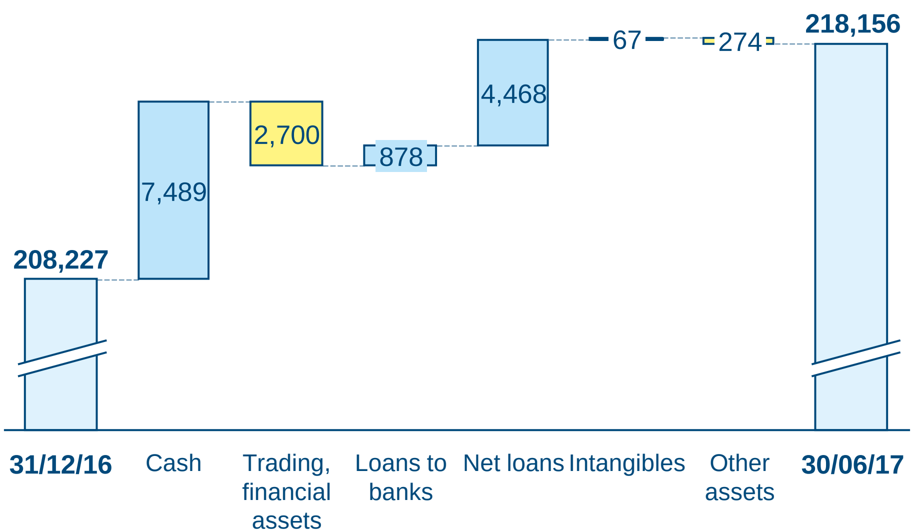


Return on tangible equity

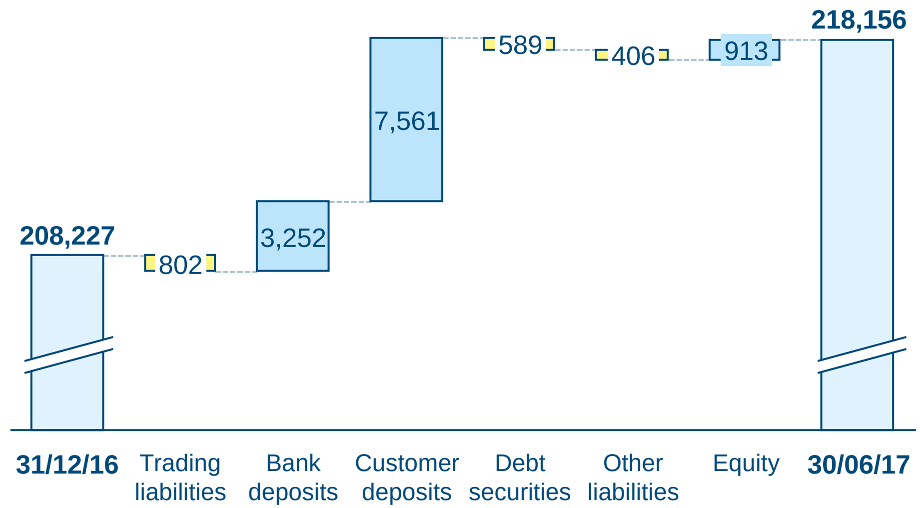


Executive summary –
Group balance sheet performance

YTD total asset reconciliation (EUR m)



YTD equity & total liability reconciliation (EUR m)



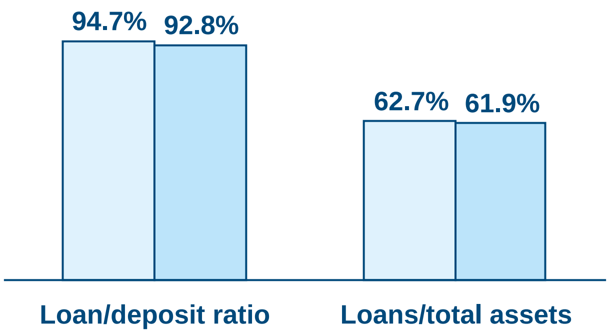
- Balance sheet total rose by 4.8% in H1 17, driven by higher cash position on the back of continued deposit inflows and a 3.4% ytd increase in net customer loans
- Net customer loan growth supported by strong underlying loan demand in CZ and SK; increased money market business, primarily in CZ; and, solid contributions from Austria
- Decline in financial assets driven by AfS sales

- Deposit growth accelerated to 5.5% in H1 17, the loan/deposit ratio stood at 92.8%; main drivers: continued customer deposit inflows across most geographies and increased money market business
- Bank deposits increased by 22.2% in H1 17 on temporarily expanded interbank business in Q1 17 (declined qoq), primarily in the Holding and CZ

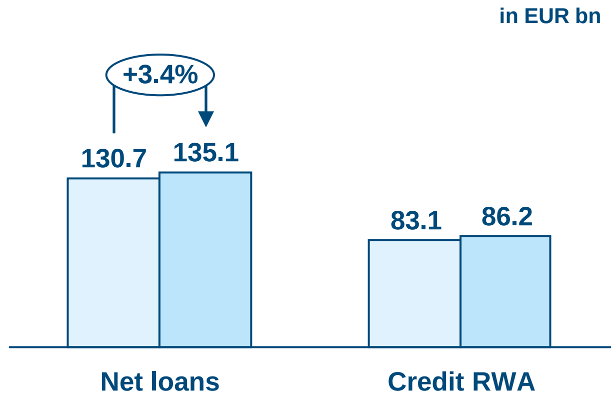
Executive summary –
Key balance sheet data

31/12/16
30/06/17

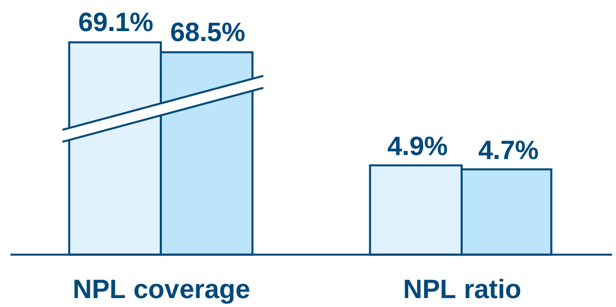
Loan/deposit & loan/TA ratio



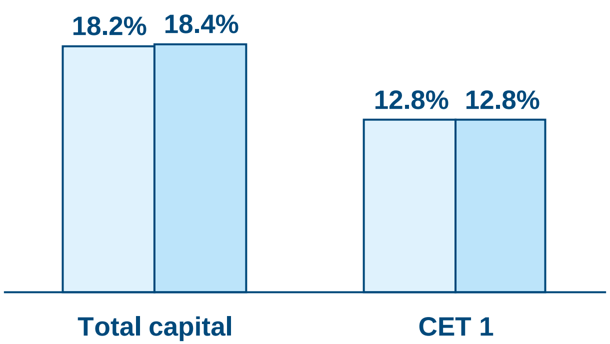
Net loans & credit RWA



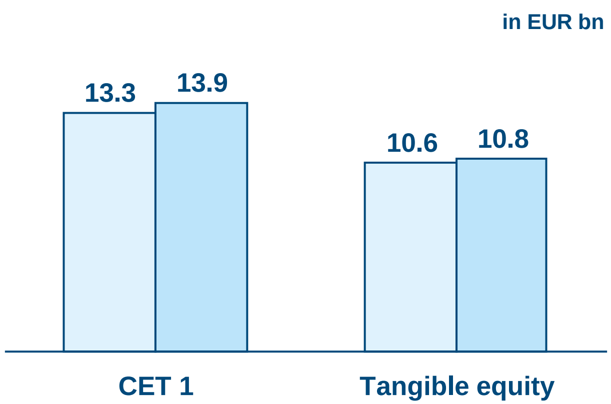
NPL coverage ratio & NPL ratio



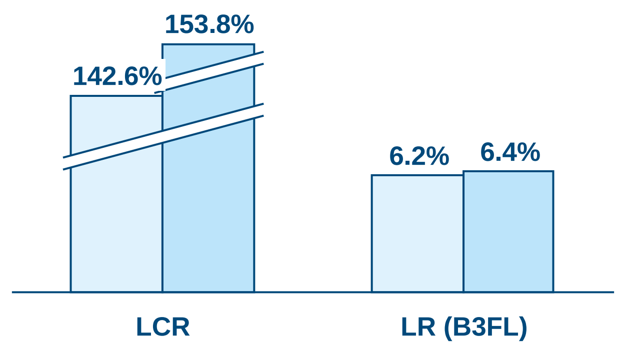
B3FL capital ratios



B3FL capital & tangible equity*



Liquidity coverage & leverage ratio**



* Based on shareholders' equity, not total equity

** Pursuant to Delegated Act

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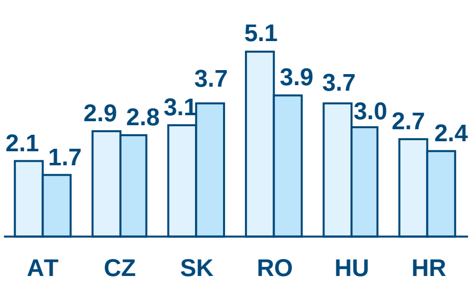
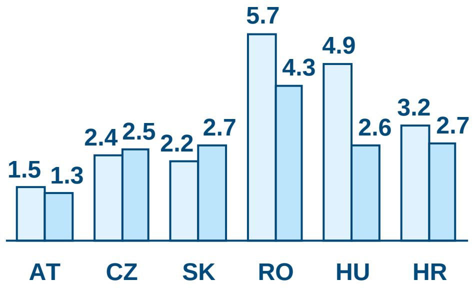
Business environment –
Austria & CEE GDP growth expectations increased for 2017

2017
2018

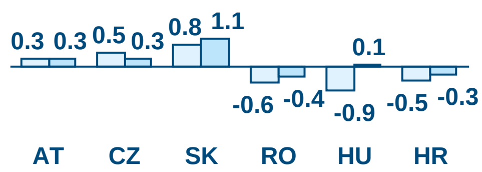
Real GDP growth (in %)



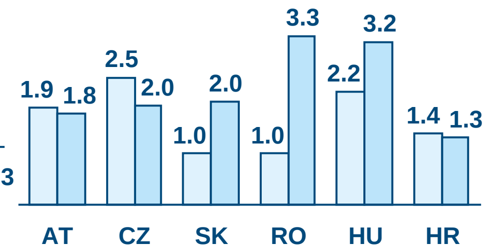
Dom. demand contribution* (in %)



Net export contribution* (in %)

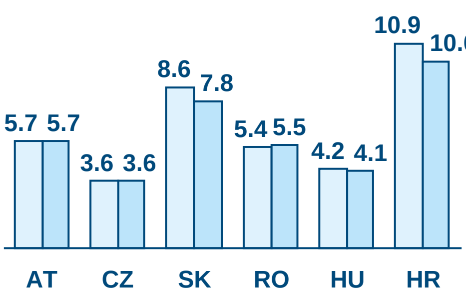


Consumer price inflation (ave, in %)

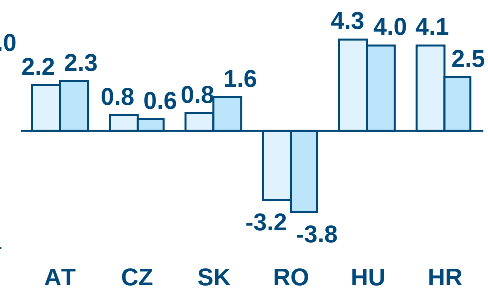


- Erste Group's core CEE markets expected to grow by about 3-5% in 2017
  - Domestic demand is expected to be main driver of economic growth in 2017
  - Consumption is supported by improving labour markets, wage increases and very low inflation rates across the region

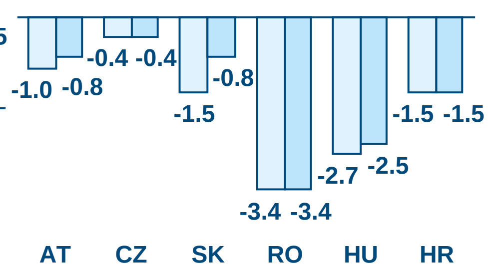
Unemployment rate (eop, in %)



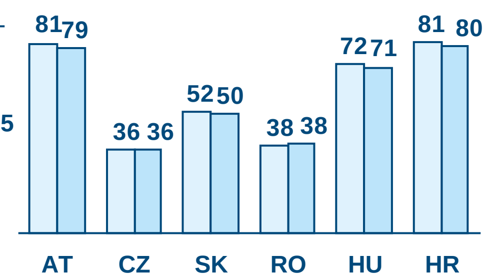
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)



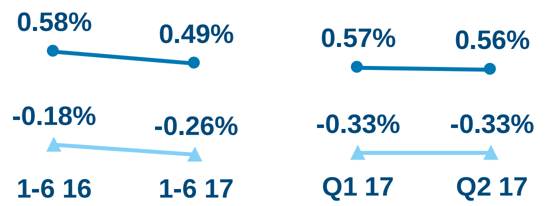
- Solid public finances across Erste Group's core CEE markets: almost all countries fulfill Maastricht criteria
- Sustainable current account balances, supported by competitive economies with decreasing unemployment rates

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

Business environment –
Czech Republic increases key policy rate by 20bps in August 2017

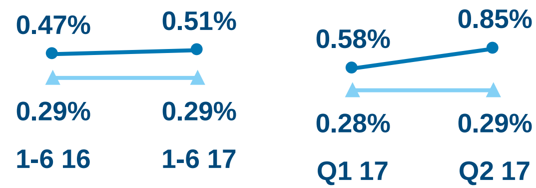
3M Interbank
10YR GOV

Austria



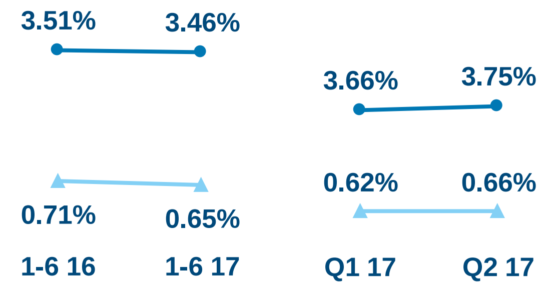
- ECB cut discount rate to zero in March 16
- Maintains expansionary monetary policy stance

Czech Republic



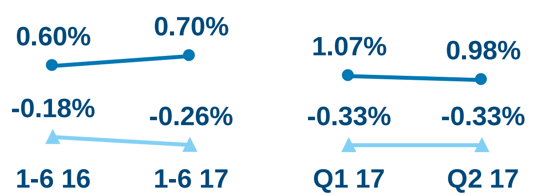
- National bank decided to lift its benchmark rate from historic low of 0.05% to 0.25% in August 2017

Romania



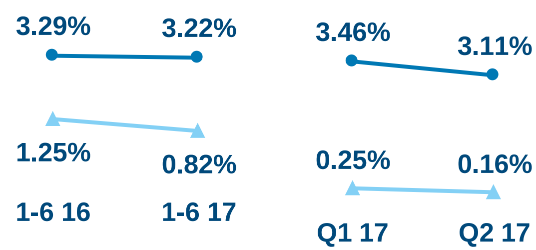
- Central bank cut policy rate to historic low of 1.75% in May 2015

Slovakia



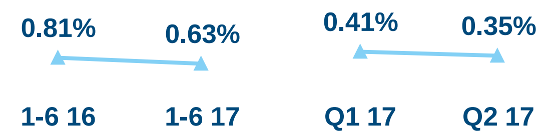
- As part of euro zone ECB rates are applicable in SK

Hungary



- 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

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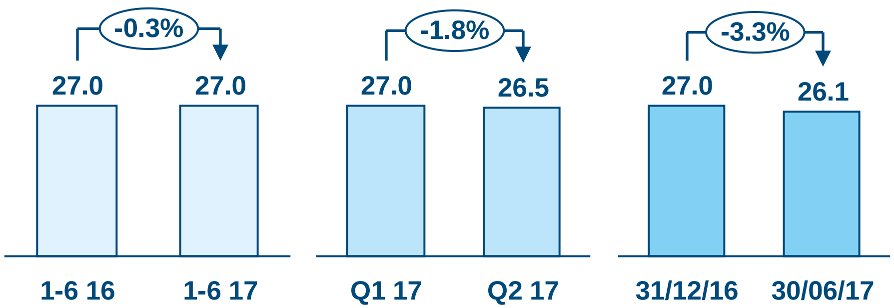
Business environment –

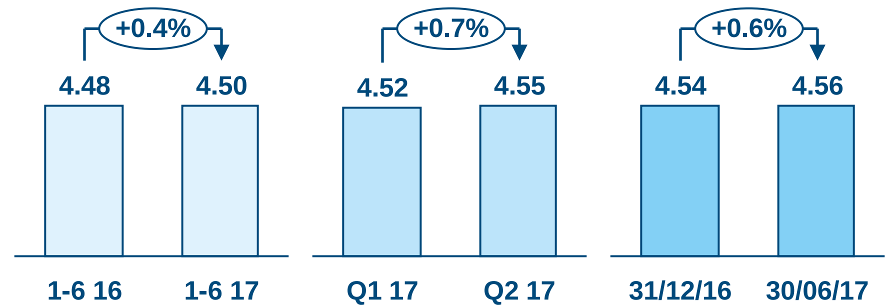
CZK enters path of appreciation following depegging in April 2017

EUR/CZK



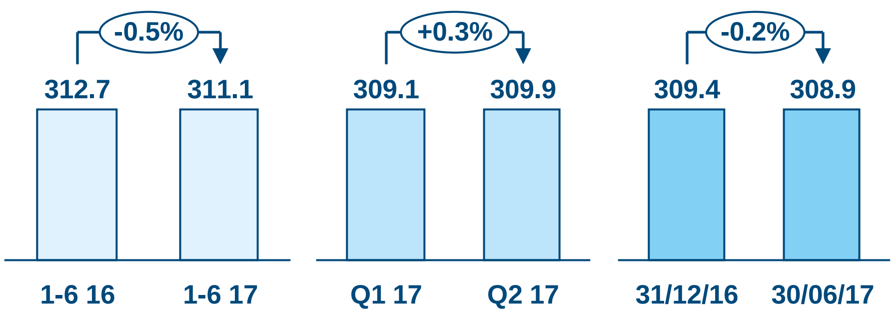
- Czech National Bank ended its currency peg in April 17; discount rate increased to 0.25% in August 2017

EUR/RON



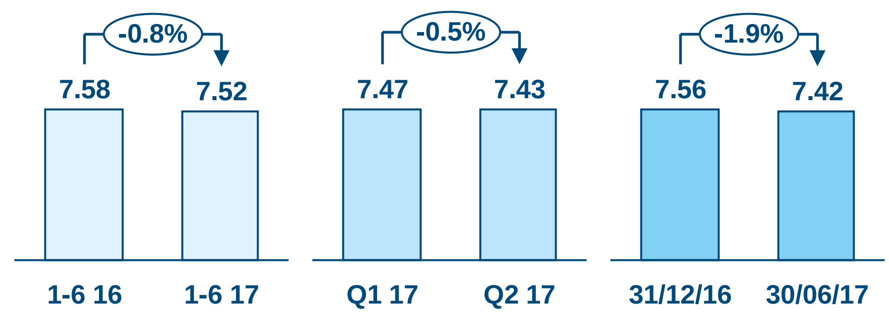
- RON movements continued to be marked by limited volatility; policy rate cut to 1.75% in Q2 15

EUR/HUF



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

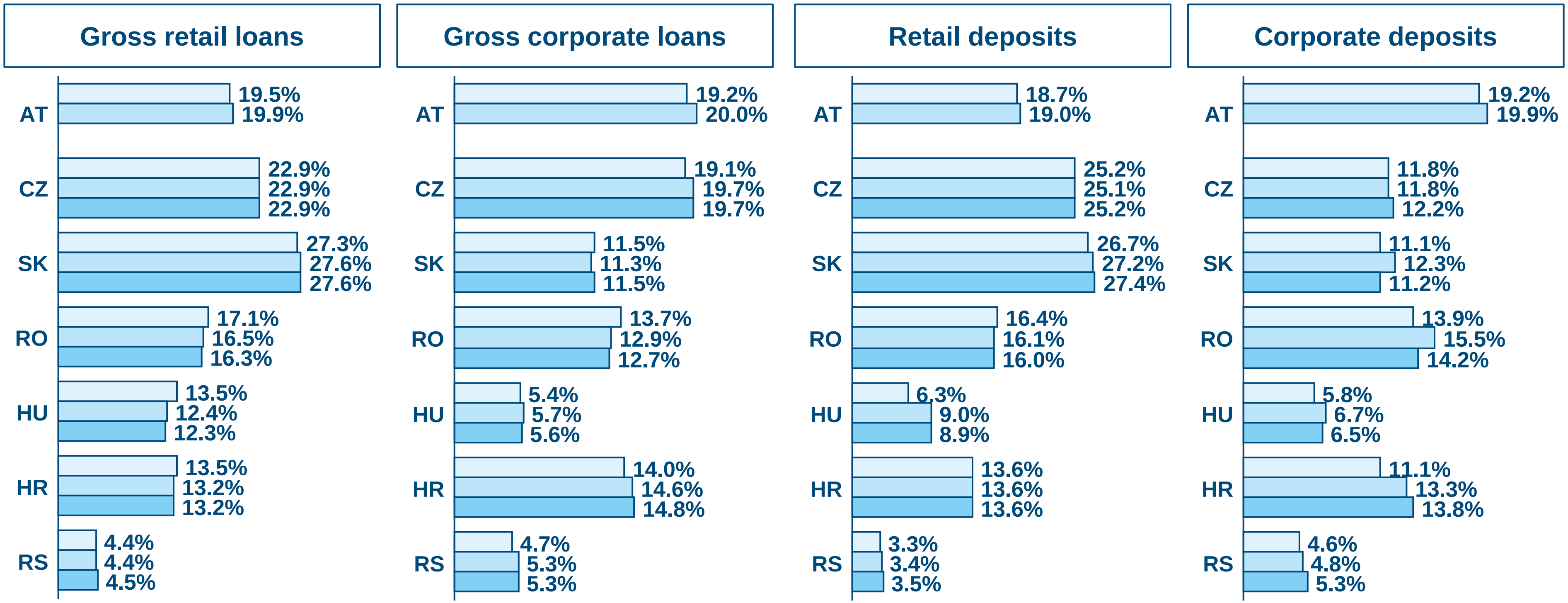
EUR/HRK



- Croatian National Bank continues to manage HRK in tight range

Source: Bloomberg

Business environment –
Market shares: mostly stable or increasing shares across the region



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

- RO: continued pressure on gross loan based market share
- HU: increasing yoy market share driven by SME and large corporate segments, while qoq decline is driven mainly by CRE repayments

- Continued inflows in all markets despite low interest rate environment, with broadly stable market shares

- Changes mainly due to normal quarterly volatility in corporate business

AT market shares for 30/06/2017 not yet available

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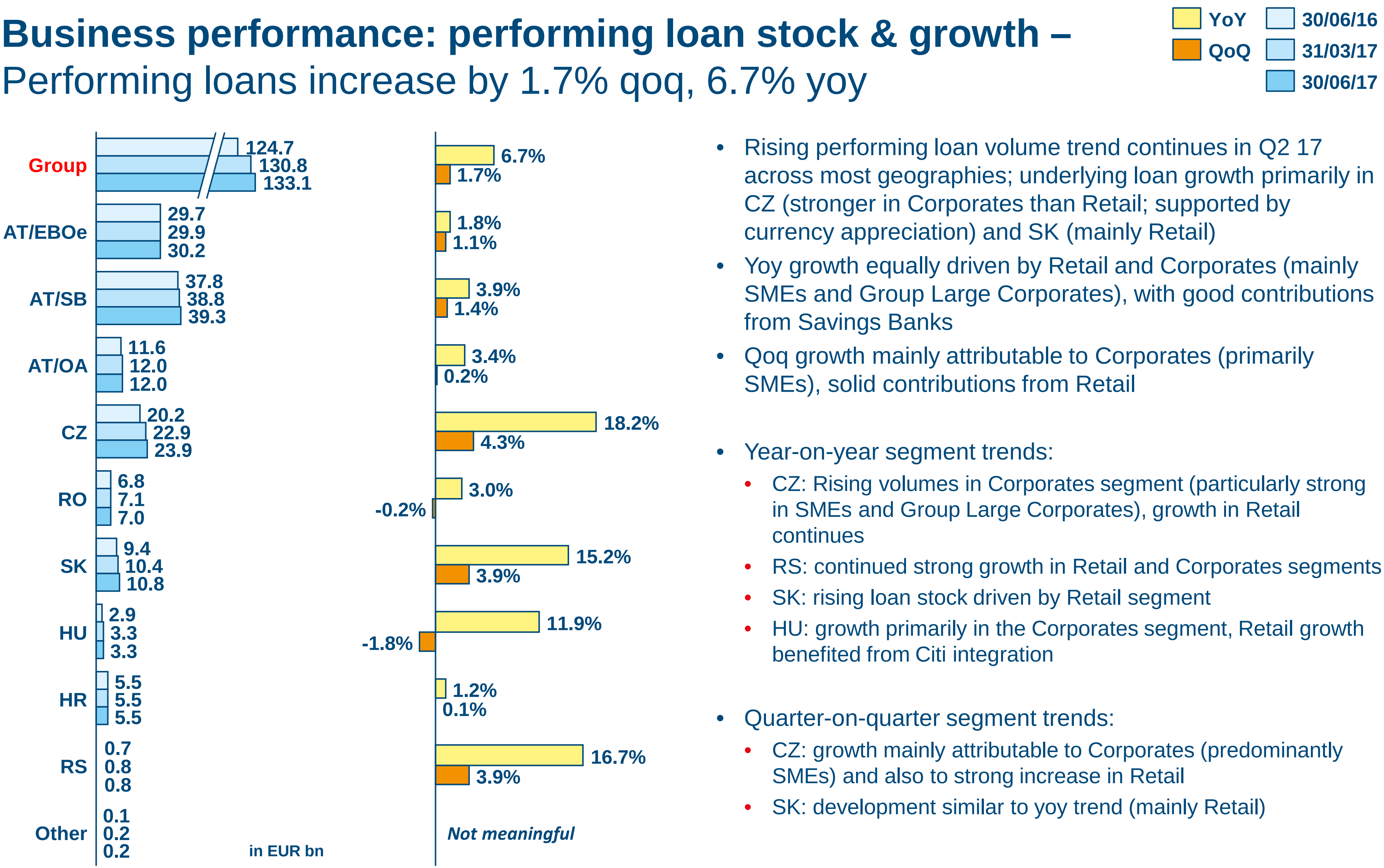
Presentation topics

Business performance: performing loan stock & growth –
Performing loans increase by 1.7% qoq, 6.7% yoy

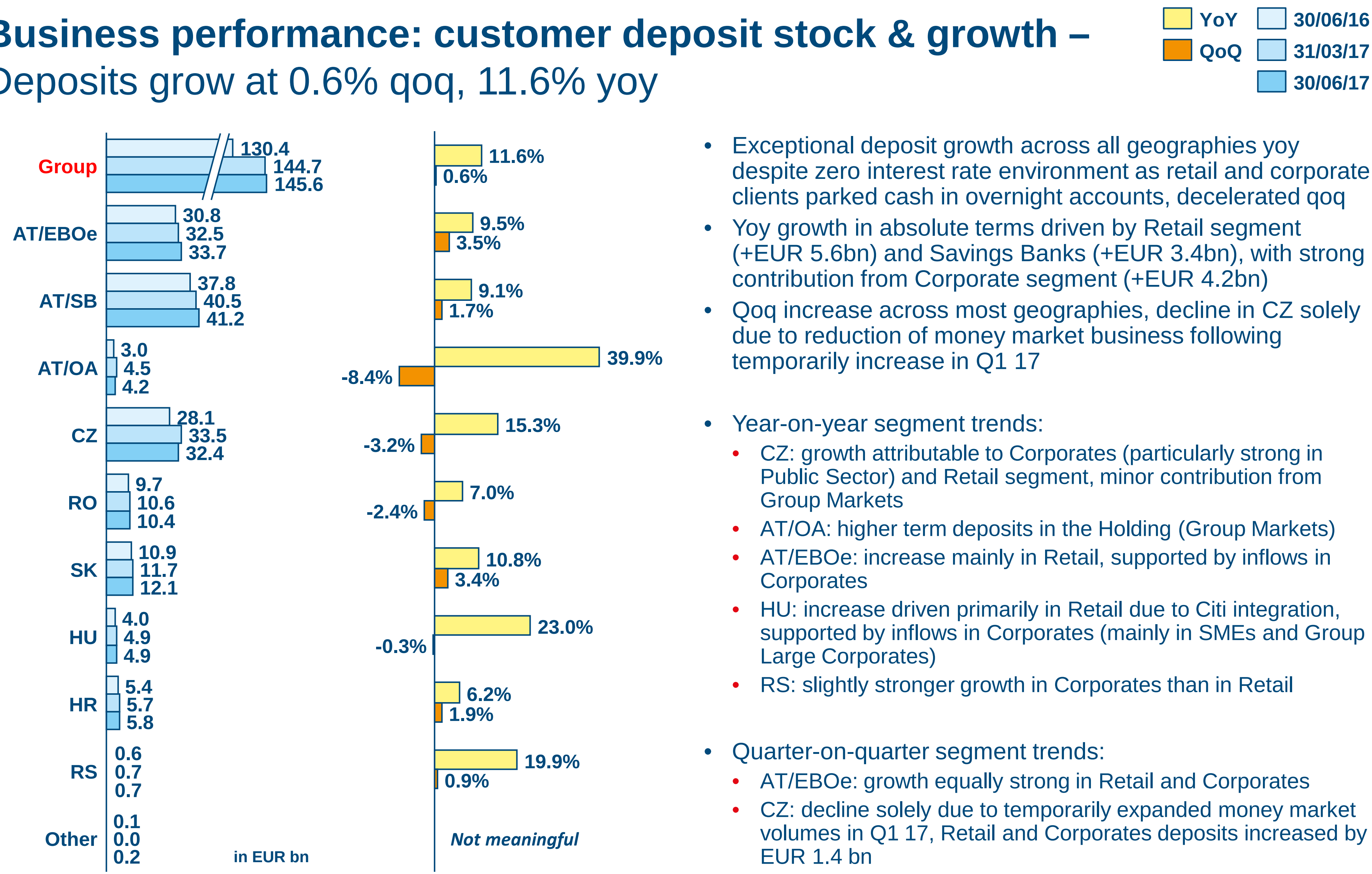


- Rising performing loan volume trend continues in Q2 17 across most geographies; underlying loan growth primarily in CZ (stronger in Corporates than Retail; supported by currency appreciation) and SK (mainly Retail)
- Yoy growth equally driven by Retail and Corporates (mainly SMEs and Group Large Corporates), with good contributions from Savings Banks
- Qoq growth mainly attributable to Corporates (primarily SMEs), solid contributions from Retail

- Year-on-year segment trends:
  - CZ: Rising volumes in Corporates segment (particularly strong in SMEs and Group Large Corporates), growth in Retail continues
  - RS: continued strong growth in Retail and Corporates segments
  - SK: rising loan stock driven by Retail segment
  - HU: growth primarily in the Corporates segment, Retail growth benefited from Citi integration

- Quarter-on-quarter segment trends:
  - CZ: growth mainly attributable to Corporates (predominantly SMEs) and also to strong increase in Retail
  - SK: development similar to yoy trend (mainly Retail)

Business performance: customer deposit stock & growth –
Deposits grow at 0.6% qoq, 11.6% yoy

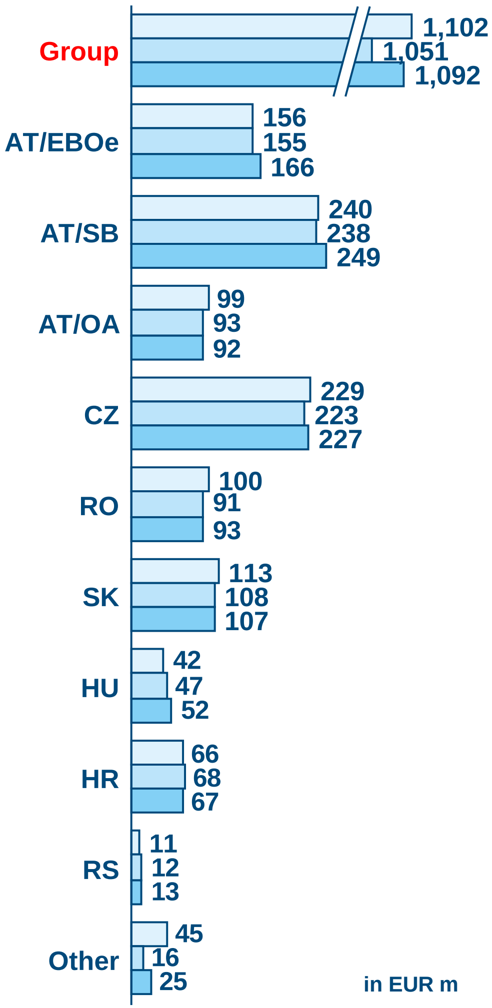


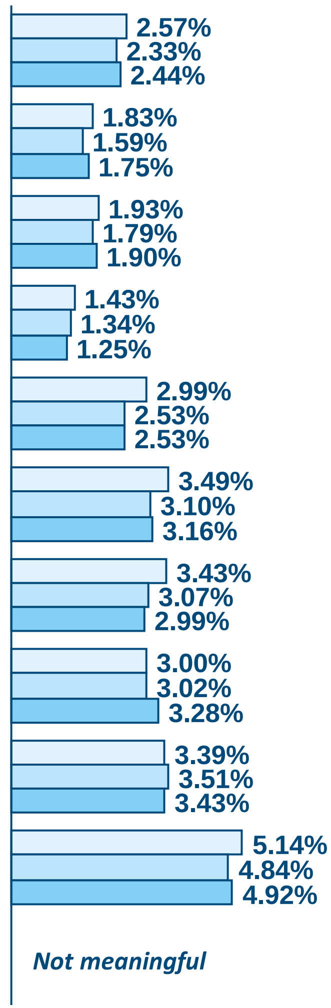
- Exceptional deposit growth across all geographies yoy despite zero interest rate environment as retail and corporate clients parked cash in overnight accounts, decelerated qoq
- Yoy growth in absolute terms driven by Retail segment (+EUR 5.6bn) and Savings Banks (+EUR 3.4bn), with strong contribution from Corporate segment (+EUR 4.2bn)
- Qoq increase across most geographies, decline in CZ solely due to reduction of money market business following temporarily increase in Q1 17

- Year-on-year segment trends:
  - CZ: growth attributable to Corporates (particularly strong in Public Sector) and Retail segment, minor contribution from Group Markets
  - AT/OA: higher term deposits in the Holding (Group Markets)
  - AT/EBOe: increase mainly in Retail, supported by inflows in Corporates
  - HU: increase driven primarily in Retail due to Citi integration, supported by inflows in Corporates (mainly in SMEs and Group Large Corporates)
  - RS: slightly stronger growth in Corporates than in Retail

- Quarter-on-quarter segment trends:
  - AT/EBOe: growth equally strong in Retail and Corporates
  - CZ: decline solely due to temporarily expanded money market volumes in Q1 17, Retail and Corporates deposits increased by EUR 1.4 bn

Business performance: NII and NIM –
NII and NIM rebounds in Q2 17, after weak Q1 17



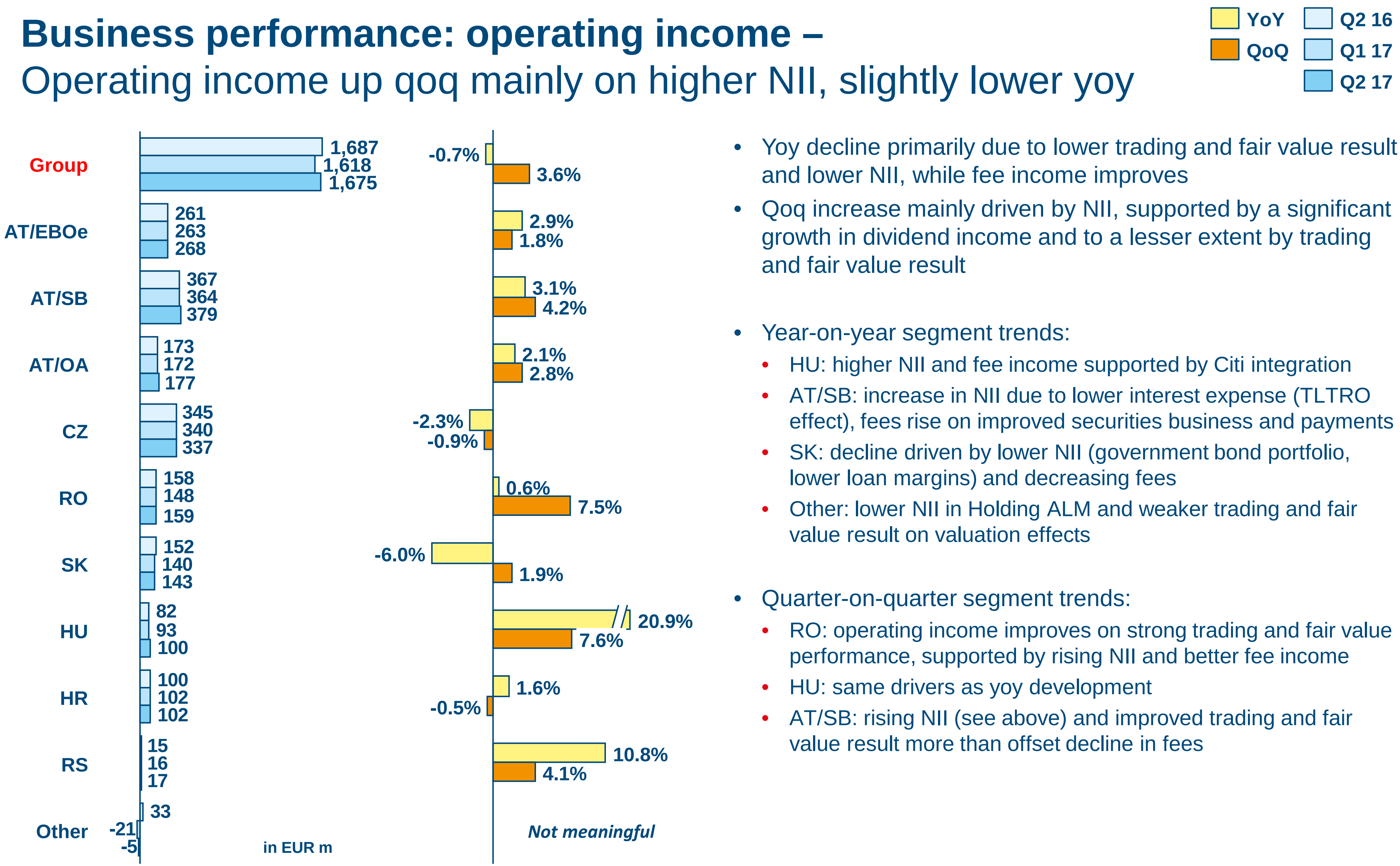


- Yoy decline due to lower interest income from government bonds; main segment impact in Other (Holding ALM); positive developments in AT, HU and RS
- Qoq increase on higher loan volumes (particularly in AT, HU and CZ), lower interest expense (cumulative TLTRO effect of EUR 14.4m booked in Q2 17) and day effect

- Year-on-year segment trends:
  - Positive NII development in AT/EBOe, AT/SB, HU and RS
  - NII erosion in SK and Other segment due to lower NII from government bonds (in SK also on lower loan margins), in RO on lower unwinding contribution

- Quarter-on-quarter segment trends:
  - AT/EBOe: improvement due to TLTRO effect (EUR 5.3m) and higher loan volumes and contributions from Austrian building society
  - AT/SB: higher NII mainly on TLTRO effect (EUR 8.4m)
  - CZ: increasing asset volumes support NII growth
  - HU: improvement supported by Citi integration (first full quarter included in the results)

Business performance: operating income –
Operating income up qoq mainly on higher NII, slightly lower yoy



- Yoy decline primarily due to lower trading and fair value result and lower NII, while fee income improves
- Qoq increase mainly driven by NII, supported by a significant growth in dividend income and to a lesser extent by trading and fair value result

- Year-on-year segment trends:
  - HU: higher NII and fee income supported by Citi integration
  - AT/SB: increase in NII due to lower interest expense (TLTRO effect), fees rise on improved securities business and payments
  - SK: decline driven by lower NII (government bond portfolio, lower loan margins) and decreasing fees
  - Other: lower NII in Holding ALM and weaker trading and fair value result on valuation effects

- Quarter-on-quarter segment trends:
  - RO: operating income improves on strong trading and fair value performance, supported by rising NII and better fee income
  - HU: same drivers as yoy development
  - AT/SB: rising NII (see above) and improved trading and fair value result more than offset decline in fees

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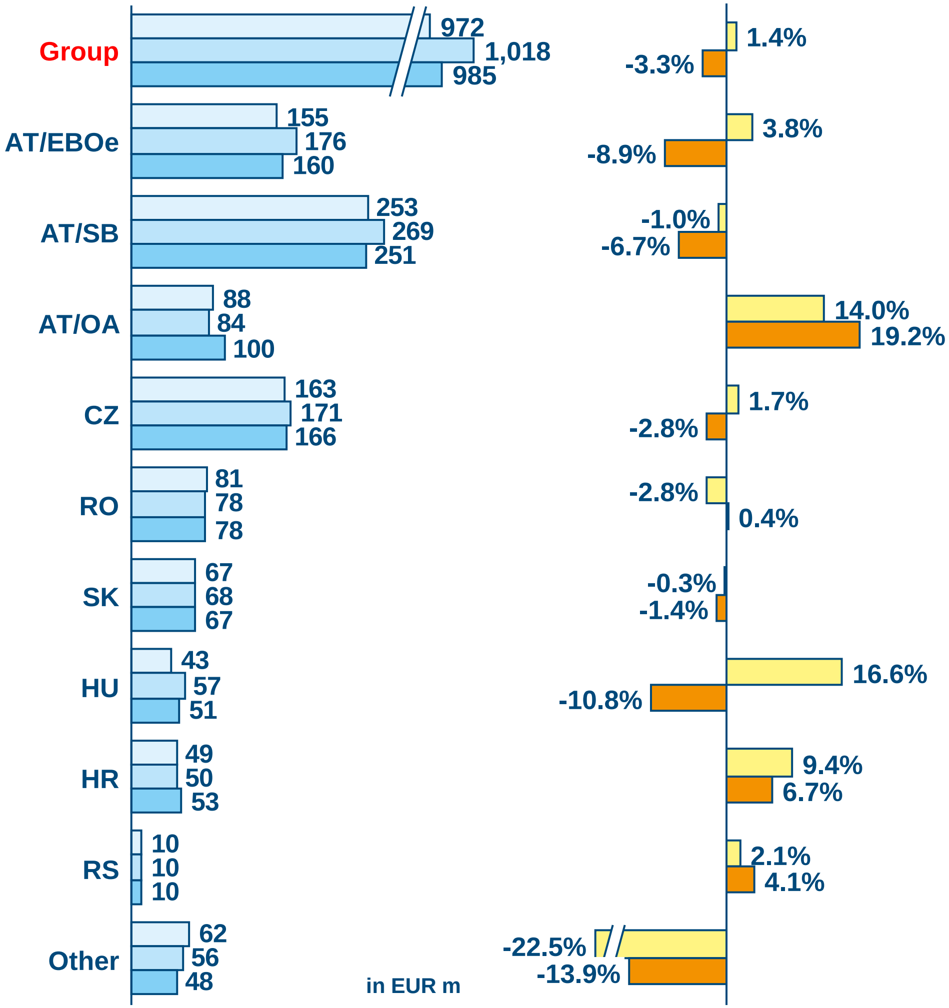
Business performance: operating expenses –
Operating costs improve qoq, after seasonally higher costs in Q1 17



- Yoy cost increase driven by higher IT costs and higher depreciation
- Qoq improvement driven by full-year deposit insurance contribution (except HR, RS) booked in Q1 17, partially offset by higher IT and personnel expenses

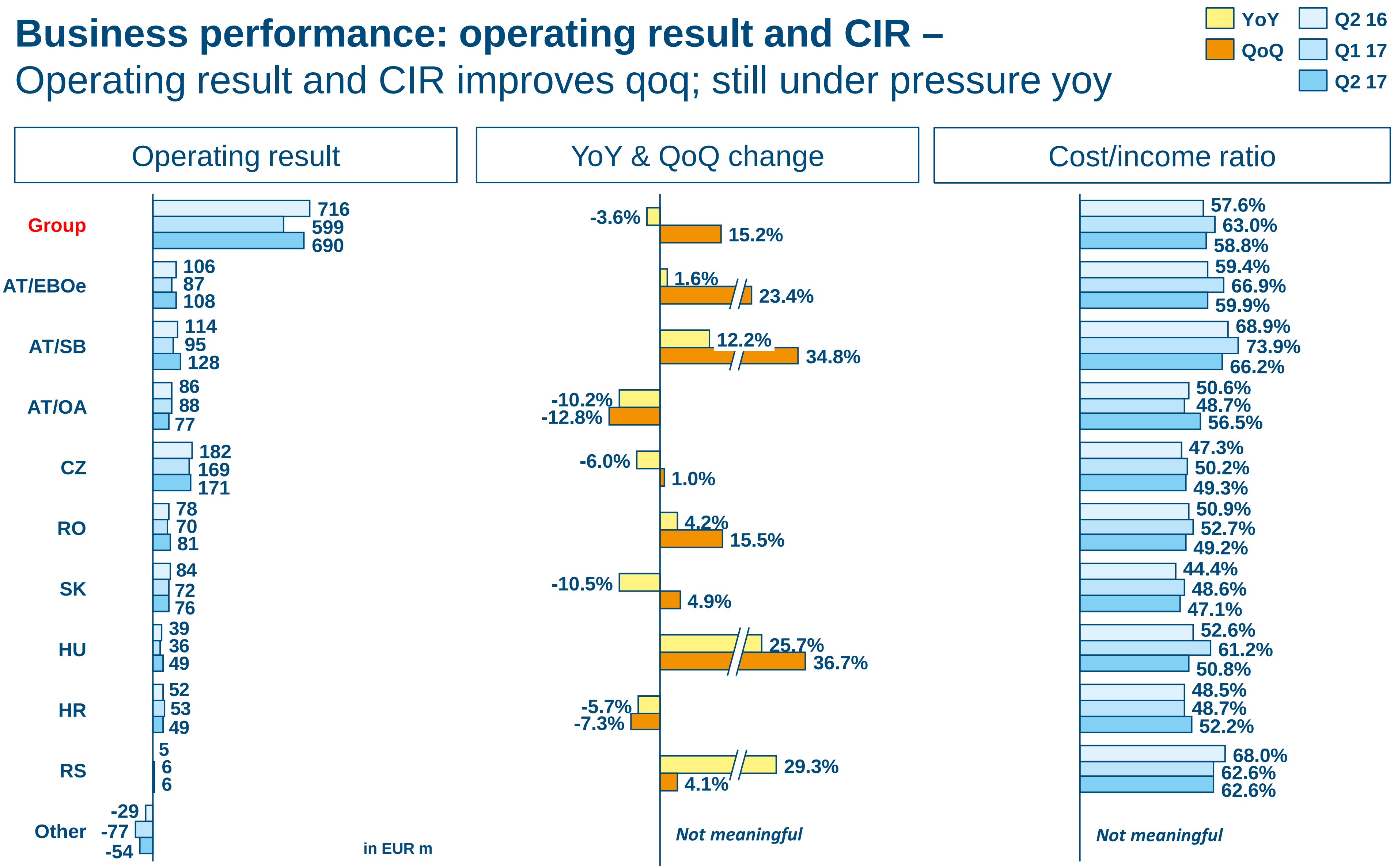
- Year-on-year segment trends:
  - AT/OA: increase due to higher project costs in the Holding
  - HU: higher personnel expenses and depreciation following the Citi integration
  - AT/EBOe: higher IT related expenses
  - Other: decline due to higher intercompany eliminations

- Quarter-on-quarter segment trends:
  - AT/OA: higher project costs in the Holding
  - AT/EBOe, AT/SB: improvements mainly driven by booking of the full-year deposit insurance in Q1 17, partially offset by higher IT costs (EBOe) and higher personnel expenses (Savings Banks)
  - HU: decline due to deposit insurance booked in Q1 17
  - Other: decline due to higher intercompany eliminations

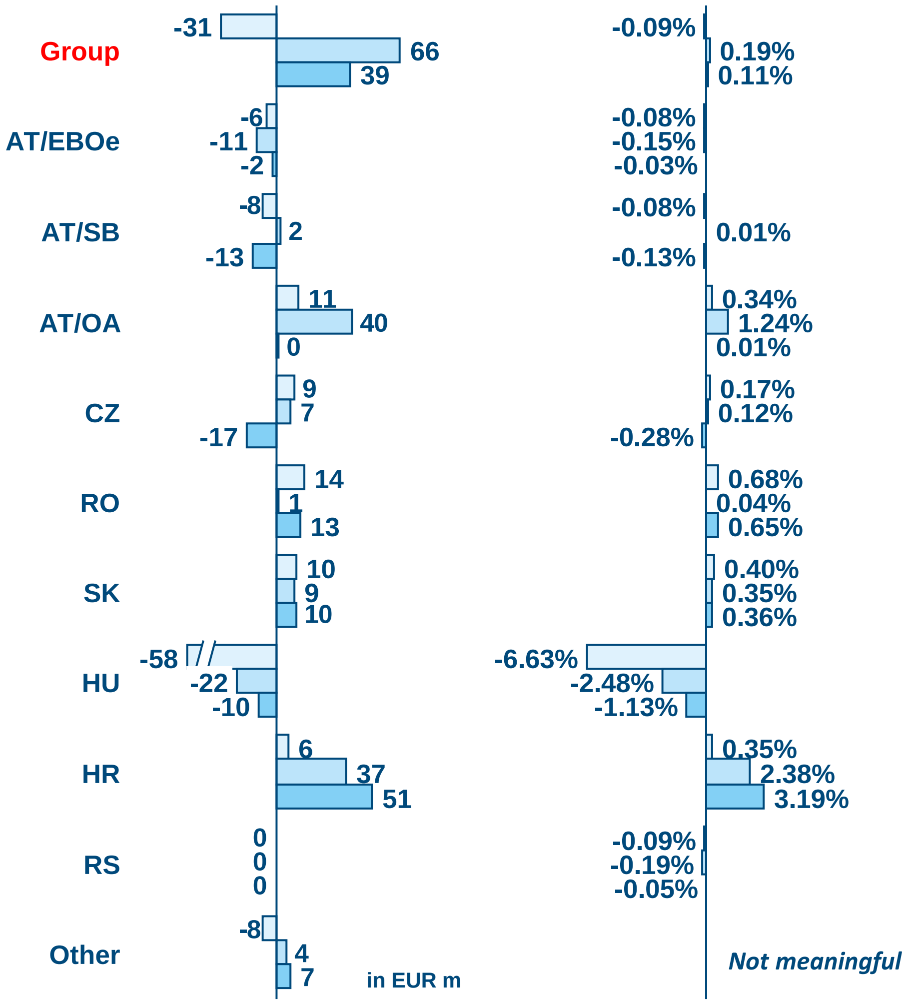
Business performance: operating result and CIR –

Operating result and CIR improves qoq; still under pressure yoy

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



Business performance: risk costs (abs/rel*) –
Risk costs decline qoq and remain at historically low levels in Q2 17



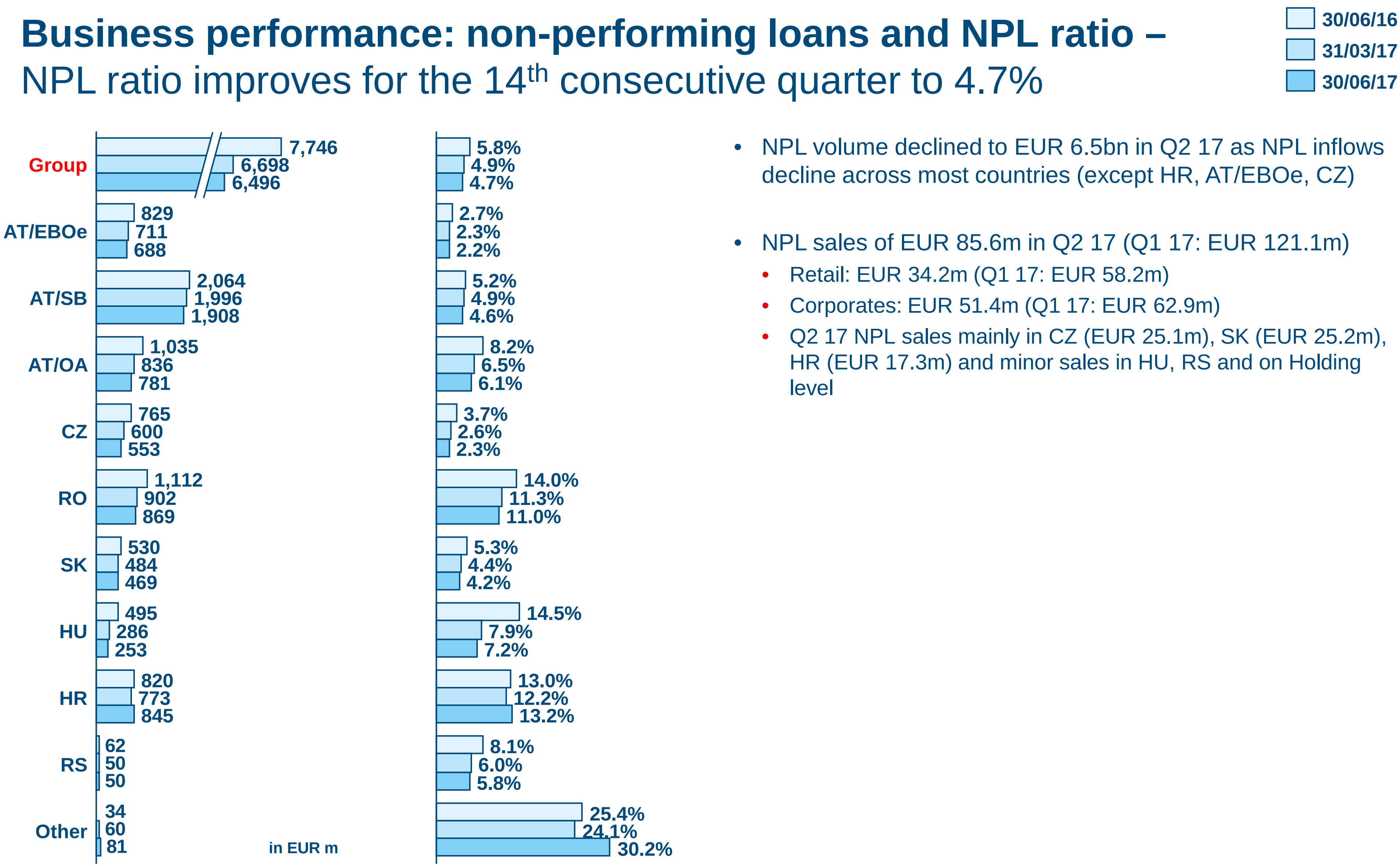
* Relative risk costs are defined as annualised quarterly risk costs over average gross customer loans.

- Yoy risk performance characterised by a reduced level of releases and a continuation of historically low risk costs (except HR)
- Qoq improvement mainly attributable to higher impairments in the Holding in Q1 17, supported by net releases in CZ, HU and the Savings Banks in Q2 17

- Year-on-year segment trends:
  - HR: increase due to a single default in Corporates (Group Large Corporates)
  - HU: reduced level of net releases in Retail and Corporates
  - CZ: net releases and improved recoveries

- Quarter-on-quarter segment trends:
  - AT/OA: improvement following specific risk provisions related to a defaulted customer booked in Q1 17, in addition higher releases and improved recoveries in Q2 17
  - HR: higher risk costs in Corporates (Group Large Corporates)
  - CZ: no new defaults and net releases as well as improved recoveries (in several individual cases)
  - AT/SB: net releases across most savings banks

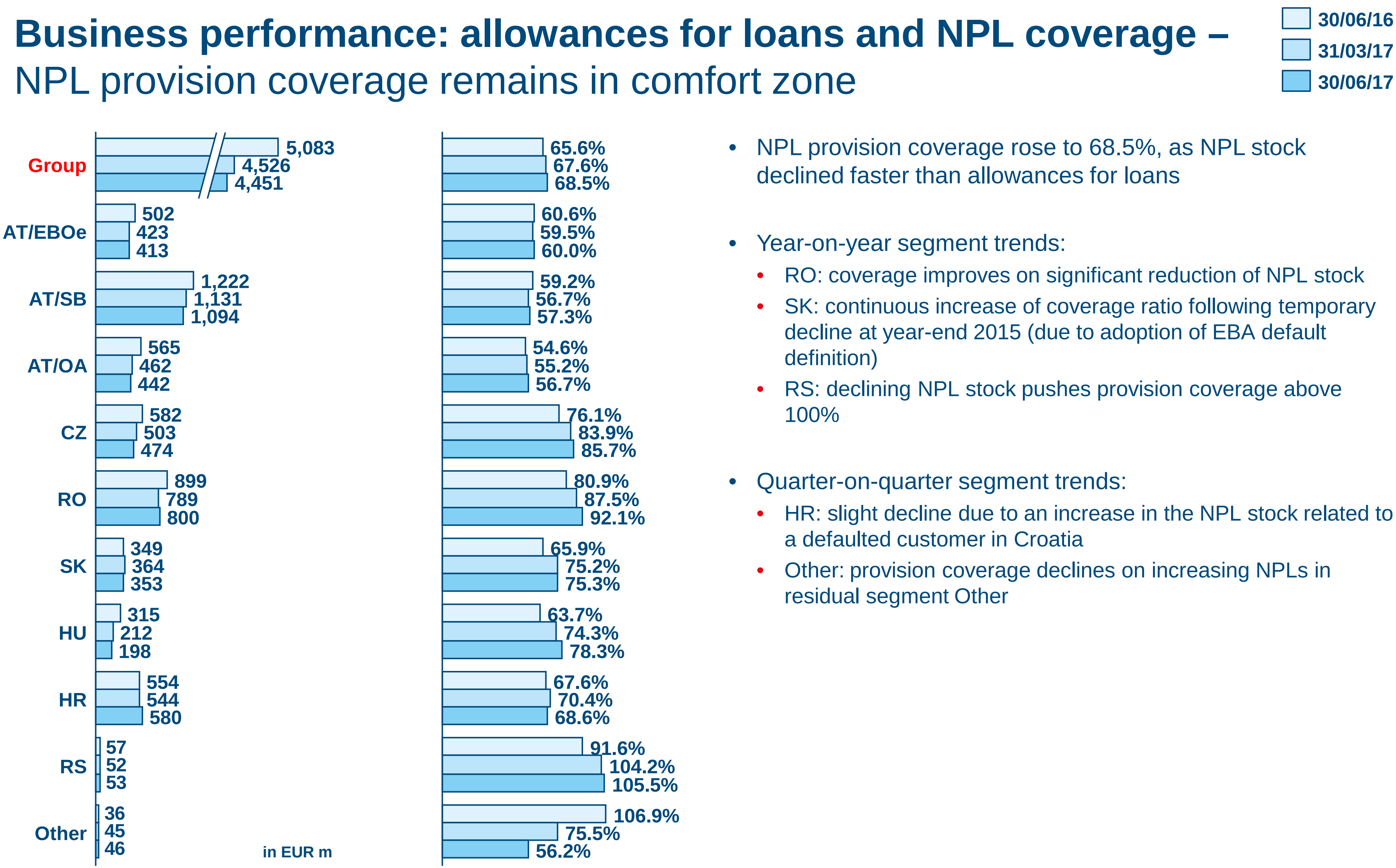
Business performance: non-performing loans and NPL ratio –
NPL ratio improves for the 14th consecutive quarter to 4.7%



- NPL volume declined to EUR 6.5bn in Q2 17 as NPL inflows decline across most countries (except HR, AT/EBOe, CZ)
- NPL sales of EUR 85.6m in Q2 17 (Q1 17: EUR 121.1m)
  - Retail: EUR 34.2m (Q1 17: EUR 58.2m)
  - Corporates: EUR 51.4m (Q1 17: EUR 62.9m)
  - Q2 17 NPL sales mainly in CZ (EUR 25.1m), SK (EUR 25.2m), HR (EUR 17.3m) and minor sales in HU, RS and on Holding level

ERSTE Group

Business performance: allowances for loans and NPL coverage –
NPL provision coverage remains in comfort zone

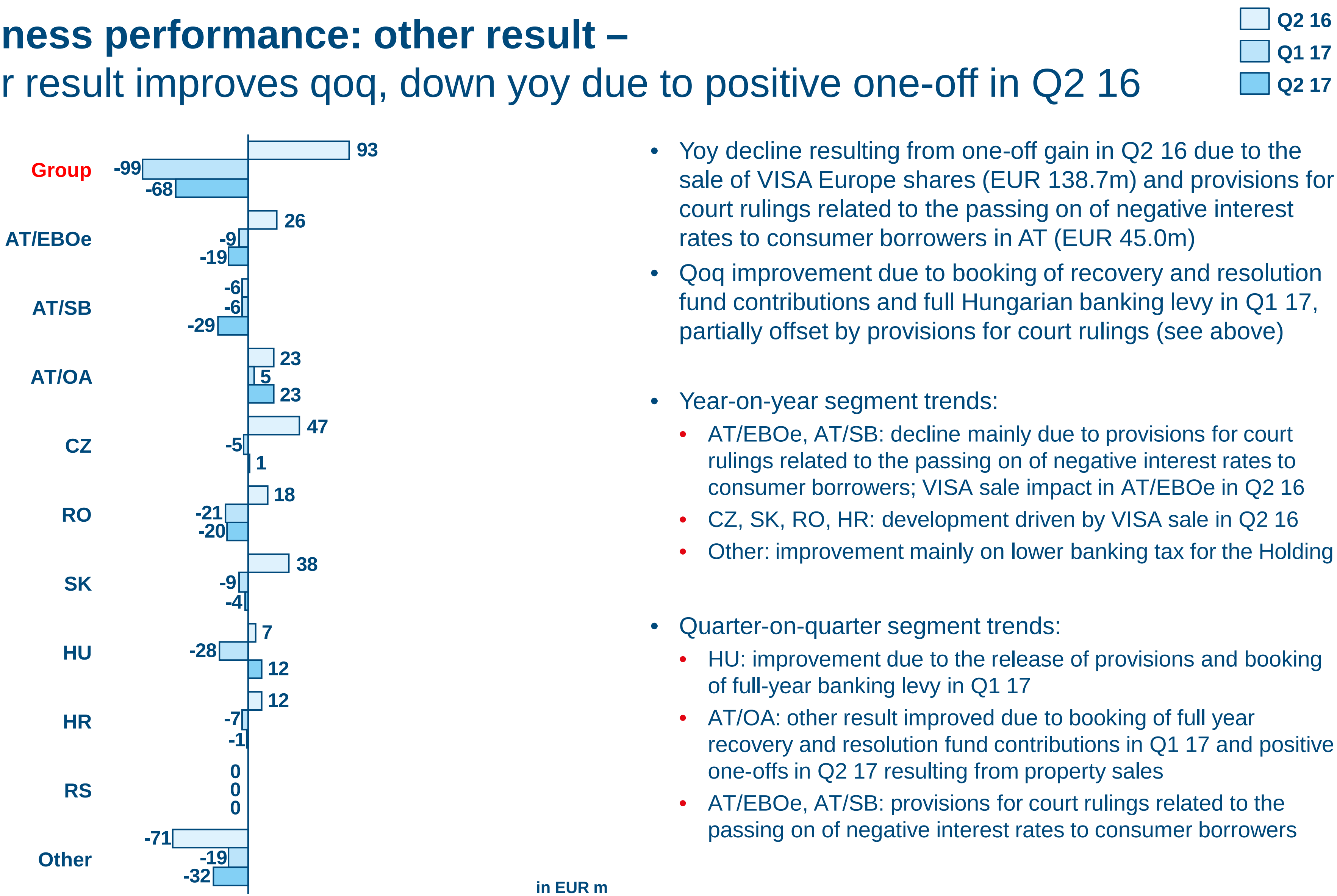


- NPL provision coverage rose to 68.5%, as NPL stock declined faster than allowances for loans

- Year-on-year segment trends:
  - RO: coverage improves on significant reduction of NPL stock
  - SK: continuous increase of coverage ratio following temporary decline at year-end 2015 (due to adoption of EBA default definition)
  - RS: declining NPL stock pushes provision coverage above 100%

- Quarter-on-quarter segment trends:
  - HR: slight decline due to an increase in the NPL stock related to a defaulted customer in Croatia
  - Other: provision coverage declines on increasing NPLs in residual segment Other

Business performance: other result –
Other result improves qoq, down yoy due to positive one-off in Q2 16

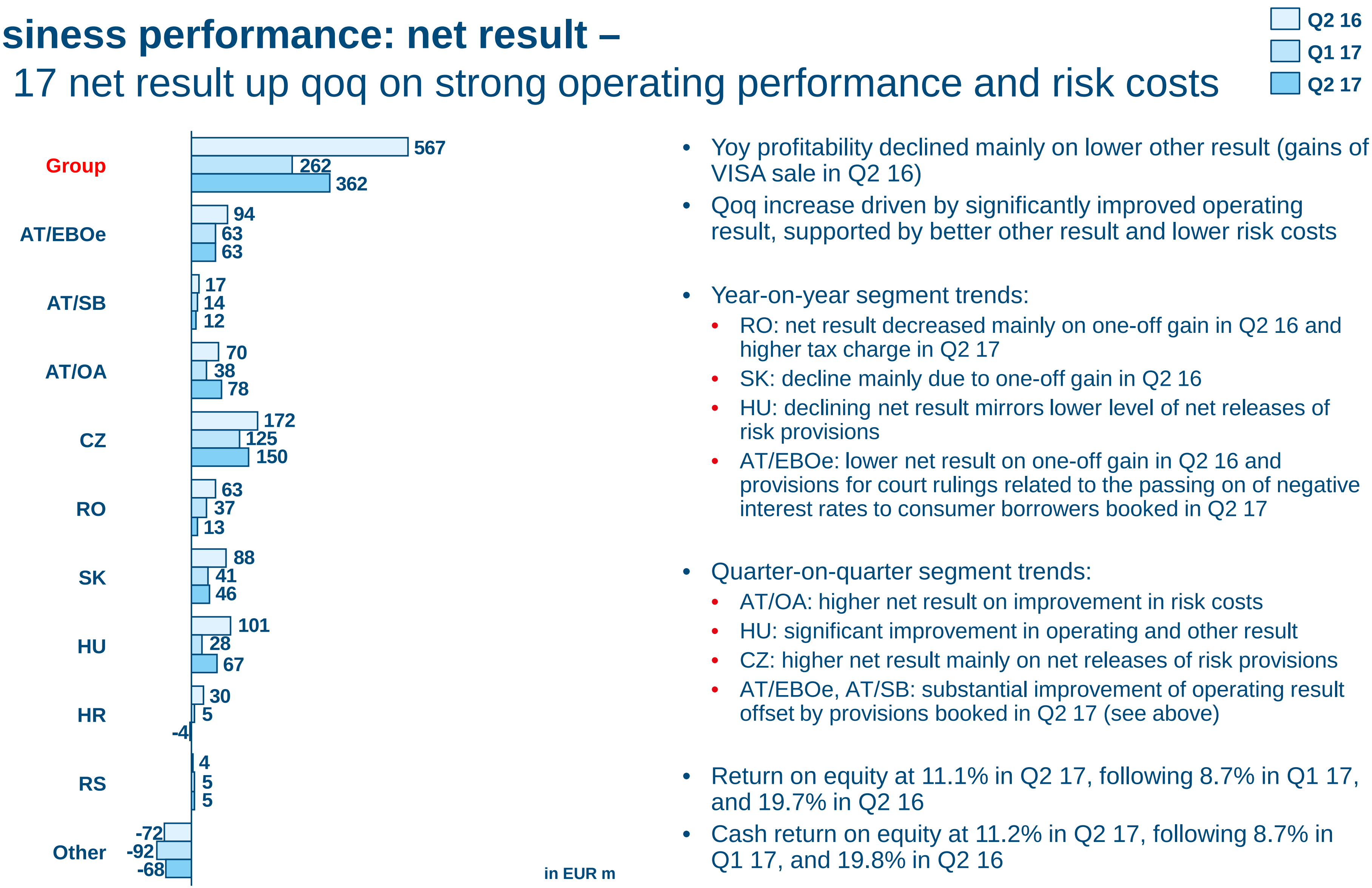


- Yoy decline resulting from one-off gain in Q2 16 due to the sale of VISA Europe shares (EUR 138.7m) and provisions for court rulings related to the passing on of negative interest rates to consumer borrowers in AT (EUR 45.0m)
- Qoq improvement due to booking of recovery and resolution fund contributions and full Hungarian banking levy in Q1 17, partially offset by provisions for court rulings (see above)

- Year-on-year segment trends:
  - AT/EBOe, AT/SB: decline mainly due to provisions for court rulings related to the passing on of negative interest rates to consumer borrowers; VISA sale impact in AT/EBOe in Q2 16
  - CZ, SK, RO, HR: development driven by VISA sale in Q2 16
  - Other: improvement mainly on lower banking tax for the Holding

- Quarter-on-quarter segment trends:
  - HU: improvement due to the release of provisions and booking of full-year banking levy in Q1 17
  - AT/OA: other result improved due to booking of full year recovery and resolution fund contributions in Q1 17 and positive one-offs in Q2 17 resulting from property sales
  - AT/EBOe, AT/SB: provisions for court rulings related to the passing on of negative interest rates to consumer borrowers

Business performance: net result –
Q2 17 net result up qoq on strong operating performance and risk costs



- Yoy profitability declined mainly on lower other result (gains of VISA sale in Q2 16)
- Qoq increase driven by significantly improved operating result, supported by better other result and lower risk costs

- Year-on-year segment trends:
  - RO: net result decreased mainly on one-off gain in Q2 16 and higher tax charge in Q2 17
  - SK: decline mainly due to one-off gain in Q2 16
  - HU: declining net result mirrors lower level of net releases of risk provisions
  - AT/EBOe: lower net result on one-off gain in Q2 16 and provisions for court rulings related to the passing on of negative interest rates to consumer borrowers booked in Q2 17

- Quarter-on-quarter segment trends:
  - AT/OA: higher net result on improvement in risk costs
  - HU: significant improvement in operating and other result
  - CZ: higher net result mainly on net releases of risk provisions
  - AT/EBOe, AT/SB: substantial improvement of operating result offset by provisions booked in Q2 17 (see above)

- Return on equity at 11.1% in Q2 17, following 8.7% in Q1 17, and 19.7% in Q2 16
- Cash return on equity at 11.2% in Q2 17, following 8.7% in Q1 17, and 19.8% in Q2 16

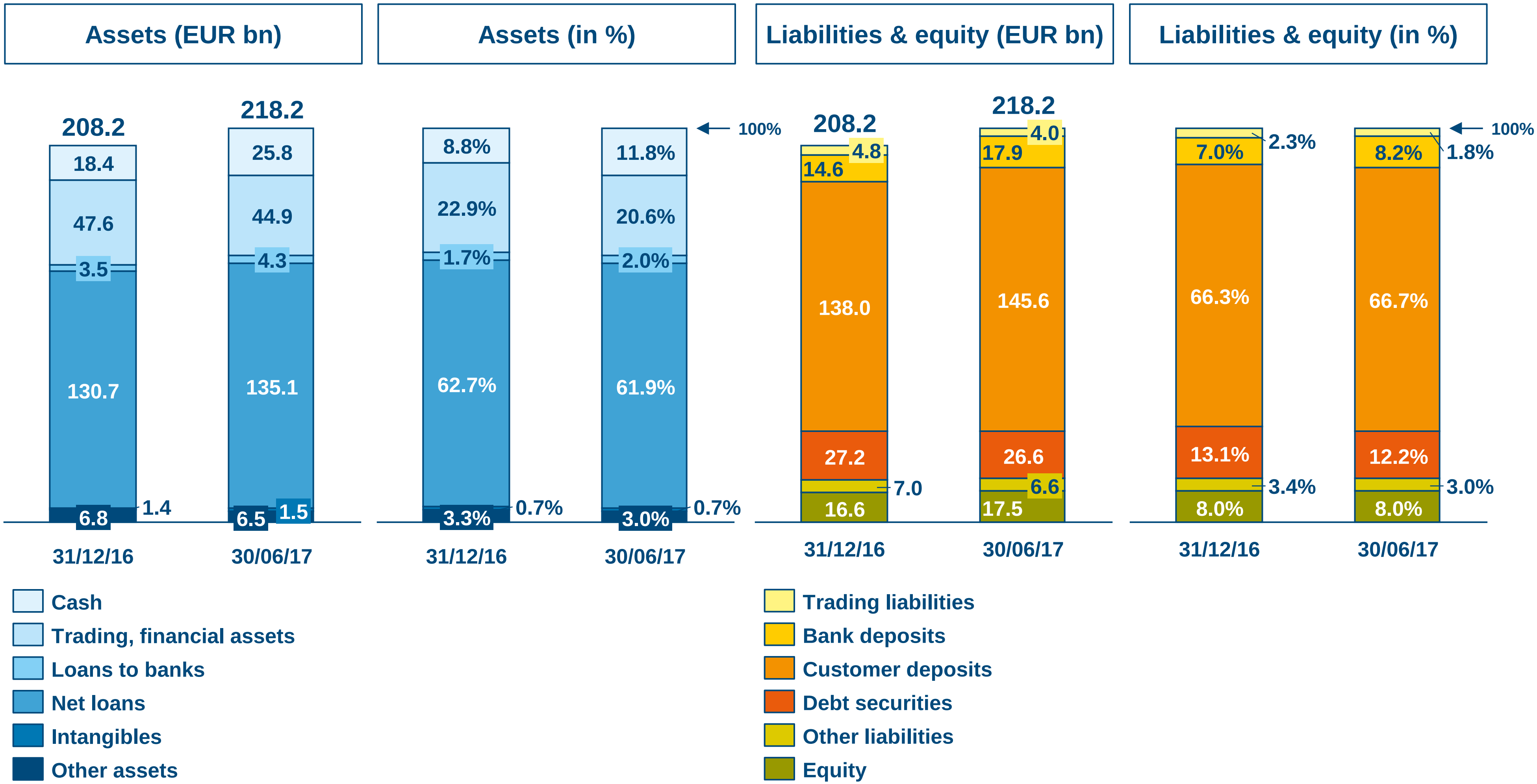
Presentation topics

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

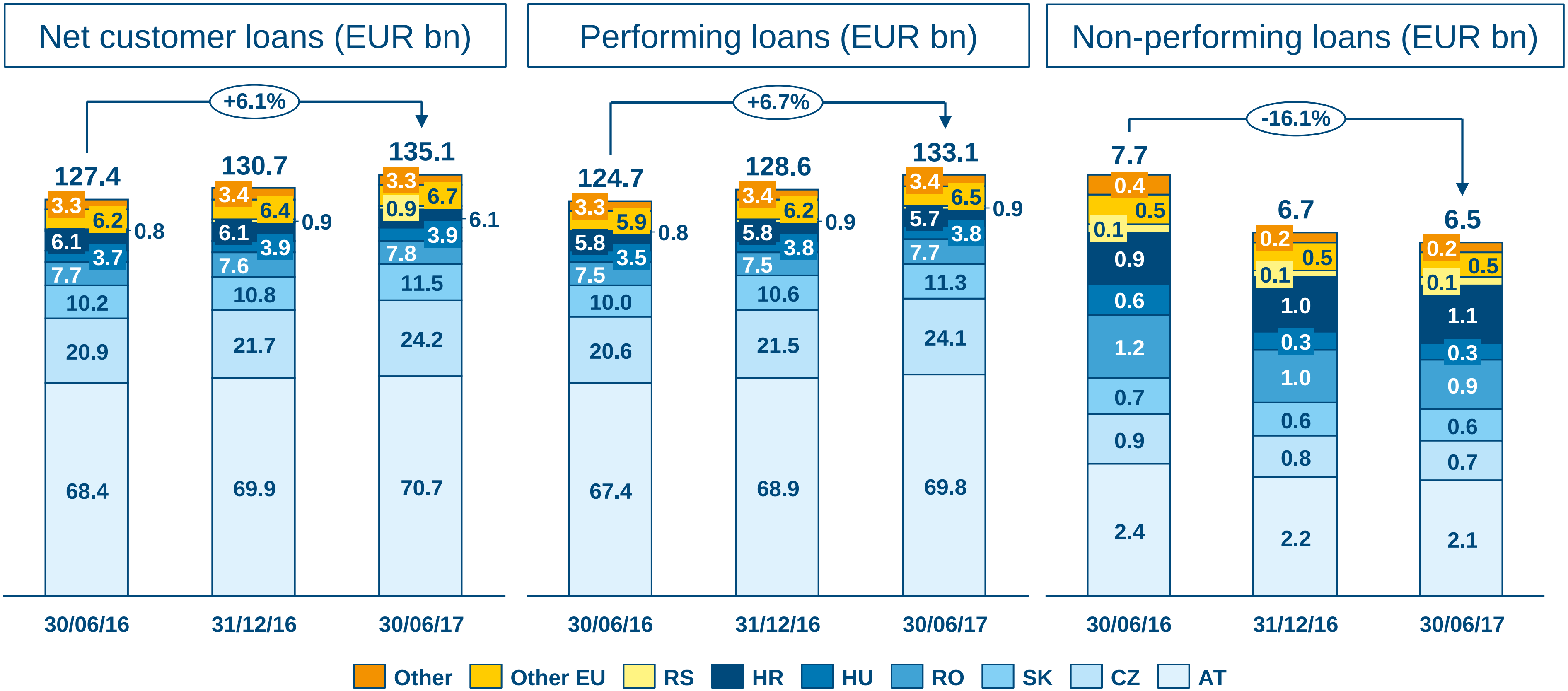
ERSTE Group

Assets and liabilities: YTD overview –

Loan/deposit ratio down to 92.8% at Jun 17 (Dec 16: 94.7%)



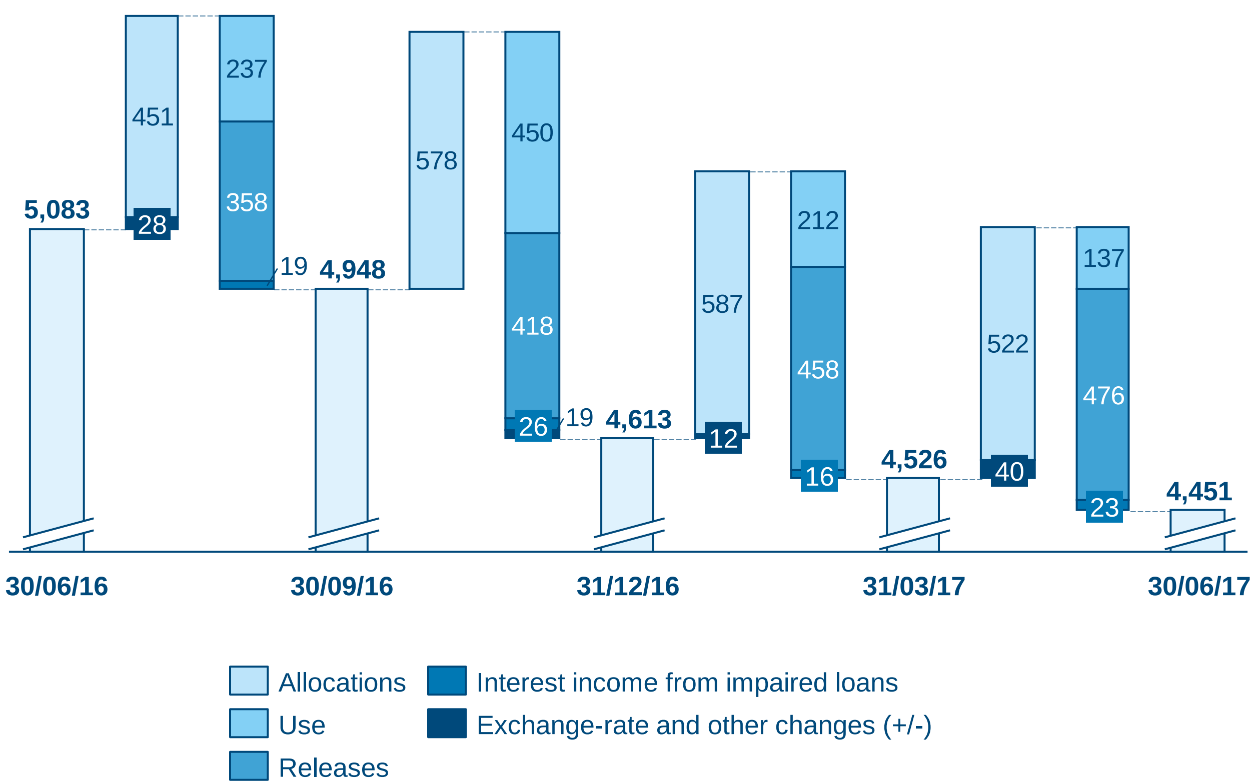
Assets and liabilities: customer loans by country of risk –
Net customer loans up 3.4% ytd, NPLs down 2.7%



- Performing loan growth driven by Czech Republic, Austria and Slovakia
  - Main contributing business lines: Retail and Corporates
  - Minor declining volumes in HU and RO, increases in HR and RS
- 16.1% yoy decline in NPL stock mainly driven by NPL sales and positive migration trends across most geographies

Assets and liabilities: allowances for customer loans –
As asset quality improves lower interest income from NPLs weighs on NII

Quarterly development (EUR m)



Highlights

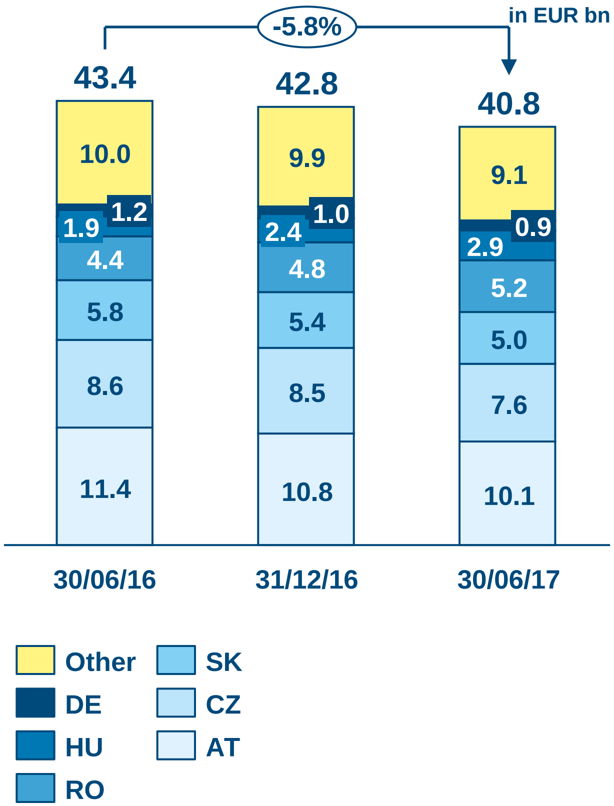
- Development of interest income from NPLs:
  - 2013: EUR 270m
  - 2014: EUR 202m
  - 2015: EUR 162m
  - 2016: EUR 106m
- P&L unwinding impact = interest income from impaired loans = EUR 23m in Q2 17 (Q1 17: EUR 16m, Q2 16: EUR 26m)

Unwinding impact explained

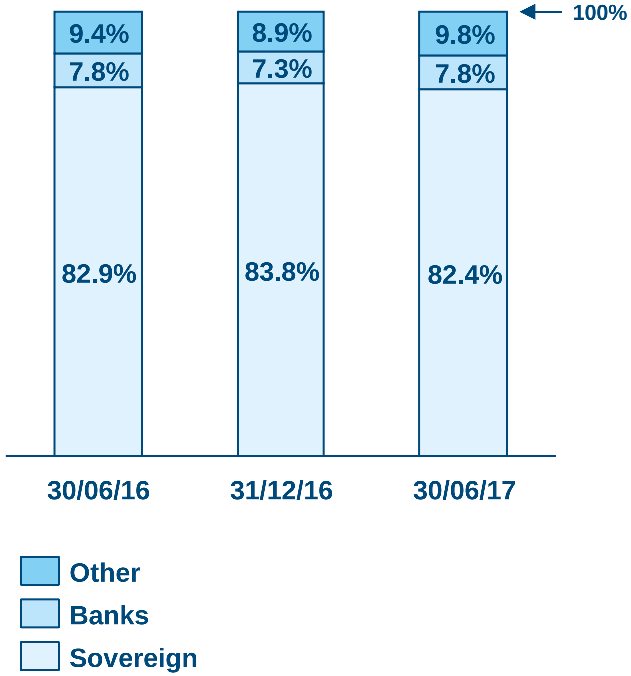
- Erste Group does not accrue interest on NPLs
- When a loan turns NPL Erste Group estimates the recoverable amount and the time frame of recovery
- The recoverable amount is discounted to present (at the effective interest rate of the underlying contract) and a provision reflecting the time value of money is created, ie a higher provision than without discounting
- The time value is released through NII until recovery realisation

Assets and liabilities: financial and trading assets * –
LCR at excellent 153.8%

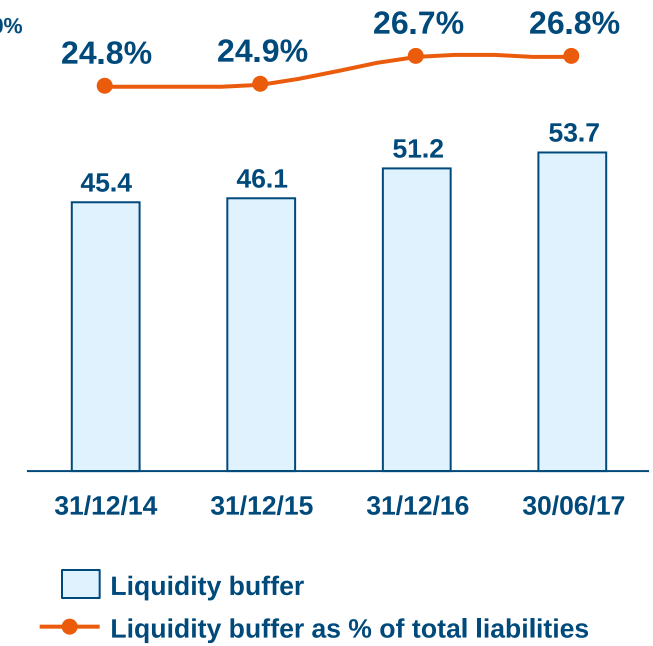
By geography



By debtor type



Liquidity buffer

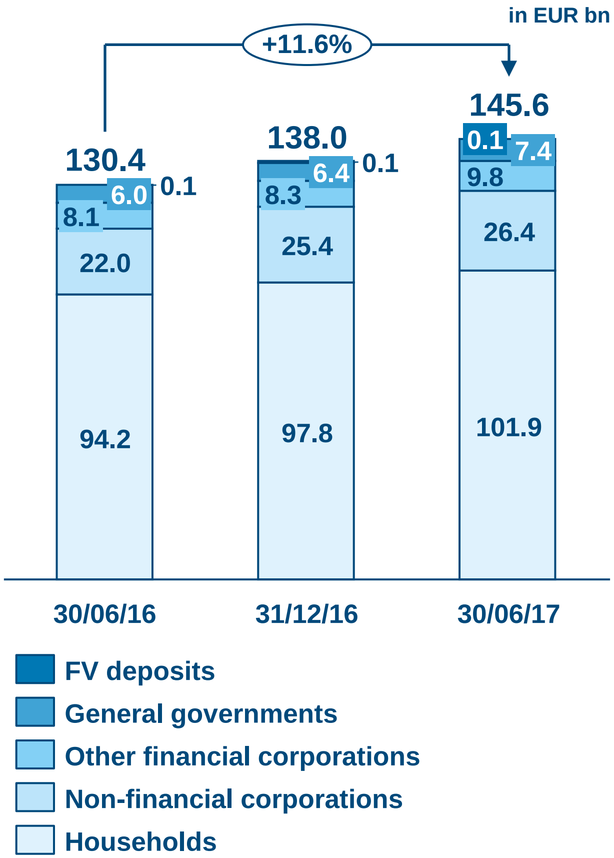


- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

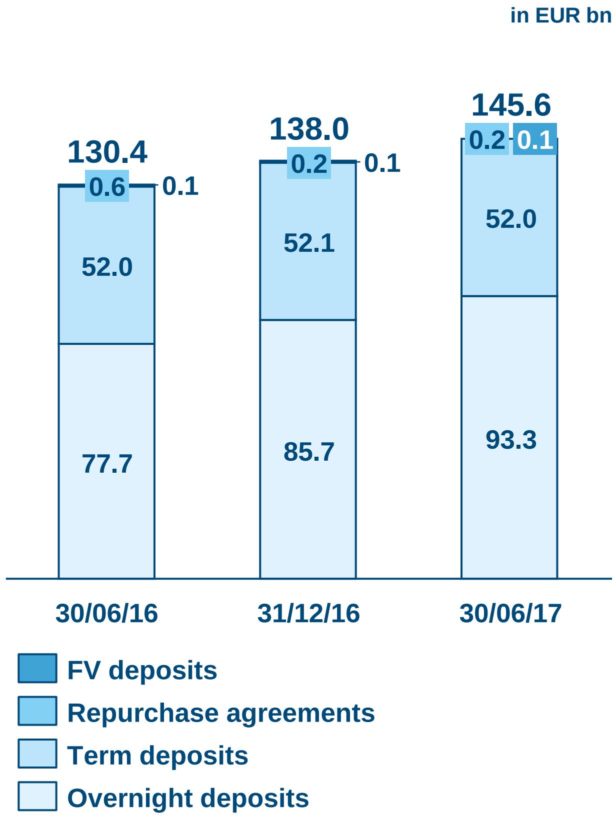
* Excludes derivatives held for trading.

Assets and liabilities: customer deposit funding –
Customer deposits grow by 0.6% qoq, up 5.5% ytd

By customer type



By product type



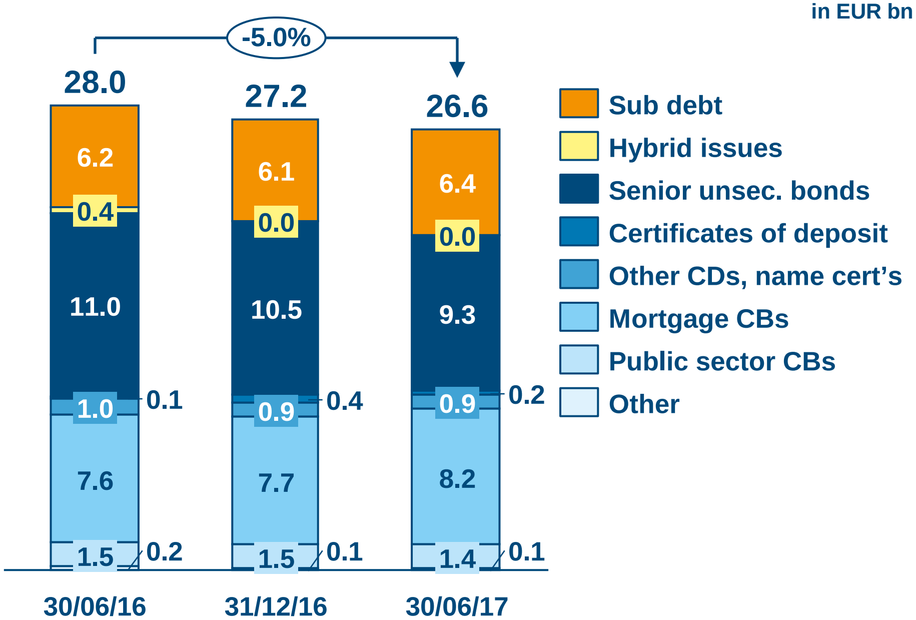
Highlights

- 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
- High but compared to Q1 17 lower money market activities in holding and CZ
- Increasing share of overnight deposits with significantly longer behavioural maturity provides a cost effective funding source

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

Debt securities issued

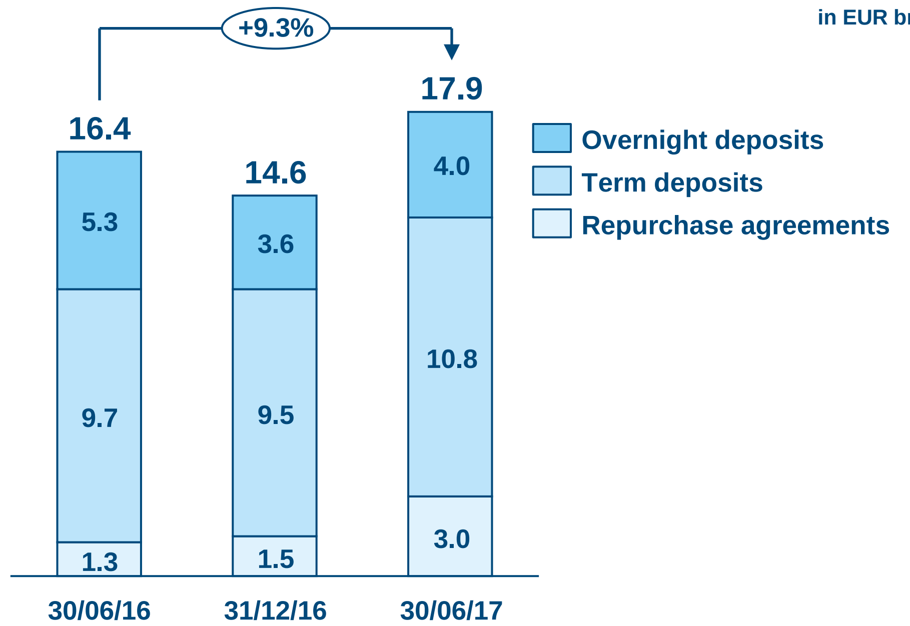
in EUR bn



- Overall reduction in wholesale funding reliance led by decline in outstanding senior unsecured debt

Interbank deposits

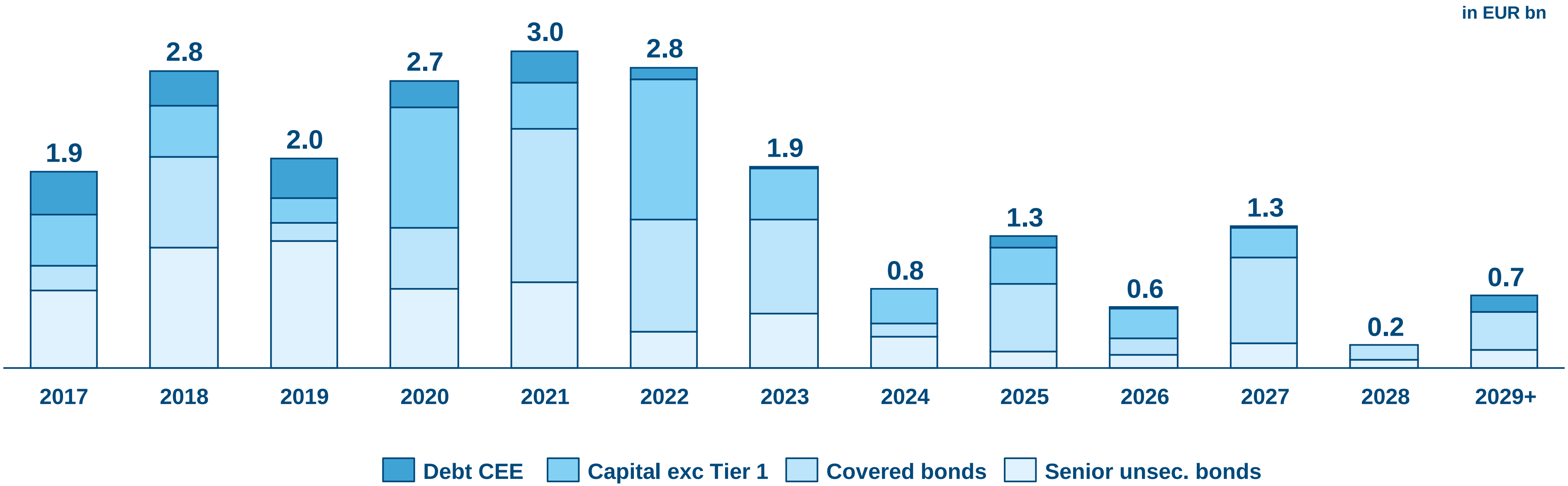
in EUR bn



- Money market activities peaked in Holding and CZ in Q1 17, decline of 22.0% qoq

Assets and liabilities: LT funding –
Limited LT funding needs

Maturity profile of debt

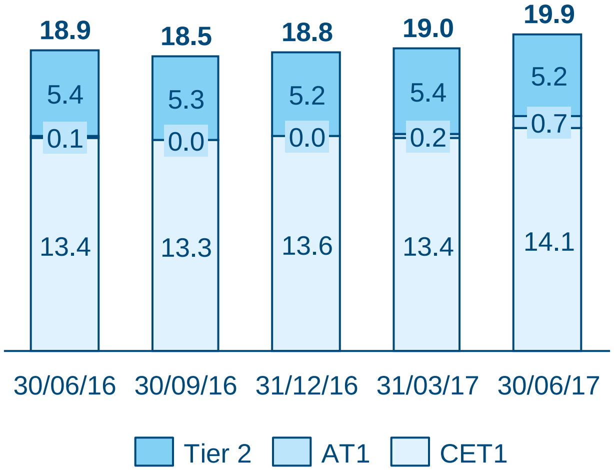


- In January 2017 Erste Group opened the covered bond market for Austrian issuers with a EUR 750m 10y mortgage covered bond
- Erste Group's second CRD IV/CRR compliant AT1-benchmark transaction was issued at the beginning of Q2 17 (EUR 500m, perpNC7). The issue attracted more than 250 accounts and had orders above EUR 3.75bn. The already comfortable capital position of Erste Group was further strengthened and the issue contributes to the transition towards an optimal CRR-compliant capital structure
- During the latest TLTRO Erste Group participated with EUR 1.17bn which brings the total utilisation up to approximately EUR 3.5bn

Assets and liabilities: capital position –
B3FL CET1 solid at 12.8%, impacted mainly by RWA inflation

Basel 3 capital (phased-in)

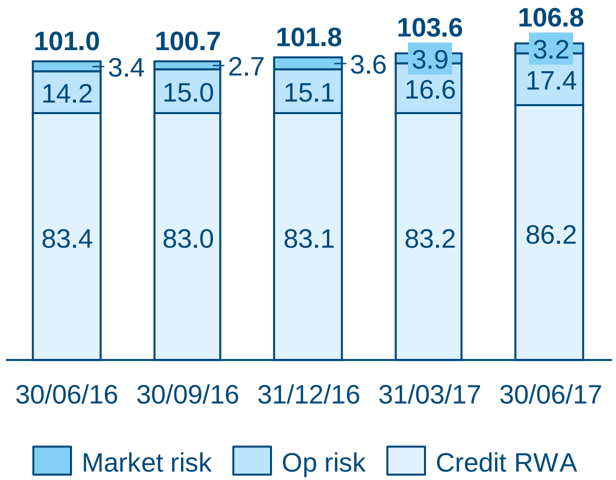
in EUR bn



- B3FL CET1 capital rose to EUR 13.9bn; inclusion of ytd interim profit
- Strong increase in available distributable items (ADIs) to EUR 2.2bn (pre dividend and AT1 coupon for 2017)

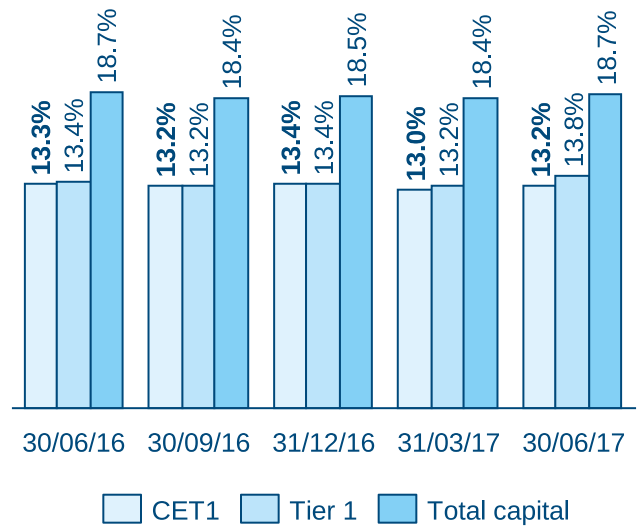
Risk-weighted assets (phased-in)

in EUR bn



- B3FL RWA up by EUR 3.1bn to EUR 108.4bn in Q2 17, driven by inclusion of Romanian IRB impact (EUR 2.4 bn) and higher operational risk:
  - +14.7% ytd increase in operational RWA due to inclusion of minor operational risk events

Basel 3 capital ratios (phased-in)



- B3FL CET1 ratio at 12.8% at 30 June 2017 (YE 2016: 12.8%)
- B3FL total capital ratio rises to 18.4% (YE16: 18.2%)

Presentation topics

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Conclusion – Outlook 2017

Macro outlook 2017	• Real GDP growth of between 2.1-5.1% expected in 2017 in CEE and Austria • Real GDP growth to be driven by solid domestic demand, as real wage growth and declining unemployment support economic activity in CEE • Solid public finances across CEE
Business outlook 2017	• ROTE for 2017 targeted at 10%+ (based on average tangible equity in 2017) • Assumptions for 2017: at best flat revenues (assuming 5%+ net loan growth); cost inflation of 1-2% due to regulatory projects and digitalisation; increase in risk costs, remaining at historically low levels; positive swing in other operating result due to lower Austrian banking tax
Risk factors for guidance	• Impact from expansionary monetary central bank policies, inc negative interest rates • Political risks, eg various elections in key EU economies • Geopolitical risks and global economic risks • Consumer protection initiatives

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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
- 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	Year-to-date view 1-6 16	1-6 17	YOY-Δ	Quarterly view Q2 16	Q1 17	Q2 17	YOY-Δ	QOQ-Δ
Net interest income	2,194.1	2,143.0	-2.3%	1,101.9	1,051.3	1,091.7	-0.9%	3.8%
Net fee and commission income	884.9	910.9	2.9%	441.8	457.7	453.2	2.6%	-1.0%
Dividend income	31.5	27.1	-13.9%	28.8	3.7	23.4	-19.0%	>100.0%
Net trading result	120.0	102.9	-14.3%	68.8	48.6	54.3	-21.2%	11.7%
Result from financial assets and liabilities designated at fair value through profit or loss	-12.5	4.5	n/a	-4.8	3.0	1.5	n/a	-49.4%
Net result from equity method investments	5.7	6.1	7.1%	3.7	3.2	2.9	-22.6%	-9.2%
Rental income from investment properties & other operating leases	92.9	98.3	5.8%	47.1	50.1	48.2	2.5%	-3.7%
Personnel expenses	-1,152.7	-1,151.3	-0.1%	-587.2	-571.7	-579.6	-1.3%	1.4%
Other administrative expenses	-610.1	-624.1	2.3%	-276.6	-332.4	-291.8	5.5%	-12.2%
Depreciation and amortisation	-217.6	-228.1	4.8%	-107.7	-114.2	-113.8	5.6%	-0.4%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	148.4	42.5	-71.4%	146.0	28.3	14.2	-90.3%	-49.8%
Net impairment loss on financial assets	-25.8	-104.3	>100.0%	30.6	-65.8	-38.6	n/a	-41.4%
Other operating result	-192.2	-209.8	9.2%	-52.6	-127.1	-82.7	57.1%	-34.9%
Levies on banking activities	-107.6	-59.4	-44.8%	-44.9	-35.8	-23.6	-47.5%	-34.2%
Pre-tax result from continuing operations	**1,266.7**	**1,017.6**	**-19.7%**	**839.7**	**434.7**	**583.0**	**-30.6%**	**34.1%**
Taxes on income	-278.8	-223.9	-19.7%	-174.3	-95.6	-128.2	-26.4%	34.1%
Net result for the period	**987.9**	**793.8**	**-19.7%**	**665.3**	**339.0**	**454.7**	**-31.7%**	**34.1%**
Net result attributable to non-controlling interests	146.2	169.1	15.7%	98.4	76.8	92.3	-6.2%	20.1%
Net result attributable to owners of the parent	**841.7**	**624.7**	**-25.8%**	**567.0**	**262.2**	**362.5**	**-36.1%**	**38.2%**
Operating income	3,316.6	3,292.8	-0.7%	1,687.3	1,617.5	1,675.2	-0.7%	3.6%
Operating expenses	-1,980.3	-2,003.5	1.2%	-971.5	-1,018.3	-985.2	1.4%	-3.3%
Operating result	**1,336.3**	**1,289.3**	**-3.5%**	**715.8**	**599.2**	**690.0**	**-3.6%**	**15.2%**

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	12,982	14,743	18,353	24,731	25,842	99.1%	40.8%	4.5%
Financial assets - held for trading	10,373	9,731	7,950	7,827	7,206	-30.5%	-9.4%	-7.9%
Derivatives	5,610	5,297	4,475	4,101	3,990	-28.9%	-10.8%	-2.7%
Other trading assets	4,763	4,433	3,476	3,726	3,216	-32.5%	-7.5%	-13.7%
Financial assets - at fair value through profit or loss	433	477	480	518	539	24.3%	12.4%	3.9%
Financial assets - available for sale	20,822	20,406	19,886	17,887	17,786	-14.6%	-10.6%	-0.6%
Financial assets - held to maturity	17,823	18,451	19,270	19,912	19,355	8.6%	0.4%	-2.8%
Loans and receivables to credit institutions	5,626	5,191	3,469	10,448	4,347	-22.7%	25.3%	-58.4%
Loans and receivables to customers	**127,407**	**128,985**	**130,654**	**132,992**	**135,122**	**6.1%**	**3.4%**	**1.6%**
Derivatives - hedge accounting	2,253	2,208	1,424	1,297	1,063	-52.8%	-25.4%	-18.0%
Changes in fair value of portfolio hedged items	0	0	0	0	0	n/a	n/a	n/a
Property and equipment	2,334	2,335	2,477	2,441	2,431	4.1%	-1.9%	-0.4%
Investment properties	753	658	1,023	1,025	1,027	36.4%	0.4%	0.2%
Intangible assets	1,437	1,443	1,390	1,378	1,458	1.5%	4.8%	5.7%
Investments in associates and joint ventures	190	185	193	200	196	2.7%	1.2%	-2.2%
Current tax assets	132	130	124	117	156	17.8%	25.3%	32.5%
Deferred tax assets	253	245	234	238	209	-17.5%	-10.6%	-12.2%
Assets held for sale	294	372	279	262	231	-21.6%	-17.4%	-11.8%
Other assets	1,391	1,254	1,020	1,525	1,190	-14.4%	16.7%	-22.0%
Total assets	**204,505**	**206,811**	**208,227**	**222,798**	**218,156**	**6.7%**	**4.8%**	**-2.1%**

Additional information: group balance sheet – Liabilities and equity

in EUR million	Quarterly data					Change		
	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities - held for trading	6,146	6,272	4,762	4,314	3,960	-35.6%	-16.8%	-8.2%
Derivatives	5,341	4,933	4,185	3,855	3,646	-31.7%	-12.9%	-5.4%
Other trading liabilities	805	1,339	577	459	314	-61.0%	-45.6%	-31.6%
Financial liabilities - at fair value through profit or loss	1,765	1,737	1,763	1,906	1,819	3.0%	3.2%	-4.5%
Deposits from banks	0	0	0	0	0	n/a	n/a	n/a
Deposits from customers	**113**	**79**	**74**	**64**	**51**	**-55.0%**	**-31.0%**	**-19.9%**
Debt securities issued	1,652	1,658	1,689	1,842	1,768	7.0%	4.7%	-4.0%
Other financial liabilities	0	0	0	0	0	n/a	n/a	n/a
Financial liabilities measured at amortised cost	173,943	175,780	178,909	193,523	188,890	8.6%	5.6%	-2.4%
Deposits from banks	16,367	15,228	14,631	22,935	17,883	9.3%	22.2%	-22.0%
Deposits from customers	**130,304**	**133,944**	**137,939**	**144,643**	**145,523**	**11.7%**	**5.5%**	**0.6%**
Debt securities issued	26,362	25,642	25,503	25,285	24,834	-5.8%	-2.6%	-1.8%
Other financial liabilities	911	966	836	660	649	-28.8%	-22.4%	-1.6%
Derivatives - hedge accounting	666	642	473	439	411	-38.3%	-13.0%	-6.3%
Changes in fair value of portfolio hedged items	1,148	1,128	942	863	772	-32.7%	-18.0%	-10.5%
Provisions	1,715	1,758	1,702	1,812	1,696	-1.1%	-0.4%	-6.4%
Current tax liabilities	98	62	66	61	102	3.5%	54.2%	66.2%
Deferred tax liabilities	133	174	68	77	67	-49.1%	-0.1%	-12.2%
Liabilities associated with assets held for sale	0	3	5	5	0	n/a	-100.0%	-100.0%
Other liabilities	2,913	2,727	2,936	2,905	2,923	0.4%	-0.4%	0.6%
Total equity	**15,977**	**16,529**	**16,602**	**16,894**	**17,515**	**9.6%**	**5.5%**	**3.7%**
Equity attributable to non-controlling interests	3,948	4,063	4,142	4,209	4,262	8.0%	2.9%	1.3%
Equity attributable to owners of the parent	12,029	12,466	12,460	12,685	13,253	10.2%	6.4%	4.5%
Total liabilities and equity	**204,505**	**206,811**	**208,227**	**222,798**	**218,156**	**6.7%**	**4.8%**	**-2.1%**

Additional information: regulatory capital position –
Capital requirements (SREP) for 2017; Erste target of 12.75%+ unchanged

- Almost unchanged capital requirements in 2017, excluding P2G significant decline vs 2016

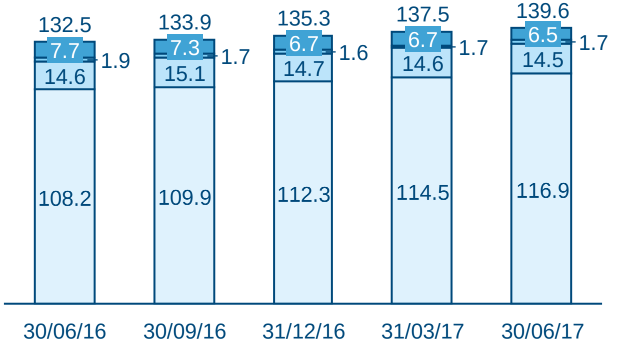
	Erste Group Consolidated				Erste Group Unconsolidated	
	Phased-in			Fully loaded	Phased-in	Fully loaded
	2016	2017	2018e	2019e	2017	2019e
Pillar 1 CET1 requirement	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement	**0.88%**	**1.89%**	**3.17%**	**4.79%**	**1.34%**	**2.69%**
Capital conservation buffer	0.63%	1.25%	1.88%	2.50%	1.25%	2.50%
Countercyclical capital buffer [3]		0.14%	0.29%	0.29%	0.09%	0.19%
OSII/Systemic risk buffer	0.25%	0.50%	1.00%	2.00%	0.00%	0.00%
Pillar 2 CET1 requirement	**4.38%**	**1.75%**	**1.75%**	**1.75%**	**1.75%**	**1.75%**
Pillar 2 CET1 guidance [1]		**1.66%**	**1.66%>P2G>0%**	**1.66%>P2G>0%**	**1.00%**	**1%>P2G>0%**
Regulatory minimum ratios excluding P2G						
CET1 requirement	9.75%	8.14%	9.42%	11.04%	7.59%	8.94%
1.50% AT1 Tier 1 requirement	NM	9.64%	10.92%	12.54%	9.09%	10.44%
2.00% T2 Own funds requirement	NM	11.64%	12.92%	14.54%	11.09%	12.44%
Regulatory minimum ratios including P2G						
CET1 requirement	**9.75%**	**9.80%**	**NA**	**NA**	**8.59%**	**NA**
1.50% AT1 Tier 1 requirement	NM	9.64%	NA	NA	9.09%	NA
2.00% T2 Own funds requirement	NM	11.64%	NA	NA	11.09%	NA
Reported CET1 ratio as of June 2017 [2]		**13.19%**		**12.78%**	**18.77%**	**NA**

- Buffer to MDA restriction as of 30 June 17: 423bps
- Available distributable items (ADI) as of 30 June 17: EUR 2.18bn (pre dividend and AT1 deduction for 2017)

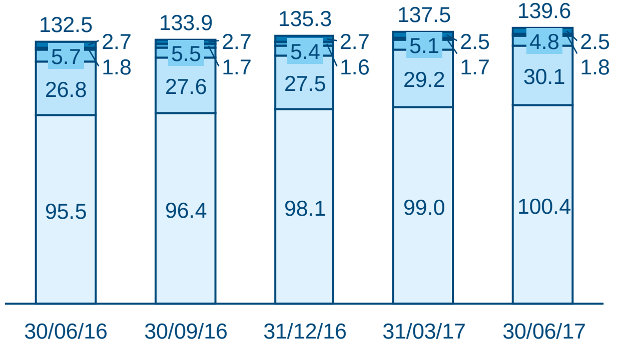
1) P2G is expected to be positive in the future.
2) Consolidated capital ratios pursuant to IFRS. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.
3) Based on Q2 2017 exposure

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

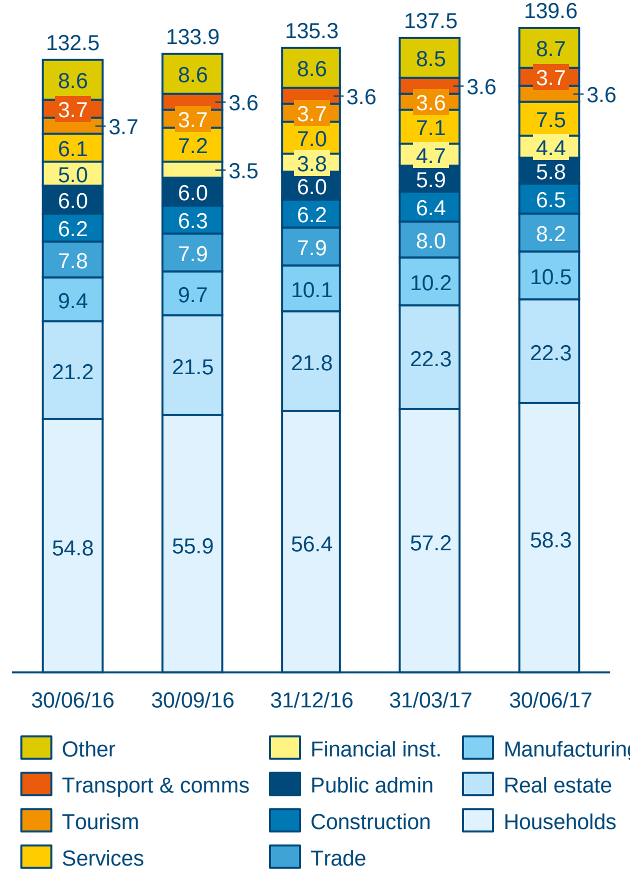
Gross cust. loans by risk category (EUR bn)



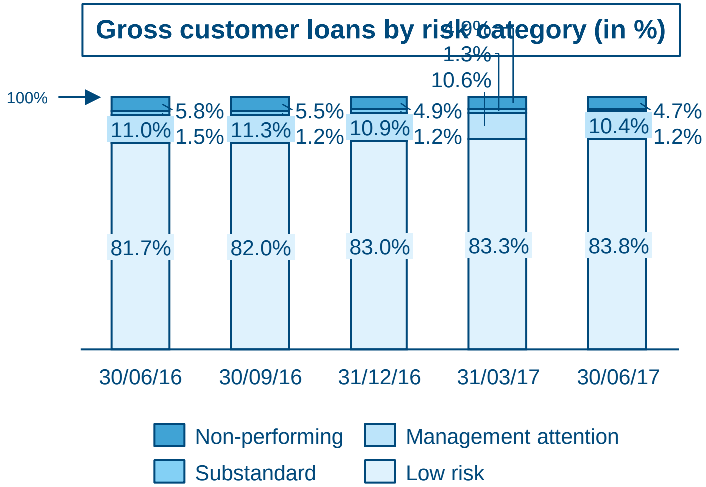
Gross customer loans by currency (EUR bn)



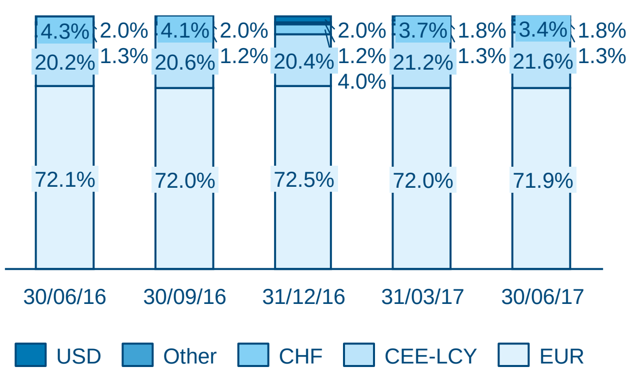
Gross customer loans by industry (EUR bn)



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

Direct presence

Indirect presence

Czech Republic
Customers: 4.7m
Employees: 10,197
Branches: 532

Slovakia
Customers: 2.3m
Employees: 4,290
Branches: 287

Hungary
Customers: 0.9m
Employees: 3,152
Branches: 117

Romania
Customers: 3.0m
Employees: 7,016
Branches: 514

Austria
Customers: 3.6m
Employees: 16,034
Branches: 920

Croatia
Customers : 1.2m
Employees : 3,189
Branches: 152

Serbia
Customers: 0.4m
Employees: 1,014
Branches: 82

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

ERSTE Group

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	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

Financial Profile	
Asset Risk	baa3
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	**baa2**

\+

Affiliate Support	0

=

Adjusted BCA	**baa2**

\+

LGF Loss Given Failure	**+ 2**
Government Support	0

=

Issuer Rating / Senior Unsecured
Long-Term Outlook / Short-Term

A3 Positive / P-2

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-2

FitchRatings

VR - Viability Rating
(Individual Rating)

a-

SRF - Support Rating Floor

NF (No Floor)

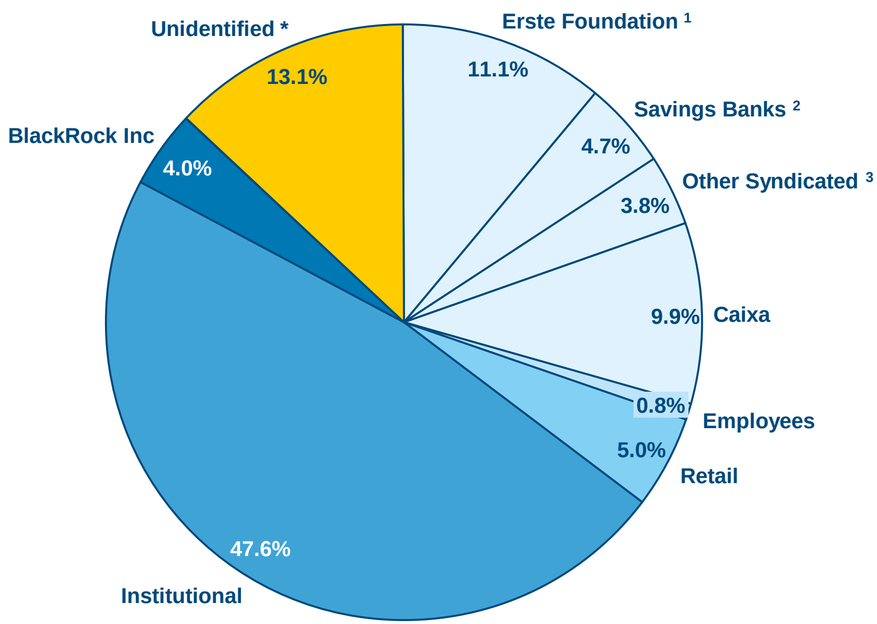
IDR - Issuer Default Rating
Long-Term Outlook / Short-Term

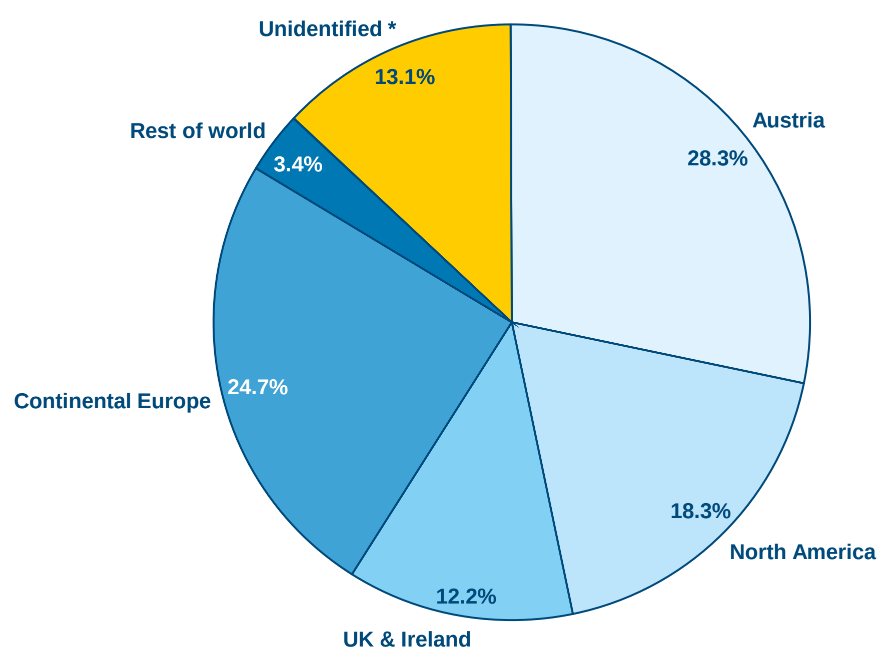
A- Stable / F1

Status as of 31 July 2017

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

By investor	By region





[1] Economic interest Erste Foundation
[2] Economic interest Savings Banks
[3] Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank
* Unidentified institutional and retail investors

Status as of 30 June 2017

Investor relations details

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  http://twitter.com/ErsteGroupIR **http://www.slideshare.net/Erste_Group**

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

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

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

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