

Erste Group investor presentation

Q1 2014 results

30 April 2014

Stabilising loan volume, continued cost discipline

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Disclaimer –

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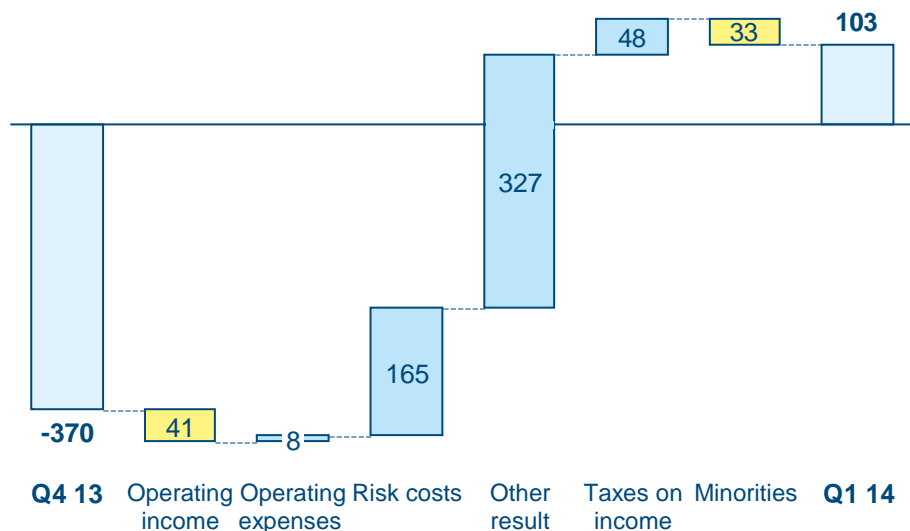
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Presentation topics

- Executive summary
- Operating environment
- Assets and liabilities
- Business performance
- Outlook
- Appendix

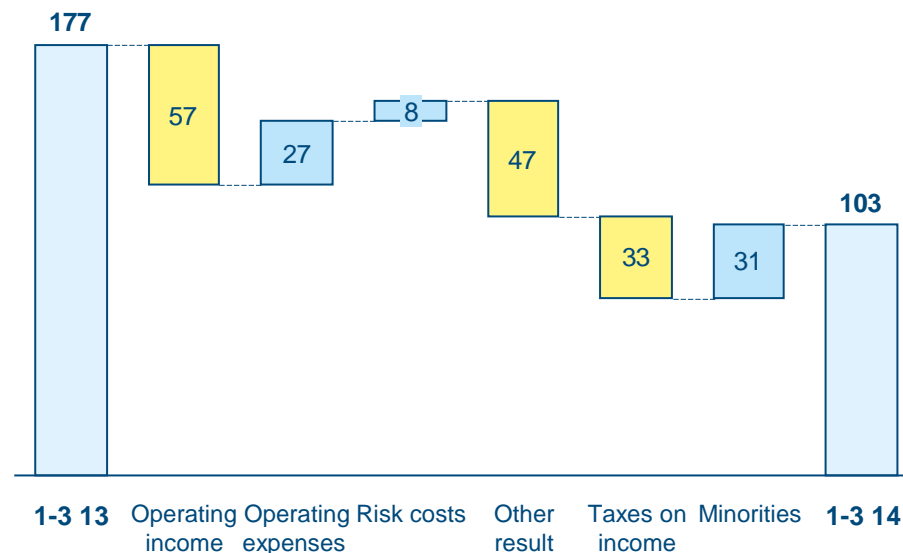
Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Significant improvement in other result due to non-recurrence of one-offs (goodwill write-downs)
- Decline in risk costs due to lower provisions in the large corporate and commercial real estate business, and at the savings banks
- Lower tax charge due to reversal of YTD deferred tax assets and no creation of new deferred tax assets in Q4 13

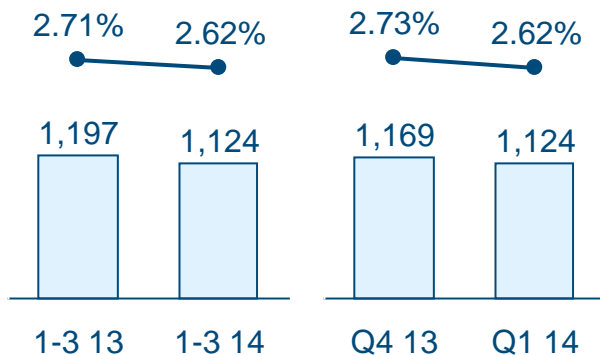
YoY net profit reconciliation (EUR m)



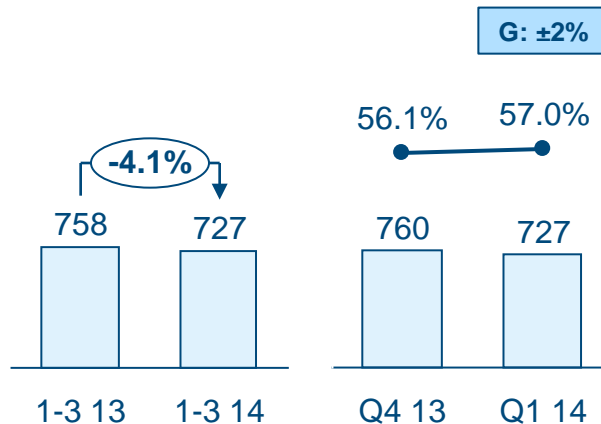
- Decline in operating income driven by NII (CZK impact, lower margins outside the Austrian customer business) only partly offset by better trading and fee income
- Deterioration in other result driven by full recognition of Hungarian banking tax in Q1 14; subsequent quarters will benefit
- Positive contribution from minorities due to normalised provisioning at savings banks

Executive summary – Key income statement data

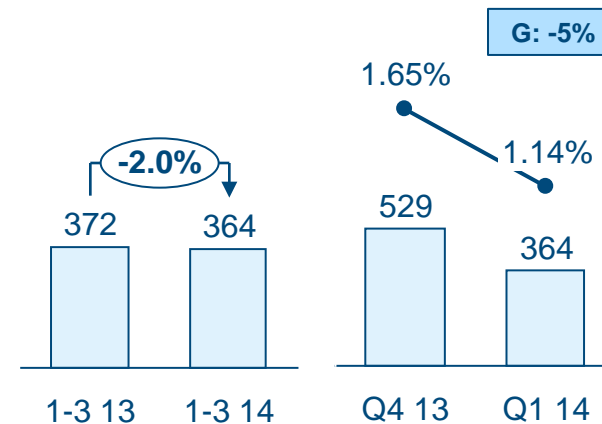
Net interest income & margin



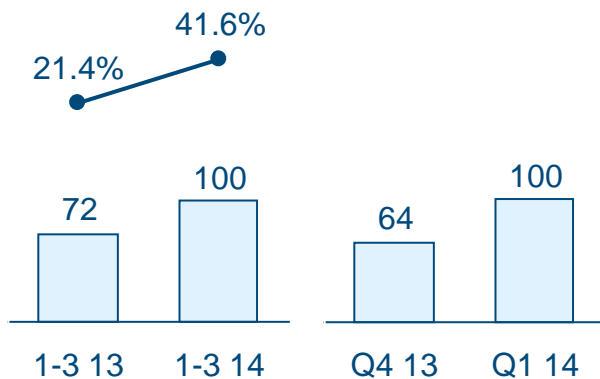
Operating result & cost/income ratio



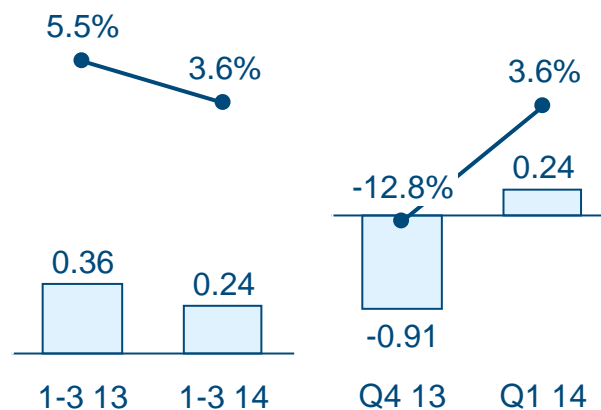
Cost of risk



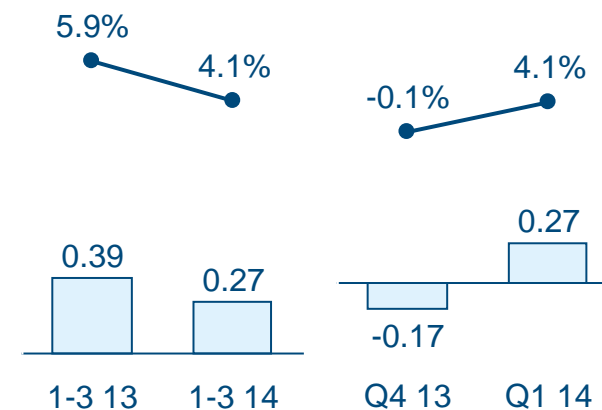
Banking levies & income tax rate



Reported EPS & ROE

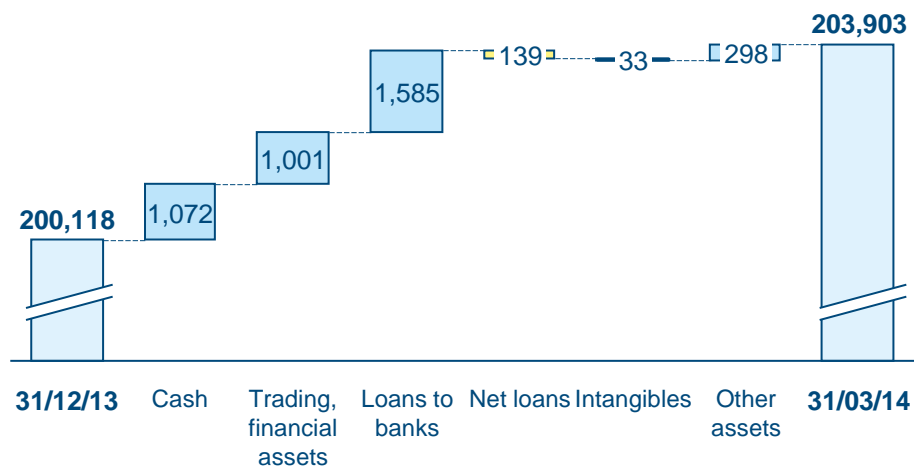


Cash EPS & cash ROE



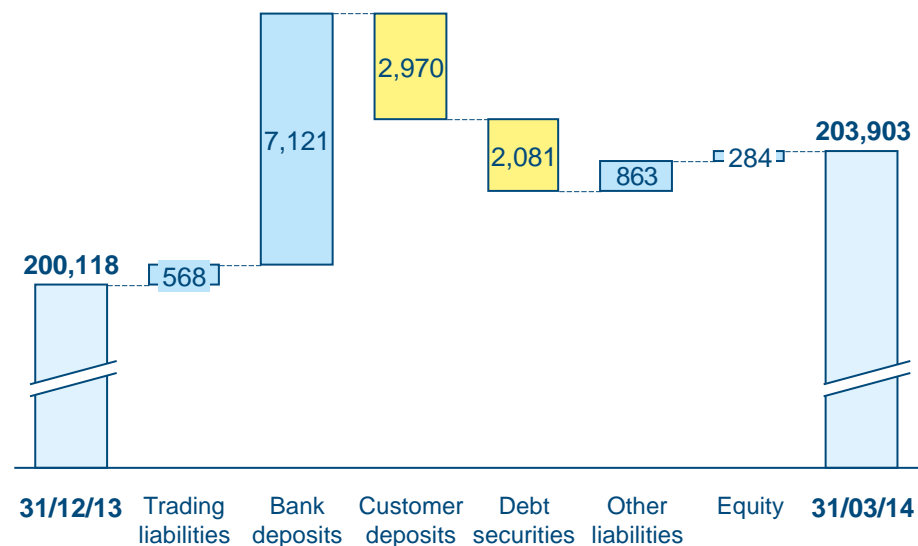
Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Stabilisation of net customer loans in Q1 14 thanks to solid performance of AT, CZ and SK retail and SME business lines
- Slight increases in interbank lending as well as trading and financial assets following declines in previous quarters

YTD total liability reconciliation (EUR m)

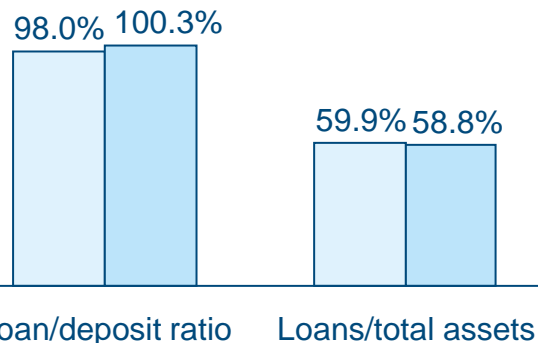


- Increase in bank deposits more than offsets decline in customer deposits and in debt securities issued
- Decline in customer deposits mainly driven by final deconsolidation of Czech pension fund (EUR 1.8bn) and lower deposits in EBOs and Erste Bank Hungary
- Lower debt securities due to maturities of unsecured bonds

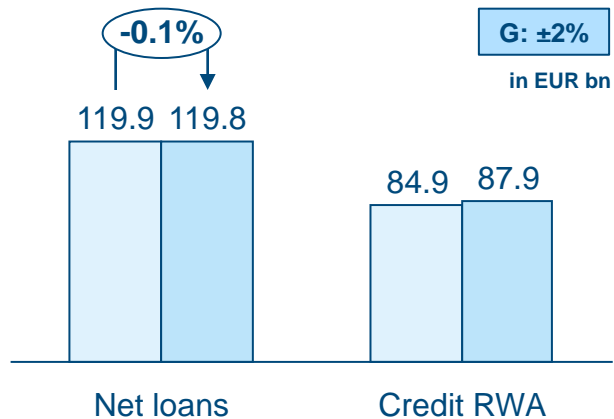
Executive summary – Key balance sheet data

31/12/13
31/03/14

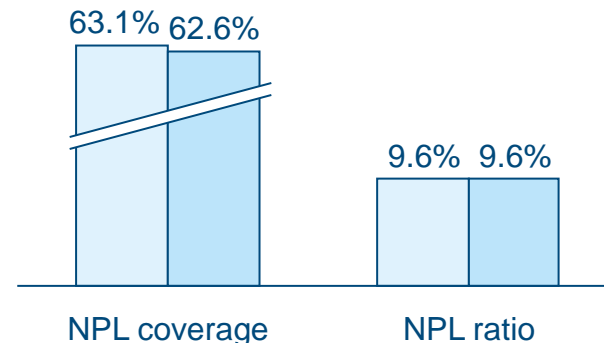
Loan/deposit & loan/TA ratio



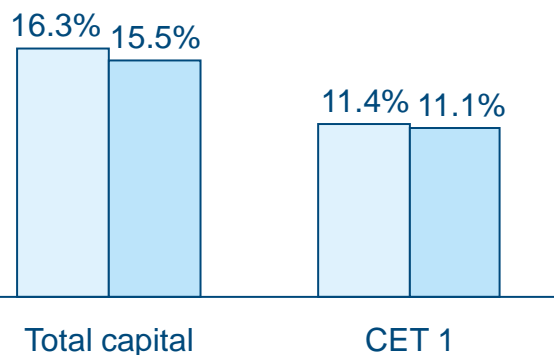
Net loans & credit RWA



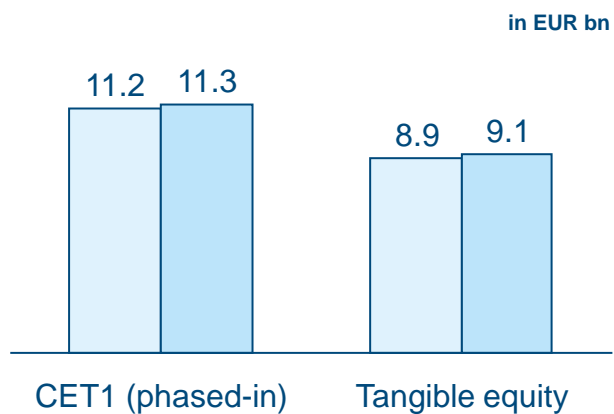
NPL ratio & NPL coverage ratio



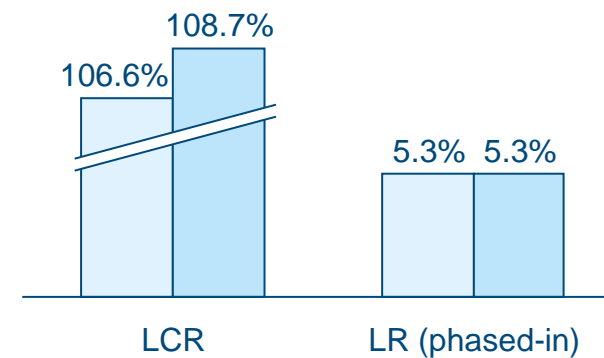
Basel 3 (phased-in) capital ratios *



Regulatory (B3)* & tangible equity



Liquidity coverage & leverage ratio



* Dec 13 pursuant to Basel 2.5

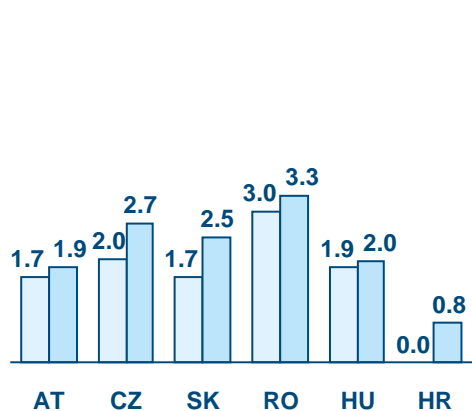
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Business environment – Ongoing macroeconomic stabilisation

2014
2015

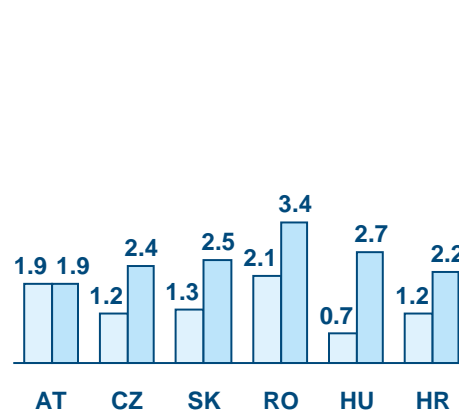
Real GDP growth (in %)



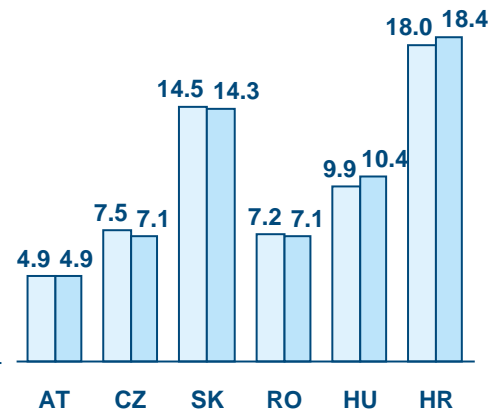
Private consumption growth



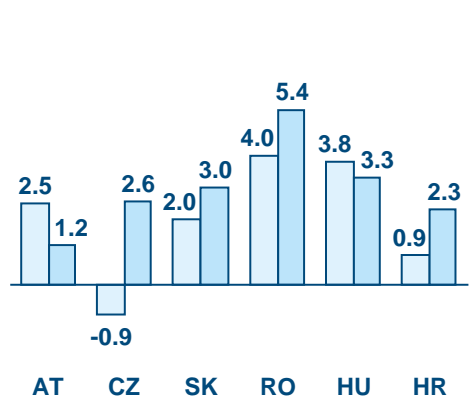
Consumer price inflation (ave, in %)



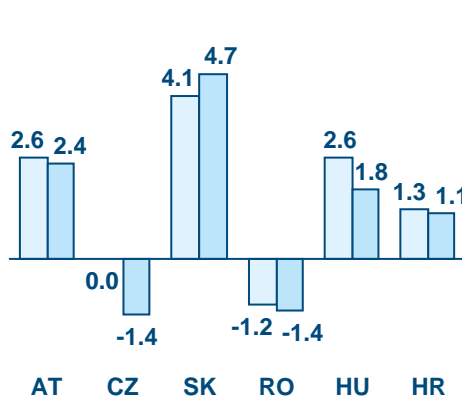
Unemployment rate (eop, in %)



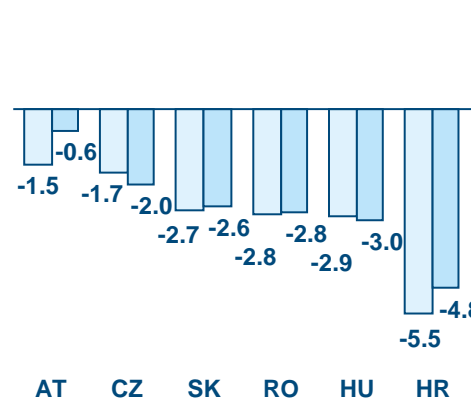
Fixed cap formation growth (in %)



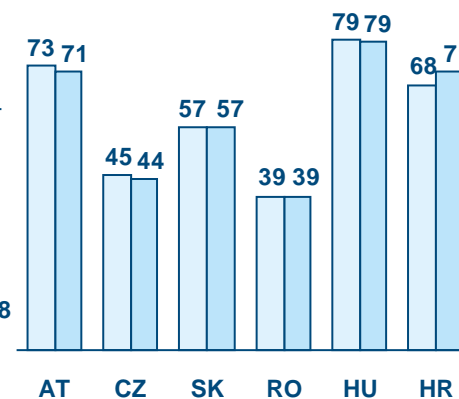
Current account balance (% of GDP)



Gen gov balance (% of GDP)



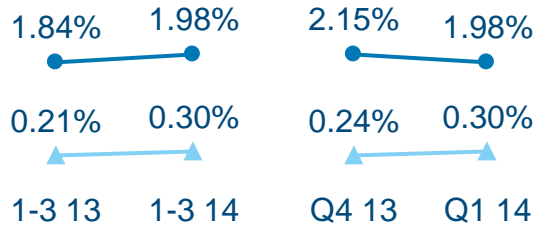
Public debt (% of GDP)



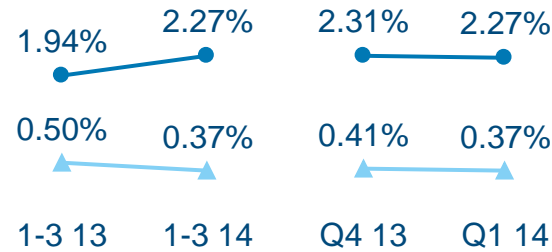
Business environment – Interest rate environment still challenging

▲ 3M Interbank
● 10YR GOV

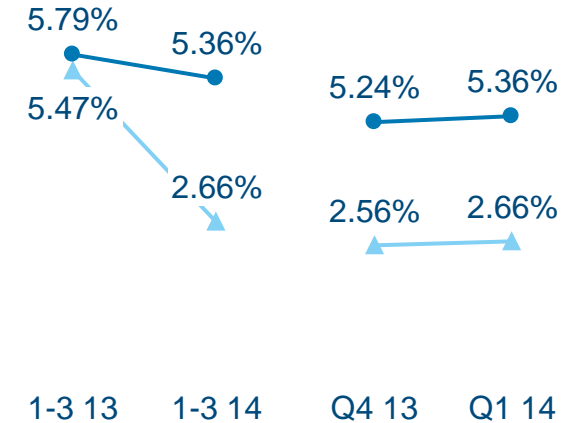
Austria



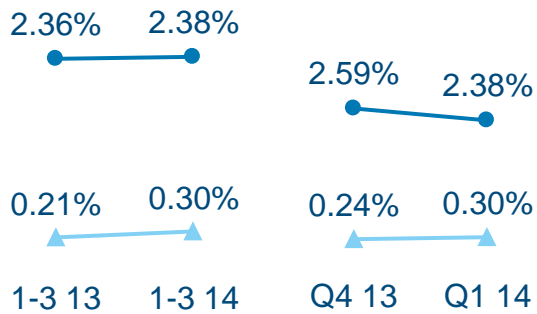
Czech Republic



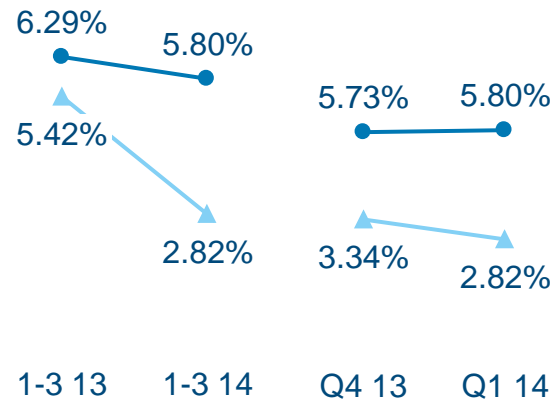
Romania



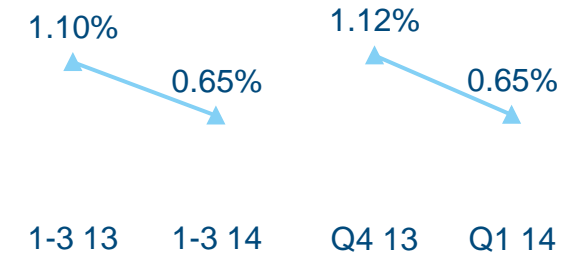
Slovakia



Hungary



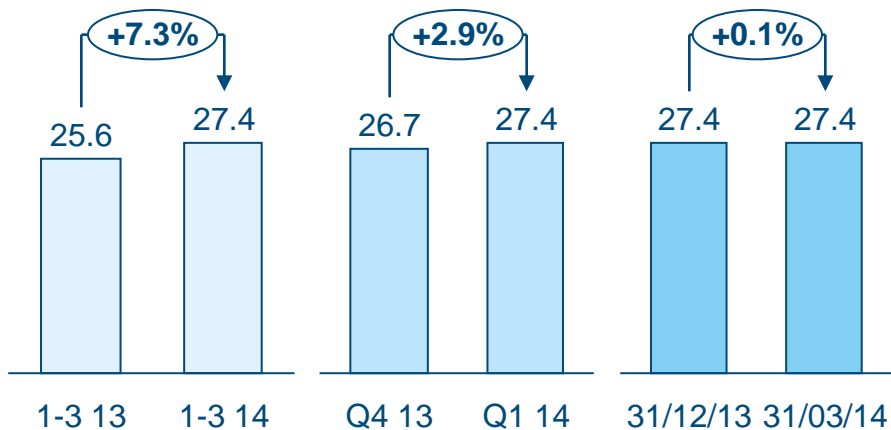
Croatia



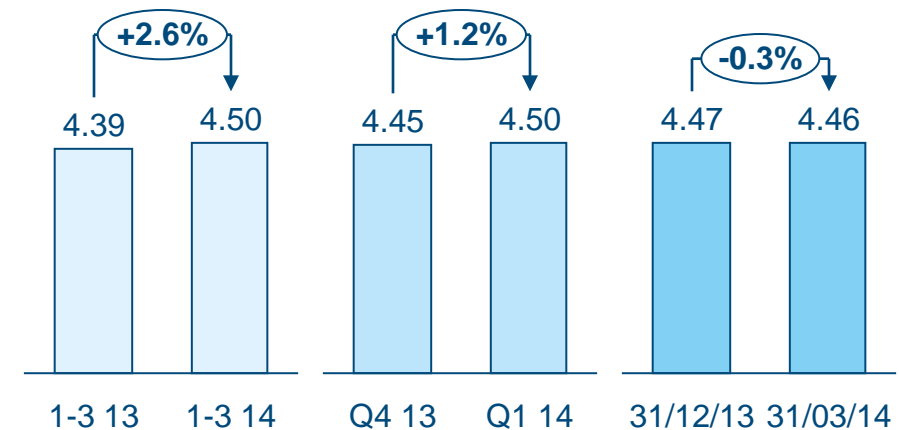
Business environment –

Limited currency volatility, despite CZK devaluation in November 2013

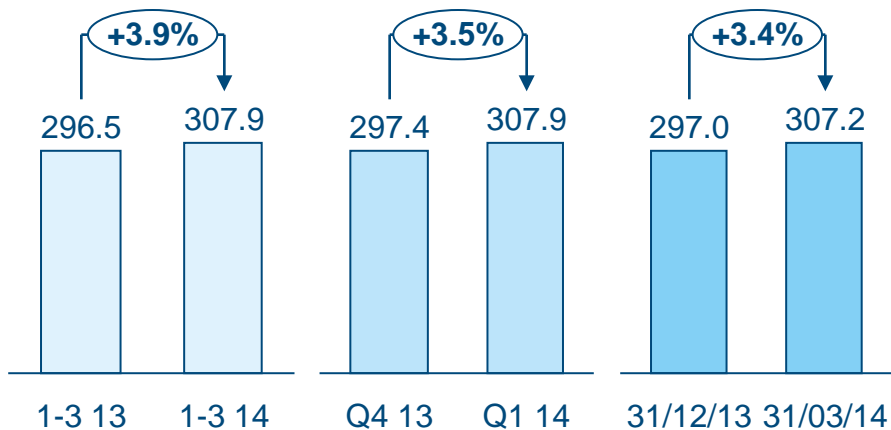
EUR/CZK



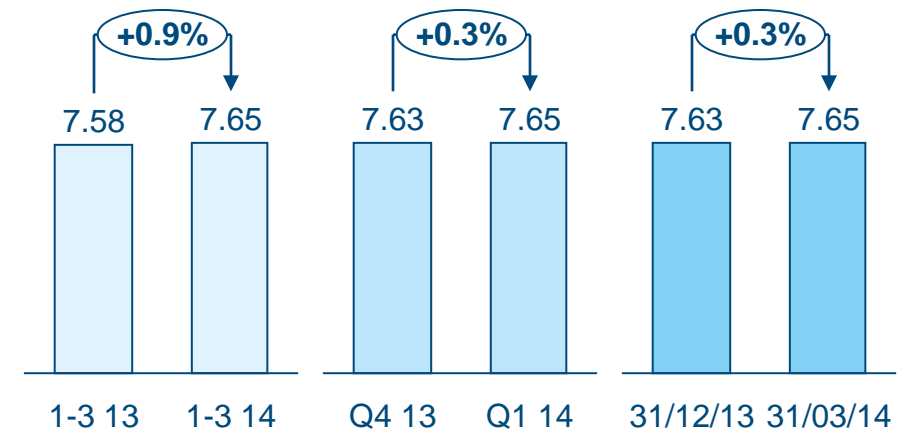
EUR/RON



EUR/HUF



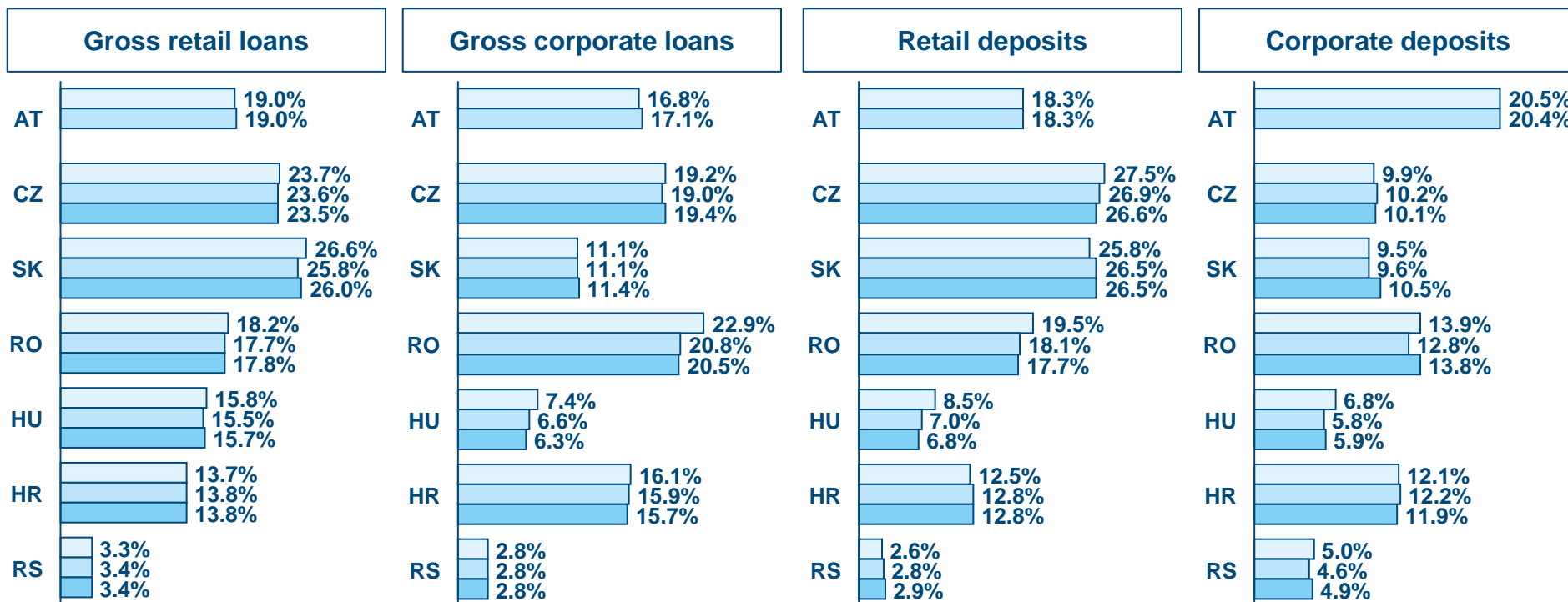
EUR/HRK



Business environment –

Market shares: stability in AT*, CZ and SK, challenges in RO, HU

31/03/13
31/12/13
28/02/14



- RO: stabilisation following an 85% yoy increase in PI new business volumes
- HU: market share development is a function of legacy business

- AT: higher volumes both in EBOe and the Savings banks
- RO: selective lending policy with focus on quality customers
- HU: portfolio concentration to preferred sectors; impact of municipality debt consolidation

- RO: declining markets share mainly due to deposit repricing
- RS: market share increase due to well-respected brand
- HU: focus also on alternative saving products such as investment funds where EBH has market share of 16%

- RO: good quality large corporate inflow in Q1 2014
- HU: reviewing deposit repricing
- RS: Q1 2014 mainly due to short-term deposit inflow

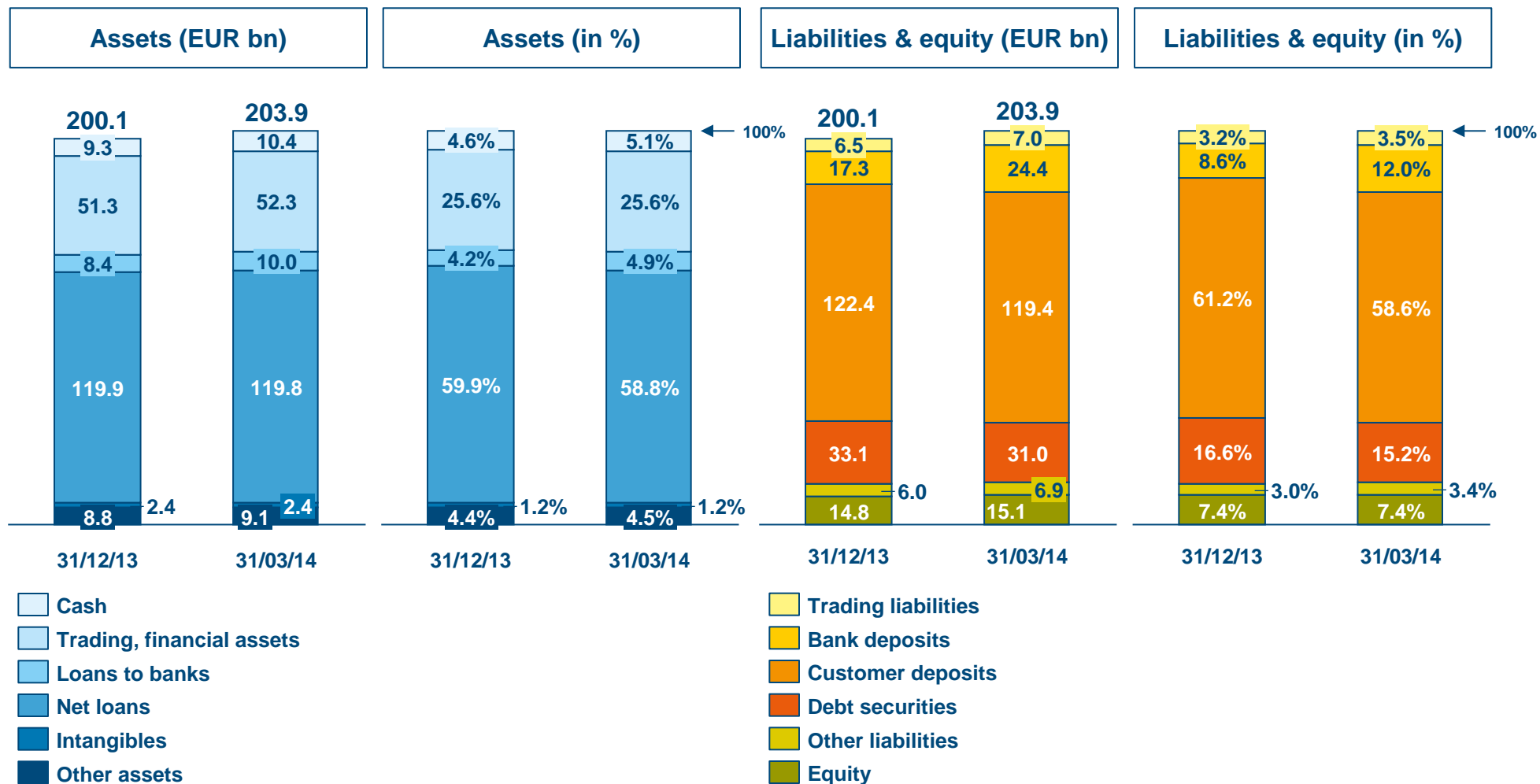
* AT market shares not yet available.

Presentation topics

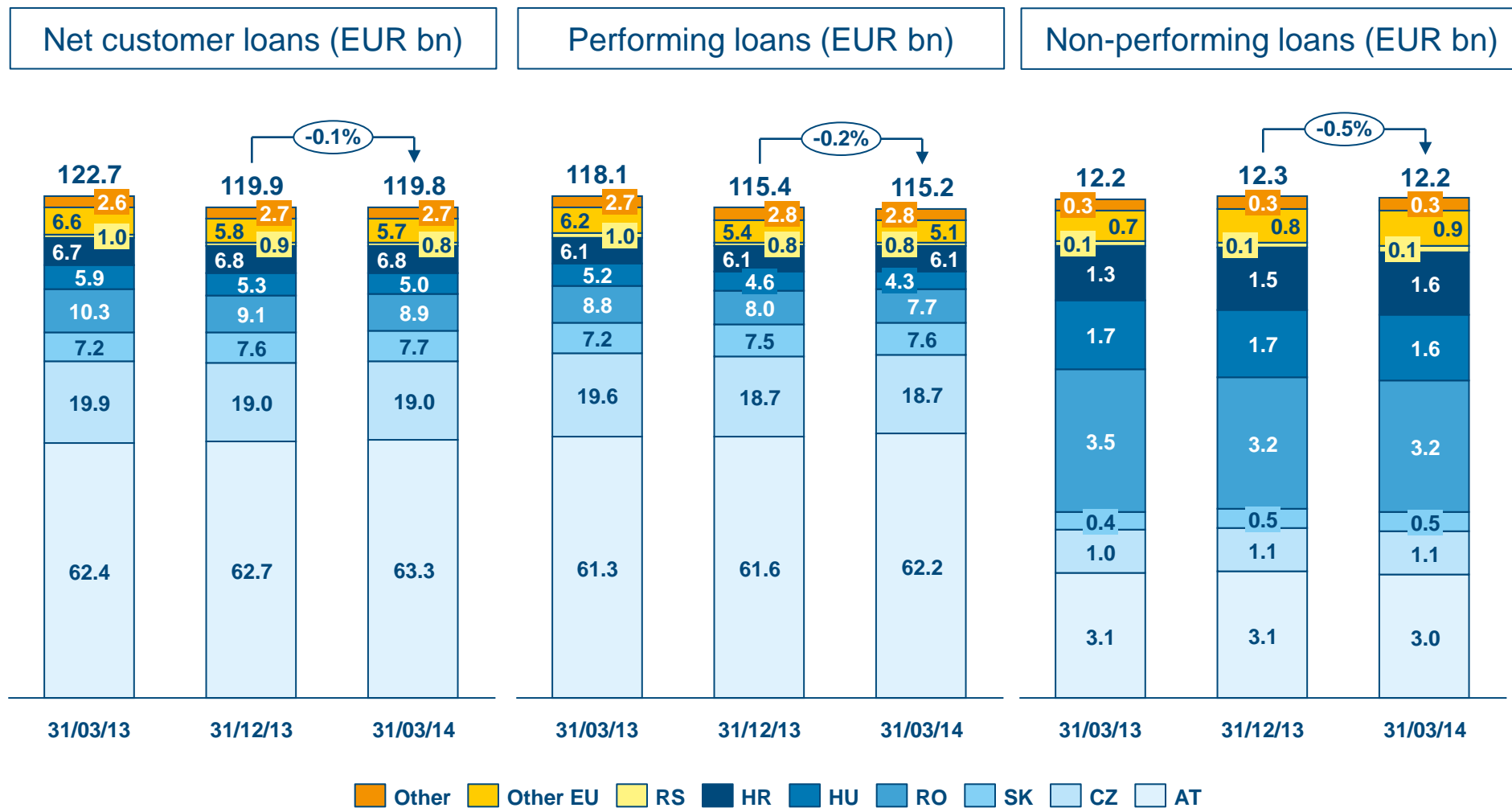
- Executive summary
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Assets and liabilities: YTD overview –

Loan/deposit ratio balanced at 100.3%

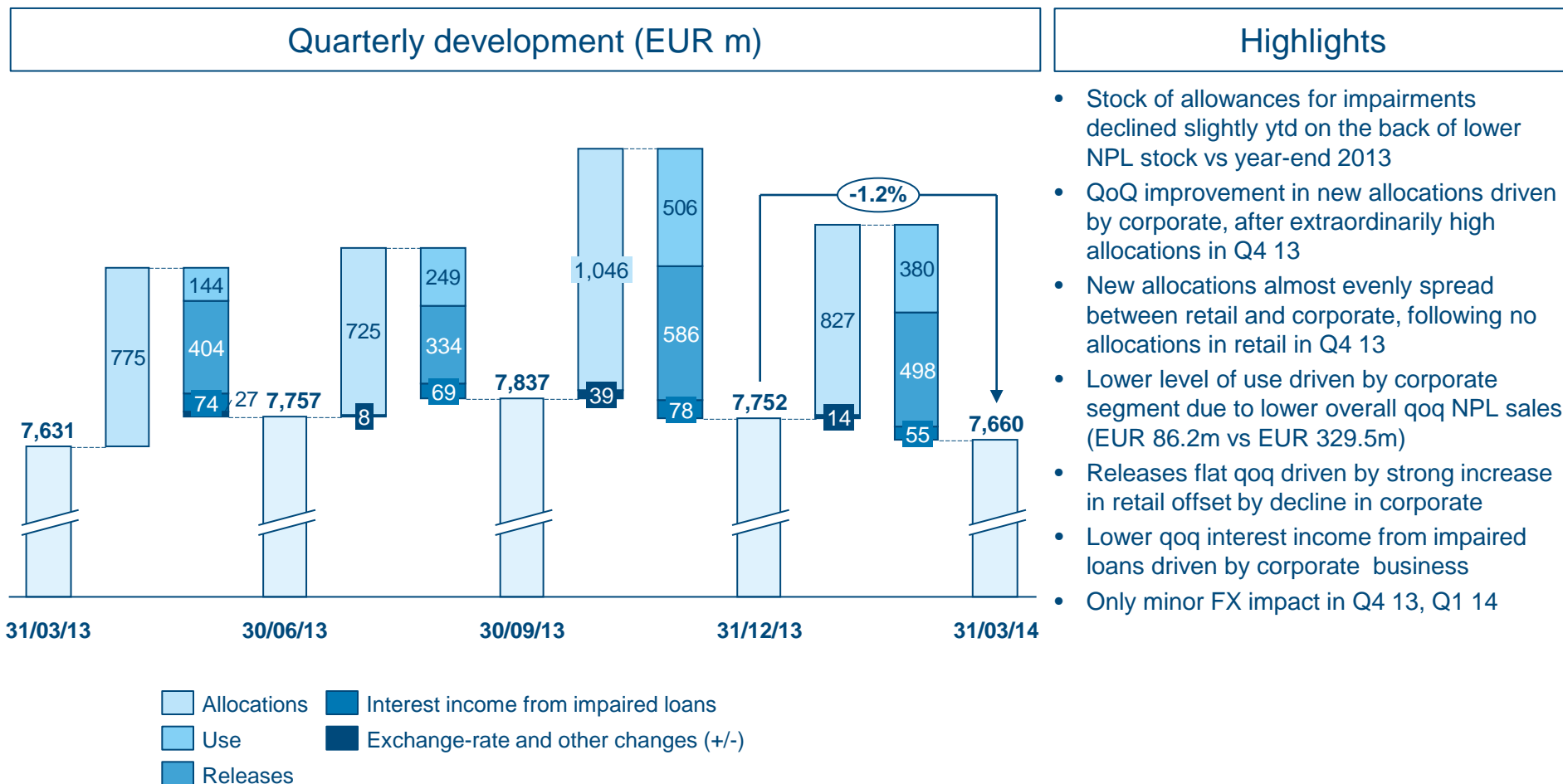


Assets and liabilities: customer loans by country of risk – Stabilisation of net loans and performing loans in Q1 14



Assets and liabilities: allowances for customer loans –

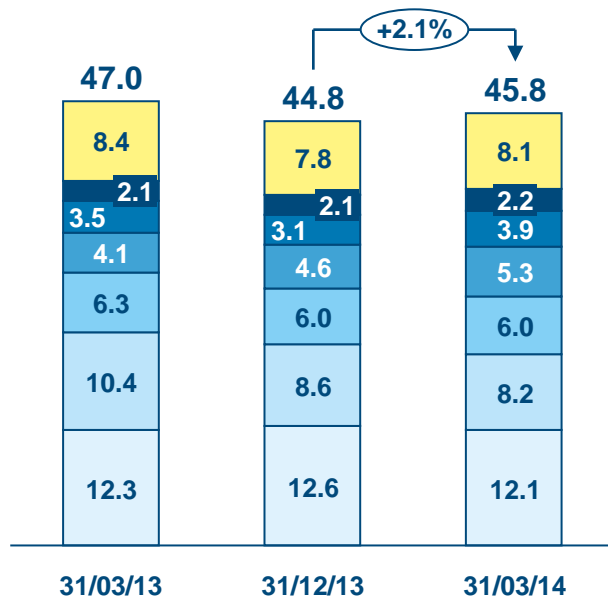
Slight decline in allowances follows stabilisation of NPL volume



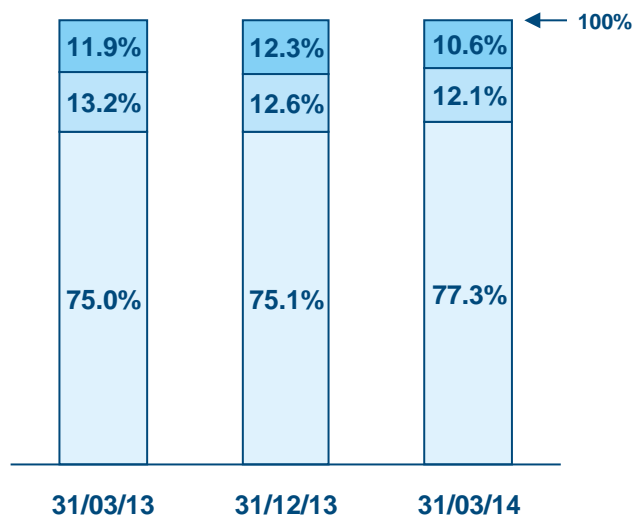
- Stock of allowances for impairments declined slightly ytd on the back of lower NPL stock vs year-end 2013
- QoQ improvement in new allocations driven by corporate, after extraordinarily high allocations in Q4 13
- New allocations almost evenly spread between retail and corporate, following no allocations in retail in Q4 13
- Lower level of use driven by corporate segment due to lower overall qoq NPL sales (EUR 86.2m vs EUR 329.5m)
- Releases flat qoq driven by strong increase in retail offset by decline in corporate
- Lower qoq interest income from impaired loans driven by corporate business
- Only minor FX impact in Q4 13, Q1 14

Assets and liabilities: financial and trading assets – LCR at comfortable 107% (YE 13: 109%)

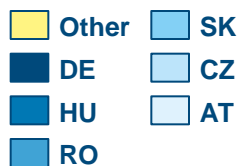
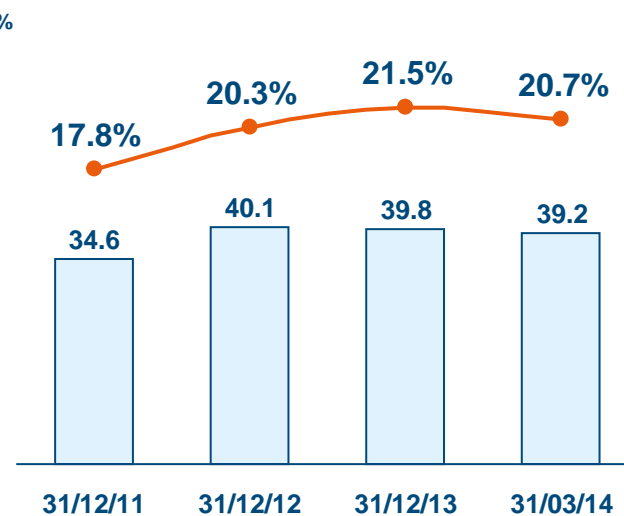
By geography (EUR bn)



By debtor type



Liquidity buffer (EUR bn)

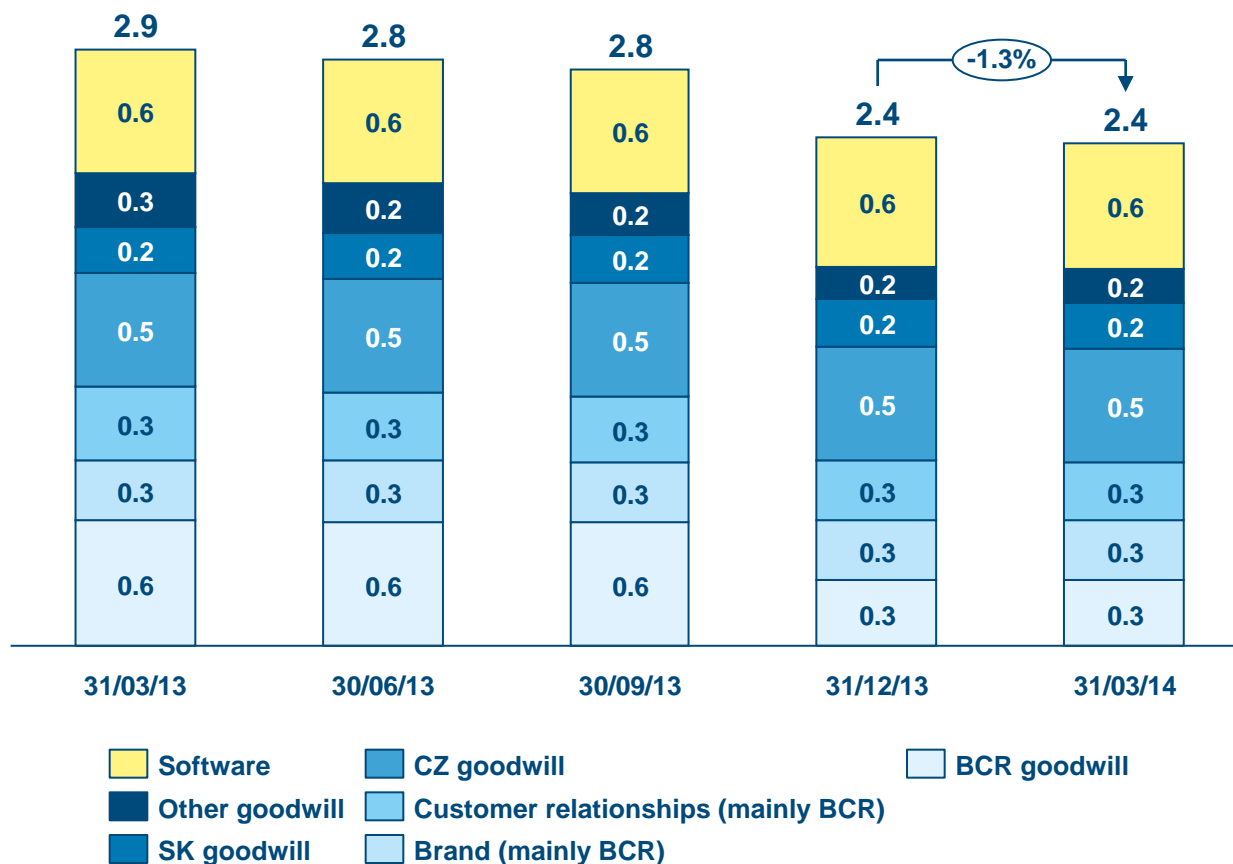


- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

Assets and liabilities: intangibles –

Intangibles reduced in size, currently at 20.9% of book value

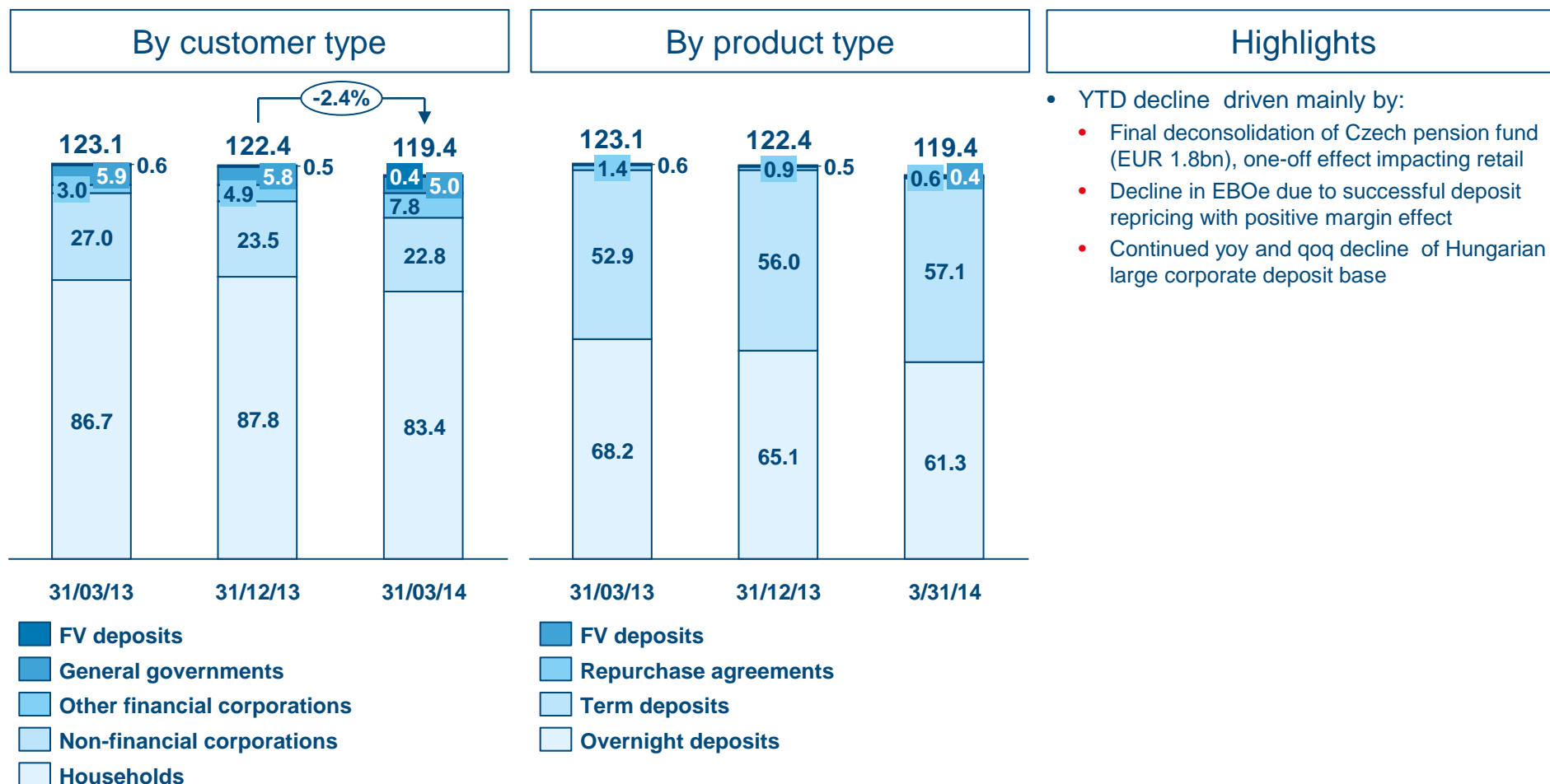
Quarterly development of intangibles (EUR bn)



Highlights

- Customer relationships are subject to regular amortisation
- Quarterly customer relationship amortisation charge averages between EUR 15-20m and is booked in operating expenses of the Group Corporate Center
- Extraordinary goodwill writedowns amounted to EUR 383m in 2013
- BCR-related goodwill is carried in LCY, hence subject to currency volatility, while CZ and SK goodwill are carried in EUR
- No goodwill in Hungary
- Regular impairment tests are carried out as part of the annual auditing process at year-end

Assets and liabilities: customer deposit funding – Decline in customer deposits driven by EUR 1.8bn Czech one-off

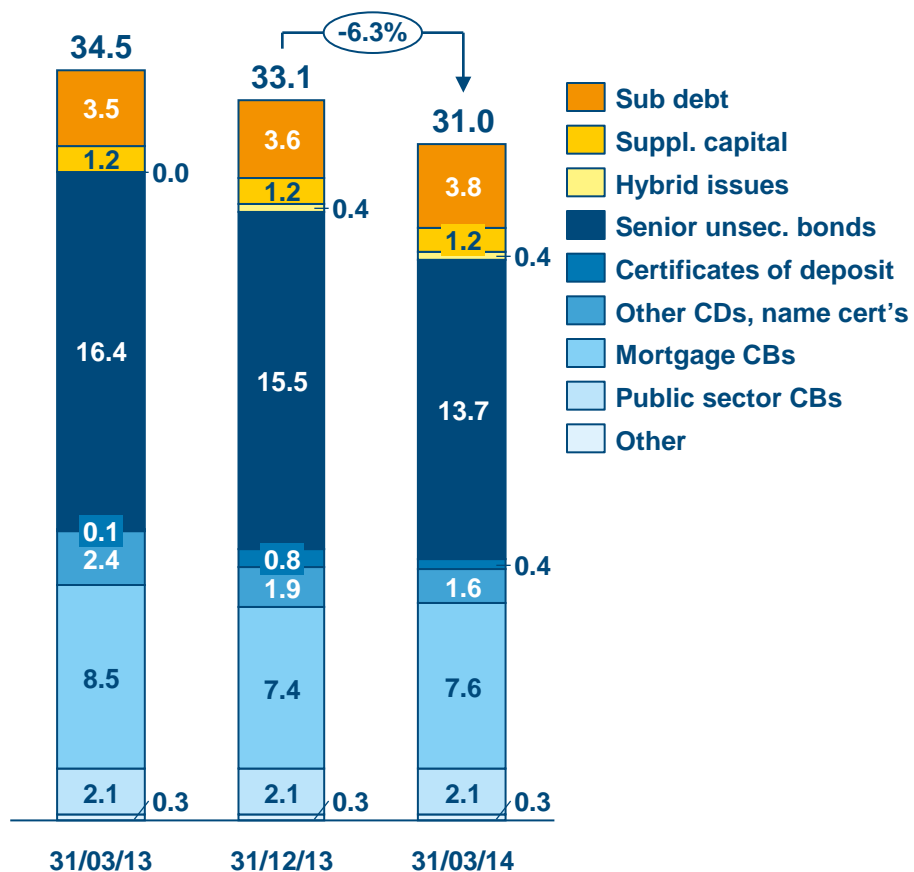


- YTD decline driven mainly by:
 - Final deconsolidation of Czech pension fund (EUR 1.8bn), one-off effect impacting retail
 - Decline in EBOe due to successful deposit repricing with positive margin effect
 - Continued yoy and qoq decline of Hungarian large corporate deposit base

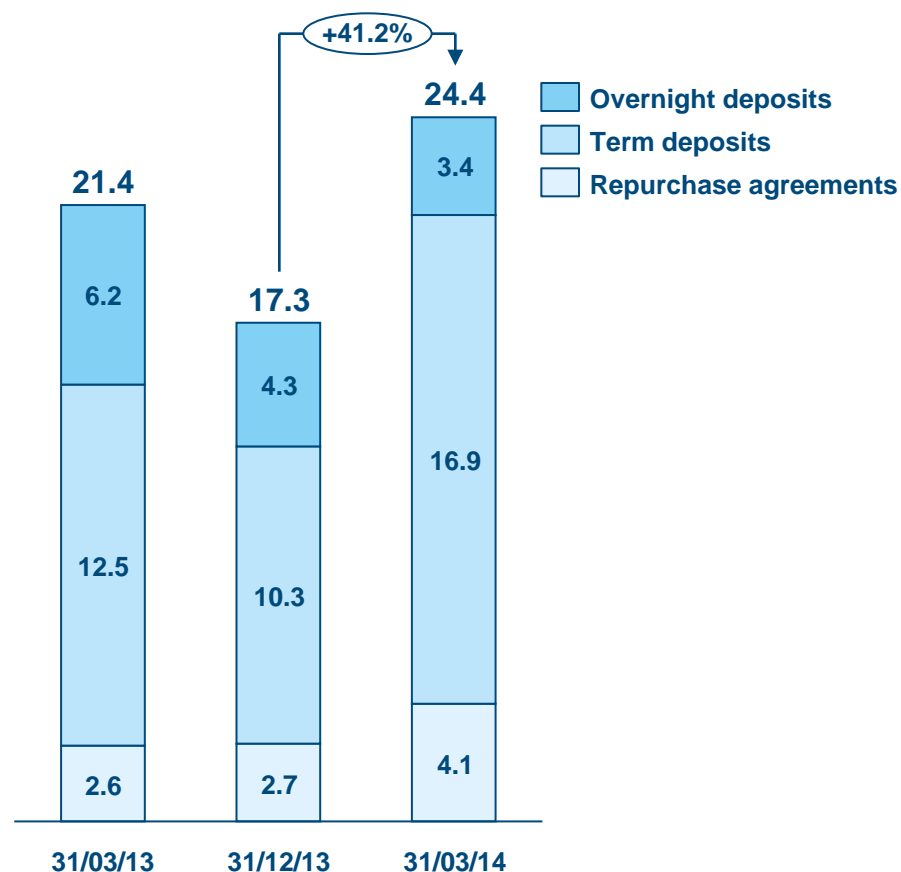
Assets and liabilities: debt vs interbank funding –

Decline in deposits and issued debt offset by increase in interbank funding

Debt securities issued (EUR bn)

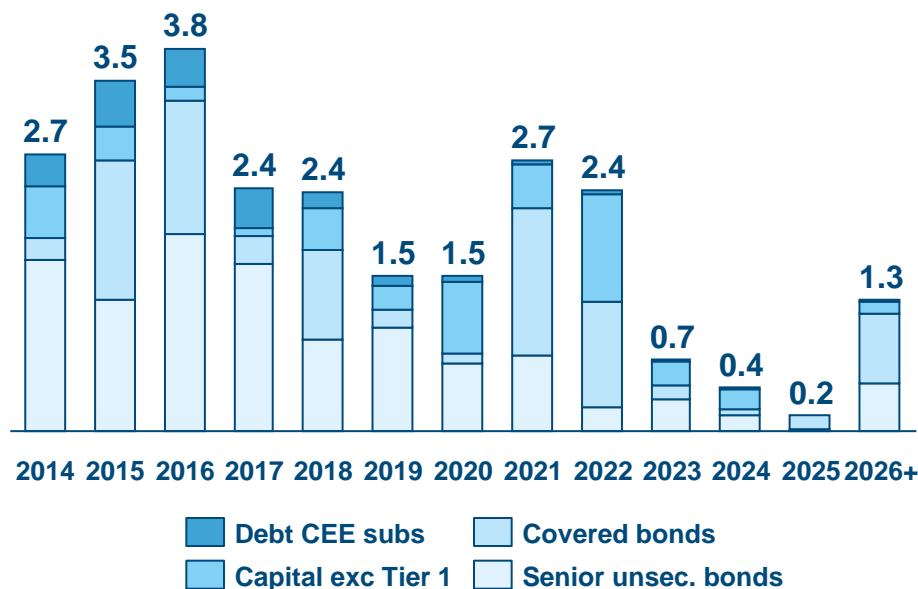


Interbank deposits (EUR bn)



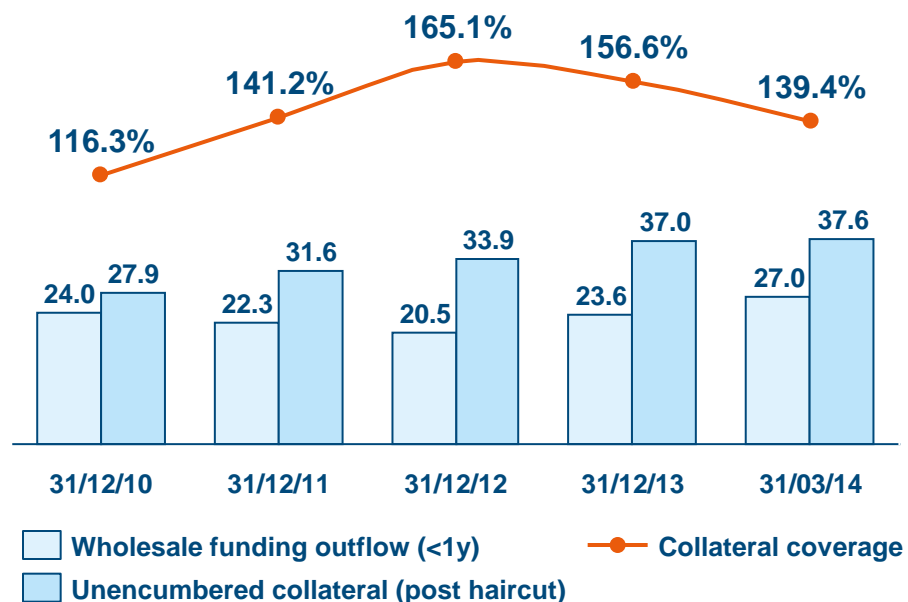
Assets and liabilities: ST vs LT funding – Limited LT funding needs, solid ST funding collateral coverage

Maturity profile of debt (EUR bn)



- Last government-guaranteed bond redeemed in February 2014
- Refinancing needs still modest in 2014
- Limited liquidity demand is covered by retail issues and private placements
- The average maturity of Q1 issues amounts to 8.2 years and extends the current redemption profile

Wholesale funding outflow (<1y) v collateral coverage



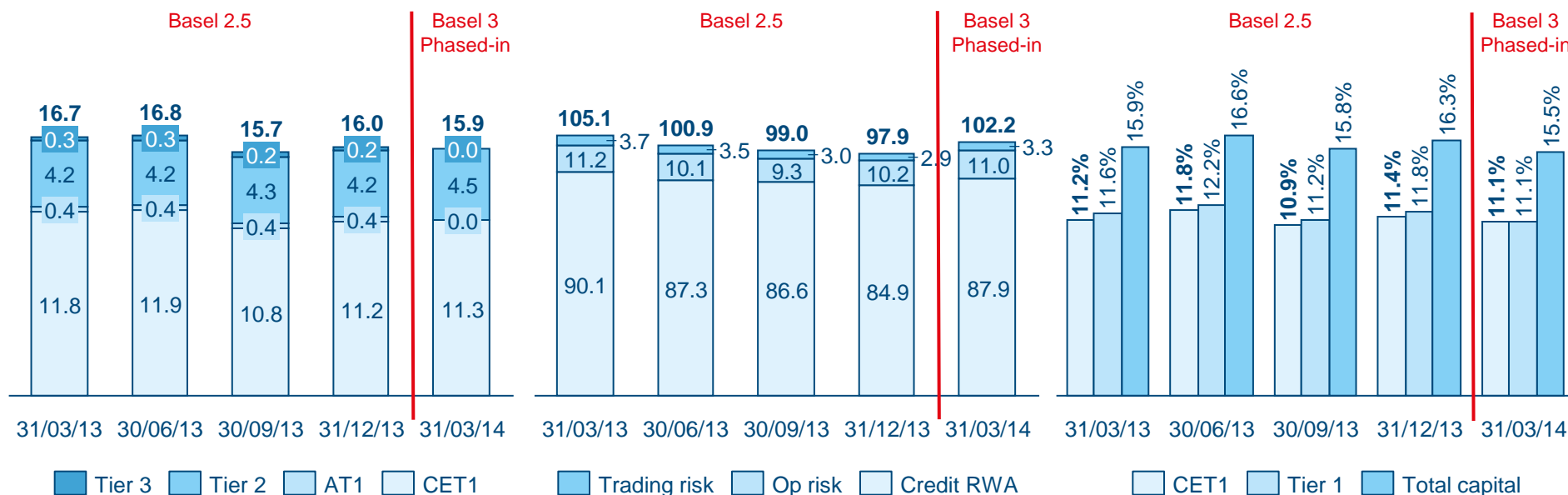
- Coverage ratio at a very reassuring level
- The volume of unencumbered collateral constantly increases due to investments exclusively to central bank eligible assets
- Short term wholesale funding is quoted on a *gross* basis – *net* short term wholesale funding (netting with short term interbank and central bank placements) actually decreased

Assets and liabilities: capital position – Basel 3 implementation as of 31 March 2014

Basel 2.5/Basel 3 capital (EUR bn)

Risk-weighted assets (EUR bn)

Basel 2.5/Basel 3 capital ratios



- AT1 hybrids consumed by partial phase-out (20%) and deduction of intangibles from AT1 instead of CET1 during transitional period
- Increase in Tier 2 due IRB surplus for NPLs (switch to gross view)

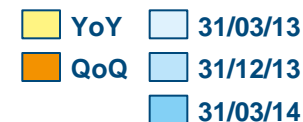
- Further minor RWA adjustments are expected in the course of 2014
- Basel 3 induced RWA increase per 31 March 2014 is expected to be reduced by about EUR 1bn until year end

- Basel 3 CET1 ratio (final) equalled 10.4% at 31 March 2014
- Compared to year-end 2013 level of 10.8%, main drivers are implementation of gross view for IRB shortfall for performing loans and RWA uplift

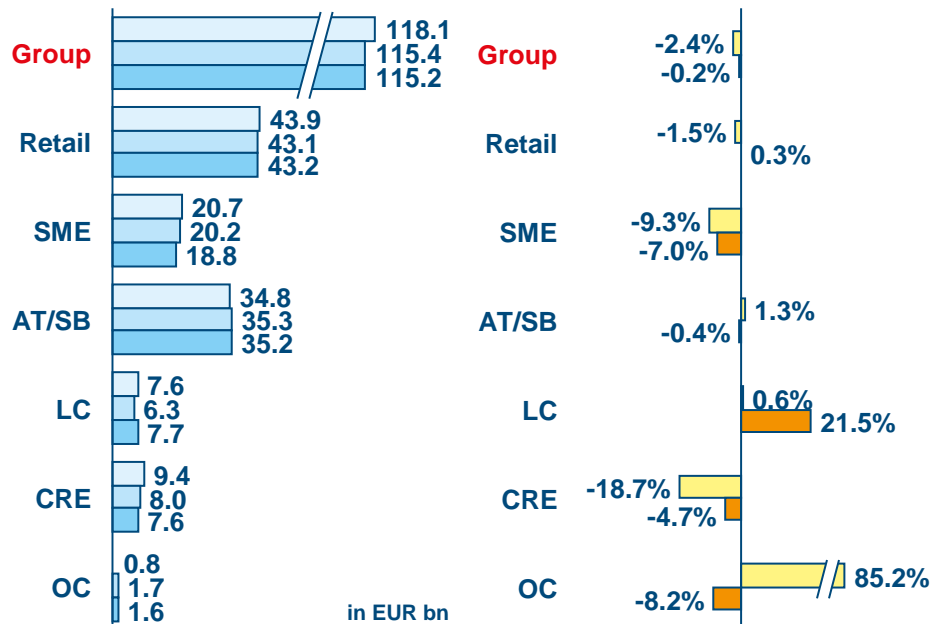
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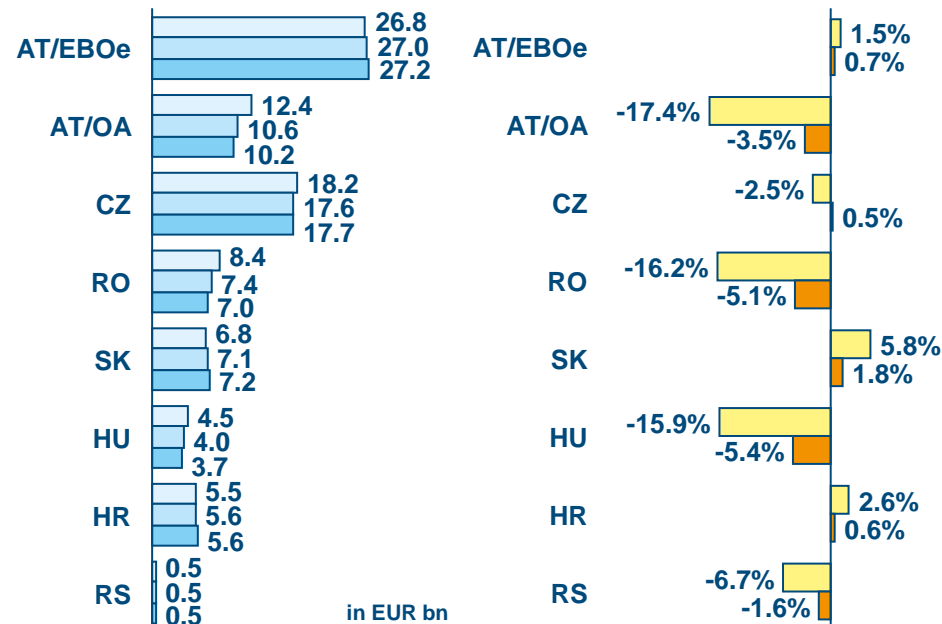
Business performance: performing loan stock & growth – Stabilisation in Q1 14 driven by Retail and SME in AT, SK, CZ



Business line view



Geographic view



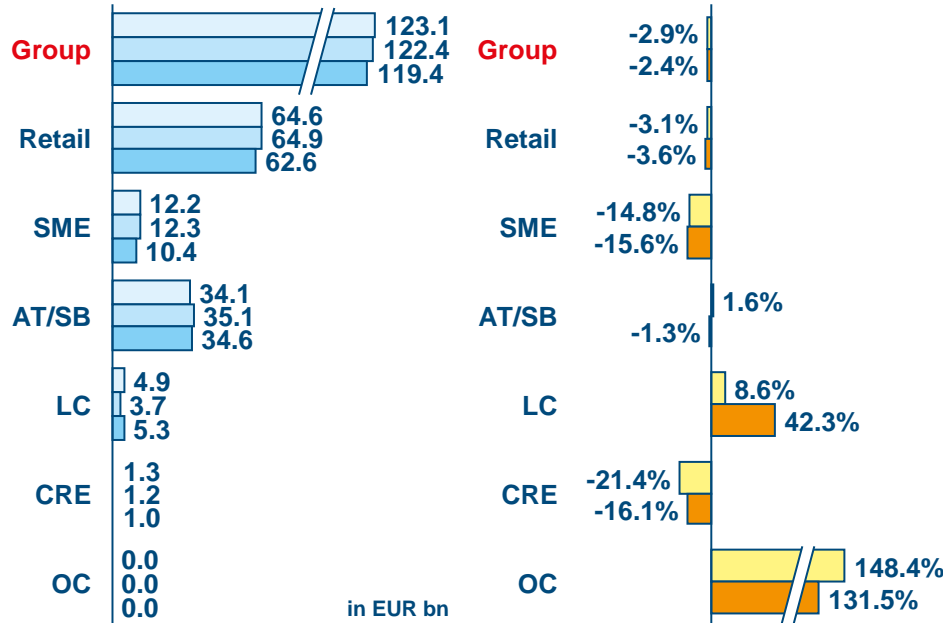
- Stabilisation of performing loan stock in Q1 14 after significant decline in 2013, supported by Retail, SME and SBs segments
- Reallocation of about EUR 1.5bn of performing loans from SME to LC as per 1 Jan 2014 distorts yoy and qoq comparison, as does EUR 1.0bn shift from LC to OC as per 31 Dec 2013 (yoy only)
- Continued deleveraging in CRE qoq and yoy

- Continued qoq deleveraging in HU, RO and OA (CRE), partly offset by better performance in AT

Business performance: customer deposit stock & growth – Deposit decline overstated by EUR 1.8bn CZ one-off

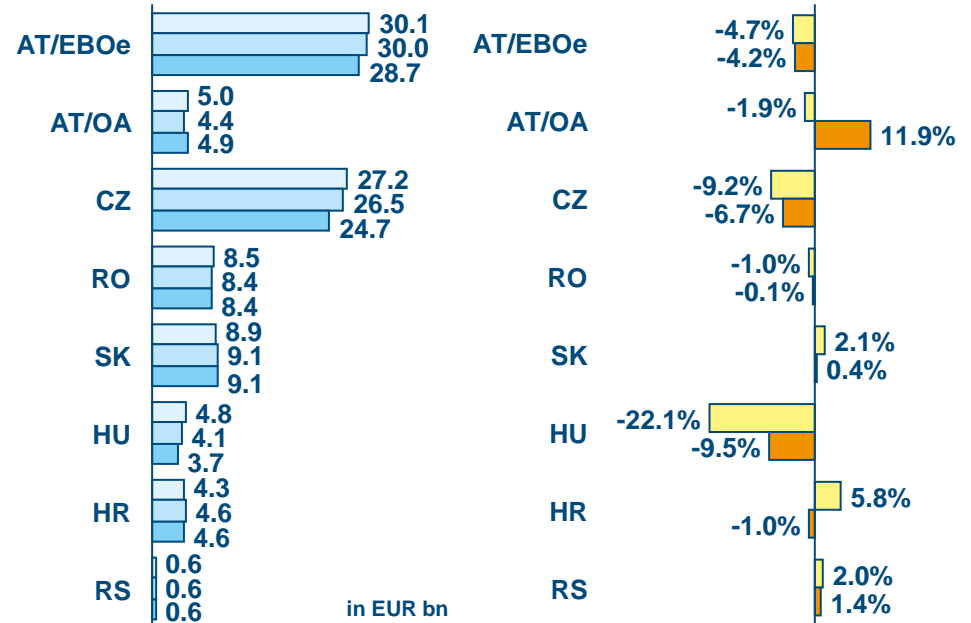
■ YoY ■ 31/03/13
■ QoQ ■ 31/12/13
■ 31/03/14

Business line view



- EUR 3.0bn decline is overstated by EUR 1.8bn due to final deconsolidation of Czech pension fund (allocated to Retail)
- Shift from SME to LC distorts comparison

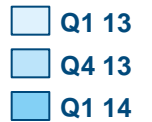
Geographic view



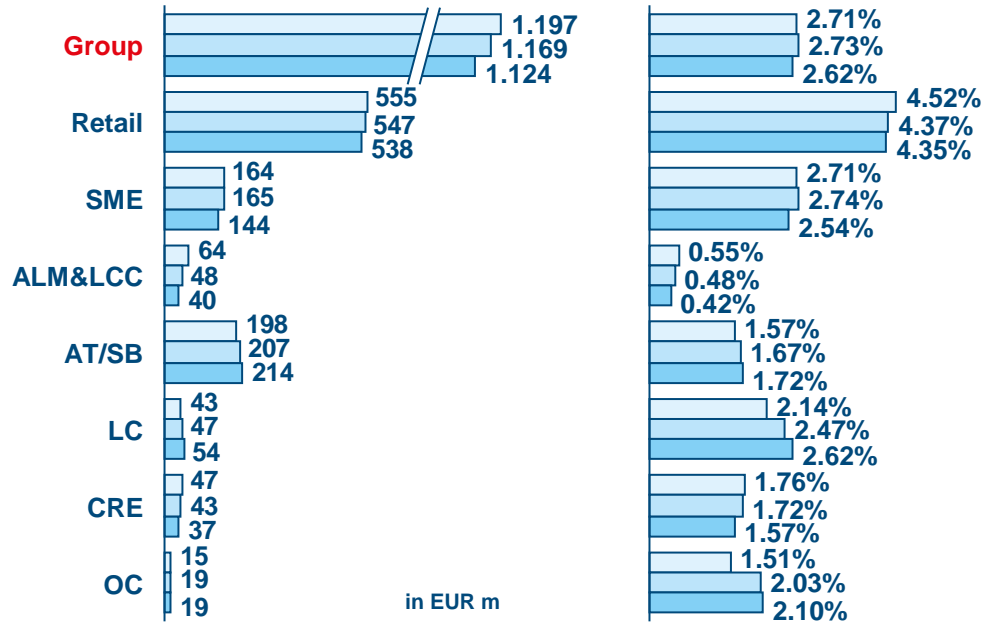
- Underlying trend in CZ stable (see left side explanation)
- Decline in EBOe driven by Retail business line due to liability repricing with positive margin effect
- Decline in Hungary due to persistent LC deposit outflows; smaller, but still significant decline in Retail, SME stable

Business performance: NII and NIM –

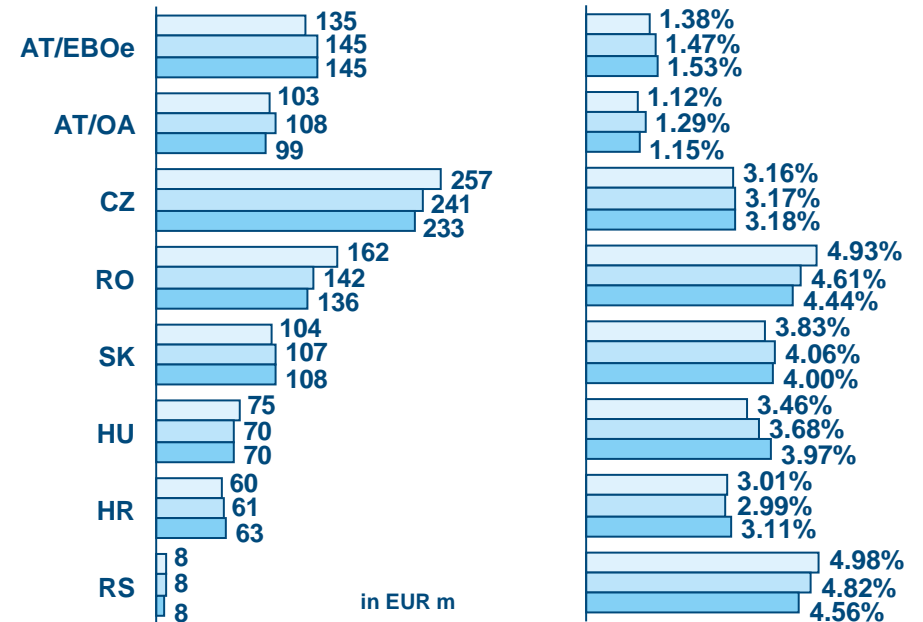
NII down yoy and qoq on lower volumes, lower margins and CZK effect



Business line view



Geographic view



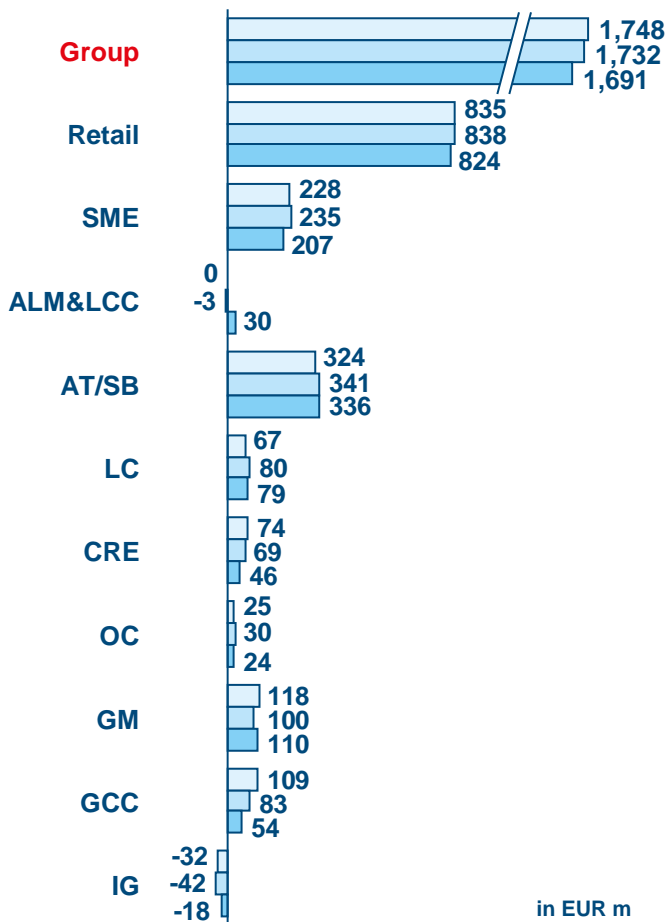
- Group NII down qoq and yoy due to lower volumes, lower margins, persistently low or falling (HU, RO) interest rates & FX effects (CZ)
- Retail: YOY & qoq decline on lower volumes and margins in BCR, shrinking business in EBH and FX impact in CZ
- SME, LC: QOQ NII impacted by reallocation from SME to LC
- CRE: Deconsolidation of leasing companies contributed to overall deleveraging impact

- AT: YOY improvement in EBOe due to deposit repricing; SBs up yoy and qoq mainly due to derivatives results
- CZ: Decline in NII mainly due to FX effects, despite stable margins
- RO: qoq and yoy decline driven by significant volume decline, especially in SME business, compounded by margin compression
- OA: QOQ decline mainly due to lower treasury income and deconsolidation of leasing companies from Immorent

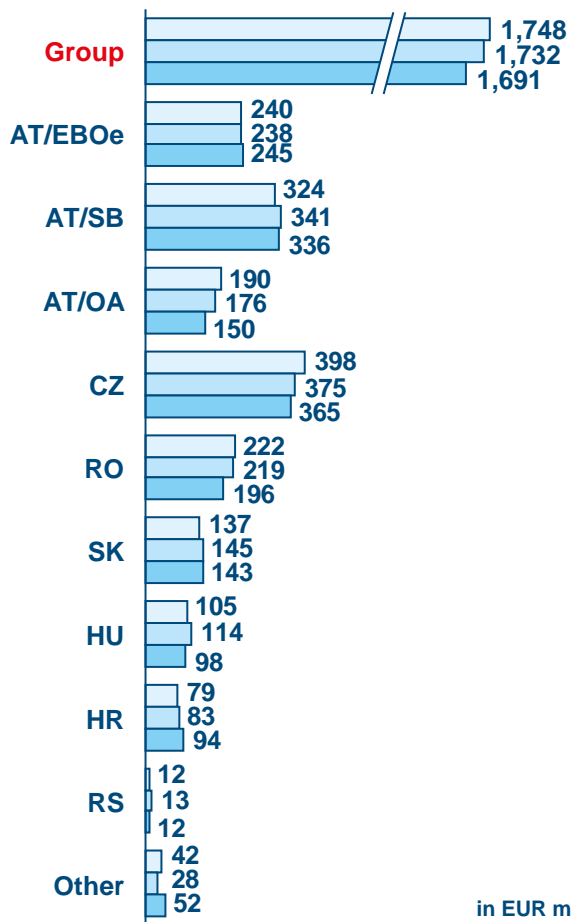
Business performance: operating income – Decline in NII weighs on operating income

Q1 13
Q4 13
Q1 14

Business line view



Geographic view



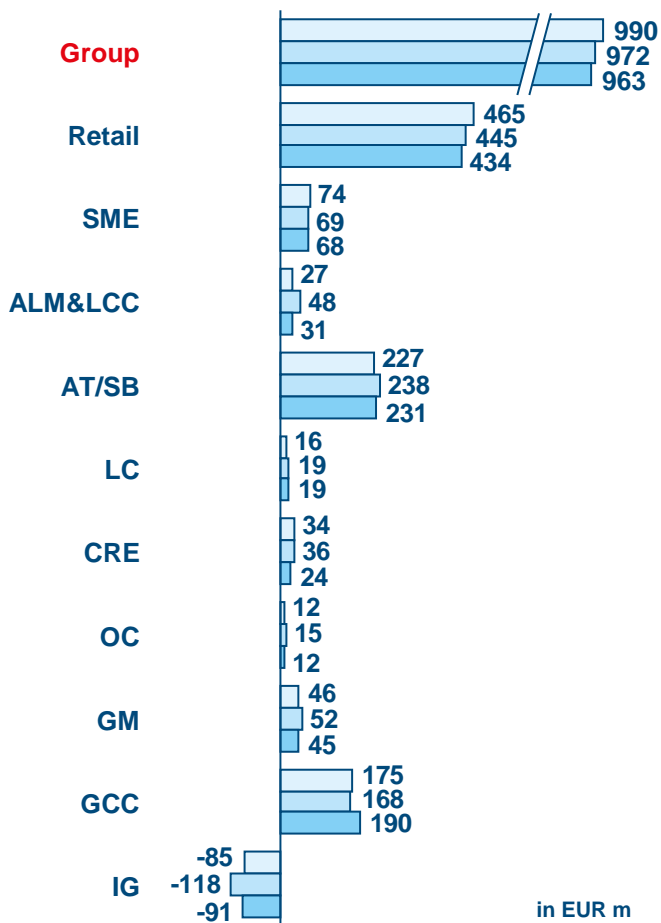
Highlights

- Decline in qoq and yoy group operating income driven by NII, partly offset by an improved net trading & FV result
- GCC: net trading result down on valuation effects and lower imputed NII on capital that is not allocated (free capital); offset by IG
- SME: qoq decline due to reallocation to LC
- Retail: decline in NII driven by lower volumes and margins, improvements in fee income in AT, RO, HU
- CRE: qoq and yoy decline mainly in NII due to deconsolidation of leasing companies and lower business volumes
- Other Austria driven by commercial real estate business (Immorent) and decline in treasury business
- CZ: positive developments in SME NII could not compensate overall FX effect and lower income from fees and in ALM&LCC
- RO: Lower volumes and margins in all major business lines weigh on NII, fee income improved in retail business

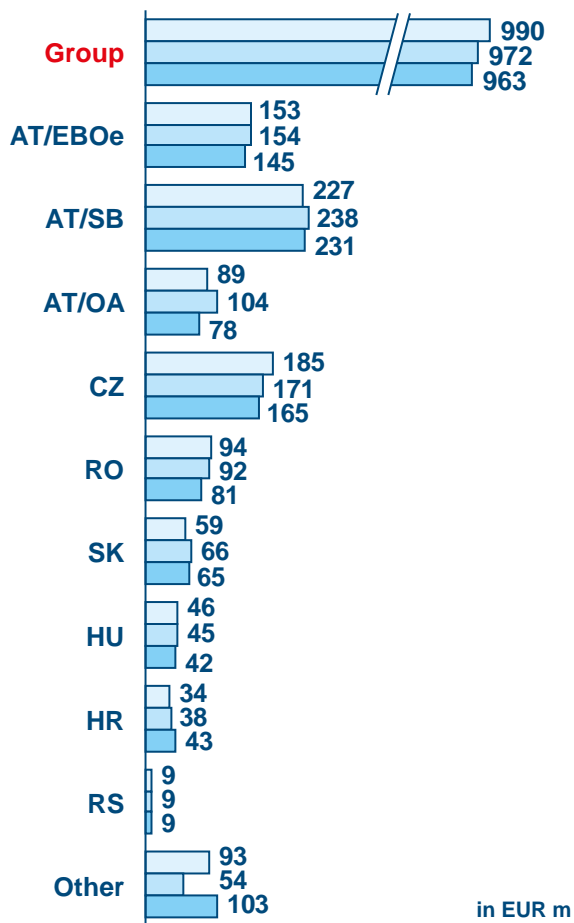
Business performance: operating expenses – Improvements mainly on lower personnel expenses

Q1 13
Q4 13
Q1 14

Business line view



Geographic view



Highlights

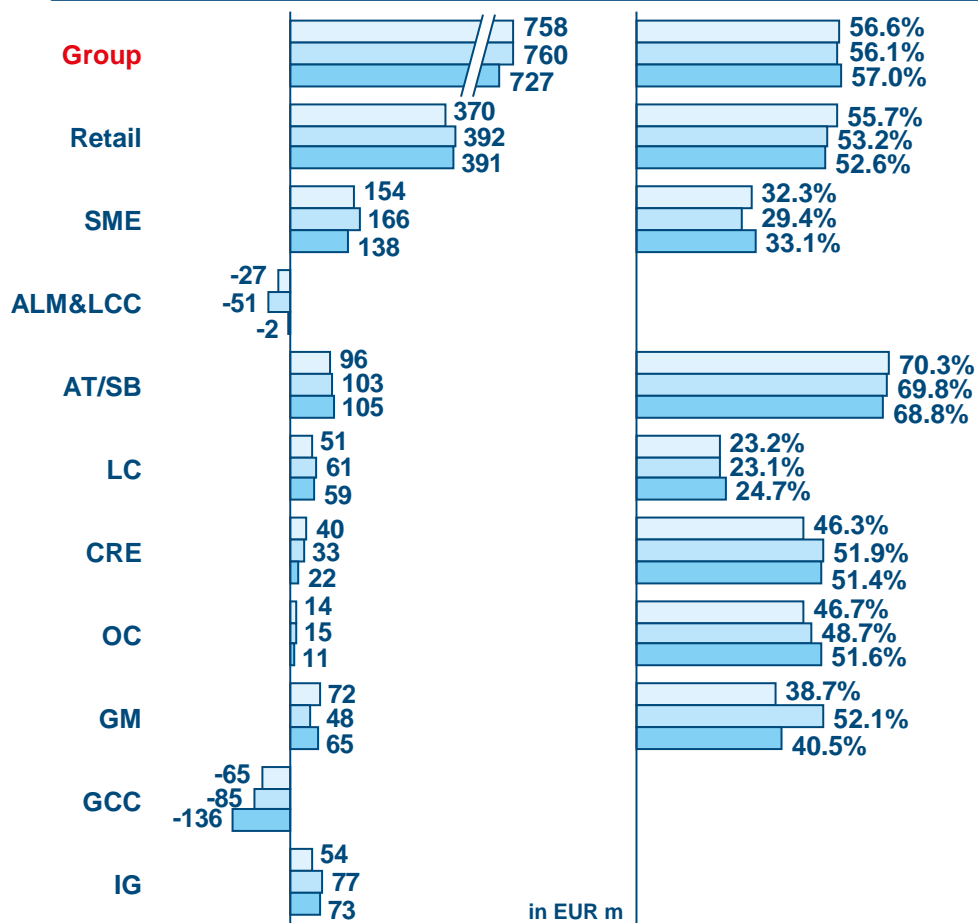
- Group operating expenses declined due to lower average headcount (yoy) and seasonally higher costs in Q4 13 (qoq)
- Retail: yoy decline mainly on reduced personnel expenses, CZ (FX effect) and RO (restructuring)
- SME: lower personnel expenses and positive effect from reallocation to LC
- CRE: improvements on deconsolidation of leasing entities and lower depreciation on operating lease and investment properties
- GCC: significant yoy, qoq increase due to change in cost reimbursement methodology; fully offset in other result; bottom line neutral
- CZ: improvement in personnel expenses, supported by FX effect
- OA: seasonally higher costs in Q4 13, plus leasing deconsolidation effect, which increased costs in HR
- RO: decline in personnel expenses, full effect of restructuring measures visible
- Other: mirrors GCC and IG developments

Business performance: operating result and CIR –

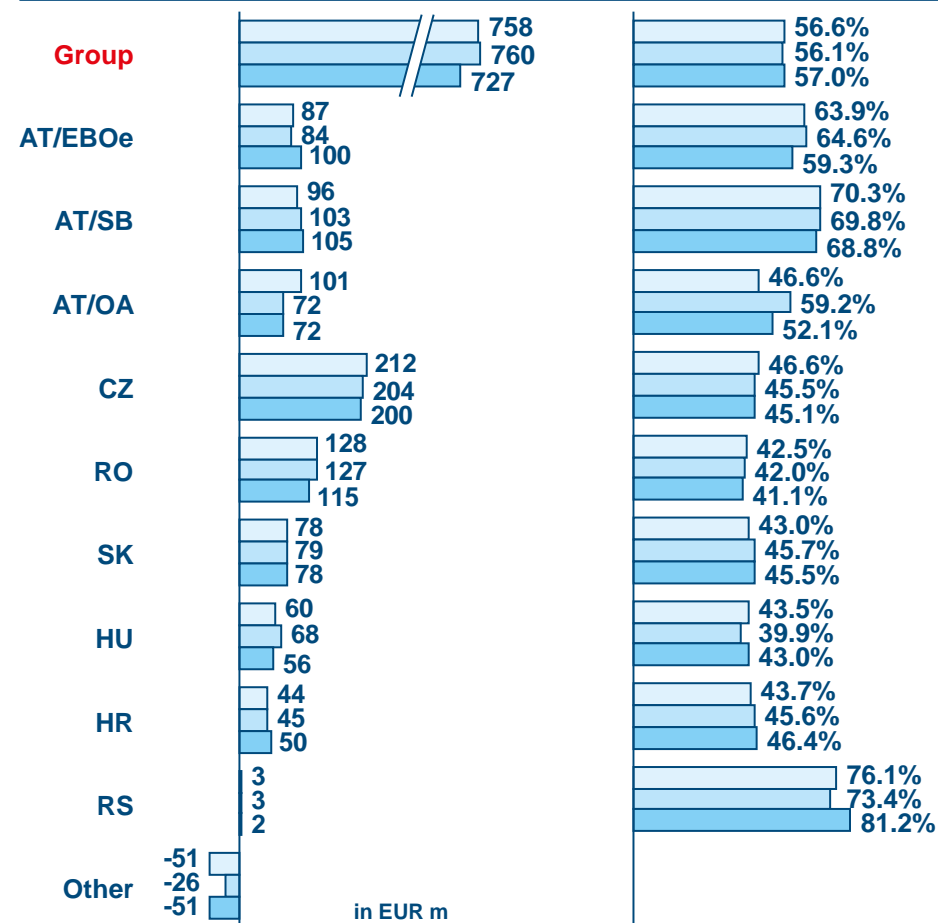
Lower operating income only partly offset by lower costs

Q1 13
Q4 13
Q1 14

Business line view



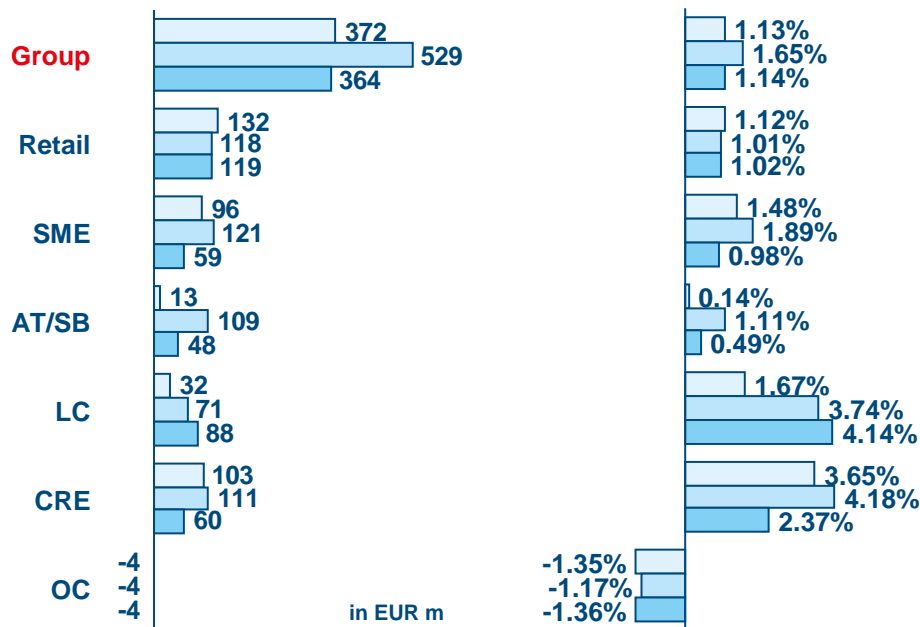
Geographic view



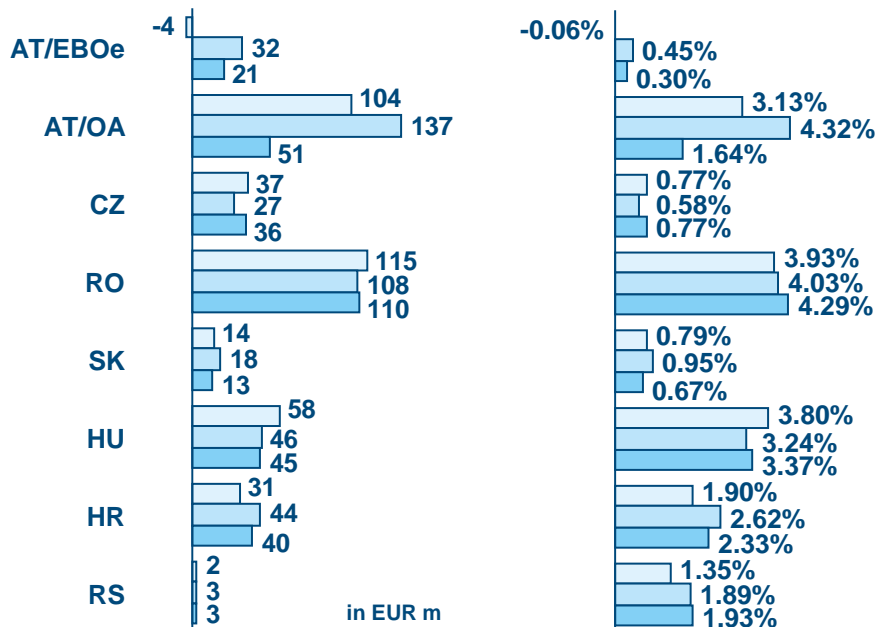
Business performance: risk costs (abs/rel) – Lower risk costs mainly in SME and commercial real estate

Q1 13
Q4 13
Q1 14

Business line view



Geographic view



- Decline in group risk costs driven by lower provisioning requirements in CRE, SME and the savings banks (qoq), CRE (yoy)
- CRE: normalisation following exceptionally high provision in 2013
- SME & LC: impacted by reallocation from SME to LC
- AT/SB: volatile risk cost distribution in 2013 followed by return to normalised provisioning

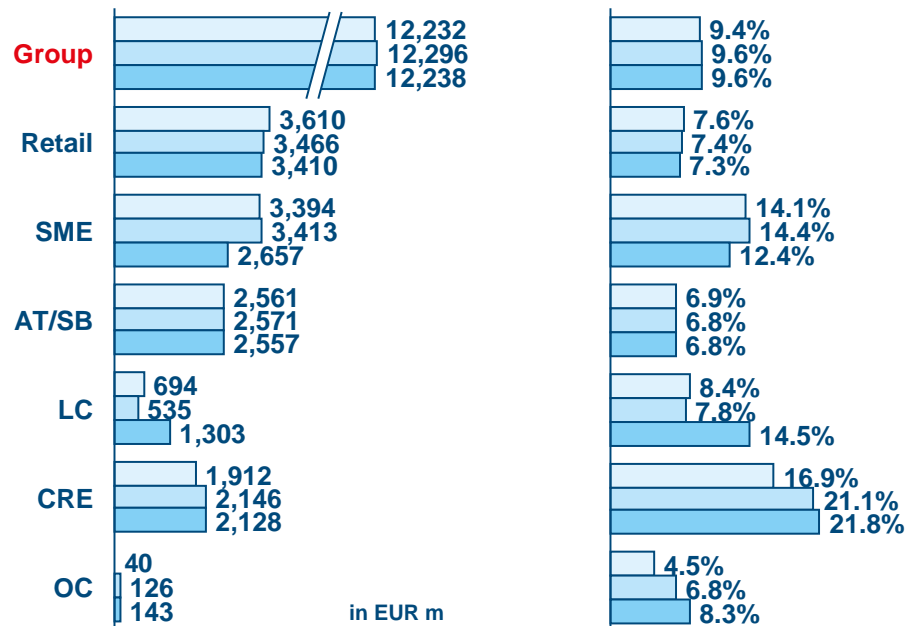
- EBOe: release of risk costs in Q1 13, overall decline qoq due to lower provisioning requirements at subsidiaries
- Other Austria driven by improved risk costs in CRE
- RO: different developments in retail and SME (both improved) and LC (higher risk costs in work out portfolio)
- HU: improvement in retail and SME, higher risk costs in CRE
- HR: higher risk costs in CRE yoy to increase coverage

Business performance: non-performing loans and NPL ratio –

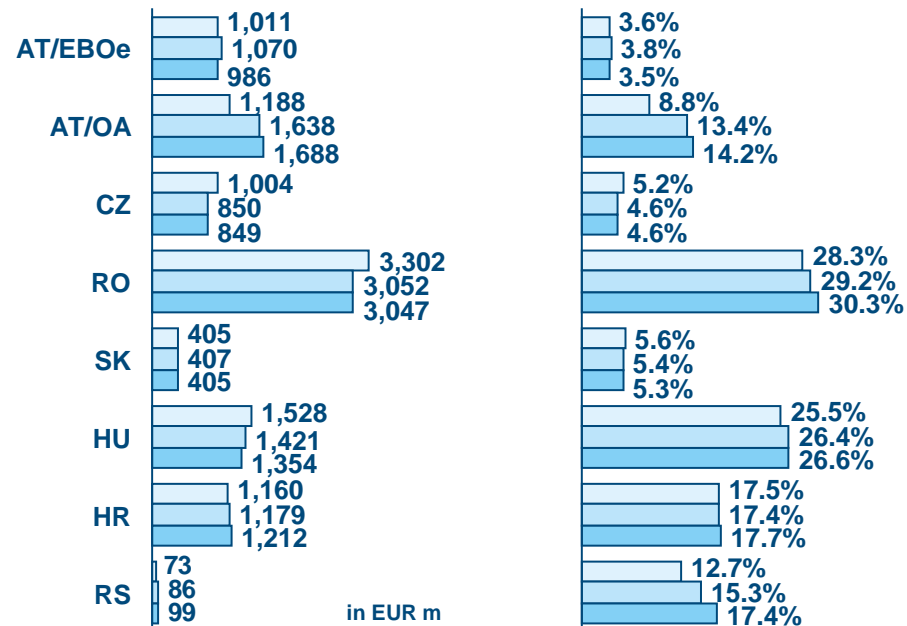
Stable NPL volume, stable NPL ratio

31/03/13
31/12/13
31/03/14

Business line view



Geographic view



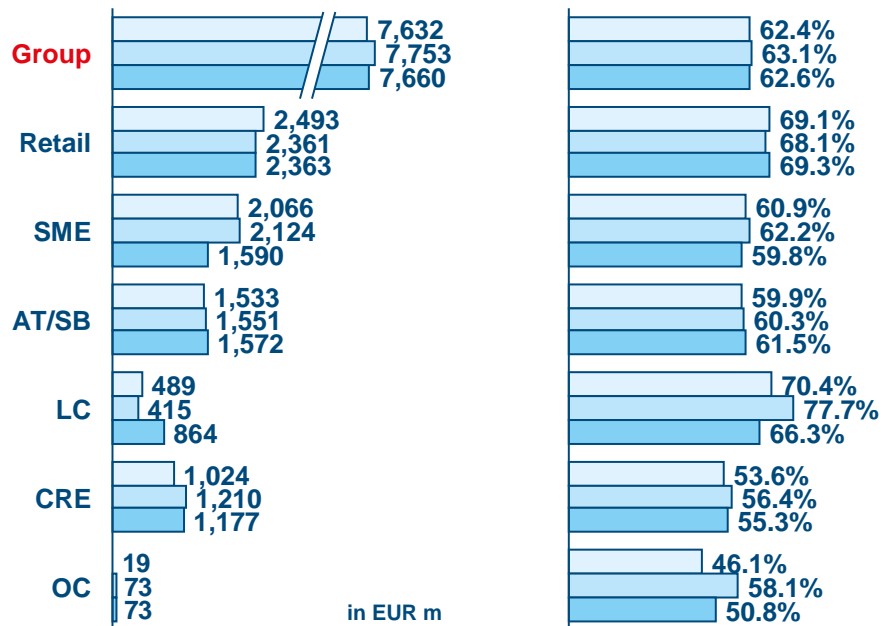
- Continued stabilisation of group NPL volume and group NPL ratio on supportive trends in RO, HU and commercial real estate
- NPL sales amounted to EUR 86.2m in Q1 14
 - Retail: EUR 39m
 - Corporate: EUR 47.2m
- Reallocation of about EUR 800m from SME to LC is key reason for rising NPL ratio in LC and decline in SME; underlying trends stable

- NPL sales mainly in Hungary (EUR 71.6m), leading to NPL decline in same amount; NPL ratio rose due to declining overall volume
- Minor sales in CZ, SK, RO
- QoQ deterioration in Serbia driven by Retail and LC business lines

Business performance: allowances for loans and NPL coverage – NPL coverage remains comfortably above 60%-target

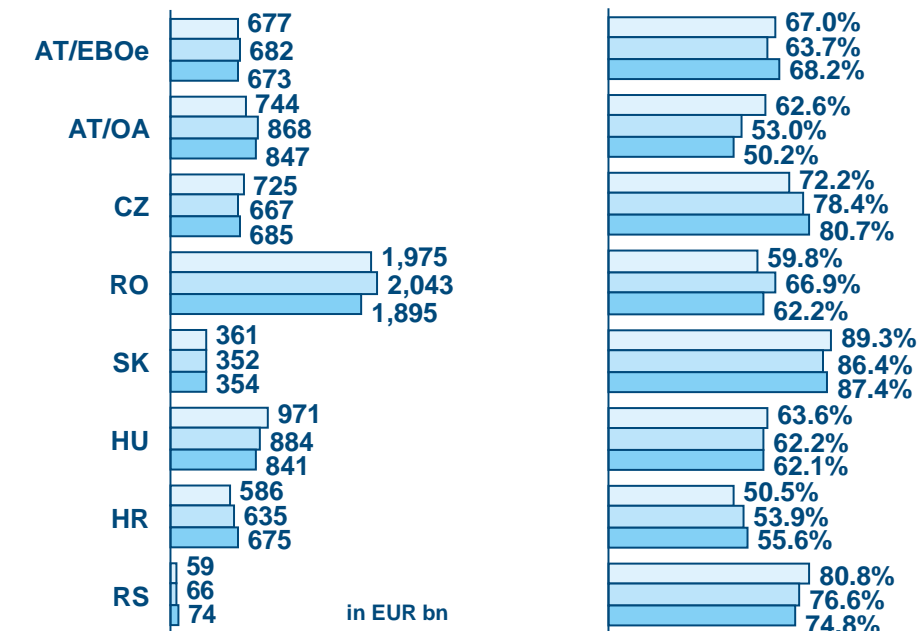


Business line view



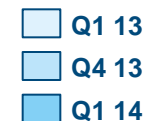
- Overall stable group coverage ratio over the past quarters following significant provisioning
- Decline in LC coverage driven by reallocation from SME, which has lower coverage levels
- Decline in SME driven by charge-off of seasoned and highly provisioned NPLs, mainly related to Romania

Geographic view

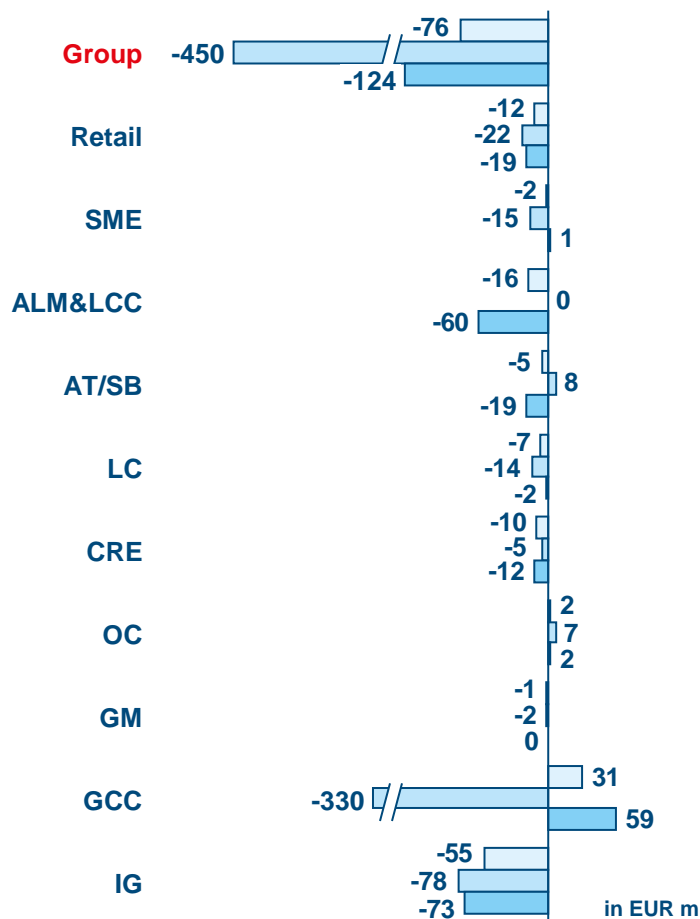


- Continued increase in coverage in HR
- OA coverage decline reflects shift from SME, booked in the respective geographic segments, to holding business (LC), which is part of OA
- For explanation of RO coverage decline see left

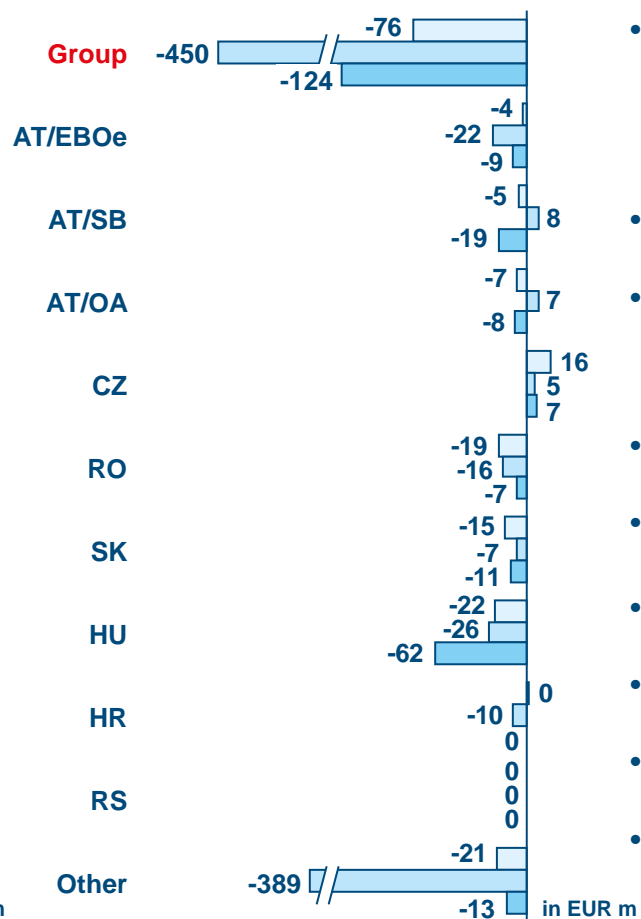
Business performance: other result – Q1 14 impacted by full recognition of Hungarian banking tax



Business line view



Geographic view



Highlights

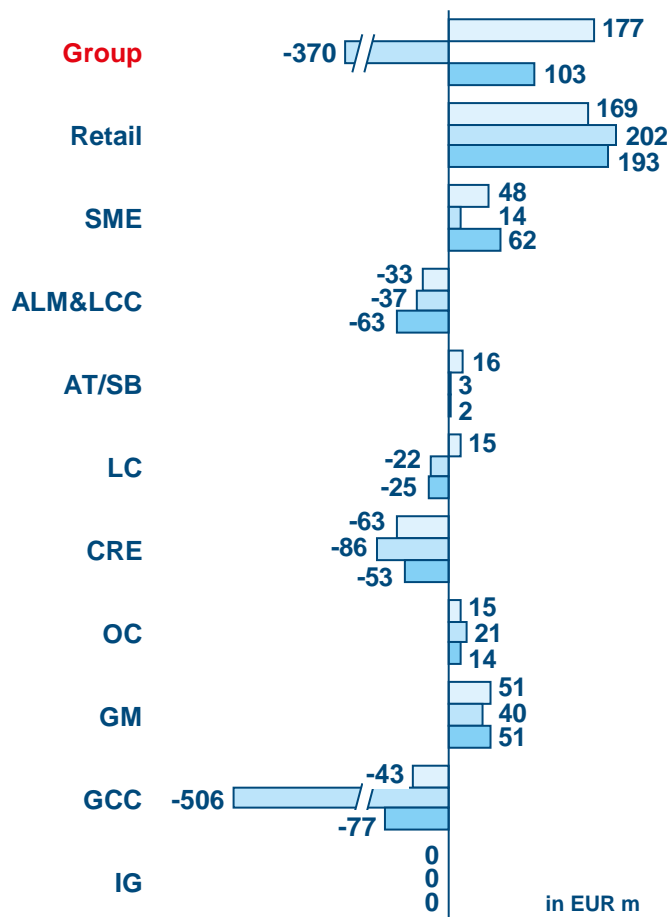
- QOQ rise in group other result due to one-off goodwill write-downs of EUR 330.8m in Q4 13; yoy decline due to full recognition of 2014 HU banking tax (EUR 47.9m) in Q1 14
- Hungarian banking tax impacts ALM & LCC business line and Hungary segment
- GCC: yoy improvement due to change in cost reimbursement methodology; fully offset in opex; bottom line neutral, also benefitted from lower Austrian banking tax
- LC: lower provisions for commitments and guarantees in Q1 14 (esp. BCR)
- SBs driven by selling gains in Q4 13
- Volatility in Other segment mirrors developments in GCC and IG elimination
- Improvement in EBOe qoq on impairments of participations in Q4 13
- CZ benefitted from positive one-off effect of EUR 8.1m in Q1 13
- RO improvements due to lower provisions for commitments/guarantees

Business performance: income tax and net result –

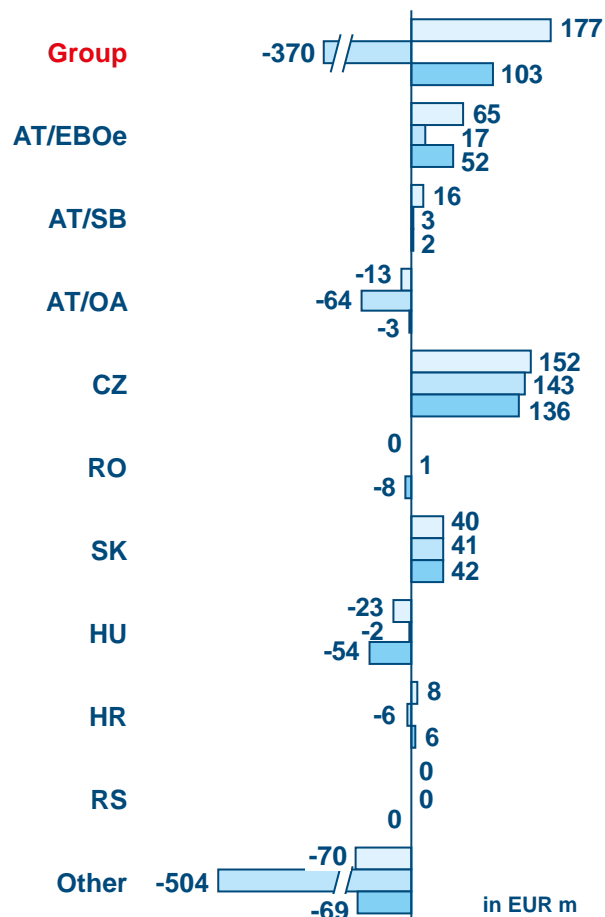
Income tax rate in line with expectations at 41.6%, ROE at 3.6%

Q1 13
Q4 13
Q1 14

Net result by business line



Net result by geography



Highlights

- Group income tax rate almost doubled yoy to guided level of about 40%, due to non-creation of deferred taxes (DTA) in 2014
- QOQ decline in income tax charge due to limited recognition of DTAs in 2013
- QOQ improvement in net result driven by significantly lower one-offs (goodwill, taxes), and substantially lower risk costs
- YOY net result deterioration driven by lower operating contribution, full recognition of 2014 Hungarian banking tax in Q1 and higher tax charge
- Return on equity at 3.6% in Q1 14, following -12.8% in Q4 13 and 5.5% in Q1 13
- Cash return on equity at 4.1% in Q1 14, following -0.1% in Q4 13 and 5.9% in Q1 13

Presentation topics

- Executive summary
- Operating environment
- Assets and liabilities
- Business performance
- Outlook
- Appendix

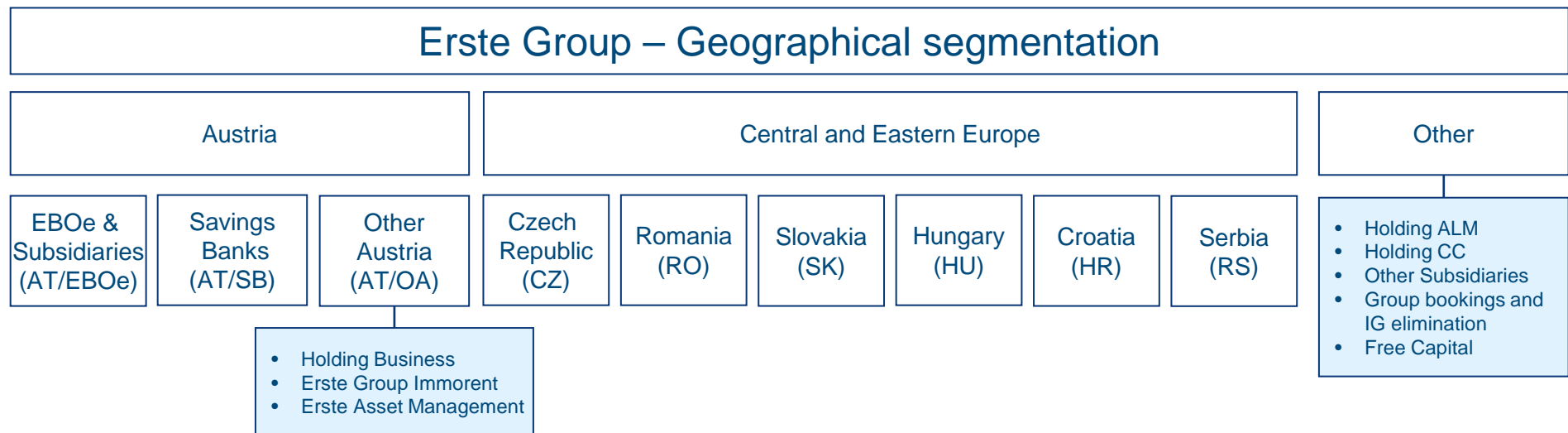
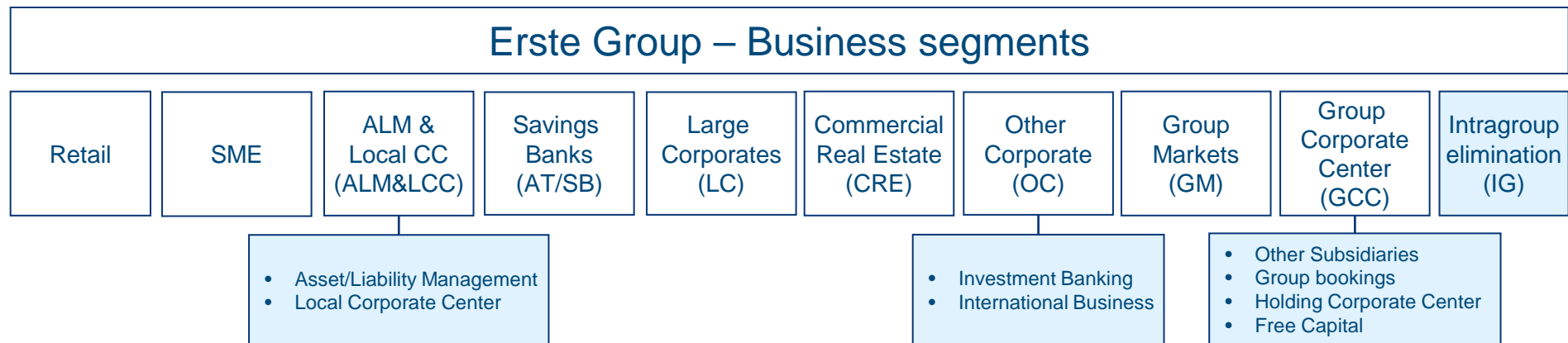
Conclusion – Outlook

- Erste Group expects a stable operating environment in its markets in Austria and CEE: while economic growth is expected to average 1.9% (Erste Group Research) in 2014, interest rates are expected to remain persistently low or fall even further in certain geographies
- Erste Group aims to keep operating profit stable ($\pm 2\%$) at about EUR 3.1 billion
- Net customer loans are set to remain stable ($\pm 2\%$) at about EUR 120 billion
- In light of the upcoming ECB Asset Quality Review, Erste Group does not expect a decline in risk costs beyond 5% or to about EUR 1.7 billion
- Erste Group does not anticipate to recognise deferred tax assets in the Austrian tax group in 2014, which will result in a significantly elevated tax rate of about 40%
- The decline in banking taxes from EUR 311 million in 2013 to about EUR 270 million in 2014 should positively affect net profit
- Management proposes dividend of EUR 0.20 per share to AGM

Presentation topics

- Executive summary
- Operating environment
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- Business performance
- Outlook
- Appendix

Additional information: new segmentation – Business line and geographic view



Additional information: income statement – Quarterly view

in EUR m	Q1 13	Q2 13	Q3 13	Q4 13	Q1 14
Net interest income	1,196.7	1,143.3	1,175.9	1,169.2	1,123.9
Net fee and commission income	447.4	446.8	449.5	462.8	452.1
Dividend income	26.8	21.2	20.2	21.6	14.6
Net trading and fair value result	30.7	72.8	80.7	34.6	50.4
Net result from equity method investments	2.8	9.4	7.5	2.1	3.1
Rental income from investment properties & other operating leases	43.7	41.5	46.6	41.6	46.5
Personnel expenses	-564.6	-561.9	-552.5	-553.4	-545.9
Other administrative expenses	-296.7	-280.3	-283.9	-285.1	-292.4
Depreciation and amortisation	-128.7	-128.1	-127.8	-133.1	-125.0
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	22.0	-4.3	6.7	38.1	-3.7
Net impairment loss on financial assets not measured at fair value through profit or loss	-371.8	-412.6	-460.7	-529.4	-364.2
Other operating result	-98.2	-279.4	-142.6	-488.4	-119.8
Levies on banking activities	-71.6	-113.1	-62.4	-63.9	-99.8
Pre-tax result from continuing operations	310.1	68.4	219.6	-219.6	239.5
Taxes on income	-66.4	91.4	-56.0	-147.5	-99.7
Post-tax result from continuing operations	243.7	159.8	163.5	-367.1	139.8
Post-tax result from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net result for the period	243.7	159.8	163.5	-367.1	139.8
Net result attributable to non-controlling interests	67.0	34.2	35.2	3.2	36.5
Net result attributable to owners of the parent	176.6	125.5	128.4	-370.3	103.3
Operating income	1,748.0	1,734.9	1,780.4	1,731.8	1,690.6
Operating expenses	-989.9	-970.3	-964.2	-971.7	-963.3
Operating result	758.1	764.6	816.2	760.1	727.3

Additional information: group balance sheet – Assets

in EUR m	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14
Cash and cash balances	8,453	10,578	11,852	9,301	10,373
Financial assets - held for trading	15,438	15,258	14,219	12,283	13,610
Derivatives	8,926	7,507	6,930	6,342	6,482
Other trading assets	6,512	7,751	7,289	5,941	7,128
Financial assets - at fair value through profit or loss	657	642	575	529	512
Financial assets - available for sale	21,269	20,492	20,569	20,678	20,956
Financial assets - held to maturity	19,025	18,572	18,190	17,779	17,191
Loans and receivables to credit institutions	10,896	9,150	7,757	8,377	9,962
Loans and receivables to customers	122,703	121,999	121,656	119,945	119,805
Derivatives - hedge accounting	2,503	1,850	1,788	1,944	2,212
Changes in fair value of portfolio hedged items	0	0	0	0	0
Property and equipment	2,410	2,364	2,402	2,320	2,330
Investment properties	1,011	942	941	951	1,035
Intangible assets	2,858	2,807	2,766	2,441	2,408
Investments in associates and joint ventures	211	220	217	208	226
Current tax assets	133	93	98	100	119
Deferred tax assets	679	812	852	719	672
Assets held for sale	618	95	106	75	82
Other assets	4,345	4,558	4,096	2,471	2,409
Total assets	213,211	210,431	208,084	200,118	203,903

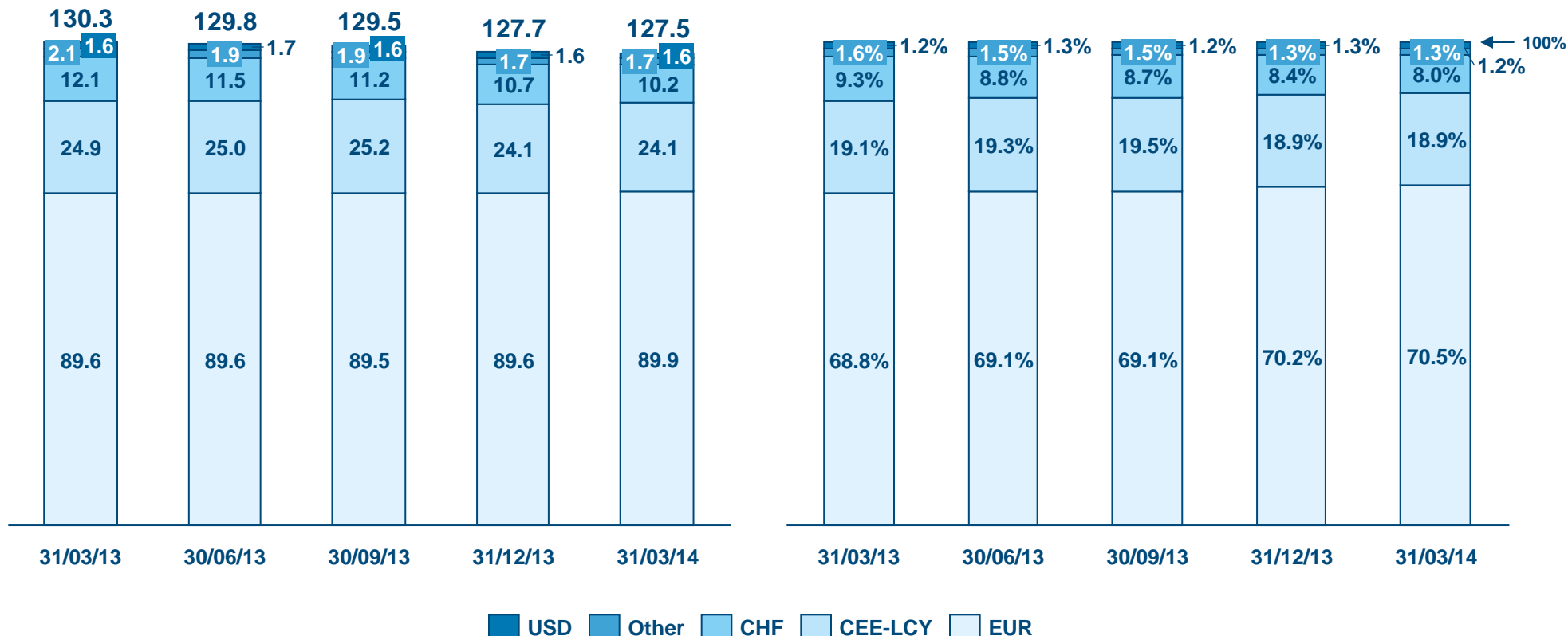
Additional information: group balance sheet – Liabilities and equity

in EUR m	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14
Financial liabilities - held for trading	8,845	7,533	7,154	6,475	7,042
Derivatives	8,476	7,044	6,706	6,087	6,341
Other trading liabilities	368	489	448	388	702
Financial liabilities - at fair value through profit or loss	2,553	2,418	2,377	2,339	2,275
Deposits from banks	0	0	0	0	0
Deposits from customers	592	527	498	460	449
Debt securities issued	1,961	1,891	1,878	1,879	1,826
Other financial liabilities	0	0	0	0	0
Financial liabilities measured at amortised cost	176,637	176,008	175,397	170,786	172,918
Deposits from banks	21,359	22,004	23,163	17,299	24,421
Deposits from customers	122,465	121,943	121,512	121,955	118,996
Debt securities issued	32,509	31,762	30,425	31,245	29,217
Other financial liabilities	303	299	298	286	285
Derivatives - hedge accounting	839	619	615	644	681
Changes in fair value of portfolio hedged items	1,429	905	870	734	910
Provisions	1,494	1,466	1,474	1,448	1,491
Current tax liabilities	73	84	89	85	83
Deferred tax liabilities	292	208	200	169	182
Liabilities associated with assets held for sale	343	0	0	0	0
Other liabilities	4,268	4,951	4,613	2,654	3,251
Total equity	16,438	16,238	15,294	14,785	15,069
Equity attributable to non-controlling interests	3,536	3,465	3,501	3,466	3,542
Equity attributable to owners of the parent	12,903	12,773	11,793	11,319	11,527
Total liabilities and equity	213,211	210,431	208,084	200,118	203,903

Additional information: gross customer loans – Split by currency

Gross customers loans by currency (EUR bn)

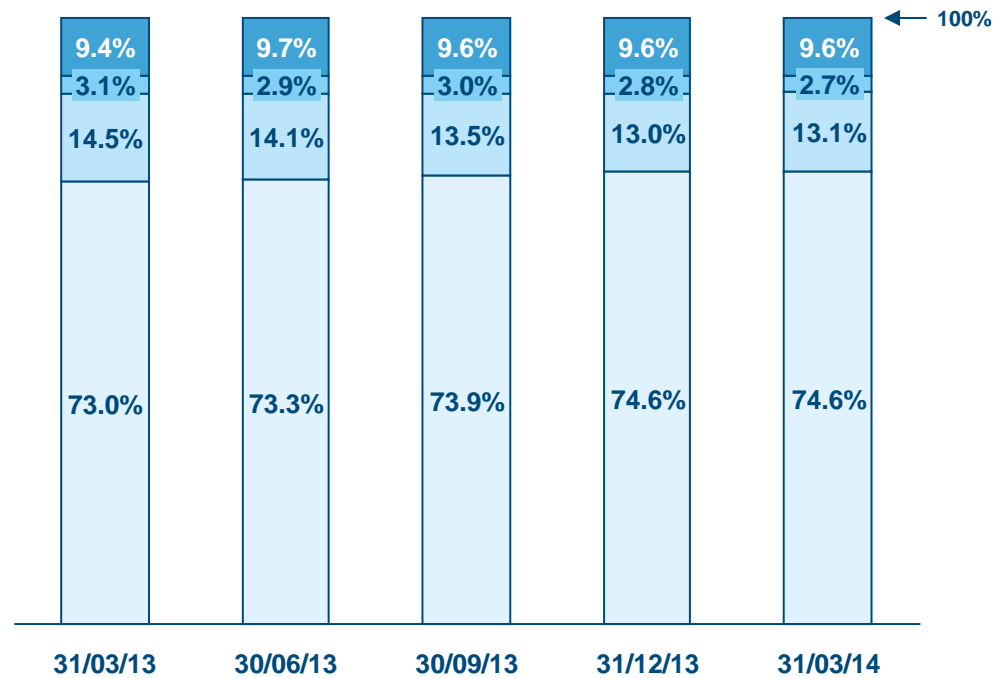
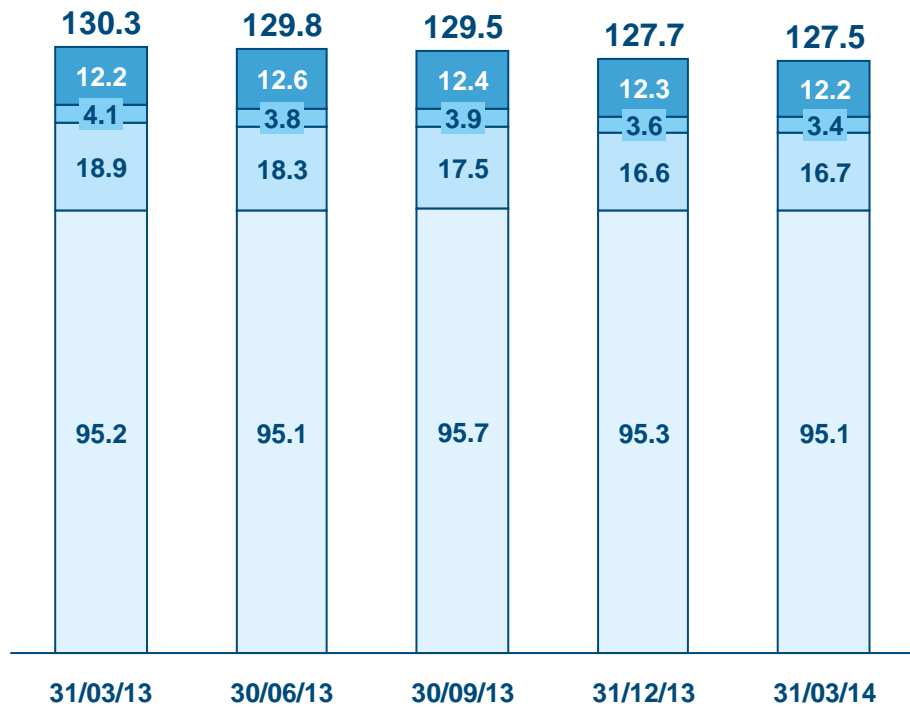
Gross customers loans by currency in %



Additional information: gross customer loans – Migration trends

Gross customers loans by risk category (EUR bn)

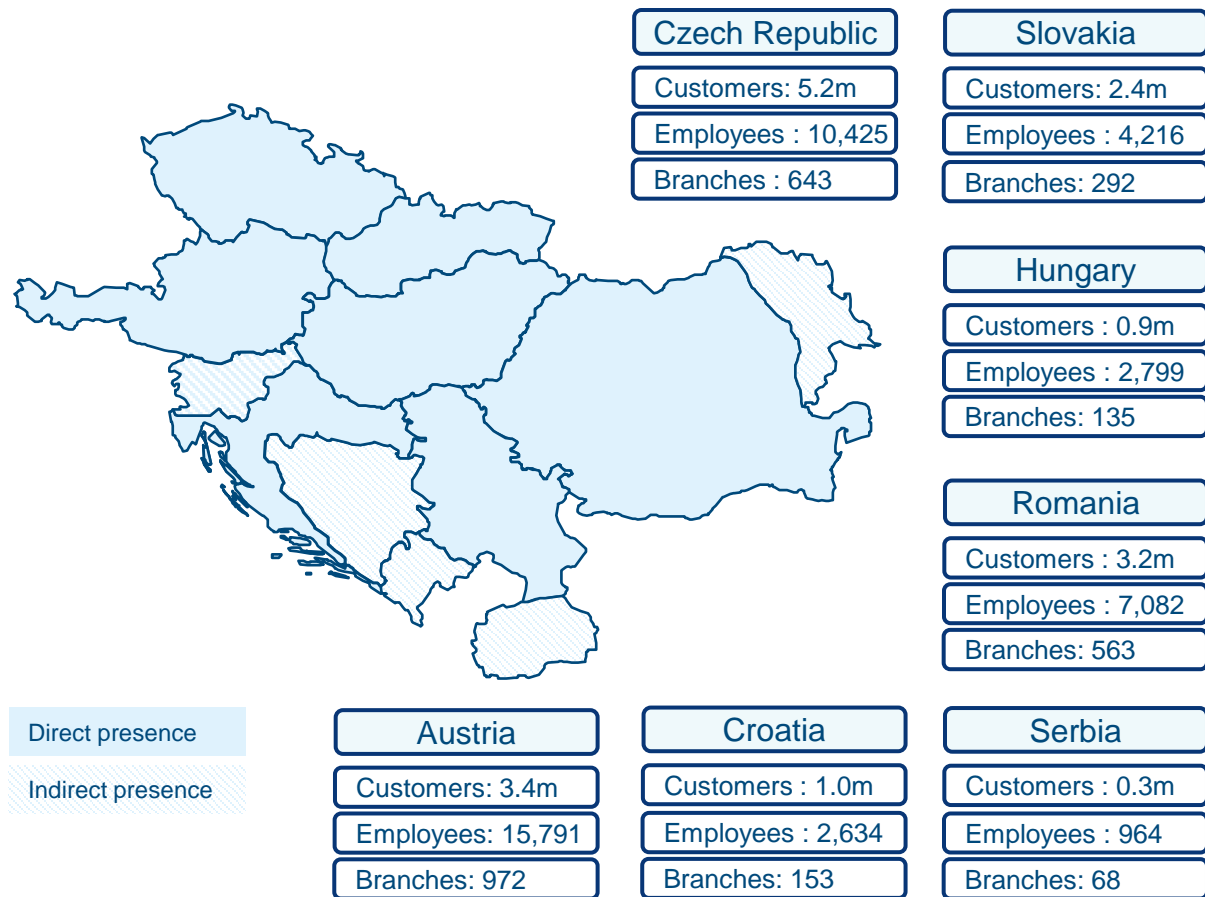
Gross customers loans by risk category in %



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

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

Erste Group footprint



Highlights

- Leading retail and corporate bank in 7 geographically connected countries
- Favourable mix of mature & emerging markets with low penetration rates
- Potential for cross selling and organic growth in CEE

Additional information: strategy –

A real customer need is the reason for all business

Customer banking in Central and Eastern Europe

Eastern part of EU

Retail banking

Focus on local currency mortgage and consumer loans funded by local deposits

FX loans only in EUR for clients with EUR income (or equivalent) and where funded by local FX deposits (RO, HR & RS)

Savings products, asset management and pension products

Potential future expansion into Poland

Corporate banking

Large, local corporate and SME banking

Advisory services, with focus on providing access to capital markets and corporate finance

Real estate business that goes beyond financing

Potential future expansion into Poland

Capital markets

Focus on customer business, incl. customer-based trading activities

In addition to core markets, presences in Poland, Turkey, Germany and London with institutional client focus and selected product mix

Building debt and equity capital markets in CEE

Public sector

Financing sovereigns and municipalities with focus on infrastructure development in core markets

Any sovereign holdings are only held for market-making, liquidity or balance sheet management reasons

Interbank business

Focus on banks that operate in the core markets

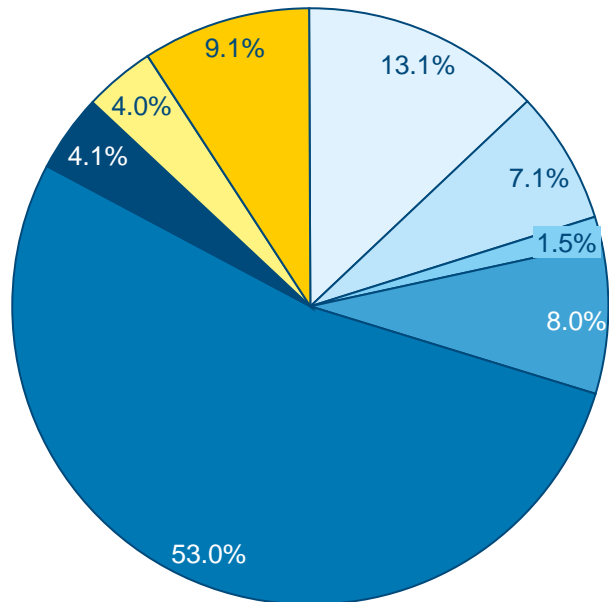
Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

Focus on CEE, limited exposure to other Europe

Additional information: shareholder structure –

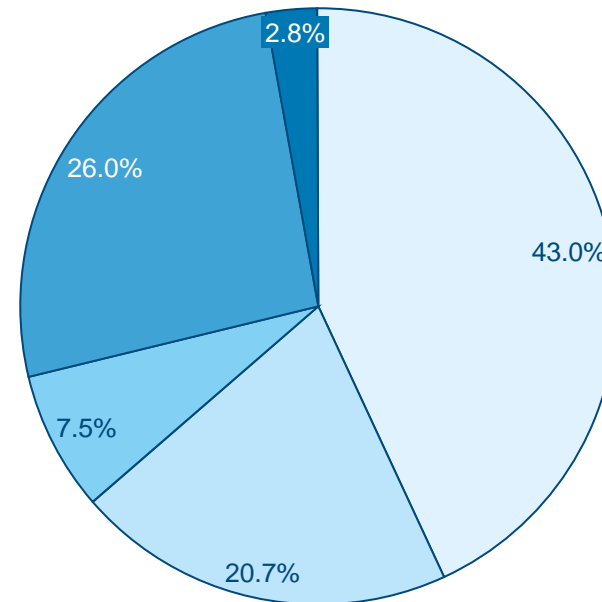
Total number of shares: 429,800,000

By investor



- Erste Stiftung, direct
- Institutional investors
- Erste Stiftung, indirect *
- Austria Versicherungsverein Privatstiftung
- Employers
- Harbor International Fund
- Retail investors
- CaixaBank

By region



- Austria
- UK & Ireland
- Other
- North America
- Continental Europe

* Including Sparkassen 1.2%, Sparkassen Beteiligungs GmbH & Co KG and other syndicate members

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

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