Erste Group investor presentation
H1 2014 results

31 July 2014

One-offs drive net loss as capital position and asset quality improves

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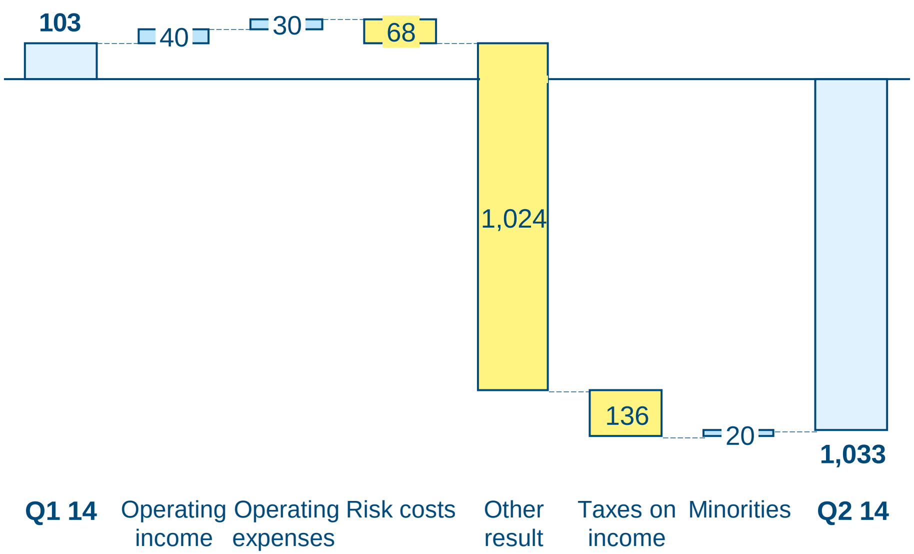
Presentation topics

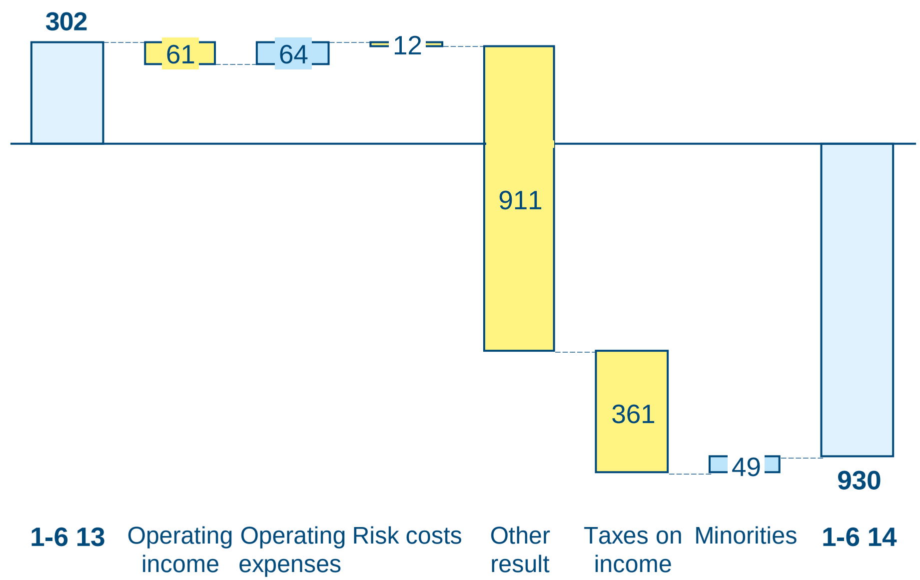
- Executive summary
- Business environment
- Business performance
- Assets and liabilities
- Outlook
- Additional information

Executive summary –
Group income statement performance

QoQ net profit reconciliation (EUR m)



YoY net profit reconciliation (EUR m)



- Deterioration in other result driven by one-off intangible write-downs in RO, HR; AT; partial booking of consumer loan law impact in HU
- Increase in taxes due to negative change in deferred tax related to the Austrian tax group
- Higher risk costs in RO (SME, CRE)

- Deterioration in other result driven by one-off intangible write-downs in RO, HR, AT; partial booking of consumer loan law impact in HU
- Increase in taxes due to negative change in deferred tax related to the Austrian tax group
- Stable operating performance due to lower costs and positive net trading and fair value result performance

Executive summary –
Group income statement performance: Q2 14 one-off summary

One-offs with effect on regulatory capital

- Additional risk provisions of about EUR 80m in Romania
  - Bulk expected to occur in H2 14 as LGD recalibration under way and uncertainty about pricing of NPL sales
  - Booked in risk costs of SME and CRE segments (BL) and Romania segment (geo)
- Consumer loan law (bid-/ask-spread, unilateral interest and fee changes) impact of EUR130.3m
  - Remaining impact subject to various uncertainties in relation to settlement laws and regulatory guidance expected to occur in H2 14
  - Booked in other operating result as opposed to risk costs of Retail segment (BL) and Hungary segment (geo); in H2 14 booking could be reversed into risk costs, depending on final legislative clarification (cash payback vs principal reduction) expected for autumn 2014
- Negative change in deferred taxes (net) of EUR 164.2m
  - Minor impact of 4 and 13bps in fully-loaded and phased-in scenario
  - Accounting standard-induced booking, under Austrian tax regulation tax losses can be carried forward indefinitely
  - Booked in income taxes of Group Corporate Center (BL) and Other segment (geo)

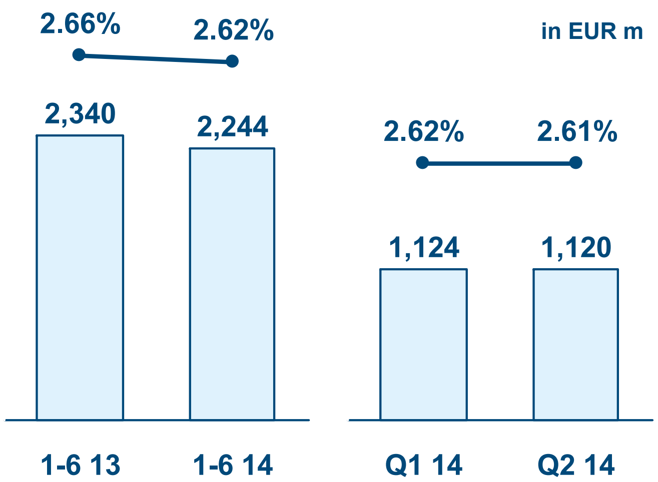
- **Additional information on future one-offs expected to impact regulatory capital:**
  - No clarity yet on potential additional losses in Hungary from FX loan conversion into HUF expected for year-end 2014; hence no provision included in Q2 14 figures

One-offs with no effect on regulatory capital

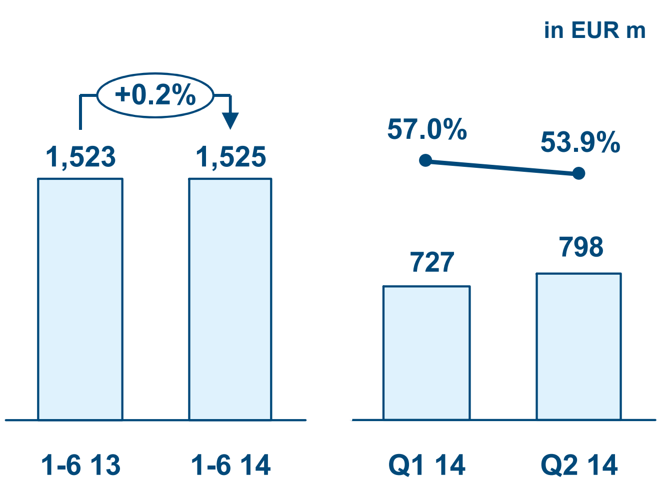
- Write-down of remaining goodwill, value of customer relationships, brand and other intangibles related to Romania
  - Total impact of EUR 854.2m (cumulative)
  - Booked in other operating result of Group Corporate Center (BL) and Other segment (geo)
- Full write-down of remaining goodwill related to Croatia and minor participations
  - Total impact of EUR 101.8m
  - Booked in other operating result of Group Corporate Center (BL) and Other segment (geo)

Executive summary –
Key income statement data

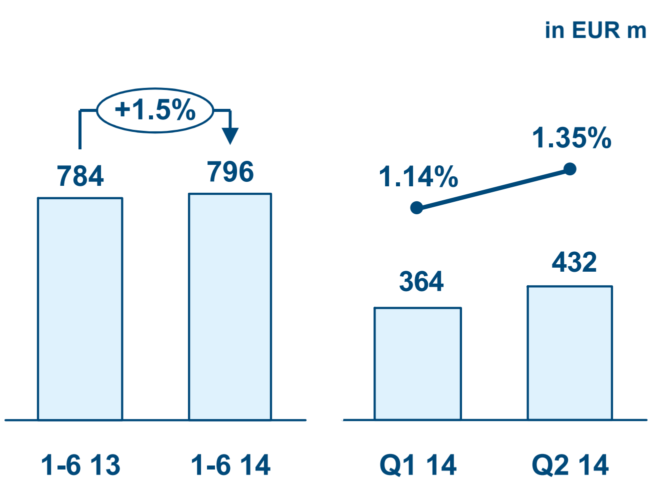
Net interest income & margin



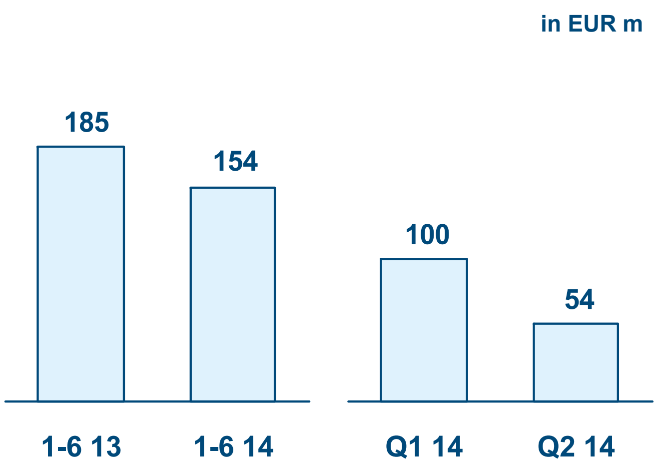
Operating result & cost/income ratio



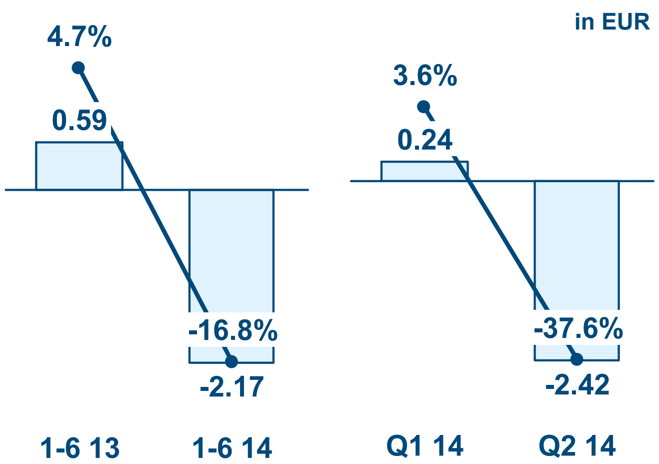
Cost of risk



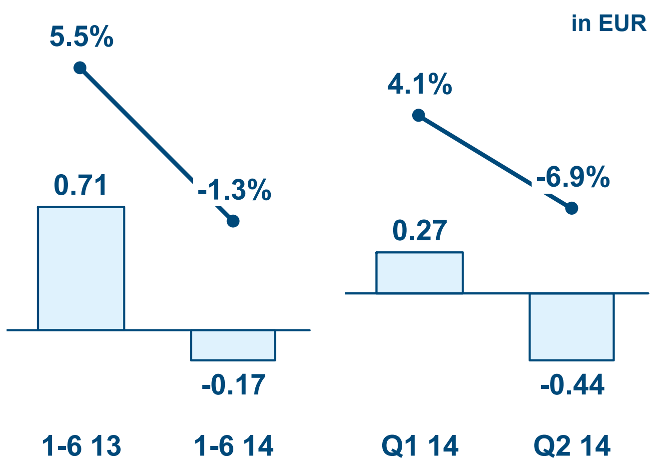
Banking levies



Reported EPS & ROE

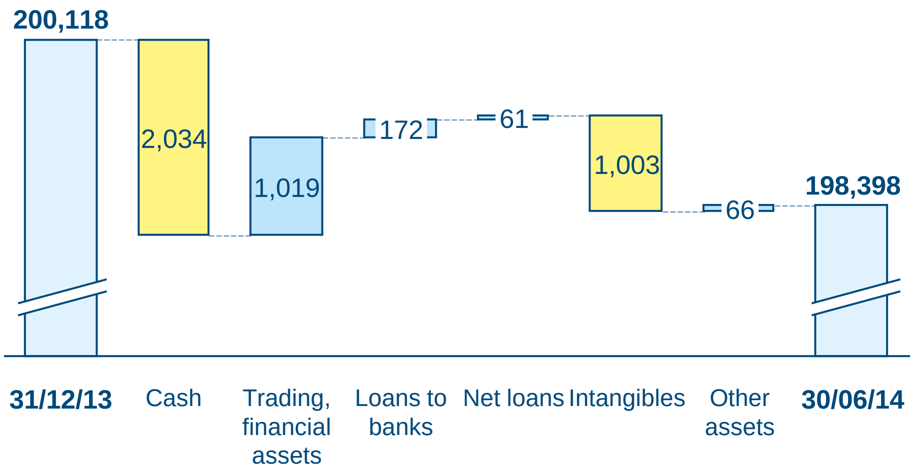


Cash EPS & cash ROE

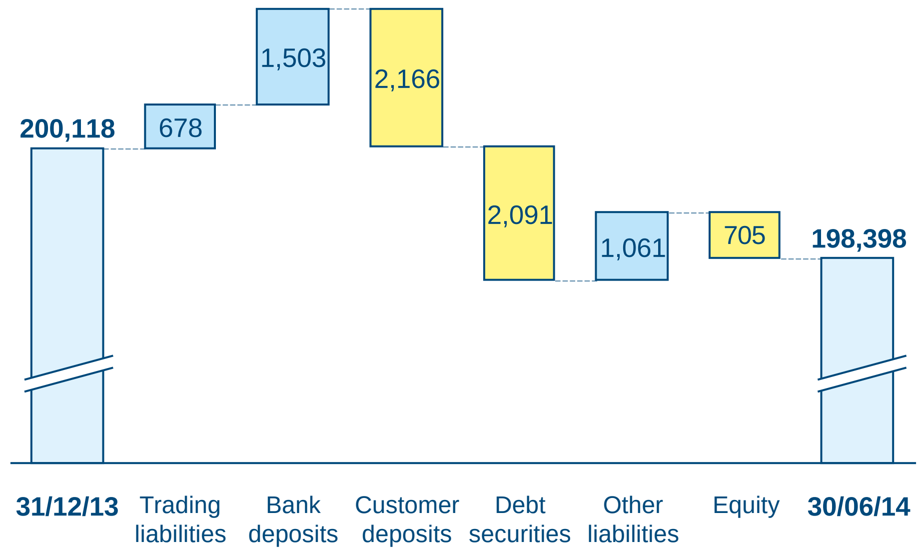


Executive summary –
Group balance sheet performance

YTD total asset reconciliation (EUR m)



YTD total liability reconciliation (EUR m)



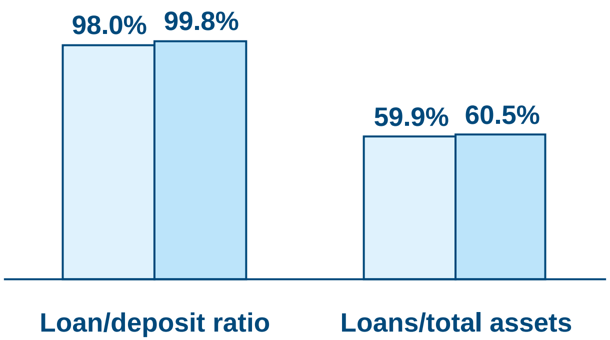
- Lower cash position driven by lower central bank cash position, partly offset by slight increase in trading & financial assets (SK, RO, HU)
- Lower intangibles due to significant write-downs
- Stabilisation of net customer loans in H1 14 thanks to solid performance of AT, CZ and SK retail and SME business lines

- Decline in customer deposits mainly driven by final deconsolidation of Czech pension fund (EUR 1.8bn) and lower deposits in Erste Bank Hungary and EBOe
- Lower debt securities due to maturities of unsecured bonds

Executive summary –
Key balance sheet data

31/12/13
30/06/14

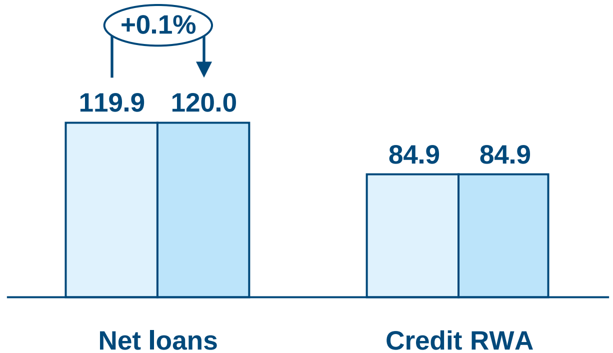
Loan/deposit & loan/TA ratio



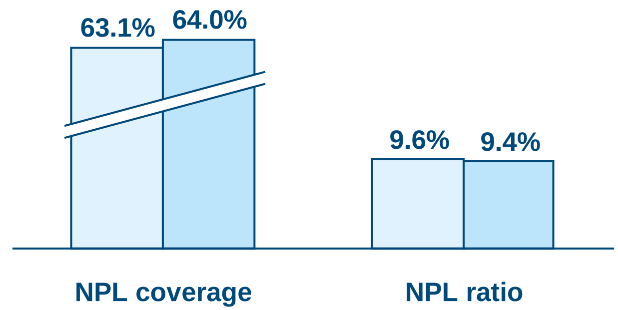
Net loans & credit RWA*

G: ±2%

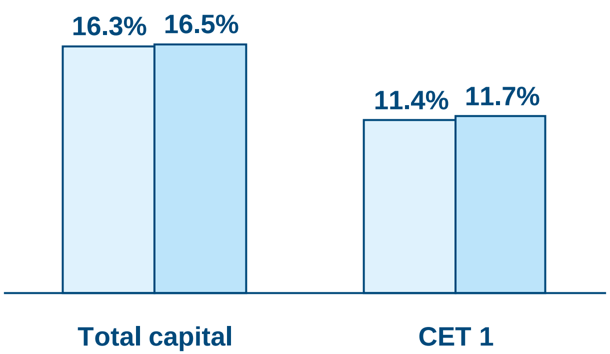
in EUR bn



NPL coverage ratio & NPL ratio

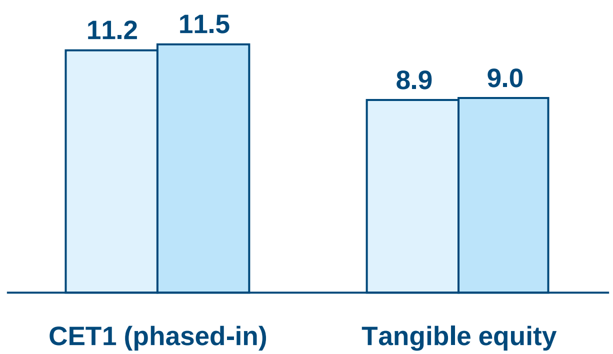


Basel 3 (phased-in) capital ratios*

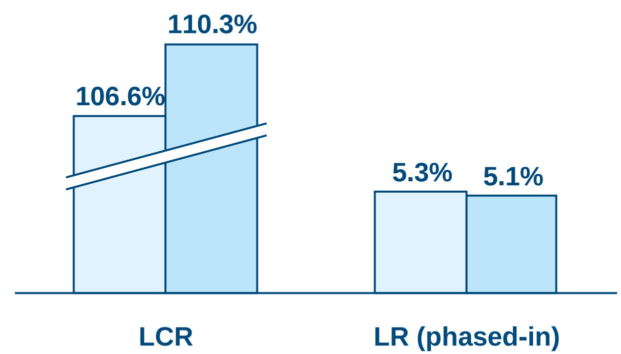


Regulatory (B3)* & tangible equity

in EUR bn



Liquidity coverage & leverage ratio



* Dec 13 pursuant to Basel 2.5

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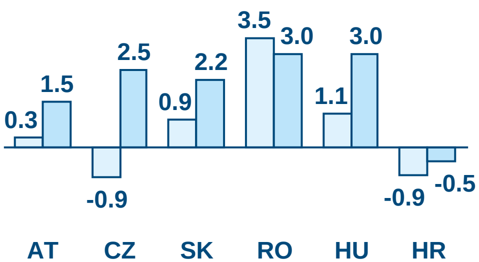
Business environment –

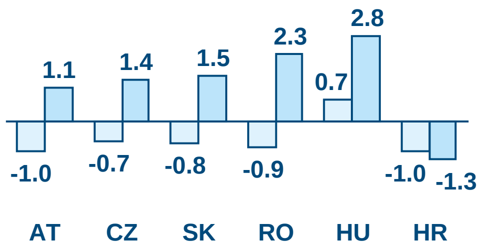
Visible macroeconomic improvement across the CEE region

2013
2014

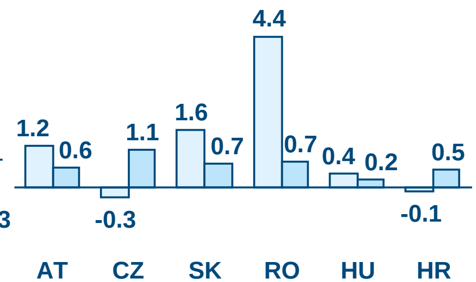
Real GDP growth (in %)



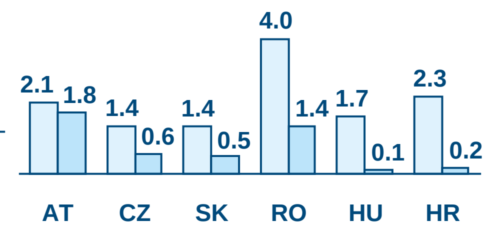
Dom. demand contribution* (in %)



Net export contribution* (in %)

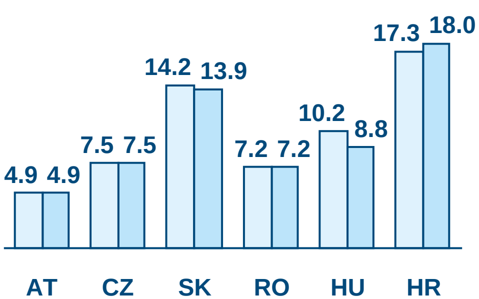


Consumer price inflation (ave, in %)

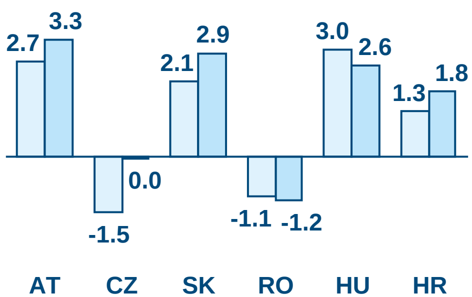


- CEE economies performed better than expected in Q1 2014 with industrial output being the bright spot
  - Positive outlook for 2014 supported by Q1 GDP data: AT (+0.3%), CZ (+2.9%), RO (+3.9%); SK (+2.4%); HU (+3.5%)
  - 2014 GDP yoy estimates improved across the CEE region as economies remained driven by exports with visible improvement in domestic demand

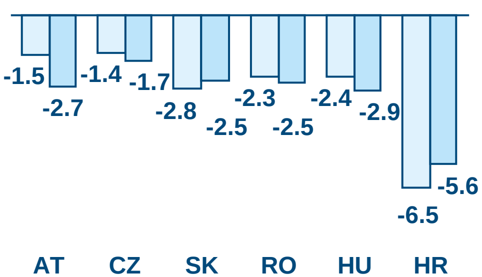
Unemployment rate (eop, in %)



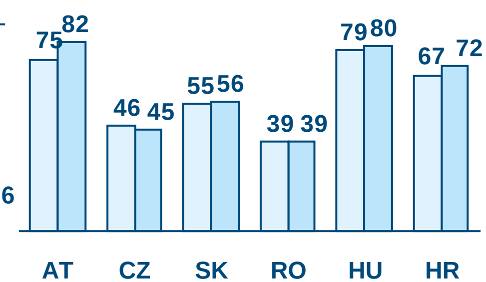
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)



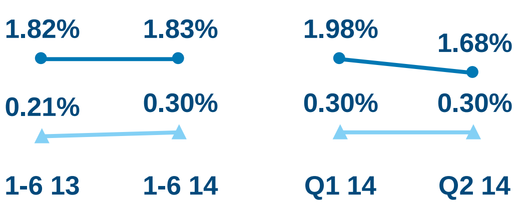
- Solid public finances across Erste Group‘s core markets recognised by Moody‘s: Romania upgraded to investment grade (BBB-) in May 14
- Sustainable current account balances, supported by competitive economies; Hungary has announced new austerity package

* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research, EU Spring Economic Forecast 2014.

Business environment –
Historic low interest rate environment poses challenges

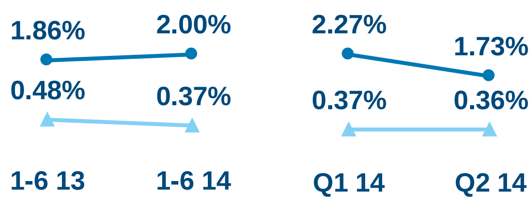
3M Interbank
10YR GOV

Austria



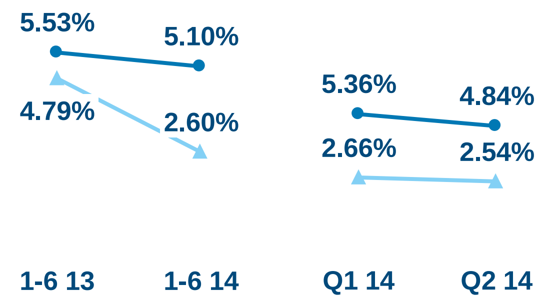
- ECB cut discount rate to 0.15% in June 14
- Maintains expansionary monetary policy stance

Czech Republic



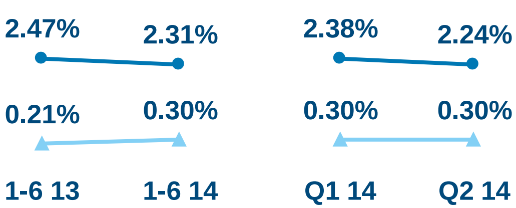
- National bank maintains ultra-low interest rates since August 2013 at 0.05%

Romania



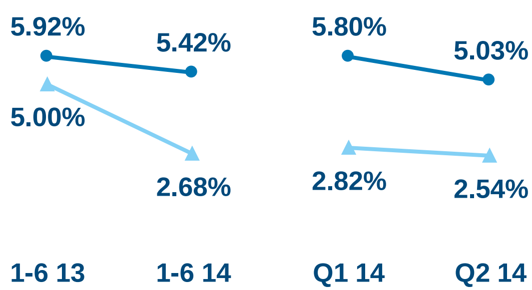
- Central bank cut policy rate to historic low of 3.5% in February 2014; since then rates are stable

Slovakia



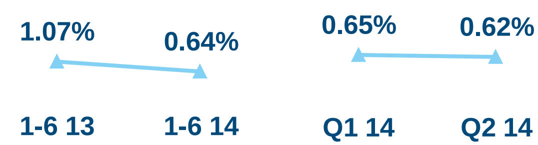
- As part of euro zone ECB rates are applicable in SK

Hungary



- National bank concluded easing cycle on 22 July 2014 after cutting base rate to historic low of 2.1%

Croatia

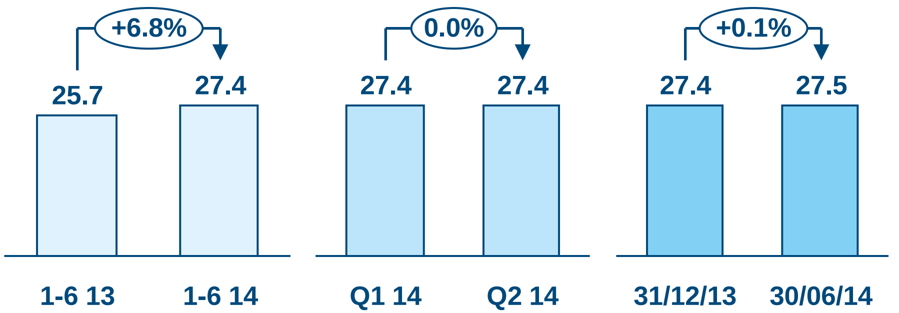


- Central bank maintains discount rate at 7.0% since mid-2011

Source: Bloomberg.

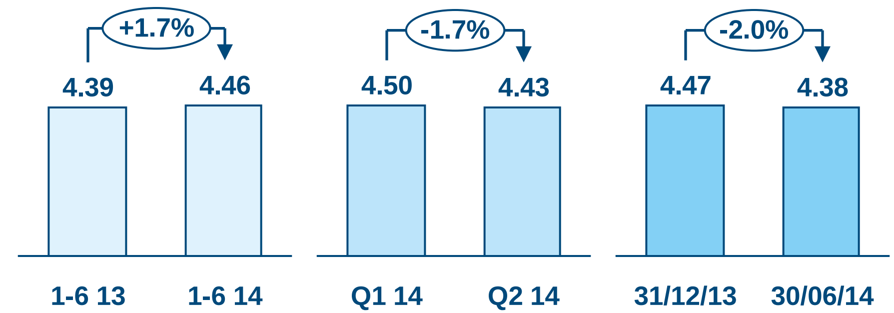
Business environment –
Limited currency volatility, despite CZK devaluation in November 2013

EUR/CZK



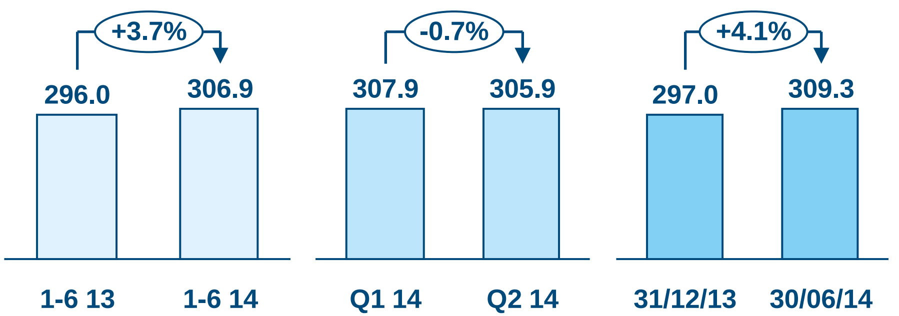
- YOY depreciation of CZK self-induced by national bank in order to jump-start economy and domestic demand in particular
- YTD development marked by stability

EUR/RON



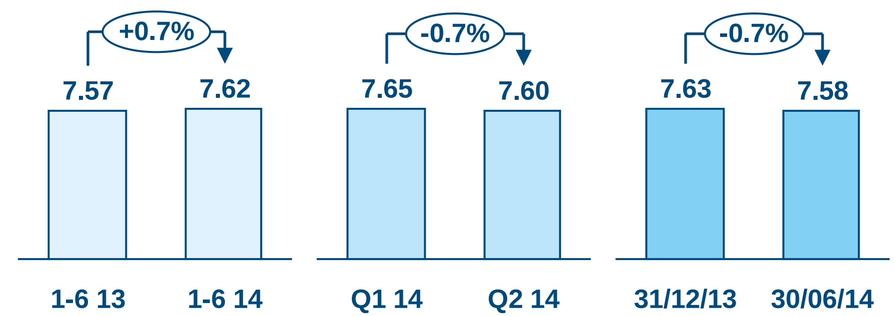
- RON movements marked by limited volatility
- QOQ appreciation driven by improving economic performance

EUR/HUF



- YOY depreciation driven by policy uncertainties despite improving headline economic fundamentals

EUR/HRK



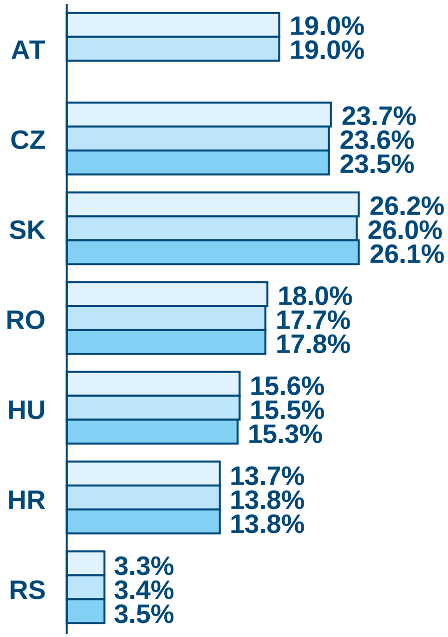
- Strong grip of national bank on HRK is reflected in lack of volatility

Source: Bloomberg.

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

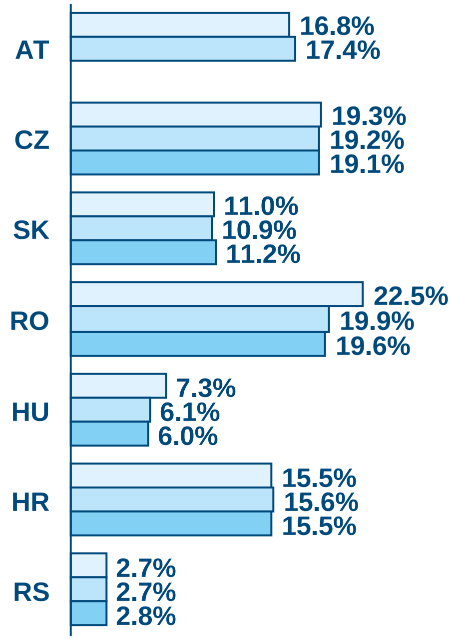
30/06/13
31/03/14
31/05/14

Gross retail loans



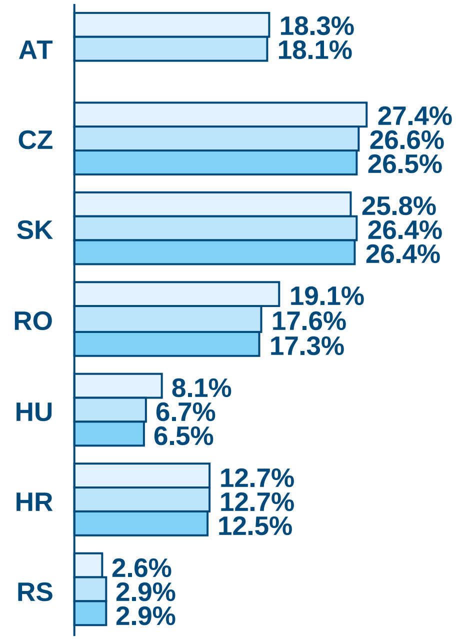
- RO: qoq stabilisation following continued rise in new business volumes (Q2 14: EUR 245m, +96.5% yoy, +33.5% qoq)
- HU: market share development is a function of legacy FX business

Gross corporate loans



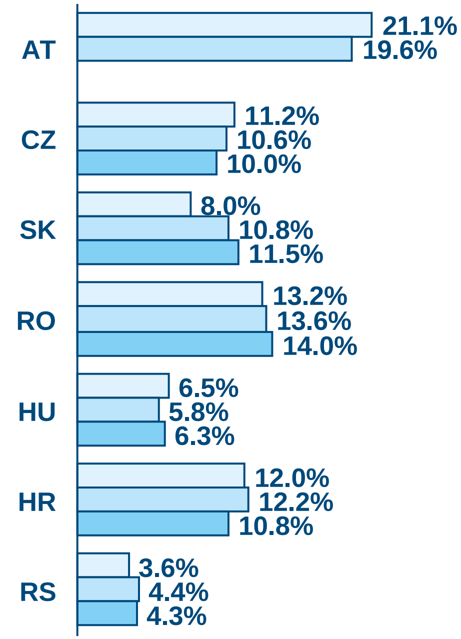
- AT: higher volumes both in EBOe and the Savings banks
- RO: selective lending policy with focus on quality customers
- HU: portfolio concentration to preferred sectors

Retail deposits



- RO: declining markets share mainly due to deposit repricing
- HU: focus also on alternative saving products such as investment funds where EBH has double-digit market share

Corporate deposits



- RO: good quality large corporate inflow in H1 2014
- HU: reviewing deposit repricing
- RS: yoy rise mainly due to short-term inflows

* AT market shares for 31/05/14 not yet available, RO market shares as of 30 June 2014.

ERSTE Group

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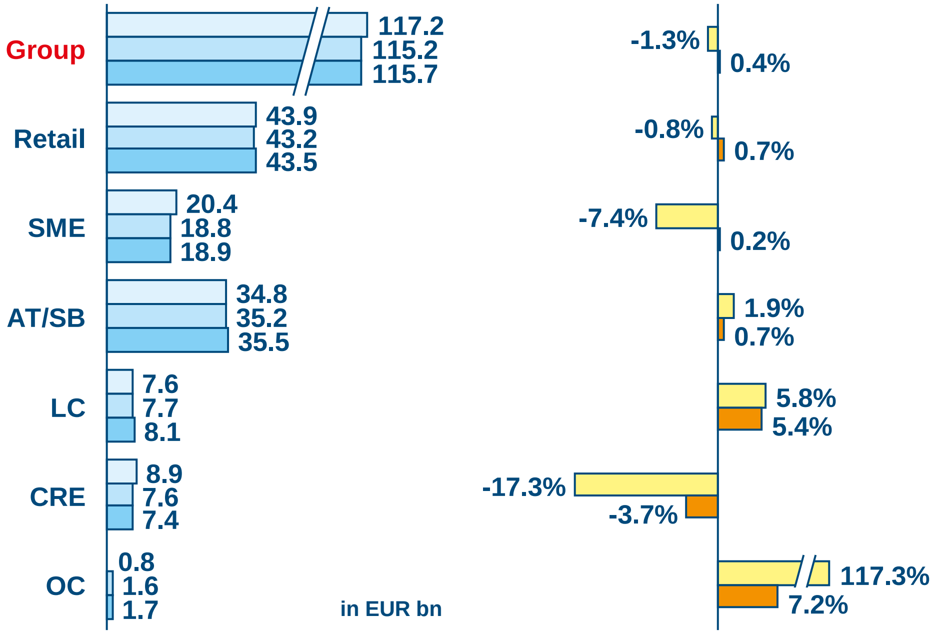
Business performance: performing loan stock & growth –
First rise in performing loan stock since Q3 11

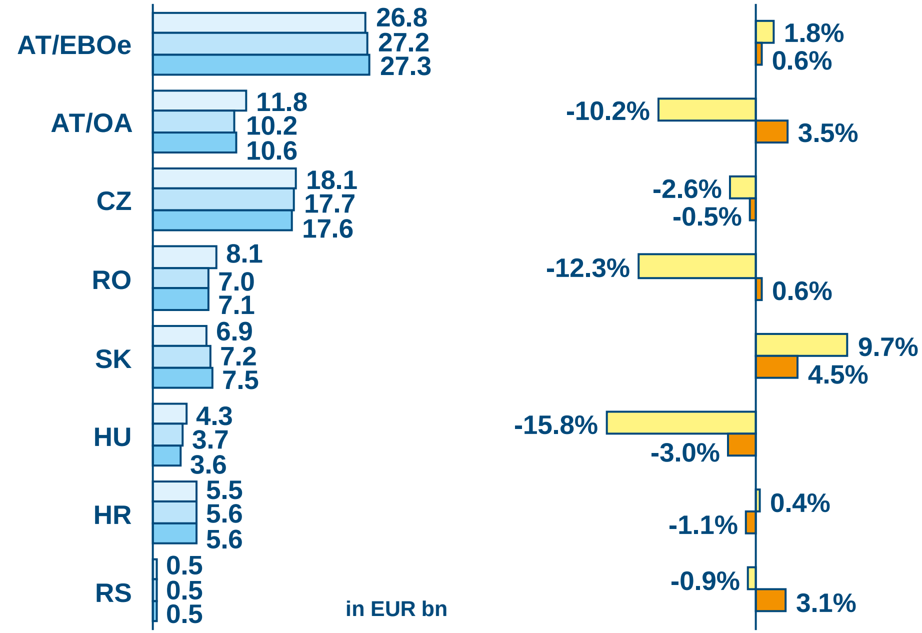
YoY
QoQ
30/06/13
31/03/14
30/06/14

Business line view (BL)



- First rise in performing loan´s since Q3 11 driven by key customer segments, partly offset by GCC (BL) and Other (geo) 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

Geographic view (geo)

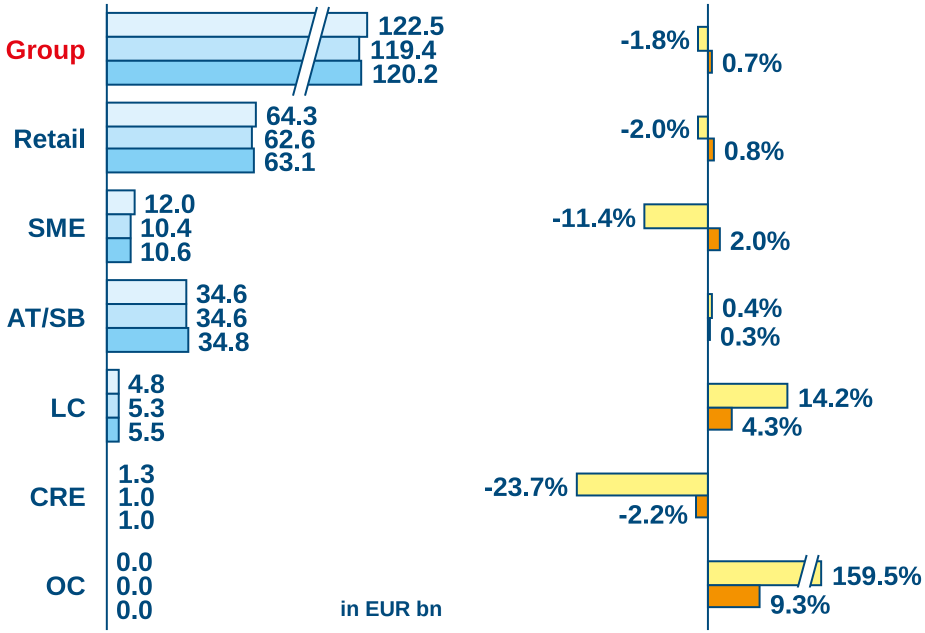


- First qoq stabilisation in RO since Q4 11 supported by accelerating retail loan growth: Q2 14 new issuance rose to EUR 245m or 33.5%
- Consistent strong performance of SK on the back of resurgent demand for consumer loans, strong mortgage loan demand
- Continued deleveraging in HU, due to rising, but insufficient demand for new loans

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

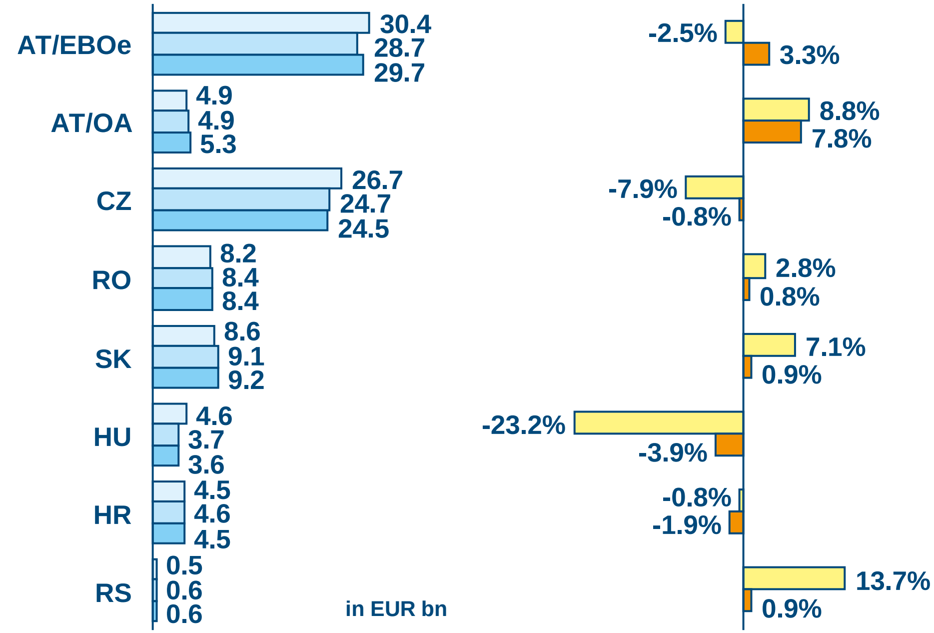
YoY | QoQ | 30/06/13 | 31/03/14 | 30/06/14

Business line view



- Retail: EUR 1.2bn yoy 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

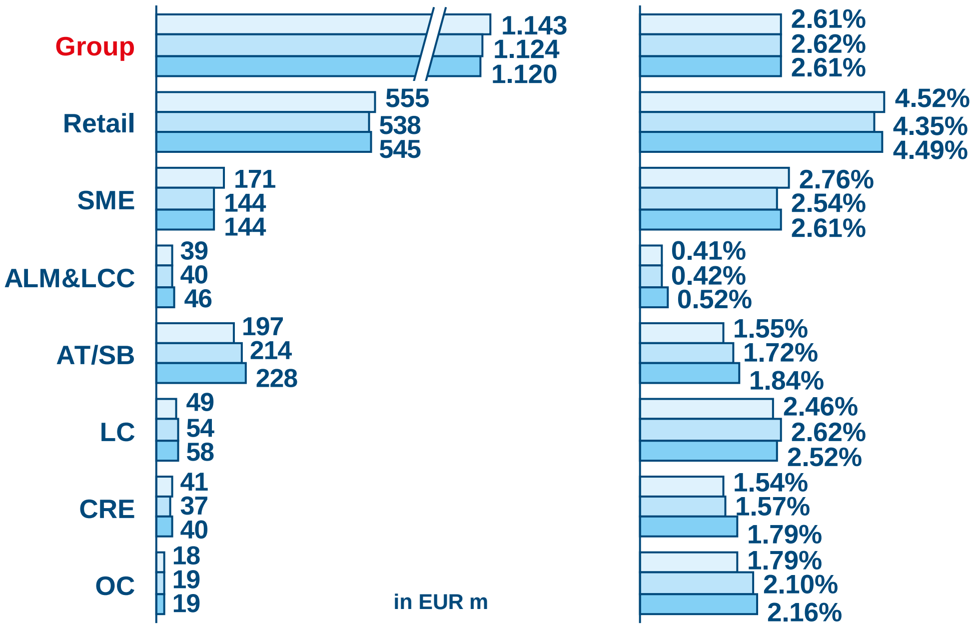


- Underlying trend in CZ stable (see left side explanation)
- YOY decline in EBOe driven by Retail business line due to liability repricing with positive margin effect; qoq volume recovery
- Decline in Hungary due to persistent corporate deposit outflows; smaller, but still significant decline in Retail due to shift from deposits into asset management

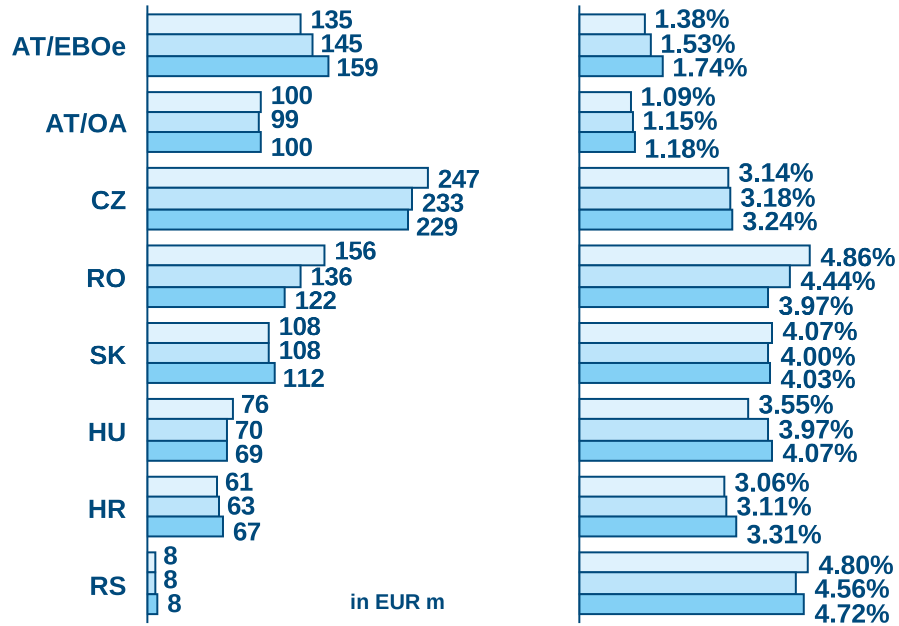
Business performance: NII and NIM –
NII down yoy on lower volumes and CZK effect, stable qoq

Q2 13
Q1 14
Q2 14

Business line view



Geographic view



- Group NII down yoy mainly due to lower volumes & margins in RO and FX effects in CZ, qoq on lower retail loan margins in RO despite improvements in loan business of SB
- Retail: yoy decline in BCR , still shrinking business in HU and FX impact in CZ, qoq up on loan volumes and deposit margins in AT,SK
- SME, LC: yoy NII impacted by reallocation from SME to LC
- SB: up on customer loans and deposits and AfS securities

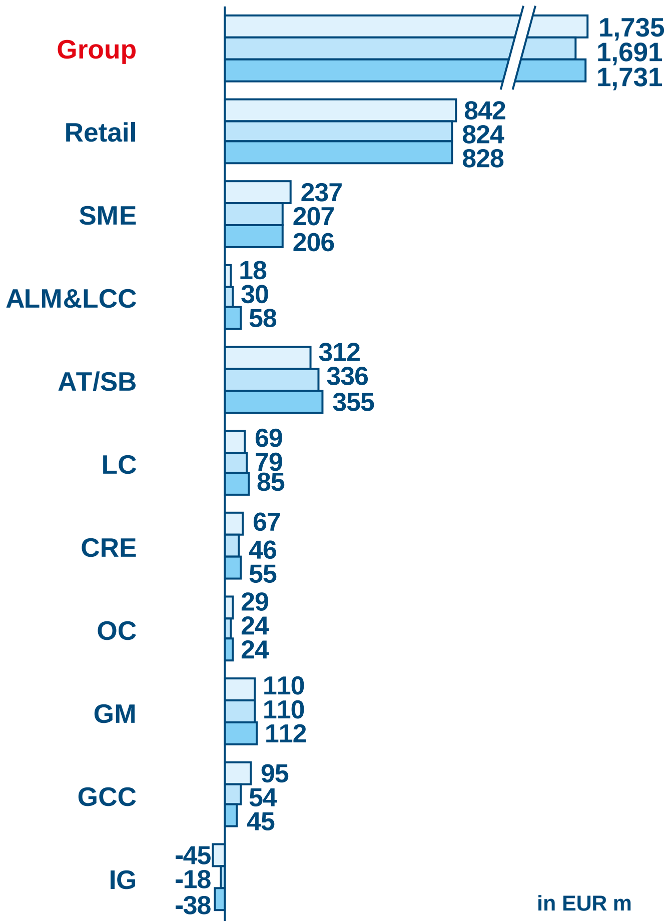
- RO: decrease driven by significant volume reduction (especially in SME business), compounded by margin compression
- CZ: decline in NII yoy mainly due to FX effects, qoq on persistently low interest rate environment and subdued loan demand
- AT: improvement in EBOe due to deposit repricing and increased fixed rate assets

Business performance: operating income –

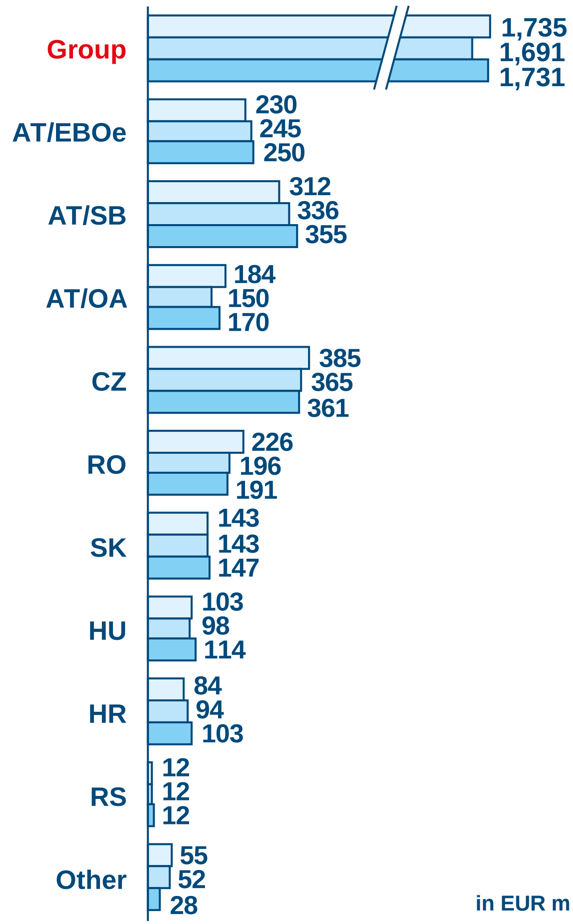
Operating income stable yoy, up qoq on net trading & FV result

Q2 13
Q1 14
Q2 14

Business line view



Geographic view



Highlights

- Increase in qoq group operating income despite lower NII on improved net trading & FV result

- GCC: NII impacted by lower capital benefit from free capital, fee income down on higher fee expenses from internal service providers
- SME: yoy decline due to reallocation to LC
- Retail: yoy decline in NII driven by lower volumes and margins, improved qoq in AT
- SBs: higher NII (mainly on retail loans and deposits) and fee income offset decline in net trading and FV result

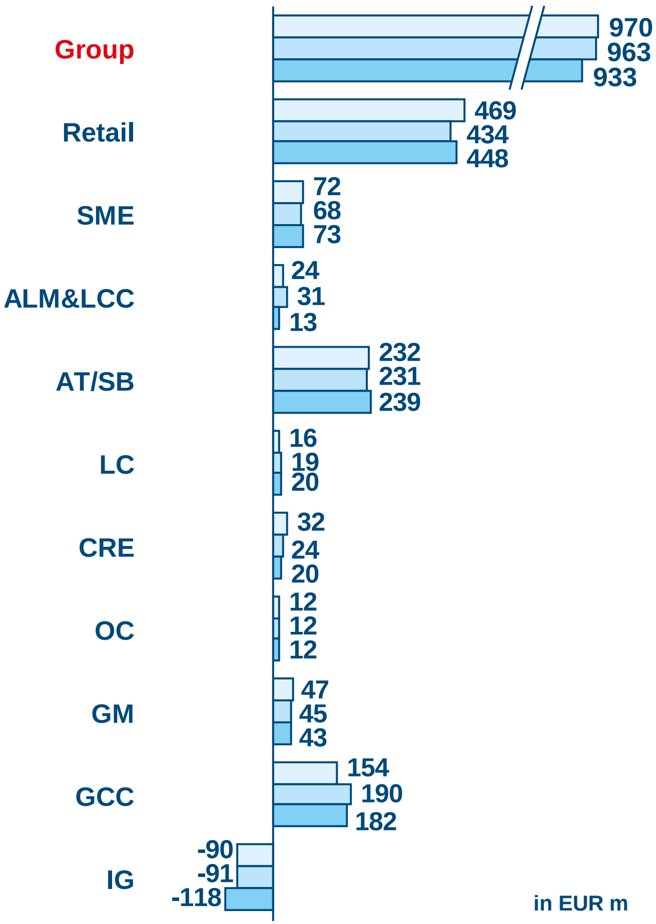
- AT/OA: yoy driven by commercial real estate business (Immorent) and decline in international business portfolio
- CZ: positive developments in net trading and FV result (mainly derivatives) could not offset decline in NII (low margins, subdued demand) or fee income
- RO: yoy lower volumes and margins in all major business lines weigh on NII, fee income improved in retail business
- HU: yoy decline in NII, improved net trading & FV result driven by revaluation effects

ERSTE Group

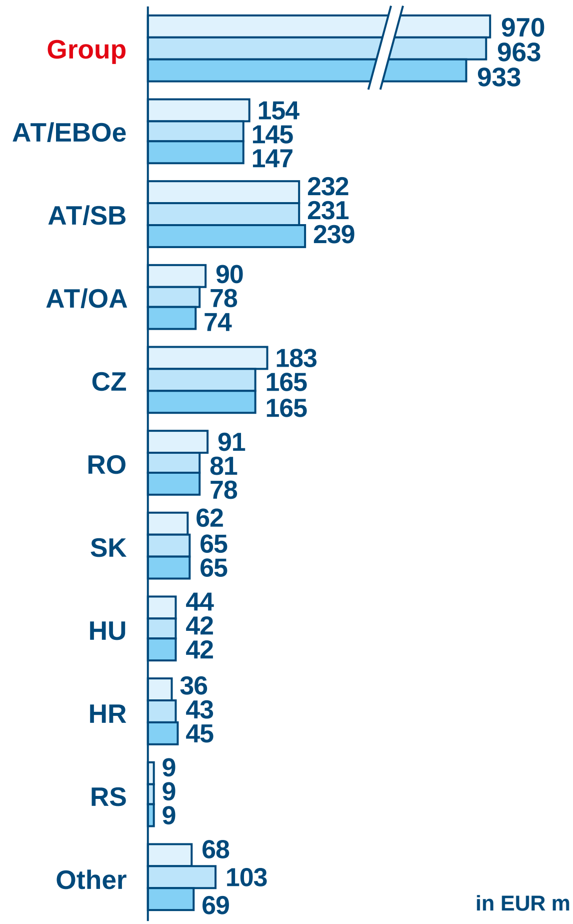
Business performance: operating expenses –
Lower costs yoy and qoq, qoq due to lower other administrative costs

Q2 13
Q1 14
Q2 14

Business line view



Geographic view



Highlights

- Group operating expenses declined due to lower average headcount (yoy) and lower other administrative expenses (qoq)

- Retail: yoy improvement mainly on cost saving measures in CZ, AT and RO
- SBs: yoy increase mainly driven by depreciation of real estate, qoq on personnel expenses
- CRE: driven by strict cost management and deconsolidation of leasing entities
- GCC: yoy increase due to change in cost reimbursement methodology; fully offset in other result; bottom line neutral

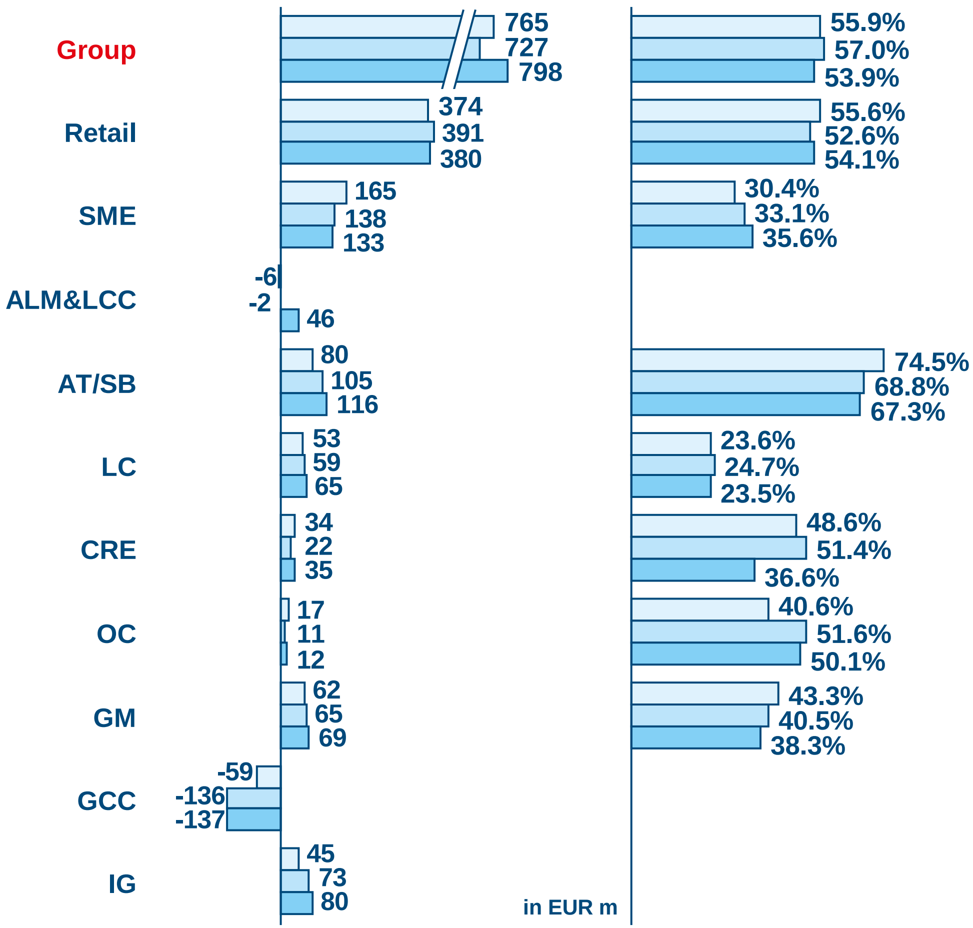
- CZ: yoy improvement in personnel expenses, supported by FX effect
- OA: down yoy on leasing entities deconsolidation effect, which increased costs in HR
- RO: decline in personnel expenses, full effect of restructuring measures visible
- Other: mirrors GCC and IG developments

ERSTE Group

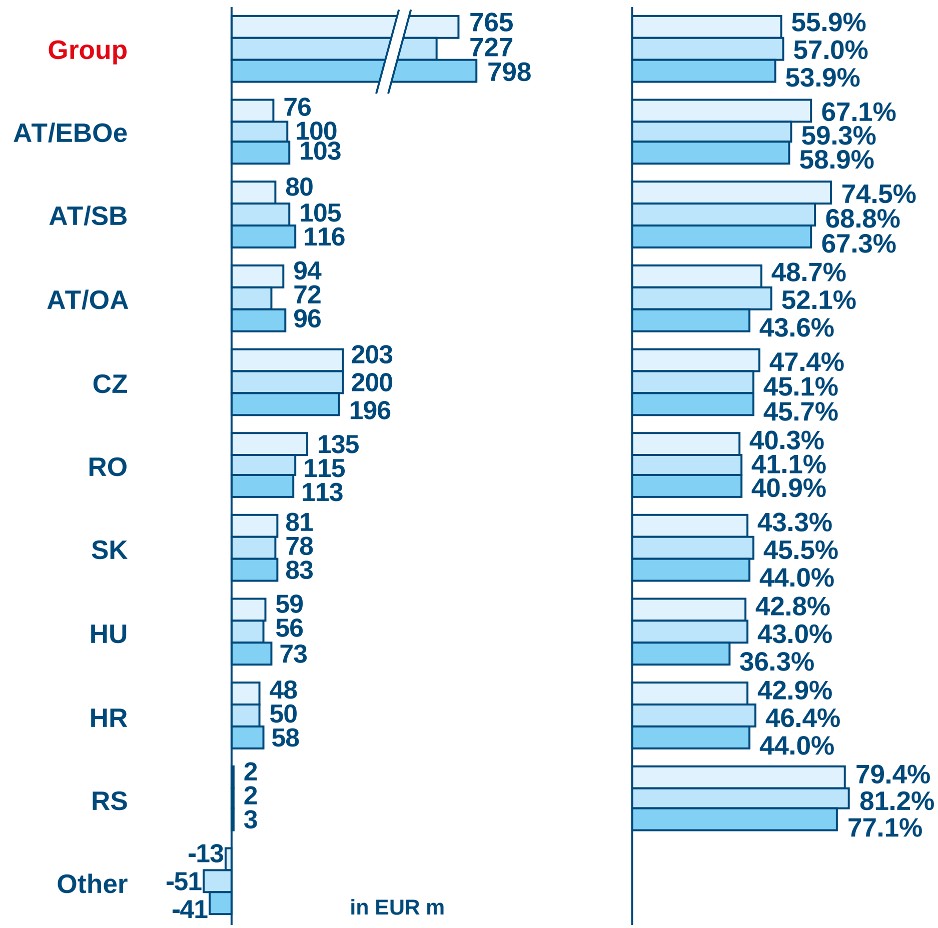
Business performance: operating result and CIR –
Improved yoy and qoq operating result

Q2 13
Q1 14
Q2 14

Business line view



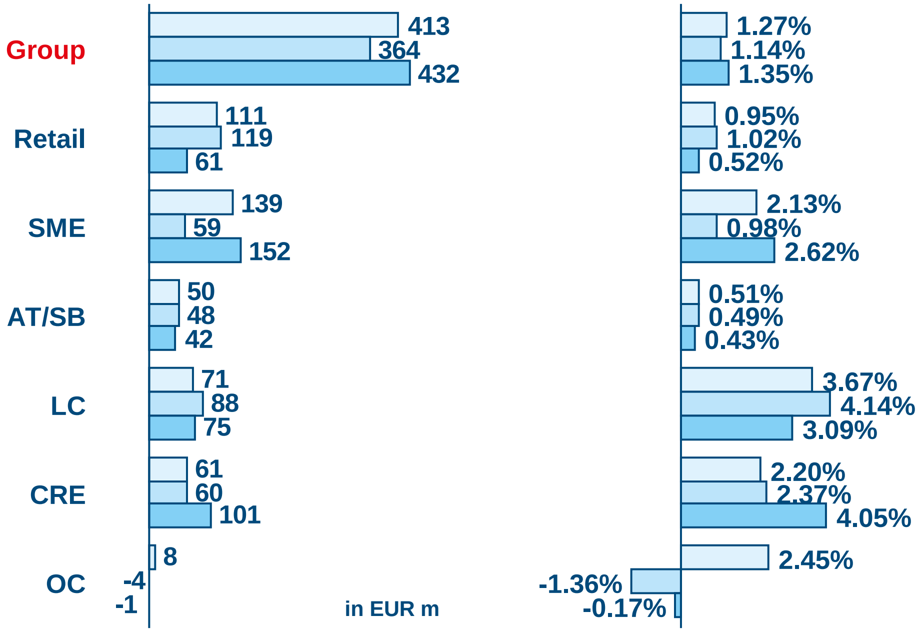
Geographic view



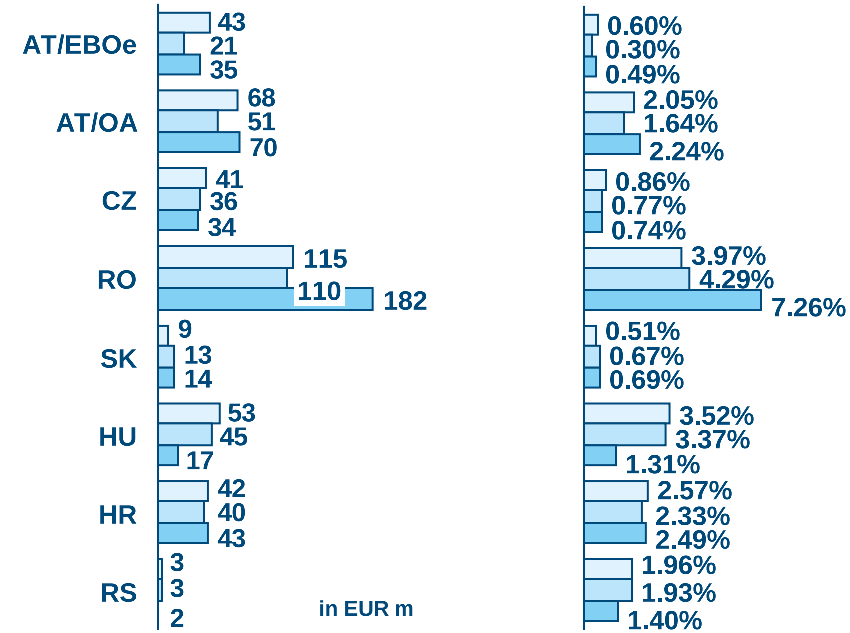
Business performance: risk costs (abs/rel) –
Higher risk costs on additional provisioning in Romania

Q2 13
Q1 14
Q2 14

Business line view



Geographic view



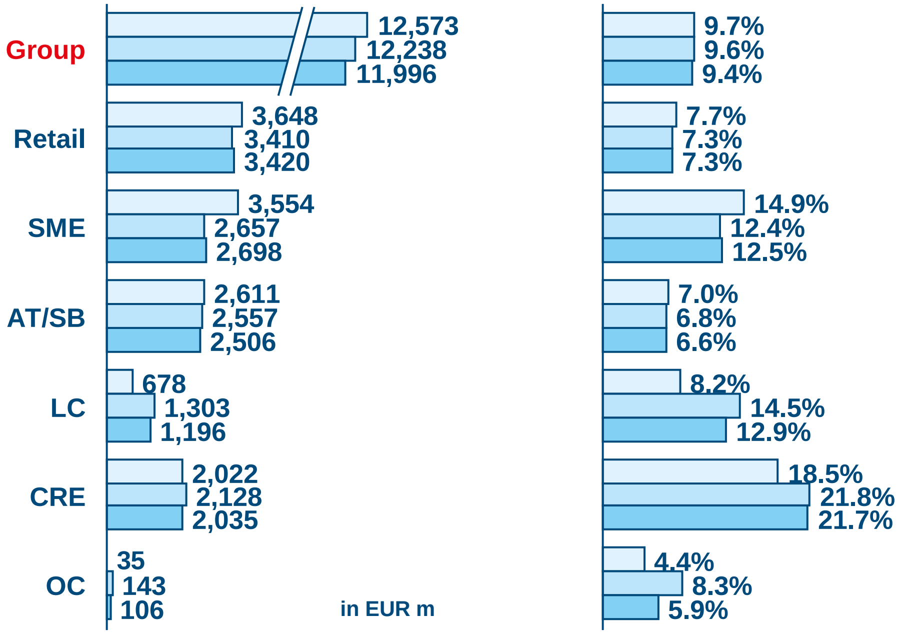
- Increase in group risk costs mainly driven by provisioning requirements in RO and AT/OA (CRE, SME)
- Retail: significant qoq reduction due to CZ, RO and HU
- SME: increase due to additional provisioning in BCR on the back of planned accelerated NPL reduction
- CRE: qoq increase on higher impairments in Immorent and in BCR on the back of planned accelerated NPL reduction

- RO: solid performance of retail; extra provisioning in SME & CRE to prepare for accelerated NPL reduction
- AT/EBOe: increased qoq due higher risk costs in SME
- AT/OA: qoq driven by higher risk costs in CRE
- HU: significant qoq improvement driven by lower provisioning requirements in Retail and CRE

Business performance: non-performing loans and NPL ratio –
Declining NPL volume, declining NPL ratio

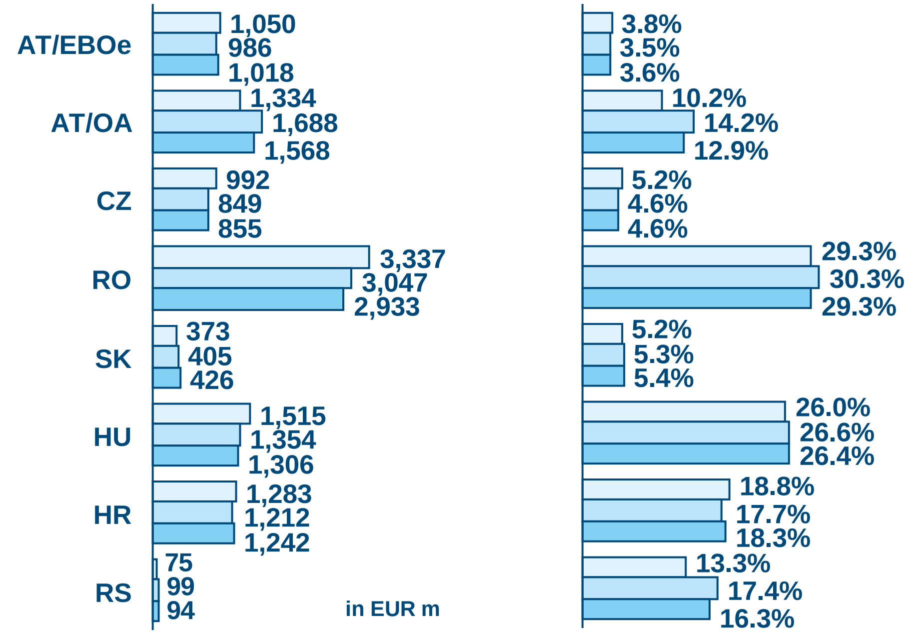
30/06/13
31/03/14
30/06/14

Business line view



- Continued decline of group NPL volume and group NPL ratio on supportive trends in CRE, LC (BL) and RO, HU (geo)
- NPL sales amounted to EUR 134.9m in Q2 14
  - Retail: EUR 50.5m
  - Corporate: EUR 84.4m
- 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

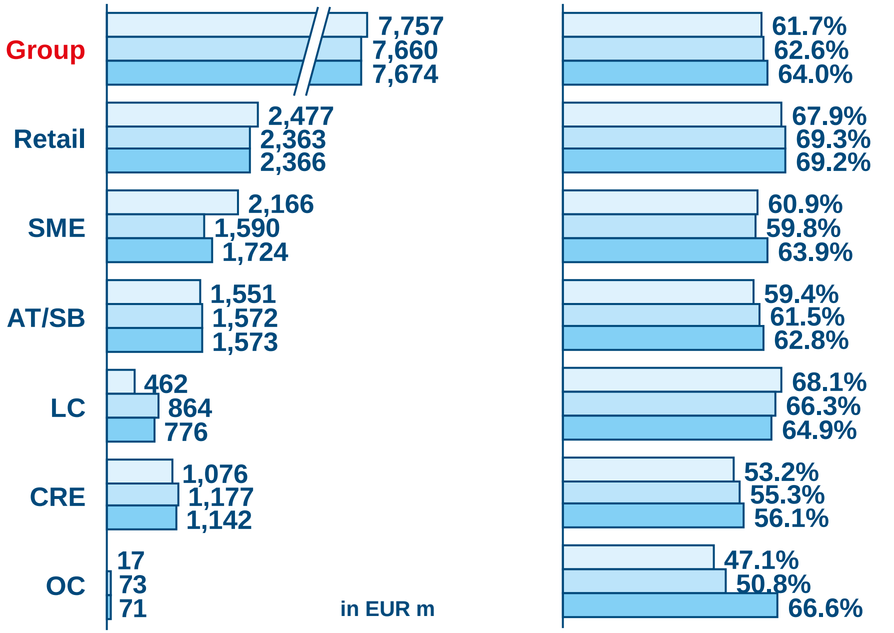
Geographic view



- NPL sales mainly in HU (EUR 53.1m), leading to NPL decline in same amount; NPL ratio stable due to declining overall loan volume
- NPL sales of EUR 41.8m in AT/OA (Holding, Immorent)
- Minor sales in CZ, SK, RO
- RO: First large volume NPL package of about EUR 240m sold in July 2014 and further significant NPL sales until YE 2014 expected

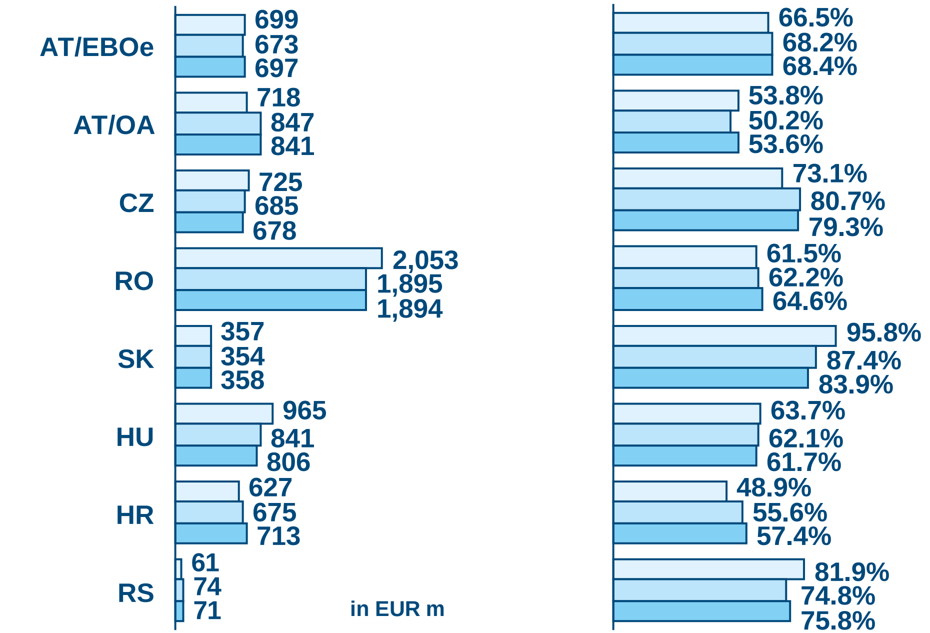
Business performance: allowances for loans and NPL coverage – NPL coverage rises to multi-year high of 64.0%

Business line view



- Improving group coverage ratio over the past quarters following significant provisioning in SME and CRE
- LC: decline in coverage driven by reallocation from SME
- SME: higher qoq coverage due to higher provisioning of new NPLs

Geographic view



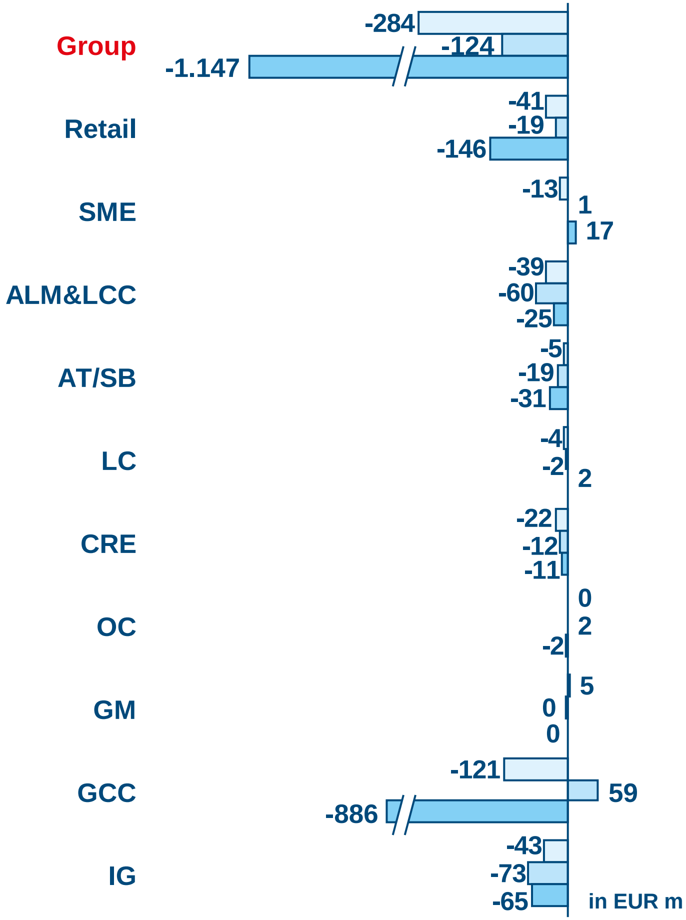
- Continued increase in coverage in HR
- AT/OA qoq coverage rise reflects additional provisions in CRE
- RO qoq coverage increase on the back of additional provisions for CRE and SME ahead of accelerated NPL reduction

Group

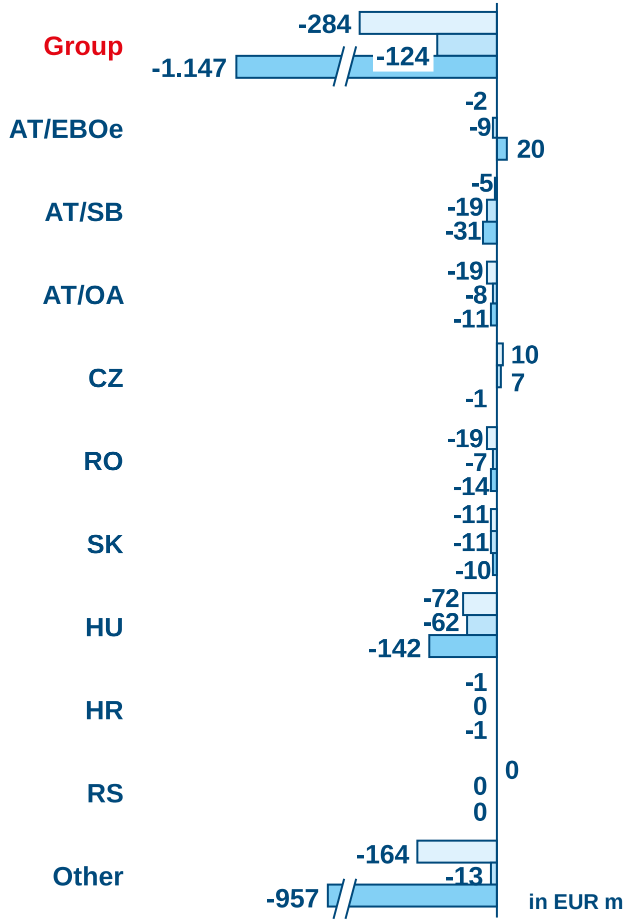
Business performance: other result –
Q2 14 impacted by intangible write-downs, Hungary FX provision

Q2 13
Q1 14
Q2 14

Business line view



Geographic view



Highlights

- QOQ rise in group other result due to one-off intangible write-downs of EUR 956.4m in Q2 14 and provisions related to HU government FX package (EUR 130.3m)

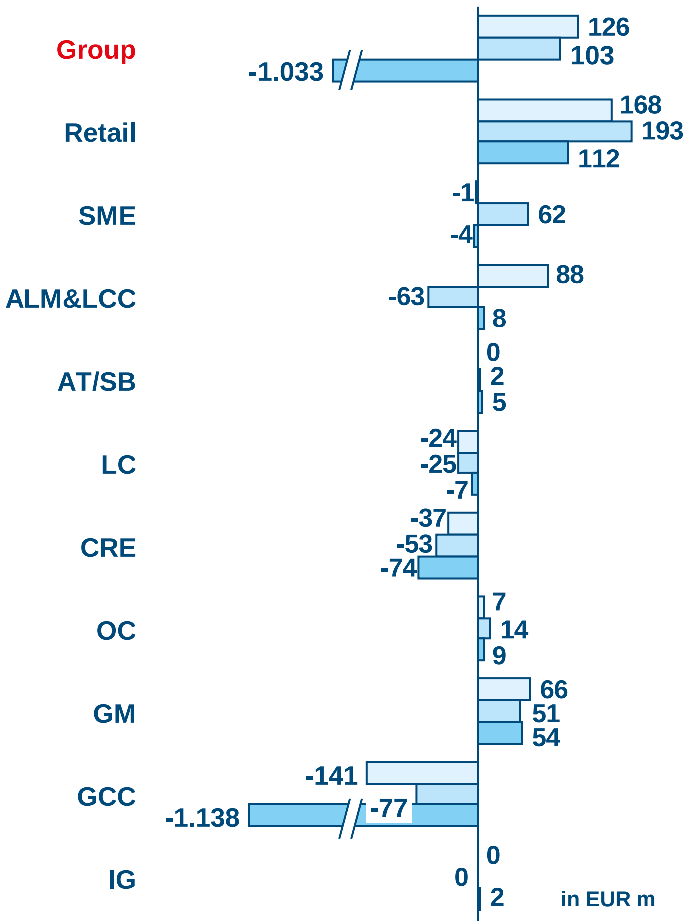
- Retail: qoq deterioration driven by HU FX package (EUR 130.3m)
- ALM&LCC: qoq improvement due to full booking of Hungarian banking tax in Q1 14)
- GCC: qoq driven by intangible write-downs of EUR 956.4m
- SBs: losses on AfS securities

- AT/OA: volatility in Other segment mirrors developments in GCC and IG elimination
- AT/EBOe: qoq improvement on one-off income from insurance payment
- CZ: qoq decline due to the non-recurrence of a one-off positive effect (provision release)

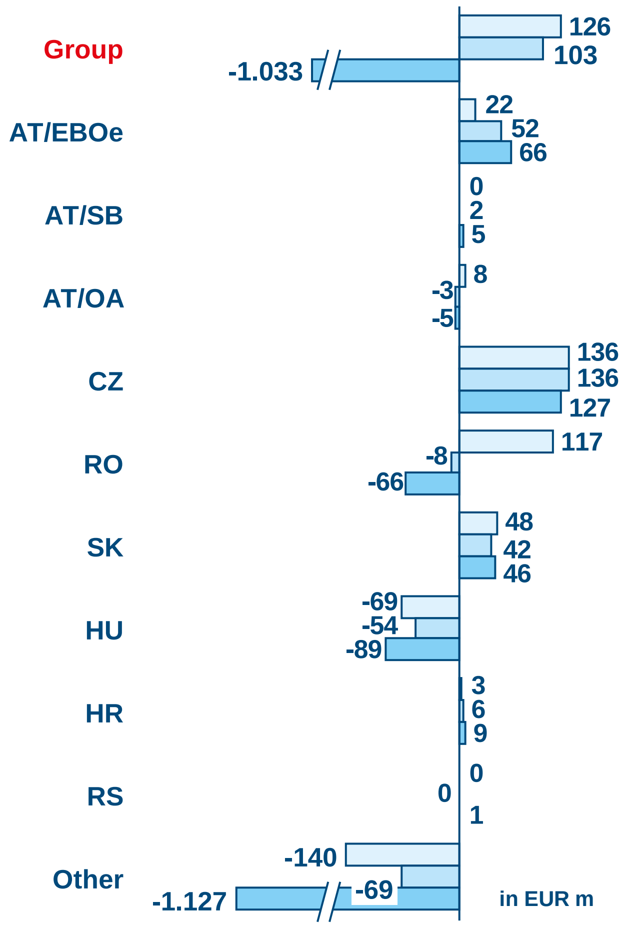
Business performance: income tax and net result –
Income tax hit by negative DTA change, net loss due to one-offs

Q2 13 | Q1 14 | Q2 14

Net result by business line



Net result by geography



Highlights

- Group income tax charge impacted by negative change in deferred taxes: net impact of EUR 164.2m
- QOQ decline in net result despite improved operating performance due to significant one-offs (goodwill, taxes) and higher risk costs

- Retail affected by HU FX govt. package
- SME and CRE impacted by higher provisioning requirements in RO
- GCC and Other segments driven by intangible write-downs

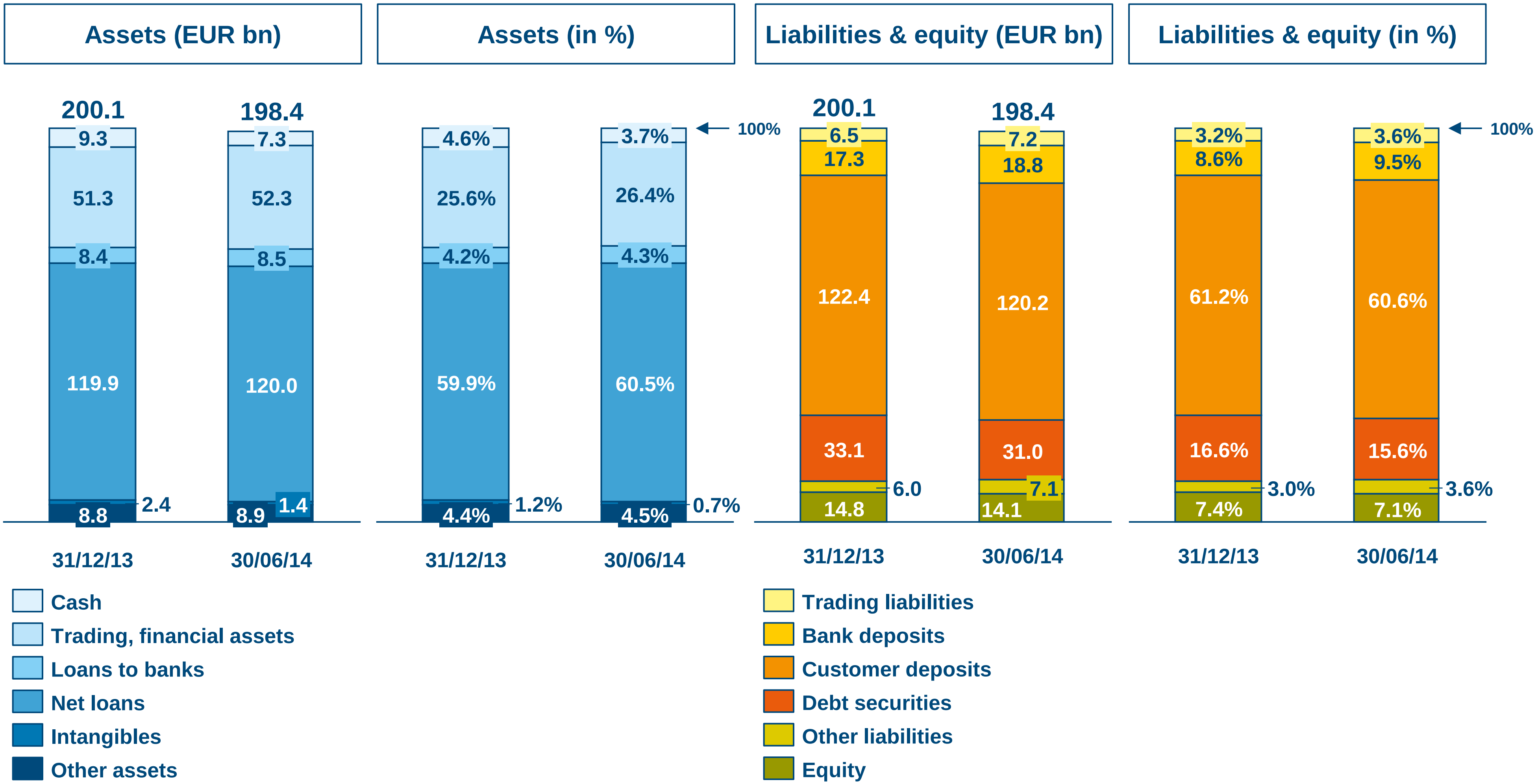
- Return on equity at -37.6% in Q2 14, following 3.6% in Q1 14 and 3.9% in Q2 13
- Cash return on equity at -6.9% in Q2 14, following 4.1% in Q1 14 and 5.0% in Q2 13

Presentation topics

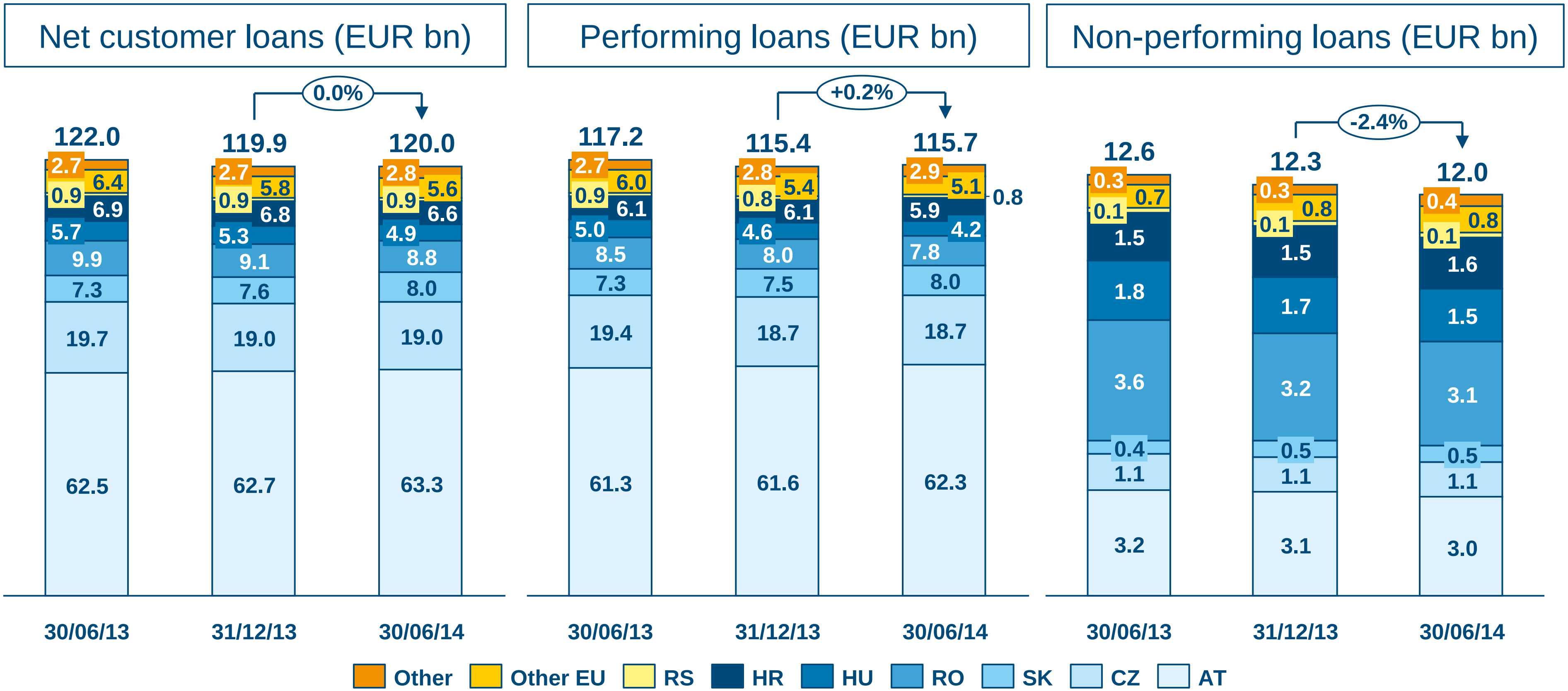
- Executive summary
- Business environment
- Business performance
- **Assets and liabilities**
- Outlook
- Additional information

ERSTE Group

Assets and liabilities: YTD overview –
Loan/deposit ratio balanced at 99.8%



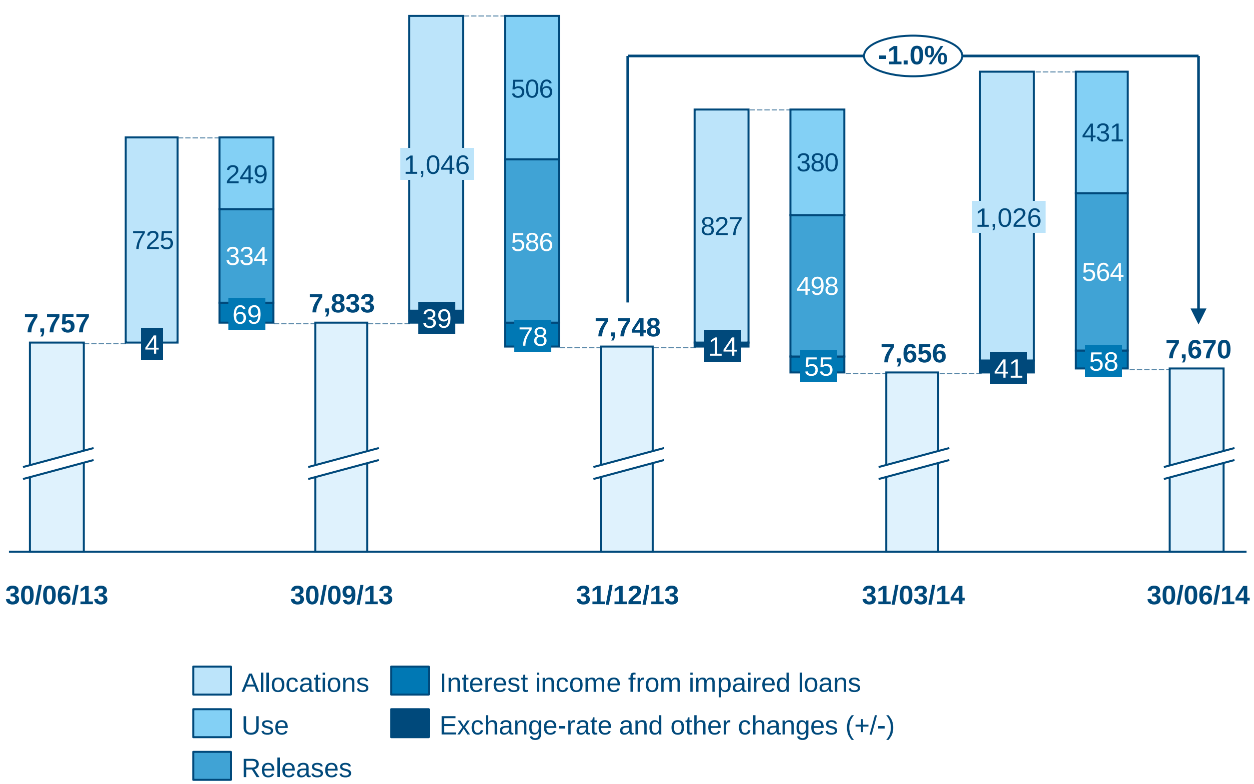
Assets and liabilities: customer loans by country of risk –
First qoq increase in performing loans since Q3 11



- Improved stability of net customer loans and rise in performing loans due to:
  - Increases in Austrian loan book which offset declines in Hungary, Romania and Other EU
  - Continued stable growth in Slovakia (yoy & ytd) and stability in the Czech Republic (ytd)
- YTD decline in NPL stock driven by lower gross inflows on group level and lower NPLs in Austria, Hungary and Romania

Assets and liabilities: allowances for customer loans –
Slight decline in allowances despite higher decline in NPL volume

Quarterly development (EUR m)

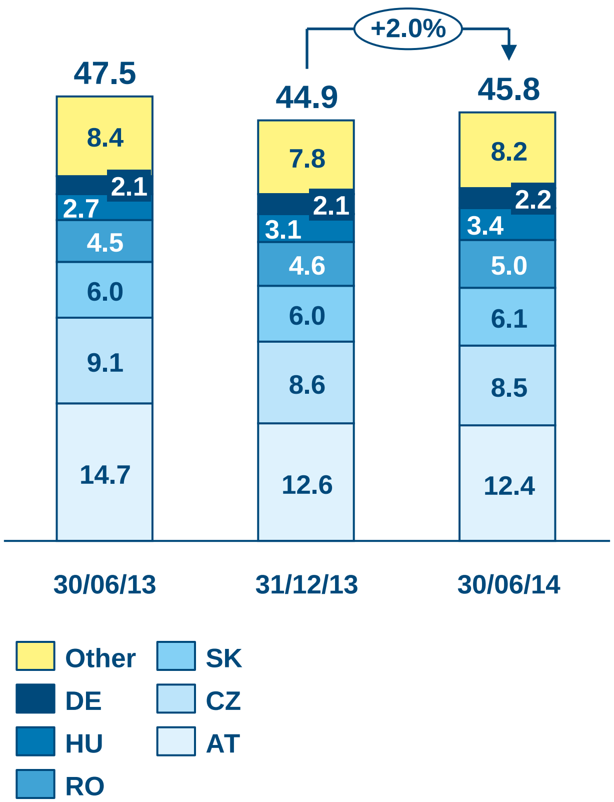


Highlights

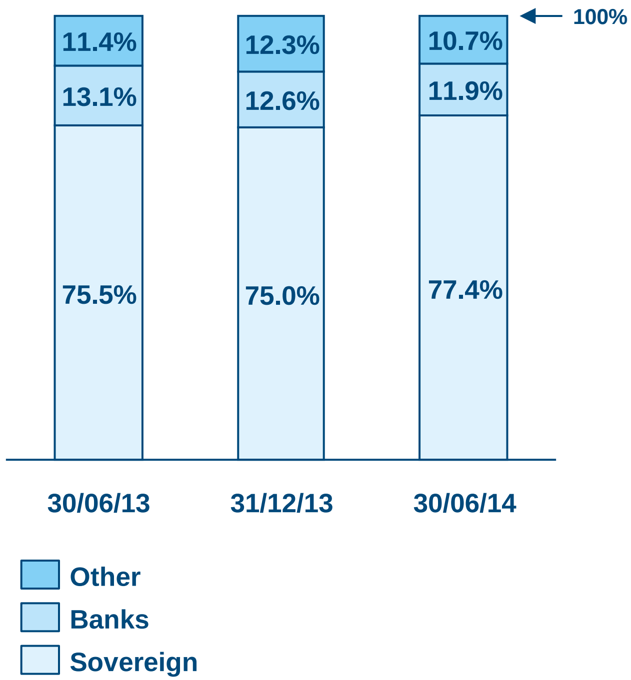
- Higher qoq level of use driven by corporate segment due to higher overall qoq NPL sales (EUR 134.9m vs EUR 86.2m)
- Higher positive FX impact in Q2 14
- P&L unwinding impact = interest income from impaired loans = EUR 113m ytd
- Unwinding impact explained
  - Erste Group does not accrue interest on 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
  - Total unwinding contribution to NII in Romania: 2013 = EUR 142m, 2014e = ~ EUR 80-100m

Assets and liabilities: financial and trading assets * –
LCR at comfortable 110% (YE 13: 107%)

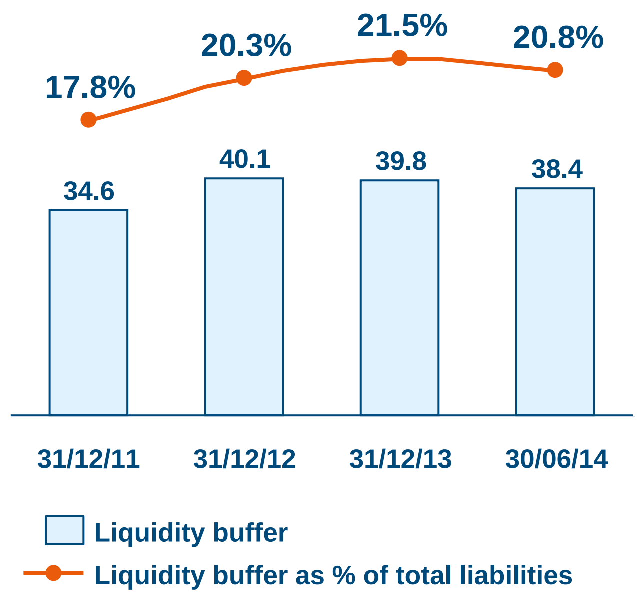
By geography (EUR bn)



By debtor type



Liquidity buffer (EUR bn)

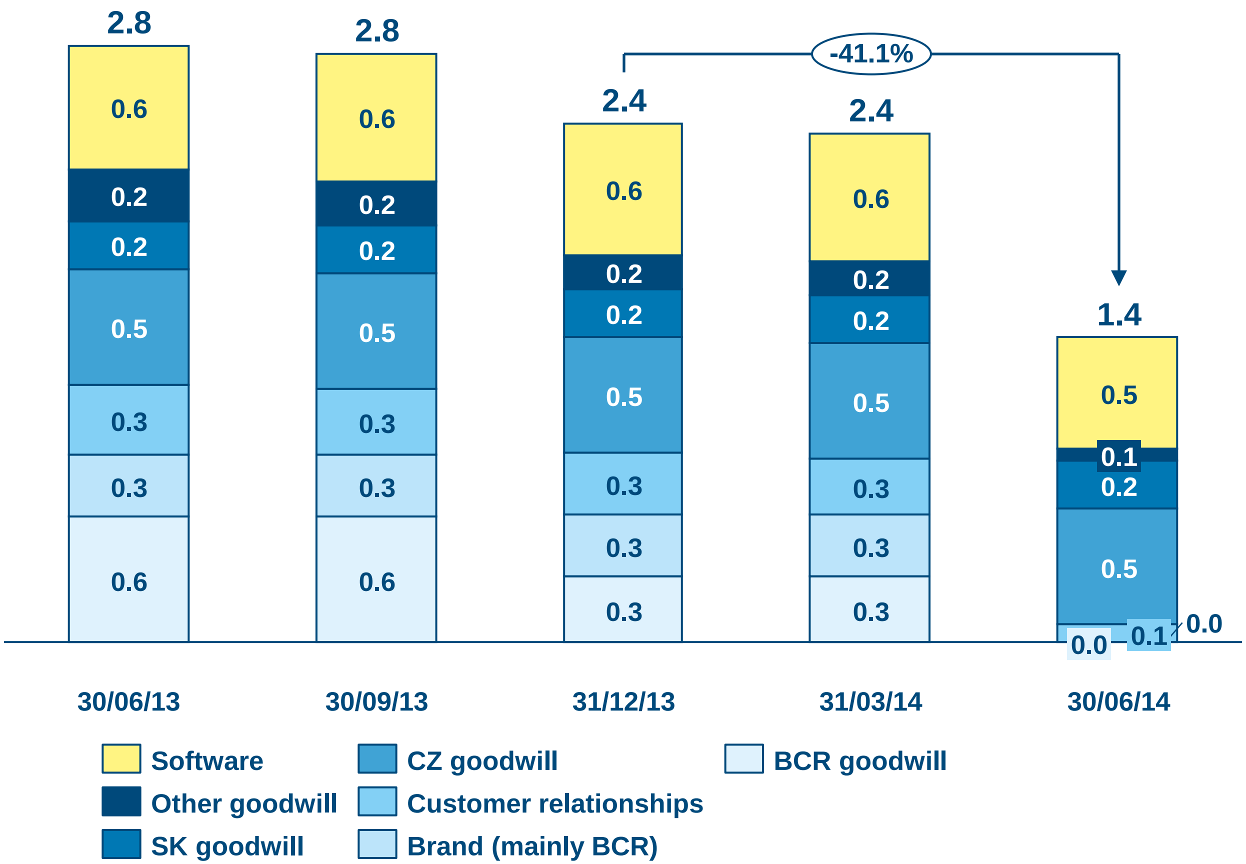


- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

* Excludes derivatives held for trading.

Assets and liabilities: intangibles –
Significant reduction in intangibles to 13.8% of book value

Quarterly development of intangibles (EUR bn)



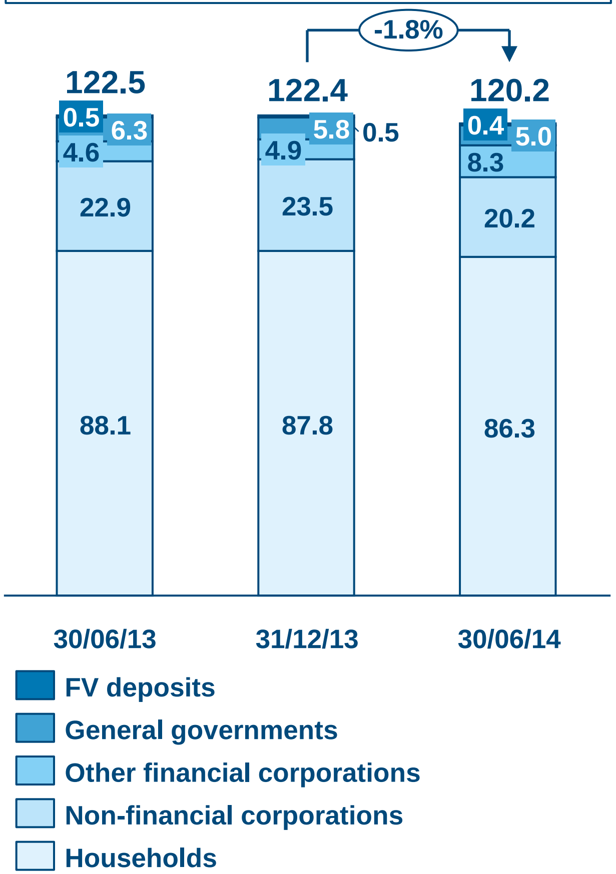
Highlights

- Extraordinary intangible write-downs amounted to EUR 956.4m in Q2 14
  - RO goodwill: EUR 319.1m
  - RO customer relationships: EUR 176.1m
  - RO brand: EUR 294.6m
  - RO other intangibles: EUR 64.4m
  - HR & related: EUR 101.8m
- CZ and SK goodwill are carried in EUR
- No goodwill related to Hungary
- No goodwill related to Romania
- Reduced customer relationship amortisation expenses booked in operating costs of the Group Corporate Center

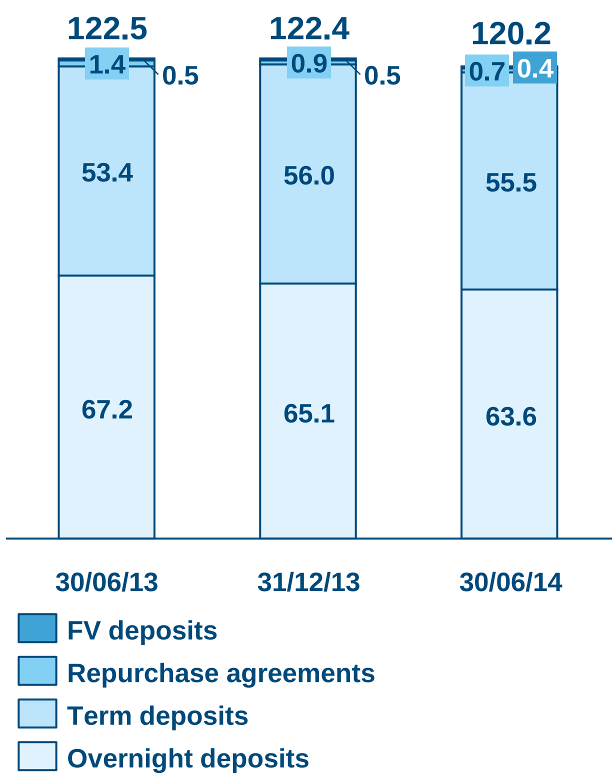
ERSTE Group

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

By customer type



By product type



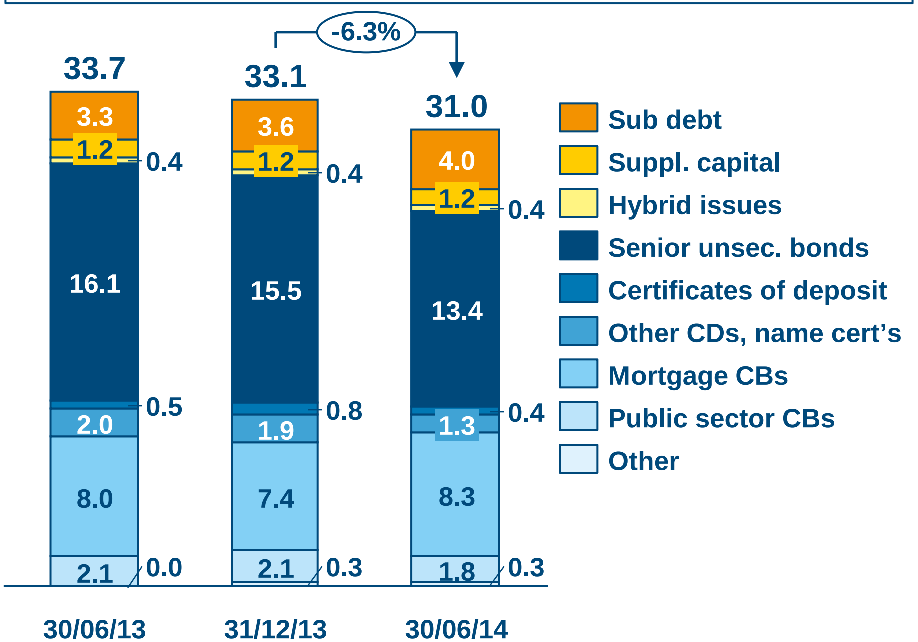
Highlights

- YTD decline driven mainly by:
  - Final deconsolidation of Czech pension fund (EUR 1.8bn), one-off effect impacting retail
  - Slight 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 –

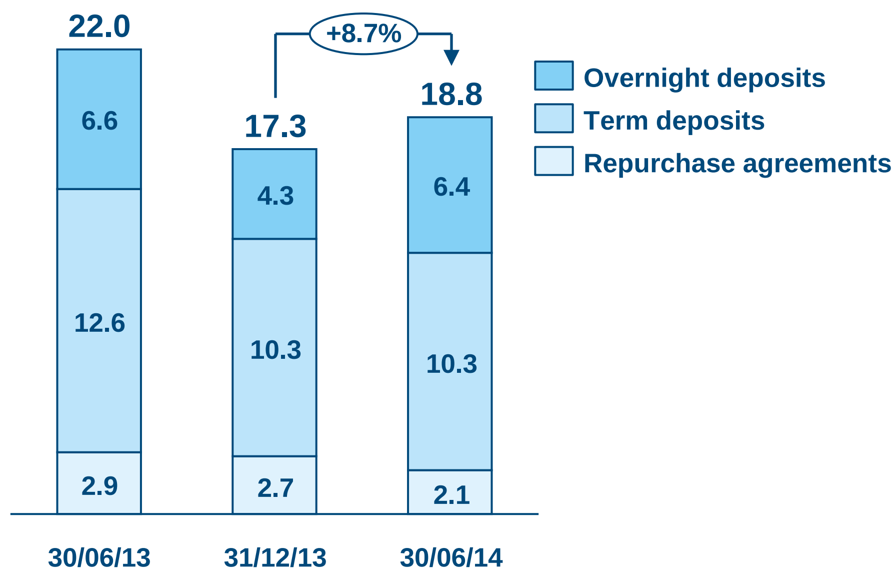
Decline in issued debt partly offset by increase in interbank funding

Debt securities issued (EUR bn)



- YTD decline in issued debt driven by maturities of senior unsecured bonds in Q1 14
- Excluding senior unsecured debt, stability in debt funding mix

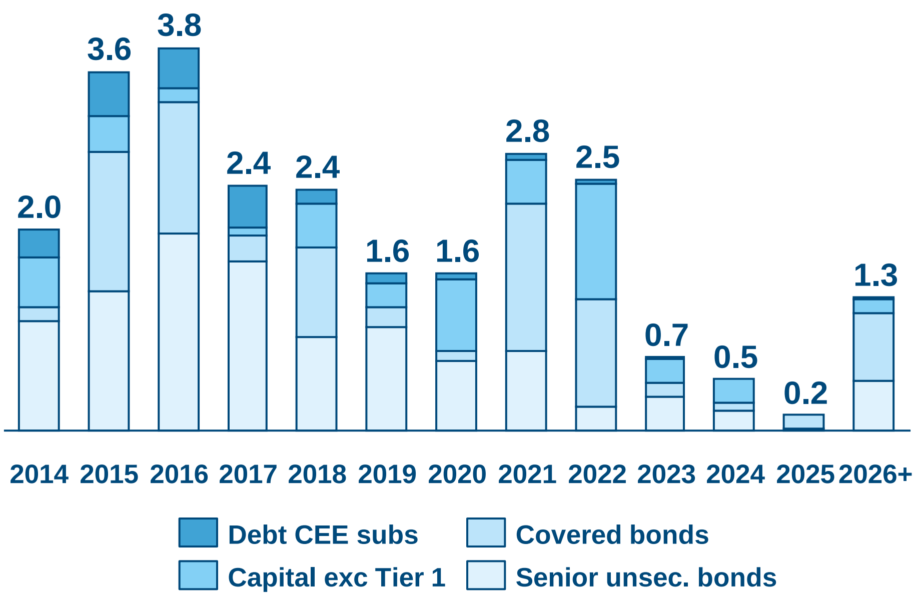
Interbank deposits (EUR bn)



- Increase in interbank deposits mainly due to:
  - Decrease in customer deposits (mainly CZ one-off effect)
  - High level of maturities in issued debt, esp. senior unsecured bonds
  - Slight balance sheet extension
- Seasonality of interbank deposits with lower levels at year-end

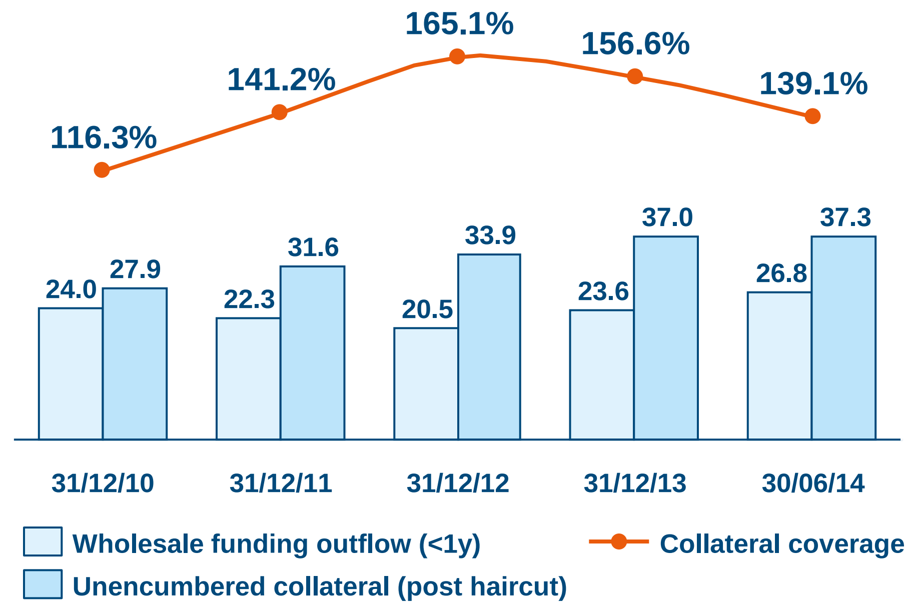
Assets and liabilities: ST vs LT funding –
Limited LT funding needs, solid ST funding collateral coverage

Maturity profile of debt (EUR bn)



- Refinancing needs still modest in 2014
- Limited liquidity demand is covered by retail issues and private placements
- The average maturity of H1 14 issues amounts to 7.8 years and extends the current redemption profile

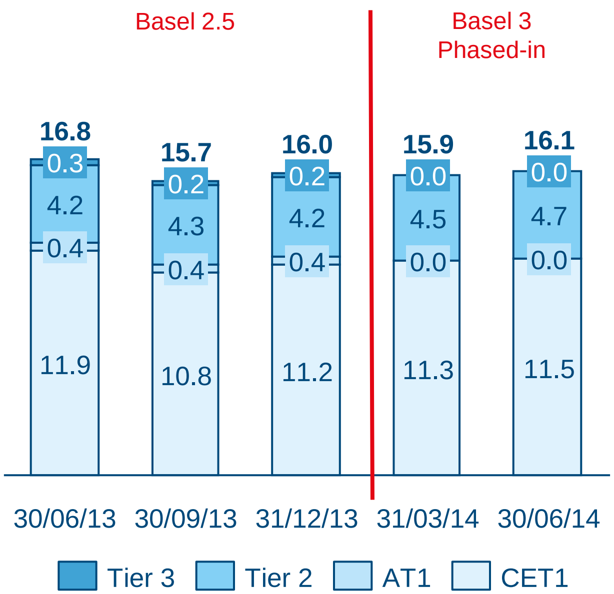
Wholesale funding outflow (<1y) v collateral coverage



- Collateral coverage ratio remains at comfortable level
- The volume of unencumbered collateral constantly increases due to investments in central bank eligible assets only
- 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

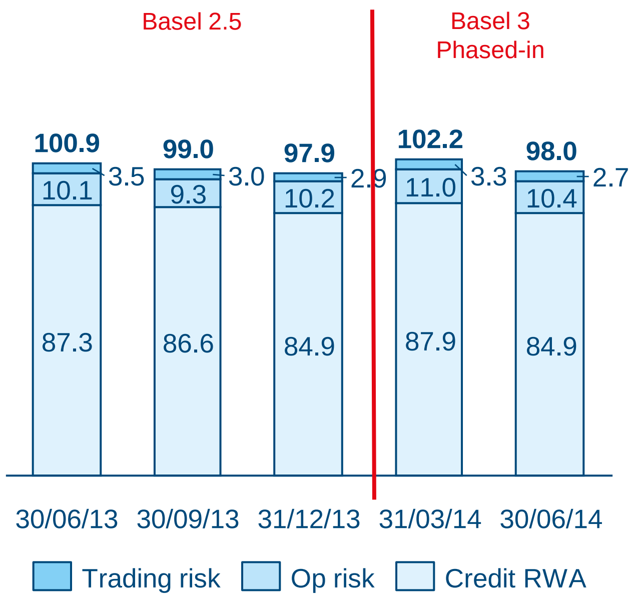
Assets and liabilities: capital position –
CET 1-ratio (fully loaded) at 10.8%, as impairments do not impact capital ratios

Basel 2.5/Basel 3 capital (EUR bn)



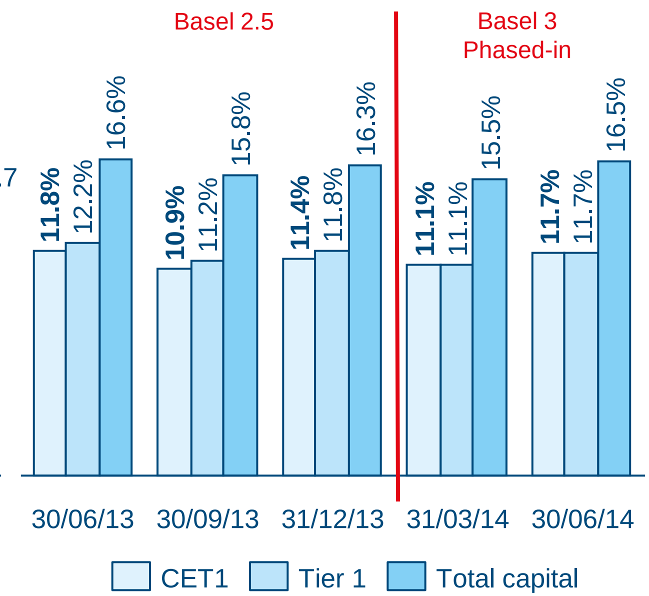
- Lower qoq deductions from capital due to negative DTA change

Risk-weighted assets (EUR bn)



- QOQ normalisation of RWAs due to:
  - Benefit from SME support factor: EUR 1.2bn
  - Benefit from negative DTA change: EUR 0.4bn
  - Exposure reductions: EUR 0.5bn
  - Migration to default: EUR 0.5bn

Basel 2.5/Basel 3 capital ratios



- Basel 3 CET1 ratio (final) equalled 10.8% at 30 June 2014 (YE 2013: 10.8%)
  - Driven by ytd stability in capital and RWA

Presentation topics

- Executive summary
- Business environment
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Conclusion –
Outlook

- Erste Group confirms outlook provided on 3 July 2014 for 2014 and 2015
- For the geographic segment Romania: a full normalisation of risk costs at 100-150bps of average gross customer loans starting in 2015, accompanied by an accelerated NPL reduction (down about EUR 800 million or 25%, compared to year-end 2013) already in 2014; a significant rise in the NPL coverage ratio; a lower, but sustainable operating result due to a lower unwinding impact on net interest income
- For the geographic segment Hungary: a gradual normalisation of risk costs to 150-200bps (by 2016) of average gross customer loans based on the assumption that all government actions will be completed in 2014; a lower, but sustainable operating result due to lower net interest income
- For Erste Group (consolidated):
  - A group operating result, which – despite stable underlying group operating trends – will be pushed slightly below guidance in 2014 due to weaker operating results in Romania and Hungary;
  - Risk costs of EUR 2.1 – 2.4bn, depending on booking of Hungarian consumer loan law impact in risk provisions or other operating result;
  - A net loss for 2014 of EUR 1.4-1.6bn;
  - A CET 1-ratio (fully loaded, based on current definitions) of about 10.0% at year-end;
  - Strongly improved post-provision result and net profit (ROTE: 8-10%) in 2015, despite still disproportionate banking levies.

Presentation topics

- Executive summary
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Additional information: new segmentation –
Business line and geographic view

Erste Group – Business segments

- Retail
- SME
- ALM & Local CC (ALM&LCC)
  - Asset/Liability Management
  - Local Corporate Center
- Savings Banks (AT/SB)
- Large Corporates (LC)
- Commercial Real Estate (CRE)
- Other Corporate (OC)
  - Investment Banking
  - International Business
- Group Markets (GM)
- Group Corporate Center (GCC)
  - Other Subsidiaries
  - Group bookings
  - Holding Corporate Center
  - Free Capital
- Intragroup Elimination (IG)

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 IG elimination
  - Free Capital

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

in EUR million	Year-to-date view 1-6 13	1-6 14	YOY-Δ	Quarterly view Q2 13	Q1 14	Q2 14	YOY-Δ	QOQ-Δ
Net interest income	2,339.9	2,243.6	-4.1%	1,143.3	1,123.9	1,119.7	-2.1%	-0.4%
Net fee and commission income	894.1	907.0	1.4%	446.8	452.1	454.9	1.8%	0.6%
Dividend income	47.9	29.9	-37.6%	21.2	14.6	15.4	-27.4%	5.4%
Net trading and fair value result	103.6	138.0	33.3%	72.8	50.4	87.7	20.4%	74.1%
Net result from equity method investments	12.2	11.5	-5.8%	9.4	3.1	8.3	-11.2%	>100.0%
Rental income from investment properties & other operating leases	85.2	91.6	7.6%	41.5	46.5	45.1	8.8%	-3.0%
Personnel expenses	-1,126.5	-1,091.9	-3.1%	-561.9	-545.9	-546.1	-2.8%	0.0%
Other administrative expenses	-577.0	-557.6	-3.4%	-280.3	-292.4	-265.2	-5.4%	-9.3%
Depreciation and amortisation	-256.7	-246.8	-3.9%	-128.1	-125.0	-121.8	-4.9%	-2.5%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	17.6	1.2	-93.3%	-4.3	-3.7	4.9	n/a	n/a
Net impairment loss on financial assets not measured at fair value through profit or loss	-784.3	-796.1	1.5%	-412.6	-364.2	-431.9	4.7%	18.6%
Other operating result	-377.6	-1,271.8	>100.0%	-279.4	-119.8	-1,152.0	>100.0%	>100.0%
Levies on banking activities	-184.7	-154.1	-16.6%	-113.1	-99.8	-54.3	-52.0%	-45.5%
Pre-tax result from continuing operations	**378.4**	**-541.5**	**n/a**	**68.4**	**239.5**	**-781.0**	**n/a**	**n/a**
Taxes on income	25.0	-335.6	n/a	91.4	-99.7	-235.9	n/a	>100.0%
Net result for the period	**403.4**	**-877.1**	**n/a**	**159.8**	**139.8**	**-1,016.9**	**n/a**	**n/a**
Net result attributable to non-controlling interests	101.2	52.7	-48.0%	34.2	36.5	16.2	-52.8%	-55.7%
Net result attributable to owners of the parent	**302.2**	**-929.7**	**n/a**	**125.5**	**103.3**	**-1,033.1**	**n/a**	**n/a**
Operating income	3,483.0	3,421.7	-1.8%	1,734.9	1,690.6	1,731.1	-0.2%	2.4%
Operating expenses	-1,960.2	-1,896.4	-3.3%	-970.3	-963.3	-933.1	-3.8%	-3.1%
Operating result	**1,522.7**	**1,525.3**	**0.2%**	**764.6**	**727.3**	**798.0**	**4.4%**	**9.7%**

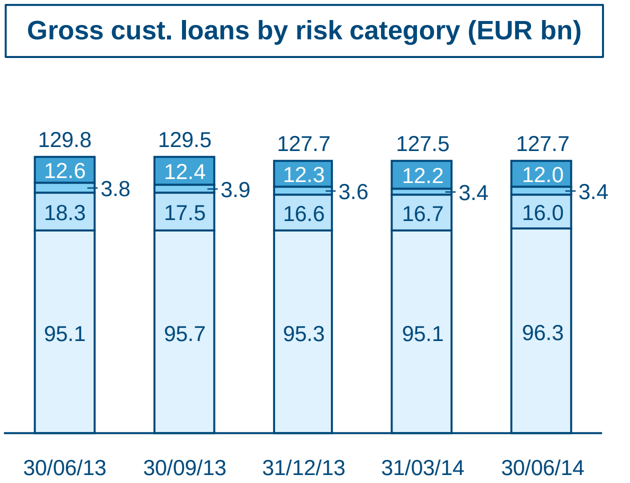
Additional information: group balance sheet – Assets

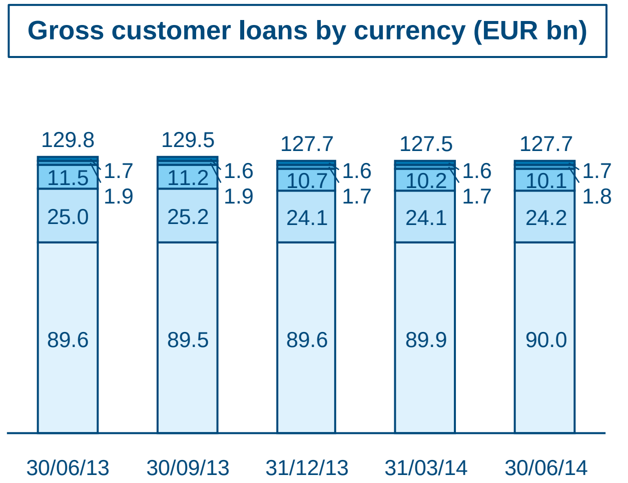
	Quarterly data					Change		
in EUR million	**Jun 13**	**Sep 13**	**Dec 13**	**Mar 14**	**Jun 14**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Cash and cash balances	10,578	11,852	9,301	10,373	7,267	-31.3%	-21.9%	-29.9%
Financial assets - held for trading	15,258	14,219	12,283	13,610	12,954	-15.1%	5.5%	-4.8%
Derivatives	7,507	6,930	6,342	6,482	6,480	-13.7%	2.2%	0.0%
Other trading assets	7,751	7,289	5,941	7,128	6,474	-16.5%	9.0%	-9.2%
Financial assets - at fair value through profit or loss	642	575	529	512	456	-28.9%	-13.8%	-10.9%
Financial assets - available for sale	20,492	20,569	20,678	20,956	21,923	7.0%	6.0%	4.6%
Financial assets - held to maturity	18,572	18,190	17,779	17,191	16,955	-8.7%	-4.6%	-1.4%
Loans and receivables to credit institutions	9,150	7,757	8,377	9,962	8,548	-6.6%	2.1%	-14.2%
Loans and receivables to customers	**121,999**	**121,656**	**119,945**	**119,805**	**120,005**	**-1.6%**	**0.1%**	**0.2%**
Derivatives - hedge accounting	1,850	1,788	1,944	2,212	2,489	34.5%	28.0%	12.5%
Changes in fair value of portfolio hedged items	0	0	0	0	0	n/a	n/a	n/a
Property and equipment	2,364	2,402	2,320	2,330	2,347	-0.7%	1.2%	0.7%
Investment properties	942	941	951	1,035	975	3.6%	2.6%	-5.7%
Intangible assets	2,807	2,766	2,441	2,408	1,438	-48.8%	-41.1%	-40.3%
Investments in associates and joint ventures	220	217	208	226	211	-3.9%	1.8%	-6.7%
Current tax assets	93	98	100	119	101	9.4%	1.0%	-14.7%
Deferred tax assets	812	852	719	672	411	-49.3%	-42.8%	-38.8%
Assets held for sale	95	106	75	82	158	67.1%	>100.0%	93.2%
Other assets	4,558	4,096	2,471	2,409	2,158	-52.6%	-12.6%	-10.4%
Total assets	**210,431**	**208,084**	**200,118**	**203,903**	**198,398**	**-5.7%**	**-0.9%**	**-2.7%**

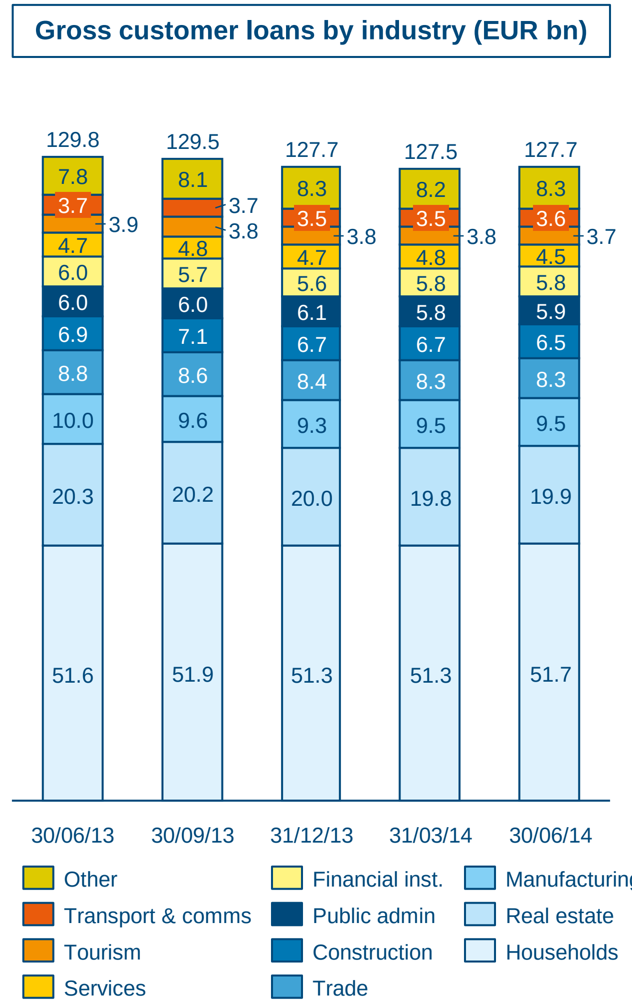
Additional information: group balance sheet –
Liabilities and equity

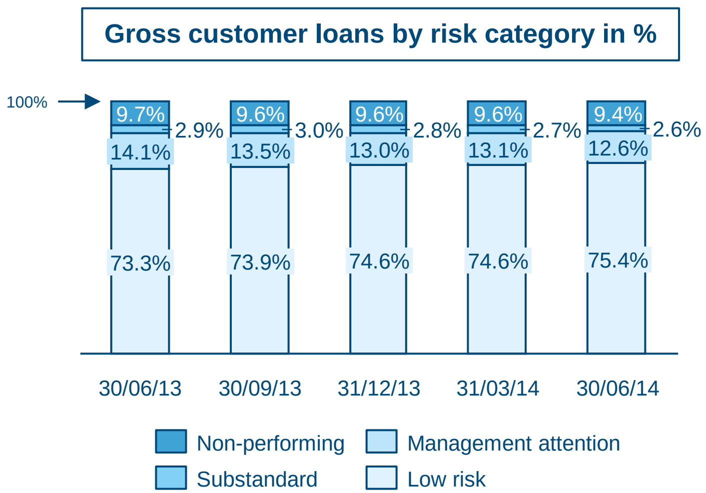
	Quarterly data					Change		
in EUR million	**Jun 13**	**Sep 13**	**Dec 13**	**Mar 14**	**Jun 14**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Financial liabilities - held for trading	7,533	7,154	6,475	7,042	7,152	-5.1%	10.5%	1.6%
Derivatives	7,044	6,706	6,087	6,341	6,347	-9.9%	4.3%	0.1%
Other trading liabilities	489	448	388	702	805	64.7%	>100.0%	14.8%
Financial liabilities - at fair value through profit or loss	2,418	2,377	2,339	2,275	2,278	-5.8%	-2.6%	0.1%
Deposits from banks	0	0	0	0	0	n/a	n/a	n/a
Deposits from customers	**527**	**498**	**460**	**449**	**435**	**-17.4%**	**-5.4%**	**-3.0%**
Debt securities issued	1,891	1,878	1,879	1,826	1,843	-2.6%	-1.9%	0.9%
Other financial liabilities	0	0	0	0	0	n/a	n/a	n/a
Financial liabilities measured at amortised cost	176,008	175,397	170,786	172,918	168,155	-4.5%	-1.5%	-2.8%
Deposits from banks	22,004	23,163	17,299	24,421	18,803	-14.5%	8.7%	-23.0%
Deposits from customers	**121,943**	**121,512**	**121,955**	**118,996**	**119,814**	**-1.7%**	**-1.8%**	**0.7%**
Debt securities issued	31,762	30,425	31,245	29,217	29,190	-8.1%	-6.6%	-0.1%
Other financial liabilities	299	298	286	285	348	16.4%	21.7%	22.2%
Derivatives - hedge accounting	619	615	644	681	724	17.0%	12.3%	6.2%
Changes in fair value of portfolio hedged items	905	870	734	910	983	8.5%	33.9%	8.1%
Provisions	1,466	1,474	1,448	1,491	1,607	9.6%	11.0%	7.7%
Current tax liabilities	84	89	85	83	88	4.3%	4.1%	6.4%
Deferred tax liabilities	208	200	169	182	132	-36.7%	-22.2%	-27.5%
Liabilities associated with assets held for sale	0	0	0	0	0	n/a	n/a	n/a
Other liabilities	4,951	4,613	2,654	3,251	3,199	-35.4%	20.6%	-1.6%
Total equity	**16,238**	**15,294**	**14,785**	**15,069**	**14,080**	**-13.3%**	**-4.8%**	**-6.6%**
Equity attributable to non-controlling interests	3,465	3,501	3,466	3,542	3,626	4.6%	4.6%	2.3%
Equity attributable to owners of the parent	12,773	11,793	11,319	11,527	10,454	-18.2%	-7.6%	-9.3%
Total liabilities and equity	**210,431**	**208,084**	**200,118**	**203,903**	**198,398**	**-5.7%**	**-0.9%**	**-2.7%**

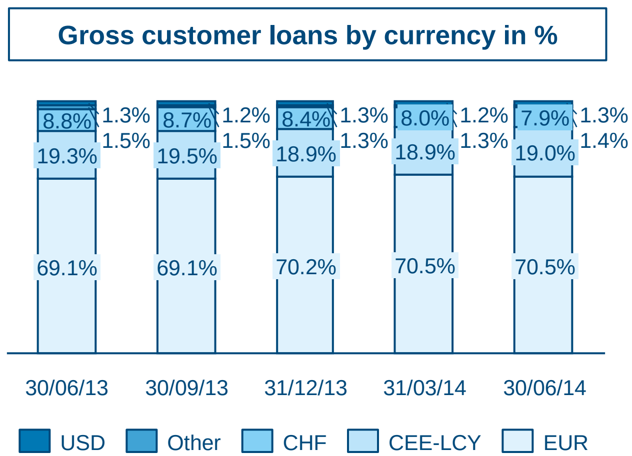
Additional information: gross customer loans –
By risk category, by currency, by industry











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

Erste Group footprint

Direct presence

Indirect presence

Czech Republic
- Customers: 5.2m
- Employees : 10,474
- Branches : 644

Slovakia
- Customers: 2.4m
- Employees : 4,228
- Branches: 293

Hungary
- Customers : 0.9m
- Employees : 2,809
- Branches: 128

Romania
- Customers : 3.1m
- Employees : 7,078
- Branches: 551

Austria
- Customers: 3.4m
- Employees: 15,658
- Branches: 966

Croatia
- Customers : 1.1m
- Employees : 2,752
- Branches: 160

Serbia
- Customers : 0.3m
- Employees : 988
- Branches: 67

Highlights

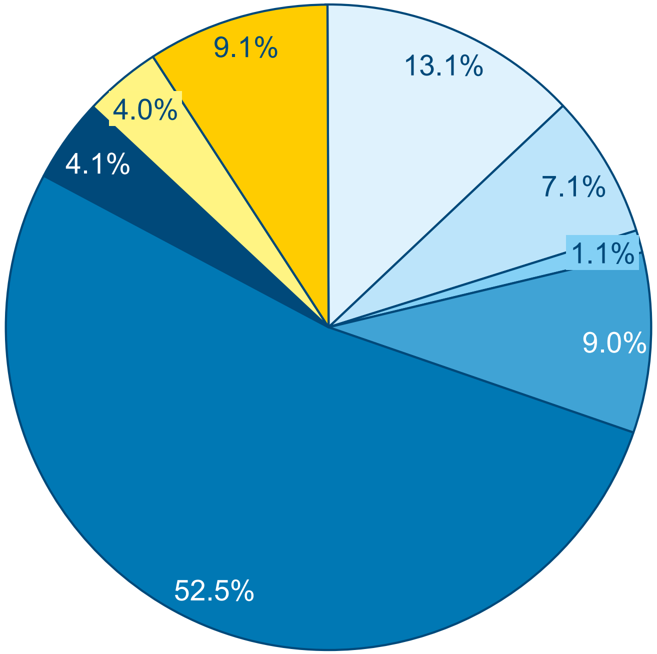
- Leading retail and corporate bank in 7 geographically connected countries
- Favourable mix of mature & emerging markets with low penetration rates
- Potential for cross selling and organic growth in CEE

Additional information: strategy –
A real customer need is the reason for all business

Customer banking in Central and Eastern Europe				
Eastern part of EU		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 (RO, HR & RS) Savings products, asset management and pension products Potential future expansion into Poland	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	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	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

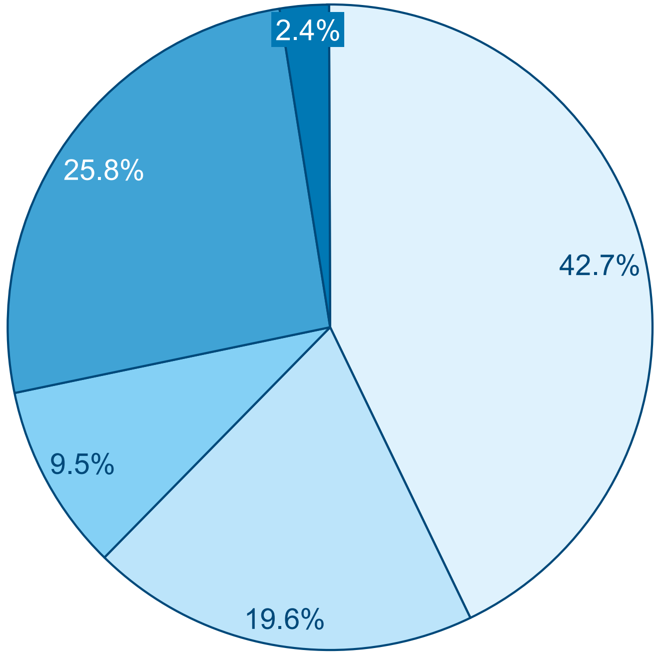
Additional information: shareholder structure –
Total number of shares: 429,800,000

By investor



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

By region



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

* Including Sparkassen 1.1%, Sparkassen Beteiligungs GmbH & Co KG and other syndiate members

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

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