

Erste Group investor presentation

Q2 2015 results

7 August 2015

Erste Group continues on profitable path in Q2 15 as asset quality improves and capital ratios strengthen

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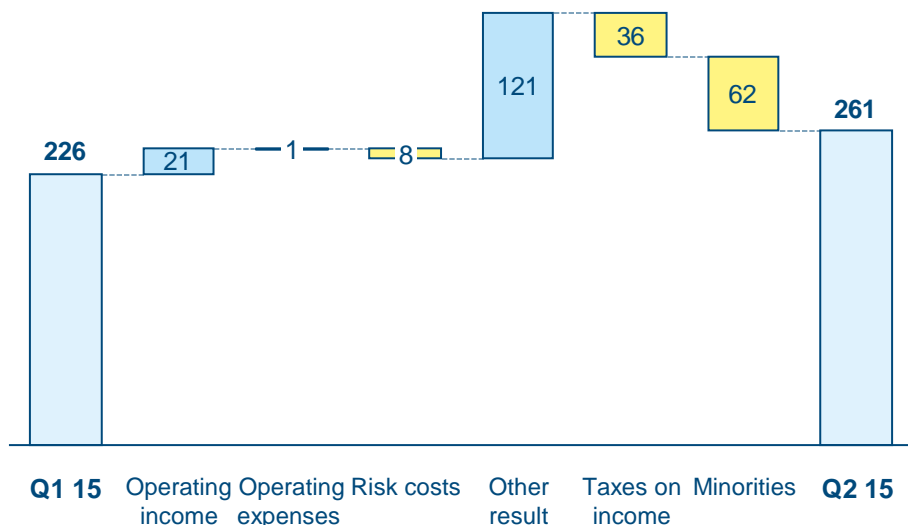
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Presentation topics

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

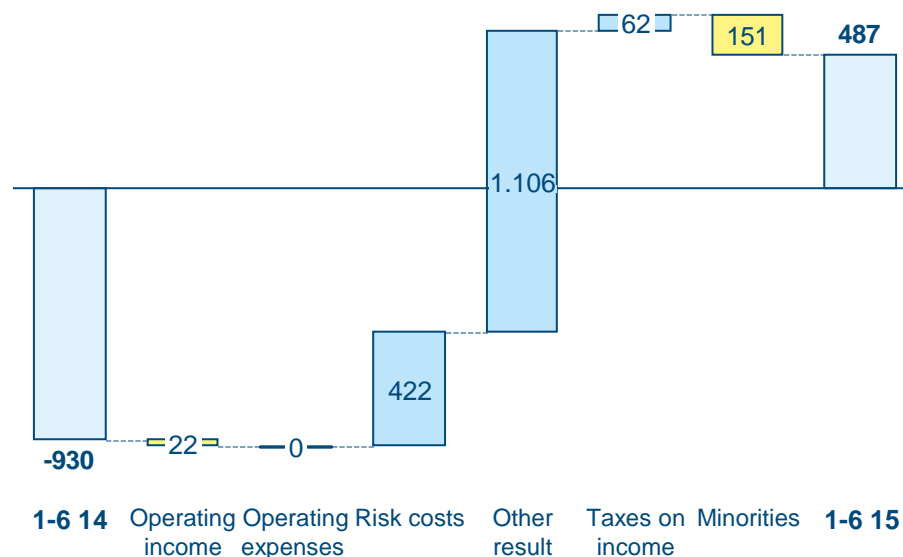
Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Erste Group Q2 15 net profit equals EUR 261.4m supported by strongly improved other result (no one-offs compared to Q1 15), slightly better operating result and despite higher minority charge
- Q2 15 risk costs stable driven by continued strong savings banks performance with corresponding impact on minorities, solid trends in EBOe, Other Austria and Romania
- Q2 15 tax rate stable vs Q1 15 at 28.2%

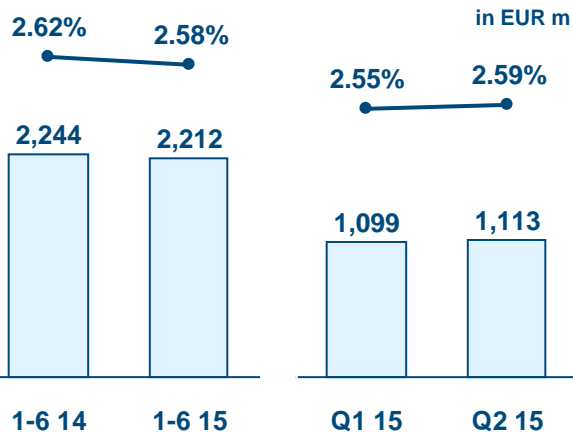
YoY net profit reconciliation (EUR m)



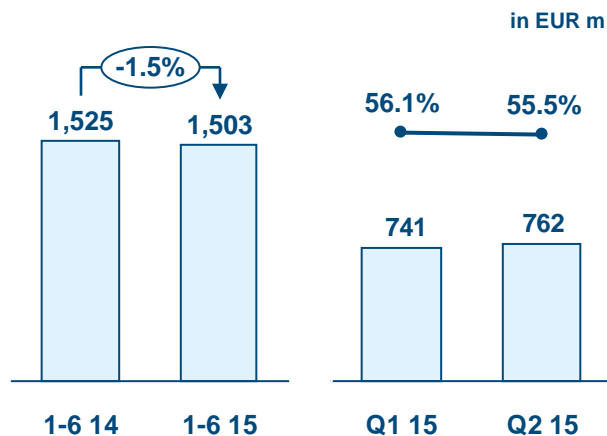
- Erste Group H1 15 net profit equals EUR 487.2m; turnaround driven by strongly improved other result (no one-offs compared to H1 14), significantly lower risk costs, lower tax rate
- Broadly stable operating performance, as costs remained flat, and NII pressure partly offset by higher fee income
- Historically high minority charge due to exceptional risk performance at the savings banks and turnaround in Romania

Executive summary – Key income statement data

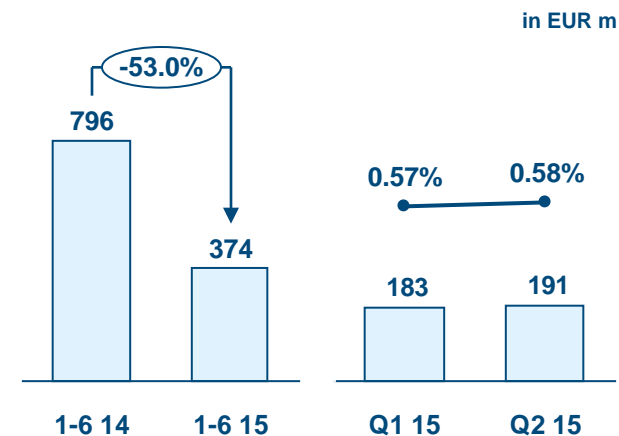
Net interest income & margin



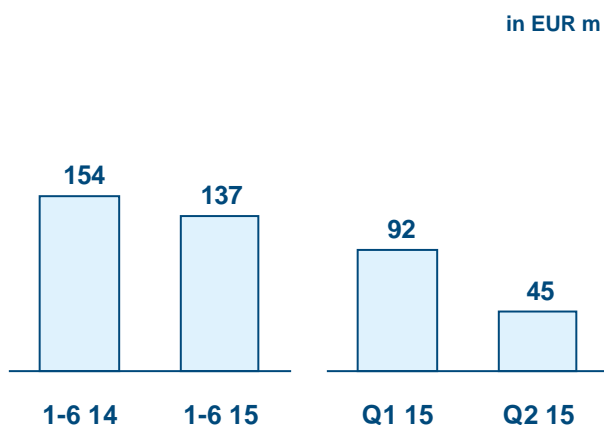
Operating result & cost/income ratio



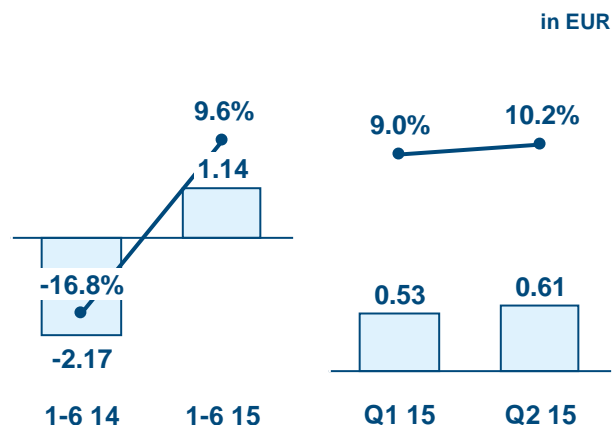
Cost of risk



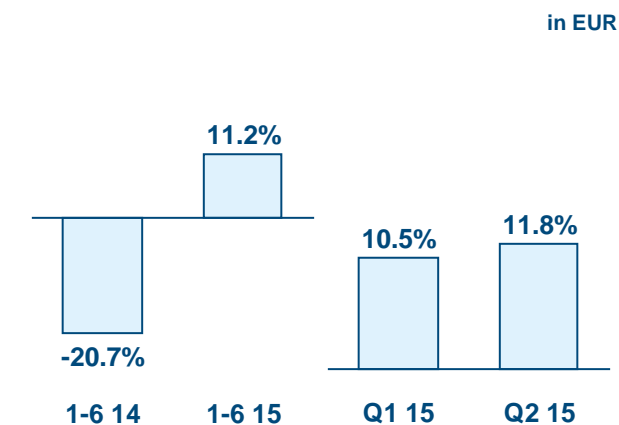
Banking levies



Reported EPS & ROE

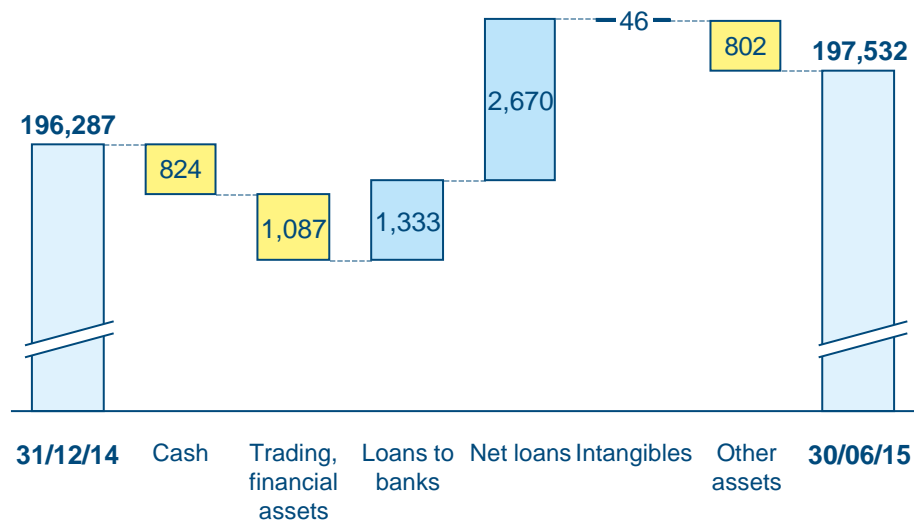


Return on tangible equity



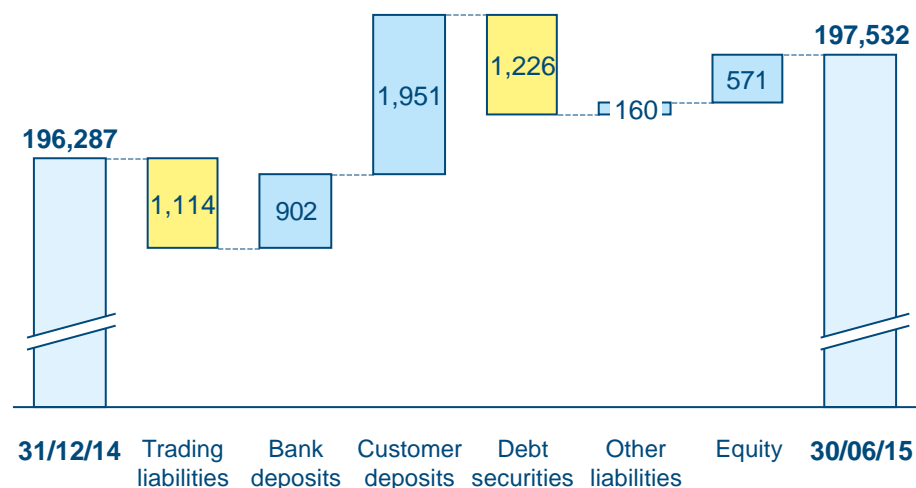
Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Balance sheet total rises by 0.6% ytd, driven by net loans and interbank lending
- Net customer loans rise by 2.2% ytd, driven by retail and corporate loans as well as CHF strength (net updrift of about EUR 0.6bn)

YTD equity & total liability reconciliation (EUR m)

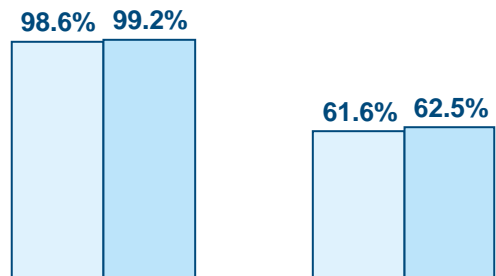


- 1.6% increase in customer deposits was main driver for expanding liabilities and supported 3.9% decline in debt securities
- Decline in trading liabilities offset by slightly higher bank deposits
- Rise in total equity mainly driven by turnaround in profitability

Executive summary – Key balance sheet data

31/12/14
30/06/15

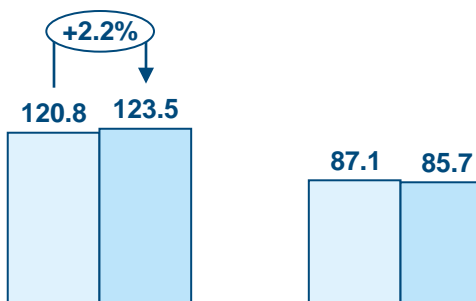
Loan/deposit & loan/TA ratio



Loan/deposit ratio Loans/total assets

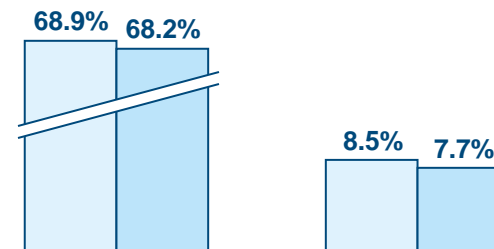
Net loans & credit RWA

in EUR bn



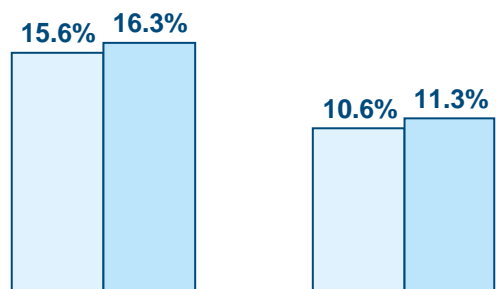
Net loans Credit RWA

NPL coverage ratio & NPL ratio



NPL coverage NPL ratio

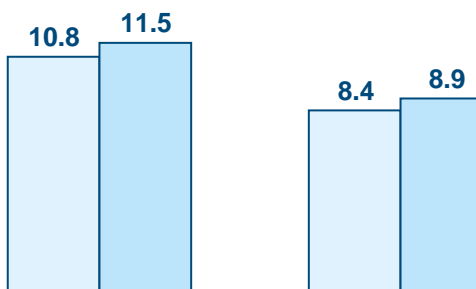
B3FL capital ratios



Total capital CET 1

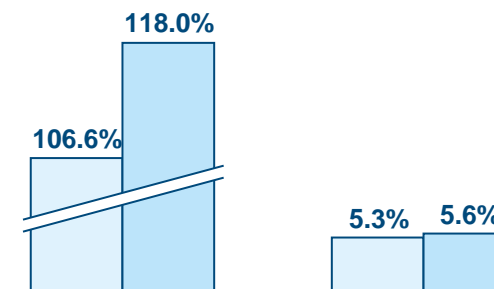
B3FL capital & tangible equity*

in EUR bn



CET1 Tangible equity

Liquidity coverage & leverage ratio



LCR LR (B3FL)

* Based on shareholders' equity, not total equity.

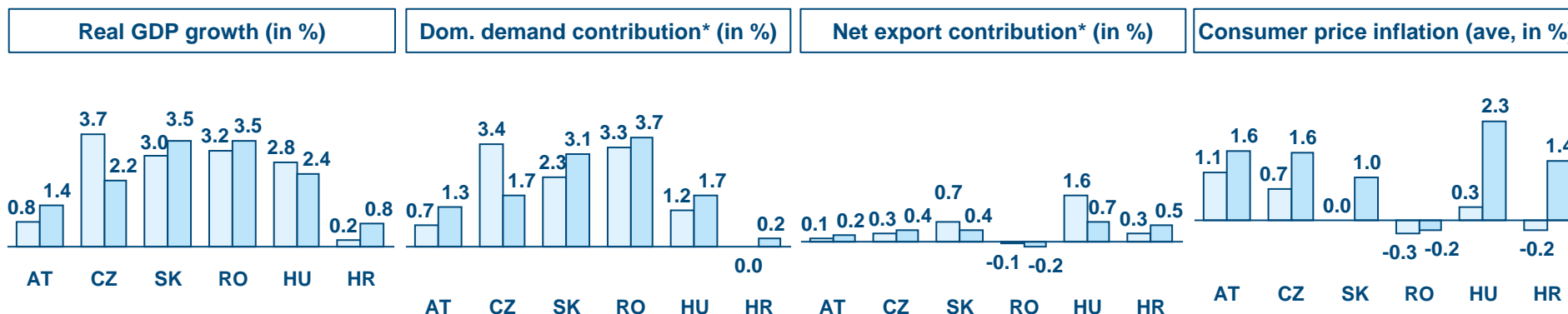
Presentation topics

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- **Business environment**
- Business performance
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- Additional information

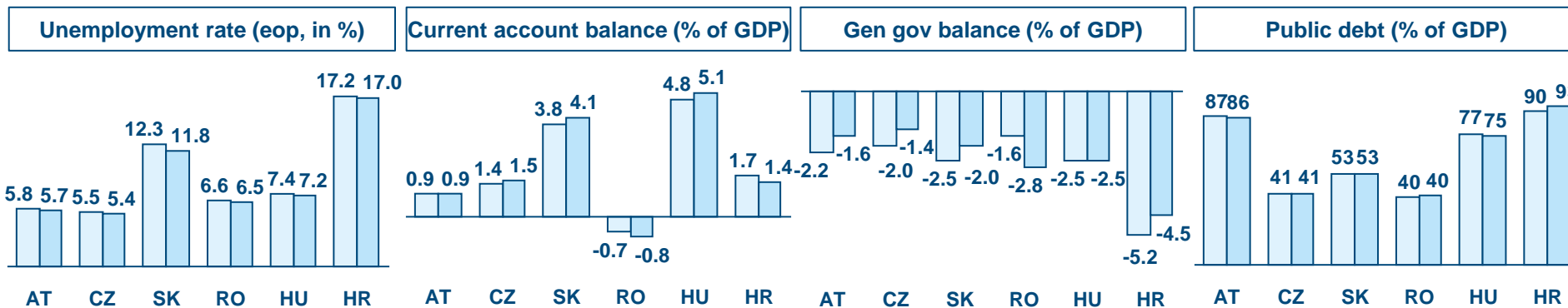
Business environment –

Solid domestic demand expected to drive economic growth in 2015 & 2016

2015
2016



- Erste Group's core CEE markets expected to grow by more than 3% in 2015, with continued positive outlook for 2016
 - Domestic demand is expected to be main driver of economic growth in 2015 and 2016
 - Inflation is expected to increase from low levels as support from low commodity prices wanes; negative price development in RO due to VAT cut



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

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

Business environment –

Divergence between short-term and long-term rates in Q2 15

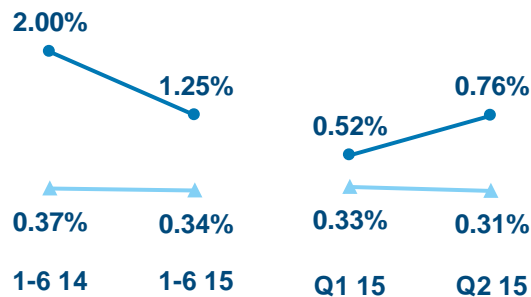
—▲ 3M Interbank
—● 10YR GOV

Austria



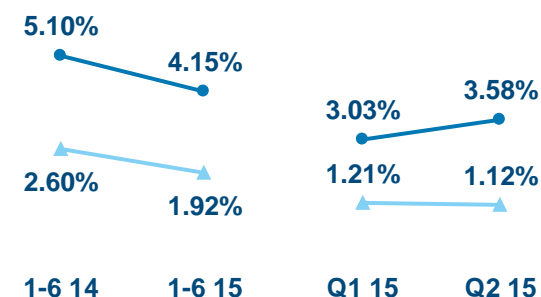
- ECB cut discount rate to 0.05% in Sept 14
- Maintains expansionary monetary policy stance

Czech Republic



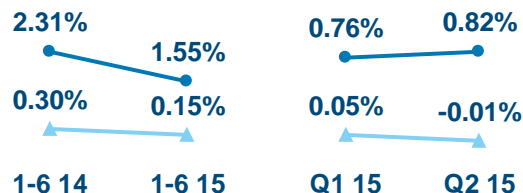
- National bank maintains ultra-low interest rates since November 2012 at 0.05%

Romania



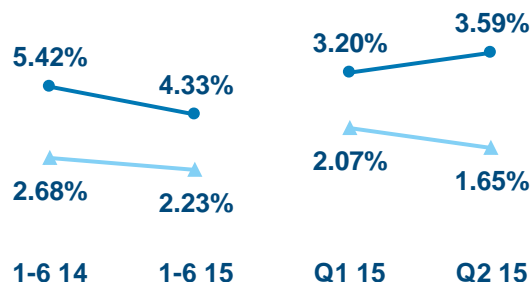
- Central bank cut policy rate to historic low of 1.75% in May 2015

Slovakia



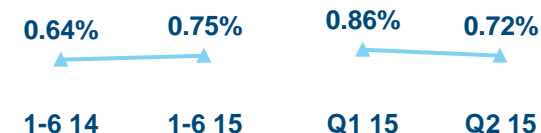
- As part of euro zone ECB rates are applicable in SK

Hungary



- National bank restarted easing cycle in Feb 2015; cutting base rate to 1.35% in July 2015, completing easing cycle

Croatia

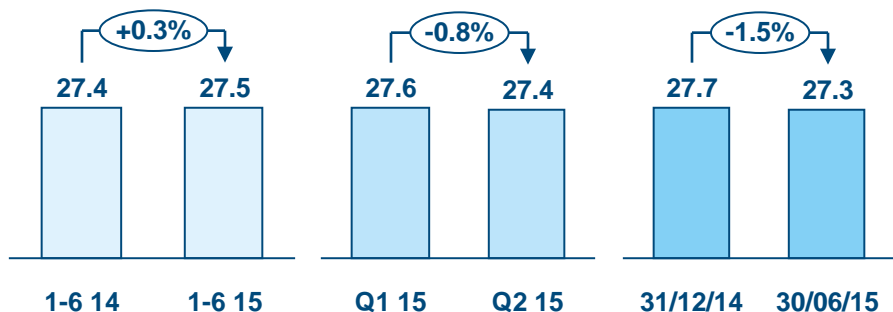


- Central bank maintains discount rate at 7.0% since mid-2011

Source: Bloomberg.

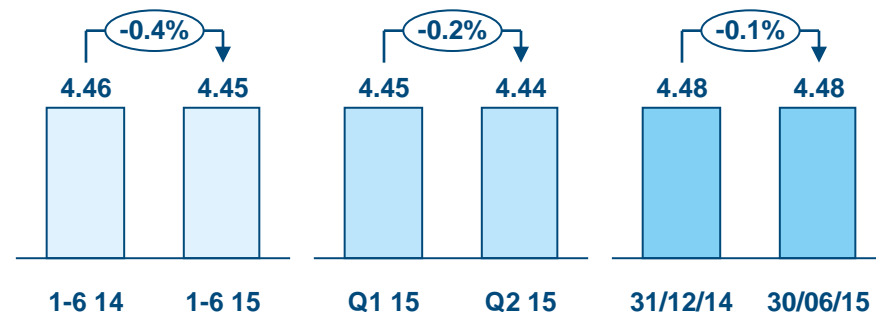
Business environment – Limited currency volatility in CEE

EUR/CZK



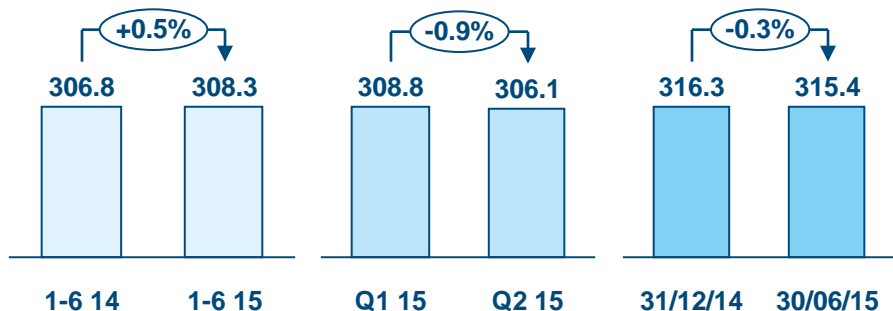
- Czech National Bank maintains exchange rate stability; discount rate also stable at 0.05% in Q1 15

EUR/RON



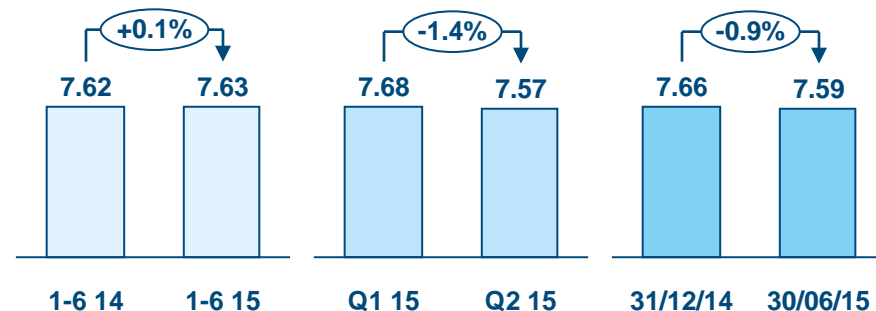
- RON movements marked by limited volatility, despite decreasing interest rates: policy rate cut to 1.75% in Q2 15

EUR/HUF



- Stable currency development, despite expansionary monetary stance of the national bank; easing cycle completed

EUR/HRK



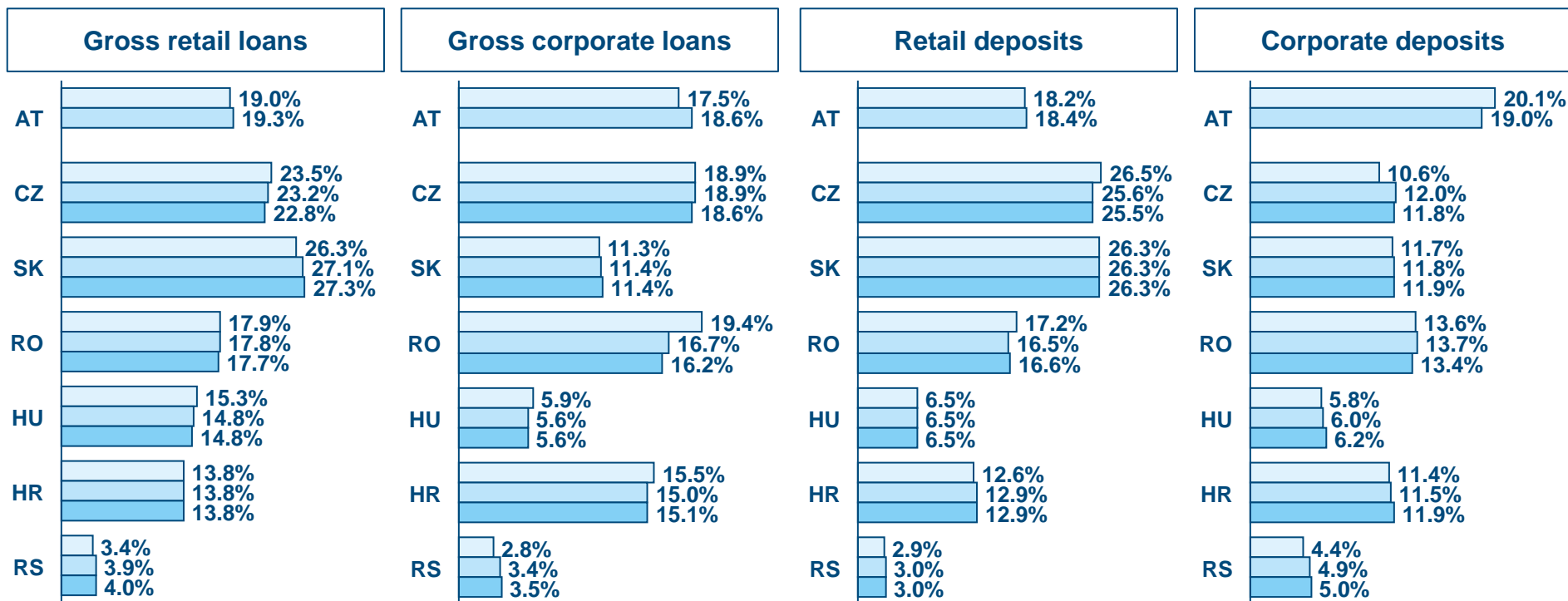
- Strong grip of national bank on HRK is reflected in lack of volatility

Source: Bloomberg.

Business environment –

Market shares: mostly stable, RO corporate impacted by NPL sales

30/06/14
31/03/15
30/06/15



- SK: steady market share gains in a growing market
- CZ: accelerating growth amid conservative lending approach
- RS: market share expansion driven by higher new business volumes
- RO: continued pressure on gross loan based market share due to NPL sales
- AT: solid performance following booking of new deals in Q1 15
- RO: successful qoq stabilisation of market share
- CZ: yoy decline in line with normal volatility, qoq stable
- Stable or improving market shares in almost all markets; changes mainly due to normal quarterly volatility in corporate business

AT market share for 31/03/2015 not yet available

Presentation topics

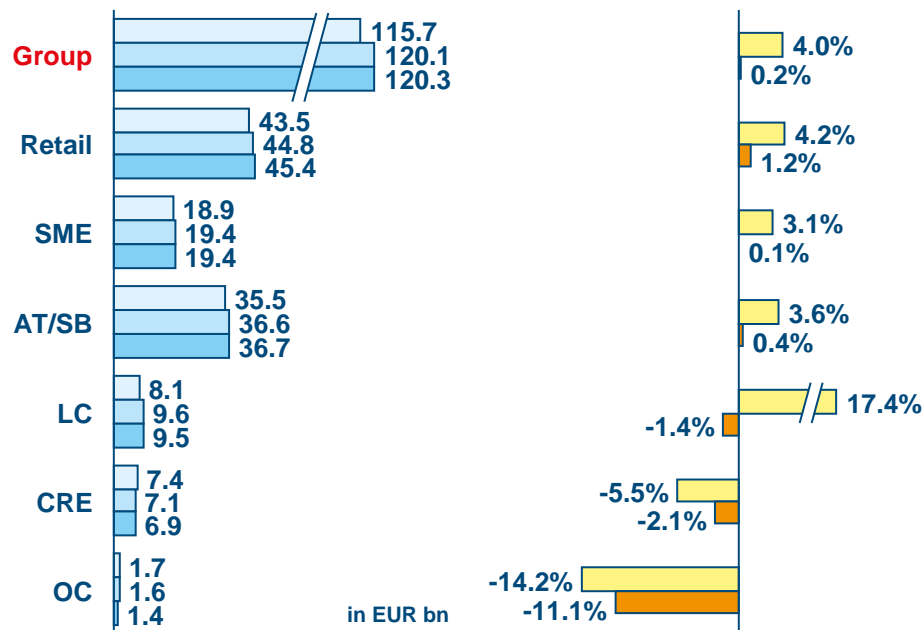
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Business performance: performing loan stock & growth –

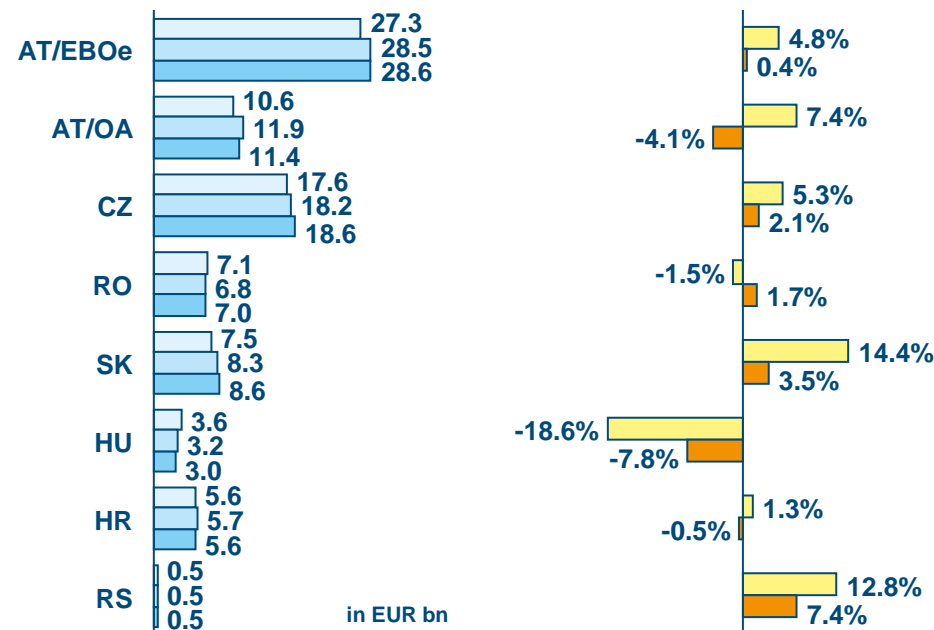
Performing loan volume grows by 4.0% yoy, edges up qoq

■ YoY ■ 30/06/14
■ QoQ ■ 31/03/15
■ 30/06/15

Business line view (BL)



Geographic view (geo)



- Fifth consecutive quarter with rising performing loan volume, due to qoq increases in CZ, SK and RO which more than offset declines in HU and AT/AO in line with exposure reductions
- Retail: solid qoq growth driven mainly by mortgage business and also supported by consumer loans
- CRE: continued exposure reduction qoq and yoy

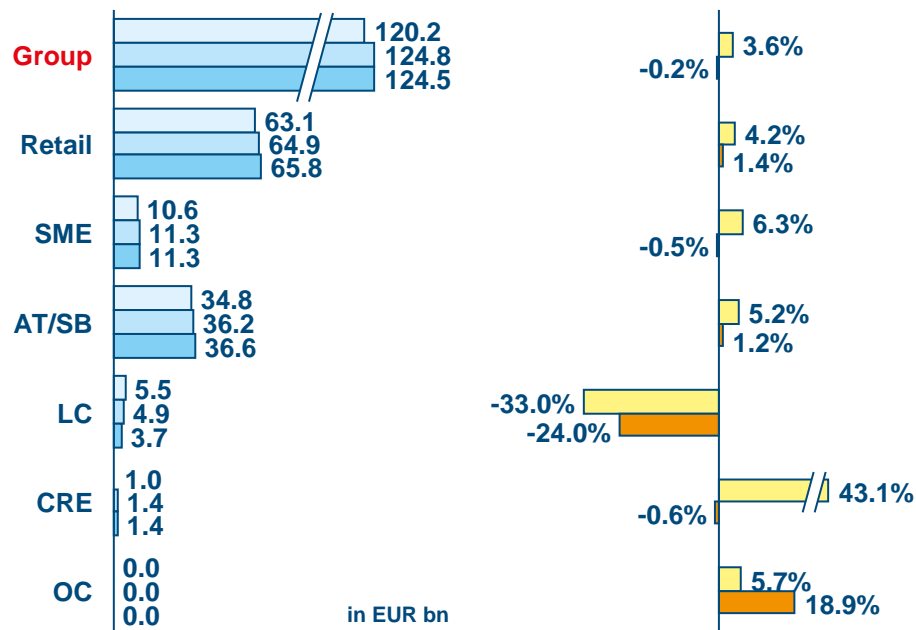
- RO: slight qoq increase in performing loans driven by Retail, mainly mortgages and consumer loans
- SK: remains growth driver based on continued Retail strength
- HU: qoq decline mainly due to 5% HUF depreciation in Q2 15

Business performance: customer deposit stock & growth –

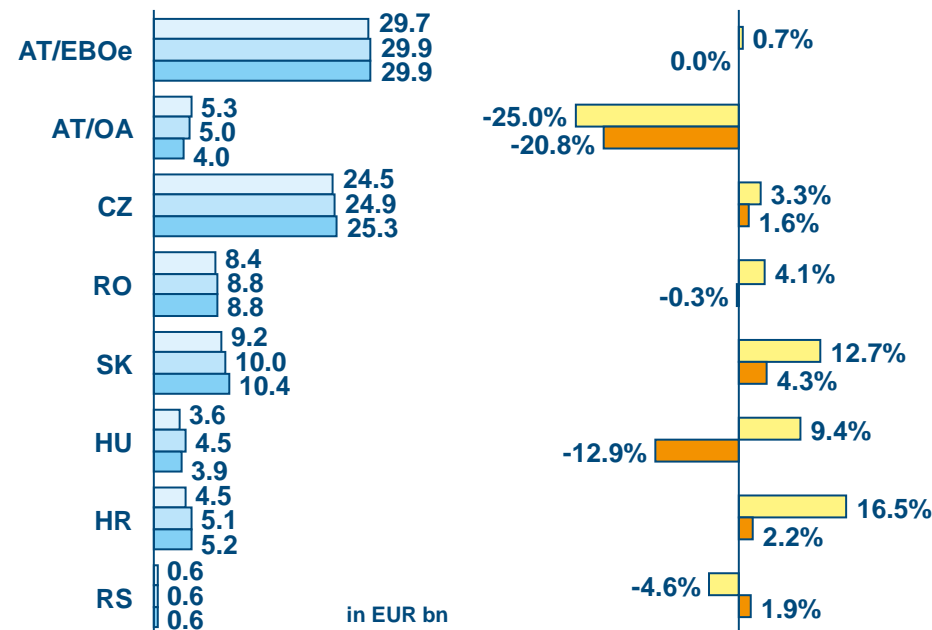
Deposits grow by 3.6% yoy, stable qoq

■ YoY ■ 30/06/14
■ QoQ ■ 31/03/15
■ 30/06/15

Business line view (BL)



Geographic view (geo)



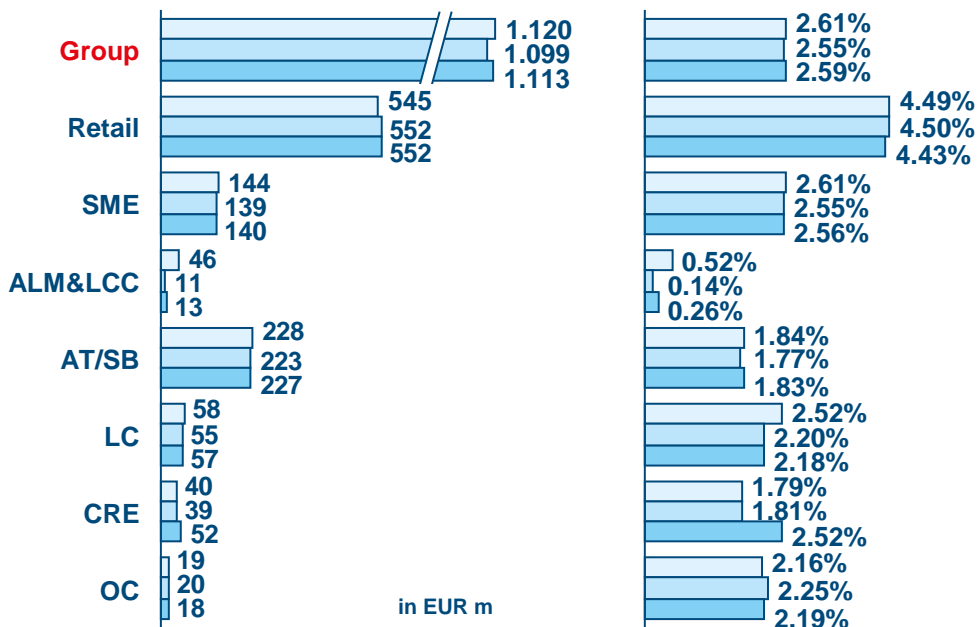
- Customer deposits up 3.6% yoy (stable qoq) , mainly driven by retail and SME business lines as well as savings banks; well balanced yoy growth across all geographies
- LC: yoy and qoq declines due to deposit outflows in Q2 15
- SME: yoy inflows mainly driven by Czech Republic

- AT/OA: qoq and yoy driven by LC outflows in Q2 15
- SK: deposit growth broadly in line with loan growth ytd
- RO: yoy increase driven by Retail
- HU: qoq decrease driven by outflows in CRE, LC and SME in Q2 15; yoy customer deposits still solidly up

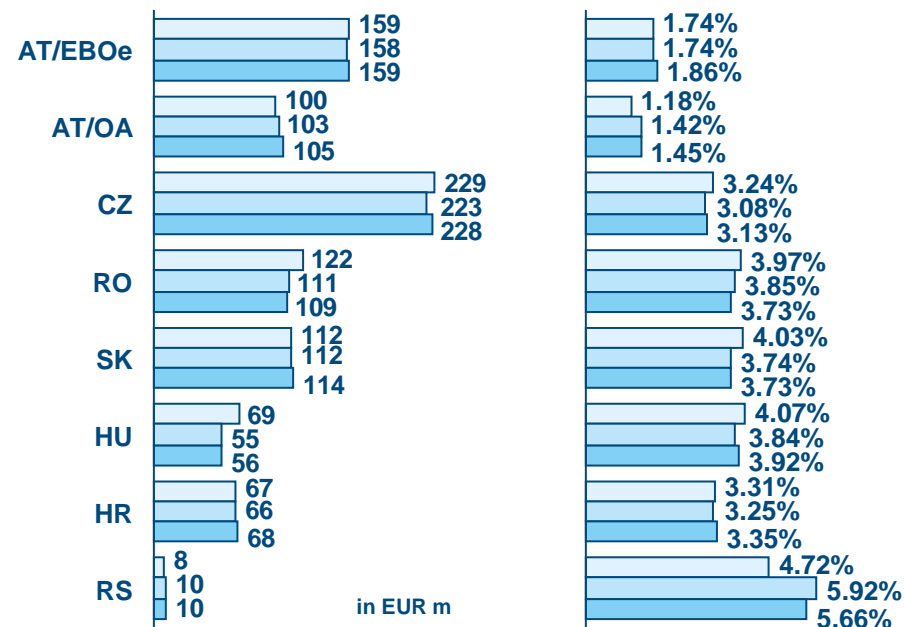
Business performance: NII and NIM – Q2 15 NII & NIM stable yoy and qoq

Q2 14
Q1 15
Q2 15

Business line view (BL)



Geographic view (geo)



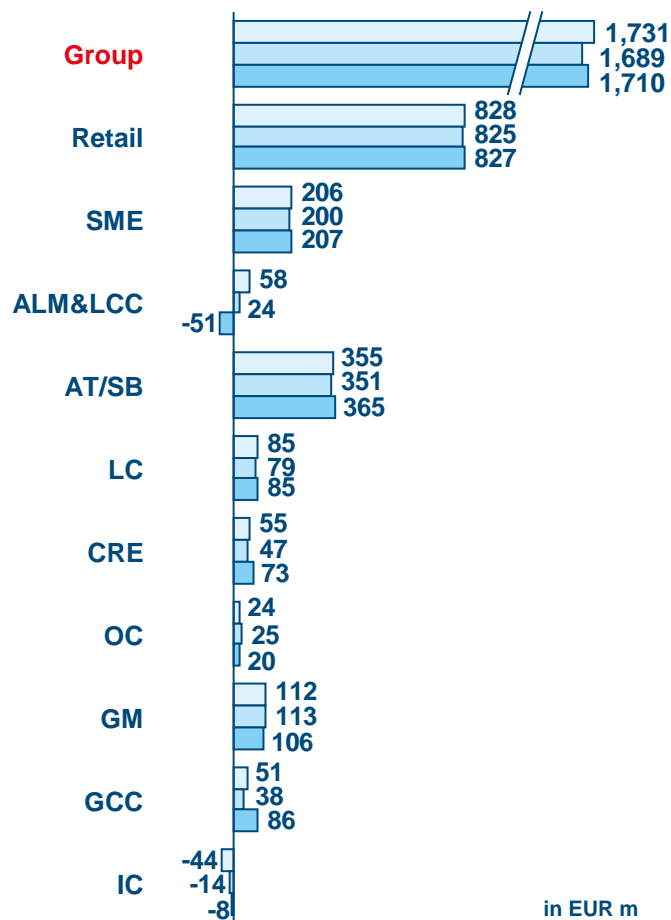
- Group NII marked by stability yoy despite lower unwinding effect in RO and shrinking loan volume as a result of CHF conversion in HU, as lower refinancing costs support NII yoy and qoq
- CRE: improvements yoy and qoq due to one-off income in Q2 15
- LC: lower deposit volumes support NII yoy and qoq

- RO: yoy decrease driven by significantly lower average loan volumes and lower unwinding impact; qoq stable as no NPL sales
- AT/OA: yoy & qoq improvements primarily on better performance in CRE
- HU: yoy decline driven by CHF conversion induced lower volumes

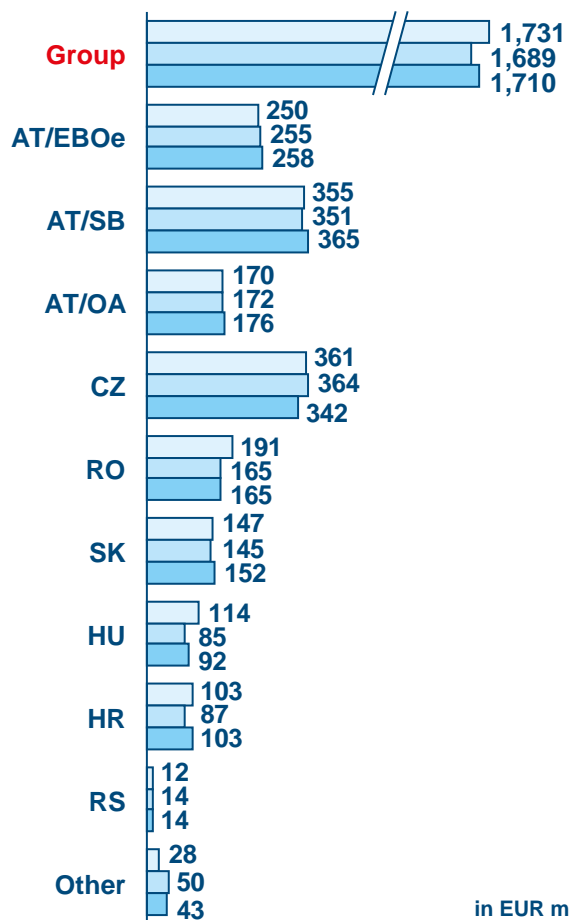
Business performance: operating income – Q2 15 operating income stable yoy and qoq

Q2 14
Q1 15
Q2 15

Business line view (BL)



Geographic view (geo)



Highlights

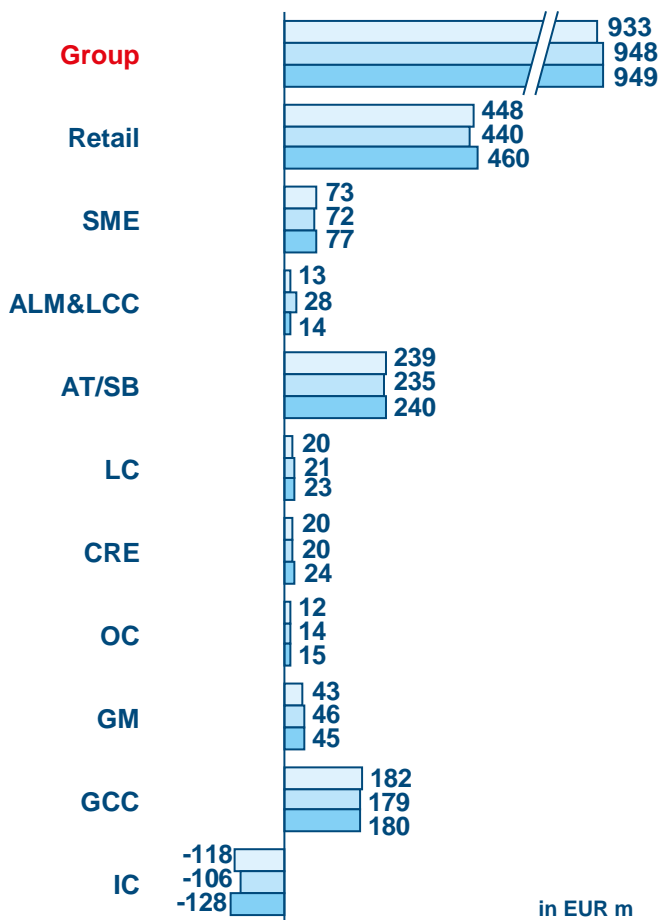
- Marginal yoy decline exclusively attributable to lower net trading and fair value result in Q2 15
- Marginal qoq increase due to higher net interest income and better dividend income in Q2 15, which offset lower net trading and fair value result
- ALM&LCC: yoy and qoq decline driven mainly by lower net trading and fair value result on the back of lower derivatives valuations as well as negative impact from valuation of financial liabilities (CZ)
- CRE: yoy and qoq increase driven by NII (seasonally higher income in Q2 15) and better net trading and fair value result
- GCC (prior to intragroup elimination): NII (yoy and qoq) rose mainly due to higher contributions from businesses not allocated to other business lines
- CZ: qoq decline due to negative impact from valuation of financial liabilities, partly reversing positive one-off of Q1 15; yoy decline due to NII and fee pressure
- AT/SBs: yoy increase driven by NII and net trading and fair value result (derivatives valuation), qoq up due to NII (lower refinancing costs) and net trading fair value result (see above)
- AT/EBOe: up yoy and qoq on increased NII (higher loan volumes, change of deposit structure)
- RO: yoy decline due to NII (lower unwinding, lower volumes & lower market interest rates)
- HU: yoy decline in NII due to shrinking loan volumes as a result of CHF conversion; qoq up due to higher money market income, resulting in higher net trading and fair value result
- HR: qoq up on better fees and lack of one-offs (impact of FX cap in Q1 15), yoy stable

Business performance: operating expenses –

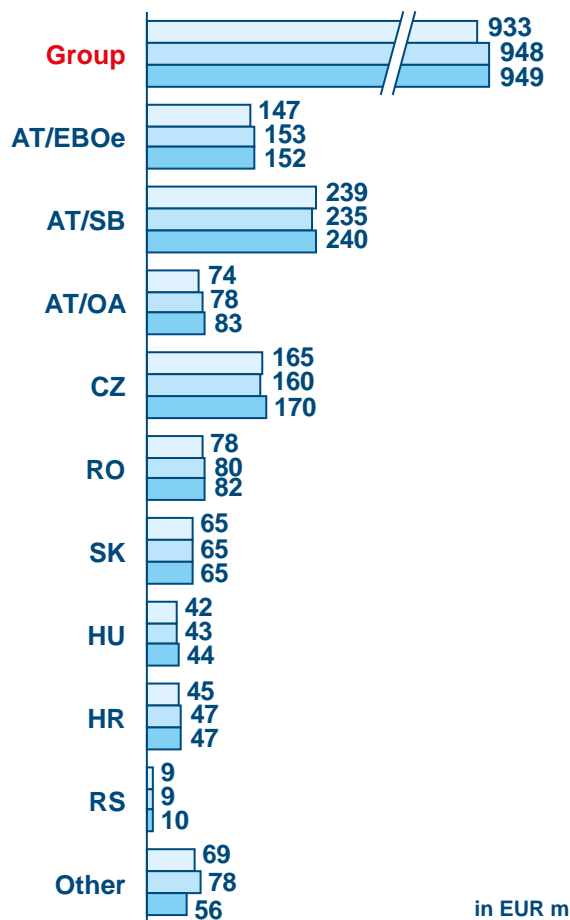
Costs flat qoq, slightly up yoy

Q2 14
Q1 15
Q2 15

Business line view (BL)



Geographic view (geo)



Highlights

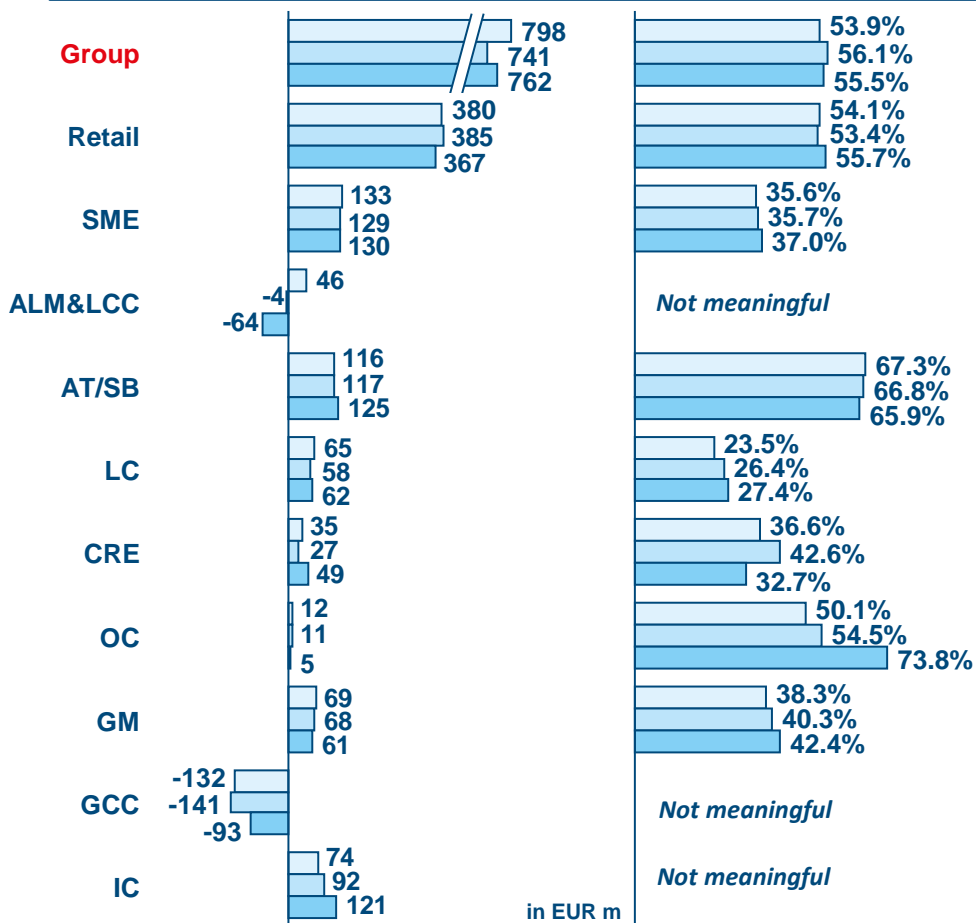
- Costs flat qoq, yoy slightly up on higher personnel and other administrative expenses due to higher headcount, partly offset by lower depreciation and amortisation expenses
- Retail: qoq increase due to higher other administrative expenses (IT) and personnel costs in CZ, SK, RO and HR
- ALM&LCC: flat yoy, improved qoq due to lower costs in SK, RO and HR
- AT/OA: up yoy and qoq on invoicing seasonality at holding entity and FX rate developments
- CZ: up qoq due to higher marketing and consultancy costs in Q2 15
- Other: yoy decline supported by lack of customer stock amortisation; qoq improvement driven by higher intercompany eliminations; in general mirrors GCC and IC business line developments

Business performance: operating result and CIR –

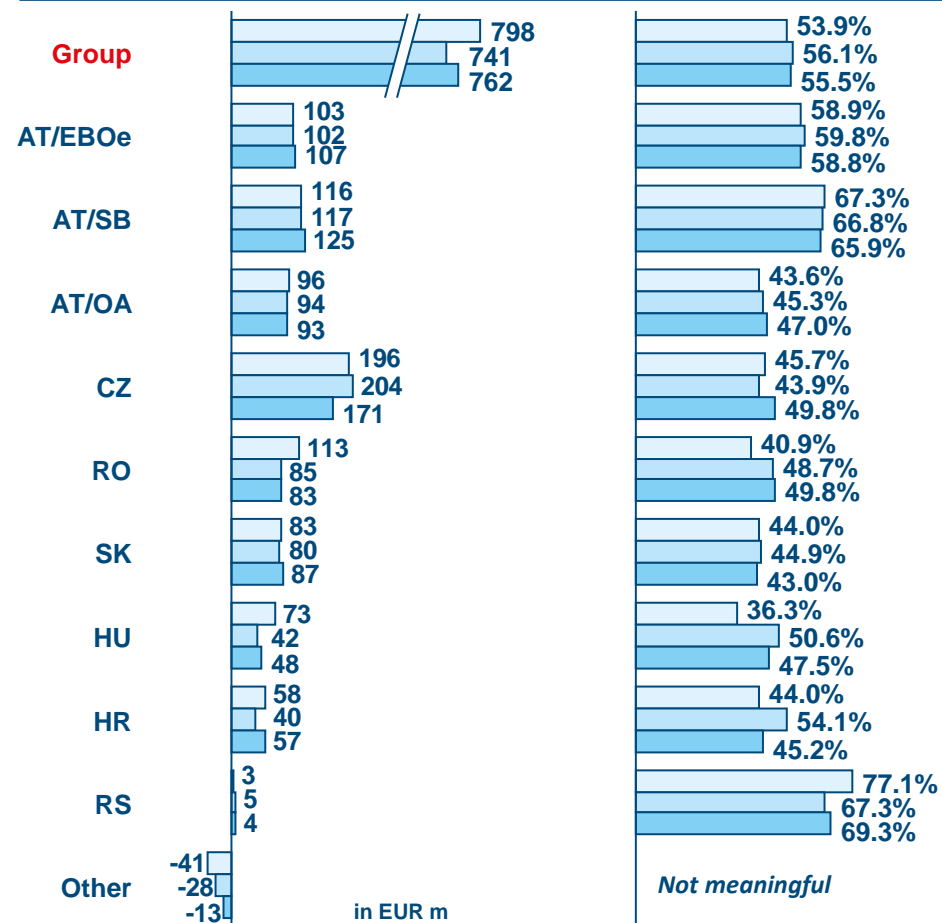
Operating result up by 2.8% qoq, down by 4.6% yoy

Q2 14
Q1 15
Q2 15

Business line view (BL)



Geographic view (geo)

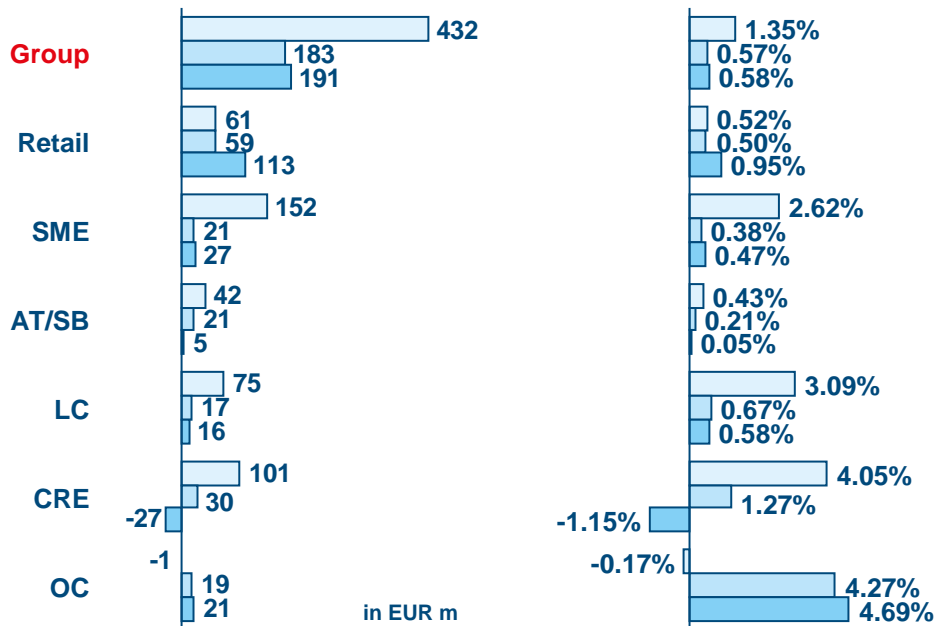


Business performance: risk costs (abs/rel*) –

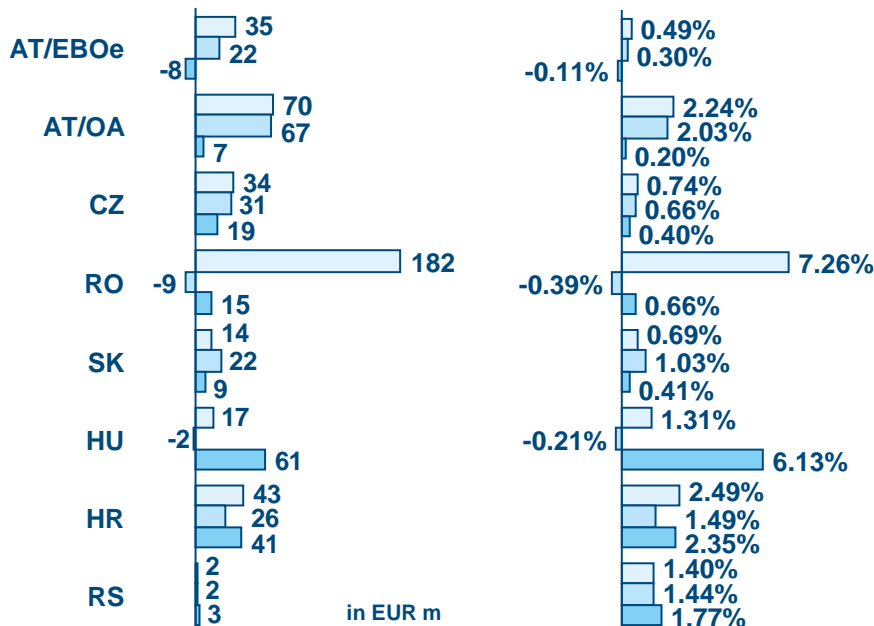
Risk costs remain low in Q2 15, due to Austria and Romania

Q2 14
Q1 15
Q2 15

Business line view (BL)



Geographic view (geo)



- Continued strong risk performance in Q2 15 supported by improvements in CRE and savings banks, while Retail risk costs increased qoq and yoy
- Retail: increase entirely attributable to HU (see left)
- SME: yoy decline driven by RO, qoq increase due to HR
- LC: improvements yoy and qoq almost solely in RO
- CRE: yoy and qoq across the board improvements in holding entity CRE portfolio and at Immorent

- RO: significant decline yoy and qoq in provisioning following extra provisions booked for accelerated NPL resolution in 2014
- AT/EBOe & AT/SB: across the board historically low provisioning requirements in Q2 15; no major defaults in H1 15
- AT/OA: qoq improvement driven by CRE (Immorent), yoy improvement by CRE
- HU: qoq and yoy increase due to methodological changes in Retail
- HR: stable yoy, up qoq due to higher provisions for SME clients

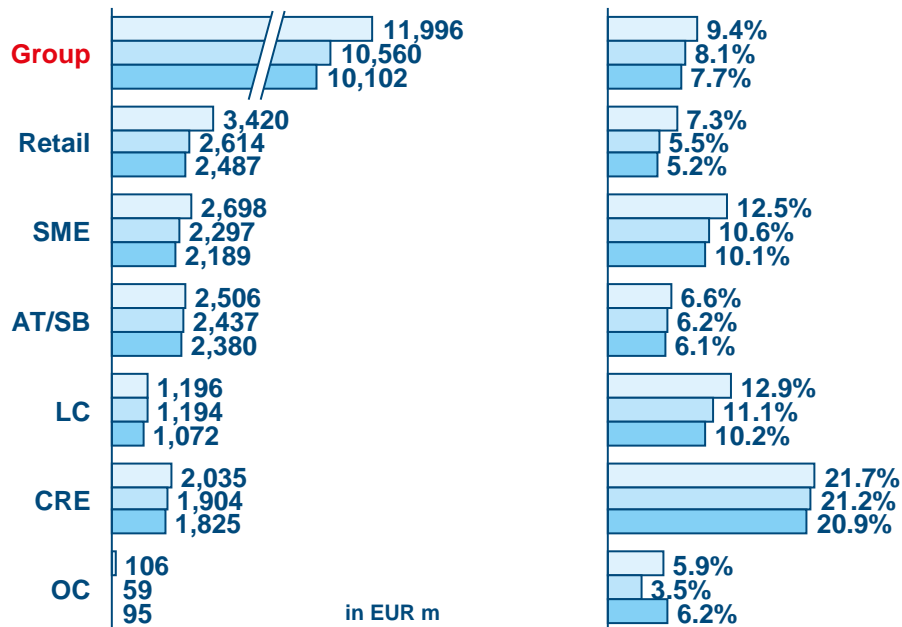
*) Relative risk costs are defined as annualised quarterly risk costs over average gross customer loans.

Business performance: non-performing loans and NPL ratio –

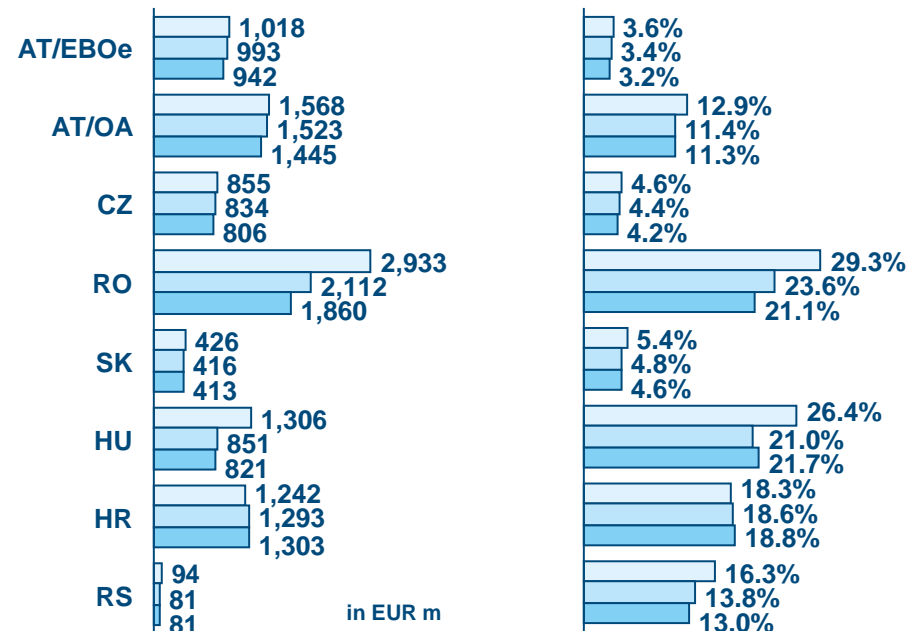
NPL ratio falls for the 6th consecutive quarter to 7.7%

30/06/14
31/03/15
30/06/15

Business line view (BL)



Geographic view (geo)



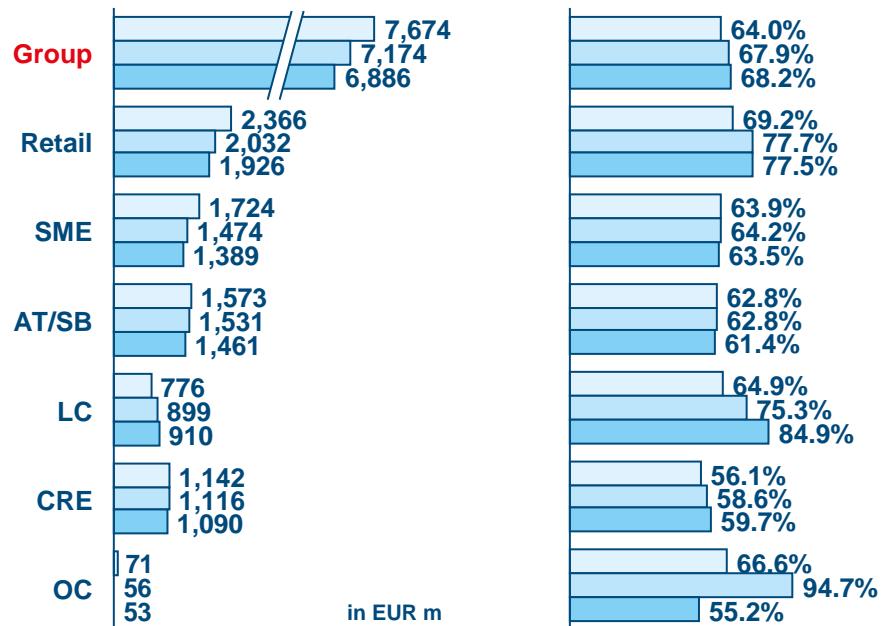
- Continued decline of group NPL volume in Q2 15 supported by all major business lines and geographic segments except Croatia
- Continued improvement in migration trends with low risk share reaching pre-crisis levels at 78.2%

- Limited NPL sales of EUR 149.9m in Q2 15 (Q1 15: EUR 61.6m)
 - Retail: EUR 51.0m (Q1 15: EUR 20.9m)
 - Corporate: EUR 98.9m (Q1 15: EUR 40.7m)
- NPL sales mainly in RO (EUR 64.6m) and HU (EUR 44.2m), minor sales in SK, CZ and AT

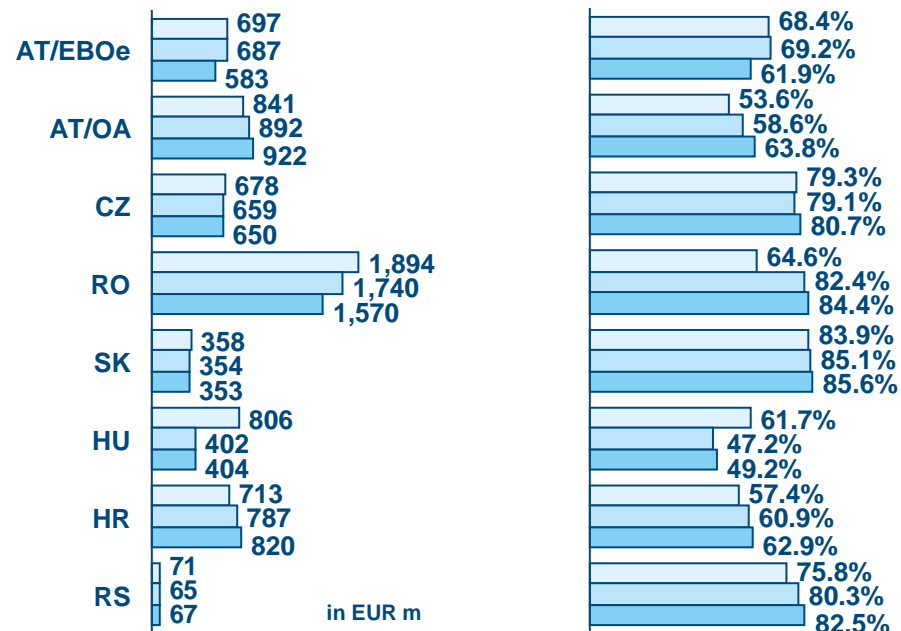
Business performance: allowances for loans and NPL coverage – NPL coverage excluding collateral at solid 68.2%

30/06/14
31/03/15
30/06/15

Business line view (BL)



Geographic view (geo)

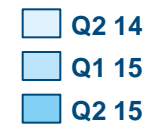


- Slight qoq and yoy increase in NPL coverage driven by all geographies except Austria; and LC and CRE business lines
- Strong yoy rise in NPL coverage by extensive provision creation in RO in 2014 to fund accelerated NPL resolution

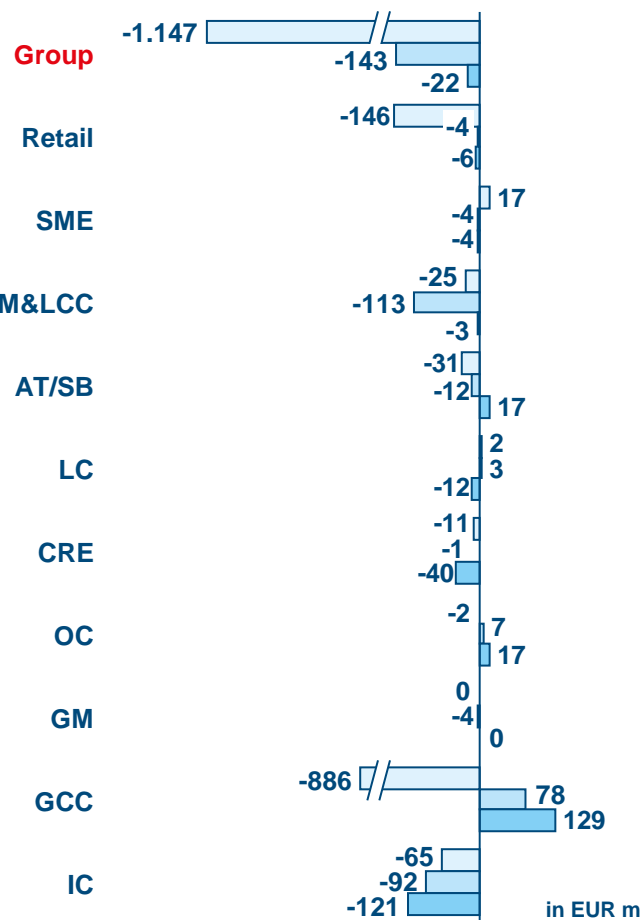
- AT/EBOe: qoq and yoy drop in coverage driven by releases in Q2 15 on the back of solid collateralisation
- AT/SB: continued low provisioning requirements and solid collateralisation lead to slight decline in coverage
- All other geo segments show stable or improving NPL coverage ratios

Business performance: other result –

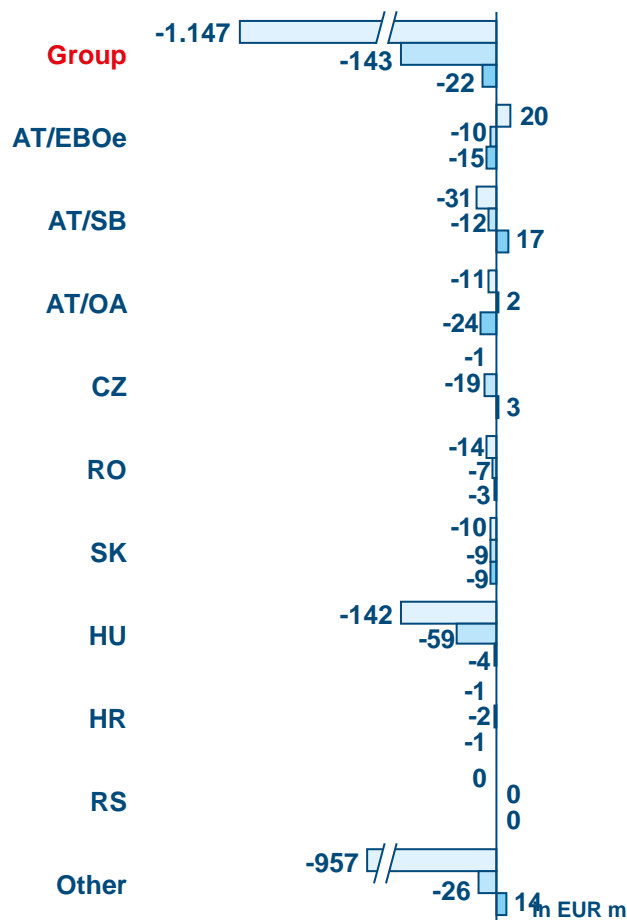
Q2 15 other result benefits from financial asset gains and lack of one-offs



Business line view



Geographic view

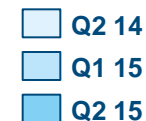


Highlights

- YOY improvement in group other result due to no intangible write-downs (mostly BCR) in Q2 15
- QOQ improvement driven by booking of full annual European resolution funds contribution full annual HU banking tax in Q1 15, additionally supported by higher gains on financial assets in Q2 15
- Retail: yoy improvement on non-recurrence of FX conversion charges in Hungary in Q2 15
- ALM&LCC: qoq improvement as full year EU resolution fund contributions and HU banking tax booked in Q1 15, supported by gains on financial assets in Q2 15
- CRE: qoq and yoy deterioration mainly due to higher provisions for commitments and guarantees
- GCC: Q2 14 burdened by intangible write-downs, which did not recur in Q2 15; GCC has to be read in conjunction with IC elimination
- HU: qoq improvement due to booking of full annual banking tax in Q1 15, yoy improvement due to FX conversion charges in Q2 14
- AT/SB: yoy and qoq improvement primarily driven by valuation effects
- AT/OA: qoq decline due to higher provisions for contingent credit risk liabilities
- CZ: Q2 15 benefitted from lack of EU resolution fund contribution, which burdened Q1 15
- Other: see GCC explanation; Other segment mirrors developments in GCC and IC elimination

Business performance: net result –

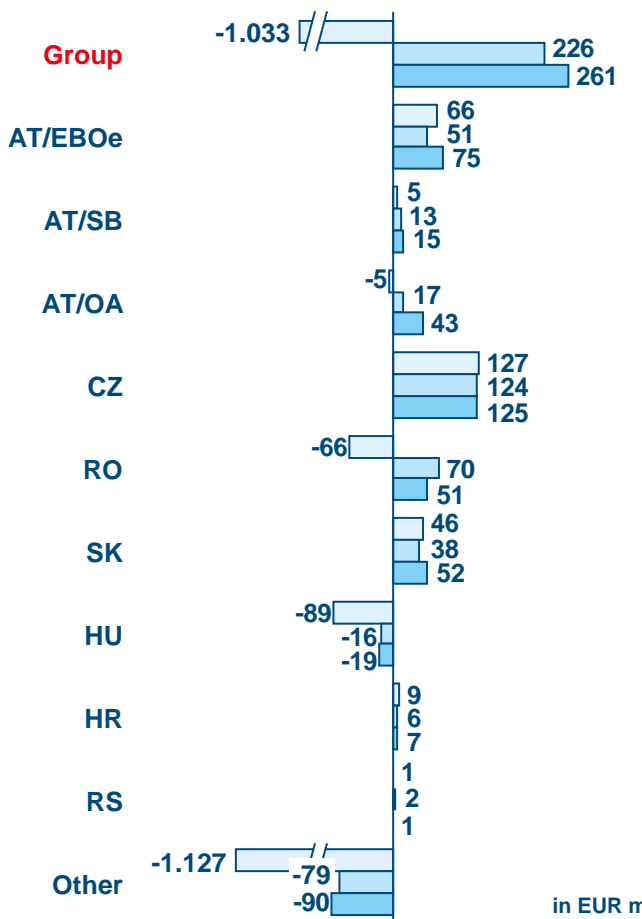
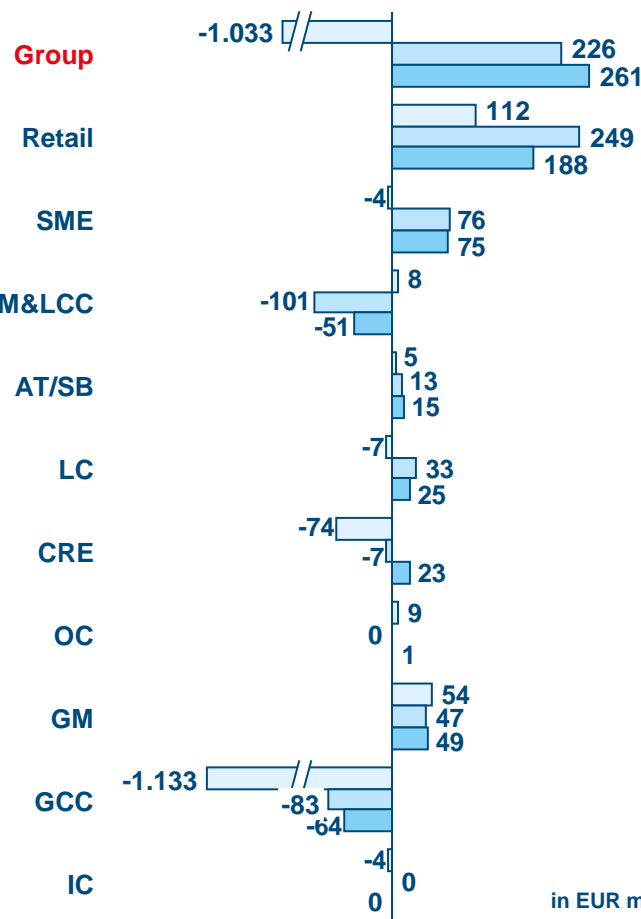
Q2 15 net result confirms return to profitability in Q1 15



Net result by business line

Net result by geography

Highlights



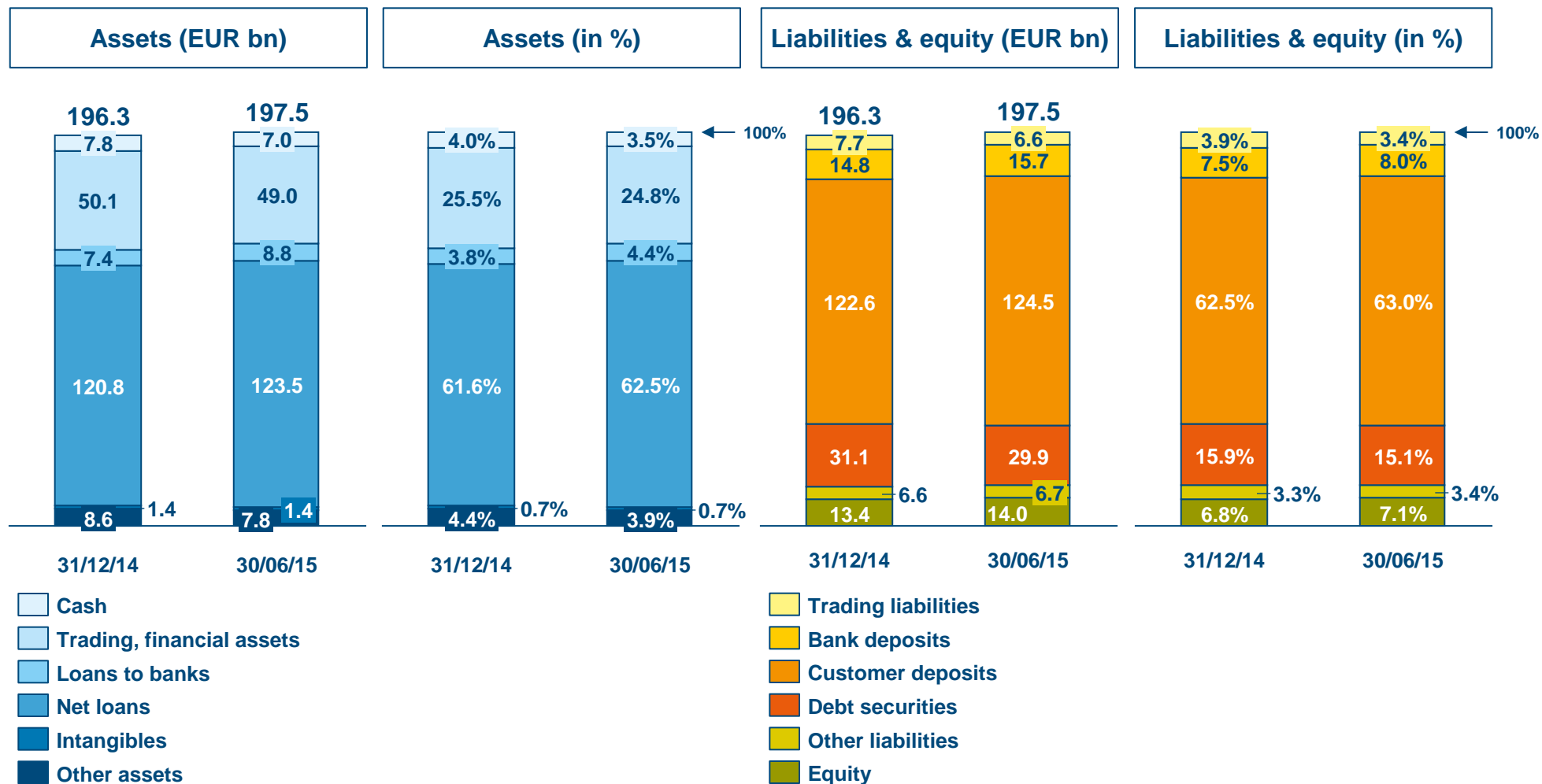
- Q2 15 net profit confirms turnaround achieved in Q1 15, driven by Austria, Romania, Hungary and Other segments
- LC and CRE improve almost entirely on risk cost reduction, Retail on better other result
- ALM&LCC: qoq improvement driven by resolution fund contributions
- GCC and Other segment: net result benefits from lack of extraordinary intangible write-downs in Q2 15
- RO: big swing in profitability in Q1 15 confirmed in Q2 15 as risk costs remain low
- AT/EBOe: qoq improvement driven by releases of risk provisions
- HU: yoy improvement due to FX conversion charges in Q2 14, which did not recur in Q2 15; qoq flat as HU banking tax in Q1 15 was replaced by higher risk costs in Q2 15
- Return on equity advances to 10.2% in Q2 15, following 9.0% in Q1 15 and -37.6% in Q2 14
- Cash return on equity advances to 10.2% in Q2 15, following 9.1% in Q1 15 and -6.9% in Q2 14

Presentation topics

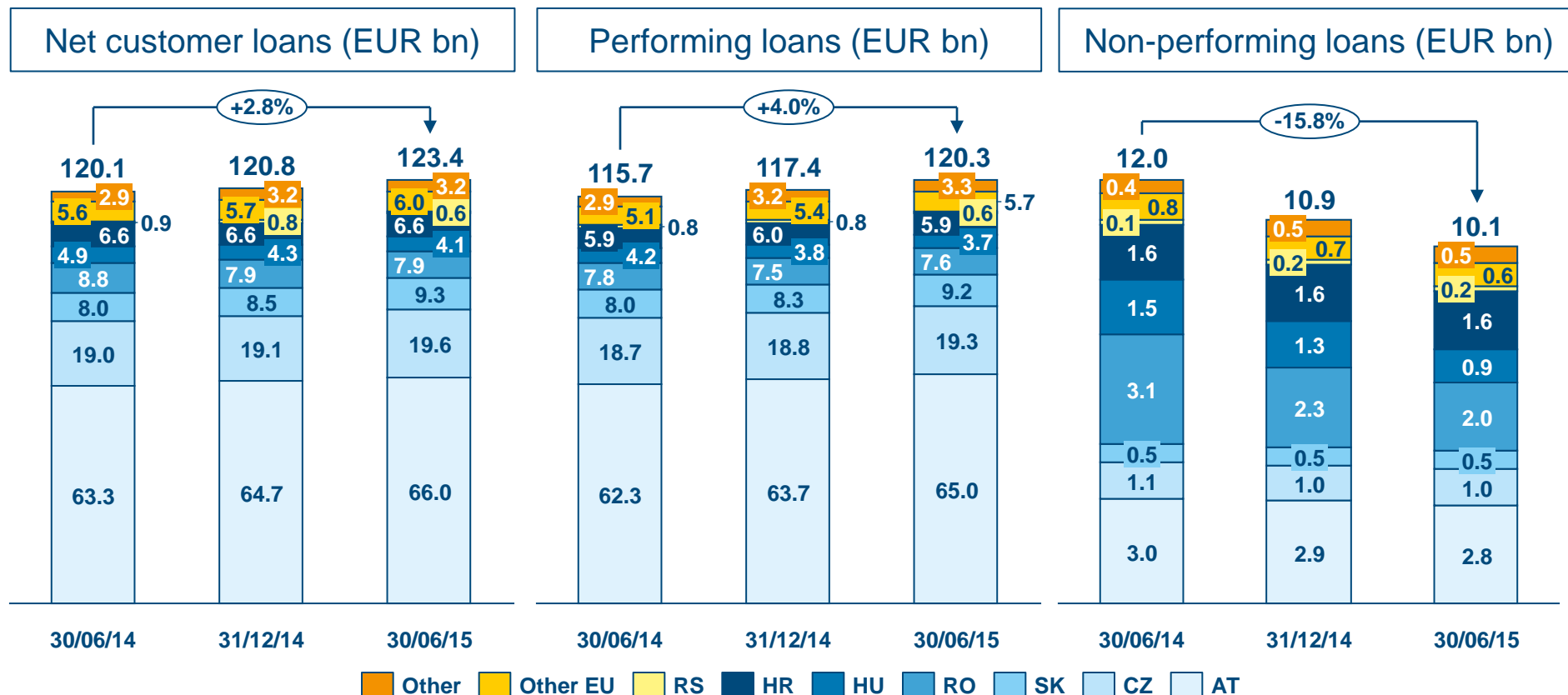
- Executive summary
- Business environment
- Business performance
- **Assets and liabilities**
- Outlook
- Additional information

Assets and liabilities: YTD overview –

Loan/deposit ratio stable at 99.2% (Dec 14: 98.6%)



Assets and liabilities: customer loans by country of risk – Performing loans up 4.0% yoy, NPLs down 15.8%

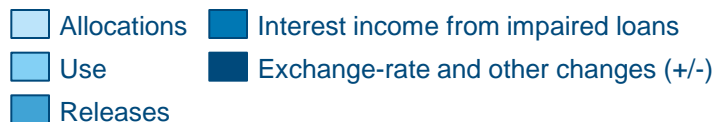
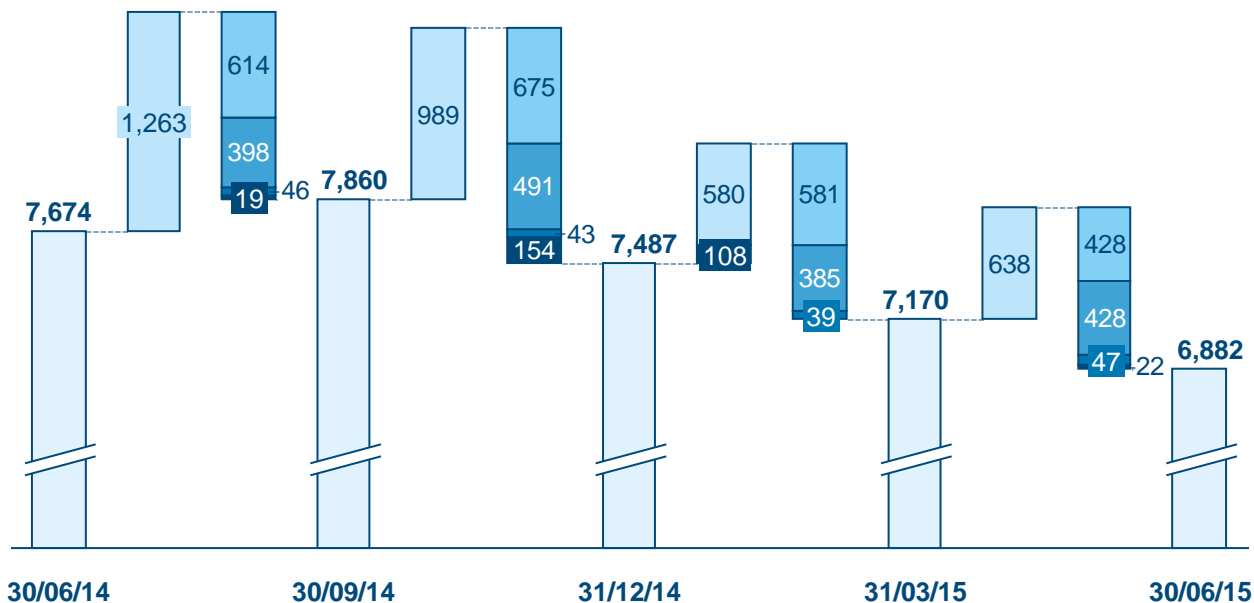


- Performing loan growth accelerates, driven by Austria, Slovakia and Czech Republic, Other EU and Other:
 - QOQ increase in Austria due to growth in corporate business, yoy growth driven by retail
 - Slight increase in performing loans in Romania, continued decline in Hungary
- 15.8% yoy decline in NPL stock mainly driven by NPL sales und upgrades across most geographies

Assets and liabilities: allowances for customer loans –

Decrease in allowances mainly due to continued NPL reduction in Q2 15

Quarterly development (EUR m)



Highlights

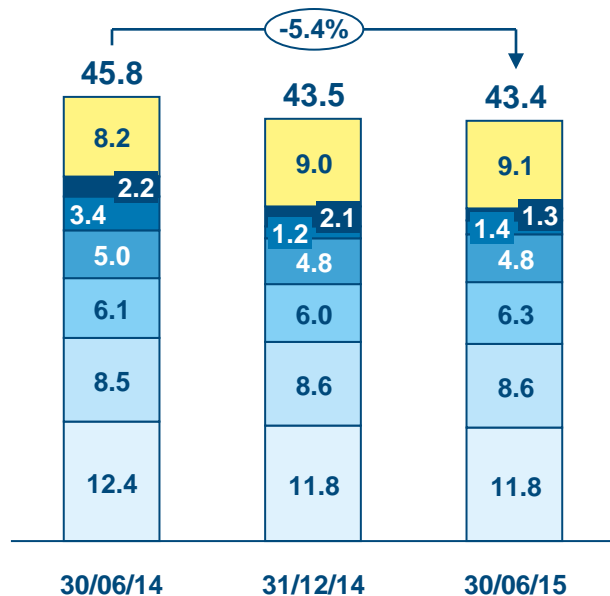
- Low gross NPL inflows result in lower allocations and lower risk costs in Q2 15
- Moderate level of NPL sales in Q2 15
- P&L unwinding impact = interest income from impaired loans = EUR 47m in Q2 15 (Q2 14: EUR 58m, Q1 15: EUR 39m)

Unwinding impact explained

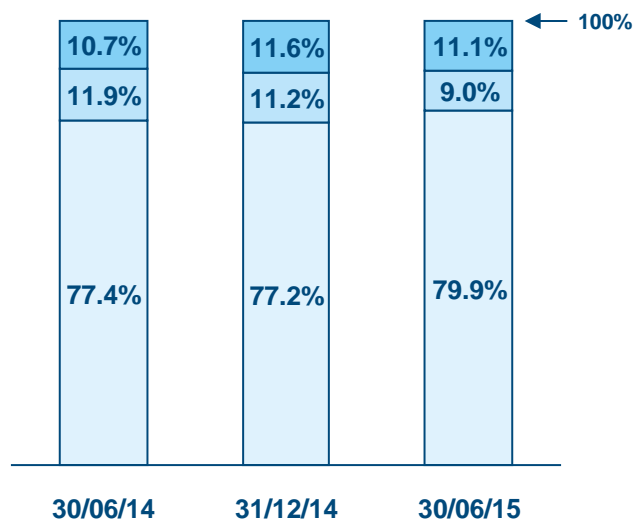
- Erste Group does not accrue interest on NPLs
- When a loan turns NPL Erste Group estimates the recoverable amount and the time frame of recovery
- The recoverable amount is discounted to present (at the effective interest rate of the underlying contract) and a provision reflecting the time value of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

Assets and liabilities: financial and trading assets * – LCR at comfortable 118%

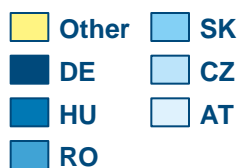
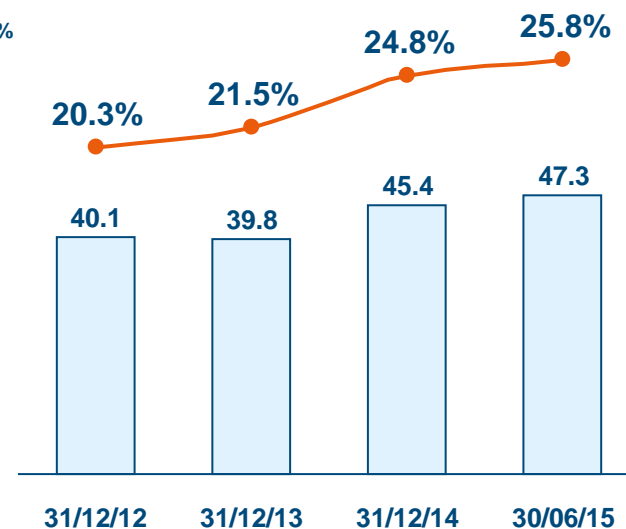
By geography (EUR bn)



By debtor type



Liquidity buffer (EUR bn)



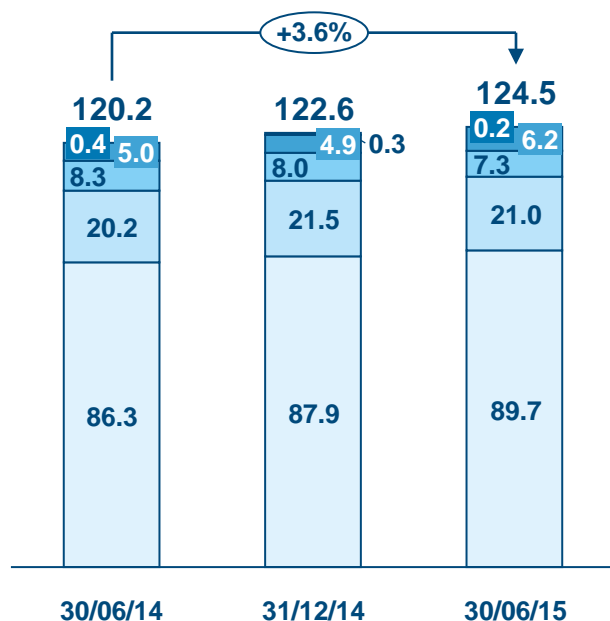
- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

* Excludes derivatives held for trading.

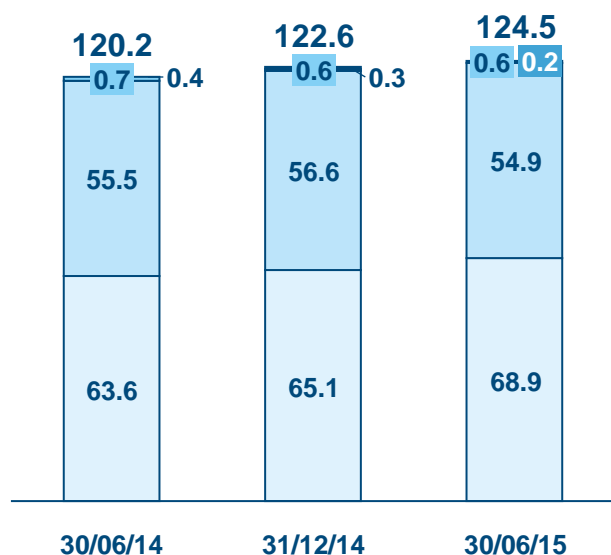
Assets and liabilities: customer deposit funding –

Customer deposits grow by 1.6% ytd, up 3.6% yoy

By customer type



By product type



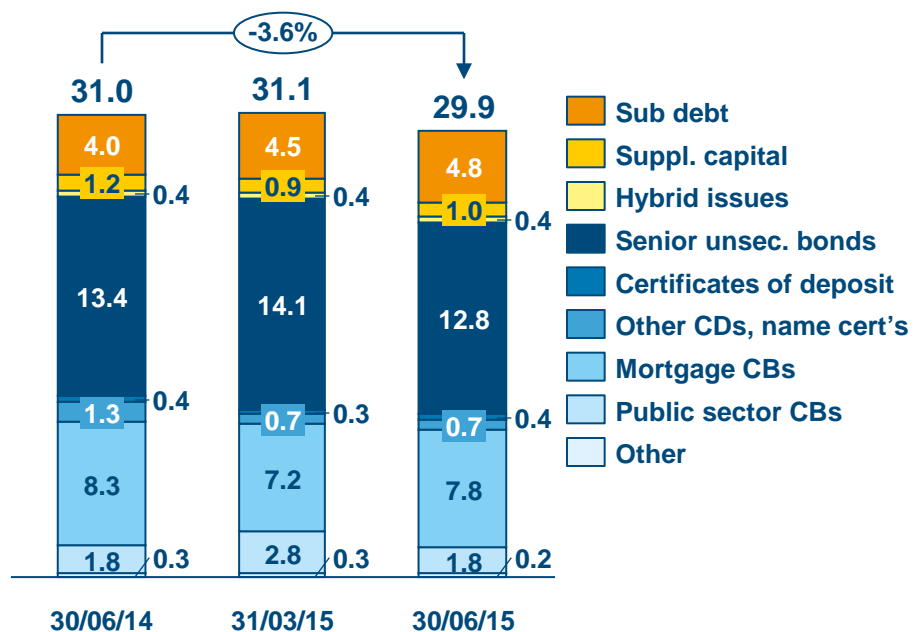
Highlights

- Erste Group benefits from excellent funding position in retail segment
- Decline in corporate deposits ytd driven by significantly higher volatility than in retail
- Increasing share of overnight deposits provides a cost effective funding source



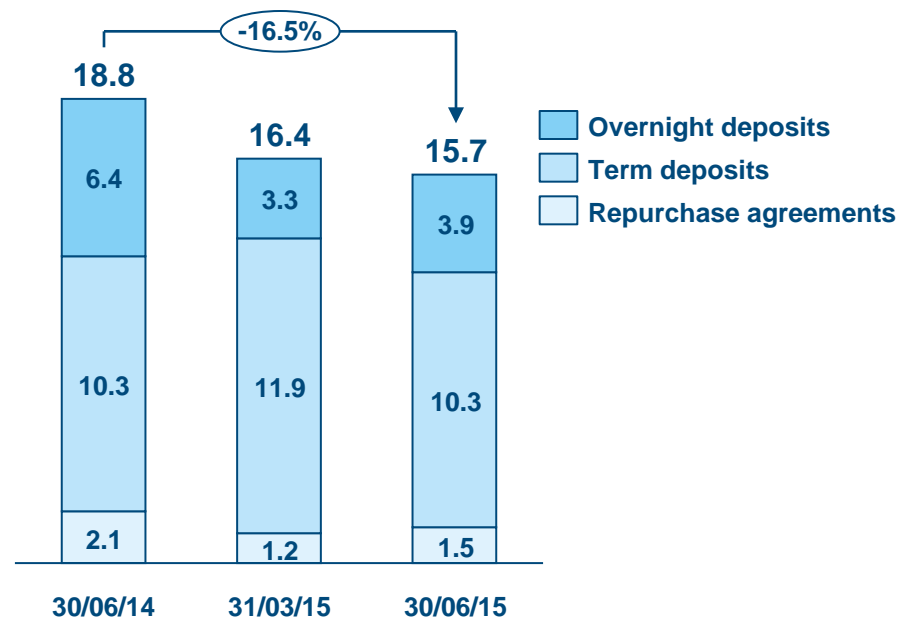
Assets and liabilities: debt vs interbank funding – Stable wholesale funding base

Debt securities issued (EUR bn)



- YOY increase in subordinated debt attributable to tier 2 benchmark issue in November 2014 and private placements in H1 15
- QOQ increase in mortgage covered bonds due to issuance of 10y EUR 500m CB at MS+6bps
- Decline in senior unsecured bonds due to maturities

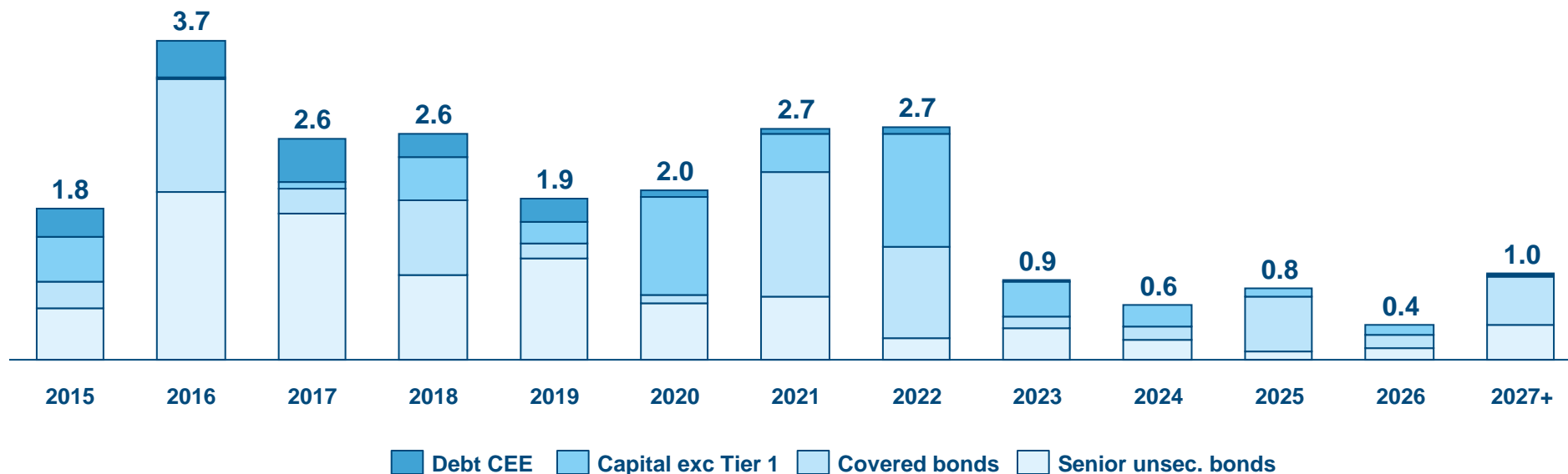
Interbank deposits (EUR bn)



- QOQ and yoy decrease in interbank deposits mainly due to slight balance sheet reduction

Assets and liabilities: LT funding – Limited LT funding needs

Maturity profile of debt (EUR bn)



- Increased appetite for issues in covered bond format led to a successful EUR 500m 10y mortgage Pfandbrief (MS + 6 bps) in the first quarter
- Historically low refinancing cost result in an ongoing prolongation of the redemption profile (average maturity of issues during 2015 amounted to 8 years)
- Issuance of EUR 1.3bn has been achieved in the first 6 months, which is more than half of the yearly funding target

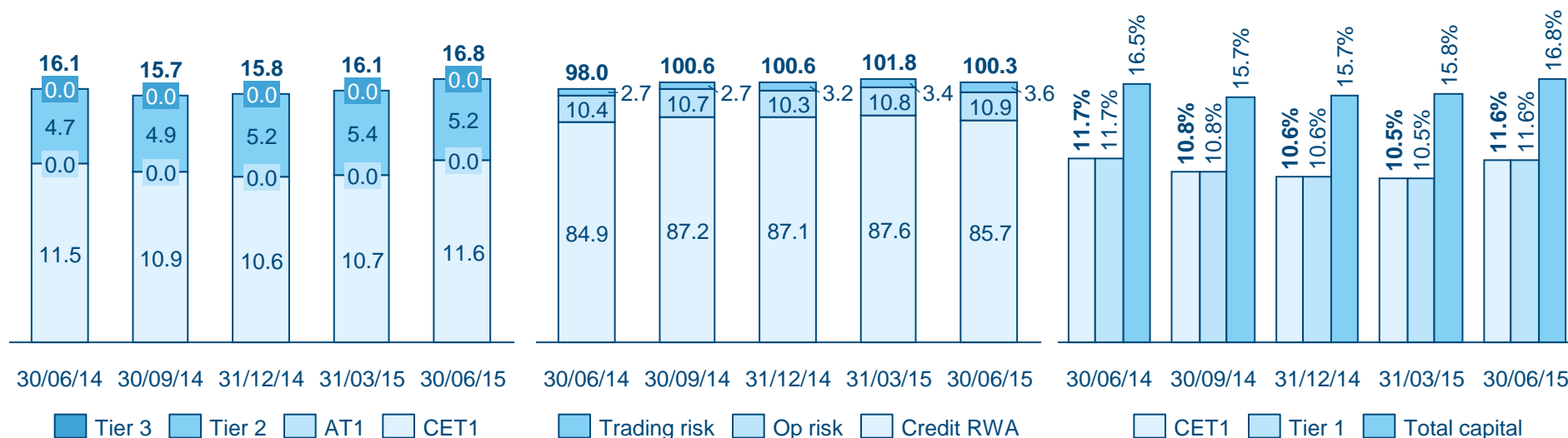
Assets and liabilities: capital position –

B3FL CET1 ratio reaches 11.3% at 30 June 15, phased-in CET1 ratio at 11.6%

Basel 3 capital (phased-in)

Risk-weighted assets (phased-in)

Basel 3 capital ratios (phased-in)



- Strong rise in CET 1 capital due to:

- Inclusion of ytd interim profit
- Reversal of risk cost deduction of Q1 15
- Higher minority capital at Q2 15 due to inclusion of ytd profit

- Reduction in credit RWA more than offset slight qoq increases in op & trading risk:

- Portfolio changes (upgrades and migration to default) led to decline of EUR -0.8bn
- Method effects reduced RWA by EUR -0.6bn
- B3FL RWA slightly down qoq to EUR 101.5bn

- B3FL CET1 ratio at 11.3% at 30 June 2015 (YE 2014: 10.6%) mainly driven by lack of temporary capital effects (see left) in H1 15 and slight ytd and qoq reduction in RWAs
- B3FL total capital ratio at 16.3%

Presentation topics

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

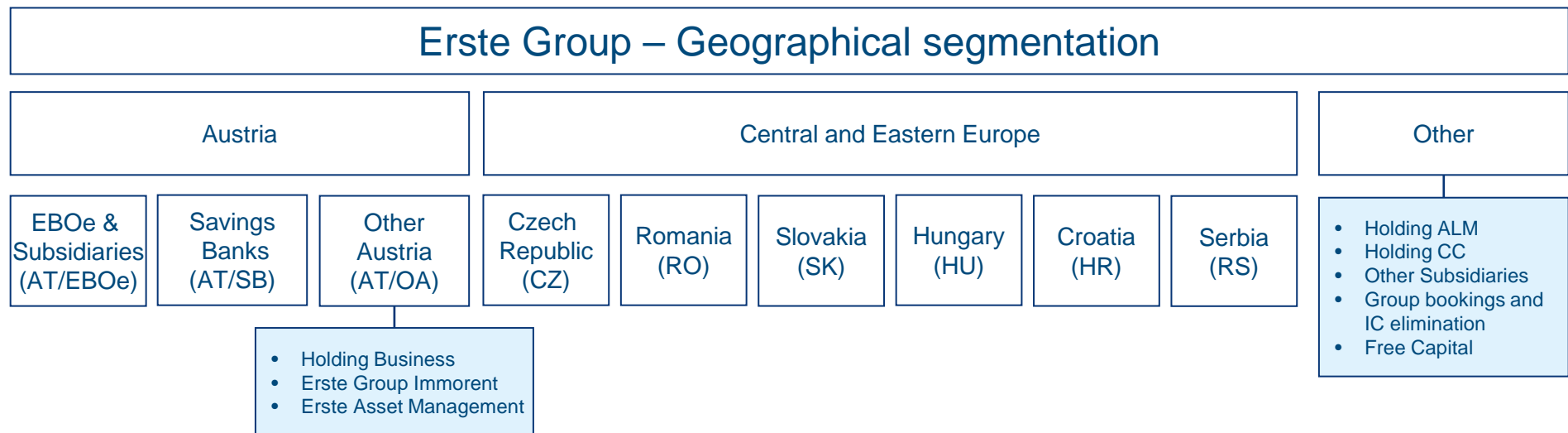
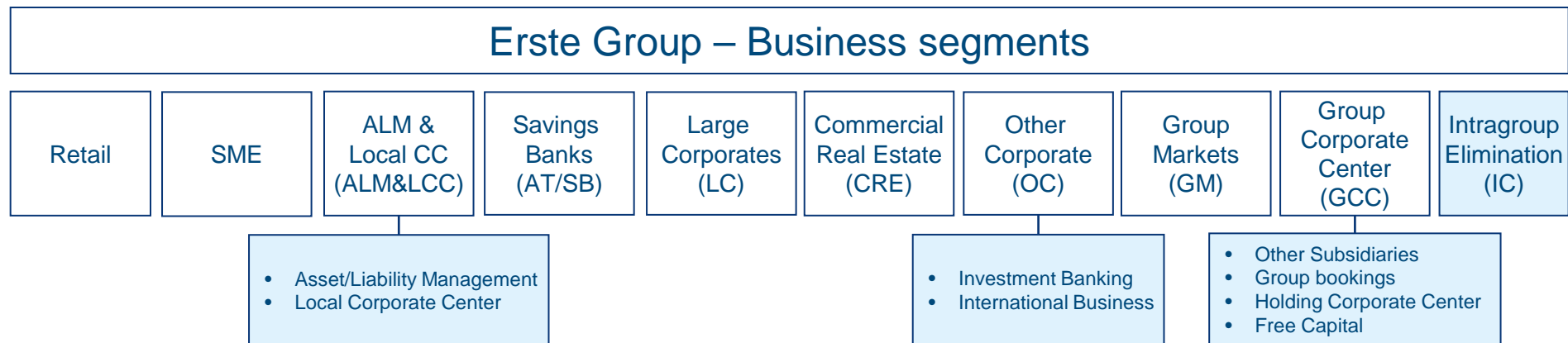
Conclusion – Outlook

- **Operating environment anticipated to be conducive to credit expansion**
 - Real GDP growth of between 2-4% expected in 2015 in all major CEE markets, except Croatia
 - Real GDP growth to be driven by solid domestic demand
 - Real GDP growth in Austria expected at below 1% in 2015
- **Return on tangible equity (ROTE) expected at 8-10% in 2015 (YE 14 TE: EUR 8.4bn)**
 - Operating result expected to decline in the mid-single digits on the back of lower but sustainable operating results in Hungary (due to FX conversion related effect of lower average volume) and Romania (lower unwinding impact) as well as persistent low interest rate environment
 - Loan growth expected in the low single digits in 2015
 - Risk costs expected to decline to about EUR 0.9-1.1bn
 - Banking levies expected at about EUR 360m in 2015, including parallel contributions to national as well as European bank resolution and deposit insurance funds; related discussions with Austrian government still ongoing
- **Risks to guidance**
 - Consumer protection initiatives, e.g. CHF borrower support scheme in Croatia
 - Geopolitical risks resulting in potentially negative economic impacts

Presentation topics

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

Additional information: new segmentation – Business line and geographic view



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

| in EUR million | Year-to-date view | | | Quarterly view | | | | |
|---|-------------------|----------------|--------------|-----------------|--------------|--------------|--------------|--------------|
| | 1-6 14 | 1-6 15 | YOY-Δ | Q2 14 | Q1 15 | Q2 15 | YOY-Δ | QOQ-Δ |
| Net interest income | 2,243.6 | 2,211.9 | -1.4% | 1,119.7 | 1,098.5 | 1,113.4 | -0.6% | 1.4% |
| Net fee and commission income | 907.0 | 917.4 | 1.1% | 454.9 | 461.0 | 456.3 | 0.3% | -1.0% |
| Dividend income | 29.9 | 32.1 | 7.3% | 15.4 | 7.4 | 24.8 | 61.3% | >100.0% |
| Net trading and fair value result | 138.0 | 136.5 | -1.1% | 87.7 | 72.4 | 64.1 | -26.9% | -11.4% |
| Net result from equity method investments | 11.5 | 9.7 | -15.8% | 8.3 | 4.7 | 5.0 | -39.9% | 7.7% |
| Rental income from investment properties & other operating leases | 91.6 | 91.7 | 0.1% | 45.1 | 45.1 | 46.6 | 3.3% | 3.3% |
| Personnel expenses | -1,091.9 | -1,113.9 | 2.0% | -546.1 | -554.0 | -559.9 | 2.5% | 1.1% |
| Other administrative expenses | -557.6 | -559.6 | 0.3% | -265.2 | -281.1 | -278.5 | 5.0% | -1.0% |
| Depreciation and amortisation | -246.8 | -223.3 | -9.5% | -121.8 | -112.9 | -110.4 | -9.4% | -2.3% |
| Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net | 1.2 | 36.0 | >100.0% | 4.9 | 10.9 | 25.2 | >100.0% | >100.0% |
| Net impairment loss on financial assets not measured at fair value through profit or loss | -796.1 | -373.9 | -53.0% | -431.9 | -183.1 | -190.8 | -55.8% | 4.2% |
| Other operating result | -1,271.8 | -200.6 | -84.2% | -1,152.0 | -153.5 | -47.1 | -95.9% | -69.3% |
| Levies on banking activities | -154.1 | -137.2 | -10.9% | -54.3 | -91.8 | -45.4 | -16.4% | -50.5% |
| Pre-tax result from continuing operations | -541.5 | 964.1 | n/a | -781.0 | 415.2 | 548.8 | n/a | 32.2% |
| Taxes on income | -335.6 | -273.4 | -18.5% | -235.9 | -118.6 | -154.8 | -34.4% | 30.5% |
| Net result for the period | -877.1 | 690.7 | n/a | -1,016.9 | 296.6 | 394.0 | n/a | 32.8% |
| Net result attributable to non-controlling interests | 52.7 | 203.4 | >100.0% | 16.2 | 70.8 | 132.6 | >100.0% | 87.2% |
| Net result attributable to owners of the parent | -929.7 | 487.2 | n/a | -1,033.1 | 225.8 | 261.4 | n/a | 15.8% |
| Operating income | 3,421.7 | 3,399.4 | -0.7% | 1,731.1 | 1,689.1 | 1,710.3 | -1.2% | 1.3% |
| Operating expenses | -1,896.4 | -1,896.8 | 0.0% | -933.1 | -948.1 | -948.7 | 1.7% | 0.1% |
| Operating result | 1,525.3 | 1,502.6 | -1.5% | 798.0 | 741.0 | 761.6 | -4.6% | 2.8% |

Additional information: group balance sheet – Assets

| in EUR million | Quarterly data | | | | | Change | | |
|---|----------------|----------------|----------------|----------------|----------------|--------------|-------------|--------------|
| | Jun 14 | Sep 14 | Dec 14 | Mar 15 | Jun 15 | YOY-Δ | YTD-Δ | QOQ-Δ |
| Cash and cash balances | 7,267 | 8,010 | 7,835 | 8,223 | 7,011 | -3.5% | -10.5% | -14.7% |
| Financial assets - held for trading | 12,954 | 11,641 | 10,531 | 11,366 | 9,022 | -30.4% | -14.3% | -20.6% |
| Derivatives | 6,480 | 7,611 | 7,173 | 7,628 | 5,613 | -13.4% | -21.7% | -26.4% |
| Other trading assets | 6,474 | 4,030 | 3,357 | 3,738 | 3,409 | -47.3% | 1.5% | -8.8% |
| Financial assets - at fair value through profit or loss | 456 | 444 | 350 | 271 | 269 | -40.9% | -23.0% | -0.7% |
| Financial assets - available for sale | 21,923 | 21,940 | 22,373 | 23,187 | 21,804 | -0.5% | -2.5% | -6.0% |
| Financial assets - held to maturity | 16,955 | 17,026 | 16,877 | 17,462 | 17,949 | 5.9% | 6.4% | 2.8% |
| Loans and receivables to credit institutions | 8,548 | 7,166 | 7,442 | 8,345 | 8,775 | 2.7% | 17.9% | 5.2% |
| Loans and receivables to customers | 120,005 | 120,451 | 120,834 | 123,437 | 123,504 | 2.9% | 2.2% | 0.1% |
| Derivatives - hedge accounting | 2,489 | 2,764 | 2,872 | 2,914 | 2,181 | -12.3% | -24.0% | -25.1% |
| Changes in fair value of portfolio hedged items | 0 | 0 | 0 | 0 | 0 | n/a | n/a | n/a |
| Property and equipment | 2,347 | 2,356 | 2,264 | 2,340 | 2,330 | -0.7% | 2.9% | -0.4% |
| Investment properties | 975 | 952 | 950 | 947 | 805 | -17.5% | -15.3% | -15.0% |
| Intangible assets | 1,438 | 1,456 | 1,441 | 1,415 | 1,395 | -2.9% | -3.2% | -1.4% |
| Investments in associates and joint ventures | 211 | 191 | 195 | 190 | 194 | -8.2% | -0.5% | 2.0% |
| Current tax assets | 101 | 107 | 107 | 107 | 150 | 48.3% | 40.2% | 40.5% |
| Deferred tax assets | 411 | 461 | 301 | 293 | 255 | -37.9% | -15.3% | -12.9% |
| Assets held for sale | 158 | 150 | 291 | 229 | 429 | >100.0% | 47.4% | 87.5% |
| Other assets | 2,158 | 1,859 | 1,623 | 1,844 | 1,457 | -32.5% | -10.2% | -21.0% |
| Total assets | 198,398 | 196,973 | 196,287 | 202,570 | 197,532 | -0.4% | 0.6% | -2.5% |

Additional information: group balance sheet – Liabilities and equity

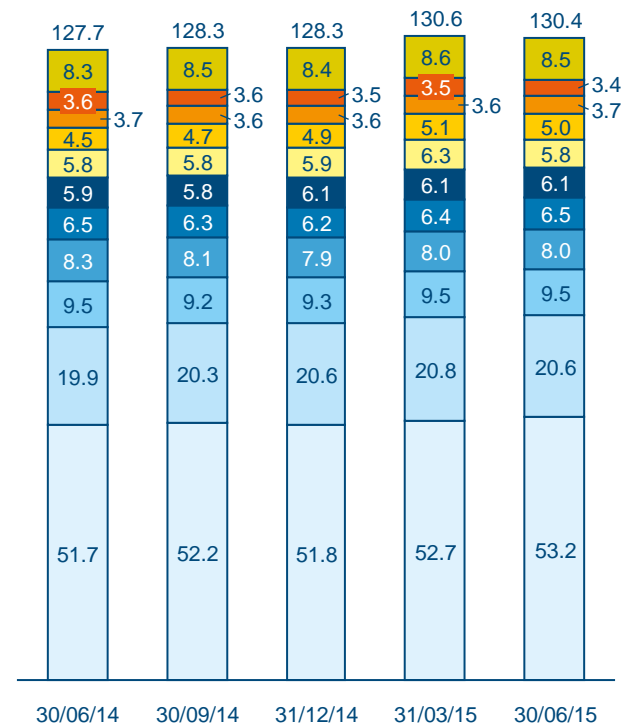
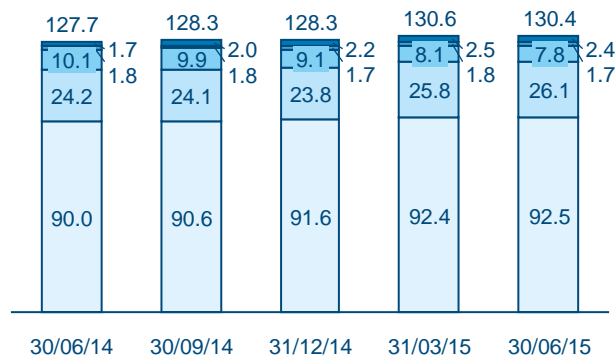
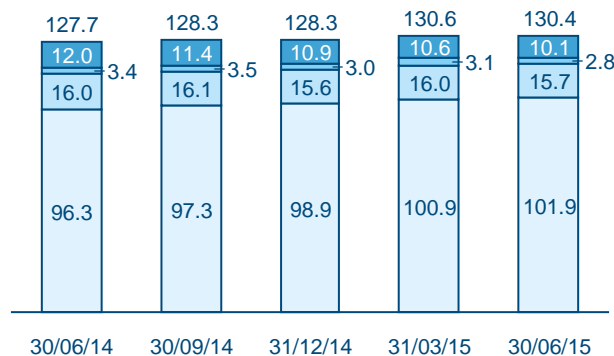
| in EUR million | Quarterly data | | | | | Change | | |
|--|----------------|----------------|----------------|----------------|----------------|---------------|---------------|--------------|
| | Jun 14 | Sep 14 | Dec 14 | Mar 15 | Jun 15 | YOY-Δ | YTD-Δ | QOQ-Δ |
| Financial liabilities - held for trading | 7,152 | 8,488 | 7,746 | 8,988 | 6,632 | -7.3% | -14.4% | -26.2% |
| Derivatives | 6,347 | 7,563 | 7,188 | 8,163 | 5,875 | -7.4% | -18.3% | -28.0% |
| Other trading liabilities | 805 | 925 | 558 | 824 | 758 | -5.9% | 35.8% | -8.1% |
| Financial liabilities - at fair value through profit or loss | 2,278 | 2,161 | 2,073 | 1,966 | 1,881 | -17.4% | -9.3% | -4.3% |
| Deposits from banks | 0 | 0 | 0 | 0 | 0 | n/a | n/a | n/a |
| Deposits from customers | 435 | 363 | 320 | 257 | 237 | -45.5% | -25.8% | -7.7% |
| Debt securities issued | 1,843 | 1,797 | 1,753 | 1,709 | 1,644 | -10.8% | -6.2% | -3.8% |
| Other financial liabilities | 0 | 0 | 0 | 0 | 0 | n/a | n/a | n/a |
| Financial liabilities measured at amortised cost | 168,155 | 166,139 | 166,921 | 170,616 | 168,769 | 0.4% | 1.1% | -1.1% |
| Deposits from banks | 18,803 | 16,483 | 14,803 | 16,389 | 15,704 | -16.5% | 6.1% | -4.2% |
| Deposits from customers | 119,814 | 119,698 | 122,263 | 124,495 | 124,296 | 3.7% | 1.7% | -0.2% |
| Debt securities issued | 29,190 | 29,414 | 29,387 | 29,143 | 28,270 | -3.1% | -3.8% | -3.0% |
| Other financial liabilities | 348 | 545 | 469 | 590 | 497 | 42.8% | 6.0% | -15.6% |
| Derivatives - hedge accounting | 724 | 755 | 726 | 833 | 639 | -11.8% | -12.0% | -23.4% |
| Changes in fair value of portfolio hedged items | 983 | 1,072 | 1,225 | 1,277 | 962 | -2.1% | -21.5% | -24.7% |
| Provisions | 1,607 | 1,822 | 1,653 | 1,688 | 1,608 | 0.1% | -2.7% | -4.7% |
| Current tax liabilities | 88 | 95 | 91 | 111 | 121 | 38.0% | 33.3% | 9.7% |
| Deferred tax liabilities | 132 | 199 | 99 | 140 | 85 | -35.5% | -13.9% | -39.1% |
| Liabilities associated with assets held for sale | 0 | 0 | 0 | 0 | 33 | n/a | n/a | n/a |
| Other liabilities | 3,199 | 2,590 | 2,310 | 2,996 | 2,786 | -12.9% | 20.6% | -7.0% |
| Total equity | 14,080 | 13,652 | 13,443 | 13,956 | 14,015 | -0.5% | 4.2% | 0.4% |
| Equity attributable to non-controlling interests | 3,626 | 3,707 | 3,605 | 3,718 | 3,701 | 2.1% | 2.6% | -0.5% |
| Equity attributable to owners of the parent | 10,454 | 9,945 | 9,838 | 10,238 | 10,314 | -1.3% | 4.8% | 0.7% |
| Total liabilities and equity | 198,398 | 196,973 | 196,287 | 202,570 | 197,532 | -0.4% | 0.6% | -2.5% |

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

Gross cust. loans by risk category (EUR bn)

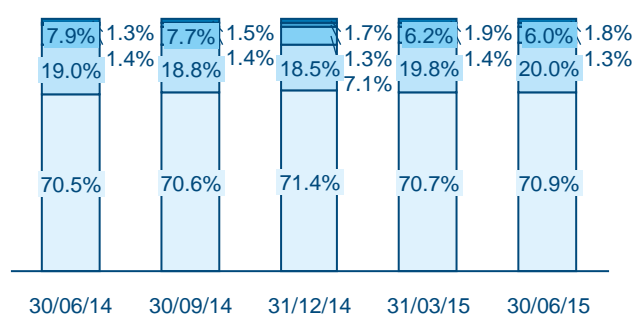
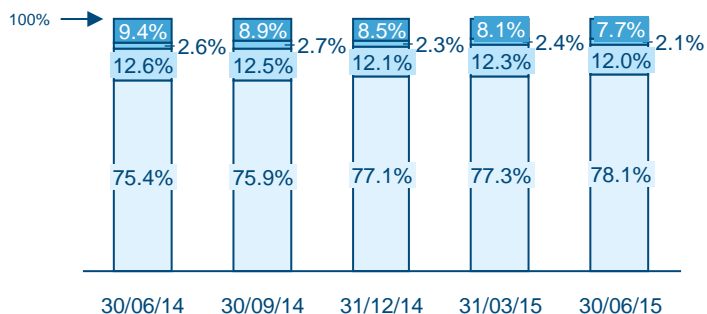
Gross customer loans by currency (EUR bn)

Gross customer loans by industry (EUR bn)



Gross customer loans by risk category in %

Gross customer loans by currency in %



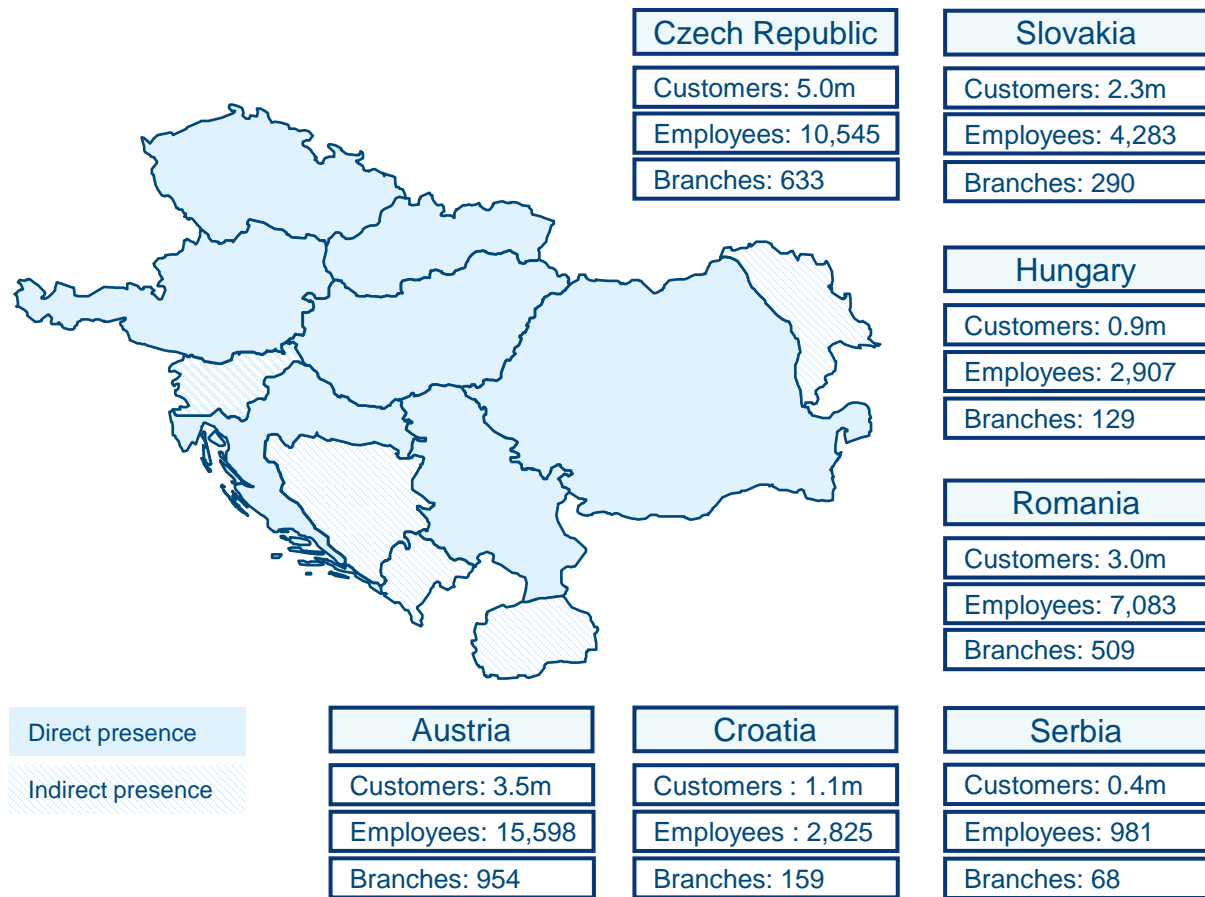
■ Non-performing ■ Management attention
■ Substandard ■ Low risk

■ USD ■ Other ■ CHF ■ CEE-LCY ■ EUR

■ Other ■ Financial inst. ■ Manufacturing
■ Transport & comms ■ Public admin ■ Real estate
■ Tourism ■ Construction ■ Households
■ Services ■ Trade

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 (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

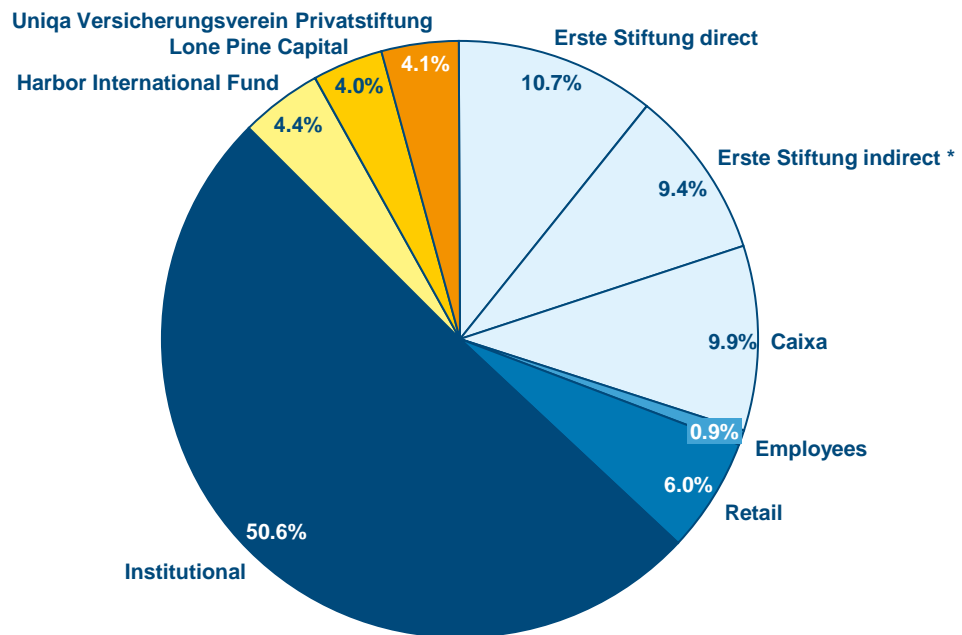
Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

Focus on CEE, limited exposure to other Europe

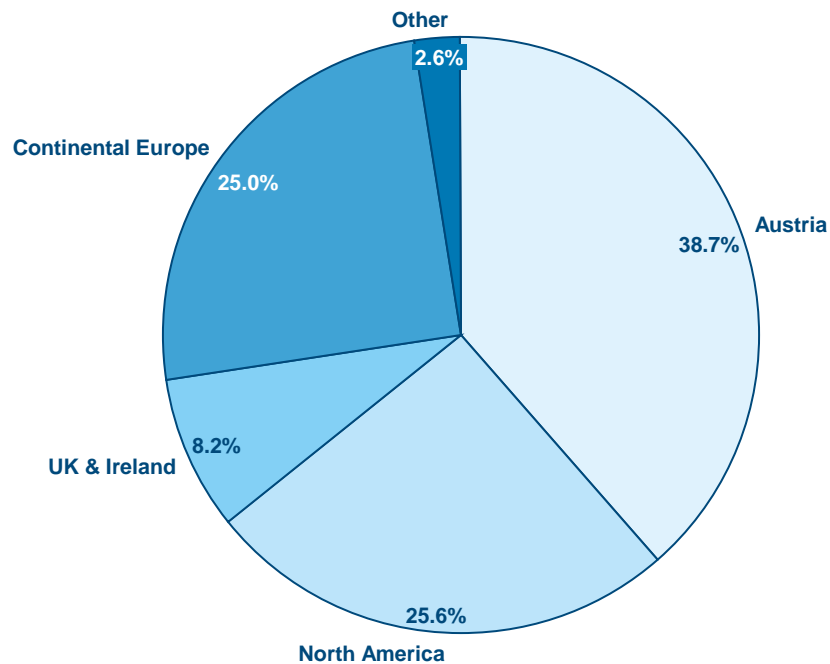
Additional information: shareholder structure –

Total number of shares: 429,800,000

By investor



By region



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