

# Erste Group investor presentation

## Q3 2015 results

6 November 2015

**Erste Group posts net profit of EUR 276.9m in Q3 15 supported by loan growth and improving asset quality**

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Andreas Gottschling, CRO Erste Group

## Disclaimer –

### Cautionary note regarding forward-looking statements

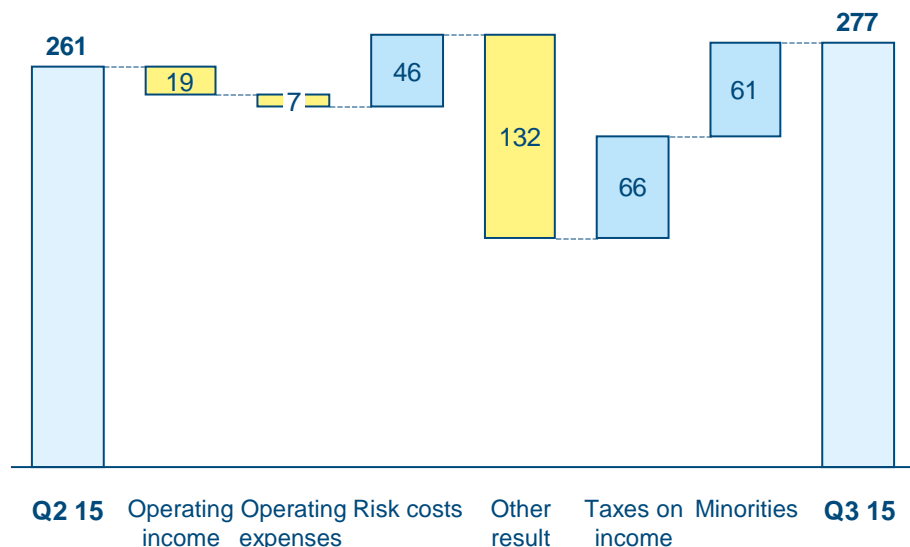
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# Presentation topics

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

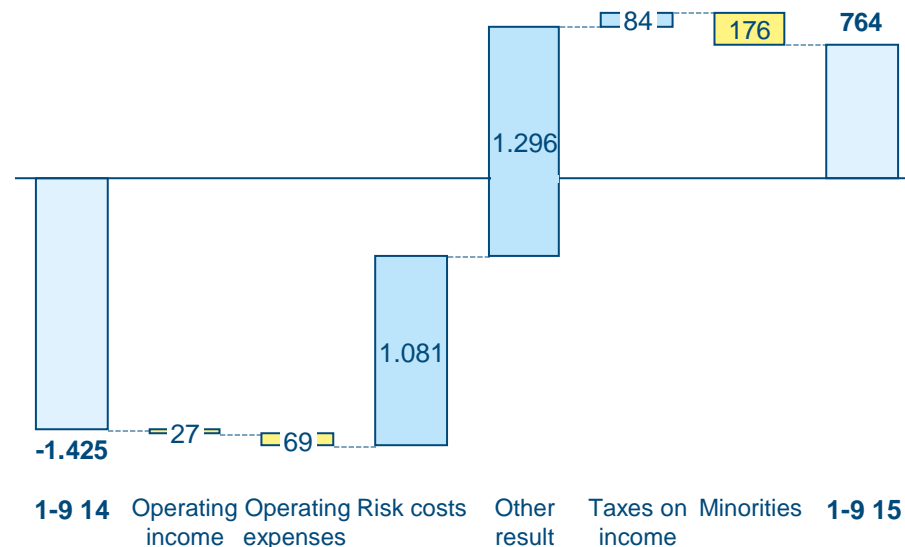
# Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Erste Group Q3 15 net profit rose to EUR 276.9m despite negative one-off related to Croatian CHF conversion (EUR 144.9m pre-tax, pre-minorities), partly offset by lower minorities and tax charges and one-off income of EUR 38.3m (pre-tax) from participation sale
- Q3 15 result supported by broadly stable operating result vs Q2 15 and a significant reduction in risk costs to historically low levels
- Quarterly post-provision operating result at all-time high

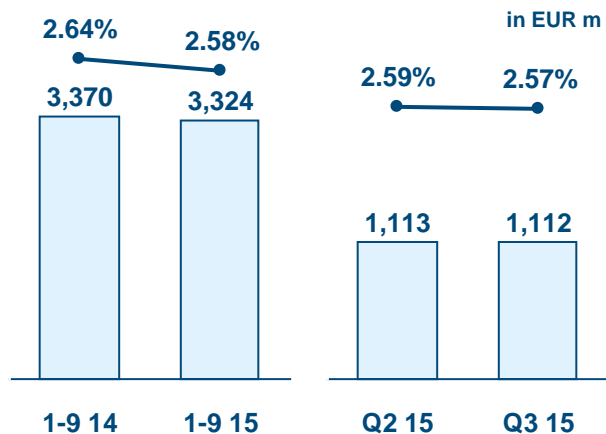
YoY net profit reconciliation (EUR m)



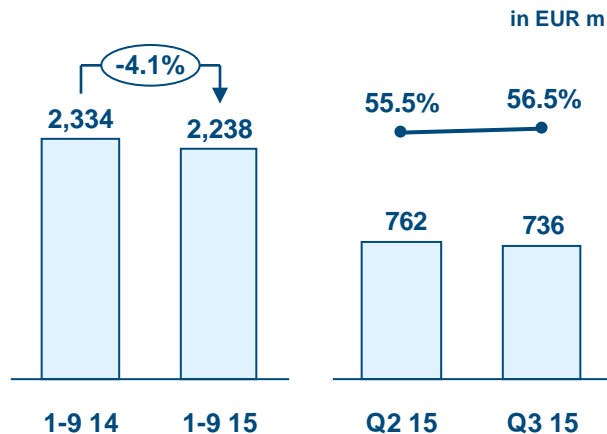
- Erste Group 1-9 15 net profit equalled EUR 764.2m; turnaround driven by strongly improved other result (limited one-offs compared to 1-9 14), significantly lower risk costs, lower tax rate
- Slight decline in operating performance, as revenues held up well despite low interest rate environment; costs increased slightly
- Historically high minority charge due to exceptional risk performance at the savings banks and turnaround in Romania

# Executive summary – Key income statement data

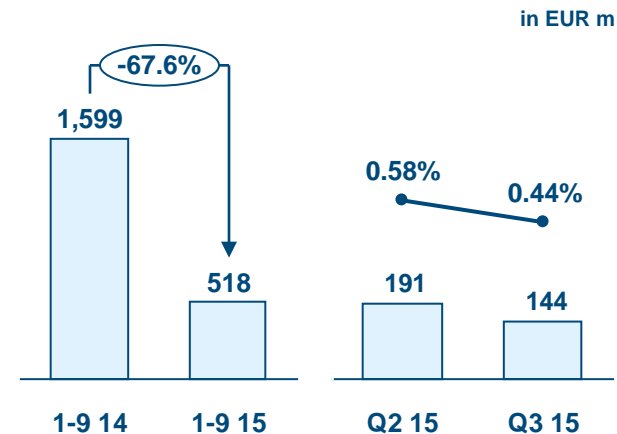
## Net interest income & margin



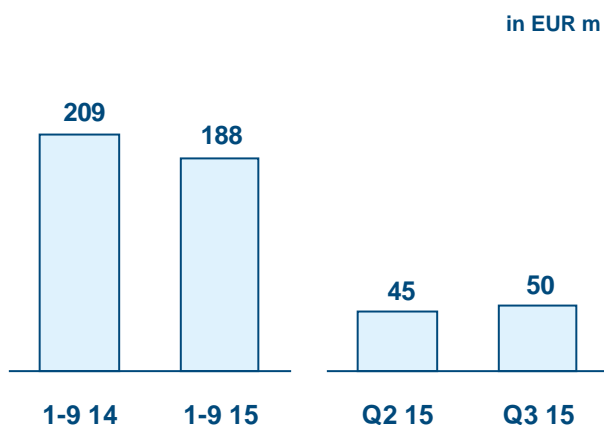
## Operating result & cost/income ratio



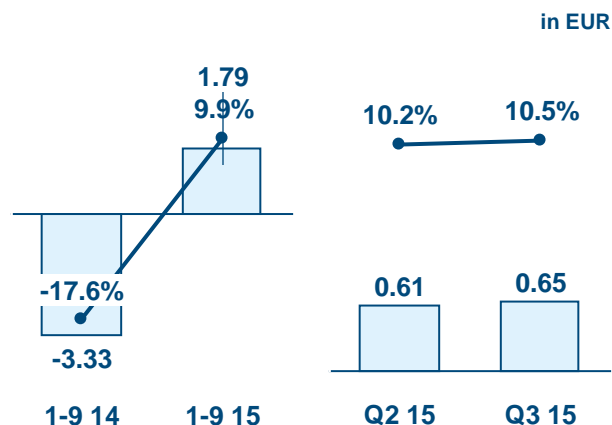
## Cost of risk



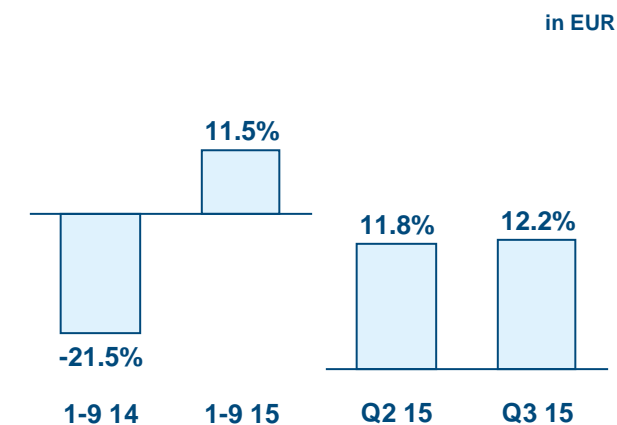
## Banking levies



## Reported EPS & ROE

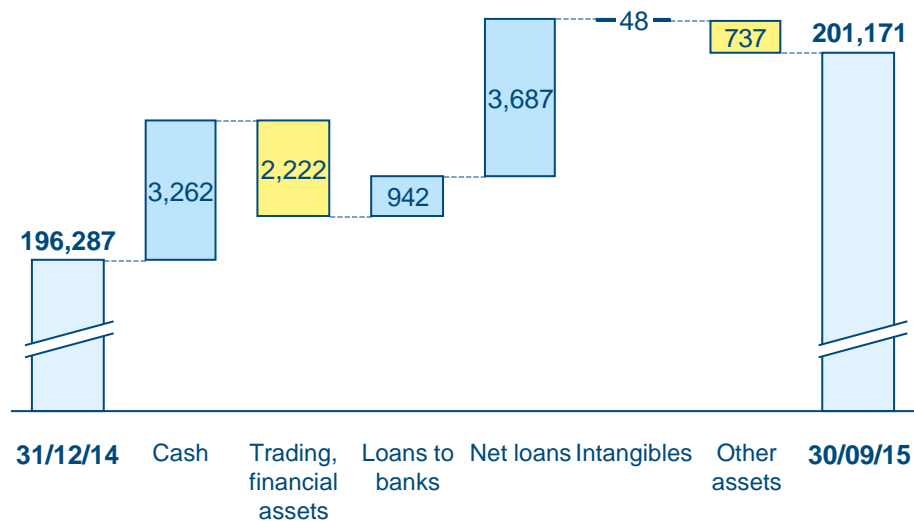


## Return on tangible equity



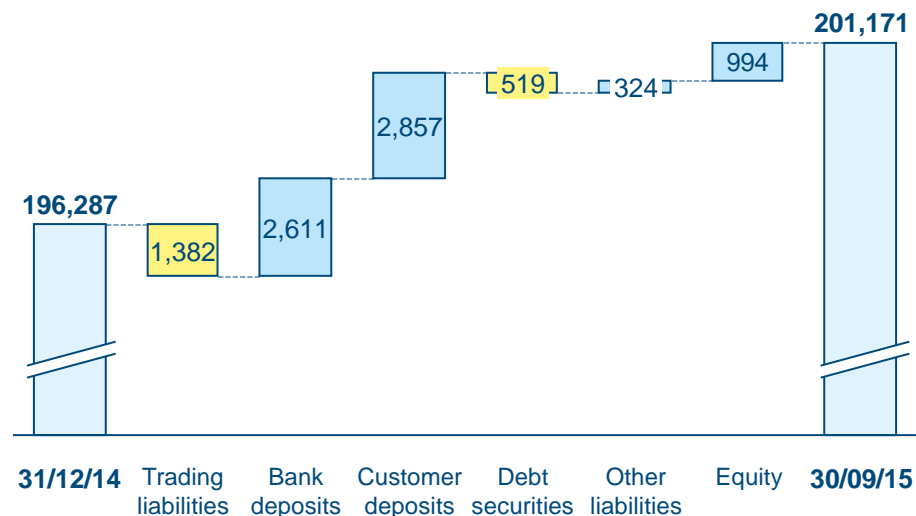
# Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Balance sheet total rises by 2.5% ytd, driven by net loans and higher cash position, which was partly offset by lower stock of trading and financial assets
- Net customer loans rise by 3.1% ytd, supported mainly by solid demand in Slovakia, Czech Republic and Austria and stabilisation in Romania

YTD equity & total liability reconciliation (EUR m)

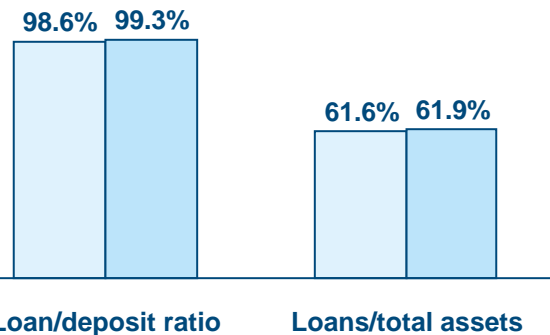


- 2.3% ytd increase in customer deposits was main driver for expanding liabilities
- Decline in trading liabilities more than offset by temporarily higher bank deposits
- 7.4% ytd rise in total equity mainly driven by turnaround in profitability

# Executive summary – Key balance sheet data

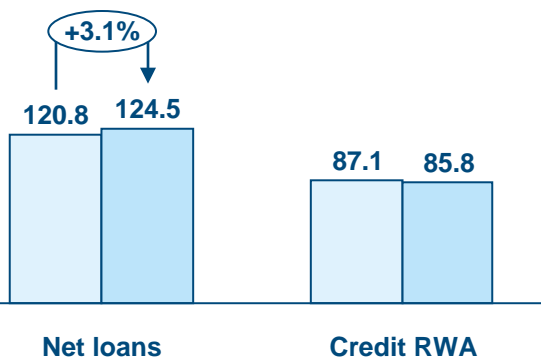
31/12/14  
30/09/15

## Loan/deposit & loan/TA ratio

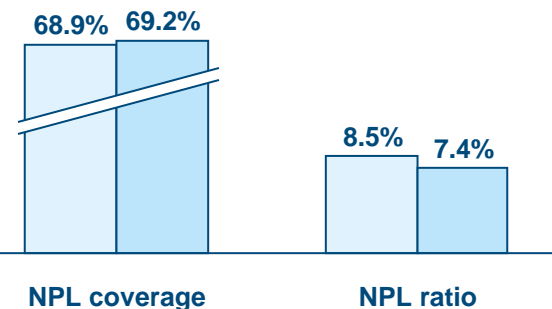


## Net loans & credit RWA

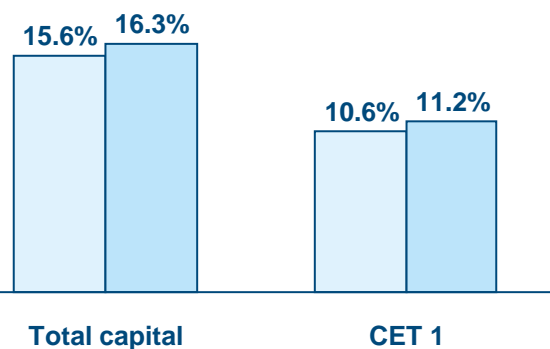
in EUR bn



## NPL coverage ratio & NPL ratio

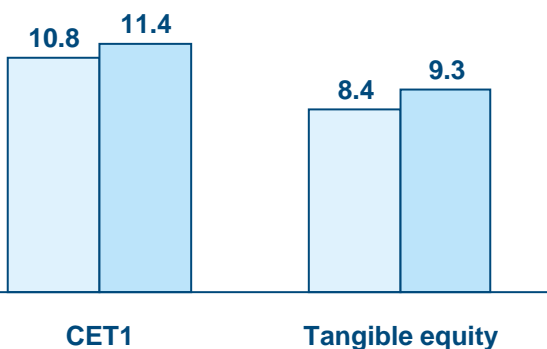


## B3FL capital ratios

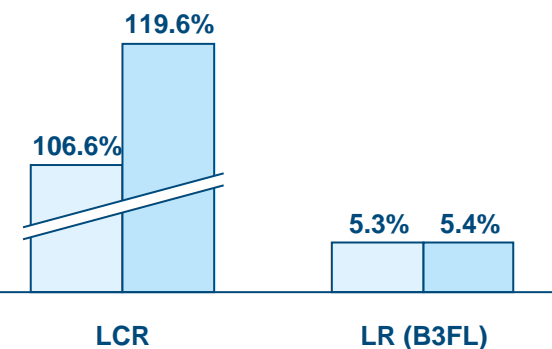


## B3FL capital & tangible equity\*

in EUR bn



## Liquidity coverage & leverage ratio



\* Based on shareholders' equity, not total equity.

# Presentation topics

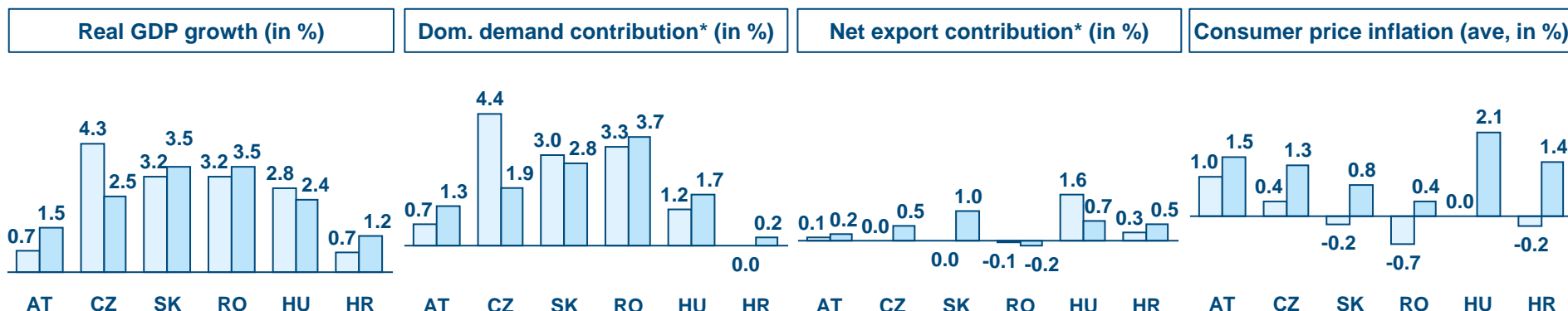
- Executive summary
- **Business environment**
- Business performance
- Assets and liabilities
- Outlook
- Additional information



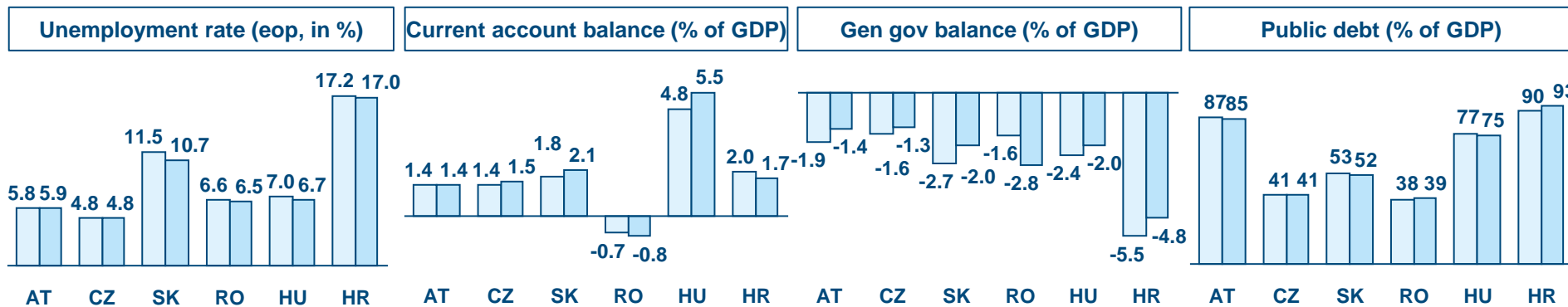
# Business environment –

## 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
  - Consumption is supported by wage increase across the region and deflationary environment in Romania, Slovakia and Hungary



- 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

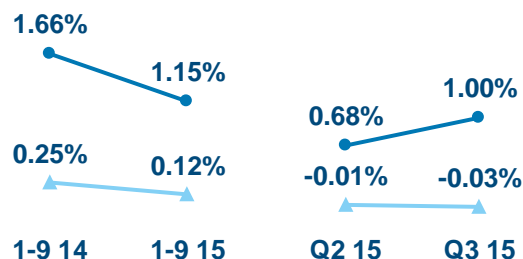
\* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research.

# Business environment –

## Slightly rising long-term interest rates in Q3 15, yoy down

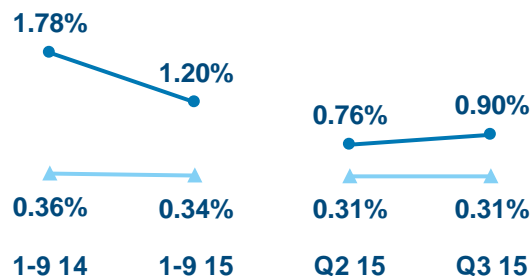
—▲ 3M Interbank  
—● 10YR GOV

### Austria



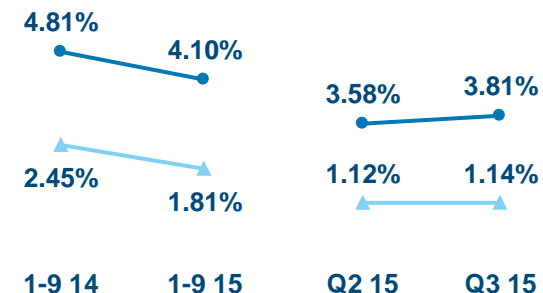
- ECB cut discount rate to 0.05% in Sept 14
- Maintains expansionary monetary policy stance

### Czech Republic



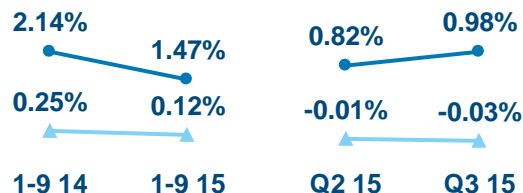
- National bank maintains ultra-low interest rates since November 2012 at 0.05%

### Romania



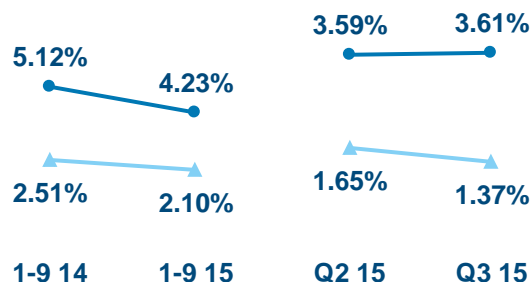
- Central bank cut policy rate to historic low of 1.75% in May 2015

### Slovakia



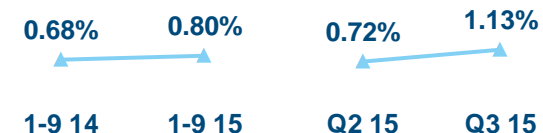
- As part of euro zone ECB rates are applicable in SK

### Hungary



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

### Croatia

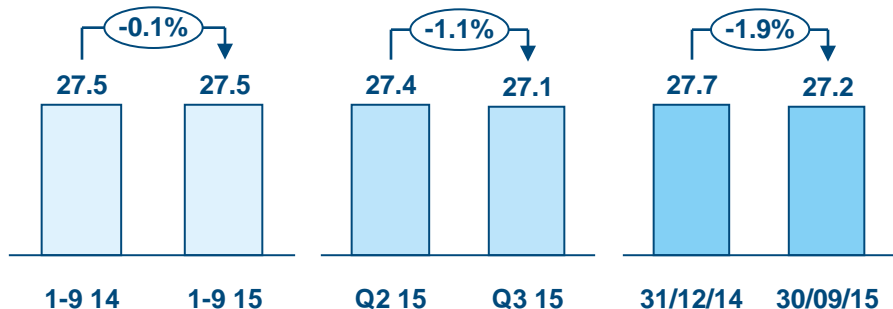


- Central bank maintains discount rate at 7.0% since mid-2011

Source: Bloomberg.

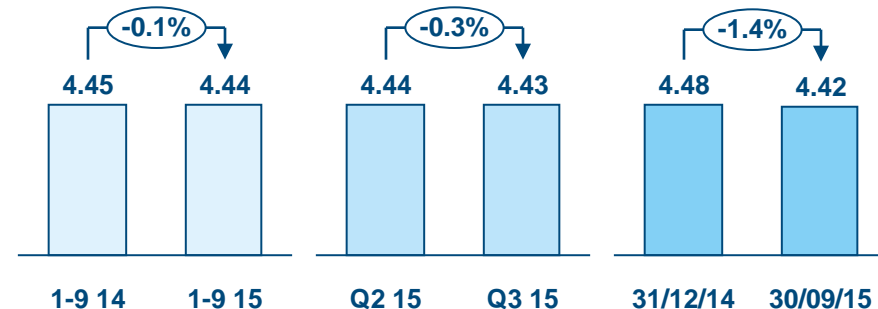
# Business environment – Limited currency volatility in CEE

EUR/CZK



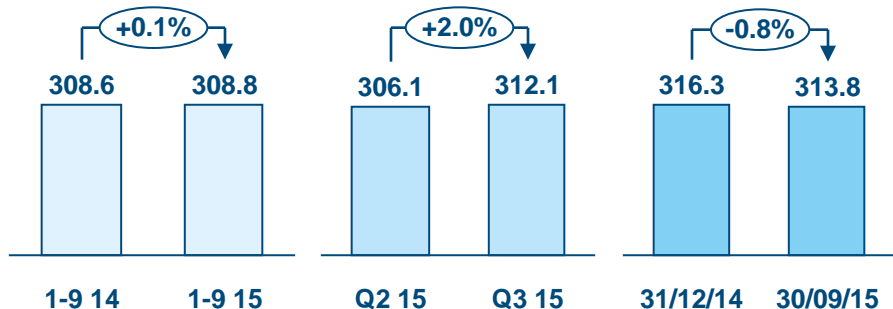
- Czech National Bank maintains exchange rate stability; discount rate also stable at 0.05% in Q3 15

EUR/RON



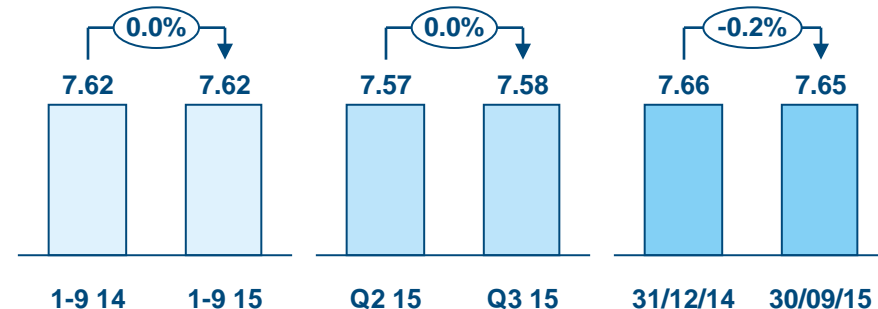
- RON movements marked by limited volatility, despite decreasing interest rates: policy rate cut to 1.75% in Q2 15

EUR/HUF



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

EUR/HRK

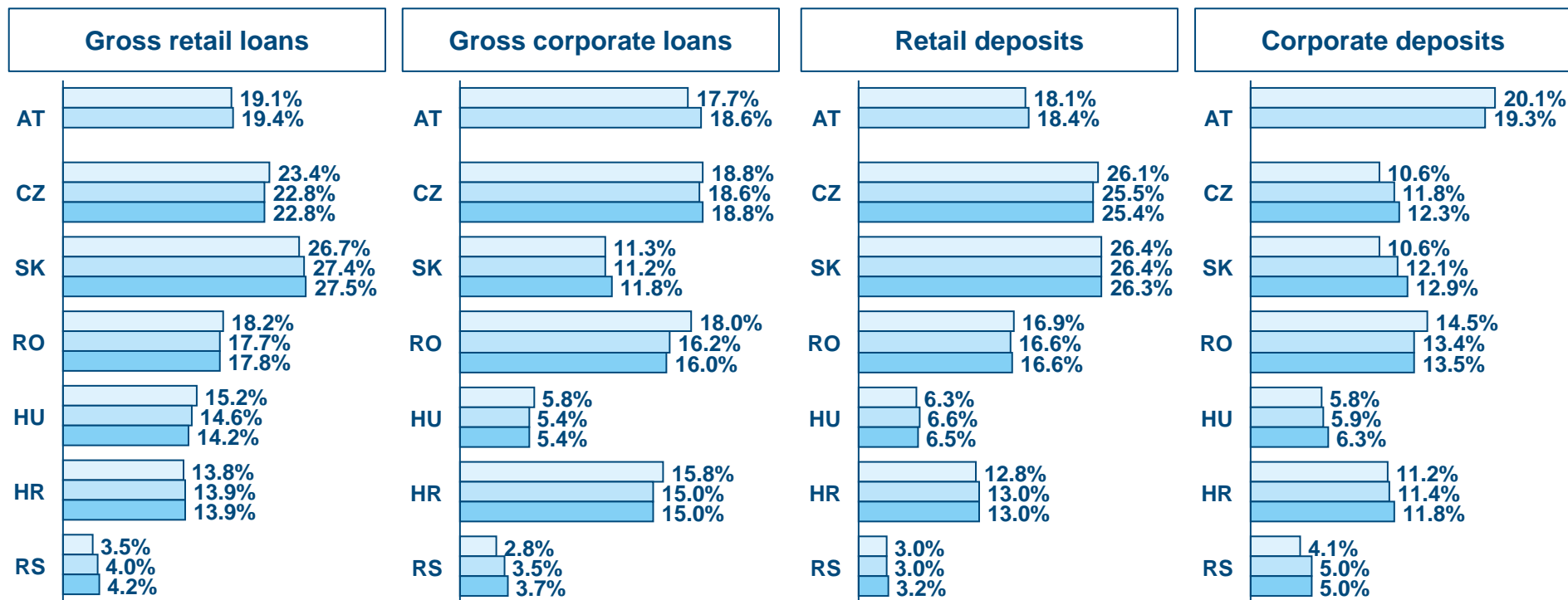
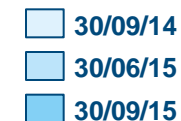


- Strong grip of national bank on HRK is reflected in lack of volatility

Source: Bloomberg.

# Business environment –

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



- SK: steady market share gains in a growing market
- CZ: stable qoq market share in a growing market
- RS: market share expansion driven by higher new business volumes

- RO: continued pressure on gross loan based market share due to NPL sales
- SK: qoq increase driven mainly by high share in new investment loans

- 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 CEE markets; changes mainly due to normal quarterly volatility in corporate business

AT market shares for 30/09/2015 not yet available

# Presentation topics

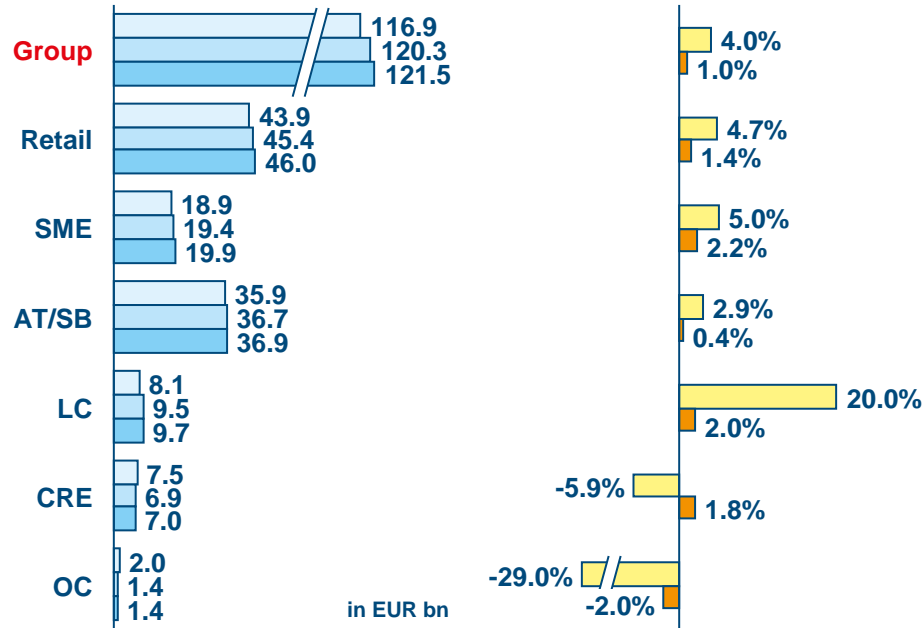
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# Business performance: performing loan stock & growth –

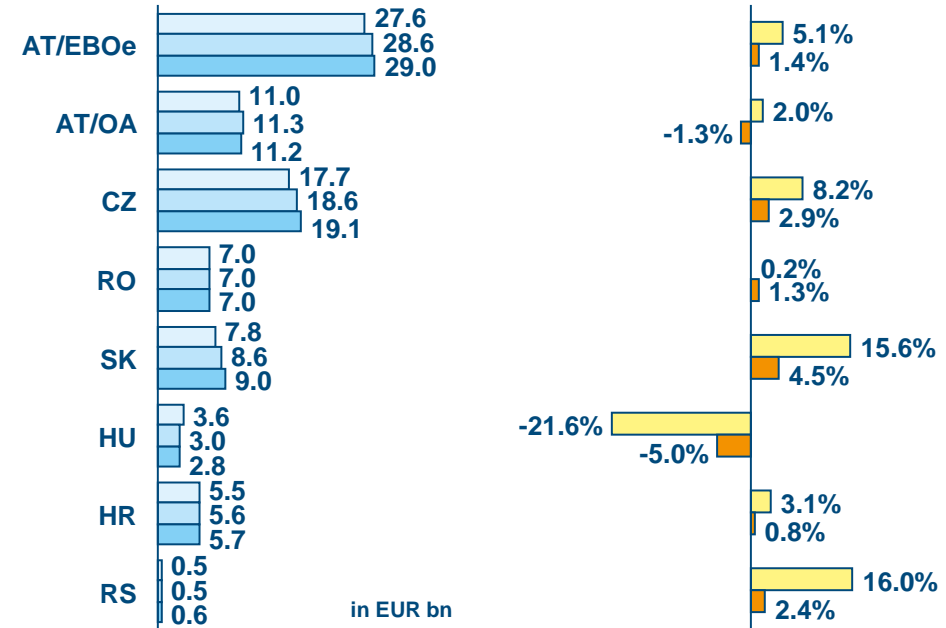
## Performing loan volume increases by 4% yoy, up 1% qoq

■ YoY ■ 30/09/14  
■ QoQ ■ 30/06/15  
■ 30/09/15

Business line view (BL)



Geographic view (geo)



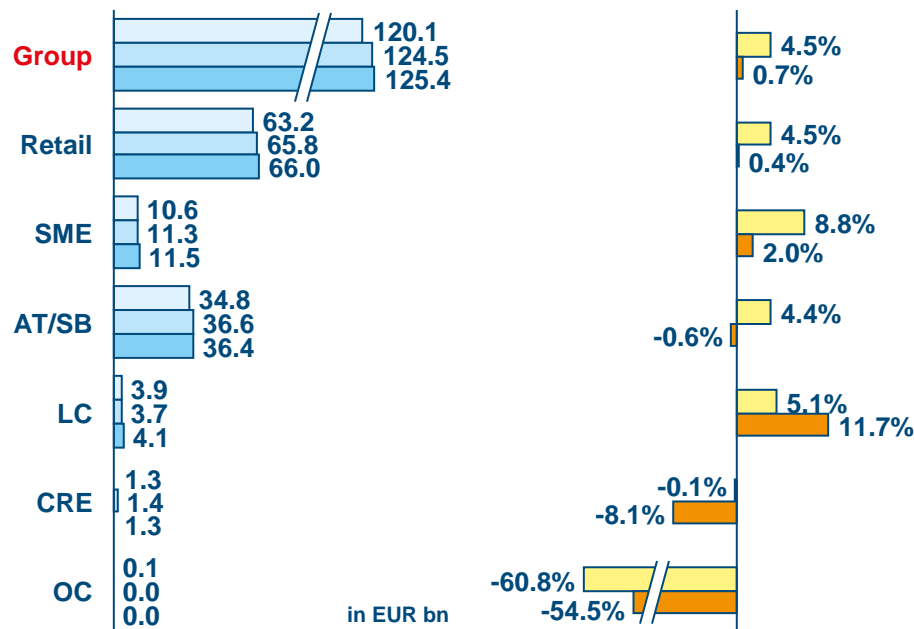
- Sixth consecutive quarter with rising performing loan volume, due to qoq increases in CZ, SK and EBOe which more than offset declines in HU and AT/OA in line with exposure reductions
- Retail: solid yoy and qoq growth driven mainly by mortgage business and also supported by consumer loans
- LC: yoy increase driven by holding business and SK
- CRE: stabilisation qoq following exposure reduction

- SK: remains growth driver based on continued Retail strength
- CZ: growth (yoy and qoq) predominantly in Retail mortgages
- EBOe: yoy and qoq increase driven by Retail and SME
- HU: yoy decline mainly attributable to FX Retail loan conversion, qoq decrease on early repayments mainly in Retail

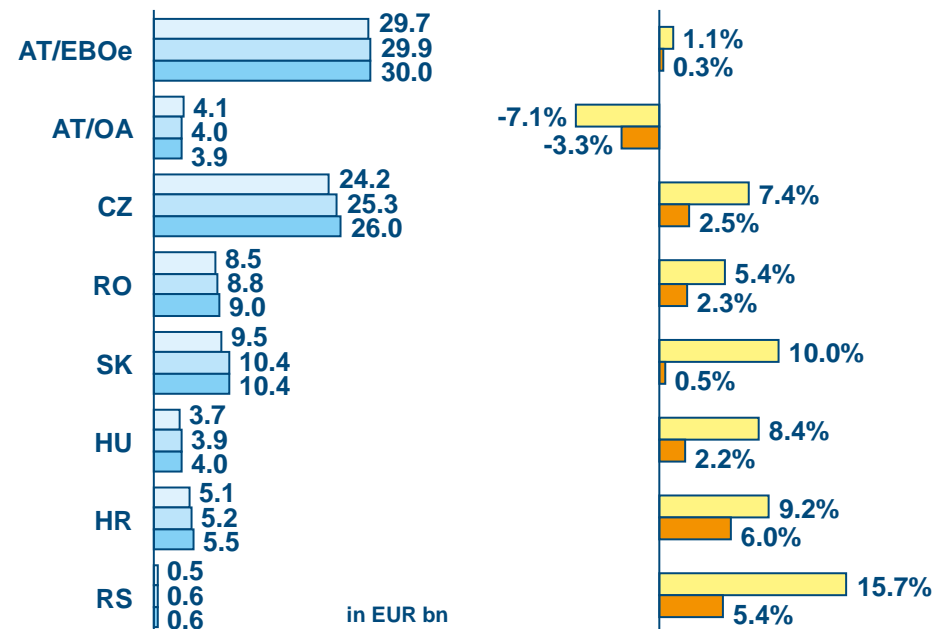
# Business performance: customer deposit stock & growth – Deposits grow by 4.5% yoy, moderately up qoq

■ YoY ■ 30/09/14  
■ QoQ ■ 30/06/15  
■ 30/09/15

Business line view (BL)



Geographic view (geo)



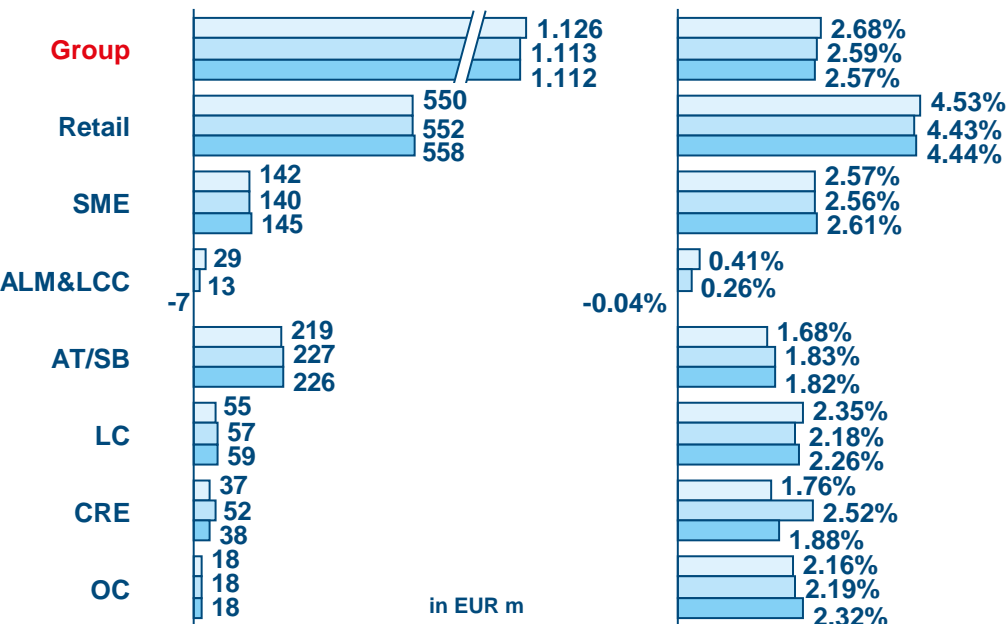
- Customer deposits up 2.3% ytd, qoq only slight growth, mainly driven by Retail, SME and large corporates business lines
- Retail: well balanced yoy growth across all geographies, qoq decline in EBOe
- SME: yoy inflows mainly driven by Czech Republic, partially off-set by decrease of volumes in HR and EBOe
- LC: yoy increase in SK and EBOe off-set deposit outflows on holding level, qoq growth mainly in CZ and HU

- AT/OA: qoq and yoy driven by LC and CRE outflows
- CZ: yoy increase predominantly in SME, whereas qoq growth mainly in Retail and LC
- SK: yoy deposit growth broadly in line with loan growth
- RO: yoy increase driven by Retail, qoq up in SME business
- HR: yoy and qoq customer deposits growth mainly in Retail

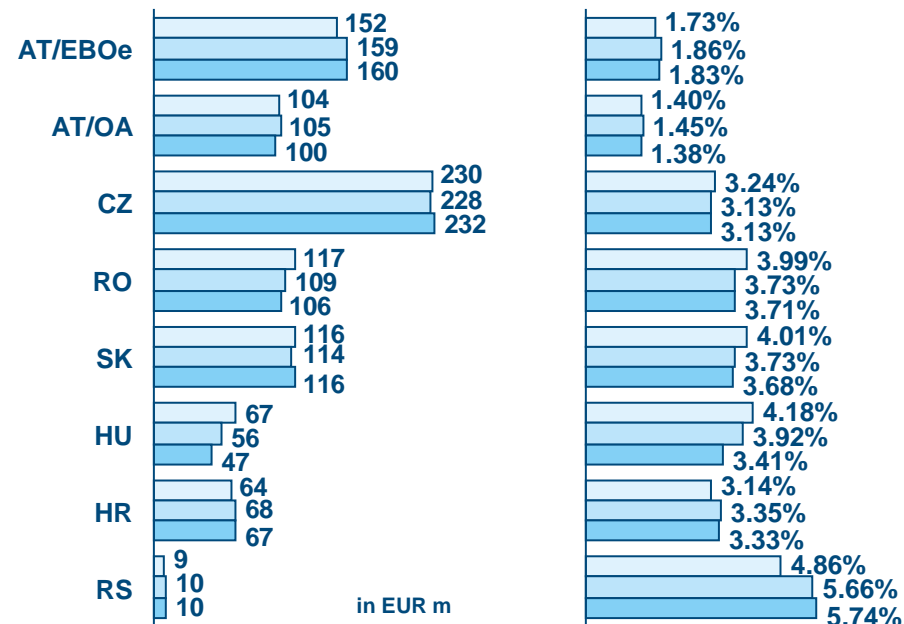
# Business performance: NII and NIM – Stable qoq NII in Q3 15 supported by loan growth

Q3 14  
Q2 15  
Q3 15

Business line view (BL)



Geographic view (geo)



- Group NII marked by stability qoq supported by higher loan volumes, which were offset by lower margins (yoy and qoq)
- Retail: increase qoq and yoy on higher loan volumes, especially in CZ and SK and change in deposit structure
- SME: yoy improvements mainly in AT on higher volumes
- CRE: stable yoy, decline qoq due to one-off income in Q2 15

- CZ: Improvements qoq as higher mortgage volumes in Retail off-set negative effects of persistent low interest rates
- RO: yoy and to a lesser extent qoq decrease driven by significantly lower average loan volumes and lower unwinding impact
- AT/OA: qoq decline primarily in CRE
- HU: yoy decline driven by CHF conversion induced lower volumes; qoq reduction due to early repayments mainly in Retail

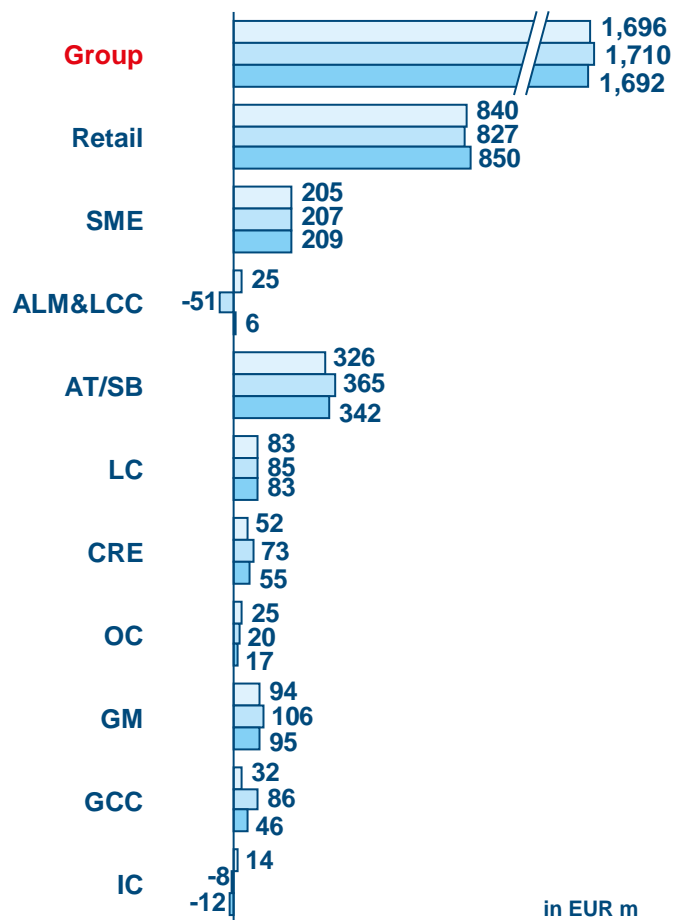


# Business performance: operating income –

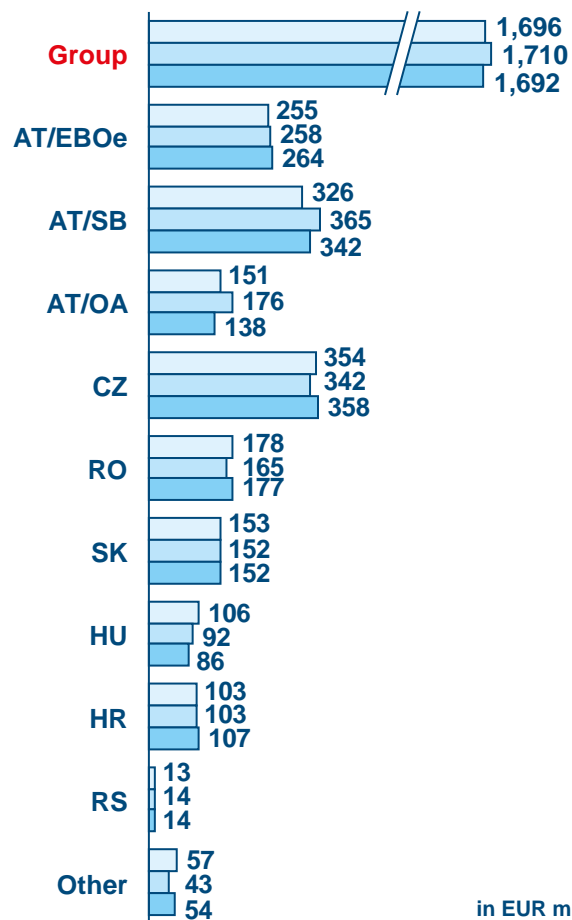
## Q3 15 operating income stable yoy, slightly down qoq

Q3 14  
Q2 15  
Q3 15

### Business line view (BL)



### Geographic view (geo)



### Highlights

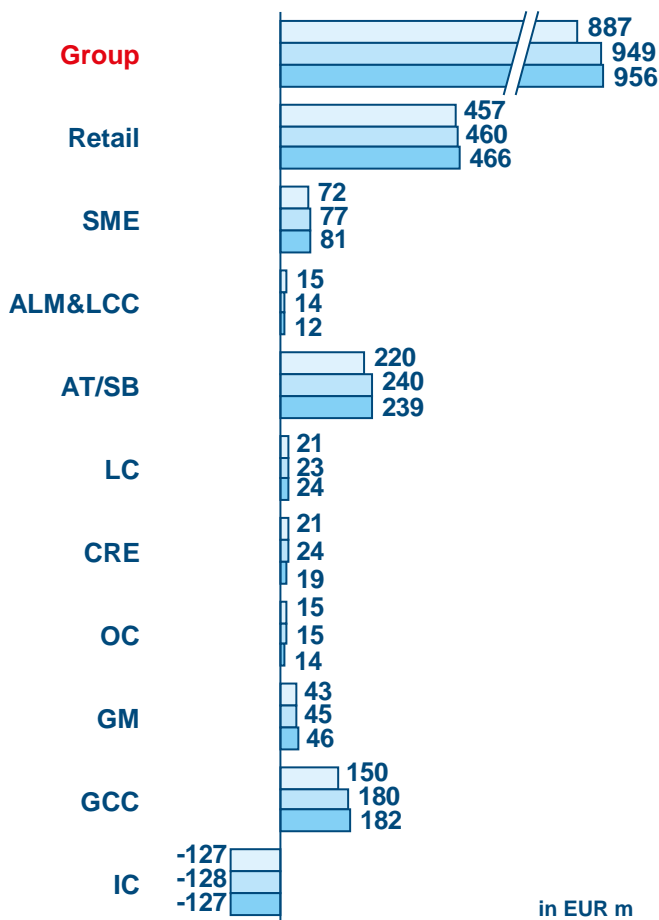
- Qoq decline due to net trading result and dividend income in Q3 15 while NII stabilises; yoy flat
- Retail: NII grows slightly yoy and qoq, while qoq improvement is mainly due to fee income and net trading result
- ALM&LCC: yoy decline in NII on lower structural contribution while qoq improvement mainly due to net trading and fair value result on the back of derivatives valuations
- CRE: qoq down on one-off income in Q2 15, yoy up on improved net trading and fair value result
- GCC (prior to intragroup elimination): NII declined qoq mainly due to lower contributions from businesses not allocated to other business lines
- CZ: yoy stable as NII off-set fee pressure, qoq up on negative impact from valuation of financial liabilities in Q2 15
- AT/OA: yoy and qoq on lower NII and dividend income, qoq down also on fee income and net trading and fair value result
- AT/SBs: yoy increase driven by fee income and NII as a result of higher loan volumes and lower interest expense, qoq down on net trading and fair value result
- AT/EBOe: up yoy and qoq on increased NII (higher loan volumes, change in deposit structure) and improved fee income
- RO: stable yoy and up qoq on strong net trading and fair value result despite decline in NII (lower unwinding, lower volumes and lower market interest rates)
- HU: yoy decline due to lower NII on shrinking loan volumes as a result of CHF conversion; qoq down due to early repayments mainly in Retail
- HR: yoy and qoq up on better fees (mainly from payment transfers and card business)

# Business performance: operating expenses –

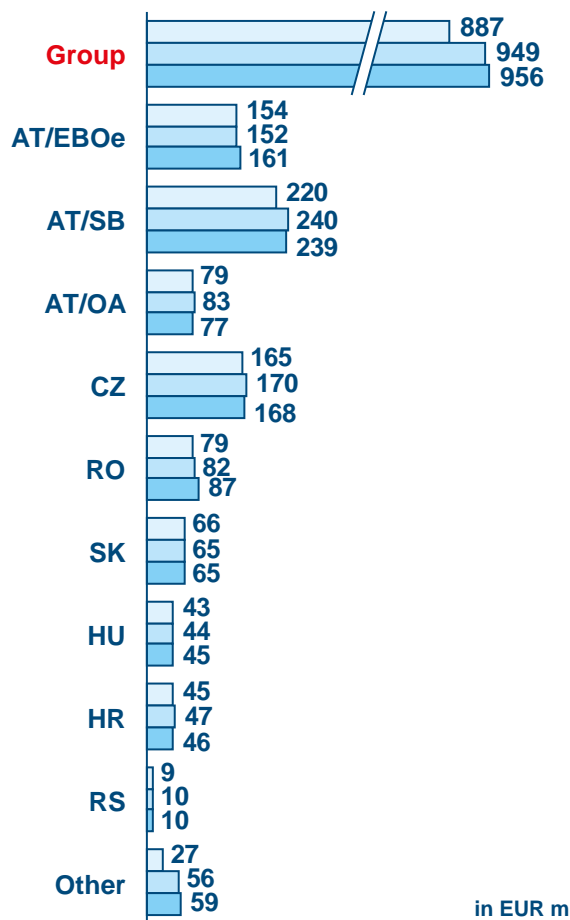
## Q3 15 stable qoq despite EU deposit insurance contributions

Q3 14  
Q2 15  
Q3 15

### Business line view (BL)



### Geographic view (geo)



### Highlights

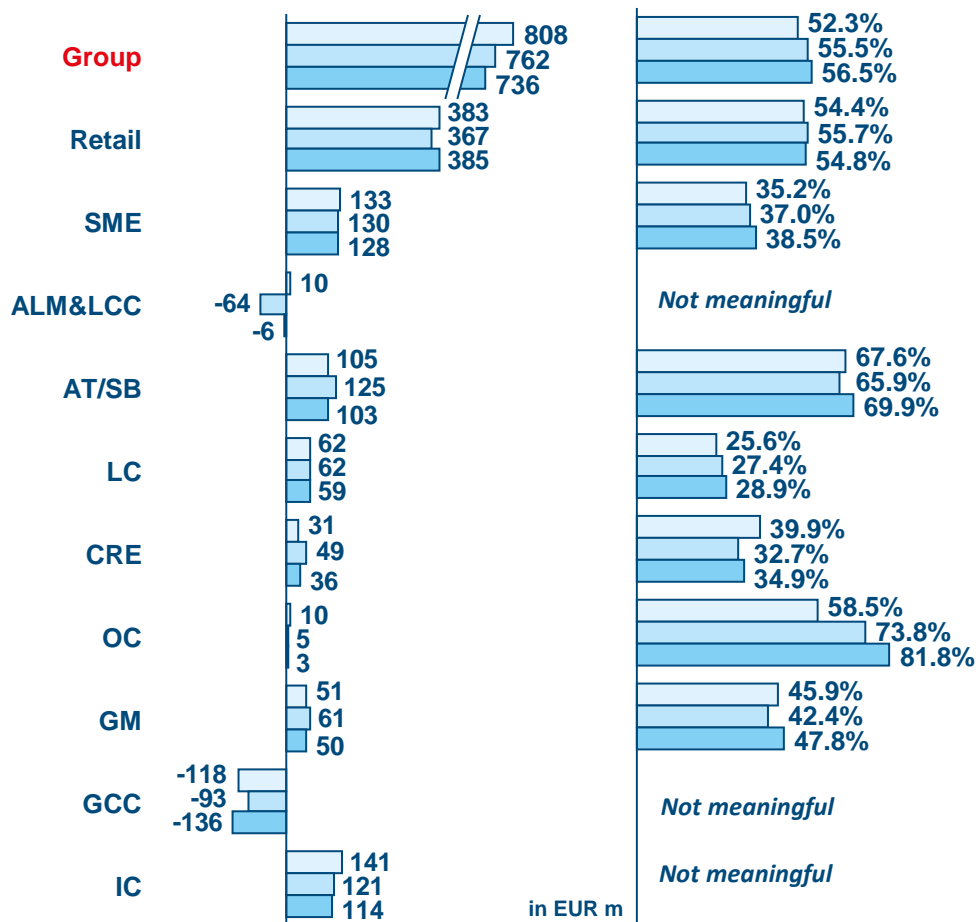
- Qoq costs almost stable despite booking of EU deposit insurance contributions (Austria only) of EUR 17.4m in Q3 15; yoy up due to rise in personnel and IT expenses
- Retail: yoy and qoq increase due to payments in deposit insurance in AT and other administrative expenses (IT, office space)
- GCC: yoy increase mainly due to higher personnel and other administrative expenses
- AT/SB: costs up yoy on payments into deposit insurance fund and IT
- RO: yoy increase mainly due to higher personnel expenses, qoq up on IT expenses
- CZ: qoq improved on the back of lower personnel expenses
- Other: in general mirrors GCC and IC business line developments

# Business performance: operating result and CIR –

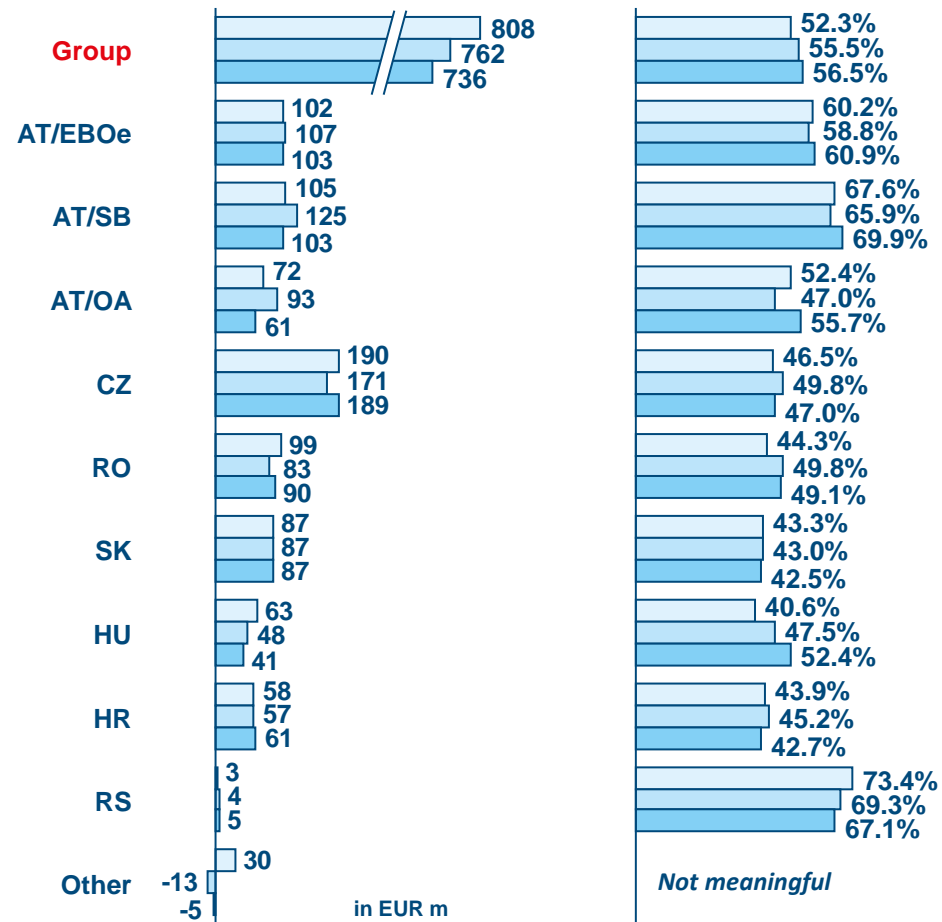
## Operating result decreases by 3.4% qoq

Q3 14  
Q2 15  
Q3 15

### Business line view (BL)



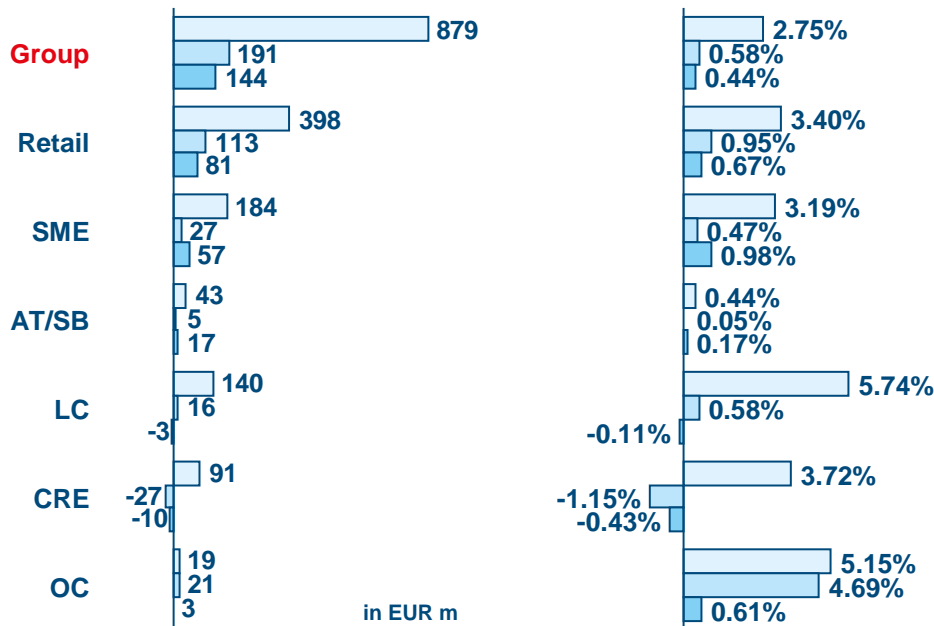
### Geographic view (geo)



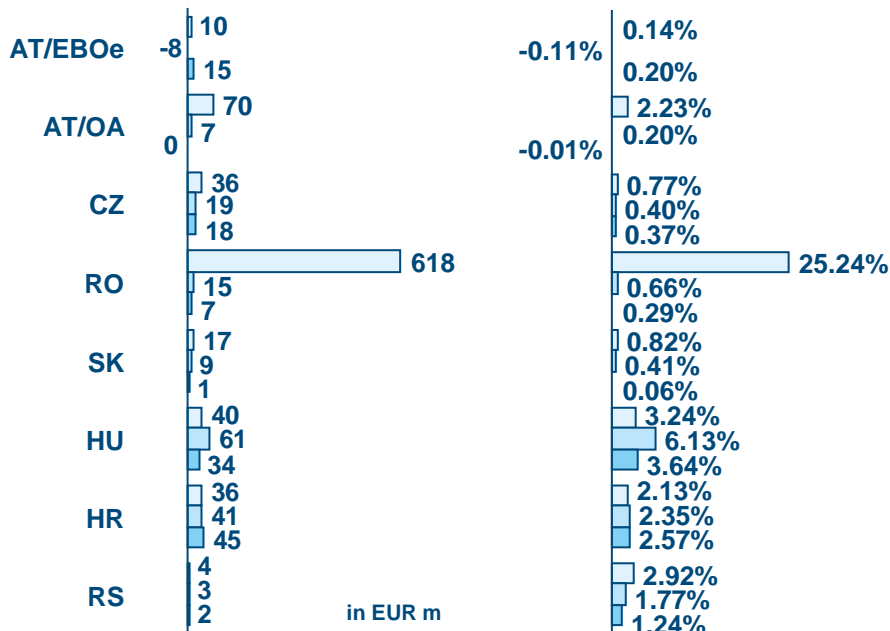
# Business performance: risk costs (abs/rel\*) – Risk costs decline further in Q3 15 to 44bps

Q3 14  
Q2 15  
Q3 15

Business line view (BL)



Geographic view (geo)



- Continued strong risk performance in Q3 15 supported by improvements in Retail and LC
- Retail: yoy improvement mainly attributable to RO, qoq also CZ, HU, SK
- SME: yoy decline driven by RO, qoq increase in AT/EBOe after low Q2 15
- LC: improvements yoy almost solely in RO, qoq in Holding and CZ
- CRE: yoy improvements mainly in holding CRE portfolio and at Immorent and in RO, lower releases qoq
- AT/SB: across the board historically low provisioning requirements year-to-date

- RO: significant decline yoy and qoq in provisioning following extra provisions booked for accelerated NPL resolution in 2014
- AT/EBOe: qoq driven by SME, after releases in Q2 15
- AT/OA: yoy improvement driven by CRE (see left)
- CZ: yoy and qoq down across all major business lines
- HU: Return to normalised provisioning in Q3 15
- SK: yoy improvements mainly in Retail, qoq on release of provisions
- HR: up yoy and qoq on difficult economic situation

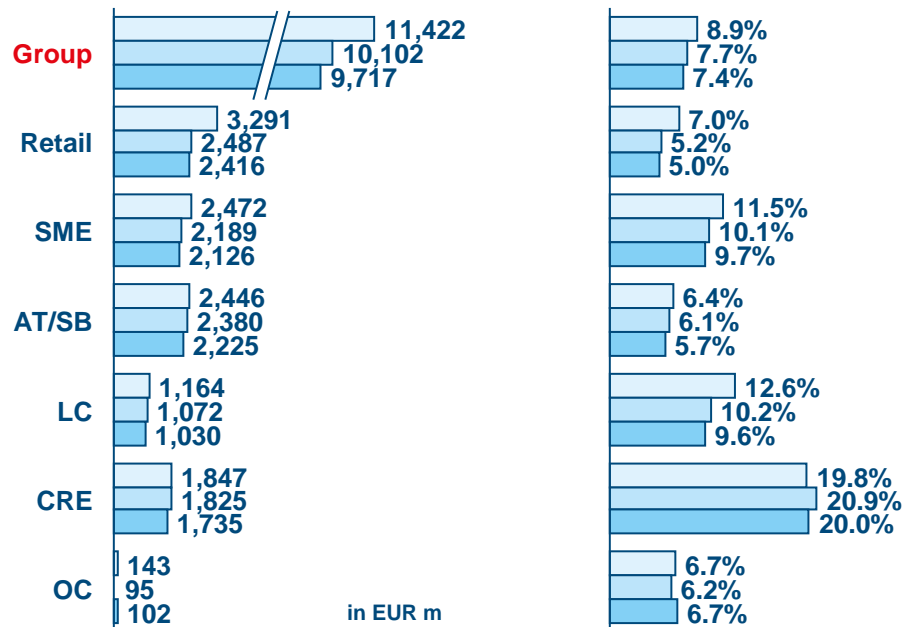
\*) Relative risk costs are defined as annualised quarterly risk costs over average gross customer loans.

# Business performance: non-performing loans and NPL ratio –

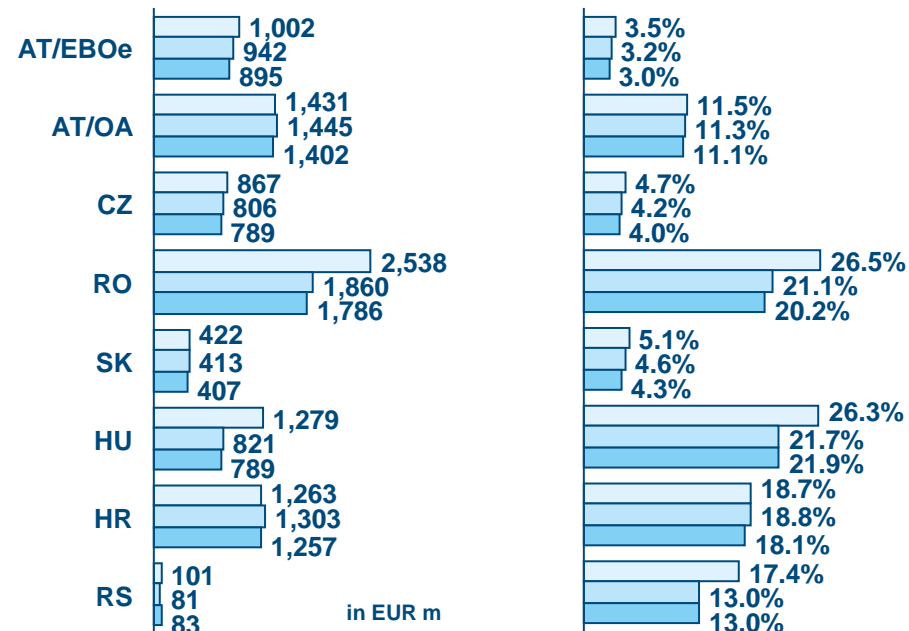
## NPL ratio improves to 7.4%, reaches 5-year low

30/09/14  
30/06/15  
30/09/15

Business line view (BL)



Geographic view (geo)



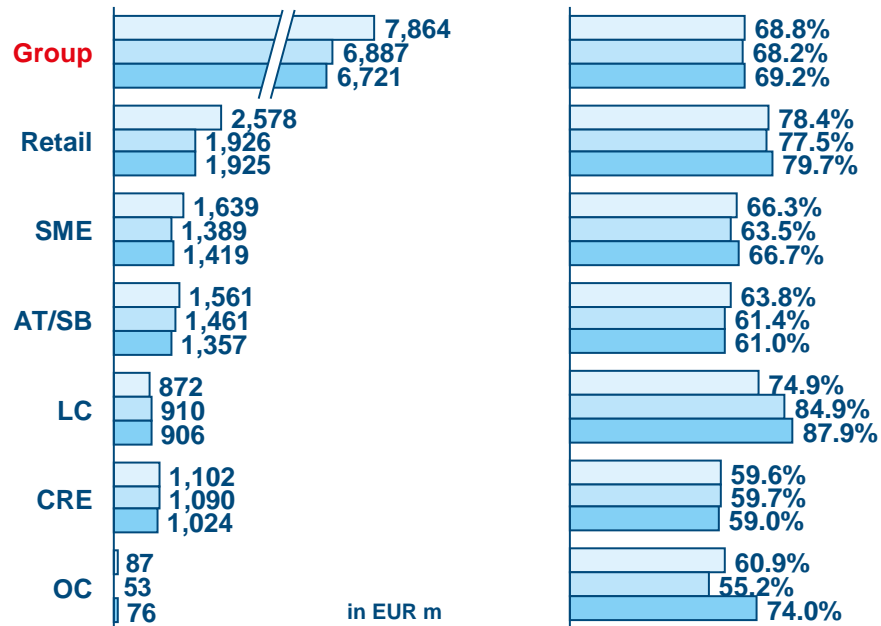
- Continued decline of group NPL volume in Q3 15 mainly due to lower NPL inflows across all major business lines and geographic segments
- Continued improvement in migration trends with low risk share reaching pre-crisis levels at 79.0%

- Limited NPL sales of EUR 94.9m in Q3 15 (Q1 15: EUR 149.9m)
  - Retail: EUR 43.5m (Q2 15: EUR 51.0m )
  - Corporate: EUR 51.3m (Q2 15: EUR 98.9m)
- NPL sales mainly in HR (29.0m), holding (EUR 24.5m), and RO (EUR 17.3m), minor sales in HU, SK and CZ

# Business performance: allowances for loans and NPL coverage – NPL coverage excluding collateral edges up to 7-year high at 69.2%

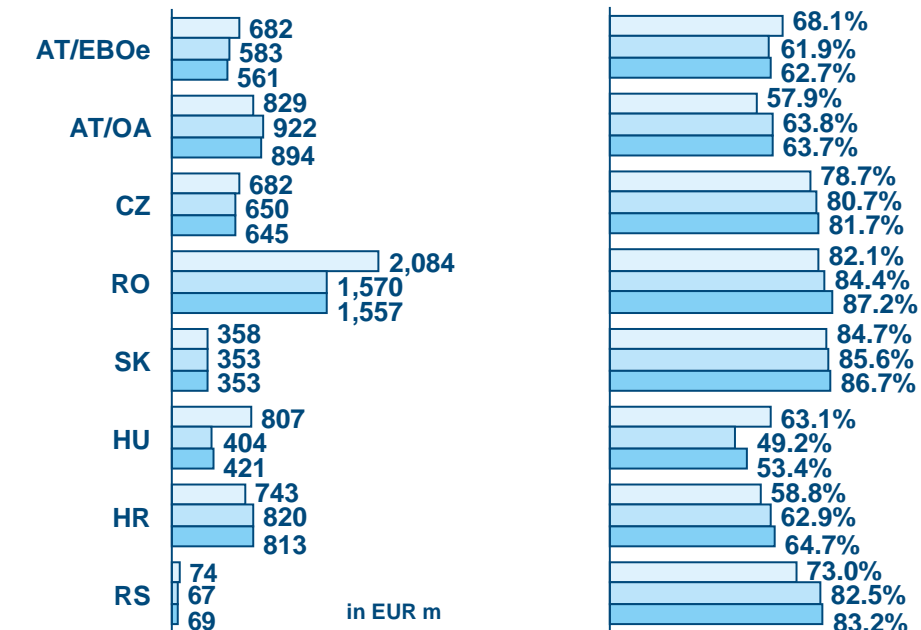
■ 30/09/14  
■ 30/06/15  
■ 30/09/15

Business line view (BL)



- NPL coverage at highest level since 2008 at 69.2%
- Yoy coverage increase mainly in AT/OA and HR, qoq increase across all geographies

Geographic view (geo)

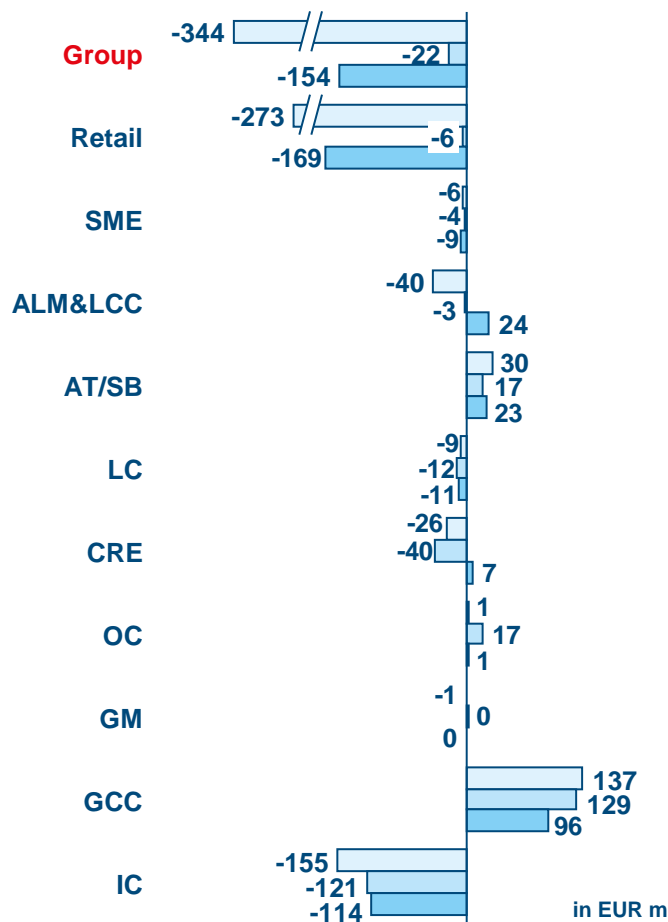


- AT/EBOe: yoy drop in coverage driven by releases in Q2 15 on the back of solid collateralisation
- AT/SB: continued low provisioning requirements and solid collateralisation lead to slight decline in coverage
- HU: qoq increase following sharp yoy decline as a result of FX retail loan conversion

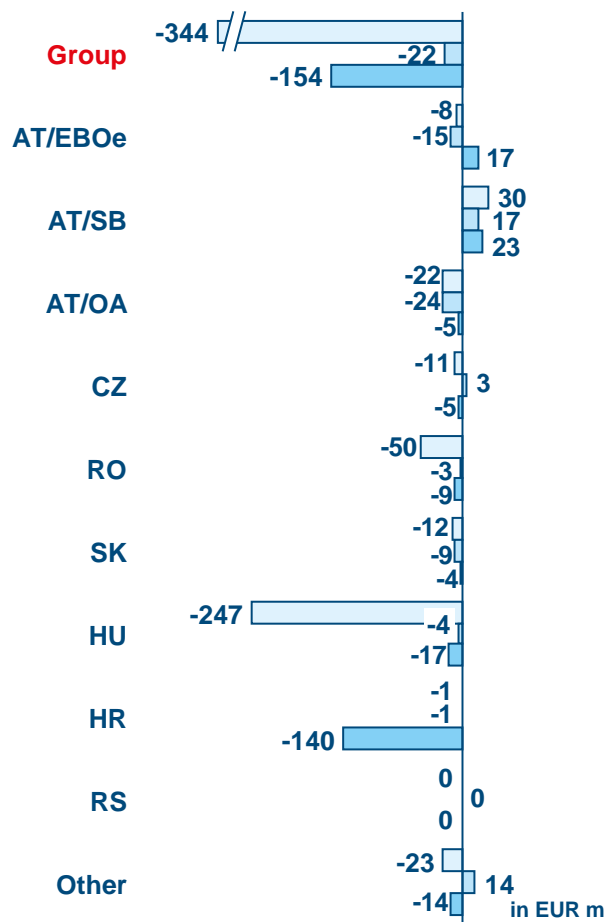
# Business performance: other result – Q3 15 other result burdened by CHF conversion in HR

Q3 14  
Q2 15  
Q3 15

## Business line view



## Geographic view

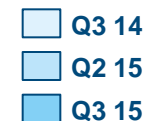


## Highlights

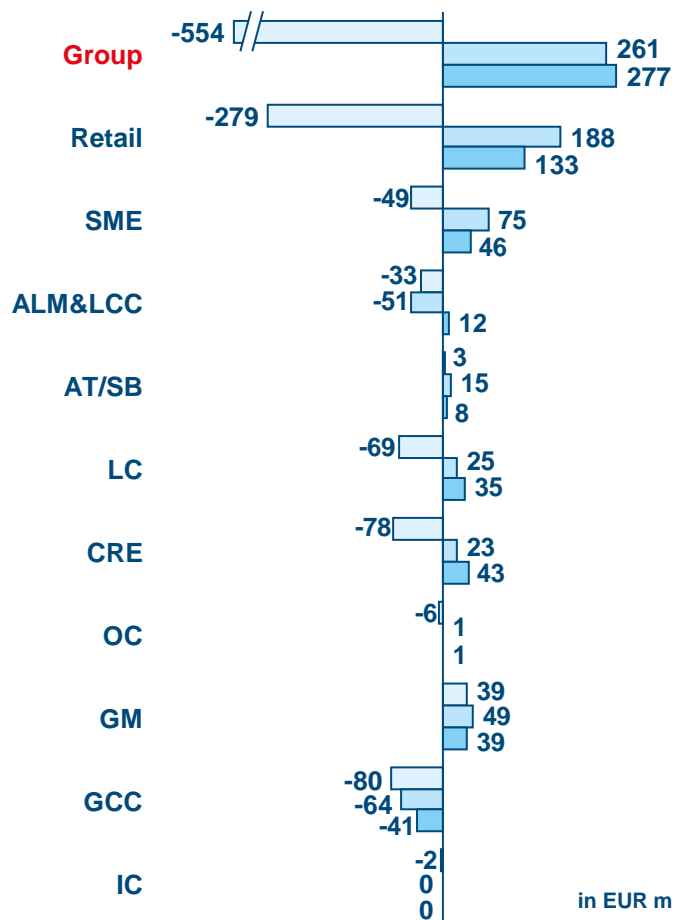
- Yoy improvement in group other result mainly due to lower one-offs in Q3 15 (CHF conversion in HR in Q3 15 vs FX conversion in HU in Q3 14)
- Qoq deterioration almost solely due to provisions for CHF loan conversion in HR
- Retail: yoy improvement mainly on non-recurrence of provisions related to FX conversion charges in HU, qoq deterioration due to Croatian CHF conversion scheme
- ALM&LCC: yoy and qoq improvements mainly on participation sale in AT
- CRE: yoy and qoq improvement mainly due to lower provisions for commitments and guarantees in Q3 15
- GCC: qoq and yoy changes mainly driven by technical effects; GCC has to be read in conjunction with IC elimination
- HU: yoy improvement as Q3 14 was affected by additional provisions related to FX conversion
- RO: yoy improvement due to lower impairments
- AT/OA: yoy and qoq mainly on lower provisions for contingent credit risk liabilities
- Other: see GCC explanation; Other segment mirrors developments in GCC and IC elimination

# Business performance: net result –

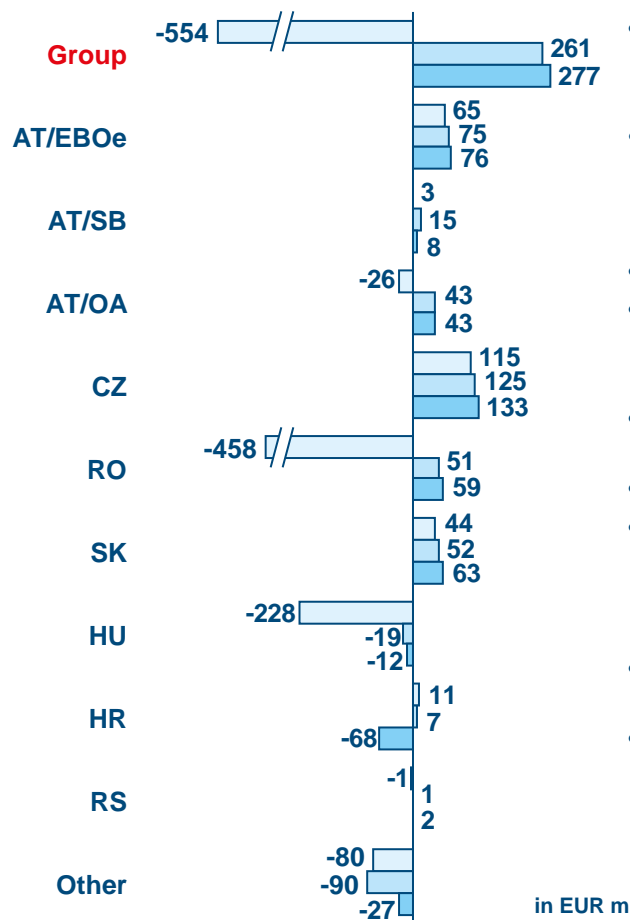
## Q3 15 net result up yoy and qoq on lower risk costs, one-offs



Net result by business line



Net result by geography



Highlights

- Continued turn-around in profitability driven by lower risk costs and significantly reduced one-offs
- Retail: yoy stable and qoq improving underlying operating performance, Q3 14 was burdened by HU consumer loan law and higher risk costs in RO, Q3 15 impacted by CHF conversion in HR
- SME: net result driven by risk costs development
- ALM&LCC: qoq improvement due to sale of non-core participation in AT
- RO: big swing in profitability in 2015 confirmed as risk costs remain low
- HR: Q3 15 loss solely due to CHF conversion
- HU: yoy improvement due to FX conversion charges, which did not recur in Q3 15; qoq slightly up on lower risk costs
- Return on equity at 10.5% in Q3 15, following 10.2% in Q2 15 and -21.7% in Q3 14
- Cash return on equity at 10.6% in Q3 15, following 10.2% in Q2 15 and -23.3% in Q3 14

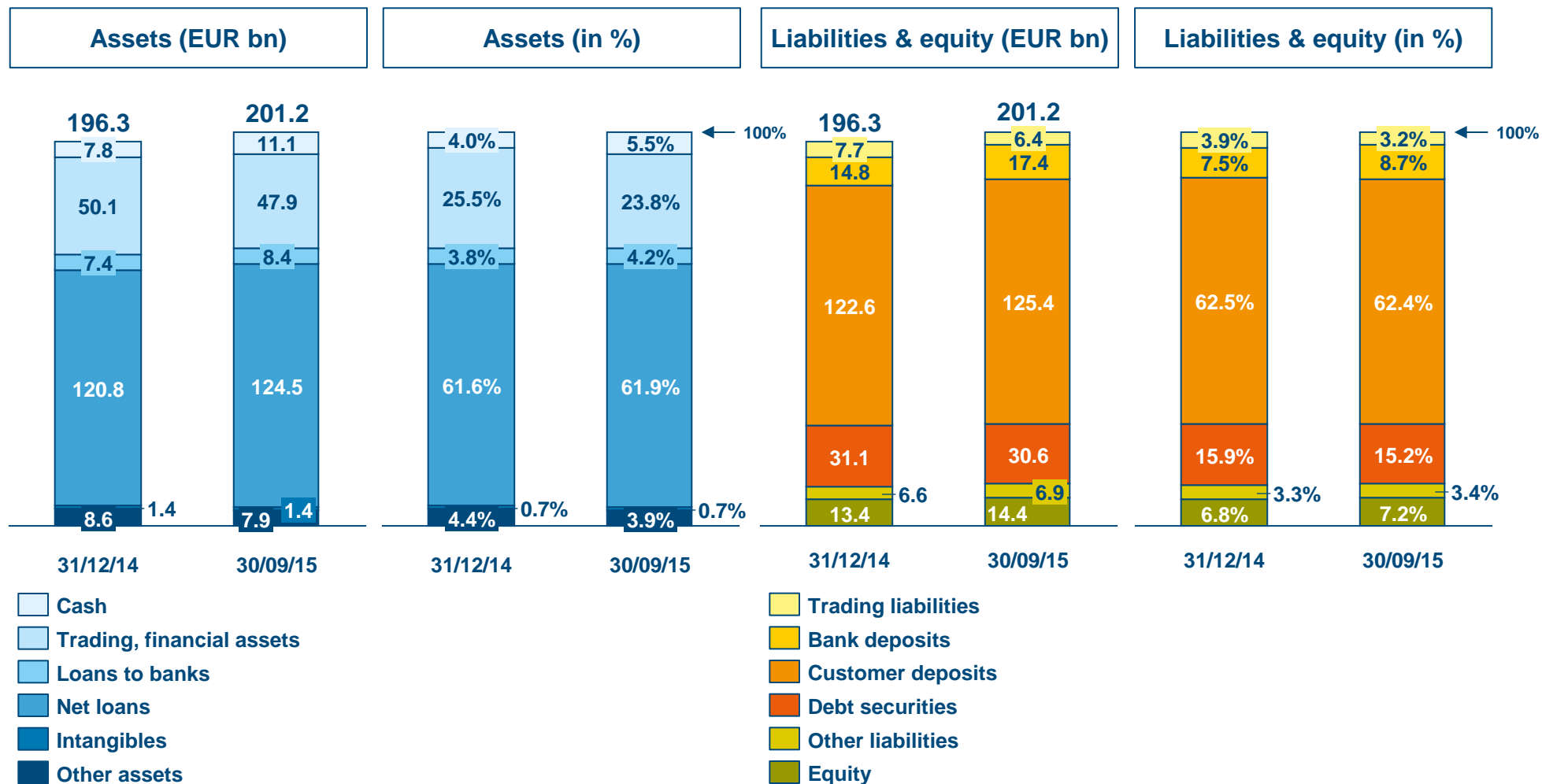


# Presentation topics

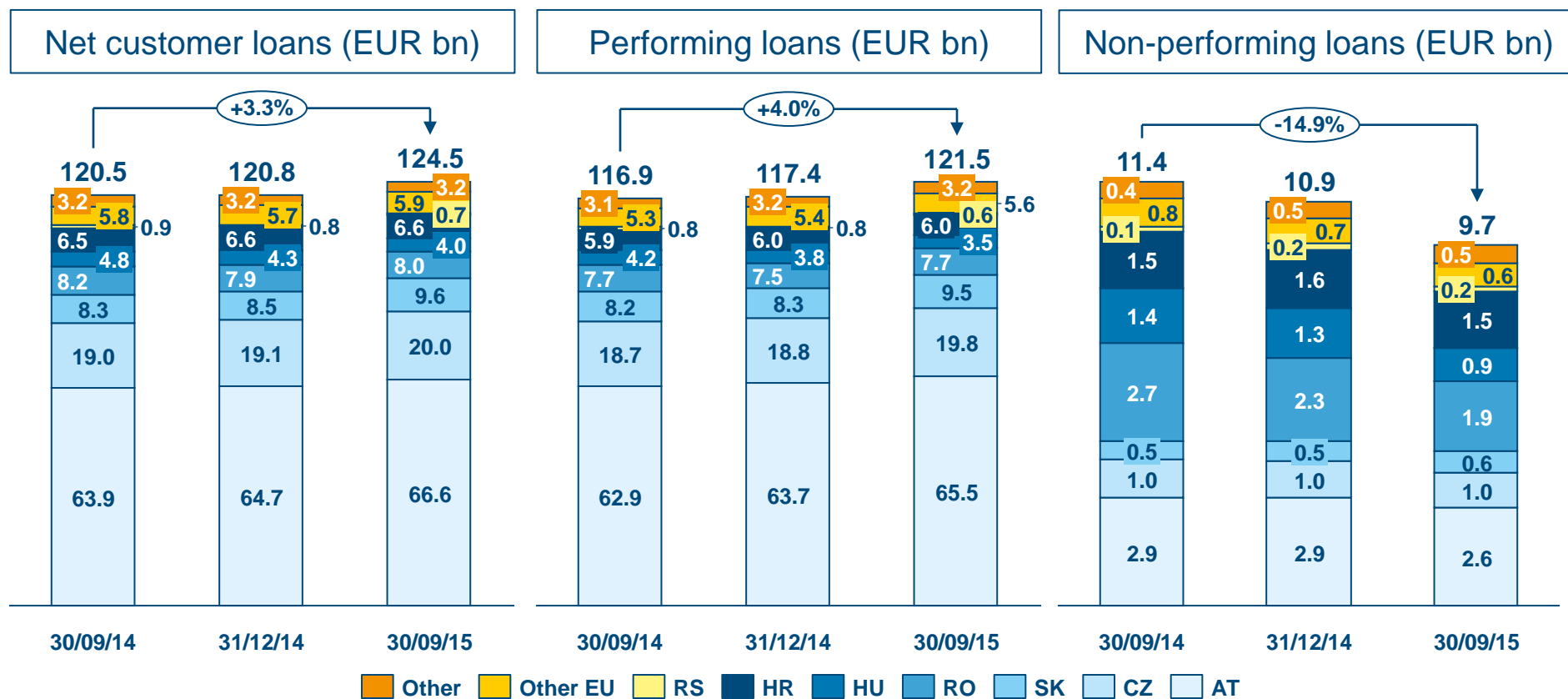
- Executive summary
- Business environment
- Business performance
- **Assets and liabilities**
- Outlook
- Additional information

# Assets and liabilities: YTD overview –

## Loan/deposit ratio stable at 99.3% (Dec 14: 98.6%)



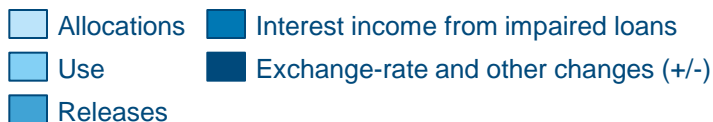
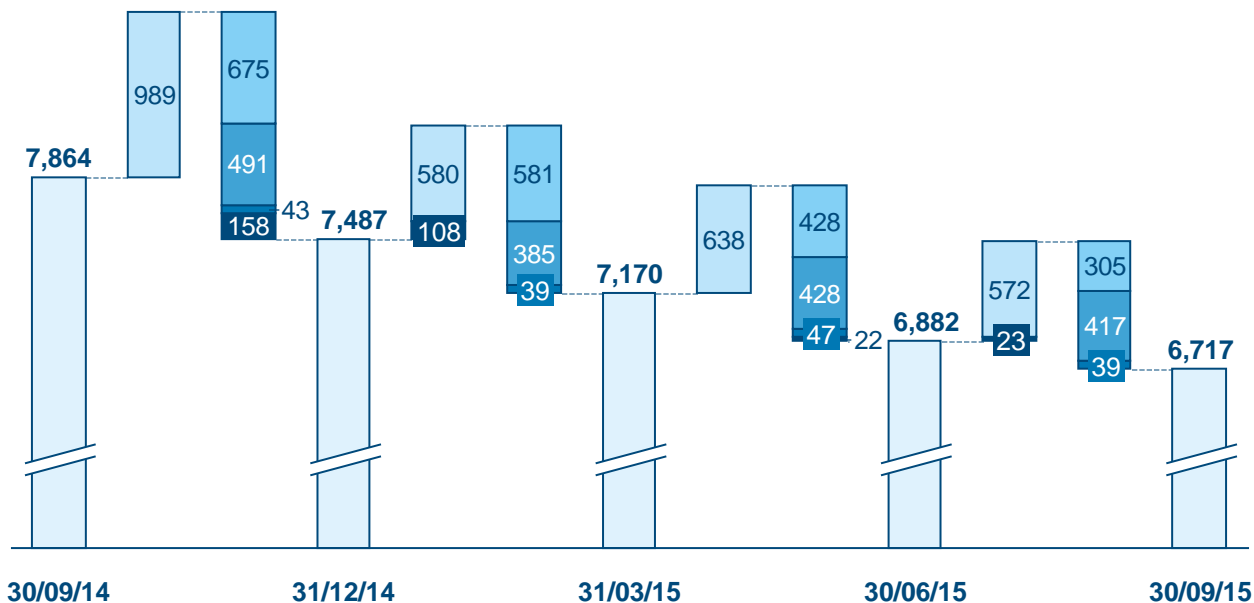
# Assets and liabilities: customer loans by country of risk – Performing loans up 3.3% yoy, NPLs down 14.9%



- Performing loan growth accelerates, driven by Austria, Slovakia and Czech Republic, Other EU:
  - Main contributing business lines: Retail, SME and Large Corporates
  - Continued stabilisation in performing loans in Romania, continued decline in Hungary
- 14.9% yoy decline in NPL stock mainly driven by NPL sales and positive migration trends across most geographies

# Assets and liabilities: allowances for customer loans – Decrease in allowances mainly due to continued NPL reduction in Q3 15

Quarterly development (EUR m)



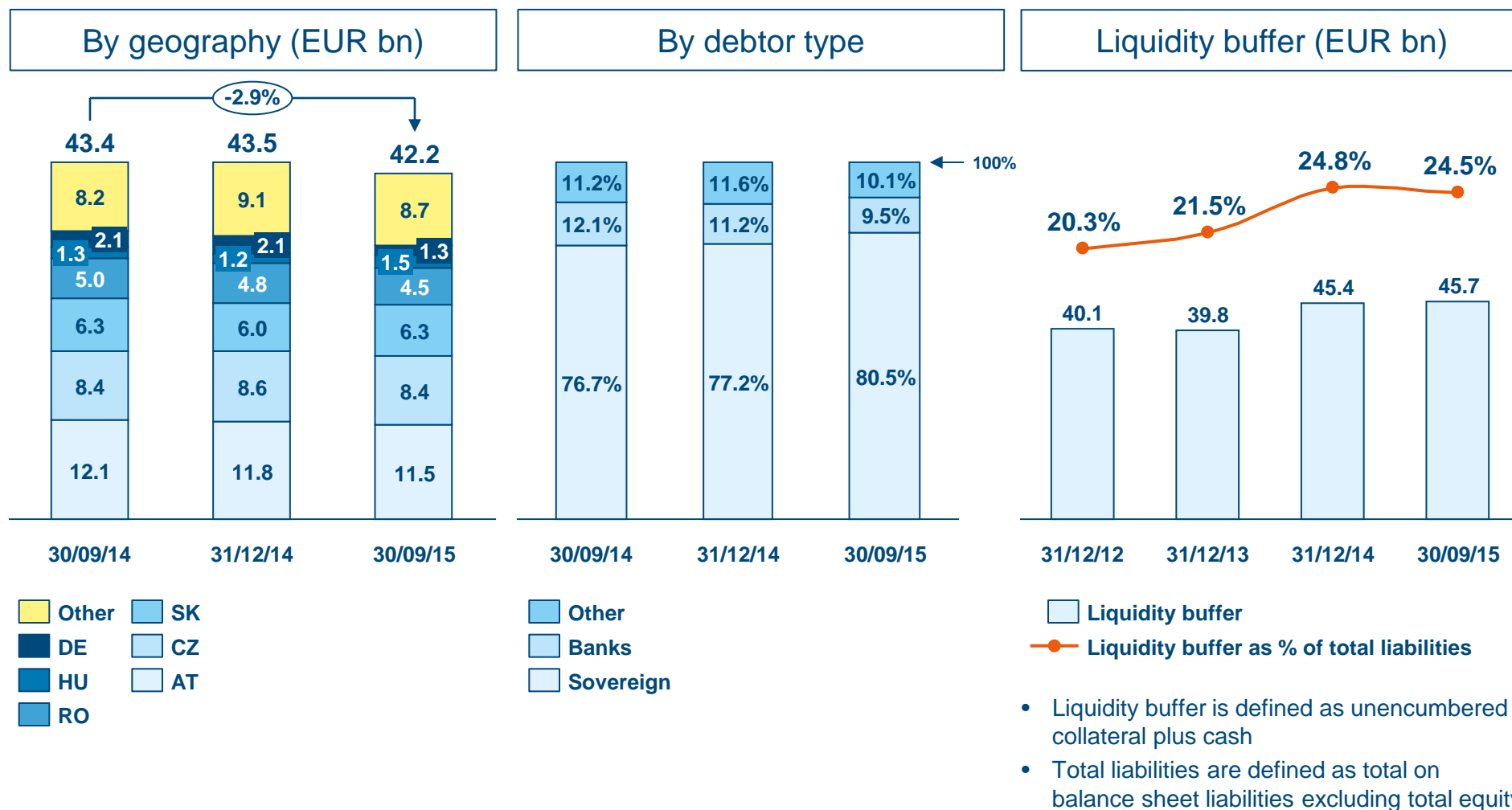
Highlights

- Low gross NPL inflows result in lower allocations and lower risk costs in Q3 15
- Moderate level of NPL sales in Q3 15
- P&L unwinding impact = interest income from impaired loans = EUR 39m in Q3 15 (Q3 14: EUR 46m, Q2 15: EUR 47m)

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

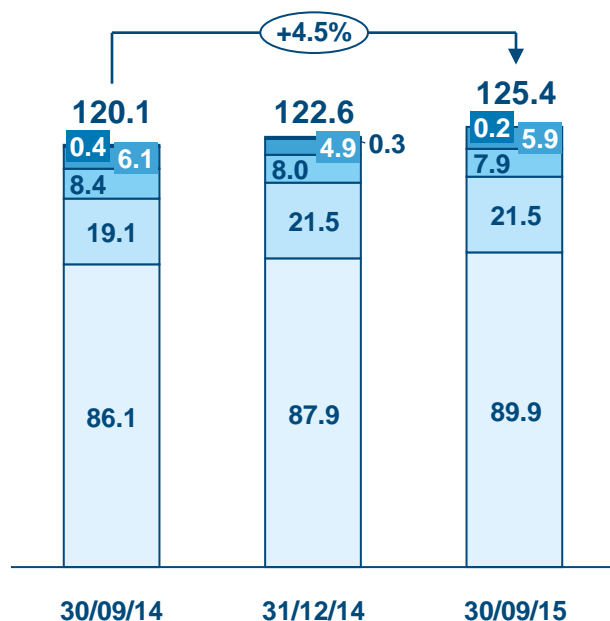
# Assets and liabilities: financial and trading assets \* – LCR at comfortable 120%



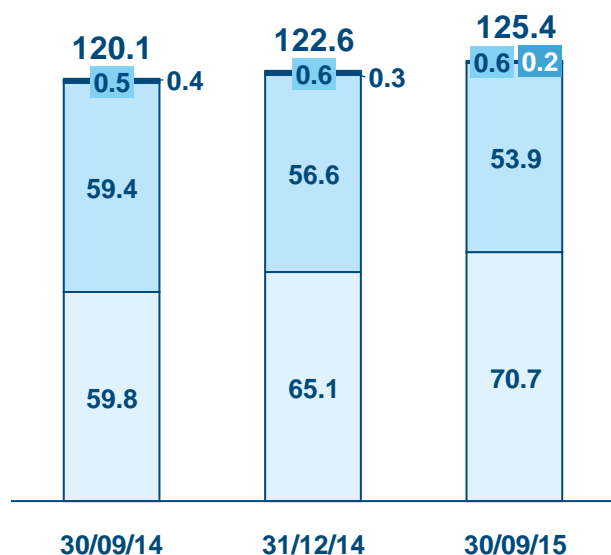
# Assets and liabilities: customer deposit funding –

## Customer deposits grow by 2.3% ytd, up 4.5% yoy

By customer type

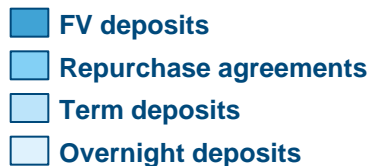
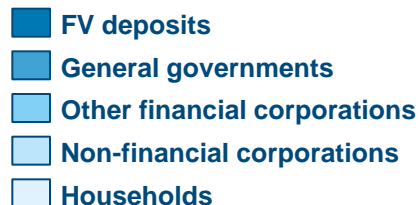


By product type



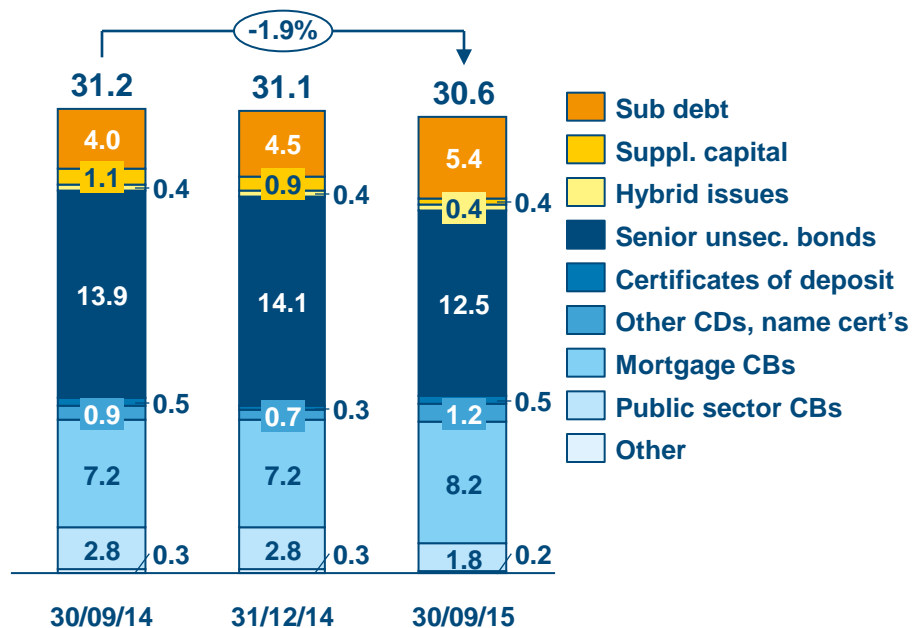
Highlights

- 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



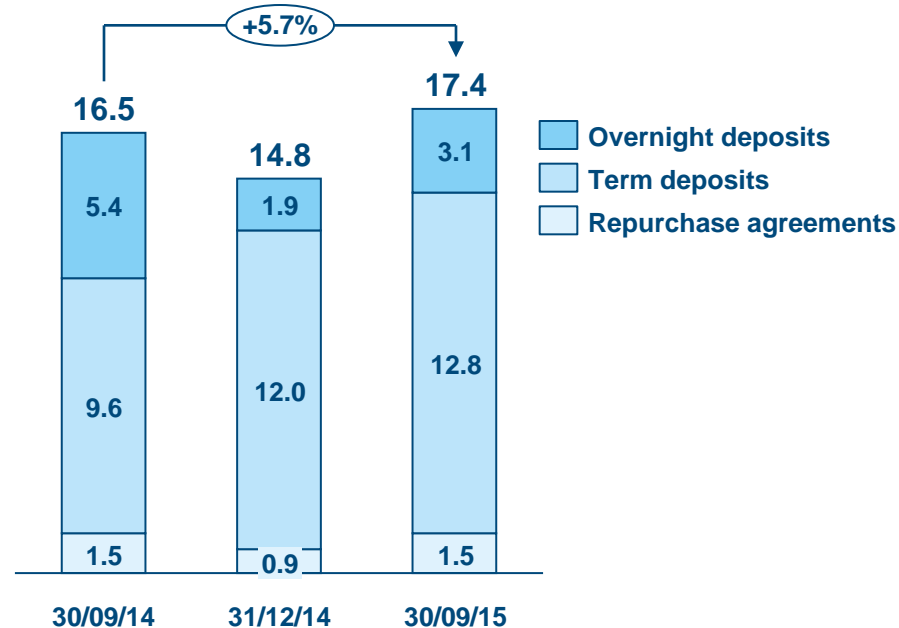
# Assets and liabilities: debt vs interbank funding – Stable wholesale funding base

Debt securities issued (EUR bn)



- Qoq increase in mortgage covered bonds after issuance of a EUR 500m 5y CB at MS+3bp
- Decline in senior unsecured bonds due to maturities

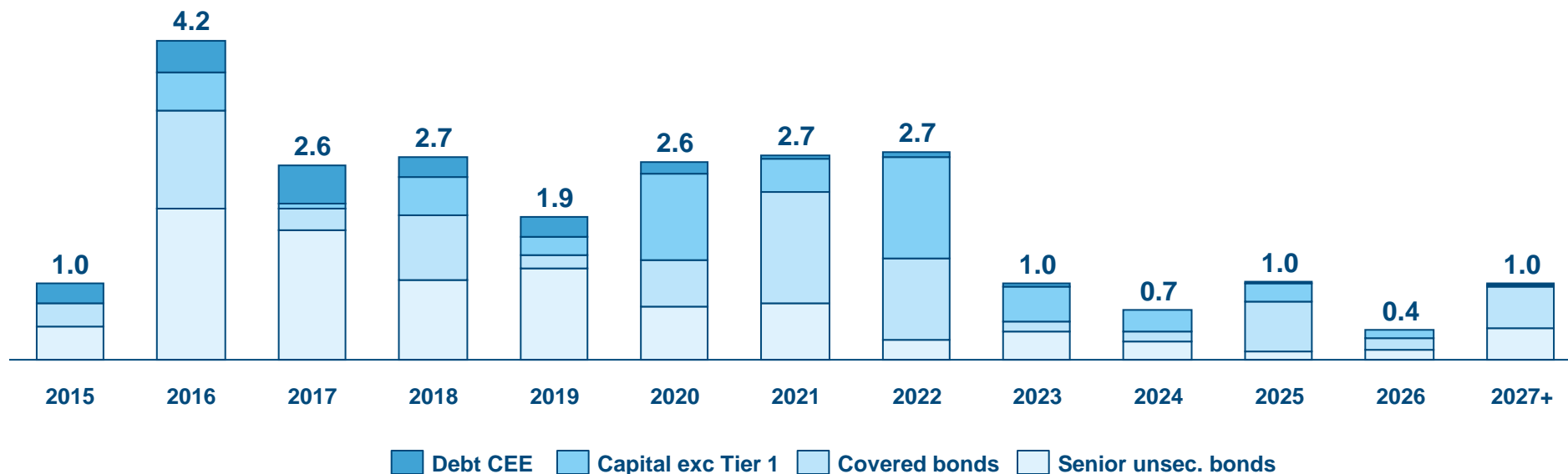
Interbank deposits (EUR bn)



- Qoq and yoy increase in interbank deposits in line with increased placements to the Federal Reserve

# Assets and liabilities: LT funding – Limited LT funding needs

Maturity profile of debt (EUR bn)



- In September Erste Group benefited from the favourable market environment to issue a 5y EUR denominated mortgage Pfandbrief at MS+3bp after January's 10y transaction
- YTD issuance activities amount to more than EUR 2bn which leads to a comfortable liquidity situation in Q4 2015
- Next year's redemptions translate in an ongoing need for Pfandbriefe

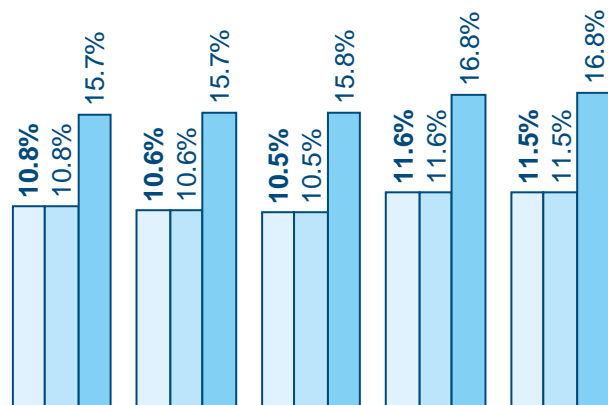
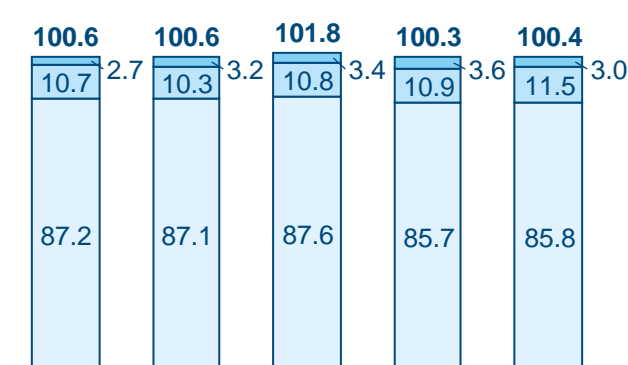
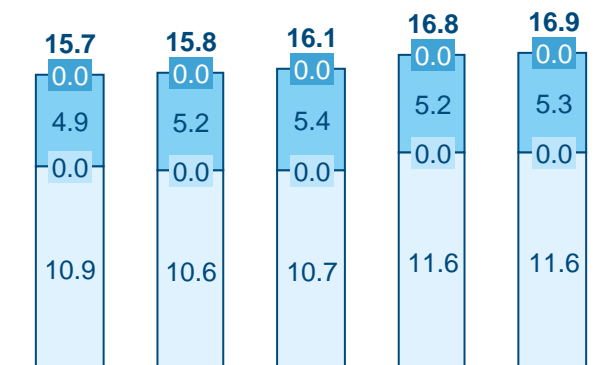


# Assets and liabilities: capital position – Clean B3FL CET1 ratio at 11.6%

Basel 3 capital (phased-in)

Risk-weighted assets (phased-in)

Basel 3 capital ratios (phased-in)



■ Tier 3 ■ Tier 2 ■ AT1 ■ CET1

■ Trading risk ■ Op risk ■ Credit RWA

■ CET1 ■ Tier 1 ■ Total capital

- Increase in B3FL CET1 capital by EUR 611m ytd despite non-inclusion of Q3 15 retained earnings and deduction of Q3 15 risk costs

- Qoq stable credit RWA
- Qoq increase in operational risk (driven by property damage cases) accompanied by lower trading risk
- B3FL RWA stable at EUR 101.6bn

- B3FL CET1 ratio at 11.2% at 30 Sept 2015 (YE 2014: 10.6%) mainly driven by temporary capital effects (see left)
- B3FL total capital ratio at 16.3%

# Presentation topics

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

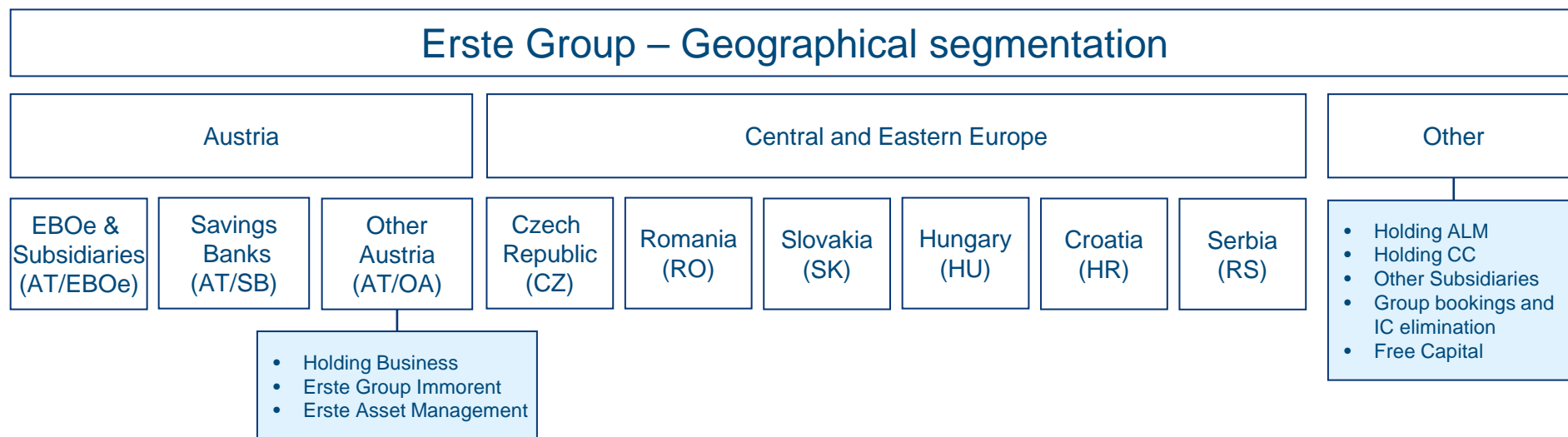
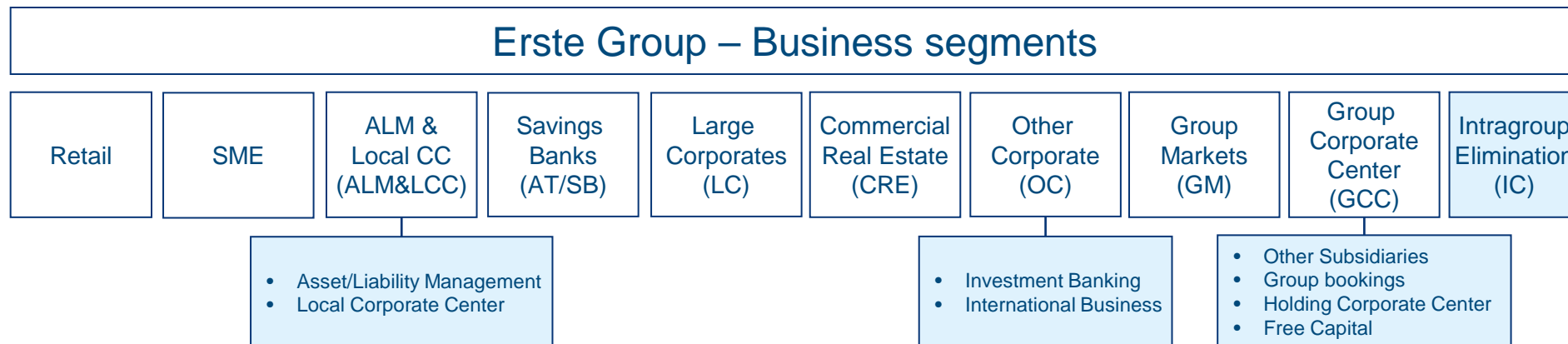
## Conclusion – Outlook

- **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 about 10% in 2015**
  - Operating result expected to decline in the mid-single digits
  - Loan growth expected in the low single digits in 2015
  - Risk costs guidance of EUR 750-950m reflects accounting treatment of Croatian CHF conversion costs of EUR 144.9m in other operating result
  - Banking levies expected at about EUR 320m in 2015, including parallel contributions to national as well as European bank resolution and deposit insurance funds; related discussions with Austrian government still ongoing
- **Return on tangible equity (ROTE) expected at about 10-11% in 2016**
- **Risks to guidance**
  - Consumer protection initiatives
  - 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				
	1-9 14	1-9 15	YOY-Δ	Q3 14	Q2 15	Q3 15	YOY-Δ	QOQ-Δ
Net interest income	3,369.6	3,324.3	-1.3%	1,126.0	1,113.4	1,112.3	-1.2%	-0.1%
Net fee and commission income	1,372.7	1,372.6	0.0%	465.8	456.3	455.2	-2.3%	-0.2%
Dividend income	62.9	43.3	-31.2%	33.0	24.8	11.2	-66.1%	-54.8%
Net trading and fair value result	166.5	193.0	15.9%	28.4	64.1	56.4	98.4%	-12.1%
Net result from equity method investments	11.6	14.4	24.1%	0.1	5.0	4.7	>100.0%	-6.3%
Rental income from investment properties & other operating leases	134.1	143.5	7.0%	42.5	46.6	51.7	21.8%	11.0%
Personnel expenses	-1,607.0	-1,667.5	3.8%	-515.0	-559.9	-553.6	7.5%	-1.1%
Other administrative expenses	-821.9	-855.2	4.1%	-264.2	-278.5	-295.6	11.9%	6.2%
Depreciation and amortisation	-354.8	-329.7	-7.1%	-108.0	-110.4	-106.4	-1.5%	-3.6%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	14.3	58.8	>100.0%	13.2	25.2	22.8	73.0%	-9.5%
Net impairment loss on financial assets not measured at fair value through profit or loss	-1,599.4	-518.4	-67.6%	-878.8	-190.8	-144.4	-83.6%	-24.3%
Other operating result	-1,628.6	-377.4	-76.8%	-356.8	-47.1	-176.8	-50.4%	>100.0%
Levies on banking activities	-208.7	-187.7	-10.0%	-54.6	-45.4	-50.5	-7.5%	11.2%
<b>Pre-tax result from continuing operations</b>	<b>-879.9</b>	<b>1,401.5</b>	<b>n/a</b>	<b>-414.0</b>	<b>548.8</b>	<b>437.4</b>	<b>n/a</b>	<b>-20.3%</b>
Taxes on income	-446.0	-362.3	-18.8%	-98.3	-154.8	-88.9	-9.6%	-42.6%
<b>Net result for the period</b>	<b>-1,325.9</b>	<b>1,039.2</b>	<b>n/a</b>	<b>-512.3</b>	<b>394.0</b>	<b>348.5</b>	<b>n/a</b>	<b>-11.6%</b>
Net result attributable to non-controlling interests	98.7	275.0	>100.0%	42.0	132.6	71.6	70.6%	-46.0%
<b>Net result attributable to owners of the parent</b>	<b>-1,424.6</b>	<b>764.2</b>	<b>n/a</b>	<b>-554.2</b>	<b>261.4</b>	<b>276.9</b>	<b>n/a</b>	<b>5.9%</b>
Operating income	5,117.5	5,090.9	-0.5%	1,695.8	1,710.3	1,691.6	-0.3%	-1.1%
Operating expenses	-2,783.7	-2,852.4	2.5%	-887.3	-948.7	-955.6	7.7%	0.7%
<b>Operating result</b>	<b>2,333.8</b>	<b>2,238.5</b>	<b>-4.1%</b>	<b>808.5</b>	<b>761.6</b>	<b>735.9</b>	<b>-9.0%</b>	<b>-3.4%</b>

# Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	8,010	7,835	8,223	7,011	11,097	38.5%	41.6%	58.3%
Financial assets - held for trading	11,641	10,531	11,366	9,022	8,805	-24.4%	-16.4%	-2.4%
Derivatives	7,611	7,173	7,628	5,613	5,633	-26.0%	-21.5%	0.4%
Other trading assets	4,030	3,357	3,738	3,409	3,172	-21.3%	-5.5%	-6.9%
Financial assets - at fair value through profit or loss	444	350	271	269	332	-25.2%	-5.1%	23.2%
Financial assets - available for sale	21,940	22,373	23,187	21,804	21,187	-3.4%	-5.3%	-2.8%
Financial assets - held to maturity	17,026	16,877	17,462	17,949	17,585	3.3%	4.2%	-2.0%
Loans and receivables to credit institutions	7,166	7,442	8,345	8,775	8,384	17.0%	12.7%	-4.5%
<b>Loans and receivables to customers</b>	<b>120,451</b>	<b>120,834</b>	<b>123,437</b>	<b>123,504</b>	<b>124,521</b>	<b>3.4%</b>	<b>3.1%</b>	<b>0.8%</b>
Derivatives - hedge accounting	2,764	2,872	2,914	2,181	2,284	-17.4%	-20.5%	4.7%
Changes in fair value of portfolio hedged items	0	0	0	0	0	n/a	n/a	n/a
Property and equipment	2,356	2,264	2,340	2,330	2,368	0.5%	4.6%	1.6%
Investment properties	952	950	947	805	751	-21.1%	-20.9%	-6.6%
Intangible assets	1,456	1,441	1,415	1,395	1,393	-4.4%	-3.4%	-0.2%
Investments in associates and joint ventures	191	195	190	194	164	-13.9%	-15.8%	-15.4%
Current tax assets	107	107	107	150	166	55.6%	54.9%	10.5%
Deferred tax assets	461	301	293	255	234	-49.1%	-22.3%	-8.2%
Assets held for sale	150	291	229	429	487	>100.0%	67.1%	13.4%
Other assets	1,859	1,623	1,844	1,457	1,411	-24.1%	-13.0%	-3.1%
<b>Total assets</b>	<b>196,973</b>	<b>196,287</b>	<b>202,570</b>	<b>197,532</b>	<b>201,171</b>	<b>2.1%</b>	<b>2.5%</b>	<b>1.8%</b>

# Additional information: group balance sheet – Liabilities and equity

in EUR million	Quarterly data					Change		
	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities - held for trading	8,488	7,746	8,988	6,632	6,364	-25.0%	-17.8%	-4.0%
Derivatives	7,563	7,188	8,163	5,875	5,654	-25.2%	-21.3%	-3.8%
Other trading liabilities	925	558	824	758	711	-23.2%	27.3%	-6.2%
Financial liabilities - at fair value through profit or loss	2,161	2,073	1,966	1,881	1,907	-11.8%	-8.0%	1.4%
Deposits from banks	0	0	0	0	0	n/a	n/a	n/a
<b>Deposits from customers</b>	<b>363</b>	<b>320</b>	<b>257</b>	<b>237</b>	<b>197</b>	<b>-45.8%</b>	<b>-38.4%</b>	<b>-17.0%</b>
Debt securities issued	1,797	1,753	1,709	1,644	1,710	-4.9%	-2.4%	4.0%
Other financial liabilities	0	0	0	0	0	n/a	n/a	n/a
Financial liabilities measured at amortised cost	166,139	166,921	170,616	168,769	172,186	3.6%	3.2%	2.0%
Deposits from banks	16,483	14,803	16,389	15,704	17,414	5.7%	17.6%	10.9%
<b>Deposits from customers</b>	<b>119,698</b>	<b>122,263</b>	<b>124,495</b>	<b>124,296</b>	<b>125,242</b>	<b>4.6%</b>	<b>2.4%</b>	<b>0.8%</b>
Debt securities issued	29,414	29,387	29,143	28,270	28,910	-1.7%	-1.6%	2.3%
Other financial liabilities	545	469	590	497	620	13.8%	32.1%	24.6%
Derivatives - hedge accounting	755	726	833	639	621	-17.8%	-14.5%	-2.8%
Changes in fair value of portfolio hedged items	1,072	1,225	1,277	962	1,013	-5.5%	-17.3%	5.3%
Provisions	1,822	1,653	1,688	1,608	1,752	-3.9%	6.0%	8.9%
Current tax liabilities	95	91	111	121	120	26.3%	31.7%	-1.3%
Deferred tax liabilities	199	99	140	85	92	-53.9%	-7.0%	8.1%
Liabilities associated with assets held for sale	0	0	0	33	33	n/a	n/a	-0.6%
Other liabilities	2,590	2,310	2,996	2,786	2,647	2.2%	14.6%	-5.0%
<b>Total equity</b>	<b>13,652</b>	<b>13,443</b>	<b>13,956</b>	<b>14,015</b>	<b>14,437</b>	<b>5.8%</b>	<b>7.4%</b>	<b>3.0%</b>
Equity attributable to non-controlling interests	3,707	3,605	3,718	3,701	3,746	1.1%	3.9%	1.2%
Equity attributable to owners of the parent	9,945	9,838	10,238	10,314	10,691	7.5%	8.7%	3.7%
<b>Total liabilities and equity</b>	<b>196,973</b>	<b>196,287</b>	<b>202,570</b>	<b>197,532</b>	<b>201,171</b>	<b>2.1%</b>	<b>2.5%</b>	<b>1.8%</b>

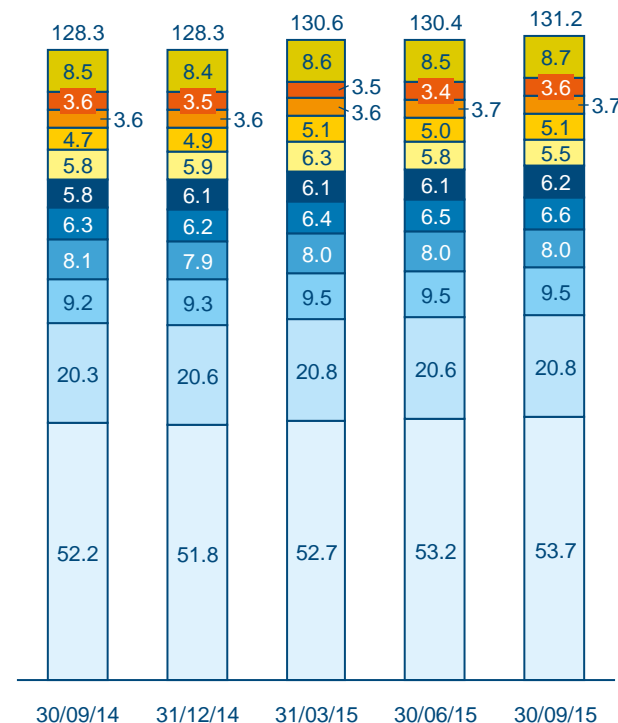
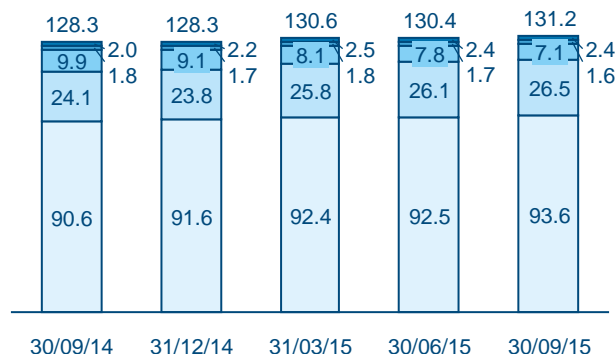
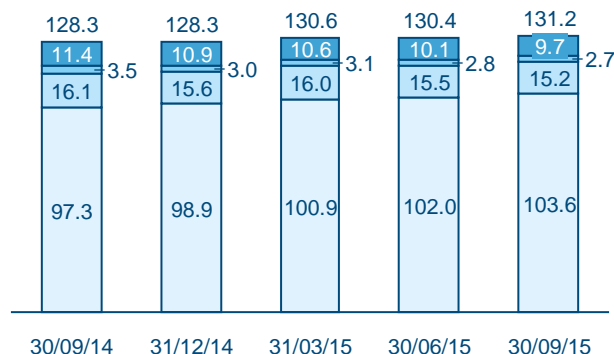


# Additional information: gross customer loans – By risk category, by currency, by industry

Gross cust. loans by risk category (EUR bn)

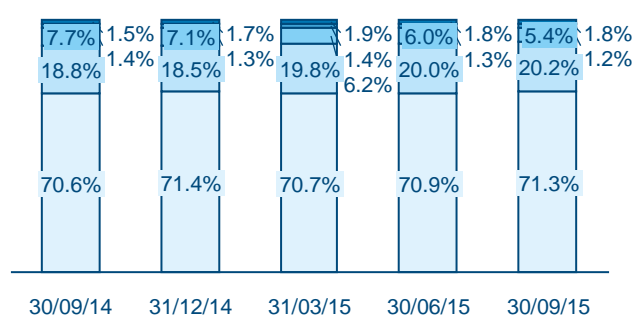
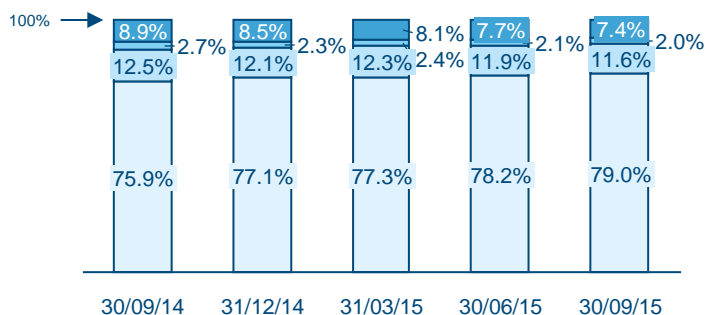
Gross customer loans by currency (EUR bn)

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

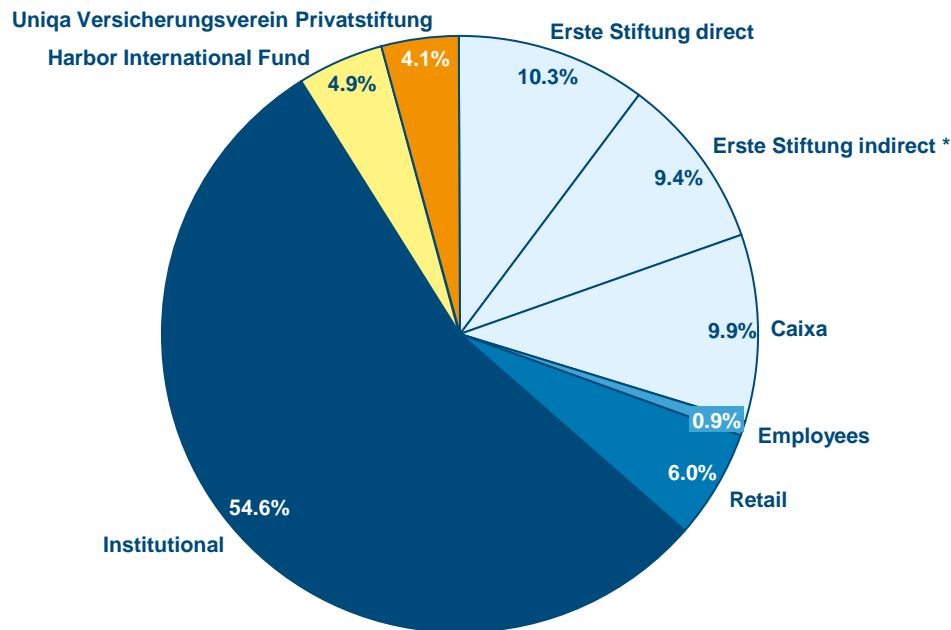
Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

#### Focus on CEE, limited exposure to other Europe

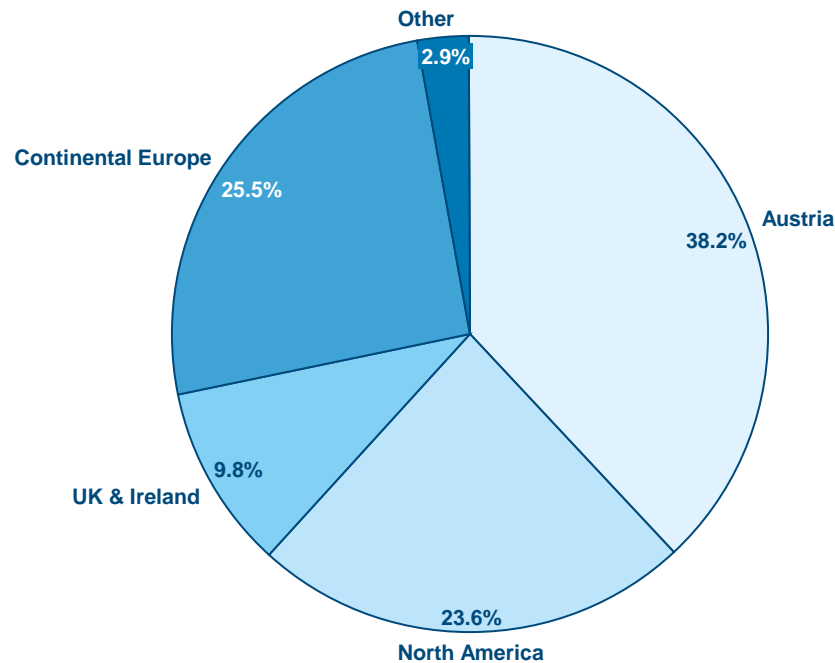
# Additional information: shareholder structure –

Total number of shares: 429,800,000

By investor



By region



\* Including voting rights of Erste Foundation, savings banks, savings banks foundations and Wiener Städtische Wechselseitige Versicherungsverein

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

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