

Erste Group investor presentation Q1 17 results (unaudited)

5 May 2017

**Excellent credit risk environment across CEE and lower banking taxes in Austria
provide strong foundation for another 10%+ ROTE year**

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Willibald Cernko, CRO Erste Group

Disclaimer –

Cautionary note regarding forward-looking statements

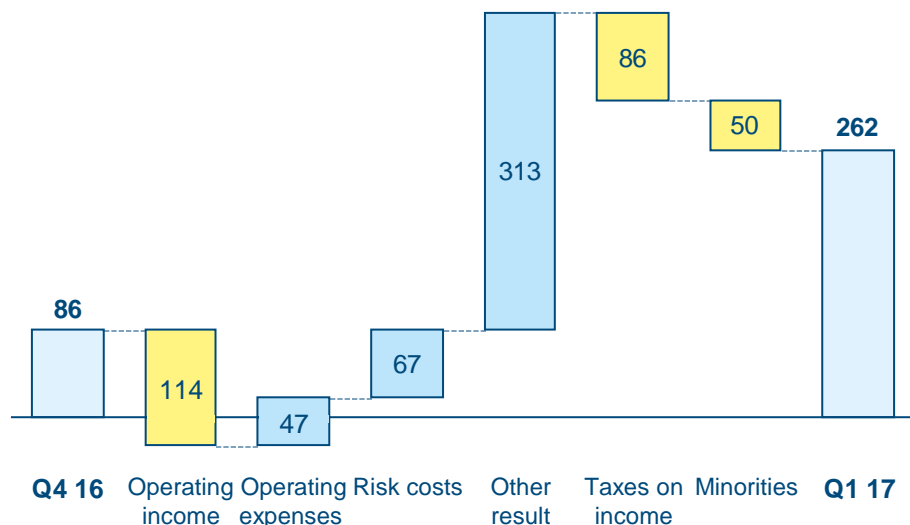
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Presentation topics

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

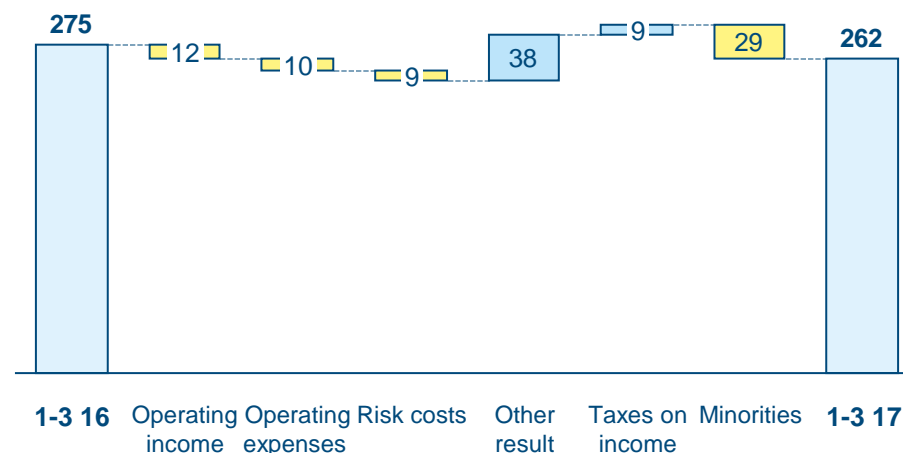
Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Erste Group Q1 17 net profit amounted to EUR 262.2m; qoq rise primarily due to improved other result (one-offs in Q4 16 related to AT, SK and RO), better risk provisions and lower costs
- Revenues declined on lower NII (positive one-off in Q4 16, sovereign bond maturities), trading and rental income
- Operating expenses improved on lower personnel costs and lower depreciation

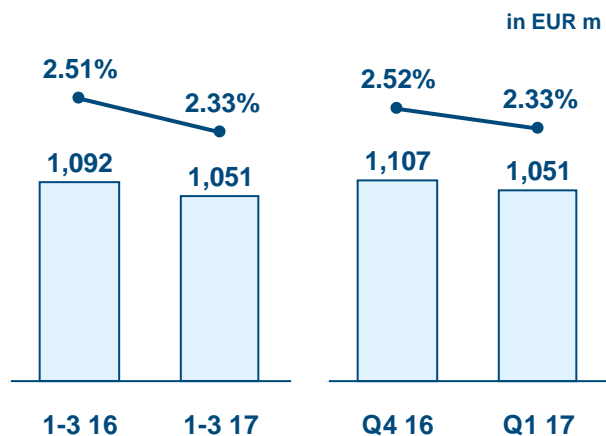
YoY net profit reconciliation (EUR m)



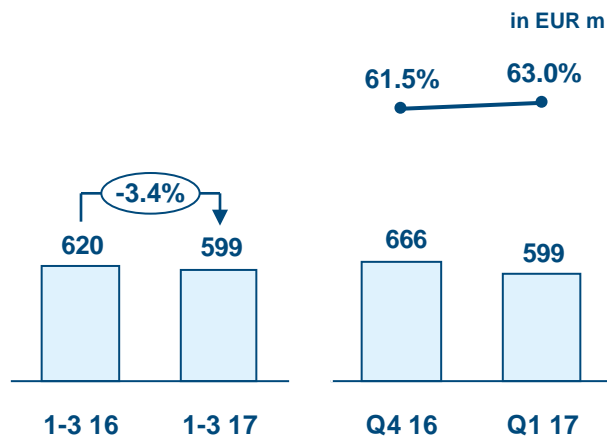
- 4.6% yoy decline in net profit primarily driven by lower operating result and higher minority charge
- Other result improved on the back of lower banking levies (mainly in AT) that off-set higher contributions into recovery and resolution funds
- Negative yoy impact from minority line reflects the improved result of the savings banks

Executive summary – Key income statement data

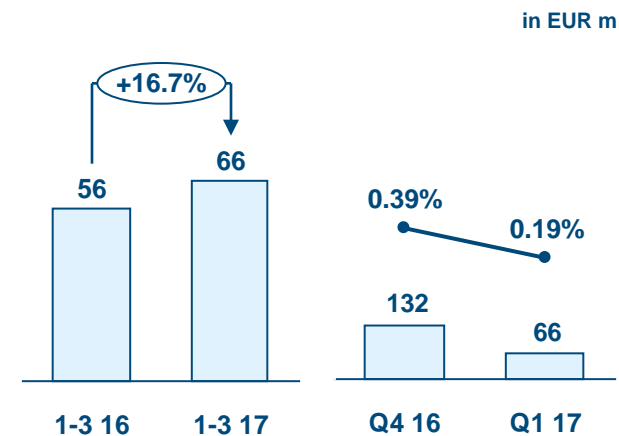
Net interest income & margin



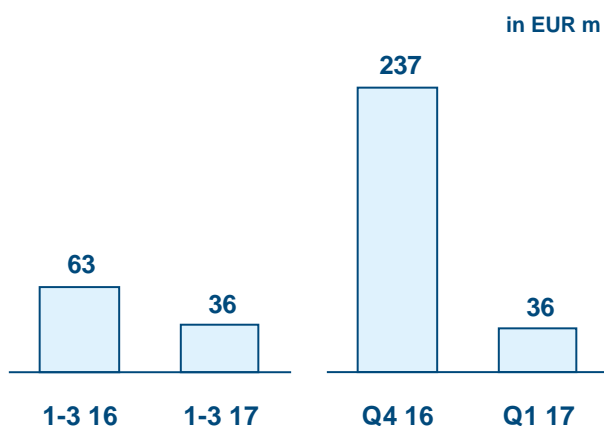
Operating result & cost/income ratio



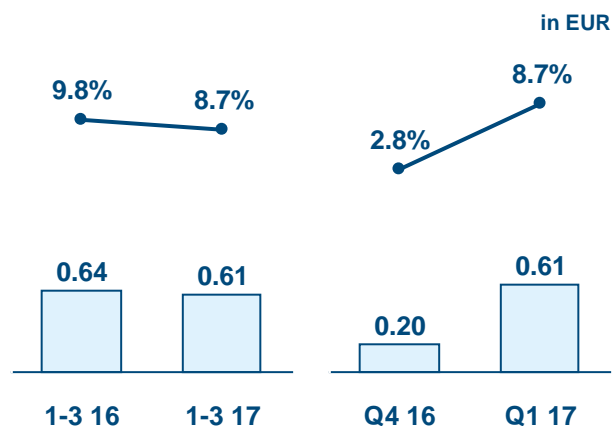
Cost of risk



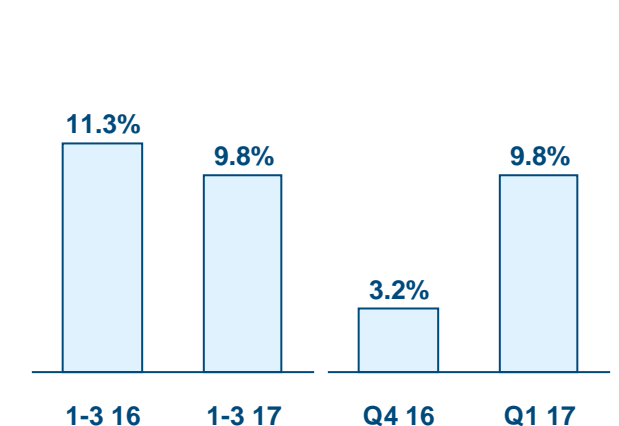
Banking levies



Reported EPS & ROE

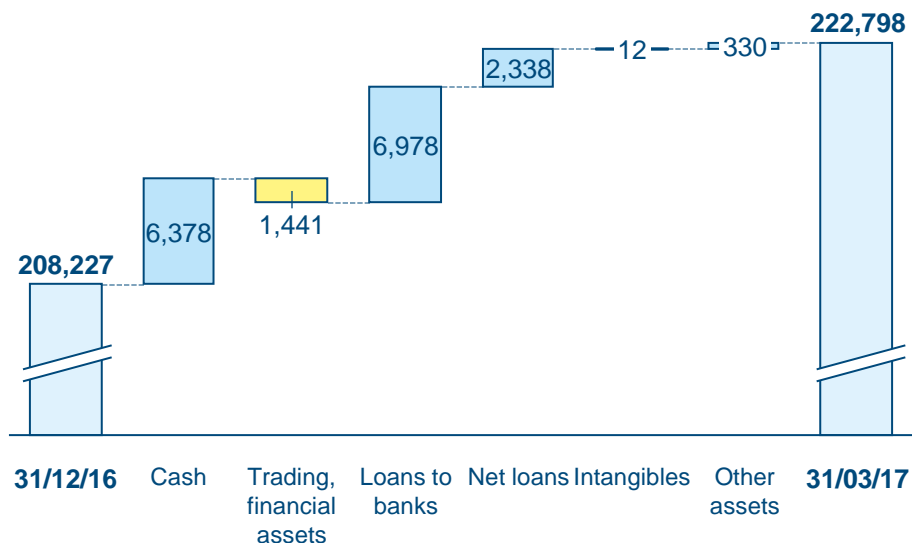


Return on tangible equity



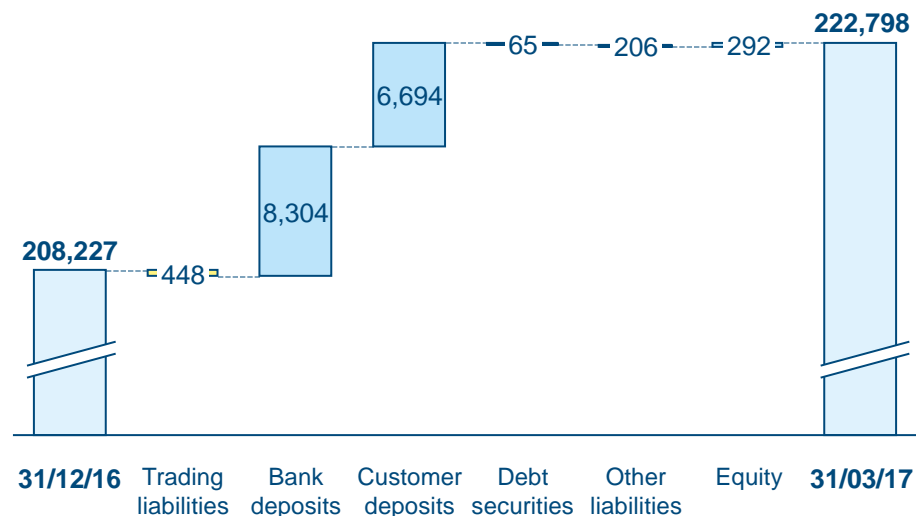
Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Balance sheet total rose by 7.0% in Q1 17, driven by temporary increase in interbank loans (primarily in CZ) and higher cash position on the back of continued deposit inflows
- Net customer loans advanced by 1.8% in Q1 17, supported by increased money market business, primarily in CZ; underlying loan growth mainly in retail segments of CZ, SK and HU
- Decline in financial assets driven by AfS sales

YTD equity & total liability reconciliation (EUR m)

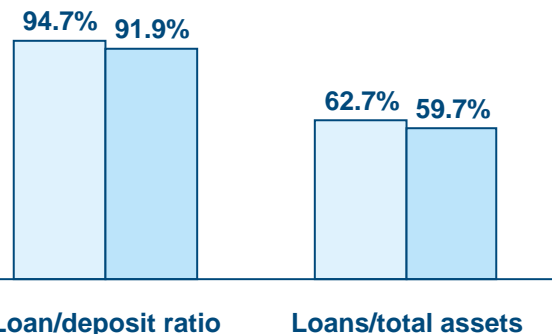


- Bank deposits increased by 56.8% on temporarily expanded interbank business, primarily in the holding company and CZ
- Deposit growth accelerated to 4.9% in Q1 17, pushing the loan/deposit ratio down to 91.9%; main drivers: continued customer deposit inflows across most geographies and increased money market business

Executive summary – Key balance sheet data

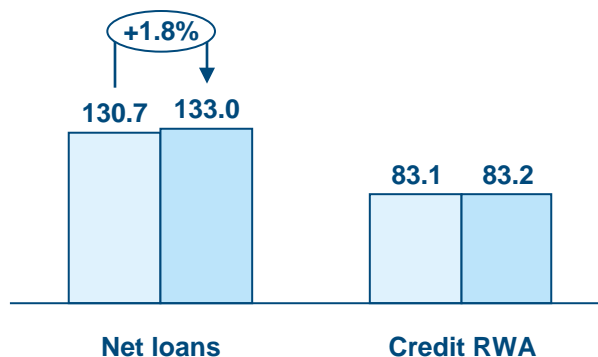
31/12/16
31/03/17

Loan/deposit & loan/TA ratio

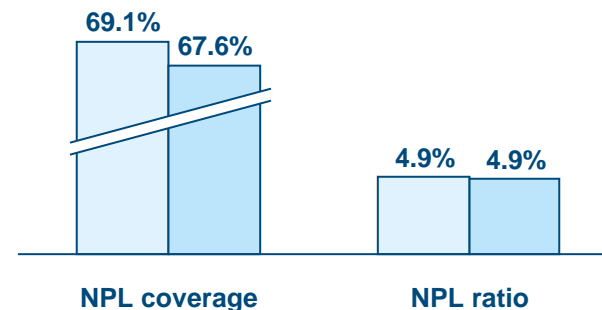


Net loans & credit RWA

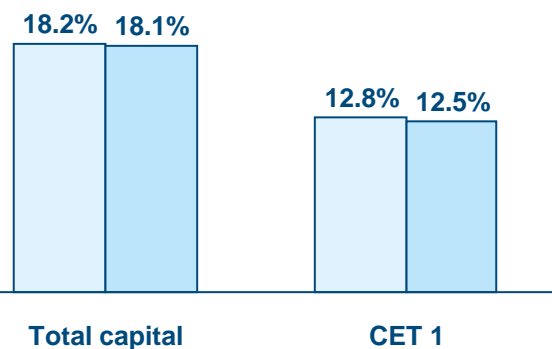
in EUR bn



NPL coverage ratio & NPL ratio

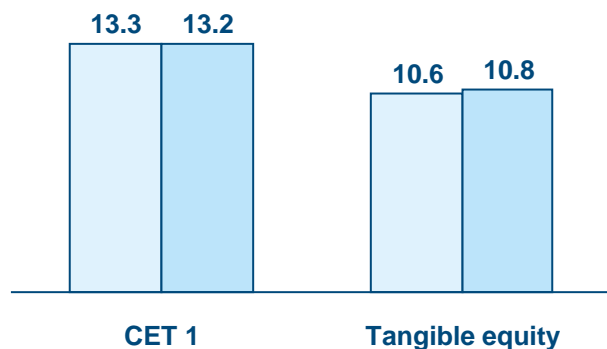


B3FL capital ratios

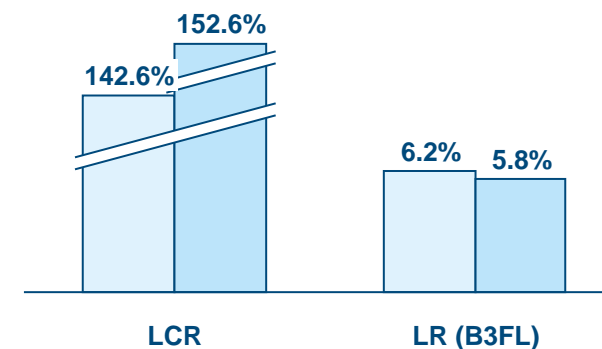


B3FL capital & tangible equity*

in EUR bn



Liquidity coverage & leverage ratio**



* Based on shareholders' equity, not total equity

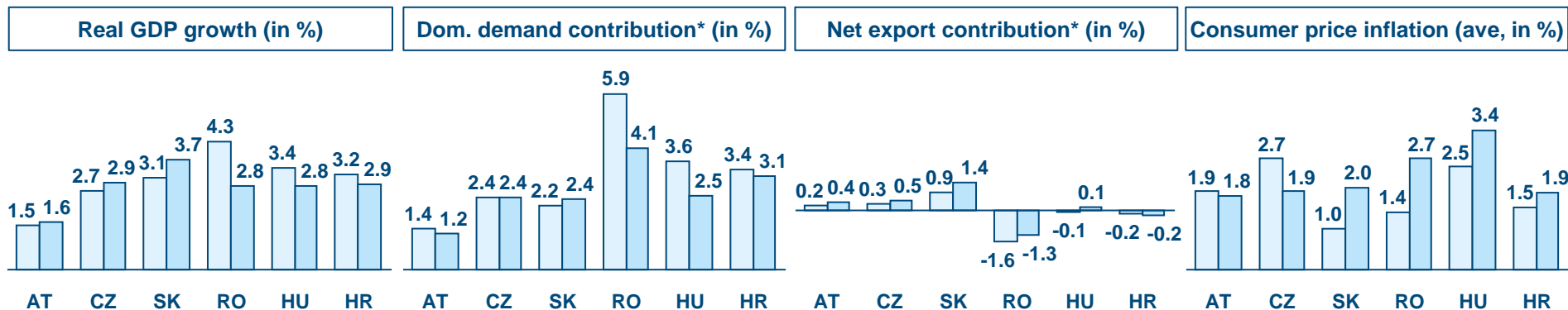
** Pursuant to Delegated Act

Presentation topics

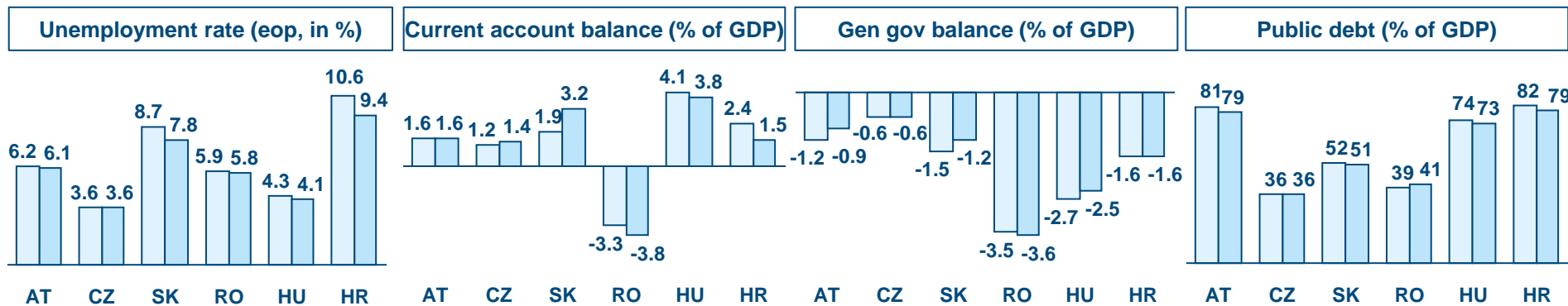
- Executive summary
- **Business environment**
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Business environment – Continued solid CEE GDP growth expectations for 2017

2017
2018



- Erste Group's core CEE markets expected to grow by about 3-4% in 2017
 - Domestic demand is expected to be main driver of economic growth in 2017
 - Consumption is supported by improving labour markets, wage increases and very low inflation rates across the region



- 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

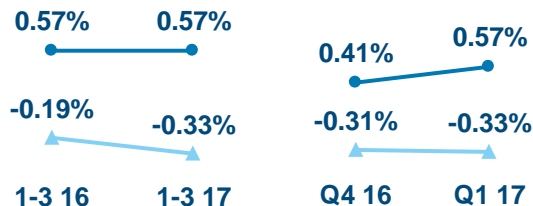
* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research

Business environment –

Slight interest rate increases on the long end in Q1 17

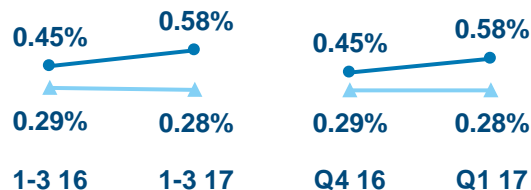
—▲ 3M Interbank
—● 10YR GOV

Austria



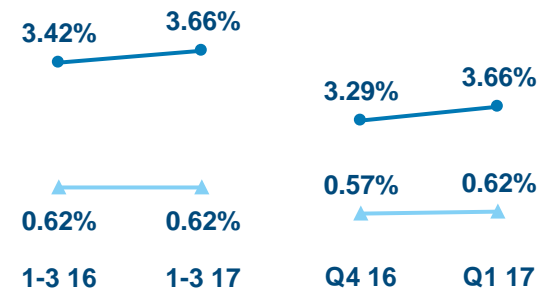
- ECB cut discount rate to zero in March 15
- Maintains expansionary monetary policy stance

Czech Republic



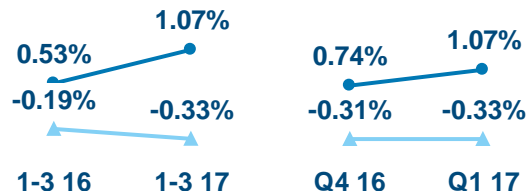
- National bank maintains ultra-low interest rates since November 2012 at 0.05%

Romania



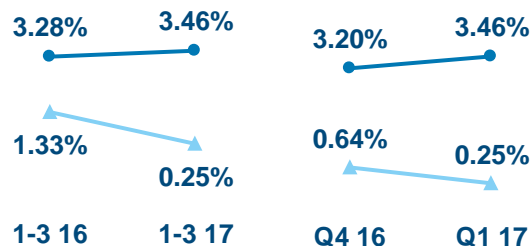
- Central bank cut policy rate to historic low of 1.75% in May 2015

Slovakia



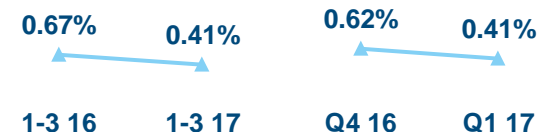
- As part of euro zone ECB rates are applicable in SK

Hungary



- National bank cut the benchmark interest rate to record low of 0.9% in May 16

Croatia

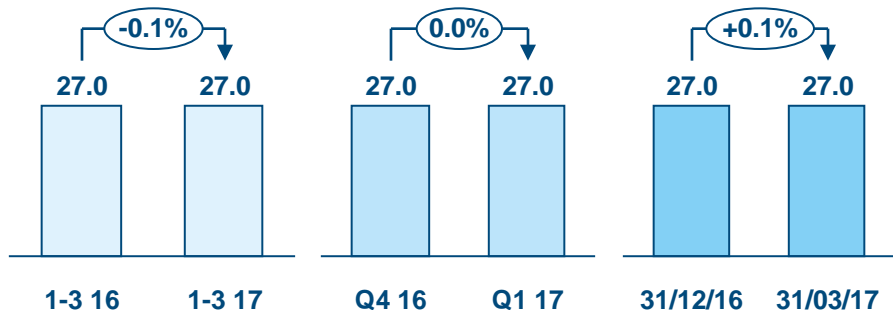


- Central bank maintains discount rate at 3.0% since 2015

Source: Bloomberg

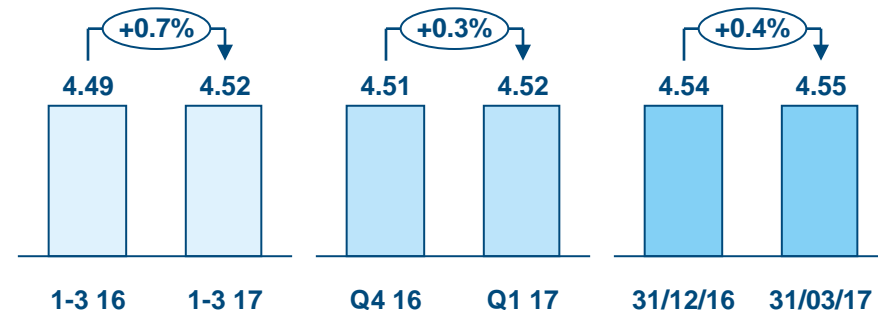
Business environment – Limited currency volatility in CEE

EUR/CZK



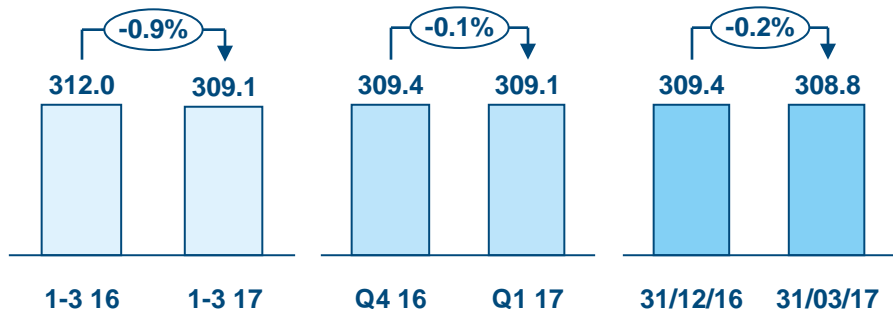
- Czech National Bank ended its currency peg in April 2017; discount rate stable at 0.05% in Q1 17

EUR/RON



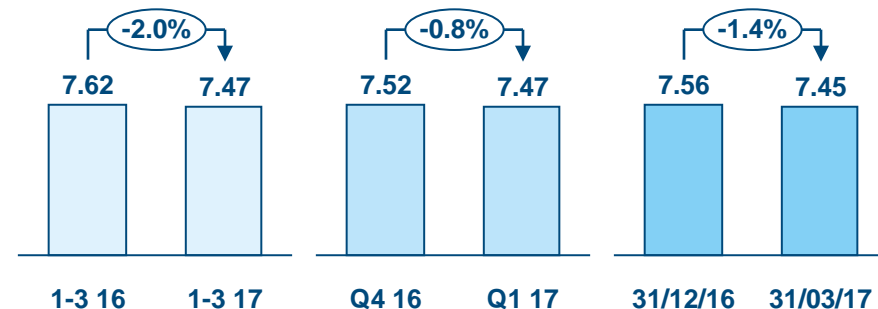
- RON movements marked by limited volatility, despite decreasing interest rates: policy rate cut to 1.75% in Q2 15

EUR/HUF



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

EUR/HRK



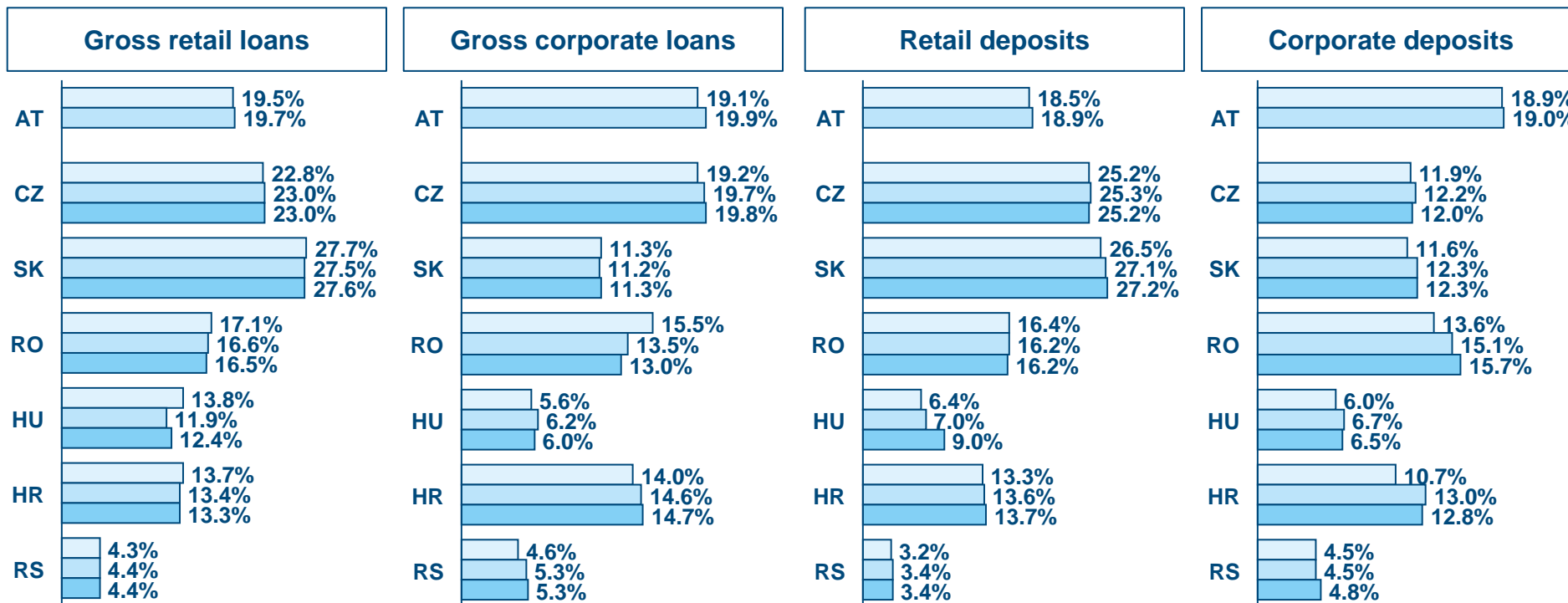
- Strong grip of national bank on HRK is reflected in lack of volatility

Source: Bloomberg

Business environment –

Market shares: mostly stable or increasing shares across the region

31/03/16
31/12/16
31/03/17



- CZ and SK: stable qoq market shares in growing markets
- RO: slightly lower market share mainly due to more restrictive lending standards
- HU: market shares driven by NPL sales & Citi transaction
- RO: continued pressure on gross loan based market share
- HU: increasing yoy market share driven mainly by SME segment, while qoq decline is driven by CRE repayments
- Continued inflows in all markets despite low interest rate environment, with broadly stable market shares
- Changes mainly due to normal quarterly volatility in corporate business

AT market shares for 31/03/2017 not yet available

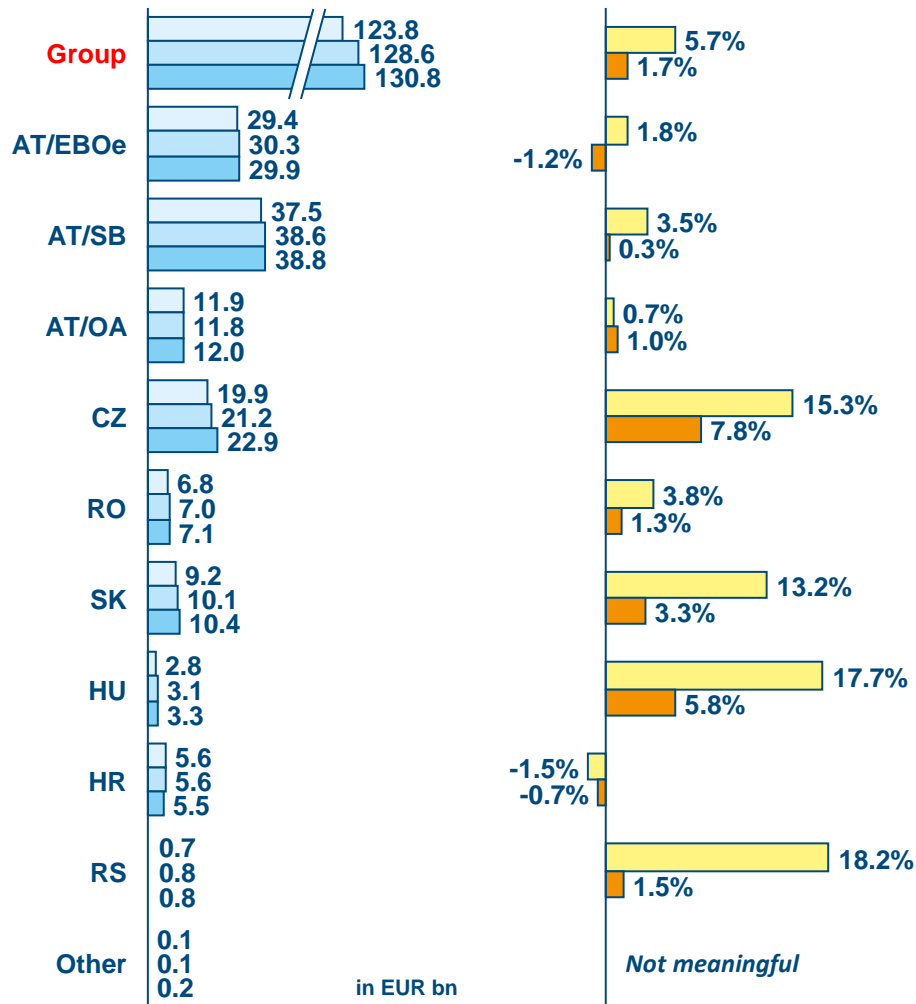
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Business performance: performing loan stock & growth –

Performing loan volume increases by 1.7% qoq

■ YoY ■ 31/03/16
■ QoQ ■ 31/12/16
■ 31/03/17

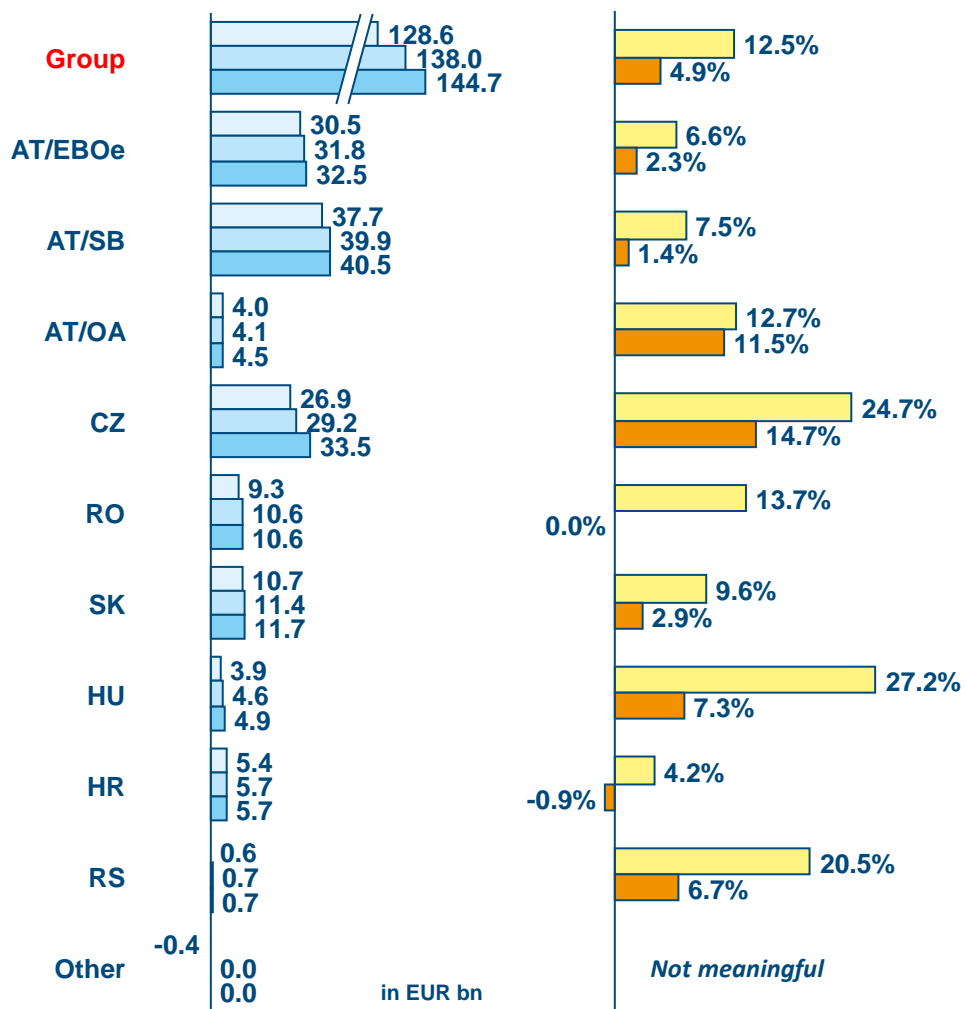


- Rising performing loan volume trend continues in Q1 17 across most geographies, supported by increased money market business, primarily in CZ; underlying loan growth mainly in retail segments of CZ, SK and HU
- Yoy growth primarily driven by Retail, with good contributions from Corporates, Savings Banks & Group Markets segments
- Qoq growth mainly attributable to Group Markets on temporarily increased money market business in CZ, good contributions from Retail and Corporates
- Year-on-year segment trends:
 - RS: continued strong growth in Retail and Corporates segments
 - HU: growth primarily in the Corporates segment, Retail growth benefited from CITI integration
 - CZ: strong growth in Retail and Corporates segment, temporary EUR 1.1bn Group Markets volume expansion
 - SK: increase mainly driven by Retail segment
- Quarter-on-quarter segment trends:
 - CZ: growth primarily driven by increased money market business in Group Markets segment (EUR 1.1bn); in addition growth in Retail and Corporates segment
 - HU: increase supported by CITI integration

Business performance: customer deposit stock & growth –

Deposit growth accelerates to 4.9% qoq, 12.5% yoy

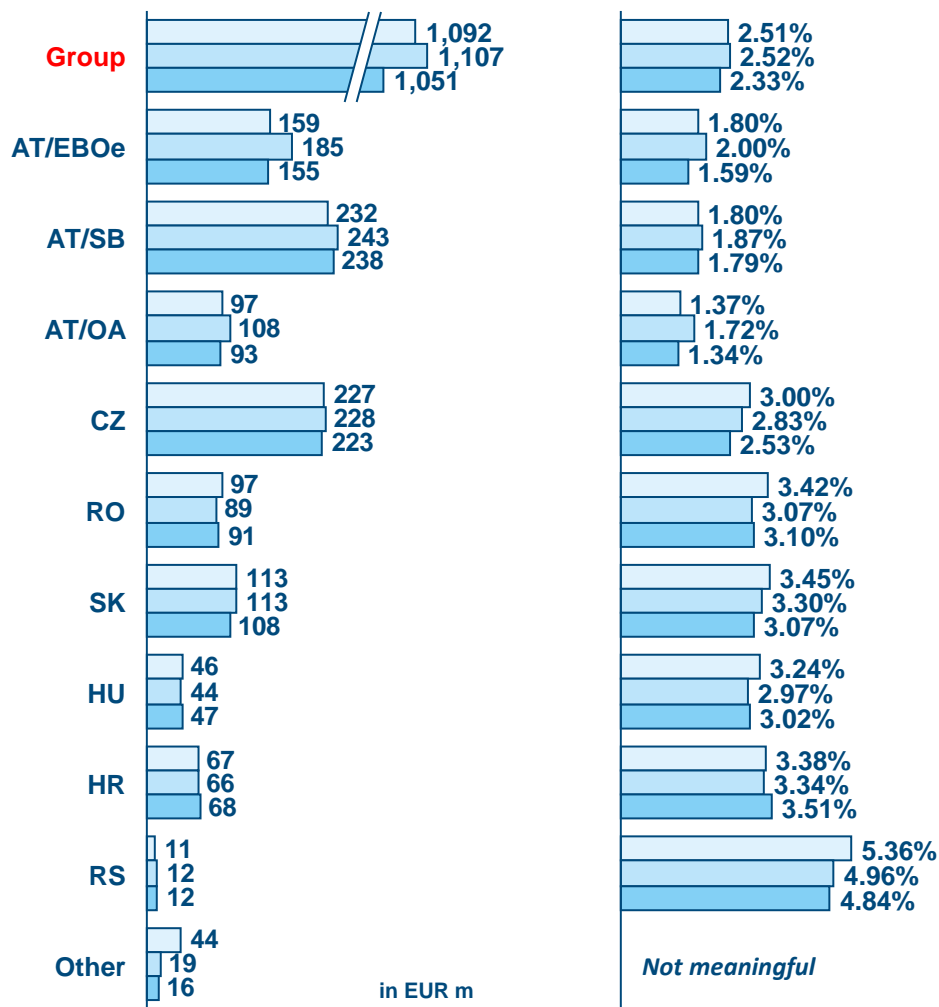
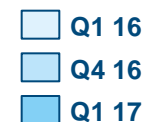
■ YoY ■ 31/03/16
■ QoQ ■ 31/12/16
■ 31/03/17



- Exceptional deposit growth across all geographies, despite zero interest rate environment as retail and corporate clients parked cash in overnight accounts
- Yoy growth in absolute terms driven by Retail segment (+EUR 5.1bn) and Savings Banks (+EUR 2.8bn), with strong contribution from Corporate segment (+EUR 3.8bn)
- Qoq increase across the board, except RO & HR, main driver CZ on expanded money market business
- Year-on-year segment trends:
 - CZ: growth attributable to Corporates (particularly strong in Public Sector) and Group Markets (temporary money market expansion), minor contribution from Retail segment
 - RO: strong inflow in Corporates (in particular Group Large Corporates and Public Sector), to a lesser extent in Retail
 - HU: increase driven primarily in Retail and CITI integration, supported by inflows in Corporates (mainly in SMEs and Group Large Corporates)
 - RS: stronger growth in Corporates than in Retail
- Quarter-on-quarter segment trends:
 - CZ: mainly due to temporarily expanded money market volumes
 - HU: mainly benefited from CITI integration

Business performance: NII and NIM –

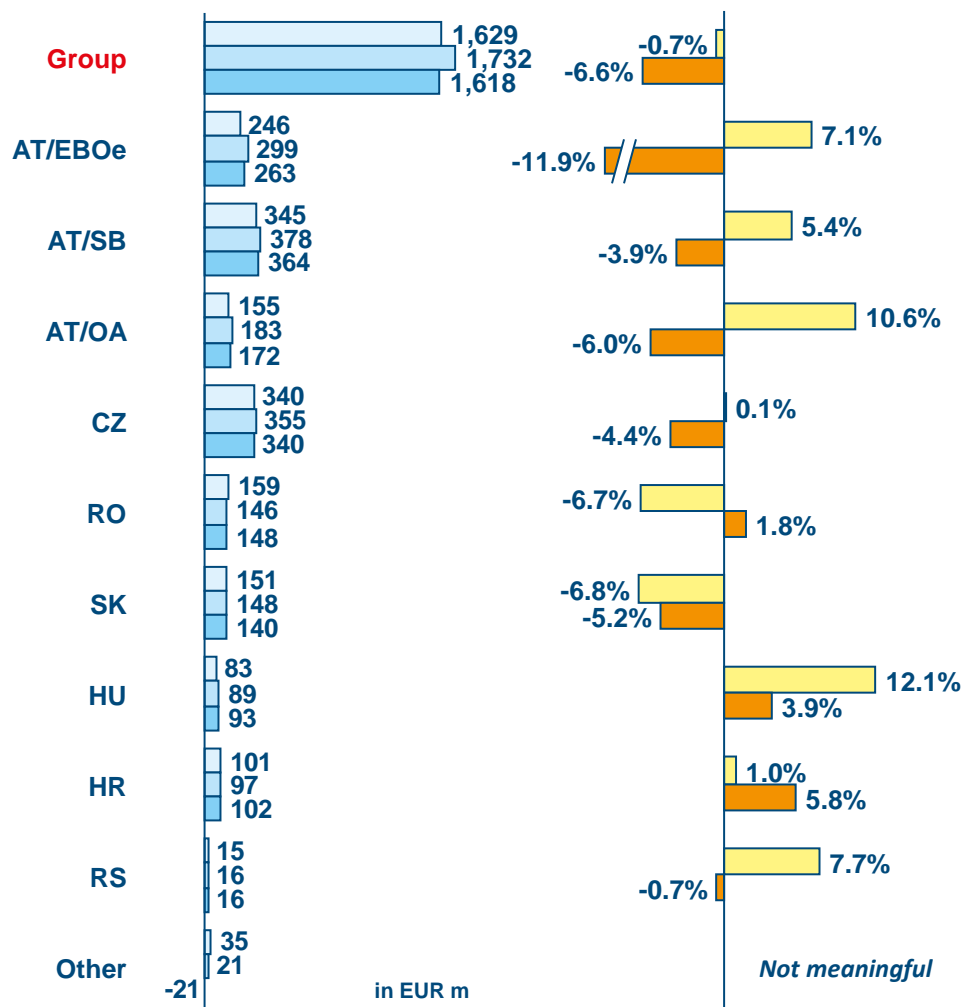
NII decline mainly due to lower income from government bond portfolio



- Yoy decline on lower interest income from government bonds as well as lower unwinding impact; main segment impact in Other (Holding ALM) and erosion in most other segments
- Qoq decrease mainly due to one-off effects in previous quarter in AT/OA related to Czech CRE project and AT/EBOe (change in accrual policy at building society)
- Year-on-year segment trends:
 - Positive NII development in AT/SB, HU, HR and RS more than offset by erosion in other segments, primarily the Other segment, due to lower NII from government bonds
- Quarter-on-quarter segment trends:
 - AT/EBOe: decline in Q1 17 due to benefits from positive one-off at Austrian building society in previous quarter
 - AT/OA: decrease mainly driven by CRE-related one-off in the Czech Republic in Q4 16
 - HU: improvement supported by CITI integration

Business performance: operating income –

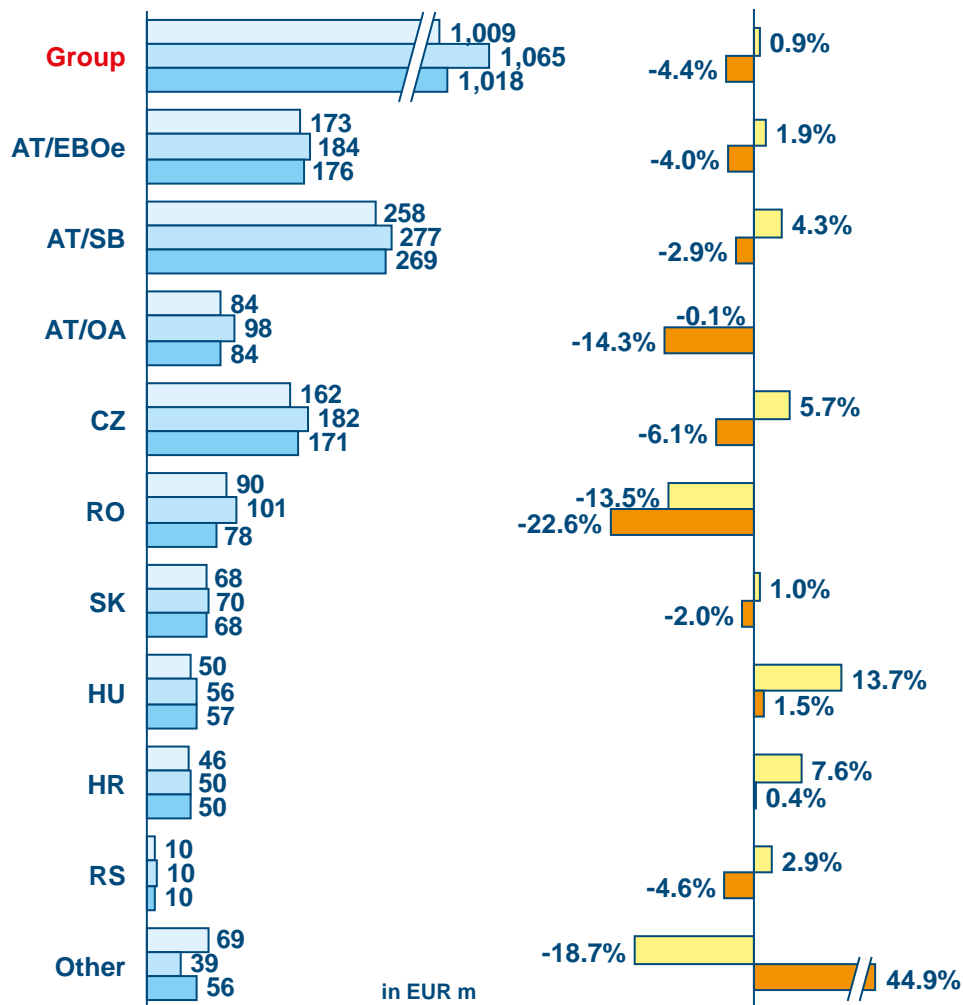
Operating income slightly lower yoy, down qoq on one-offs in Q4 16



- Yoy development primarily due to lower NII, while other components of operating income improved (most pronounced in fee income)
- Qoq decline mainly driven by positive one-offs in NII in previous quarter, lower net trading and fair value result in Q1 17 and seasonally higher fees in Q4
- Year-on-year segment trends:
 - AT/EBOe: rise attributable to better trading and fair value result due to valuation effects of financial assets and higher fee income
 - AT/OA: increase mainly driven by trading result in Group Markets (Holding), while stronger fee income offsets lower NII resulting from interest income from government bonds
 - HU: higher NII, fee income and trading and fair value result supported by CITI integration
 - Other: lower NII in Holding ALM and weaker trading and fair value result on valuation effects
- Quarter-on-quarter segment trends:
 - AT/EBOe: decline attributable to one-off at building society (NII) and first time consolidation of subsidiary (rental income) in Q4 16
 - AT/OA: decrease due to CRE-related one-off in CZ (NII) in previous quarter
 - CZ: decline resulting from pressure on NII in Retail, lower trading and fair value result on valuation effects and seasonality in fee income in Q4 16

Business performance: operating expenses –

Operating costs declined qoq despite deposit insurance contribution



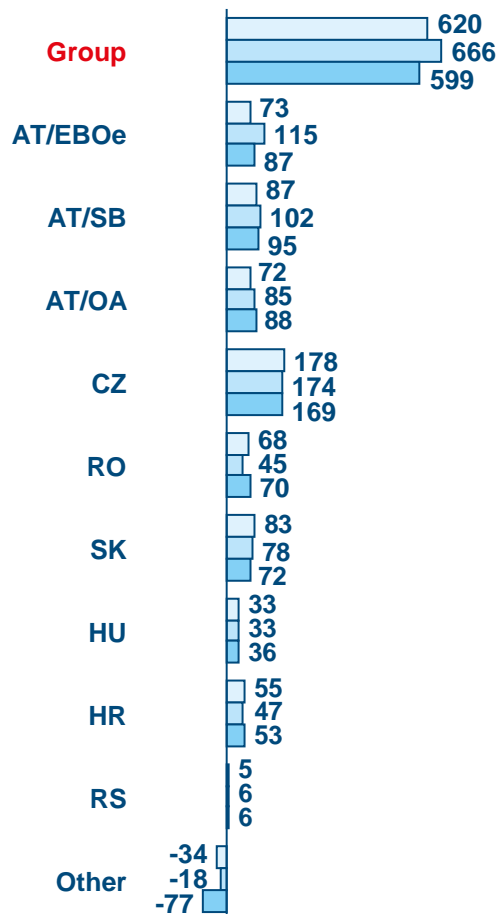
- YoY cost increase driven by higher IT and personnel costs
- QoQ improvement driven by lower marketing and personnel costs and non-recurrence of Q4 16 one-off (first time consolidation of subsidiaries); full-year deposit insurance contribution (except HR, RS) weighed on Q1 17 costs
- Year-on-year segment trends:
 - CZ: increase on higher personnel costs and higher deposit insurance contribution
 - HU: higher personnel costs and depreciation following CITI migration
 - RO: lower personnel costs and significantly lower deposit insurance contribution
 - AT/SB: driven up primarily by higher IT expenses
- Quarter-on-quarter segment trends:
 - RO: higher consultancy, marketing, personnel and IT expenses in Q4 16
 - AT/OA: higher regulatory-induced IT costs in Q4 16
 - AT/EBOe: first time consolidation of subsidiary in Q4 16, higher IT and marketing costs
 - CZ: down on restructuring expenses in previous quarter
 - Other: higher costs in service entities

Business performance: operating result and CIR –

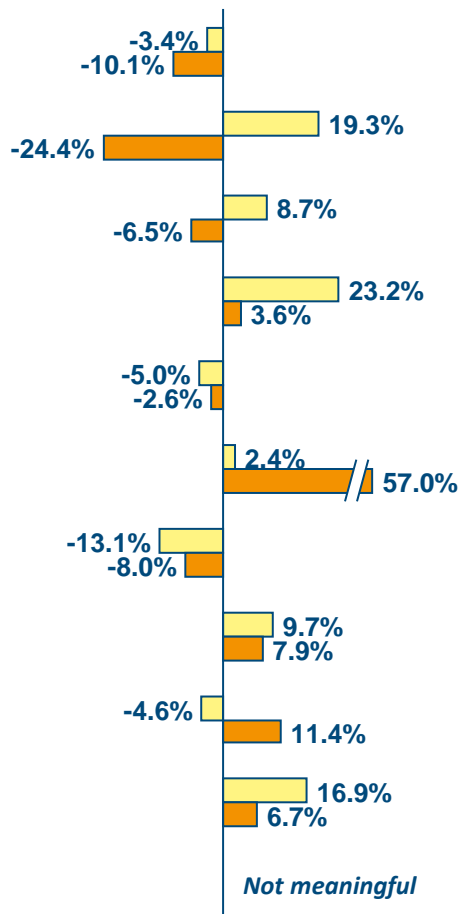
Operating result almost unchanged qoq and yoy

■ YoY ■ Q1 16
■ QoQ ■ Q4 16
■ Q1 17

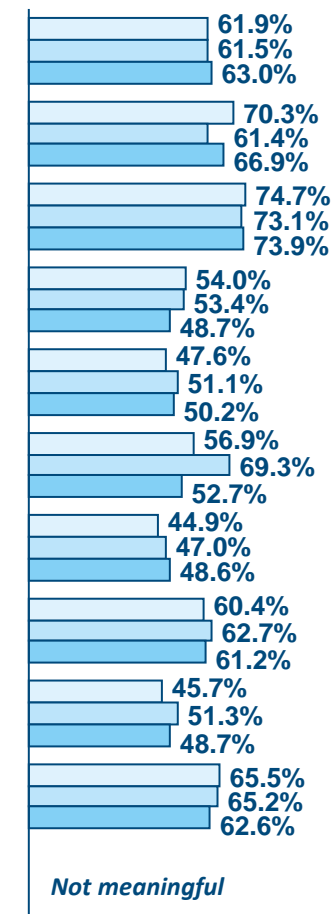
Operating result



YoY & QoQ change



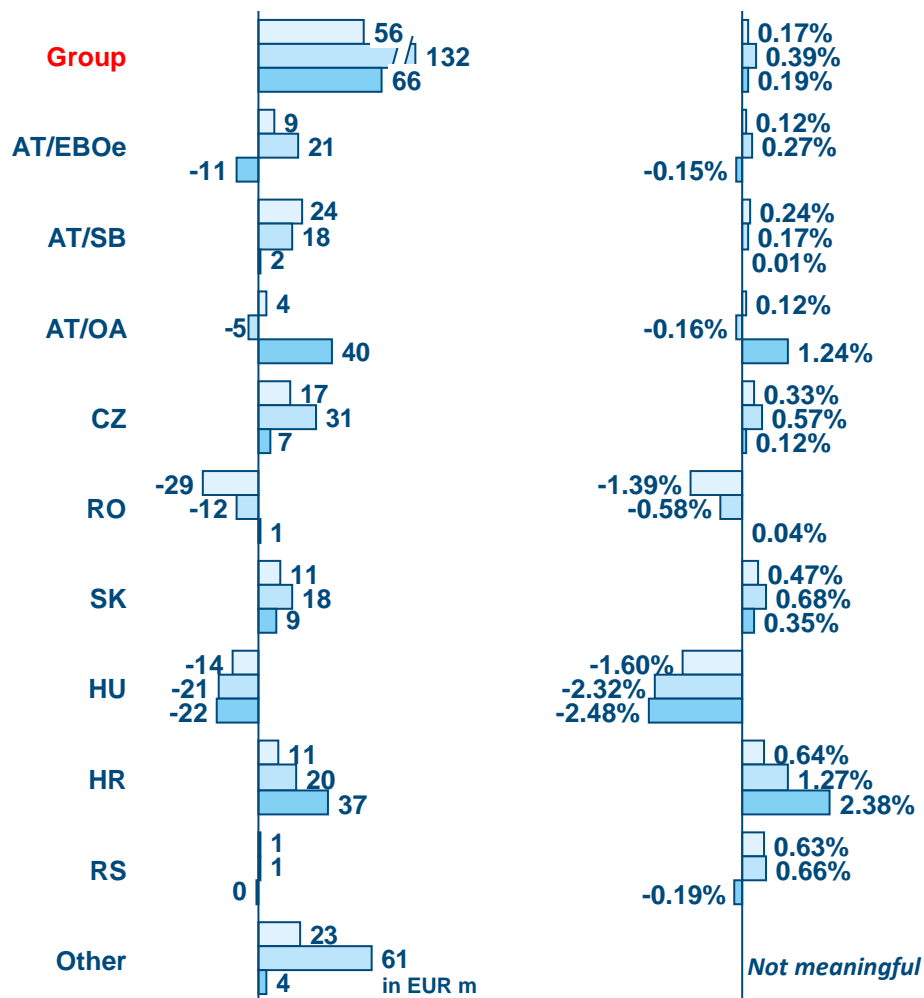
Cost/income ratio



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

Risk costs remain at historically low levels in Q1 17

Q1 16
Q4 16
Q1 17



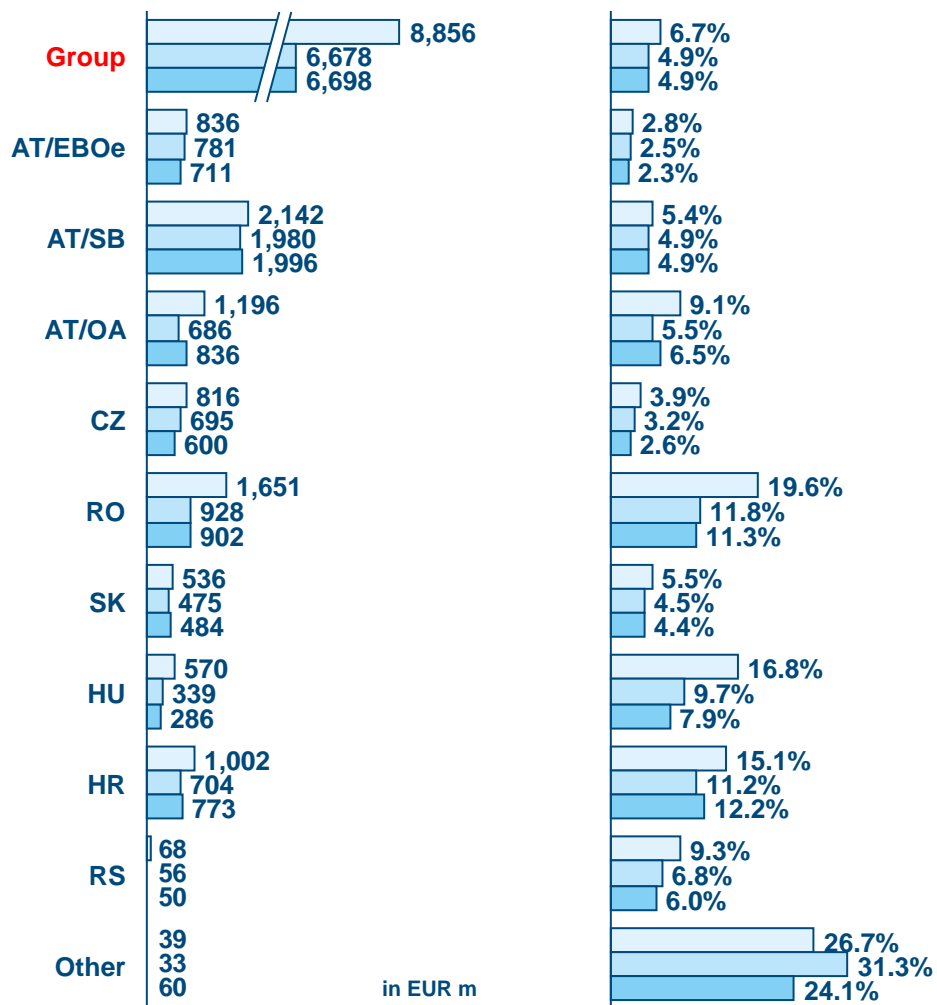
- Yoy risk performance characterised by continuation of historically low risk costs
- Qoq improvement mainly attributable to higher CEE real estate impairments in Q4 16
- Year-on-year segment trends:
 - AT/EBOe: net releases in Retail and Corporates portfolio (SME business), partially offset by higher provisions for contingent credit risk liabilities
 - AT/SB: net releases across most savings banks
 - AT/OA: increase in risk costs in Holding due to corporate restructuring in Croatia
 - RO: lower level of releases than in previous quarters
 - HR: increase driven by Corporates (Group Large Corporates)
- Quarter-on-quarter segment trends:
 - AT/OA and AT/EBOe: see above
 - CZ: low default rates, higher recoveries and net releases of provisions in Q1 17
 - Other: improvement primarily attributable to higher CEE real estate impairments in Q4 16

* 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 remains unchanged at 4.9% in Q1 17

31/03/16
31/12/16
31/03/17

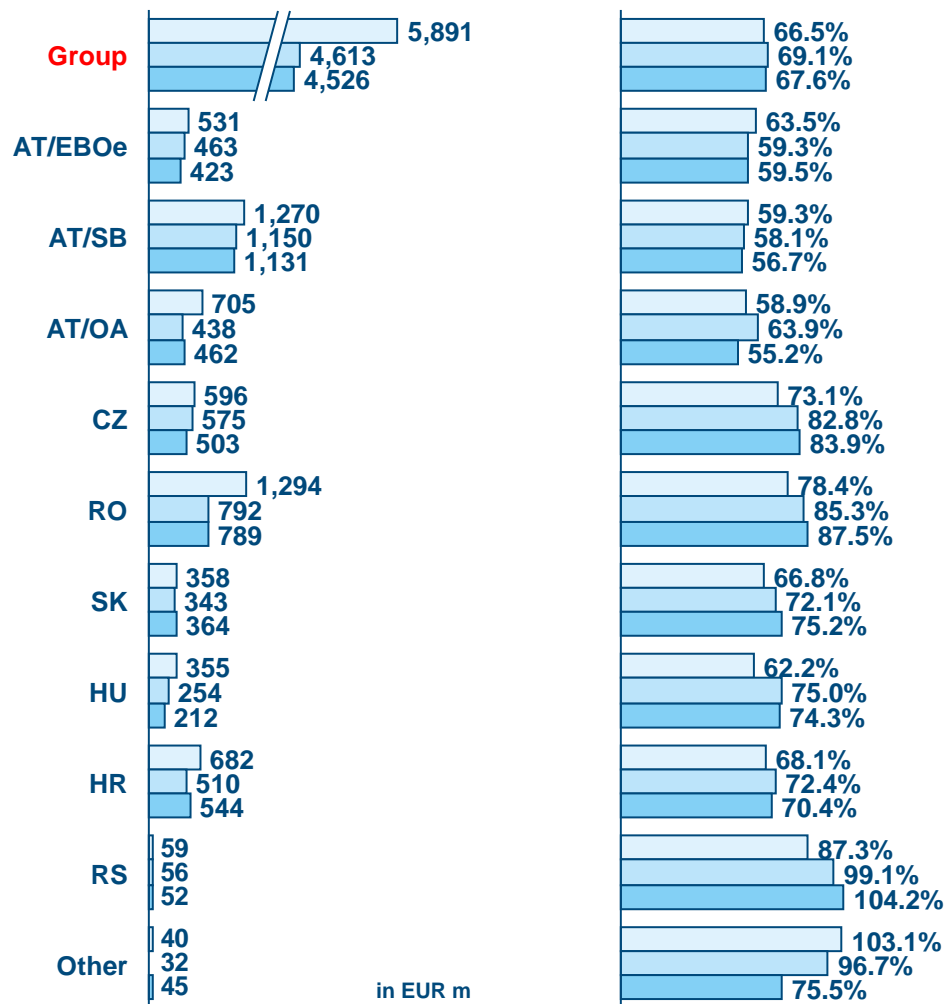


- NPL volume relatively unchanged at EUR 6.7bn in Q1 17 as NPL inflows in AT/OA (Holding) and HR offset continuation of declining inflows in most segments
- NPL sales of EUR 121.1m in Q4 16 (Q4 16: EUR 381.1m)
 - Retail: EUR 58.2m (Q4 16: EUR 311.0m)
 - Corporate: EUR 62.9m (Q4 16: EUR 70.0m)
 - Q1 17 NPL sales mainly at Holding level (EUR 48.2m) and in Slovakia (EUR 47.5m) and minor sales in HU, CZ, RO and RS

Business performance: allowances for loans and NPL coverage –

NPL provision coverage at comfortable 67.6%

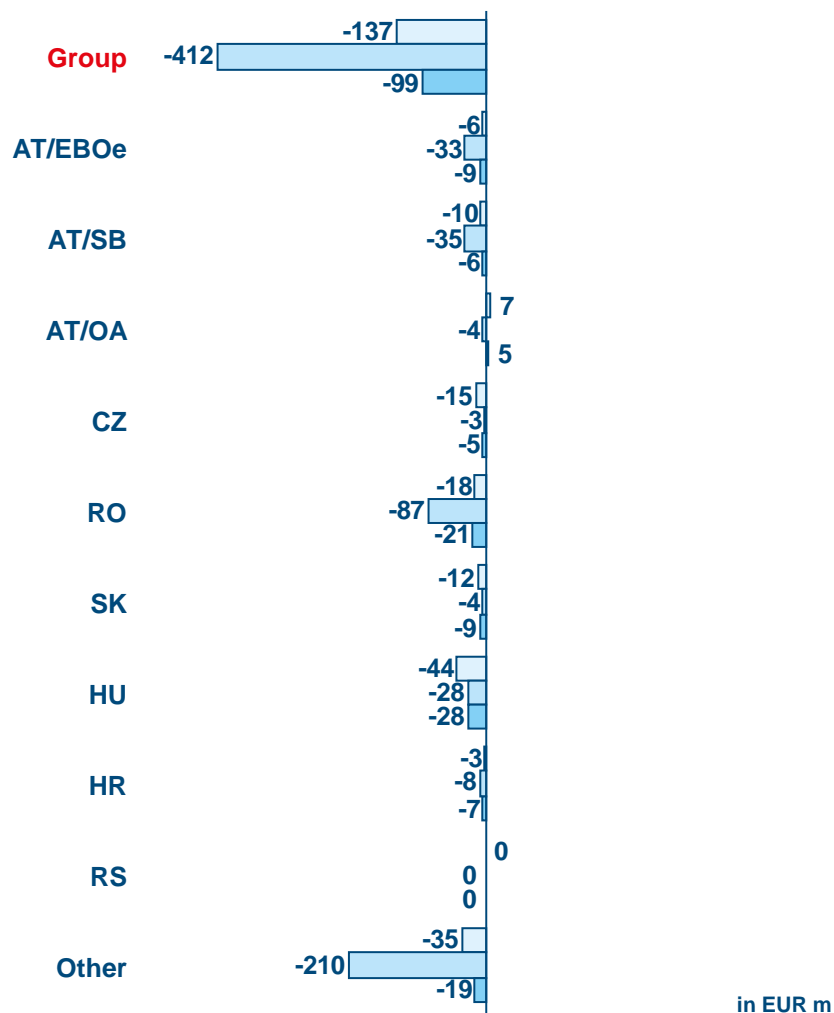
31/03/16
31/12/16
31/03/17



- NPL provision coverage at 67.6% due to minor uptick in non-performing loans in Q1 17
- Year-on-year segment trends:
 - AT/OA: decline due to corporate restructuring in Croatia
 - SK: coverage ratio steadily increases following temporary decline at year-end 2015 (due to adoption of EBA default definition)
 - HU: strong improvement following mortgage NPL sales in Q4 16
 - Strong coverage levels in all other segments
- Quarter-on-quarter segment trends:
 - AT/OA: decline due to corporate restructuring in Croatia
 - HR: slight decline due to corporate restructuring in Croatia

Business performance: other result – Other result improves substantially in Q1 17

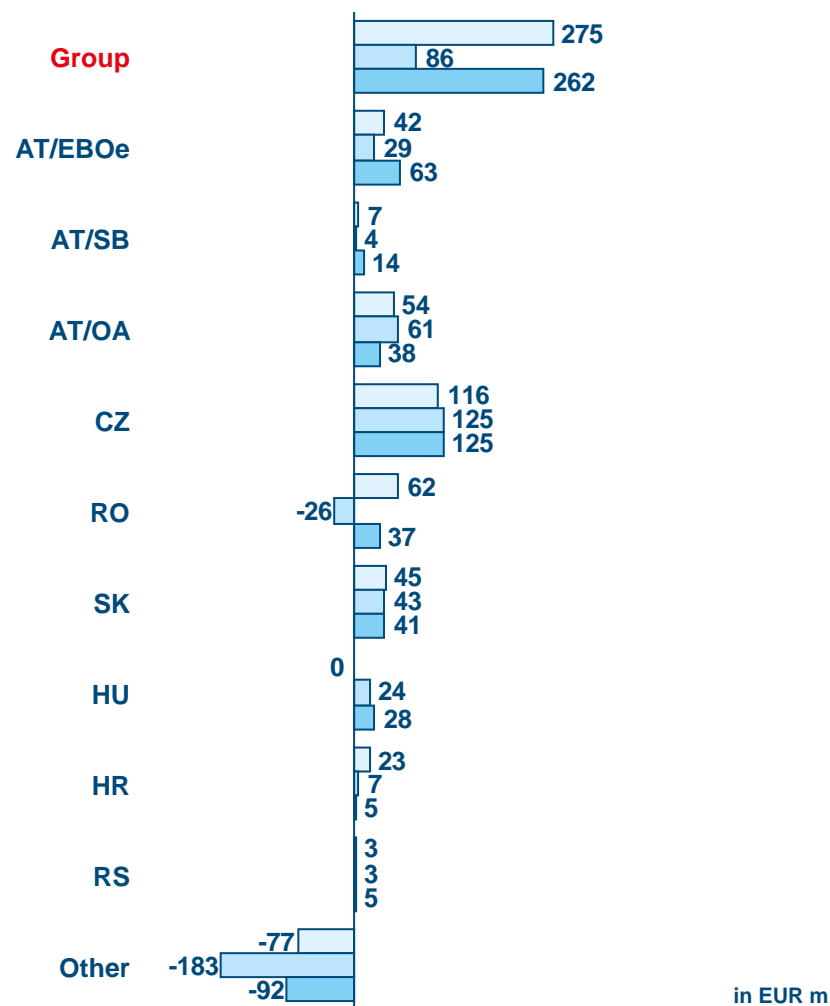
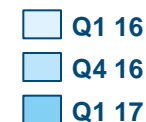
Q1 16
Q4 16
Q1 17



- Yoy improvement mainly as a result of sale of AfS securities in Q1 17 and lower banking levy in Austria; main contributors in Q1 17: banking levy incl. FTT of EUR 35.8m and recovery and resolution fund contribution of EUR 77.5m;
- Qoq substantially improved due to one-offs in previous quarter, mainly extraordinary Austrian banking tax payment of EUR 200.9m, EUR 62.3m provision for risks related to Romanian consumer protection claims, and partial Slovak goodwill write-down of EUR 61.3m
- Year-on-year segment trends:
 - HU: improvement mainly driven by lower off-balance provisions, to a lesser extent by the reduced banking levy
 - CZ: higher gains from AfS portfolio
 - AT/EBOe and AT/SB: lower banking levy in Q1 17
- Quarter-on-quarter segment trends:
 - Other: Q4 16 burdened by one-offs (Austrian banking tax payment of EUR 138.3m, partial Slovak goodwill write-down of EUR 61.3m)
 - RO: improvement mainly due to provision (EUR 62.3m) for risks related to Romanian consumer protection claims in Q4 16
 - AT/EBOe and AT/SB: Q4 16 impacted by extraordinary banking tax payment
 - AT/OA: improvement due to higher provisions for commitments and guarantees in Q4 16

Business performance: net result –

Q1 17 net result significantly up qoq following one-offs in Q4 16



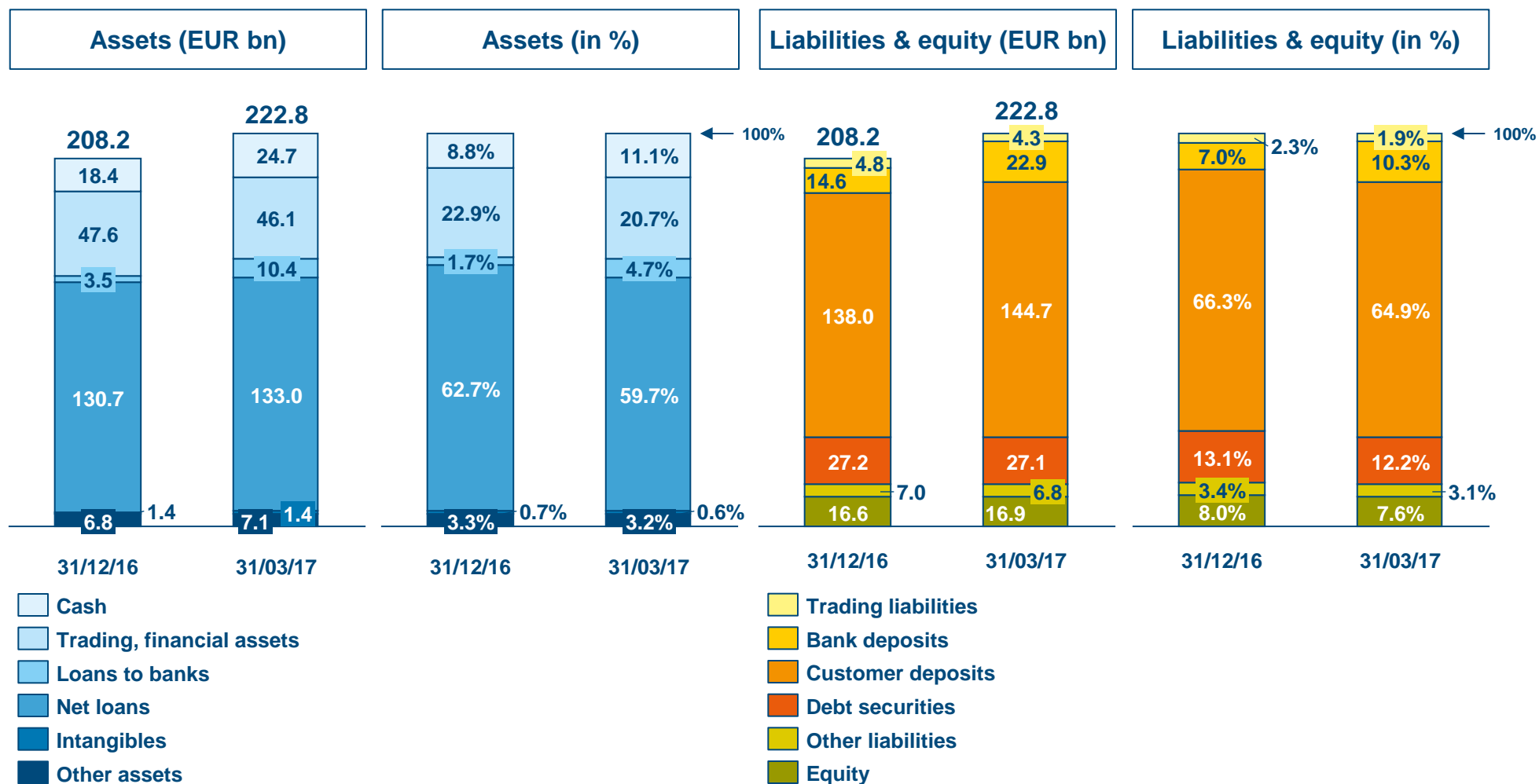
- Yoy profitability declined on lower operating result
- Qoq increase attributable to improvements in other result
- Year-on-year segment trends:
 - AT/EBOe: profitability up on higher operating result and net releases of risk provisions
 - AT/OA: net result impacted by higher risk provisions in corporate business in the Holding and CRE business
 - RO: decline in net result due to net releases of risk provisions in Q1 16
 - HU: net result driven by improved other result and higher net releases of risk provisions
 - HR: decline on higher risk costs
- Quarter-on-quarter segment trends:
 - AT/EBOe: higher net result on net releases of risk provisions and improved other result
 - RO: increase due to one-off consumer protection provisions in previous quarter
 - Other: improvement driven by one-off banking tax in Austria in Q4 16
- Return on equity at 8.7% in Q1 17, following 2.8% in Q4 16, and 9.8% in Q1 16
- Cash return on equity at 8.7% in Q1 17, following 4.9% in Q4 16, and 9.9% in Q1 16

Presentation topics

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

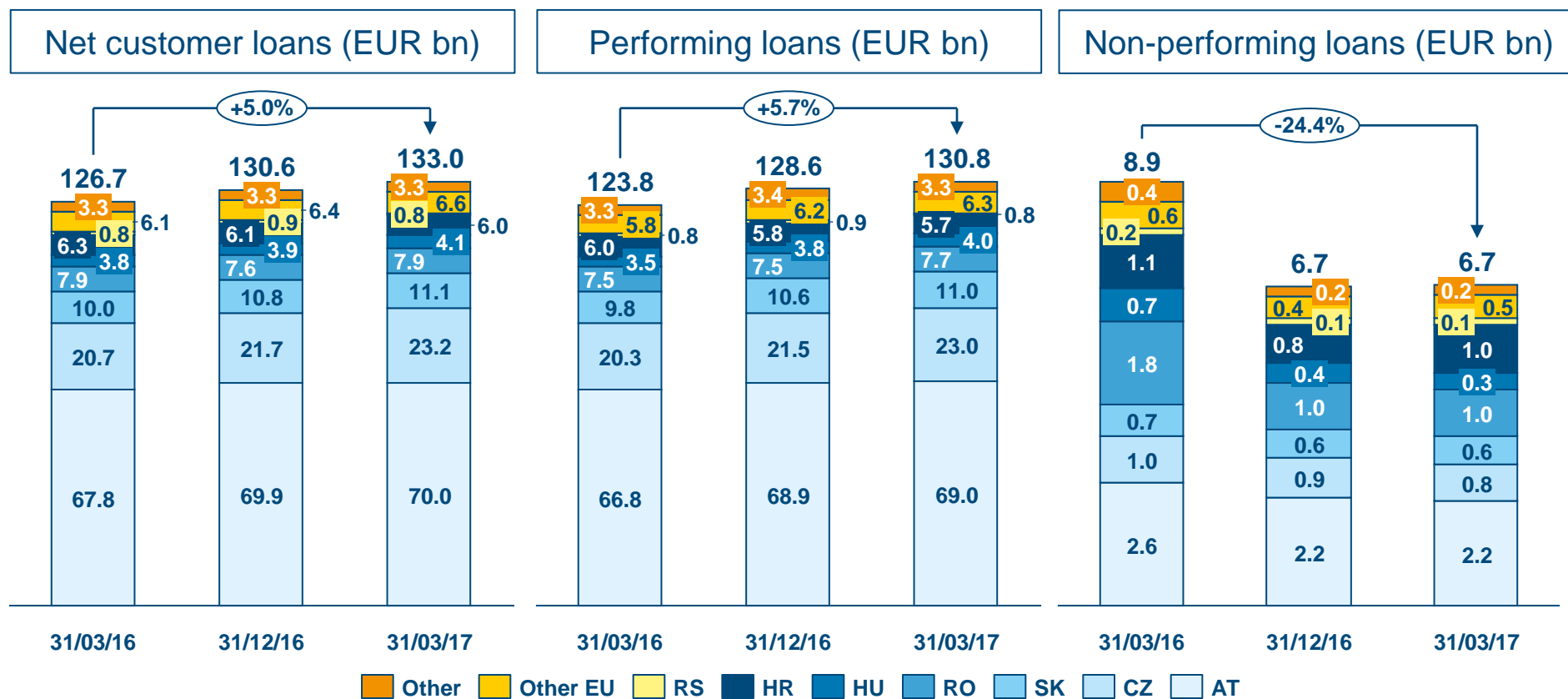
Assets and liabilities: YTD overview –

Loan/deposit ratio down to 91.9% at Mar 17 (Dec 16: 94.7%)



Assets and liabilities: customer loans by country of risk –

Net customer loans up 5.0% yoy, NPLs down 24.4%

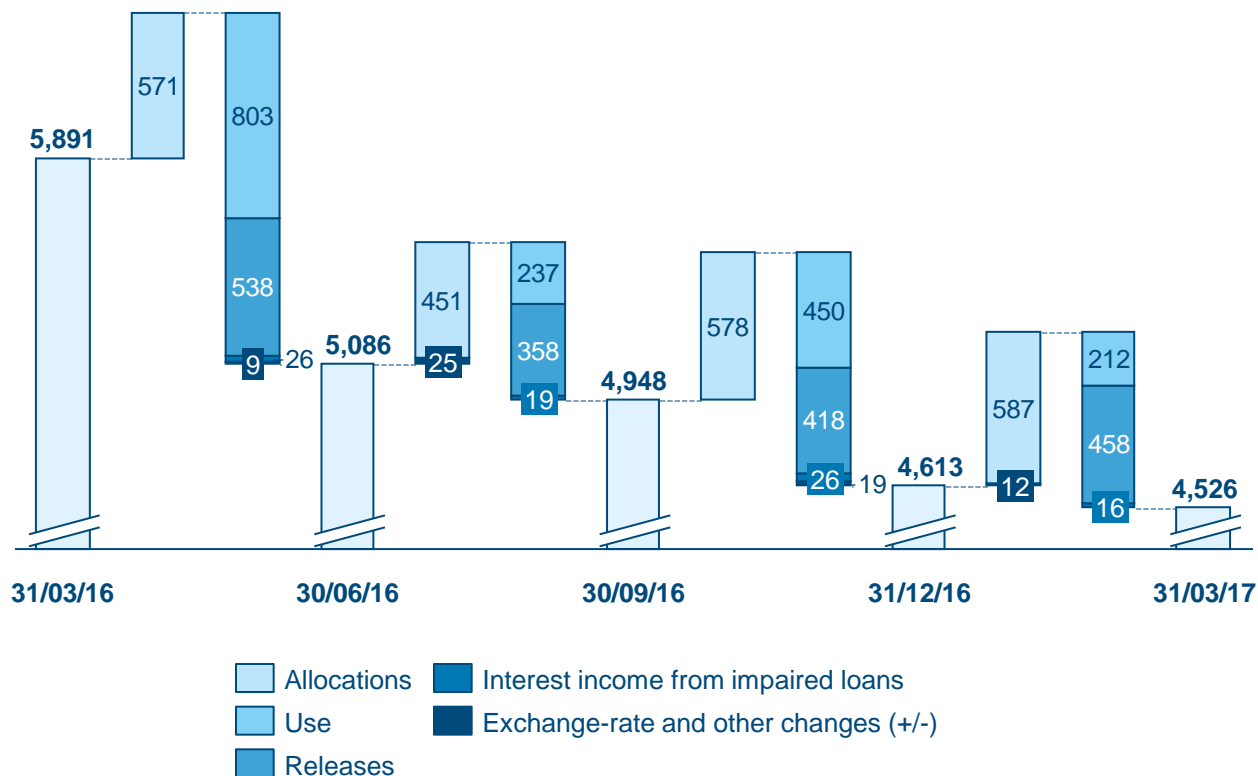


- Performing loan growth driven by Czech Republic (money market impact), Slovakia, but also Romania and Hungary
 - Main contributing business lines: Retail, Corporates and Group Markets
 - Significant contribution from increased money market activities in Q1 17
- 24.4% yoy decline in NPL stock mainly driven by NPL sales and positive migration trends across most geographies

Assets and liabilities: allowances for customer loans –

As asset quality improves lower interest income from NPLs weighs on NII

Quarterly development (EUR m)



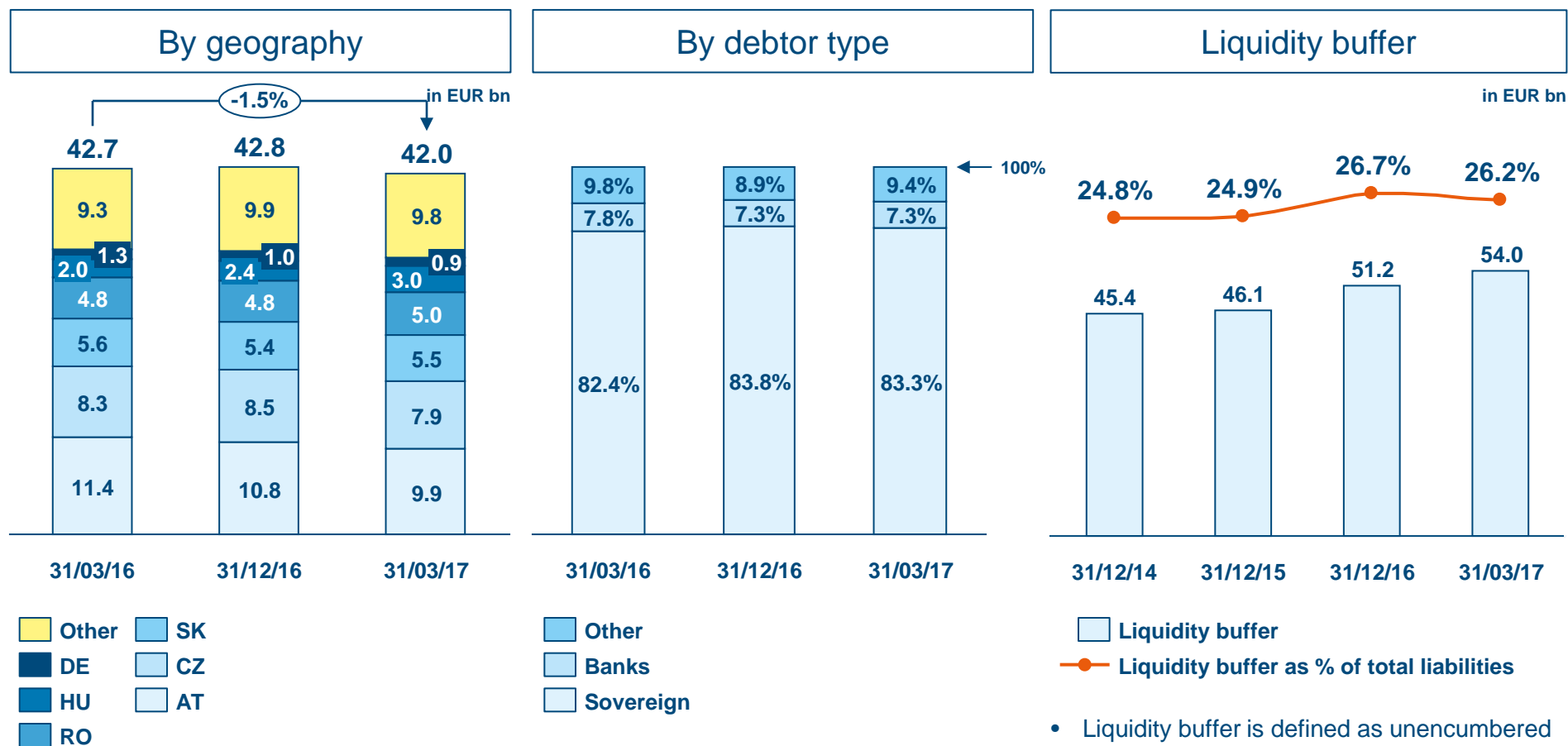
Highlights

- Development of interest income from NPLs:
 - 2013: EUR 270m
 - 2014: EUR 202m
 - 2015: EUR 162m
 - 2016: EUR 106m
- P&L unwinding impact = interest income from impaired loans = EUR 16m in Q1 17 (Q4 16: EUR 26m, Q1 16: EUR 35m)

Unwinding impact explained

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

Assets and liabilities: financial and trading assets * – LCR at excellent 152.6%

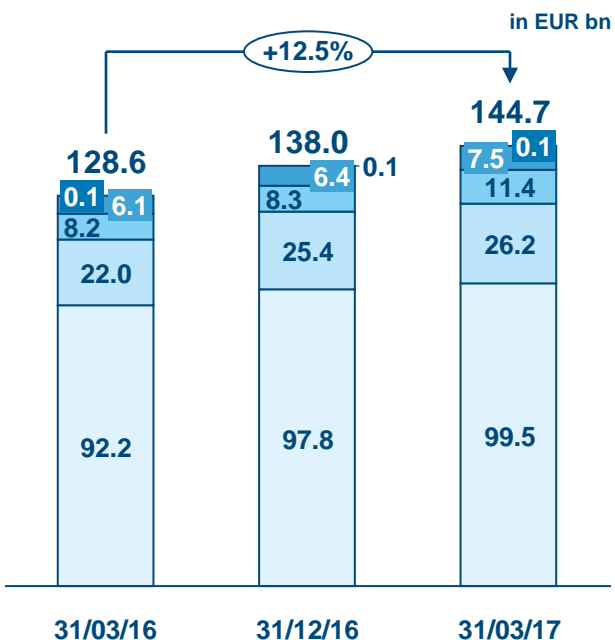


* Excludes derivatives held for trading.

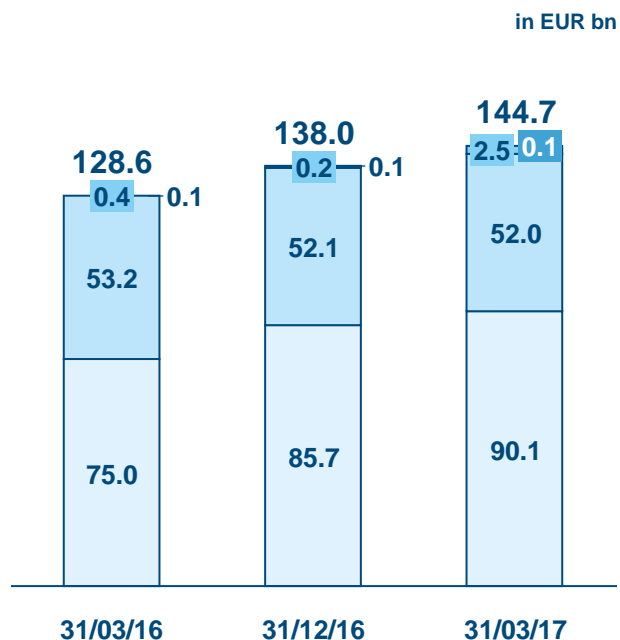
Assets and liabilities: customer deposit funding –

Customer deposits grow by 4.9% qoq, up 12.5% yoy

By customer type



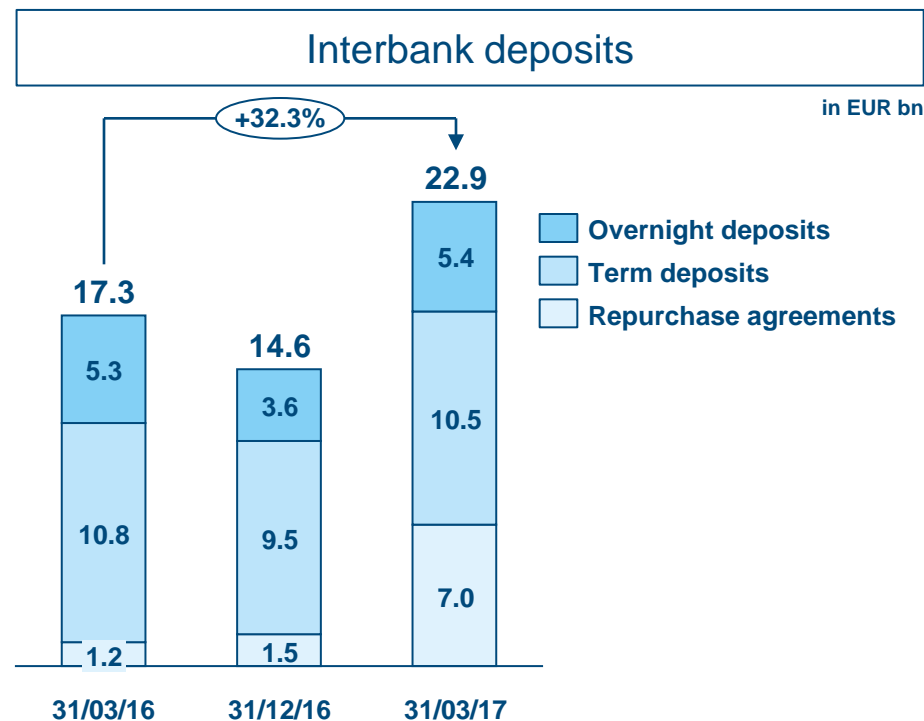
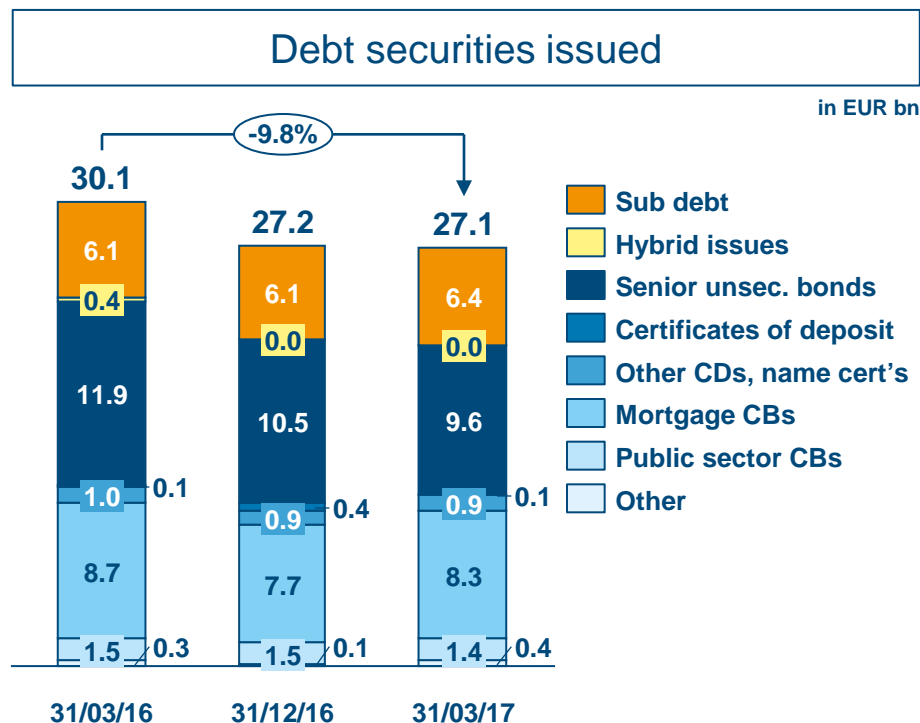
By product type



Highlights

- Continued deposit inflows driven by Retail segment with highest demand for overnight deposits amid low interest rate environment
- Solid growth also in corporate and public sector deposits
- Increased money market activities in holding and CZ also contributed strongly to deposit growth in Q1 17
- Increasing share of overnight deposits with significantly longer behavioural maturity provides a cost effective funding source

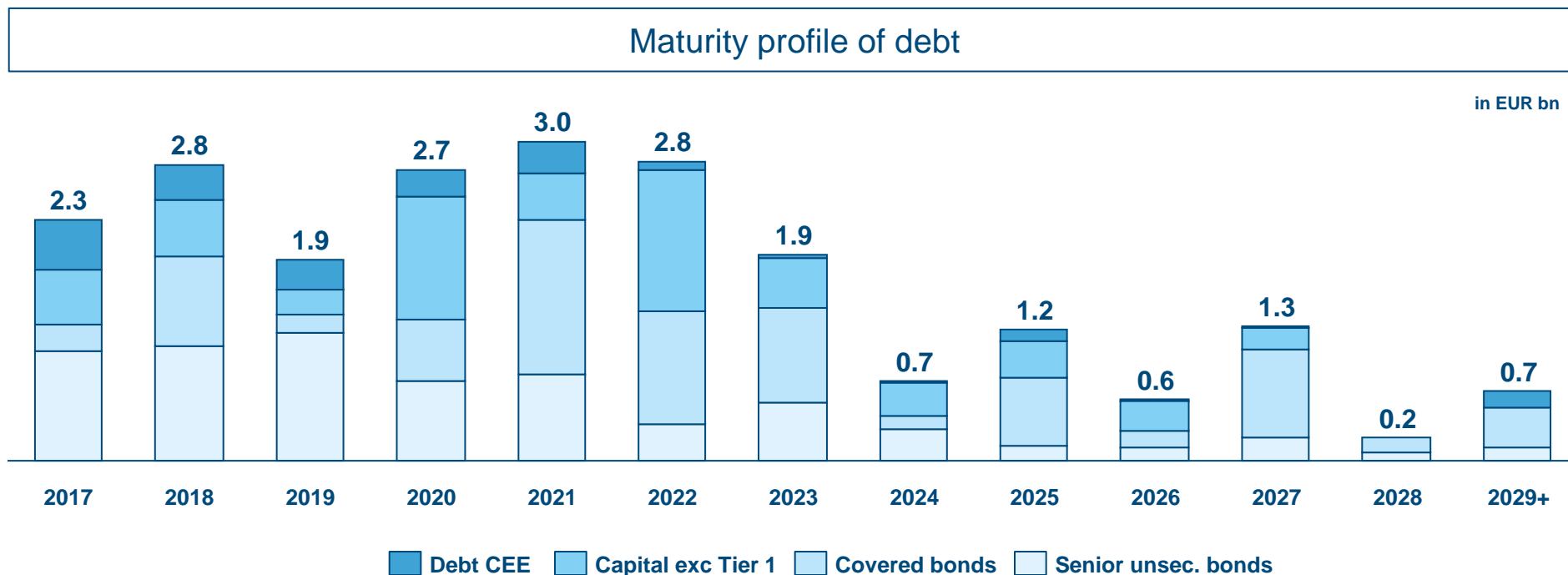
Assets and liabilities: debt vs interbank funding – Declining wholesale funding reliance, as customer deposits grow strongly



- Overall reduction in wholesale funding reliance led by decline in outstanding senior unsecured debt, which was only partly offset by increased subordinated debt

- Increased money market activities in Holding and CZ in Q1 17

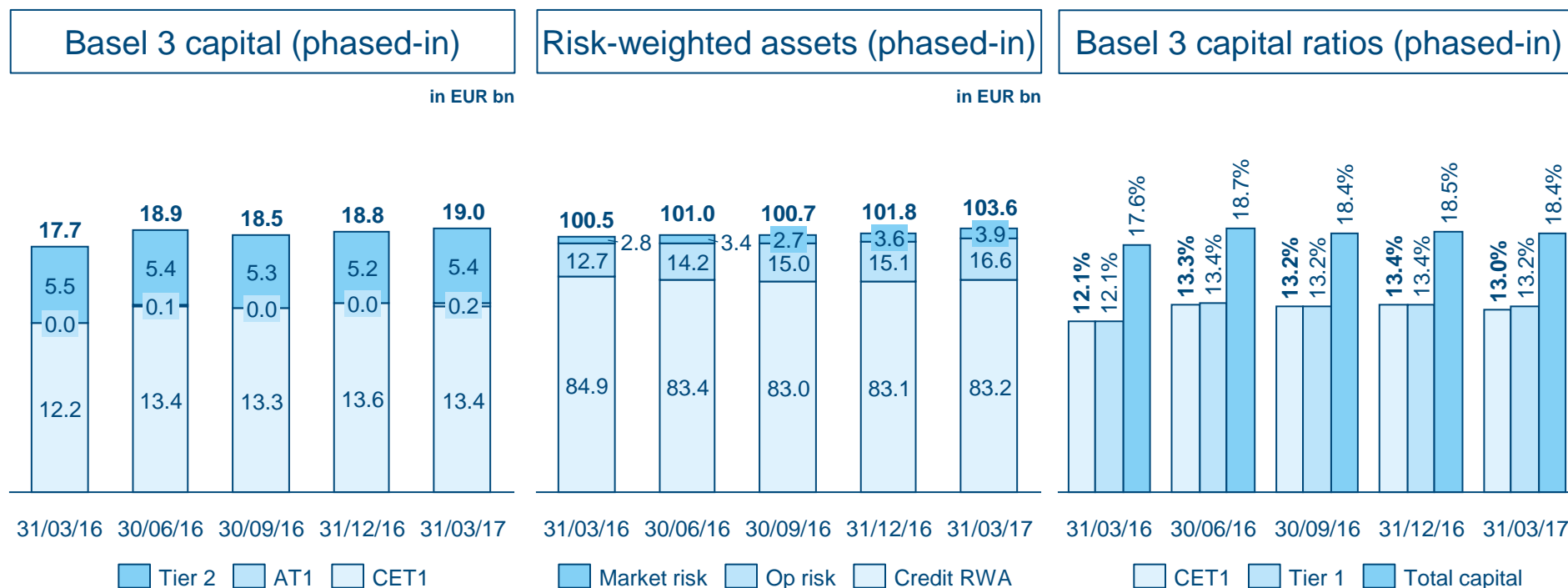
Assets and liabilities: LT funding – Limited LT funding needs



- In January 2017 Erste Group opened the covered bond market for Austrian issuers with a EUR 750m 10y mortgage covered bond
- Erste Group's second CRD IV/CRR compliant additional tier 1 benchmark transaction was issued at the beginning of the 2nd quarter of 2017 (EUR 500m, perpNC7). The issue attracted more than 250 accounts and had orders above EUR 3.75bn. The already comfortable capital position of Erste Group was further strengthened and the issue contributes to the transition towards an optimal CRR-compliant capital structure
- During the latest TLTRO Erste Group participated with EUR 1.17bn which brings the total utilisation up to approximately EUR 3.5bn

Assets and liabilities: capital position –

B3FL CET1 ratio remains solid at 12.5%, impacted mainly by RWA inflation



- B3FL CET1 capital stood at EUR 13.2bn, almost stable qoq despite non-inclusion of interim profit and deduction of risk costs in Q1 17

- B3FL RWA up by EUR 1.7bn to EUR 105.3bn in Q1 17, driven almost exclusively by operational and market risk:
 - +9.4% ytd increase in operational RWA due to inclusion of minor operational risk events
 - +6.8% increase in market risk RWA
 - Limited credit RWA growth due to mortgage growth, partially offset by improved portfolio quality

- B3FL CET1 ratio at 12.5% at 31 March 2017 (YE 2016: 12.8%)
- B3FL total capital ratio broadly stable at 18.1% (YE16: 18.2%)

Presentation topics

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

Conclusion – Outlook 2017

Macro outlook 2017

- Real GDP growth of between 1.5-4.5% expected in 2017 in CEE and Austria
- Real GDP growth to be driven by solid domestic demand, as real wage growth and declining unemployment support economic activity in CEE
- Solid public finances across CEE

Business outlook 2017

- ROTE for 2017 targeted at 10%+ (based on average tangible equity in 2017)
- Assumptions for 2017: at best flat revenues (assuming 5%+ net loan growth); cost inflation of 1-2% due to regulatory projects and digitalisation; increase in risk costs, remaining at historically low levels; positive swing in other operating result due to lower Austrian banking tax

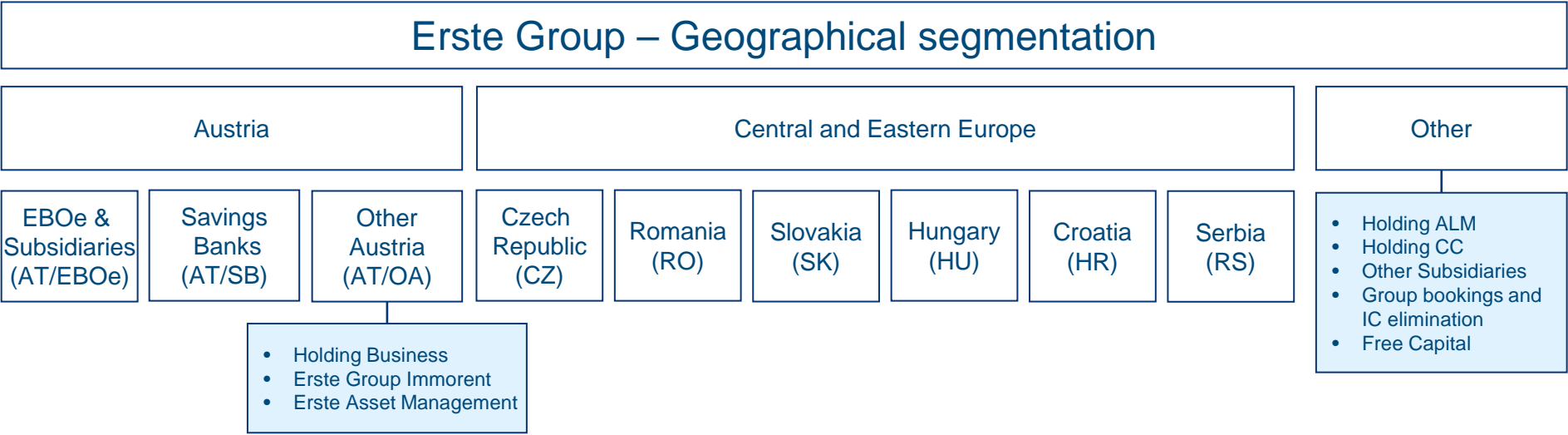
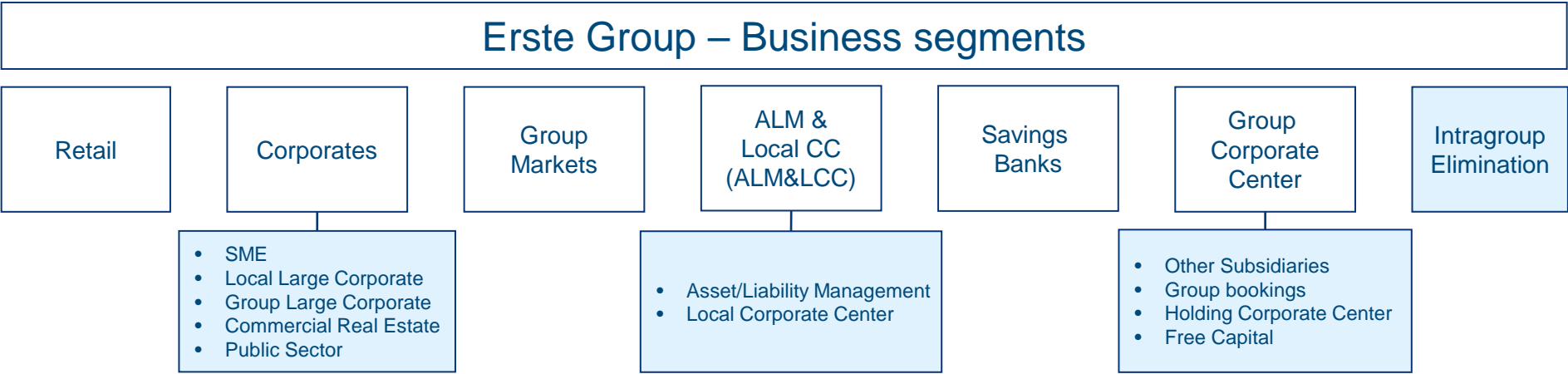
Risk factors for guidance

- Impact from expansionary monetary central bank policies, inc negative interest rates
- Political risks, eg various elections in key EU economies
- Geopolitical risks and global economic risks
- Consumer protection initiatives

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				
	1-3 16	1-3 17	YOY-Δ	Q1 16	Q4 16	Q1 17	YOY-Δ	QOQ-Δ
Net interest income	1,092.2	1,051.3	-3.7%	1,092.2	1,107.0	1,051.3	-3.7%	-5.0%
Net fee and commission income	443.1	457.7	3.3%	443.1	463.2	457.7	3.3%	-1.2%
Dividend income	2.6	3.7	41.5%	2.6	9.0	3.7	41.5%	-58.4%
Net trading result	51.2	48.6	-5.1%	51.2	65.1	48.6	-5.1%	-25.4%
Result from financial assets and liabilities designated at fair value through profit or loss	-7.7	3.0	n/a	-7.7	15.6	3.0	n/a	-80.9%
Net result from equity method investments	1.9	3.2	64.0%	1.9	3.1	3.2	64.0%	2.6%
Rental income from investment properties & other operating leases	45.9	50.1	9.2%	45.9	68.6	50.1	9.2%	-27.0%
Personnel expenses	-565.4	-571.7	1.1%	-565.4	-614.6	-571.7	1.1%	-7.0%
Other administrative expenses	-333.5	-332.4	-0.3%	-333.5	-325.8	-332.4	-0.3%	2.0%
Depreciation and amortisation	-109.8	-114.2	4.0%	-109.8	-124.7	-114.2	4.0%	-8.4%
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	2.4	28.3	>100.0%	2.4	0.3	28.3	>100.0%	>100.0%
Net impairment loss on financial assets	-56.4	-65.8	16.7%	-56.4	-132.5	-65.8	16.7%	-50.3%
Other operating result	-139.5	-127.1	-8.9%	-139.5	-412.5	-127.1	-8.9%	-69.2%
Levies on banking activities	-62.8	-35.8	-42.9%	-62.8	-237.1	-35.8	-42.9%	-84.9%
Pre-tax result from continuing operations	427.0	434.7	1.8%	427.0	121.7	434.7	1.8%	>100.0%
Taxes on income	-104.5	-95.6	-8.4%	-104.5	-9.7	-95.6	-8.4%	>100.0%
Net result for the period	322.6	339.0	5.1%	322.6	112.0	339.0	5.1%	>100.0%
Net result attributable to non-controlling interests	47.8	76.8	60.6%	47.8	26.4	76.8	60.6%	>100.0%
Net result attributable to owners of the parent	274.7	262.2	-4.6%	274.7	85.6	262.2	-4.6%	>100.0%
Operating income	1,629.3	1,617.5	-0.7%	1,629.3	1,731.5	1,617.5	-0.7%	-6.6%
Operating expenses	-1,008.8	-1,018.3	0.9%	-1,008.8	-1,065.1	-1,018.3	0.9%	-4.4%
Operating result	620.5	599.2	-3.4%	620.5	666.4	599.2	-3.4%	-10.1%

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	14,641	12,982	14,743	18,353	24,731	68.9%	34.8%	34.8%
Financial assets - held for trading	9,960	10,373	9,731	7,950	7,827	-21.4%	-1.5%	-1.5%
Derivatives	5,668	5,610	5,297	4,475	4,101	-27.6%	-8.3%	-8.3%
Other trading assets	4,292	4,763	4,433	3,476	3,726	-13.2%	7.2%	7.2%
Financial assets - at fair value through profit or loss	404	433	477	480	518	28.3%	8.1%	8.1%
Financial assets - available for sale	20,743	20,822	20,406	19,886	17,887	-13.8%	-10.1%	-10.1%
Financial assets - held to maturity	17,573	17,823	18,451	19,270	19,912	13.3%	3.3%	3.3%
Loans and receivables to credit institutions	6,680	5,626	5,191	3,469	10,448	56.4%	>100.0%	>100.0%
Loans and receivables to customers	126,740	127,407	128,985	130,654	132,992	4.9%	1.8%	1.8%
Derivatives - hedge accounting	2,347	2,253	2,208	1,424	1,297	-44.8%	-9.0%	-9.0%
Changes in fair value of portfolio hedged items	0	0	0	0	0	n/a	n/a	n/a
Property and equipment	2,370	2,334	2,335	2,477	2,441	3.0%	-1.4%	-1.4%
Investment properties	744	753	658	1,023	1,025	37.8%	0.2%	0.2%
Intangible assets	1,447	1,437	1,443	1,390	1,378	-4.7%	-0.9%	-0.9%
Investments in associates and joint ventures	169	190	185	193	200	18.4%	3.4%	3.4%
Current tax assets	142	132	130	124	117	-17.4%	-5.4%	-5.4%
Deferred tax assets	308	253	245	234	238	-22.7%	1.8%	1.8%
Assets held for sale	456	294	372	279	262	-42.6%	-6.4%	-6.4%
Other assets	1,646	1,391	1,254	1,020	1,525	-7.3%	49.5%	49.5%
Total assets	206,369	204,505	206,811	208,227	222,798	8.0%	7.0%	7.0%

Additional information: group balance sheet – Liabilities and equity

in EUR million	Quarterly data					Change		
	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities - held for trading	6,612	6,146	6,272	4,762	4,314	-34.8%	-9.4%	-9.4%
Derivatives	5,782	5,341	4,933	4,185	3,855	-33.3%	-7.9%	-7.9%
Other trading liabilities	830	805	1,339	577	459	-44.7%	-20.5%	-20.5%
Financial liabilities - at fair value through profit or loss	1,918	1,765	1,737	1,763	1,906	-0.7%	8.1%	8.1%
Deposits from banks	0	0	0	0	0	n/a	n/a	n/a
Deposits from customers	122	113	79	74	64	-47.8%	-13.8%	-13.8%
Debt securities issued	1,796	1,652	1,658	1,689	1,842	2.5%	9.0%	9.0%
Other financial liabilities	0	0	0	0	0	n/a	n/a	n/a
Financial liabilities measured at amortised cost	175,026	173,943	175,780	178,909	193,523	10.6%	8.2%	8.2%
Deposits from banks	17,330	16,367	15,228	14,631	22,935	32.3%	56.8%	56.8%
Deposits from customers	128,518	130,304	133,944	137,939	144,643	12.5%	4.9%	4.9%
Debt securities issued	28,263	26,362	25,642	25,503	25,285	-10.5%	-0.9%	-0.9%
Other financial liabilities	914	911	966	836	660	-27.8%	-21.1%	-21.1%
Derivatives - hedge accounting	650	666	642	473	439	-32.5%	-7.1%	-7.1%
Changes in fair value of portfolio hedged items	1,089	1,148	1,128	942	863	-20.8%	-8.4%	-8.4%
Provisions	1,801	1,715	1,758	1,702	1,812	0.6%	6.4%	6.4%
Current tax liabilities	101	98	62	66	61	-39.2%	-7.2%	-7.2%
Deferred tax liabilities	119	133	174	68	77	-35.6%	13.8%	13.8%
Liabilities associated with assets held for sale	451	0	3	5	5	-99.0%	-1.3%	-1.3%
Other liabilities	3,383	2,913	2,727	2,936	2,905	-14.1%	-1.0%	-1.0%
Total equity	15,218	15,977	16,529	16,602	16,894	11.0%	1.8%	1.8%
Equity attributable to non-controlling interests	3,889	3,948	4,063	4,142	4,209	8.2%	1.6%	1.6%
Equity attributable to owners of the parent	11,329	12,029	12,466	12,460	12,685	12.0%	1.8%	1.8%
Total liabilities and equity	206,369	204,505	206,811	208,227	222,798	8.0%	7.0%	7.0%

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

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

	Erste Group Consolidated				Erste Group Unconsolidated	
	2016	Phased-in 2017	2018e	Fully loaded 2019e	Phased-in 2017	Fully loaded 2019e
Pillar 1 CET1 requirement	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Combined buffer requirement	0.88%	1.90%	3.03%	4.65%	1.35%	2.60%
Capital conservation buffer	0.63%	1.25%	1.88%	2.50%	1.25%	2.50%
Countercyclical capital buffer		0.15%	0.15%	0.15%	0.10%	0.10%
OSII/Systemic risk buffer	0.25%	0.50%	1.00%	2.00%	0.00%	0.00%
Pillar 2 CET1 requirement		1.75%	1.75%	1.75%	1.75%	1.75%
Pillar 2 CET1 guidance ¹	4.38%	1.66%	1.66% > P2G > 0%	1.66% > P2G > 0%	1.00%	1% > P2G > 0%
Regulatory minimum ratios excluding P2G						
CET1 requirement	9.75%	8.15%	9.28%	10.90%	7.60%	8.85%
1.50% AT1 Tier 1 requirement	NM	9.65%	10.78%	12.40%	9.10%	10.35%
2.00% T2 Own funds requirement	NM	11.65%	12.78%	14.40%	11.10%	12.35%
Regulatory minimum ratios including P2G						
CET1 requirement	9.75%	9.81%	NA	NA	8.60%	NA
1.50% AT1 Tier 1 requirement	NM	9.65%	NA	NA	9.10%	NA
2.00% T2 Own funds requirement	NM	11.65%	NA	NA	11.10%	NA
Reported CET1 ratio as of March 2017 ²		12.97%		12.54%	18.76% ³	NA

- Buffer to MDA restriction as of 31 Mar 17: 352bps (Q1 16: 239bps)
- Available distributable items (ADI) as of 31 Mar 17: EUR 1.32bn (after 2016 dividend deduction)

1) P2G is expected to be positive in the future.

2) Consolidated capital ratios pursuant to IFRS. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.

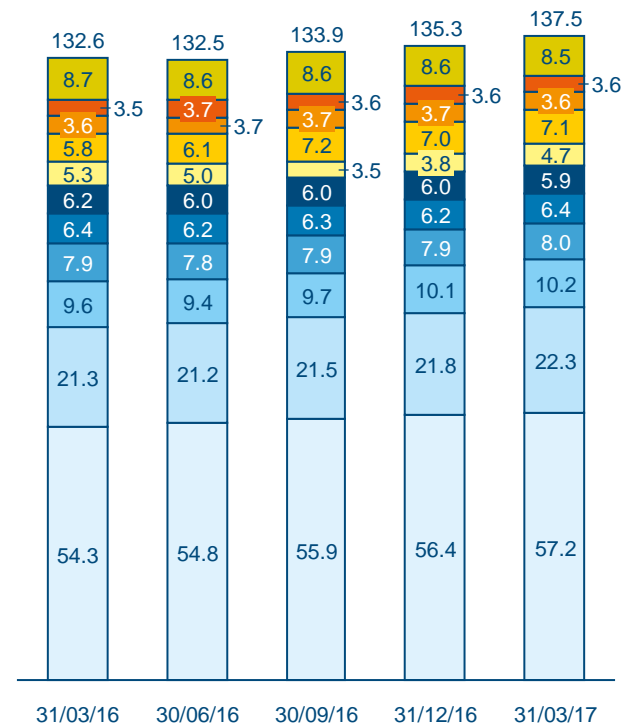
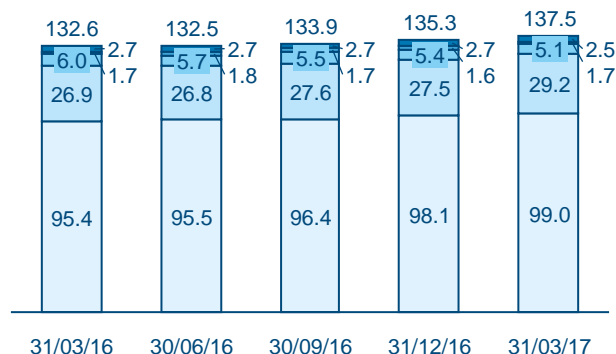
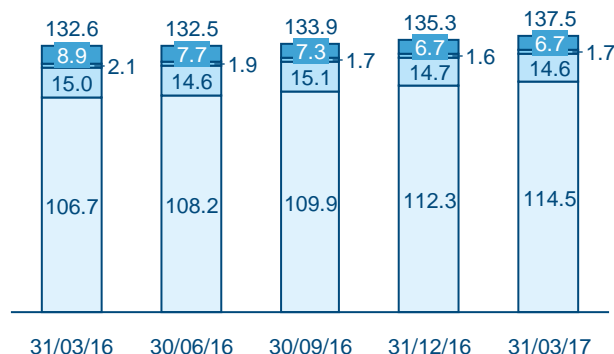
3) As of 31 Dec 2016

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

Gross cust. loans by risk category (EUR bn)

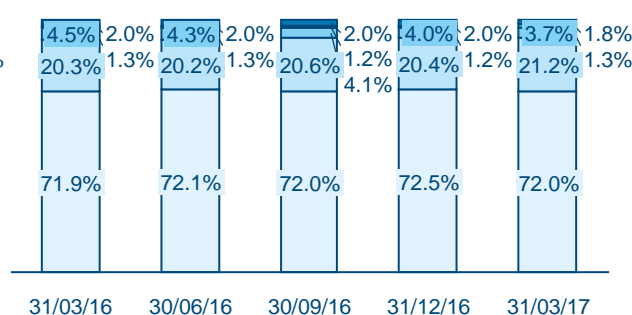
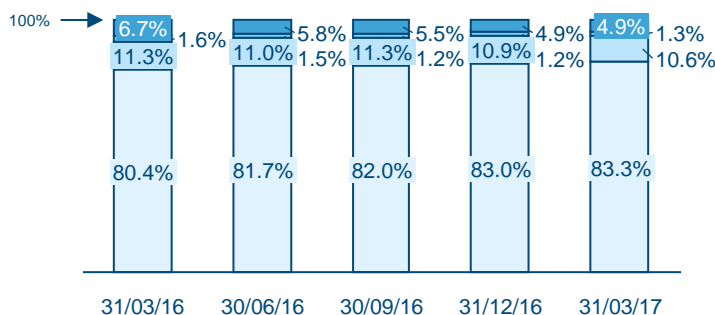
Gross customer loans by currency (EUR bn)

Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)

Gross customer loans by currency (in %)



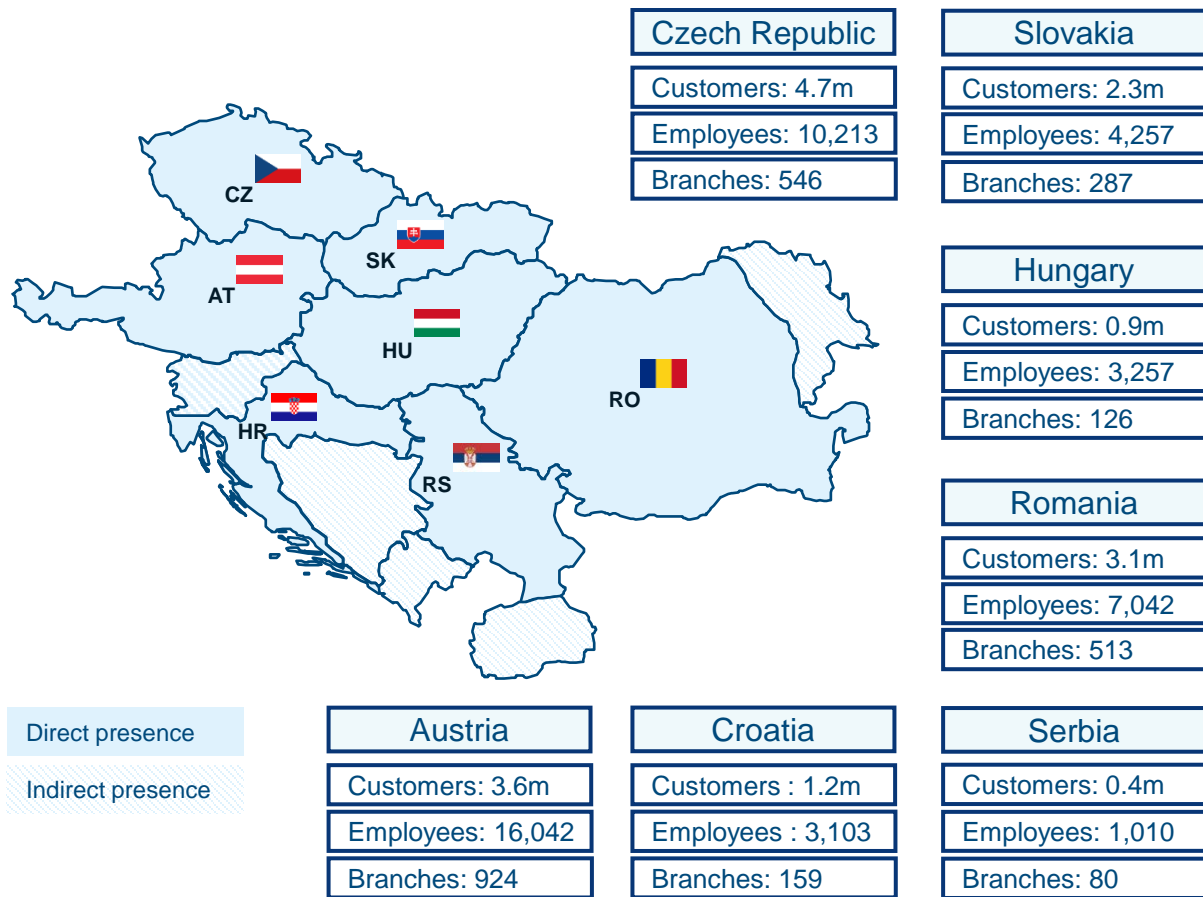
■ Non-performing ■ Management attention
■ Substandard ■ Low risk

■ 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

Employees: FTEs as of end of reporting period

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

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

Capital markets

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

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

Building debt and equity capital markets in CEE

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: Ratings – Composition of Erste Group Bank AG's issuer ratings

MOODY'S

Macro Profile	
Strong -	
+	
Financial Profile	
Asset Risk	ba1
Capital	baa2
Profitability	ba1
Funding Structure	baa1
Liquid Resources	baa3
+	
Qualitative Factors	
Business Diversification	0
Opacity, Complexity	0
Corporate Behaviour	0
=	
BCA Baseline Credit Assessment	baa3
+	
Affiliate Support	0
=	
Adjusted BCA	baa3
+	
LGF Loss Given Failure	+ 2
Government Support	0
=	
Issuer Rating / Senior Unsecured Long-Term Outlook / Short-Term	
Baa1 (stable) / P-2	

S&P Global Ratings

SACP - Stand-Alone Credit Profile		
a-		
▲		
Anchor	bbb	
Business Position	Strong	+1
Capital & Earnings	Adequate	0
Risk Position	Adequate	0
Funding	Above Average	+1
Liquidity	Strong	
+		
Support	0	
▲		
ALAC Support	0	
GRE Support	0	
Group Support	0	
Sovereign Support	0	
+		
Additional Factors	0	
=		
Issuer Credit Rating Long-Term Outlook / Short-Term		
A- Positive / A-2		

FitchRatings

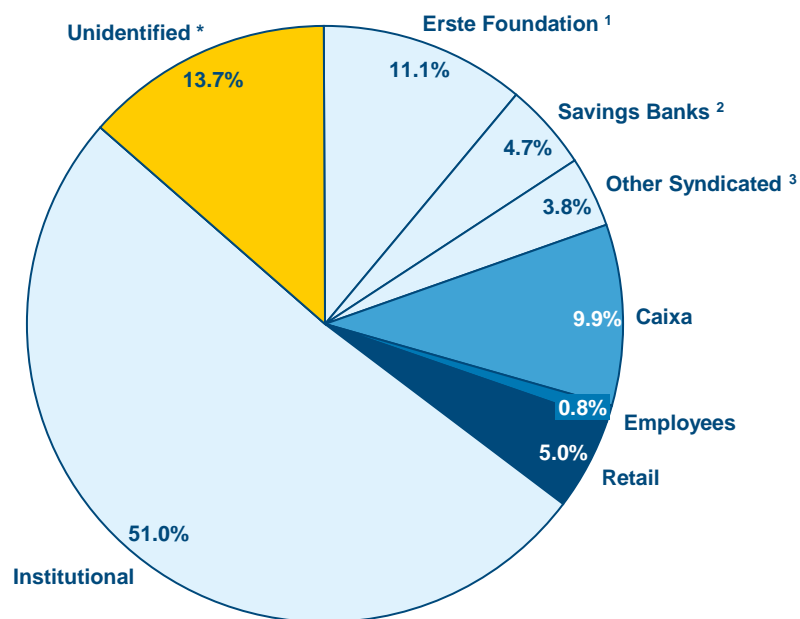
VR - Viability Rating (Individual Rating)
a-
SRF - Support Rating Floor
NF (No Floor)
IDR - Issuer Default Rating Long-Term Outlook / Short-Term
A- Stable / F1

Status as of 15 March 2017

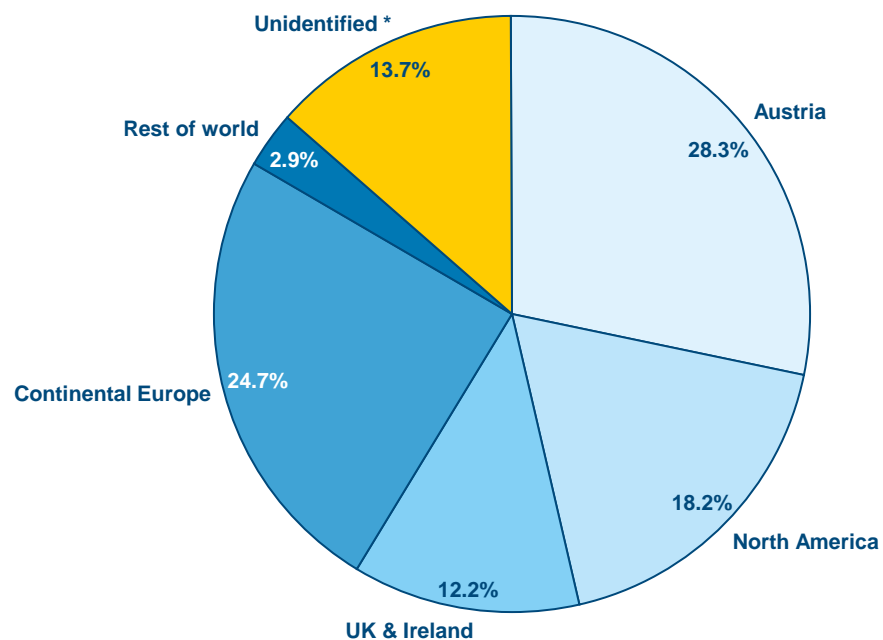
Additional information: shareholder structure –

Total number of shares: 429,800,000

By investor



By region



¹ Economic interest Erste Foundation

² Economic interest Savings Banks

³ Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank

* Unidentified institutional and retail investors

Status as of 2 May 2017

Investor relations details

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<http://twitter.com/ErsteGroupIR> http://www.slideshare.net/Erste_Group

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

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

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

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