

# Erste Group – 9<sup>th</sup> Capital Markets Day

21 November 2019, Vienna

**Growing further in the Corporates & Markets business**

Ingo Bleier, Chief Corporates and Markets Officer

## Disclaimer –

### Cautionary note regarding forward-looking statements

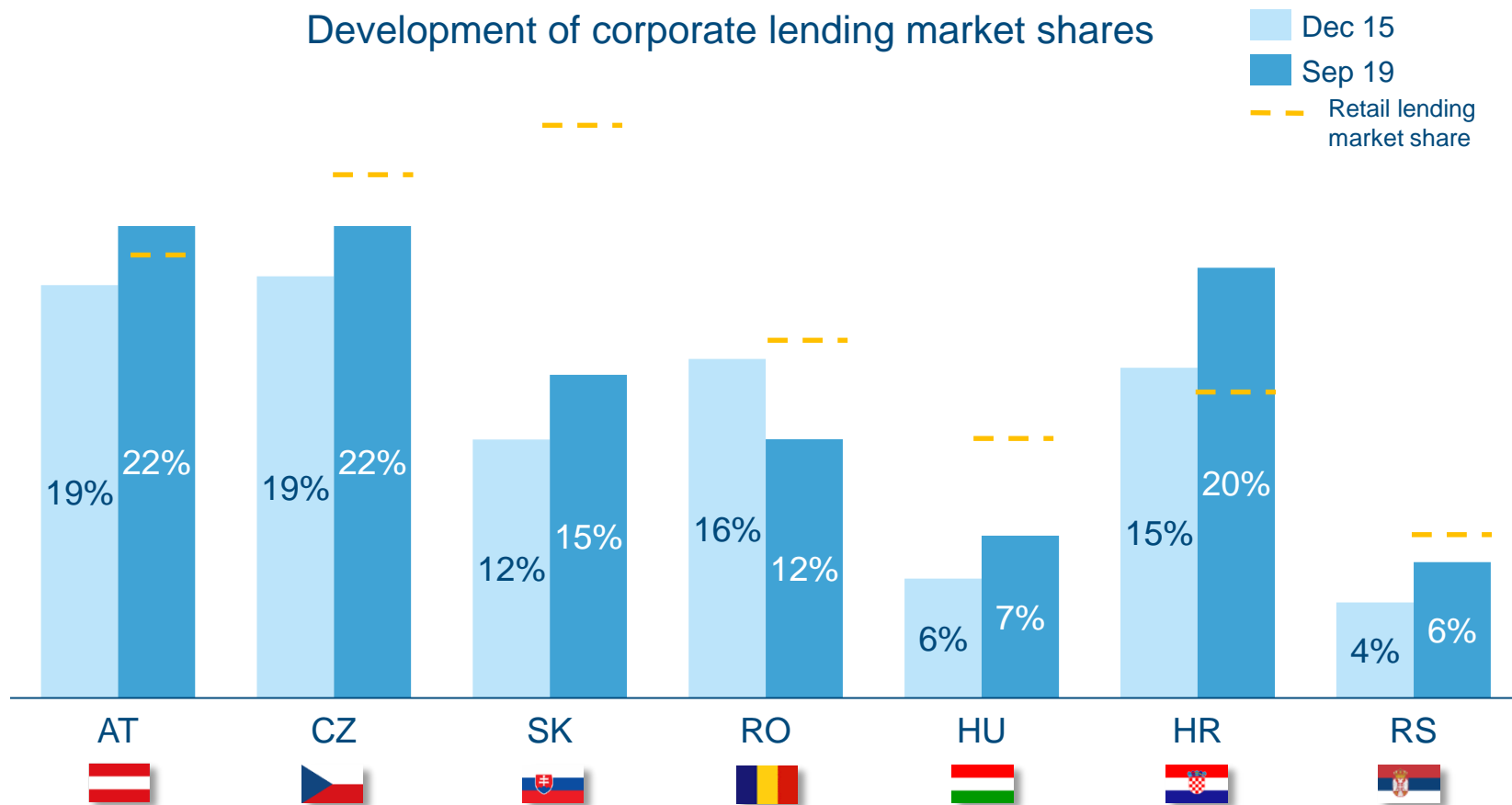
- THE INFORMATION CONTAINED IN THIS DOCUMENT HAS NOT BEEN INDEPENDENTLY VERIFIED AND NO REPRESENTATION OR WARRANTY EXPRESSED OR IMPLIED IS MADE AS TO, AND NO RELIANCE SHOULD BE PLACED ON, THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THIS INFORMATION OR OPINIONS CONTAINED HEREIN.
- CERTAIN STATEMENTS CONTAINED IN THIS DOCUMENT MAY BE STATEMENTS OF FUTURE EXPECTATIONS AND OTHER FORWARD-LOOKING STATEMENTS THAT ARE BASED ON MANAGEMENT'S CURRENT VIEWS AND ASSUMPTIONS AND INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN SUCH STATEMENTS.
- NONE OF ERSTE GROUP OR ANY OF ITS AFFILIATES, ADVISORS OR REPRESENTATIVES SHALL HAVE ANY LIABILITY WHATSOEVER (IN NEGLIGENCE OR OTHERWISE) FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS DOCUMENT OR ITS CONTENT OR OTHERWISE ARISING IN CONNECTION WITH THIS DOCUMENT.
- THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR ANY SHARES AND NEITHER IT NOR ANY PART OF IT SHALL FORM THE BASIS OF OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER.

## **Presentation topics –** Growing further in the Corporates & Markets business

- The corporate business
  - Solid market position
  - Addressable market potential
  - Relationship based business strategy
- The capital markets business
  - Strong track record
  - Regional growth opportunities
  - Asset management opportunities

# The corporate business: solid market position – Strong track record of organic growth with further potential ahead

Development of corporate lending market shares



AT market share as of Jun 19.

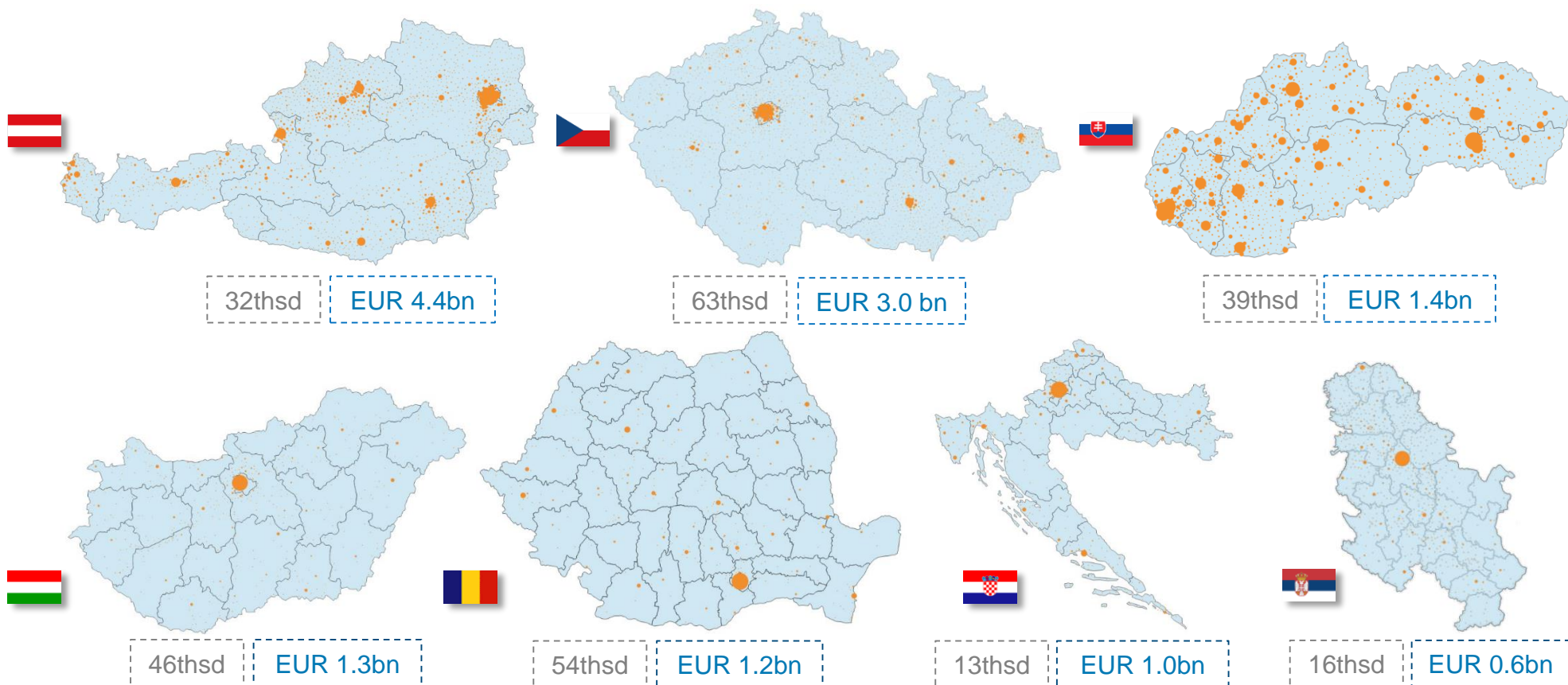
# The corporate business: the addressable market potential – Plenty of opportunities to support NII and fee income

# corporates

Wallet size

More than 250 thsd corporates in 7 core markets

Wallet size ~ EUR 13 bn in total



Number of corporates according to applicable Erste country segmentation (e.g. EG AT EUR 5mn), Source: BVD; BCG Revenue Pools; 2018 data

# The corporate business: relationship based business strategy – Rising corporate customer satisfaction in focus

## A typical Erste Group SME customer

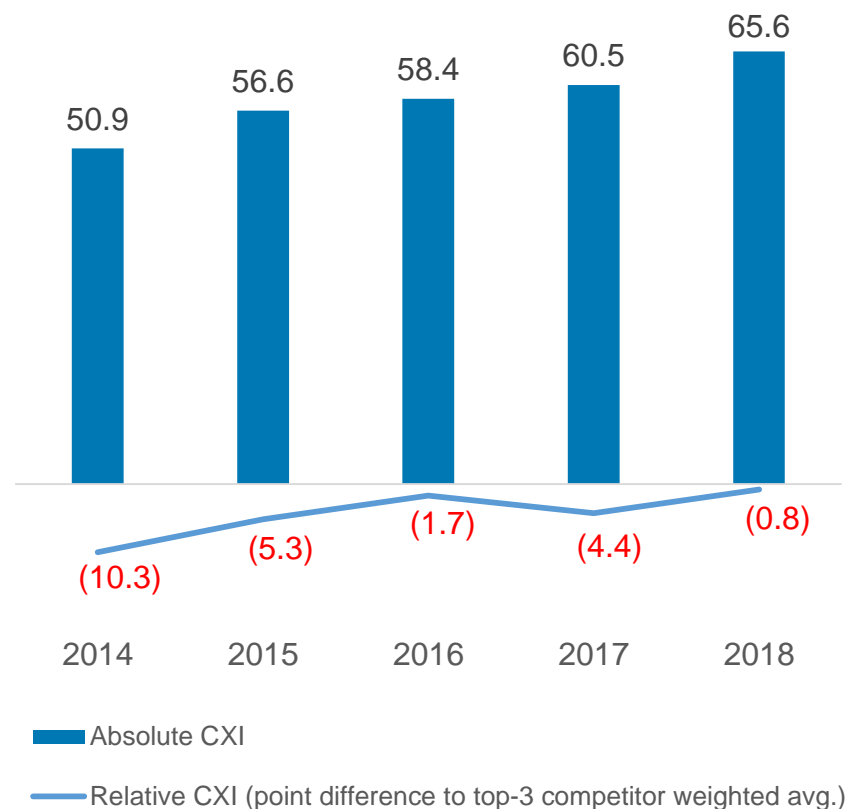
- Farma Kožichovice in Třebíč (Moravia)
  - Turnover/year: EUR 2.73m
  - Production/year: 650thsd kg of tomatoes
- EUR 12.8m project financing
  - 3.3 ha hydroponic greenhouse
  - 4.2 MW p.a. gas co-generation power plant

Environmental friendly project providing greenhouse heating and cooling creating 30 new jobs in the region



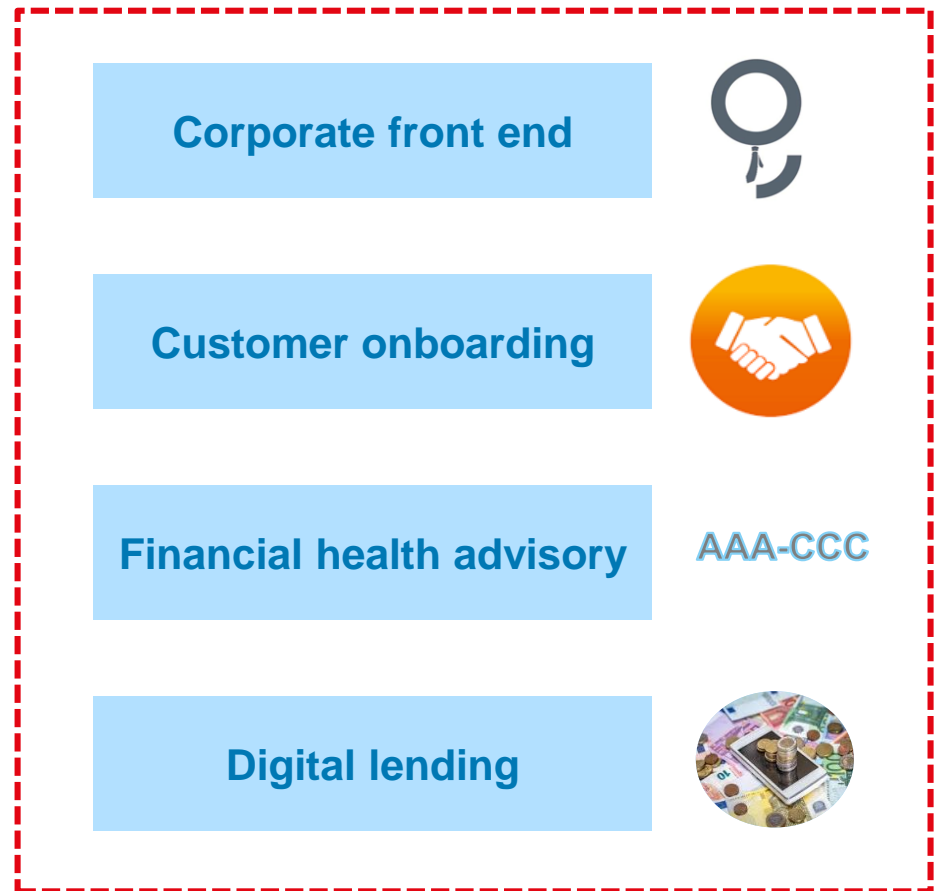
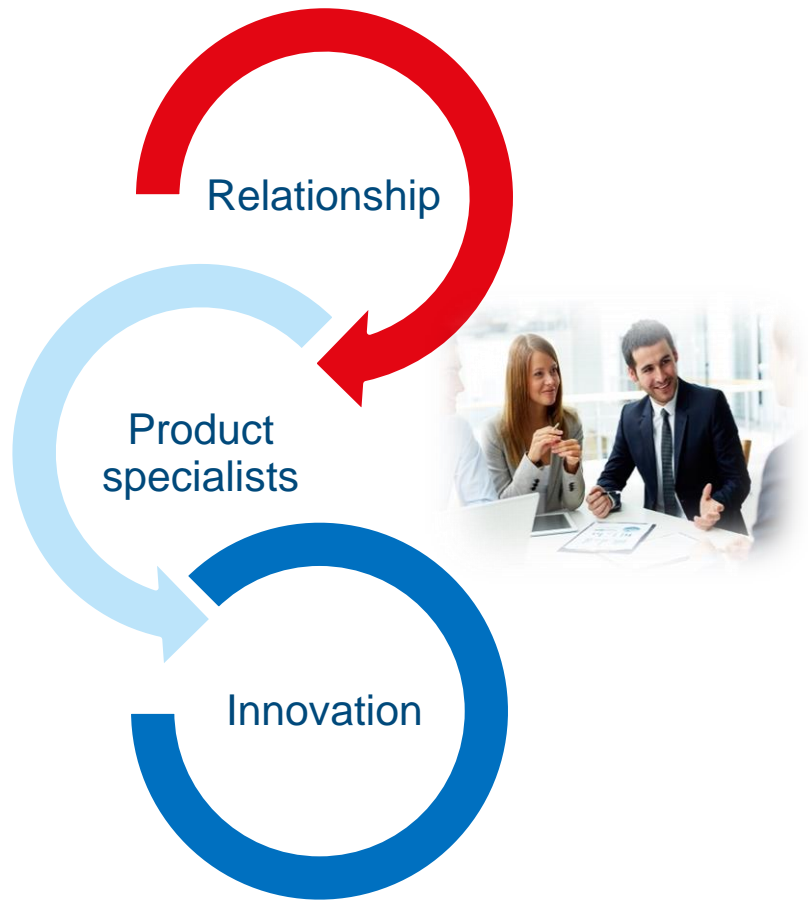
Customer since 2004

## Corporate Customer Experience Index\* (CXI)



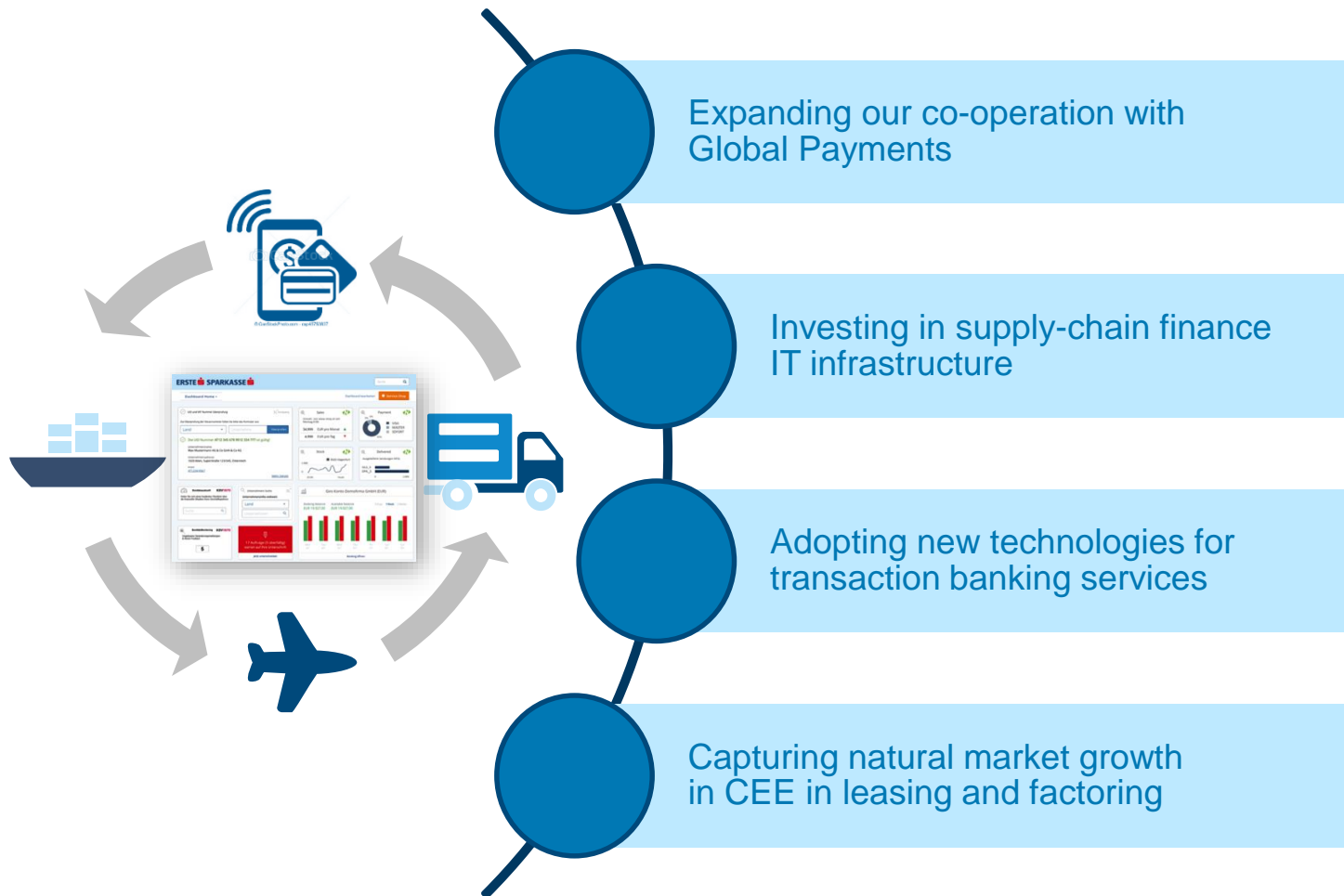
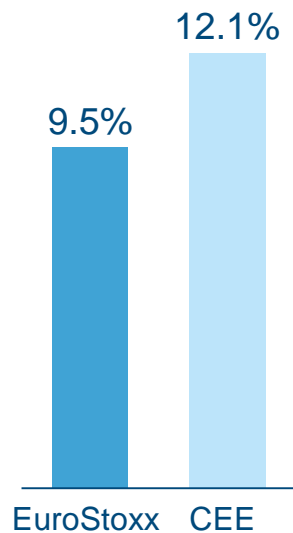
\* ) Includes AT (without savings banks), CZ, SK, RO, HU, HR, RS;  
Source: Annual market survey conducted by IMAS

# The corporate business: relationship based business strategy – Active relationship management and digital priorities



# The corporate business: relationship based business strategy – Providing new solutions in transaction banking and supply-chain finance

Corporate earnings growth (over the next 12 months)\*



\*) Source: Factset; consensus data, Erste Research coverage excl. financial institutions.



## Presentation topics – Growing further in the Corporates & Markets business

- The corporate business
  - Solid market position
  - Addressable market potential
  - Relationship based business strategy
- The capital markets business
  - Strong track record
  - Regional growth opportunities
  - Asset management opportunities

# The capital markets business: strong track record – Erste Group is at the forefront of developing local capital markets in CEE

Successful issuance business

Number of arranged deals since 2017

As lead manager of 6 IPOs and 245 public long term debt transactions we facilitated more than EUR 200bn capital markets funding to corporates, SSAs and banks in the last three years.

- 6 (Re-)IPOs
- 74 corporate bonds
- 60 SSA bonds
- 111 bank bonds



2017

2018

2019

### Republic of Austria:

Largest ever syndication and issuance of a century bond

### Prinzhorn:

Debut SSD with 5Y, 6Y, 7Y and 8Y tranches

### Voestalpine:

Enjoying high interest also in the Austrian retail market

### Marinomed:

First IPO on VSE for more than 2 yrs

### EP Infrastructure:

Tightest spread levels for a CEE corporate in 5-7 y tenor range since 2015

### ASFINAG:

First ever blockchain based SSD

### BAWAG:

Inaugural SNP deal as important step in a prudent MREL strategy

### Romania:

EUR denominated multi tranche syndication of EUR 2bn

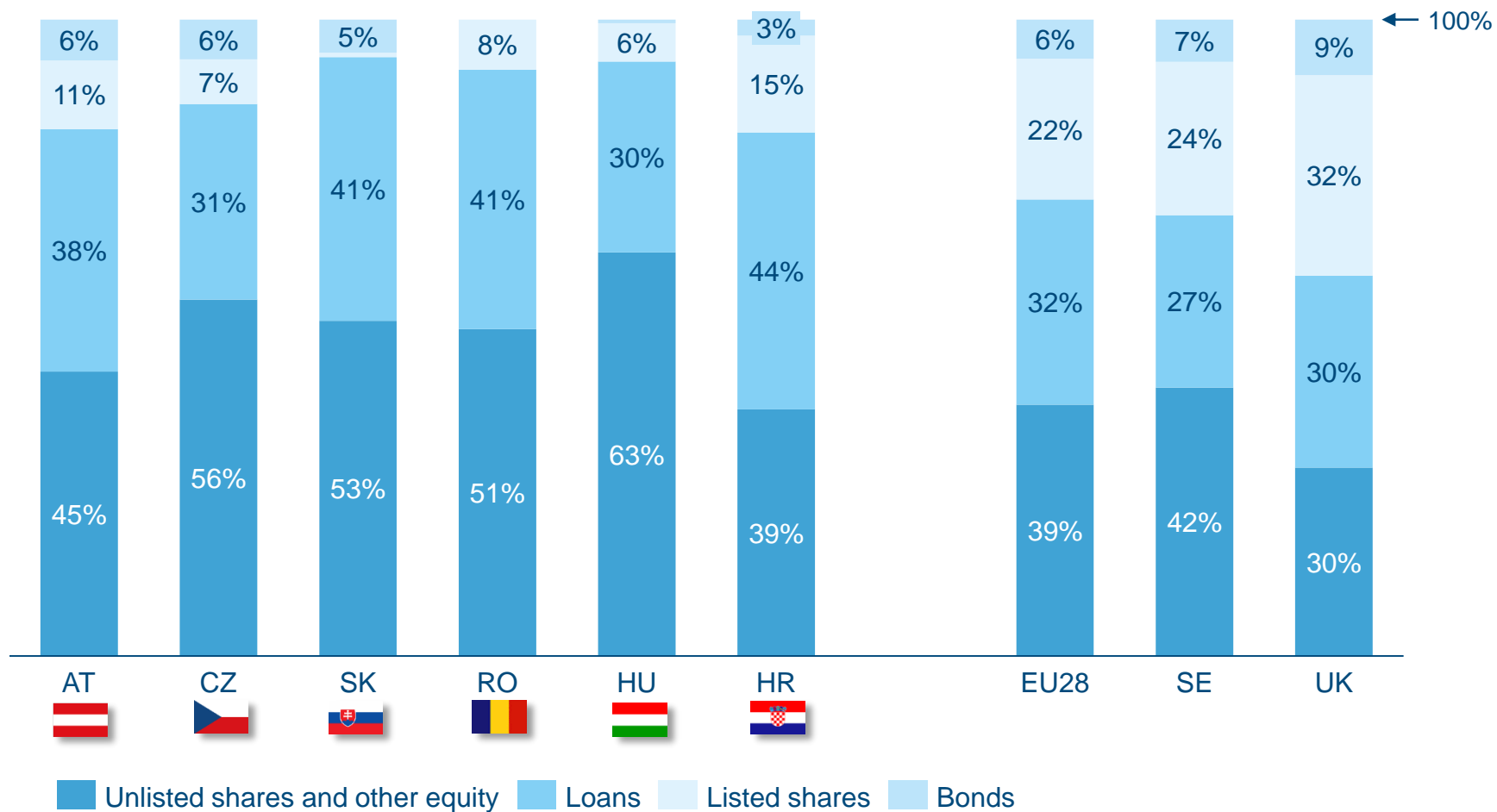
### Acciona:

Green SSD

### Sava Re:

Inaugural Tier 2 deal according to new S&P equity credit methodology

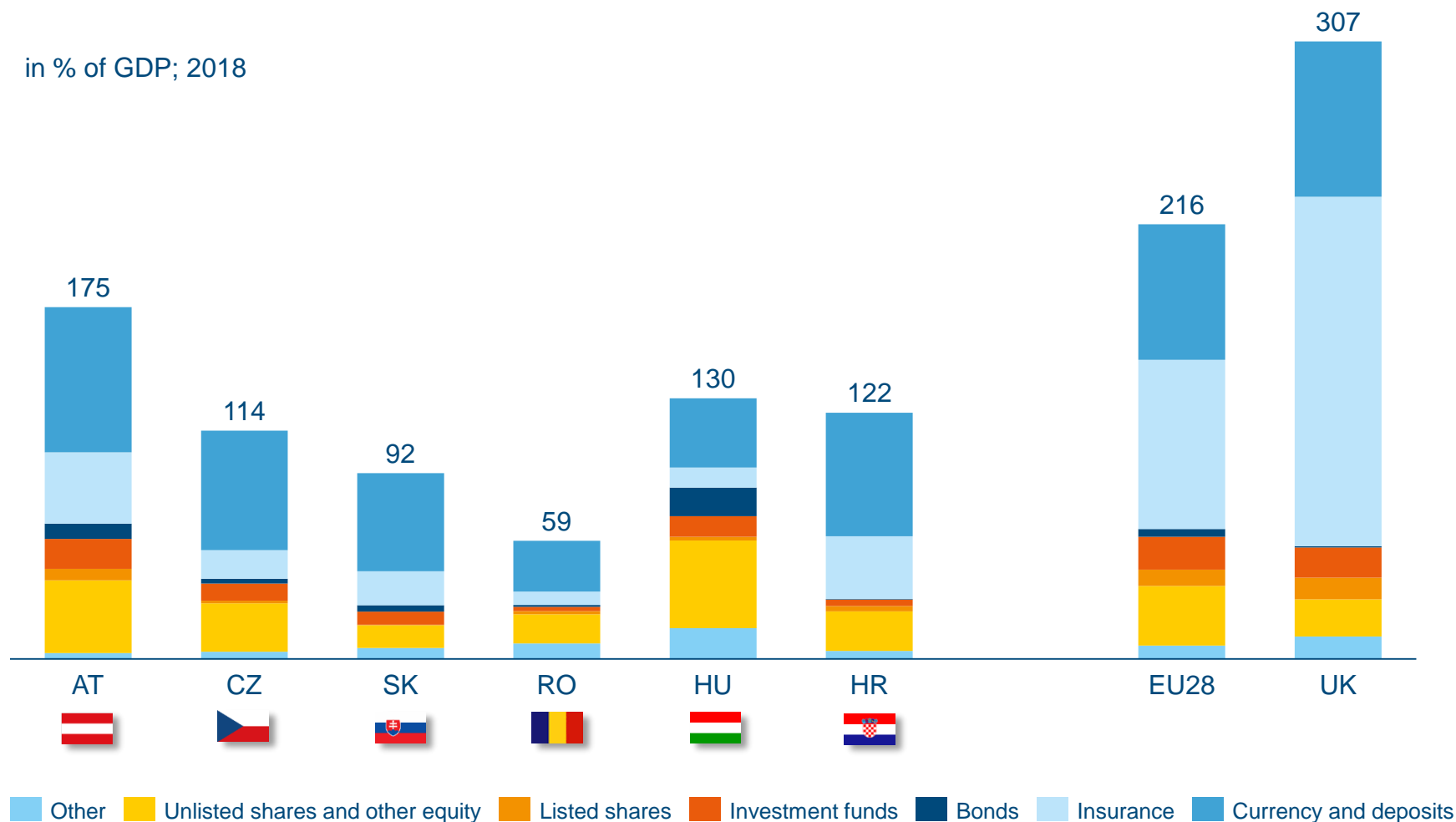
# The capital markets business: regional growth opportunities – Funding mix in the corporate sector points to diversification ahead



Source: Erste Group Research; Eurostat 2018 (data for RS n.a.)

# The capital markets business: asset management opportunities – Further catch-up potential in CEE household financial assets

in % of GDP; 2018



Source: Erste Group Research; Eurostat (data for RS n.a.)

## Conclusion – Our performance in the Corporates & Markets business

### Corporates

- Well positioned to continue successful growth of SME & Large Corporate business
- Building on relationship based business strategy
- Focus on innovative transaction banking products

### Markets

- Excellent track-record in equity and fixed income issuance business in CEE
- Strong market positions in asset management across core markets
- Supporting the development of local capital markets through product development and underwriting services thus increasing client driven income in Markets division

### Digitalisation

- Digital priorities for corporate business aligned with CDTO
- Invest into digital front end to facilitate the roll-out of services and products
- Build on experience gained through the George roll-out in retail