

PROFILE

Founded in 1819 as the first Austrian savings bank, Erste Group went public in 1997 with a strategy to expand its retail business into Central and Eastern Europe (CEE). Since then, Erste Group has grown through numerous acquisitions and organic growth to one of the largest financial services providers in the Eastern part of EU in terms of clients and total assets:

ONE OF THE LEADING FINANCIAL SERVICE PROVIDERS IN THE EASTERN PART OF EU

AMONG THE TOP 3 BANKS IN ITS CORE MARKETS

INNOVATION LEADER IN RETAIL BANKING IN AUSTRIA

AS PER YEAR-END 2016, ERSTE GROUP HAD:

- 15.9 MILLION CUSTOMERS
- 47,000 EMPLOYEES
- 2,648 BRANCHES IN 7 COUNTRIES
- EUR 208.2 BILLION TOTAL ASSETS
- EUR 1.26 BILLION NET PROFIT
- EUR 2.66 BILLION OPERATING RESULTS
- EUR 16.6 BILLION TOTAL EQUITY
- 13.4% CET 1 RATIO (BASEL 3; PHASED-IN)

STRATEGY

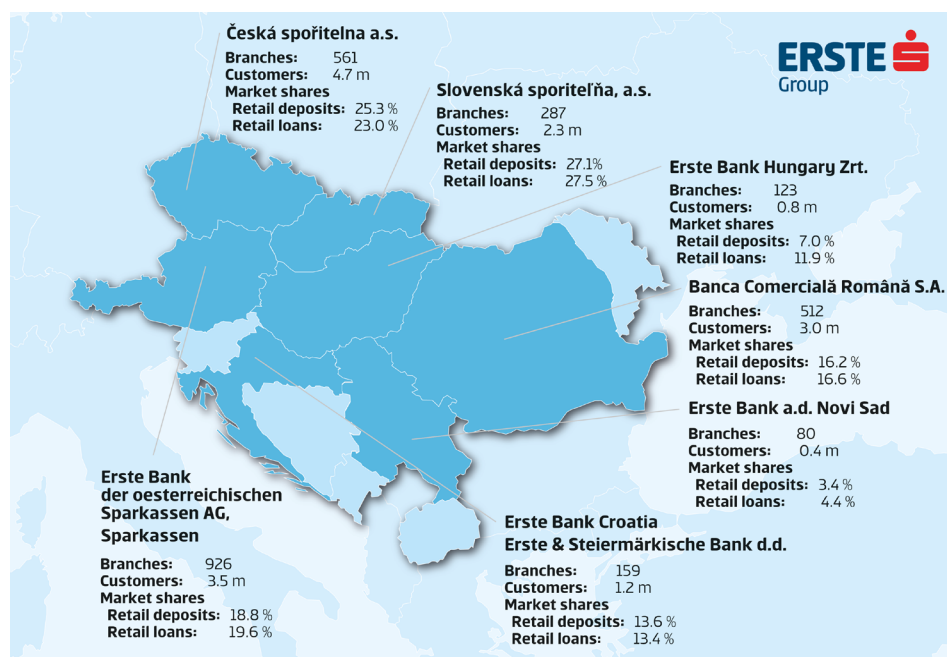
CUSTOMER BANKING IN CENTRAL AND EASTERN EUROPE

EASTERN PART OF EU

FOCUS ON CEE, LIMITED EXPOSURE TO OTHER EUROPE

RETAIL BANKING	CORPORATE BANKING	CAPITAL MARKETS	PUBLIC SECTOR	INTERBANK BUSINESS
<p>Focus on local currency mortgage and consumer loans funded by local deposits</p> <p>FX loans only in EUR for clients with EUR income (or equivalent) and where funded by local FX deposits (HR and RS)</p> <p>Savings products, asset management and pension products</p>	<p>Large, local corporate and SME banking</p> <p>Advisory services, with focus on providing access to capital markets and corporate finance</p> <p>Real estate business that goes beyond financing</p>	<p>Focus on customer business, including customer-based trading activities</p> <p>In addition to core markets, presence in Poland, Germany and London with institutional client focus and selected product mix</p> <p>Building debt and equity capital markets in CEE</p>	<p>Financing sovereigns and municipalities with focus on infrastructure development in core markets</p> <p>Any sovereign holdings are only held for market making, liquidity or balance sheet management reasons</p>	<p>Focus on banks that operate in the core markets</p> <p>Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business</p>

EXTENSIVE PRESENCE IN CEE

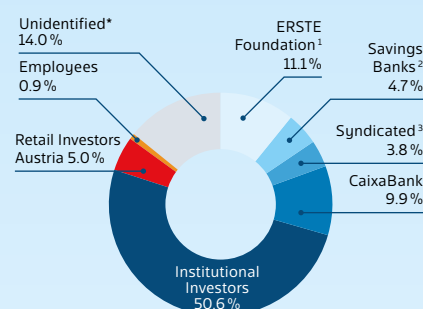


MANAGEMENT BOARD

- Andreas Treichl, CEO
- Gernot Mittendorfer, CFO & CPO
- Willibald Cernko, CRO
- Peter Bosek, Retail Banking
- Jozef Síkela, Corporate Banking & Markets
- Petr Brávek, COO

SHAREHOLDER STRUCTURE

27.02.2017



Total number of shares: **429,800,000**
Free float: **70.5%**

¹ Economic interest Erste Foundation

² Economic interest Savings Banks

³ Other parties to the shareholder agreement of

Erste Foundation, Savings Banks and CaixaBank

* Institutional and Retail Investors international

LISTINGS AND INDEX REPRESENTATION

28.02.2017

LISTINGS	INDEX	WEIGHTING
Vienna Stock Exchange	ATX	18.90%
Prague Stock Exchange	PX	19.64%
Bucharest Stock exchange	ROTX	18.89%

- Public trading via a level I ADR programme in the U.S.
- MSCI Standard Index
- EURO STOXX Banks Index
- FTSEurofirst 300 Index

RATINGS

03.03.2017

	LONG-TERM	SHORT-TERM	OUTLOOK
S&P	BBB+	A-2	Stable
Fitch	A-	F1	Stable
Moody's	Baa1	P-2	Stable

FINANCIAL RESULTS FY 2016

- ERSTE GROUP POSTS NET PROFIT OF EUR 1.26 BILLION IN 2016
- EUR 4.8 BILLION IN NEW NET LENDING
- CORE CAPITAL RATIO AT 13.4% (BASEL 3, PHASED-IN)
- DIVIDEND: EUR 1 PER SHARE

CEO STATEMENT

Erste Group achieved its best results ever this past year. We recorded a net profit of 1.26 billion euros on the back of lower risk costs driven by an improvement in our asset quality that saw our NPL ratio decline to below five percent. Operating income decreased slightly, pressured by the low interest rate environment, while operating costs rose, reflecting our increased investments in IT and digitalization. While loan growth was decent, with nearly five billion euros in net new loans granted in 2016, customer deposits – in total retail and corporate – increased by more than ten billion euros. While this savings inflow is a strong indication of the trust placed in our group, it also shows once more that the low interest rate environment by itself isn't encouraging investments.

With the CEE region maintaining economic growth momentum above the Eurozone average, all of our subsidiaries performed well, contributing to our strong Group net profit. As a result, we have managed to more than double our capital base since the beginning of the global financial crisis, boosting our phased-in Basel 3 core tier one ratio to 13.4 percent as of year-end. Based on these good results, we will propose to pay a dividend of one euro per share to our shareholders. Our focus in 2017 and going forward is on investing in understanding our clients and their individual situations better, including through smart data management, and on delivering banking services that are truly personalized and relevant to them.

Andreas Treichl, CEO of Erste Group Bank AG

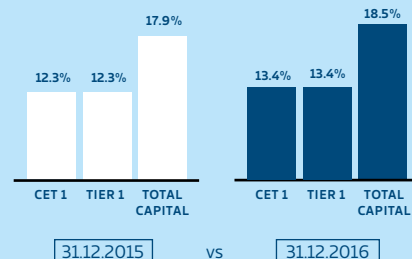
Outlook 2017

Macro outlook: 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.

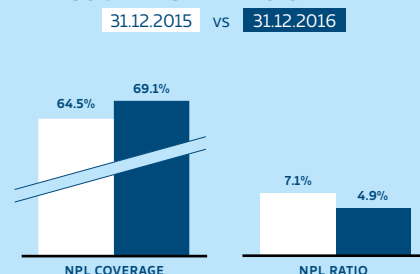
Business outlook: ROTC for 2017 targeted at 10%+ (based on average tangible equity in 2017). Assumptions for 2017: at best flat revenues (assuming 5%+ net loan growth); cost inflation of 1-2% due to regulatory projects and digitalisation; increase in risk costs, remaining at historically low levels;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

Risk factors for guidance: Impact from expansionary monetary central bank policies, including negative interest rates. Political risks, for example various elections in key EU economies. Geographical risks and global economic risks. Consumer protection initiatives.

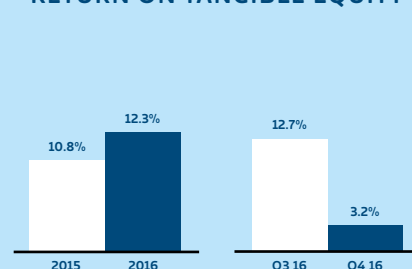
BASEL 3 CAPITAL RATIOS



NPL COVERAGE RATIO & NPL RATIO



RETURN ON TANGIBLE EQUITY



CENTRAL AND EASTERN EUROPE

MACROECONOMIC OUTLOOK FROM ERSTE RESEARCH

REAL GDP GROWTH (%)

	HR	CZ	HU	PL	RO	RS	SK	SI	CEE8	AT	Euro
2015	1.6	4.6	3.1	3.6	3.9	0.8	3.8	2.3	3.5	1.0	2.0
2016	2.9	2.3	2.0	2.8	4.8	2.8	3.3	2.6	3.0	1.5	1.7
2017f	3.2	2.7	3.4	3.3	4.3	3.1	3.1	2.6	3.3	1.5	1.9
2018f	2.9	3.2	2.8	3.4	2.8	3.4	3.7	2.7	3.2	1.6	1.7

STATUS: 08.03.2017

In 2017, growth in CEE should actually be a shade higher (3.3%) than it was in 2016, as EU-funded investments should pick up, while some countries in the region continue to pursue fiscal relaxation (especially Romania and Hungary). Moreover, the end of deflationary threats and the normalization of inflation should be supportive both to fiscal development and investments in CEE. However, central banks will not rush to increase rates in reaction to positive inflation readings. The positive development on the labour market has witnessed a further decline in unemployment rates, and faster nominal wage growth will stimulate domestic demand, which will be the main driver of growth in CEE in 2017. As a result, the region's current account balances will deteriorate slightly, but will remain in surplus on average. Growth in CEE is likely to surpass that of the Euro Area by around 1.5 percentage points in 2017.

DID YOU KNOW THAT ...

... THAT OVER 90% OF SLOVAKS AND ROMANIANS OWN THEIR OWN HOMES?

... CAR PRODUCTION IN SLOVAKIA QUADRUPLED BETWEEN 2005 AND 2015?

... THE ICT SPECIALIST SHARE IN HUNGARY'S WORKFORCE IS ONE-THIRD ABOVE THE EU AVERAGE?

... AMAZON WILL SOON HAVE NEARLY 2,000 STAFF IN SLOVAKIA?

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