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:

- ca. 16 million customers
- 46,000 employees
- 1,974 branches in 7 countries
- EUR 337 billion total assets

In the first three quarters of 2023, Erste Group had:
- EUR 2.31 billion net profit
- EUR 4.18 billion operating result
- EUR 27.7 billion total equity
- 15 % CET1 ratio (fully loaded, pro forma)

Strategy

Customer banking in Central and Eastern Europe

Eastern part of the EU

RETAIL BANKING

CORPORATE BANKING

Acting as Financial Health Advisor for the people in our region.
Support customers to build up and secure wealth.
Active management of customer journeys to increase profitability and customer satisfaction.

SME and local corporate banking.
Advisory services, with focus on providing access to capital markets and corporate finance.
Transaction banking services (trade finance, factoring, leasing).
Commercial real estate business.

Focus on CEE, limited exposure to other Europe

CAPITAL MARKETS

PUBLIC SECTOR

INTERBANK BUSINESS

Focus on customer business, including customer-based trading activities.
In addition to core markets, presence in Poland, Germany, New York and Hong Kong with institutional client focus and selected product mix.
Building debt and equity capital markets in CEE.

Management board

Willi Cernko, CEO and CReiO
Stefan Dörfler, CFO
Alexandra Habeler-Drabek, CRO
Ingo Bleier, Chief Corporates and Markets Officer
David O’Mahony, Chief Operations Officer
Maurizio Poletto, Chief Platform Officer

Shareholder structure

26.10.2023

Erste Foundation direct 5.58 %
Unidentified1 2.24 %
Identified Trading* 0.57 %
BlackRock Inc. 4.05 %
Institutional 61.86 %

1 Foundations include Erste Employees Private Foundation, Syndicated Savings Banks Foundations, own holdings of Savings Banks
2 Unidentified include unidentified institutional and retail investors
* Identified Trading includes market makers, prime brokerage, proprietary trading, collateral and stock lending positions which are visible through custodian bank lists

Listings and index representation

31.12.2022

LISTINGS INDEX WEIGHTING
Vienna Stock Exchange ATX 20.5 %
Prague Stock Exchange PX 20.8 %
Bucharest Stock exchange BET-BK 7.8 %

Retail banking via a level I ADR programme in the U.S.
MSCI Standard Index
EURO STOXX Banks Index
FTSEurofirst 300 Index

Ratings

11.07.2023

LONG-TERM SHORT-TERM OUTLOOK
S&P A+ A-1 Stable
Fitch A F1 Stable
Moody’s A1 P-1 Stable

Increase profitability and customer journeys to make active management of customer business.

Any sovereign holdings are held for market-making, liquidity or balance sheet management reasons or to support client business.

Employees: 16,000
Customers: 4.1 million
Branches: 778

* Percentages based on the total number of shares.

Employees: 3,300
Customers: 1.3 million
Branches: 131

Employees: 4.5 million
Customers: 9,900
Branches: 265

Employees: 4.18 billion
Customers: 2.8 million
Branches: 322

Employees: 2.31 billion
Customers: 1.5 million
Branches: 186

Employees: 2.7 billion
Customers: 10 million
Branches: 1,010

Employees: 1.974 billion
Customers: 101 million
Branches: 291

Employees: 15.7 billion
Customers: 10 million
Branches: 2,000

Employees: 16 million
Customers: 4.1 million
Branches: 778

Employees: 4.1 million
Customers: 9,900
Branches: 265

Employees: 4.18 billion
Customers: 2.8 million
Branches: 322

Employees: 2.31 billion
Customers: 1.5 million
Branches: 186

Employees: 2.7 billion
Customers: 10 million
Branches: 1,010

Employees: 15.7 billion
Customers: 10 million
Branches: 2,000

Employees: 16 million
Customers: 4.1 million
Branches: 778

Employees: 4.1 million
Customers: 9,900
Branches: 265
Current financial outlook 2023

OPERATING ENVIRONMENT
- No year-on-year decline in real GDP in 2023
- Loan growth of around 5% in 2023

BUSINESS PERFORMANCE
- In 2023, NII growth of above 20% and fee growth of more than 5%
- Cost/income ratio of under 50%

CREDIT RISK
- Risk costs expected below 10 bps in 2023

DIVIDEND
- FY2023 dividend per share of EUR 2.70 planned
- Unchanged dividend policy going forward with payout ratio targeted at 40–50%

PROFITABILITY
- ROTE of above 15% targeted for 2023

RISK FACTORS TO GUIDANCE
- Political, regulatory, geopolitical, economic, health and competition risks, also non-financial and legal risks
- Indirect effects from international (military) conflicts, such as the Russian/Ukraine war or in the mid-east region, prolonged supply chain disruptions, additional shock on energy prices and/or supply, deterioration of investment and consumption appetite
- Economic downturn may put goodwill at risk

Central and Eastern Europe
Real GDP Growth (%)
Source: Erste Group Research (30.11.2023)

<table>
<thead>
<tr>
<th></th>
<th>HR</th>
<th>CZ</th>
<th>HU</th>
<th>PL</th>
<th>RO</th>
<th>RS</th>
<th>SK</th>
<th>SI</th>
<th>CEE8</th>
<th>AT</th>
<th>EZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>6.3</td>
<td>2.4</td>
<td>4.6</td>
<td>4.9</td>
<td>4.6</td>
<td>2.3</td>
<td>1.8</td>
<td>2.5</td>
<td>4.1</td>
<td>4.8</td>
<td>3.5</td>
</tr>
<tr>
<td>2023e</td>
<td>2.2</td>
<td>-0.4</td>
<td>-0.6</td>
<td>0.2</td>
<td>2.1</td>
<td>2.4</td>
<td>1.1</td>
<td>1.3</td>
<td>0.6</td>
<td>-0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>2024e</td>
<td>2.4</td>
<td>1.8</td>
<td>3.2</td>
<td>2.3</td>
<td>3.3</td>
<td>3.3</td>
<td>2.0</td>
<td>2.2</td>
<td>2.5</td>
<td>1.0</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Statements

“We are reporting a strong operating result for the first nine months of the year. That is attributable to an increased lending volume at higher interest rates. At the same time, we were able to achieve significant growth in net fee and commission income in line with our strategic targets.”

Stefan Dörfler, CFO of Erste Group

“We are on the path to net zero

Economic success paired with environmental and social well-being

Our aspiration ...
We believe in a stronger, healthier and more prosperous society in the Central and Eastern European region.

As a member of the Net-Zero Banking Alliance
We will be leading the transition within CEE
Tackling climate change: green finance and the transition to net zero.

We will reach climate neutral operations by 2023
We are committed to source more than 80%+ of our electricity from low emission sources by 2023.

Commitments
Erste Group commits to the UNEP FI Principles for Responsible Banking.

To find out more about our ESG effort
erstegroup.com/en/about-us/sustainability-esg

ESG: a key objective

MEMBERSHIPS
- Net-Zero Banking Alliance (NZBA)
- Green Consumption Pledge
- Financial Initiative of the UN Environmental Program
- PCAF (Partnership for Carbon Accounting Financials)