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 the first nine months of 2020, Erste Group had:

- 16.1 million customers
- 46,000 employees
- 2,228 branches in 7 countries
- EUR 272 billion total assets
- EUR 637 million net profit
- EUR 2.16 billion operating result
- EUR 21.4 billion total equity
- 14.1% CET 1 ratio (CRR, final)

Strategy

Customer banking in central and Eastern Europe

Retail banking

Focus on local currency mortgage and consumer loans funded by local deposits

Focus on customer business, including consumer-based trading activities

Large, local corporate and SME banking

Advisory services, with focus on providing access to capital markets and corporate finance

In addition to core markets, presence in Poland, Germany, London, New York and Hong Kong with institutional client focus and selected product mix

Real estate business that goes beyond financing

Building debt and equity capital markets in CEE

Focus on banks that operate in the core markets

Focus on sovereigns and municipalities with focus on infrastructure development in core markets

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 or to support client business

Focus on banks that operate in the core markets

Focus on banks that operate in the core markets

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

External presence in CEE

Listings and index representation

Vienna Stock Exchange

Prague Stock Exchange

Bucharest Stock Exchange

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

Ratings

S&P

Fitch

Moody’s

A

A-1

Stable

A

F1

Negative

AA

P-1

Stable
MACROECONOMIC OUTLOOK FROM ERSTE RESEARCH

REAL GDP GROWTH (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>HR</th>
<th>CEE</th>
<th>AT</th>
<th>EZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.9</td>
<td>2.3</td>
<td>1.6</td>
<td>1.3</td>
</tr>
<tr>
<td>2020f</td>
<td>-9.0</td>
<td>-7.7</td>
<td>-7.2</td>
<td>-7.6</td>
</tr>
<tr>
<td>2021f</td>
<td>5.2</td>
<td>3.9</td>
<td>3.4</td>
<td>5.4</td>
</tr>
<tr>
<td>2022f</td>
<td>3.6</td>
<td>5.5</td>
<td>2.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

CEE economies rebounded strongly in the third quarter from the slump caused by a broad-based economic lockdown. The retail and manufacturing sectors recovered over the summer and third quarter GDP growth was stronger than initially expected in most CEE countries. Recent tightening of measures to curb the second wave of the pandemic will weigh on the economic performance in the fourth quarter and next year’s recovery. However, the hit to CEE economies in the fourth quarter should be milder compared to spring, as the introduced measures mainly affect the services and retail sectors and, to a lesser extent, manufacturing. All in all, we expect the CEE region to recover next year, but the outlook has recently become more uncertain.

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CONTACTS

CURRENT FINANCIAL RESULTS

"Considering the unprecedented crisis environment, Erste Group’s profitability remains satisfactory at 637 million euros in net profit for the first nine months of 2020, with the third quarter being very strong. Our operating income decreased only by 2 percent year-on-year, loan loss provisions amounted to 70 basis points, and continued cost discipline resulted in lower expenses year-on-year. These results speak to the strength of our business model, our capital position, as well the resilience of the Central and Eastern European markets in which we operate.

The economic outlook for 2021 depends on the course of the pandemic. In any case, our commitment to continue supporting our customers and delivering results for our shareholders remains as solid as ever.”

Stefan Doerfler, CFO of Erste Group

OUTLOOK 2020/21

Operating environment
- Real GDP decline of between 4-9% expected in 2020. Q4 restrictions not yet incorporated
- Non-linear economic recovery in 2021
- CEE-wide concerted fiscal mitigation efforts

Business performance
- Challenged revenue outlook amid economic downturn, rate cuts & market volatility, costs to decline in 2020
- Lower organic growth, protected growth (guarantees) and freezing of good portfolio

Credit risk
- 2020e risk costs confirmed at approx. 65-80bps (of average gross customer loans)
- 2021e risk charge expected to be below 2020 level

Capital position
- CET1 ratio is expected to remain strong with significant cushion in case of worse than expected economic performance
- Medium-term CET1 target of 13.5% unchanged

Profitability
- 2020e net result expected meaningfully lower than in 2019
- Management intends to pay dividends both for 2019 and 2020, subject to business conditions and to regulatory approval

Risk factors to guidance
- Longer than expected duration of COVID-19 crisis
- Political or regulatory measures against banks
- Geopolitical, global economic and global health risks
- Economic downturn may put goodwill at risk

CENTRAL AND EASTERN EUROPE

DID YOU KNOW THAT …

- PRAGUE AND BRATISLAVA BELONG TO THE TOP-10 WEALTHIEST REGIONS IN THE EU?
- ROMANIA IS ONE OF THE MOST VIBRANT TECH & INNOVATION HUBS IN CEE, WITH 80,000 ACTIVE DEVELOPERS?
- BUDAPEST IS THE MOST POPULAR LOCATION FOR FILM SHOOTING IN CONTINENTAL EUROPE?
- THE GDP OF THE CEE REGION HAS OVERTAKEN THAT OF SPAIN AND IS CATCHING UP TO THE EU’S "BIG FOUR"?