Erste Group investor presentation
FY 2020 preliminary results

26 February 2021

Erste Group ends FY2020 on a strong note

Bernd Spalt, CEO Erste Group
Stefan Dörfler, CFO Erste Group
Alexandra Habeler-Drabek, CRO Erste Group

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

- Key topics
  - Macroeconomic update
  - Business update
  - Operating trends
  - Asset quality and impairments
  - Capital trends and dividends
  - Key takeaways and outlook

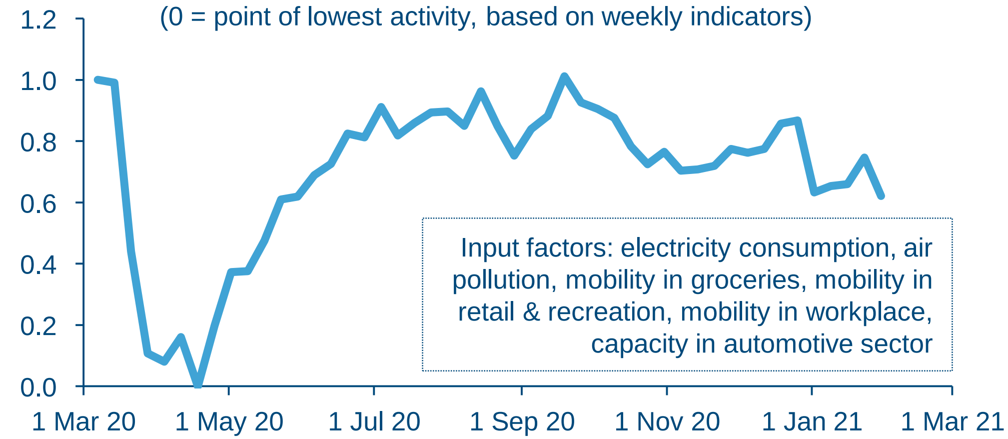
- Q4 20 presentation
  - Executive summary
  - Business environment
  - Business performance
  - Assets and liabilities
  - Additional information

Macroeconomic update –
CEE economies prove their resilience, end 2020 stronger than expected

- **Real GDP declined 1%-8% in 2020 in core markets**
  - CZ & SK: manufacturing less impacted by recent policy measures
  - RO & HU: relatively relaxed lockdown measures in Q4 20
  - HR & AT: hardest hit due to higher dependency on tourism/services
- **Economic activity expected to rebound in 2021**
  - CZ: private consumption to benefit from tax cut & tight labour market
  - HU: significant public investments expected in H2 2021
  - HR: economic recovery significantly depends on tourism
- **CEE Recovery Index aggregates development of various economic activity indicators**
  - Recent decline reflects anti-Covid policy measures of varying degrees

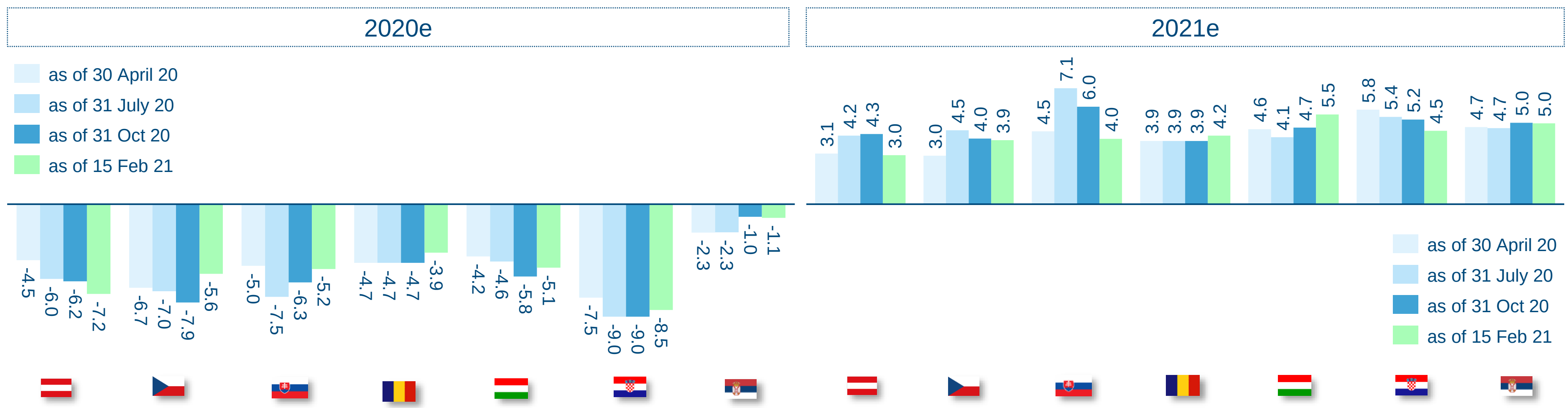
CEE Recovery Index

(0 = point of lowest activity, based on weekly indicators)



Source. Erste Group Research

Evolution of real GDP forecasts



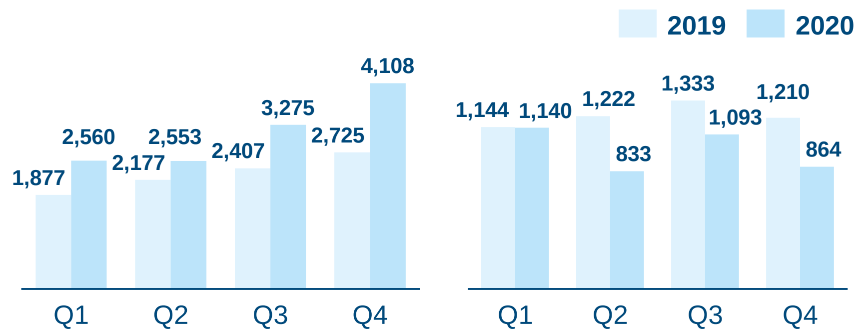
Business update –
Retail – what‘s happening on the ground? (1)

- **Diverging demand trends throughout 2020**
  - New **housing loans sales** up 36.0% in 2020 as customers attach higher importance to owning real-estate
  - Demand for **consumer loans** lower than in 2019, reflecting uncertainty among specific segments of client base
  - **Customer deposits** up 9.9% as clients trust Erste Group
  - Higher customer demand for **securities products** confirms strategic focus on wealth building; results in **fee growth** especially in AT, CZ and HU
  - Strong growth in **regular securities savings plans**, up 27%, supported by new digital solutions (e.g. tablet-based advisory processes in SK led to >50% rise in saving plans); yearly investment volume regular savings: > EUR 800m
  - Solid demand from customers for **insurance products**
  - Improved financial health **advisory capabilities** e.g. in SLSP >400k clients created their “personal financial plan” via a new tablet-based solution within 10 months after the launch

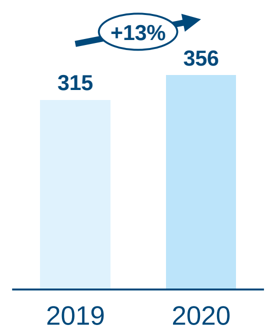
Quarterly new sales volumes

(2019 vs 2020, in EUR m)

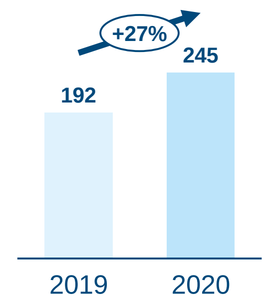
Housing loans **Consumer loans**



Development of fee income: securities
(2019 vs 2020, in EUR m)



Newly opened regular securities savings plans
(2019 vs 2020, in thd pieces)

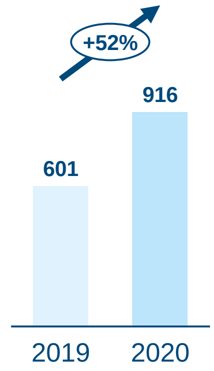


ERSTE Group

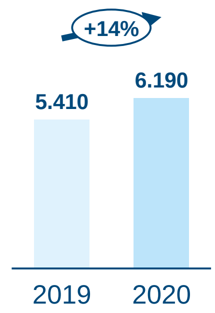
Business update –
Retail – what‘s happening on the ground? (2)

- **Changing customer interactions**
  - **Branch traffic** dropped significantly after first lockdown in spring 2020, but recovered strongly thereafter to almost pre-crisis levels
  - **Clients going digital**: almost 6.2m George users as George goes live in Croatia and Hungary (full roll-out to be completed in 2021); George now available in 6 countries
  - Generally **higher digital activity** of customers, number of monthly log-ins per customer increased by ~10%
  - **Digital sales** increased substantially; customers appreciate Erste’s digital and remote offering
  - **Cashless and mobile transactions** on the rise
- Erste’s advice and support, both by its advisors and in George, is highly relevant to its customers, especially during difficult times
- Strongly **improved customer experience rankings** in 2020, outperforming our competitors
- Erste will continue to strengthen its advisory proposition and its digital offering via George

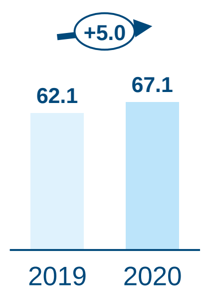
Development of digital sales
(2019 vs 2020, in thd pieces)



Number of George users
(2019 vs 2020, in thd)



Retail Customer Experience Index
(2019 vs 2020, absolute)

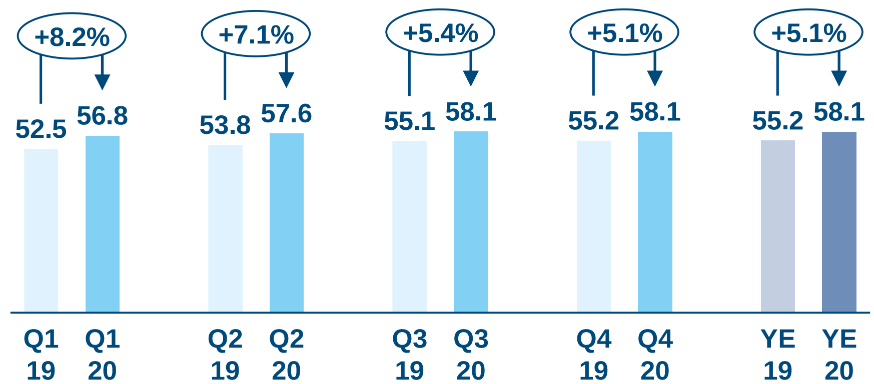


Business update –
Corporates – what's happening on the ground?

- **Most corporate clients hold up well**
  - State guarantees for loans were widely used (particularly in Austria); low additional demand
  - M&A and investment activity started to pick up again, in particular in the industrial (wood, pulp and paper, furniture), the consumer and commercial real estate sectors
  - Prolonged containment measures proved earlier earnings recovery projections as too optimistic, however not questioning the overall recovery in 2021
- **Capital markets business gained further traction**
  - 170 mandated transactions (for all C&M customer segments) with a total issuance volume of EUR 108bn accompanied by Erste Group (2019 volume: EUR 73bn)
  - Low rates continue to attract issuers to refinance
- **Reassuring drawdown behaviour**
  - Ratio of drawn loan volume to overall loan and guarantee exposure has only gone from 67.2% (YE19) to 68.7% (YE20)
- **SME business still growing despite restrictions in origination activities**
  - Active clients in 2020 rose by just under 2% (10% in 2019)
  - SME average loans and advances to customers (gross) rose yoy in 2020 by 3%

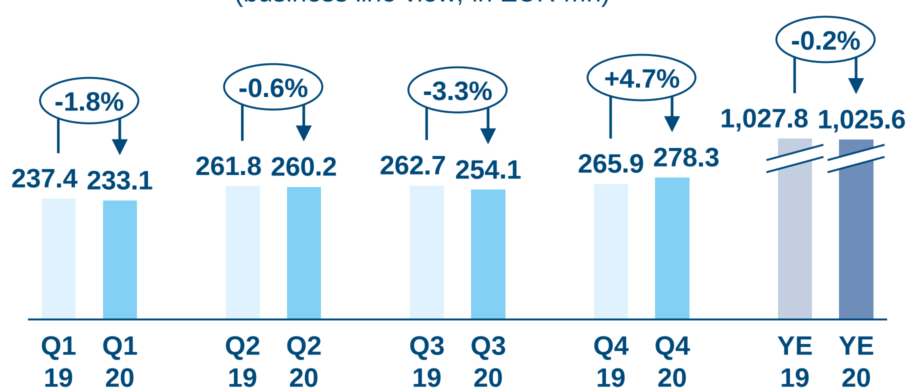
Corporate loan stock development

(gross, business line view, in EUR bn)



Operating results development

(business line view, in EUR mn)

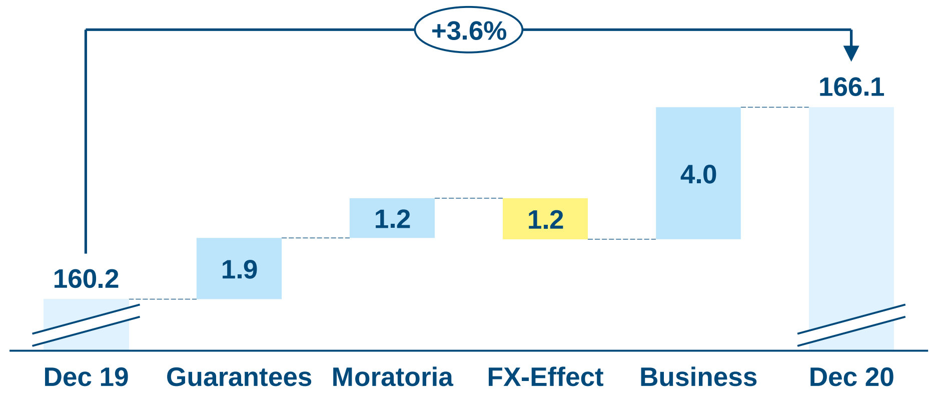


Operating trends: loan volume –
Net loans grew 3.6% in 2020, supported by state measures

- **Net loan growth biased towards real business**
  - Impact of state-guaranteed loans: approx. EUR +1.9bn
  - Moratoria effect (reduced redemptions): EUR +1.3bn
  - Currency effect: EUR -1.2bn
  - **Real business growth: EUR +4.0bn or 2.5% in 2020**
- **Volumes subject to Covid-19 measures declined materially in Q4 20, from 8.3% to 4.0% of (gross) customer loans**
  - Moratoria volumes declined to EUR 4.5bn or 2.7% of customer loans, driven by expirations in CZ, RO and RS
  - Other forbearance measures fell to 0.2% of client loans
  - Volumes of state-guaranteed loans slightly up from 0.9% to 1.1% or EUR 1.9bn of customer loans

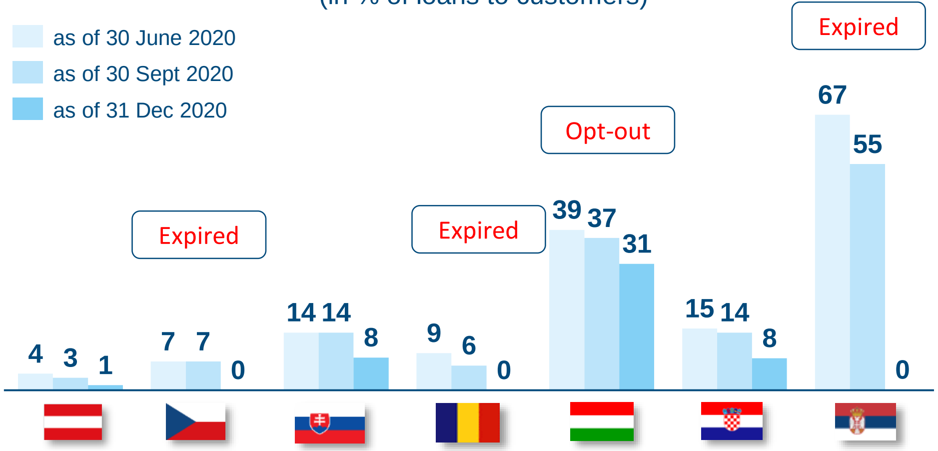
Composition of net loan growth in 2020

(in EUR bn)



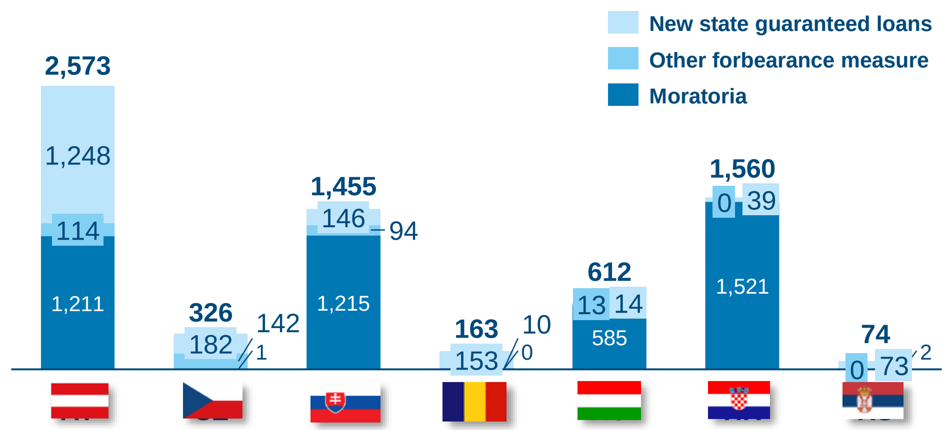
Volume-based active moratoria participation

(in % of loans to customers)



Active volumes subject to key Covid-19 measures

(as of 31 December 2020, in EUR m)



Data source: EBA reporting, internal reports

Operating trends: revenues and costs –
Fees post record quarter in Q4 20, NII moves sideways

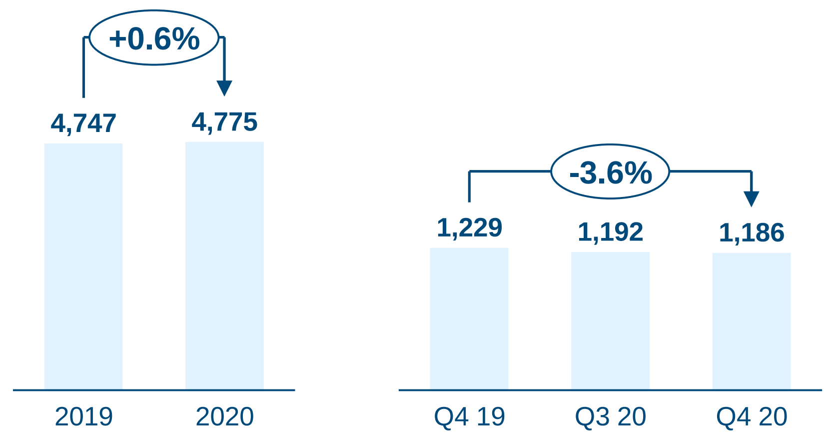
- **NII ends 2020 in positive territory, while Q4 20 was down both qoq and yoy**
  - Lower funding costs (TLTRO, deposit tiering) in 2020
  - Flat performance of retail and SME business in 2020, except CZ, which suffered from significant rate cuts
  - Growth in large corporate business
  - Modification losses, mostly moratoria related, amounted to EUR 49.6m in 2020, EUR 12.4m in Q4 20
  - **Expectation is for flattish NII in 2021 vs 2020**

- **Fees, in 2020 barely down on 2019 (-1.2%), post record performance in Q4 20**
  - Growth drivers: asset management and securities business
  - Decline in 2020 entirely due to SEPA impact: ~ EUR –20m
  - **Fees are expected to grow in low-single digits in 2021**

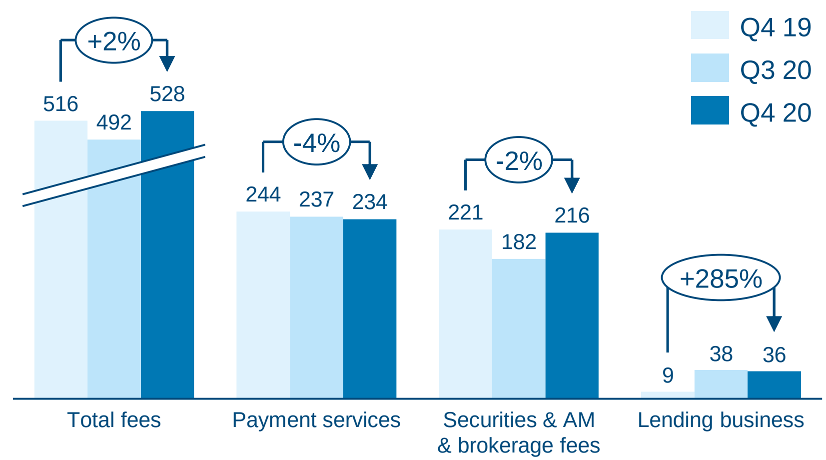
- **Trading & FV result** declined in 2020, as weak start to 2020 could not be fully made up by strong H2 20
  - **Improvement in 2021, if financial markets stable**

- **Expenses decreased in 2020**
  - Covid-19 effects and ongoing efficiency efforts
  - **Costs expected to increase slightly 2021**

NII development



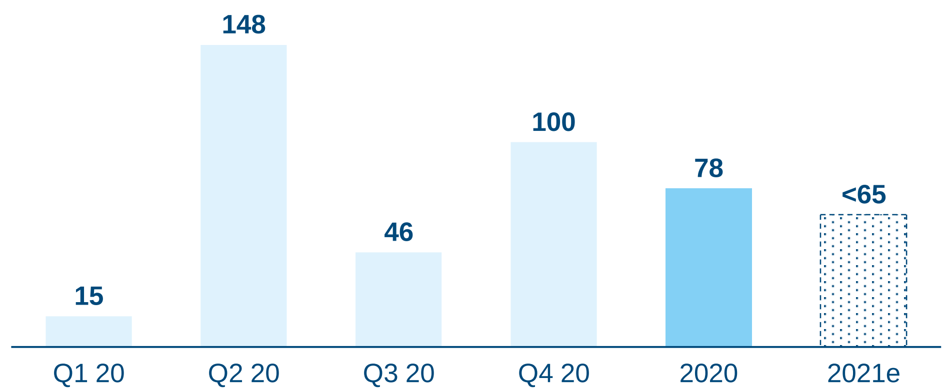
Fee development



Credit risk: risk provisions –
Significant forward-looking provisioning in 2020, risk costs to decline in 2021

- **Risk costs rise significantly in 2020 as expected economic effects of Covid-19 policy responses are front-loaded**
  - Update of forward-looking information (FLI) parameters, primarily of macro forecasts
  - Significant increase in credit risk (SICR) overlays in relation to most affected sectors (cyclical industries, transportation, hotels and leisure), resulting in increased allocations for expected credit losses (ECL)
  - *Unlikely-to-pay (UTP)*-assessment
  - Ordinary course of business risk costs, driven primarily by negative corporate rating migrations
- **Proactive IFRS 9 stage migration in preparation of increased defaults**
  - Stage 2 increase throughout the year driven by FLI updates and SICR overlays
  - Comfortable coverage ratios across the stage spectrum
- **Improved outlook for 2021 on the back of currently expected macro recovery and forward-looking provisioning in 2020**

Risk costs in 2020, preview 2021
(baseline scenario, in bps of average gross customer loans)



Risk provisions by IFRS9 stages

						CLA	Coverage
in EUR million	**Dec 19**	**Mar 20**	**Jun 20**	**Sep 20**	**Dec 20**	**Dec 20**	**Dec 20**
Stage 1	88.8%	86.5%	81.0%	80.4%	78.4%	358	**0.3%**
Stage 2	8.3%	10.7%	16.1%	16.7%	18.4%	1,193	**3.8%**
Stage 3	2.3%	2.2%	2.3%	2.2%	2.5%	2,326	**54.2%**
POCI	0.3%	0.2%	0.2%	0.2%	0.2%	125	**34.1%**
Subject to IFRS9	99.7%	99.7%	99.6%	99.6%	99.6%	4,002	**2.4%**
Not subject to IFRS 9	0.3%	0.3%	0.4%	0.4%	0.4%	0	**0.0%**
Gross customer loans	**163,417**	**164,268**	**167,369**	**168,276**	**170,020**	**4,002**	**2.4%**

Credit risk –
Asset quality: NPL ratio inches up, initial post-moratoria trends promising

- **NPL ratio inches up from 20y-low**
  - Gross NPL inflows increased to EUR 2.1bn in 2020 (2019: EUR 1.5bn), mainly driven by portfolio UTP assessment (EUR 0.5bn)
  - Recoveries, upgrades and write-offs comparable to 2019, lower NPL sales
  - Expectation for NPL ratio in range of 3-4% in 2021
- **NPL coverage significantly up yoy**
  - Qoq decline as new NPL inflows had lower coverage
  - Further decline in coverage expected in 2021, as NPL inflows will likely rise
- **Post-moratoria experiences promising so far**
  - Increase of the defaults from the moratoria portfolios in Q4 20 due to portfolio UTP assessment
  - No significant increase in hard defaults has been observed yet, after the moratoria expiration
  - Further developments will depend on the development of Covid-19 policy responses

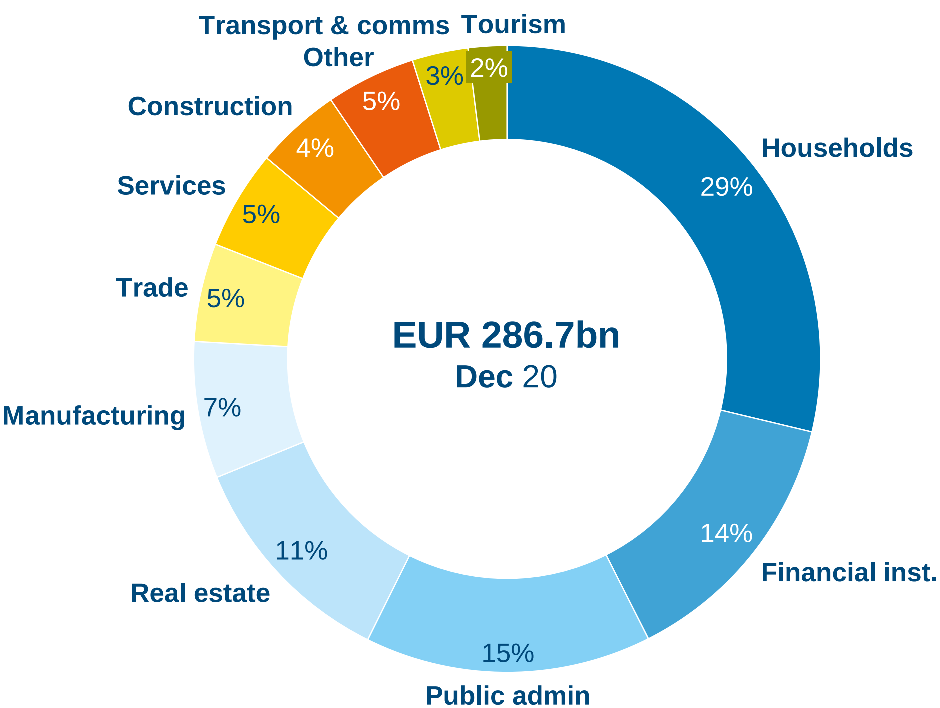
NPL ratio and NPL coverage

Post-moratoria loan performance
(as at 31 Dec 2020, in EUR bn unless stated otherwise)

	Expired EBA compliant moratoria			
	Legislative	**Non-Legislative**	**Total expired moratoria**	**Post moratoria default rate**
AT	2.7	3.8	6.4	0.8%
CZ	2.0	0.2	2.2	1.0%
SK	0.3	0.0	0.3	0.4%
RO	0.7	0.4	1.1	3.4%
HU	0.0	0.0	0.0	n.a.
HR	0.2	0.5	0.7	1.9%
RS	1.1	0.0	1.1	0.2%
Total	**6.9**	**4.9**	**11.9**	**1.0%**

Credit risk –
Gross credit exposure overview

Gross credit exposure by NACE code



Focus exposures (gross)

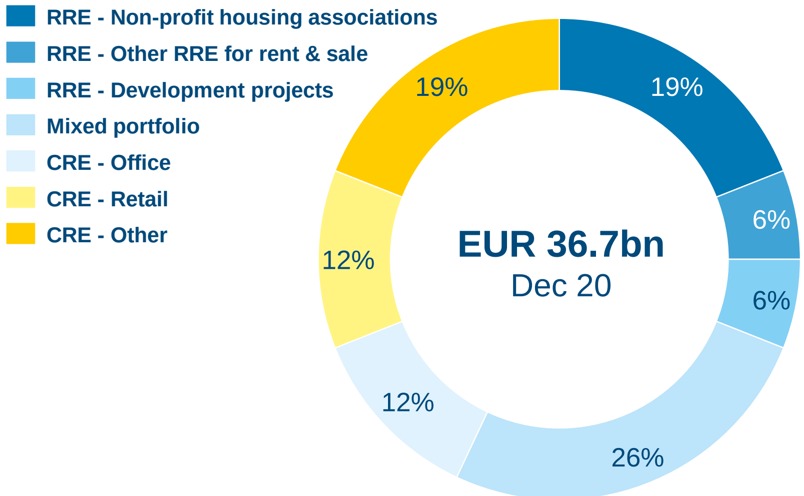
Industry / Category	as of Dec 20	*of which* Savings Banks	**Active Moratoria ratio**	**Exposure w/ State Guarantee**
Metals	€ 3.6bn	€ 0.8bn	0.9%	€ 61m
Oil & gas	€ 2.8bn	€ 0.1bn	0.0%	€ 4m
Automotive	€ 4.2bn	€ 1.2bn	0.6%	€ 92m
Cyclical consumer prod. / Clothing & Footwear	€ 2.1bn	€ 0.7bn	0.7%	€ 101m
Machinery	€ 4.9bn	€ 1.6bn	0.3%	€ 128m
Passenger transportation	€ 1.5bn	€ 0.1bn	5.1%	€ 115m
Hotels & leisure	€ 9.1bn	€ 3.7bn	6.7%	€ 247m

*) Exposures in industry categories which are seen as critical and high-risk due to Covid-19 pandemic; assessment updated quarterly, therefore not fully comparable to previous quarter

ERSTE Group

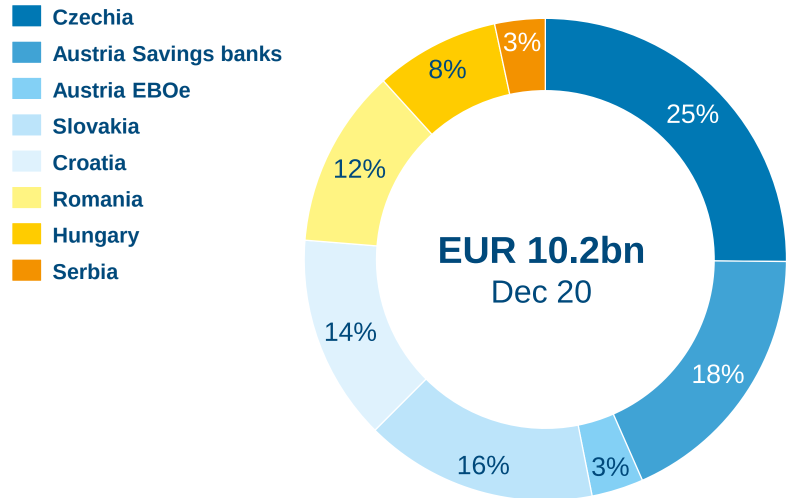
Credit risk –
Further details on selected exposures

Snapshot: real estate*



- Negative **impacts** of the crisis on the **office market** remain so far **very limited.** In the **Retail market** lockdowns brought footfall significantly down, however for **short periods** of time, reducing the need for credit payment deferrals
- Strong **focus (more than 80%) on income producing projects**
- Low risk profile: LTVs ~58%, NPE ratio 1.2% (Q3: 1.2%)
- Exposure focused on capitals and regional centres in CEE markets showing a positive demographic development

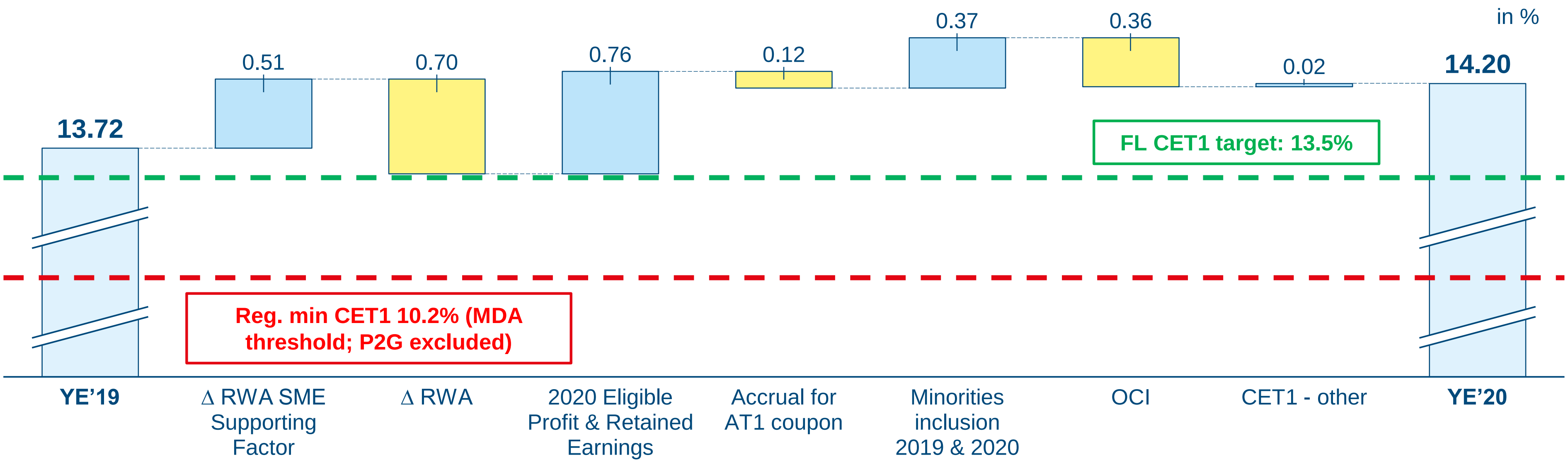
Snapshot: consumer loans



- **Consumer loans** portfolio represents **13% of the total retail portfolio** exposure (EUR 76.5bn) of Erste Group
- **New sales volume decreased by 15% yoy** due to significantly lower consumer demand and tighter lending standards, which led to an improved risk-profile
- **Consumer loan portfolio performance still very good** with 1.27% 30+DPD and 0.51% for 90+DPD, but slightly deteriorated due to end of moratorium in several entities
- Consumer loan **NPE at 6%** YE 2020 (5.1% YE 2019)

*) Business view distribution before risk transfer, includes exposure classified in various NACE categories. New, group-wide split based on rating method/collateral information, not fully comparable to Q3 20 presentation. Mixed portfolio includes both residential and commercial assets whose rating is based on financial standing of client rather than asset type or value.

Capital position –
CET1 ratio of 14.2% (fully loaded) allows for dividend distributions



- **Strong YE 2020 CET1 ratio, comfortably above 13.5% CET1 target**
  - CRR Quick Fix RWA relief from SME Supporting Factor in amount of EUR -4.5bn
  - OCI positions worsening mainly due to decrease in foreign currency translation (-30bps, OCI only) due to development of FX rates and the FV changes of debt and equity instruments (-2bps)
  - 2019 and partial 2020 minority interest profit included, 2020 eligible profit and AT1 coupon (EUR 148mn) considered

- **EUR 1.5 2019 dividend accrual rolled forward into 2020, resulting in fully loaded CET1 ratio of 14.2%**
  - Management board of Erste Group will propose dividend in line with ECB recommendation of EUR 0.5 per share to 2021 AGM for payment in May 2021; additional reserve of EUR 1.0 per share for payment once ECB recommendation is withdrawn; subject to profitability and capital performance

Conclusion –
Key takeaways and outlook for 2021

	Q4 20 key takeaways	2021 outlook
Operating environment	• **CEE economies held up better than expected in 2020**, while Austria underperformed • Loan growth slowed, but real business growth remained the key growth driver	• **Real GDP to rise in mid-single digits in 2021** in Erste Group's markets contingent on further development of Covid-19 policy measures • Loan growth in low to mid single digits
Business performance	• **NII and fees performed well in 2020** • Strong finish of trading/FV result in Q4 20, down yoy • **Cost reduction** due to Covid-19 and ongoing efficiency efforts	• **Aiming for positive operating jaws** with flattish NII, rising fees (low-single digits), improved FV/trading result, and cost growth < revenue growth
Credit risk	• Forward-looking provisioning in Q4 20 and FY2020 to discount expected deterioration asset quality • Asset quality remained strong, NPL ratio at 2.7%	• **2021e risk charge expected to be below 65 bps of gross customer loans,** on assumption of economic recovery materialising • 2021e NPL ratio expected between 3-4%
Capital position	• **Fully loaded CET 1 ratio remained strong** at **14.2%** • Total capital ratio at 19.7%, supported by AT1 issuance in 2020 of EUR 1.2bn	• CET1 ratio is expected to remain strong with significant cushion in case of worse than expected economic performance • **CET1 target of 13.5% unchanged**
Profitability	• Profitability suffered from higher risk costs, pushing ROTE into single-digits in 2020 (5.1%)	• 2021e net result to be meaningfully higher than in 2020 • Management proposes EUR 0.5 DPS in line with ECB recommendation to AGM for payment in May 2021, reserves EUR 1/share for potential later payment
Risk factors to guidance		• Political, regulatory, geopolitical, economic, health and competition risks, also nonfinancial and legal risks • Elevated level of uncertainty due to Covid-19 crisis • Economic downturn may put goodwill at risk

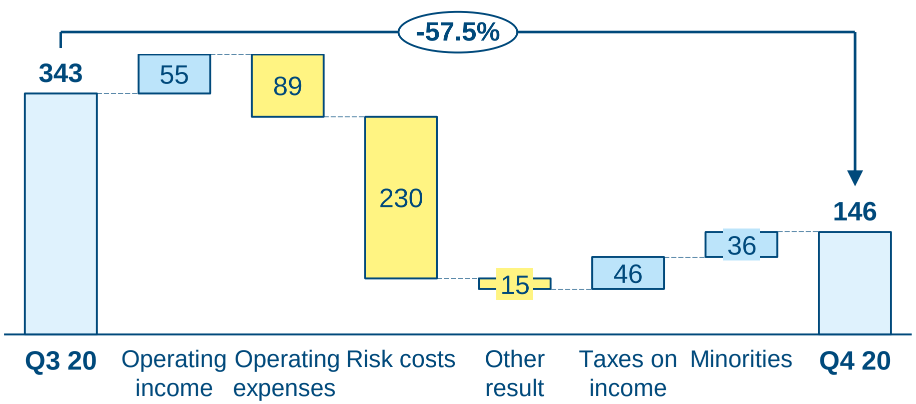
Presentation topics

- Key topics
  - Macroeconomic update
  - Business update
  - Operating trends
  - Asset quality and impairments
  - Capital trends and dividends
  - Key takeaways and outlook

- Q4 20 presentation
  - Executive summary
  - Business environment
  - Business performance
  - Assets and liabilities
  - Additional information

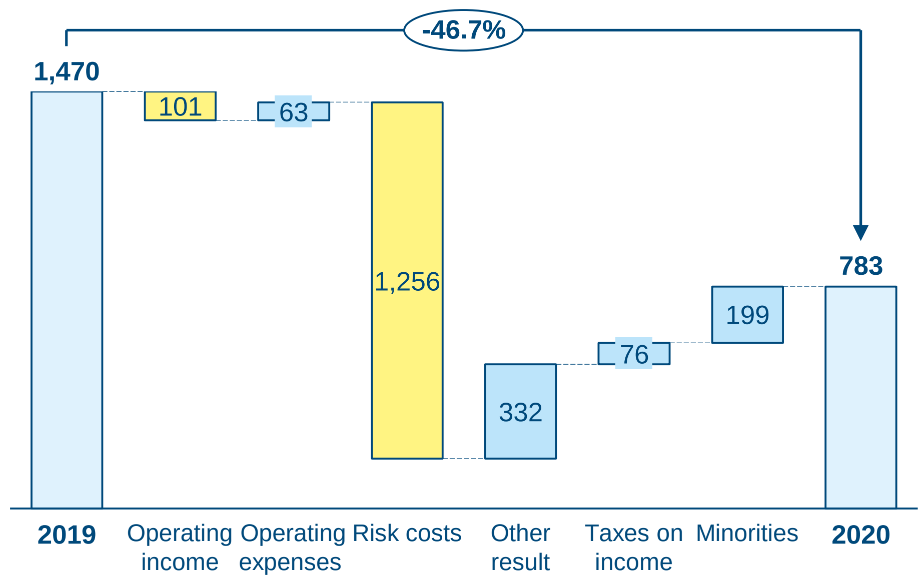
Executive summary –
Group income statement performance

QoQ net profit reconciliation (EUR m)



- Q4 20 net result declined to EUR 146.0m on **higher year-end risk costs** in preparation for potential Covid 19- related defaults
- Operating income improved on **record fee quarter,** strong trading and FV result, while NII moderated somewhat
- Operating expenses showed usual year-end seasonality, but were down yoy, confirming the full-year trend

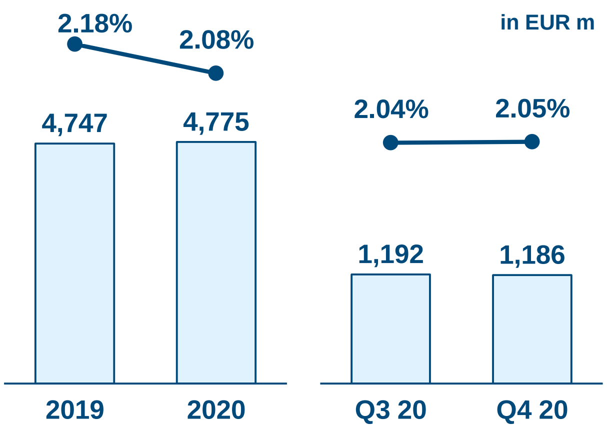
YoY net profit reconciliation (EUR m)



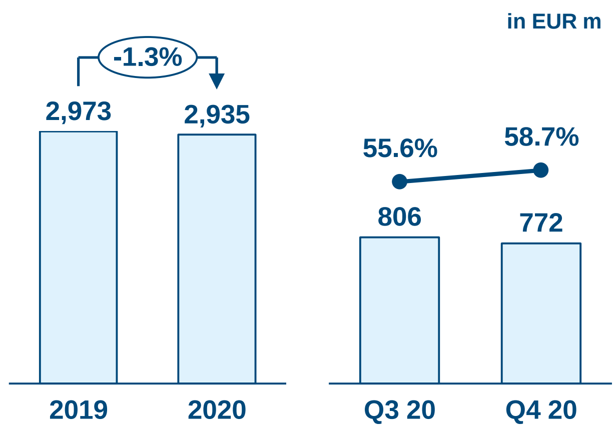
- Yoy net profit mainly down on **substantial rise in risk costs** driven by forward-looking Covid 19-provisioning
- **Operating performance** was **better than expected** (-1.3%) amid an uncertain and challenging business environment
- Other result improves on negative one-offs related to RO and SK in 2019, while minorities' result declined from exceptional 2019 result

Executive summary –
Key income statement data

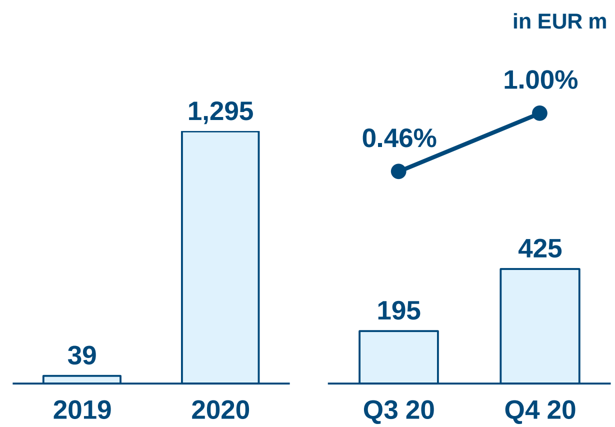
Net interest income & margin



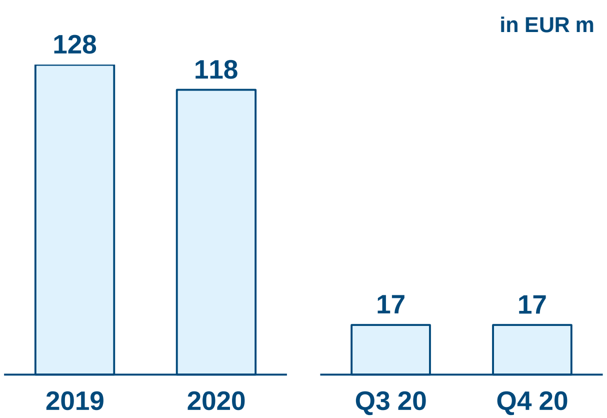
Operating result & cost/income ratio



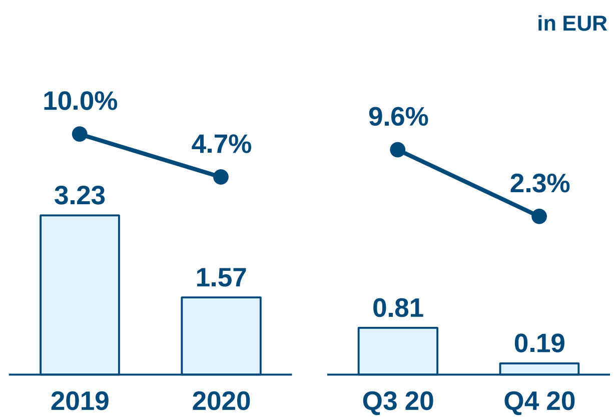
Cost of risk



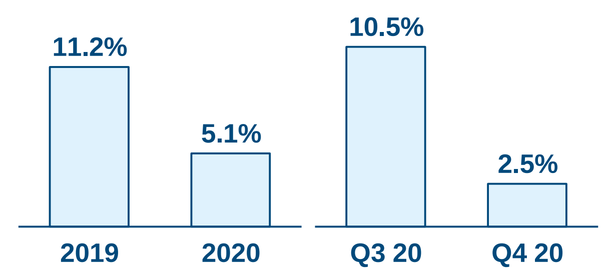
Banking levies



Reported EPS & ROE

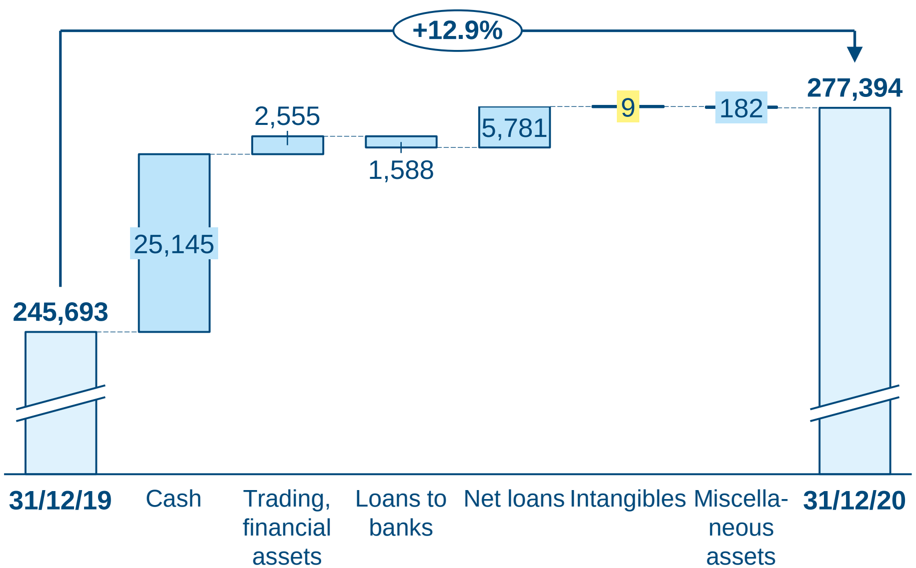


Return on tangible equity

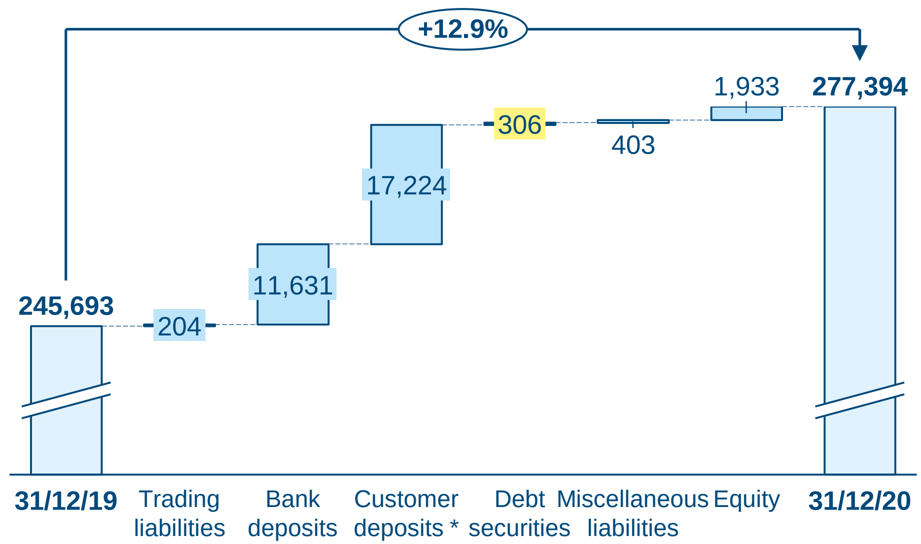


Executive summary –
Group balance sheet performance

YTD total asset reconciliation (EUR m)



YTD equity & total liability reconciliation (EUR m)



- Total assets up by 12.9%, mainly driven by a substantial increase in cash (+235.1%); net loans to customers increased by 3.6%
- Increase in cash attributable to AT (liquidity placed at central banks) mainly driven by TLTRO and to CZ (rise in cash position mirrors development in interbank and customer deposits)

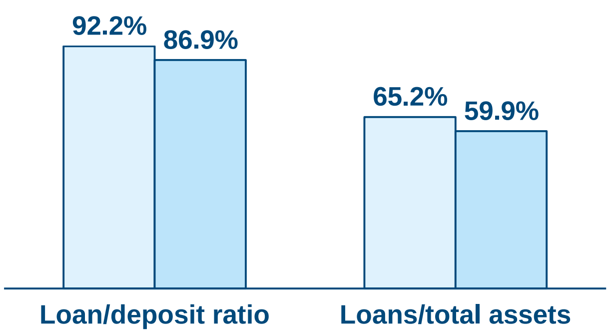
- Total liability growth driven by a continuation of rising bank deposits (+88.5%) and customer deposits (+9.9%)
- Growing customer deposits result in a loan/deposit ratio of 86.9% (YE19: 92.2%)
- Increase in equity attributable to issuance of AT1 instruments (+EUR 1.24bn) and increase in retained earnings (+EUR 764m)

* excl. lease liabilities as of 2020

Executive summary –
Key balance sheet data

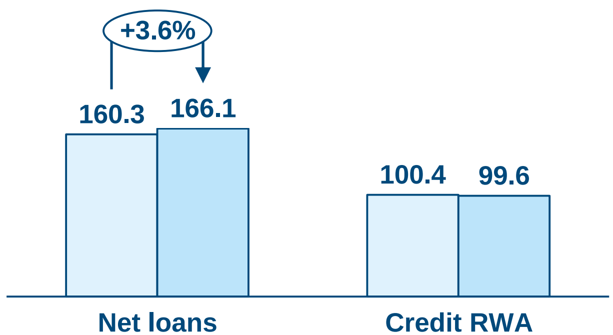
31/12/19
31/12/20

Loan/deposit & loan/TA ratio

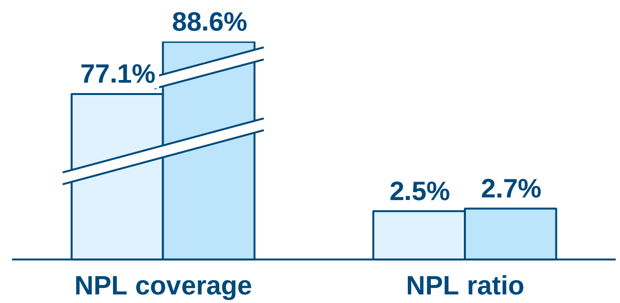


Net loans & credit RWA

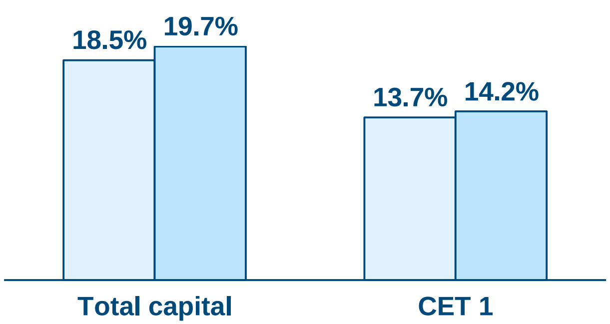
in EUR bn



NPL coverage ratio & NPL ratio

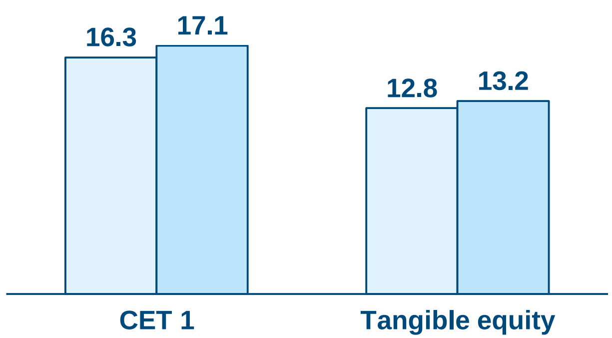


B3FL capital ratios

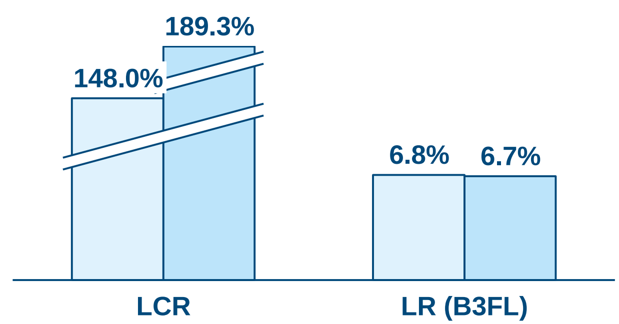


B3FL capital & tangible equity[1]

in EUR bn



Liquidity coverage & leverage ratio[2]



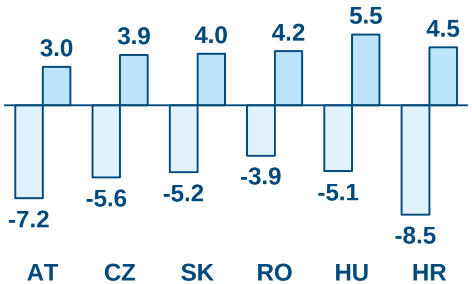
1) Based on shareholders' equity, not total equity

2) Pursuant to Delegated Act

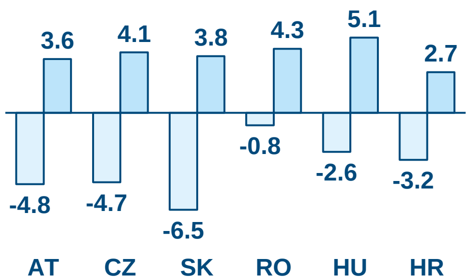
Presentation topics

Business environment –
Economic rebound expected in 2021

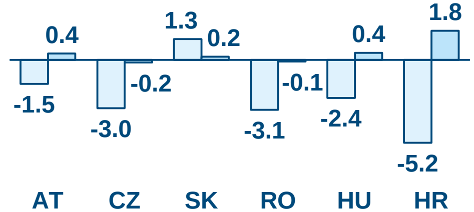
Real GDP growth (in %)



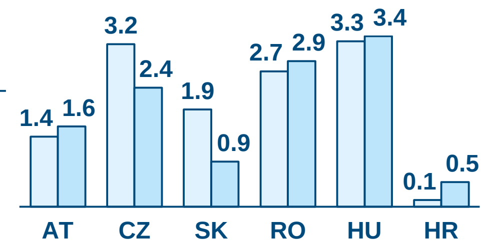
Dom. demand contribution* (in %)



Net export contribution* (in %)

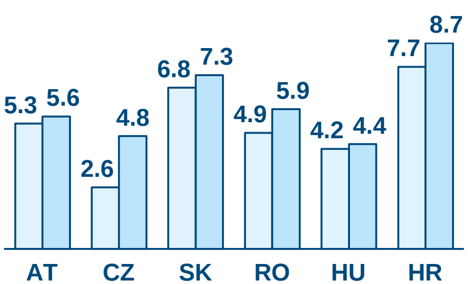


Consumer price inflation (avg, in %)

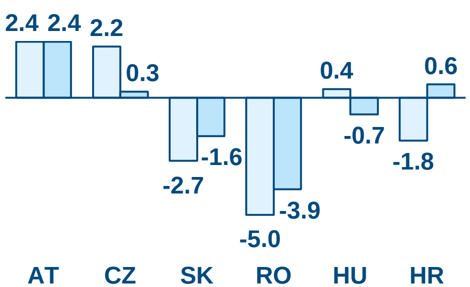


- CEE economies have proved their resilience, better than expected end 2020 performance indicates strong start to 2021
- Manufacturing less impacted by recent containment measures; hardest hit industries are tourism, services, transport and retail trade
- 3-6% economic rebound expected in 2021

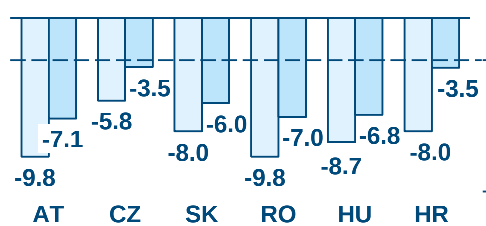
Unemployment rate (avg, in %)



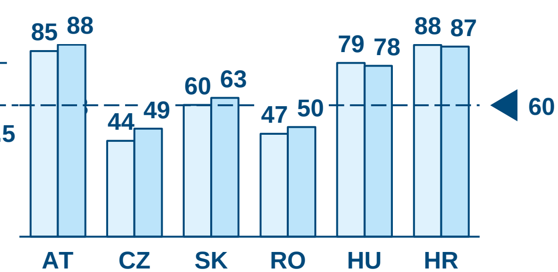
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)



- Unemployment rates have increased across the region
- Lower tax revenues and higher social payments have led to rising fiscal deficits

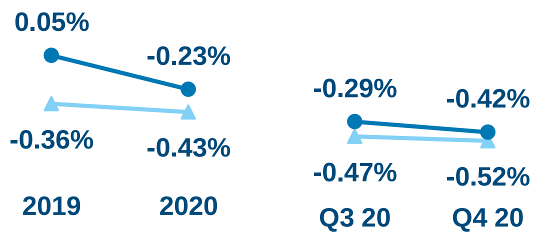
* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research, EU Commission

ERSTE Group

Business environment –
Policy rate cuts in 2020; CZ has rate hike potential in H2 21

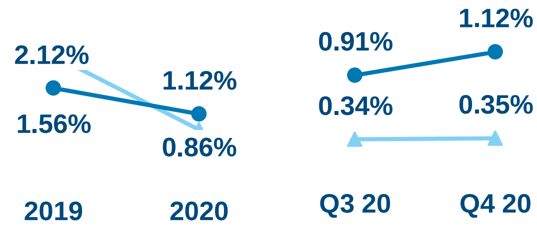
3M Interbank
10YR GOV

Austria



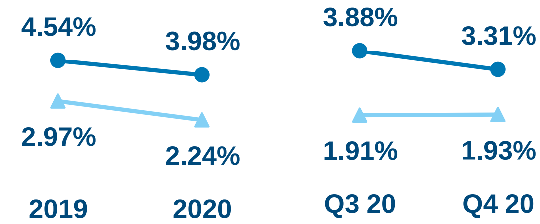
- ECB has kept its discount rate at zero & significantly increased quantitative easing as response to Coronavirus

Czech Republic



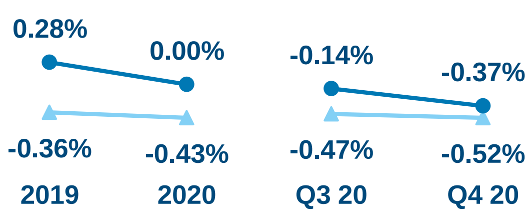
- National bank has cut the base rate in three steps by 200bps to 0.25% in March & May 2020

Romania



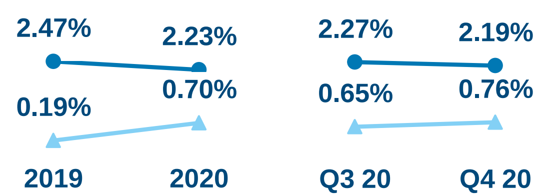
- Central bank cut the key policy rate in four steps by 125bps to 1.25% in March, May and August 2020 & January 2021

Slovakia



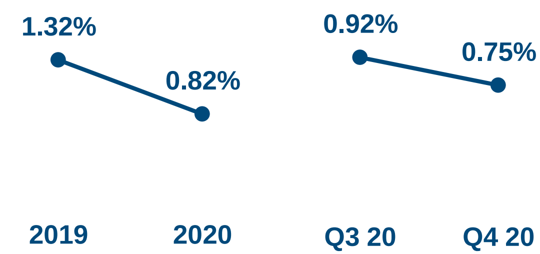
- As part of the euro zone ECB rates and actions are applicable in SK

Hungary



- National bank cut the key policy rate in two steps by 30bps to 0.60% in June & July 2020

Croatia

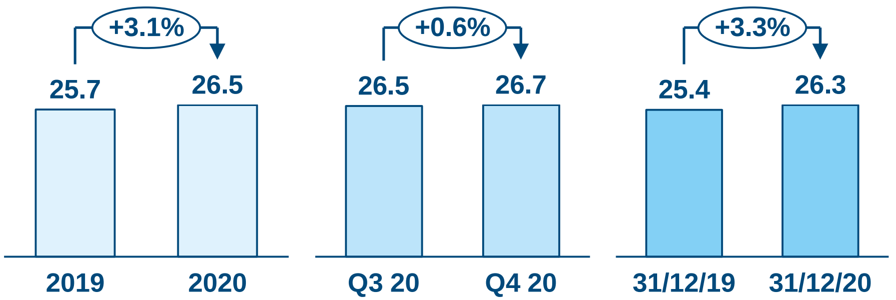


- Croatia joined ERM II in July 2020
- Central bank cut its 1w repo from 0.3% to 0.05% in March 2020

Source: Bloomberg, Reuters for SK 10Y. Annual and quarterly averages.

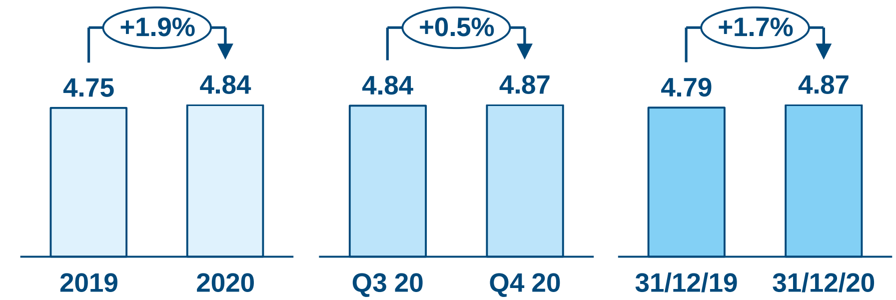
Business environment –
CEE currencies have weakened versus the euro since Covid-19 outbreak

EUR/CZK



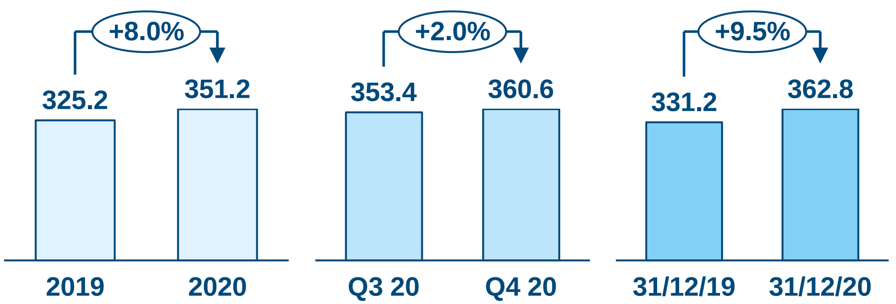
- CZK reached its weakest level in March 2020 since 2014; benchmark rate cut in three steps from 2.25% to 0.25% in March & May 2020; 25-50 bps rate increase expected in H2 2021

EUR/RON



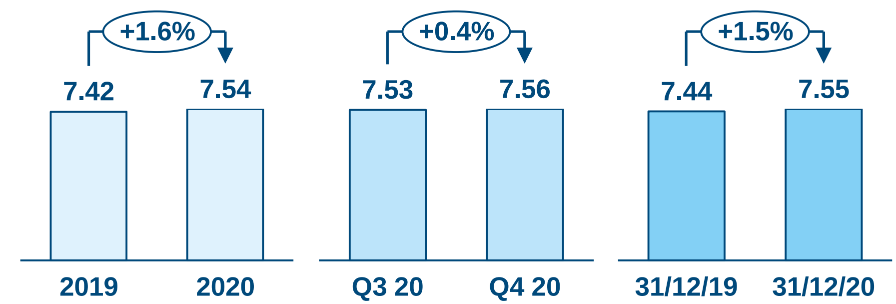
- RON depreciated significantly and remained close to its all time low in Q4 2020; policy rate cut by 125bps to 1.25% in March, May and August 2020 & January 2021

EUR/HUF



- HUF reached all time low versus the euro and remained relatively weak since then; key policy rate was cut by 30bps to 0.60% in June & July 2020

EUR/HRK



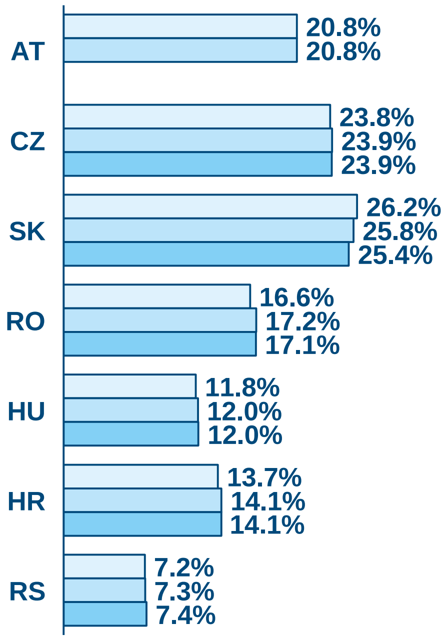
- HRK depreciated to its weakest level in April 2020 since 2016; 1w repo was cut to 0.05% in March 2020

Source: Bloomberg

Business environment –
Stable market shares across the region

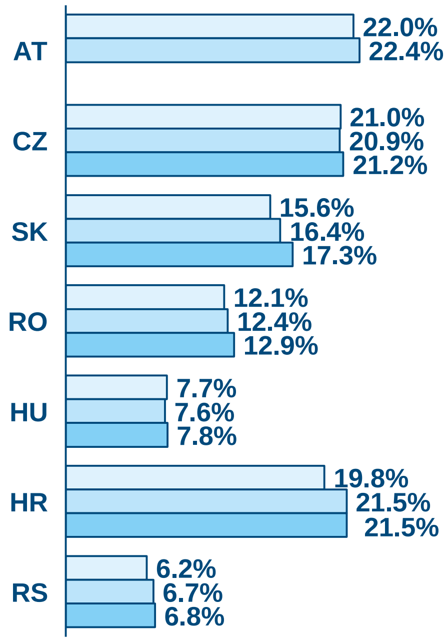
31/12/19
30/09/20
31/12/20

Gross retail loans



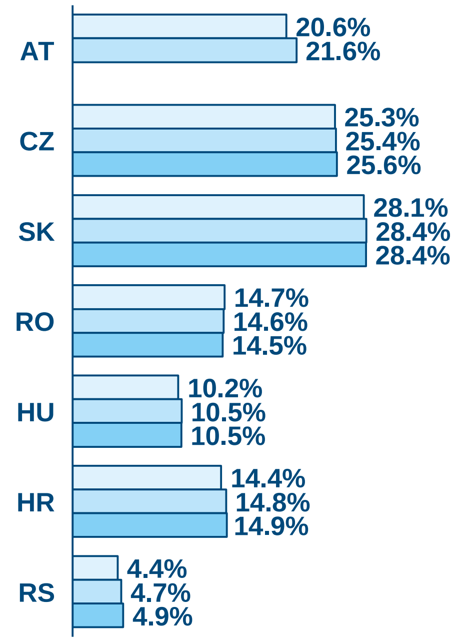
- CZ: stable market share in a growing market
- RO: increasing yoy market share driven by mortgage & consumer
- SK: declining market share due to aggressive pricing by some of the smaller competitors

Gross corporate loans



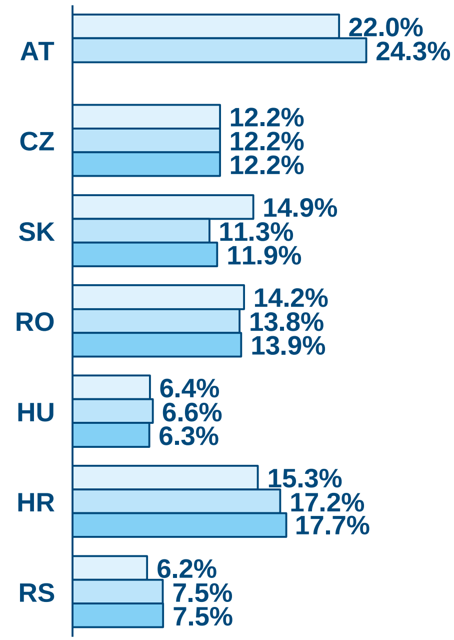
- SK: increasing market shares in all corporate segments
- RO: increasing market share driven by public sector & SME
- HR: increasing yoy market share mainly driven by large and public sector lending

Retail deposits



- Continued strong inflows in all markets despite low interest rate environment
- Stable qoq market shares across the region

Corporate deposits



- Changes mainly due to normal quarterly volatility in corporate business
- SK: declining yoy market share mainly in the large corporate segment due to pricing

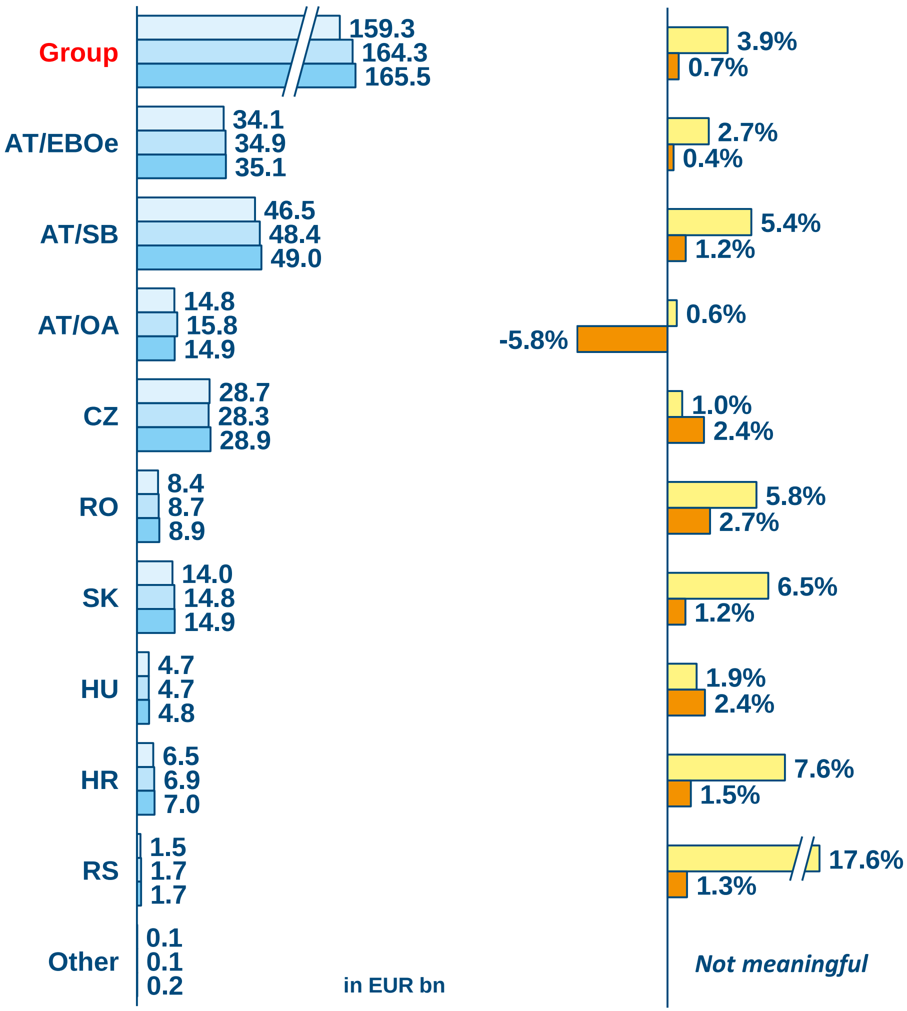
* 31/12/2020 market share data for Austria not yet available

Presentation topics

- Key topics
  - Macroeconomic update
  - Business update
  - Operating trends
  - Asset quality and impairments
  - Capital trends and dividends
  - Key takeaways and outlook

- Q4 20 presentation
  - Executive summary
  - Business environment
  - Business performance
  - Assets and liabilities
  - Additional information

Business performance: performing loan stock & growth – Performing loans continued to grow, up 3.9% yoy, 0.7% qoq

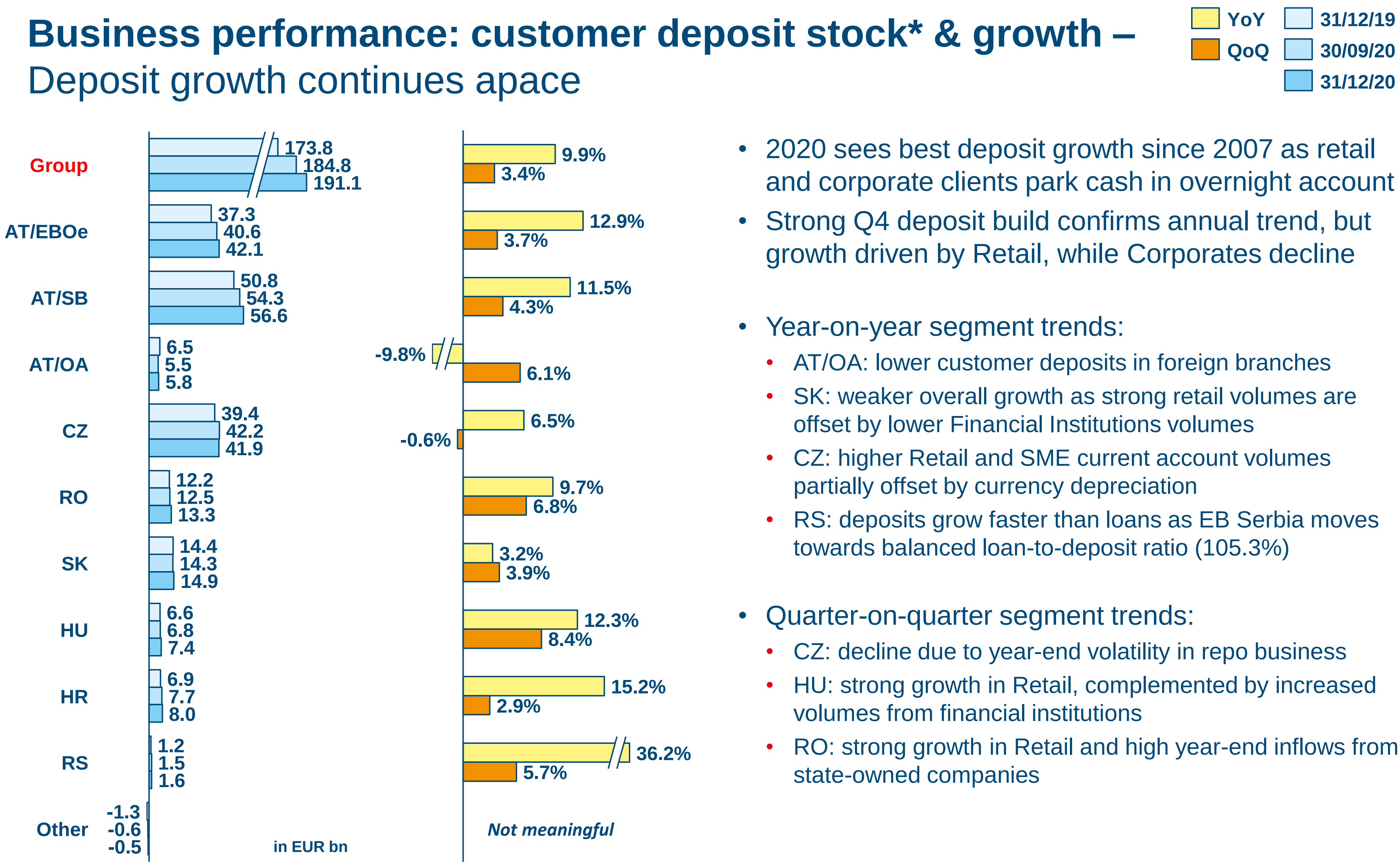


- Yoy growth higher in Corporates (+4.4%) and Savings Banks (+5.0%) than in Retail (+3.0%), supported by state-guaranteed loans
- Qoq accelerating growth dynamics in Retail (+2.5%), stable growth in Savings Banks, while volumes in Corporates decelerated (-0.3%)

- Year-on-year segment trends:
  - SK: balanced growth across all business lines with strong demand for mortgages (Retail) and terms loans (Corp)
  - RO: strong performance across all business lines, except Large Corporates
  - HR: growth in Corporates (+12.9%), primarily driven by public sector demand, while Retail remained flat
  - RS: continuation of dynamic growth

- Quarter-on-quarter segment trends:
  - AT/OA: lower Holding corporate lending volumes
  - CZ: strong qoq performance due to CZK appreciation, strong demand for mortgages
  - HU: rise due to strong demand for baby loans
  - RO: increase in most Corporates business lines

Business performance: customer deposit stock* & growth –
Deposit growth continues apace



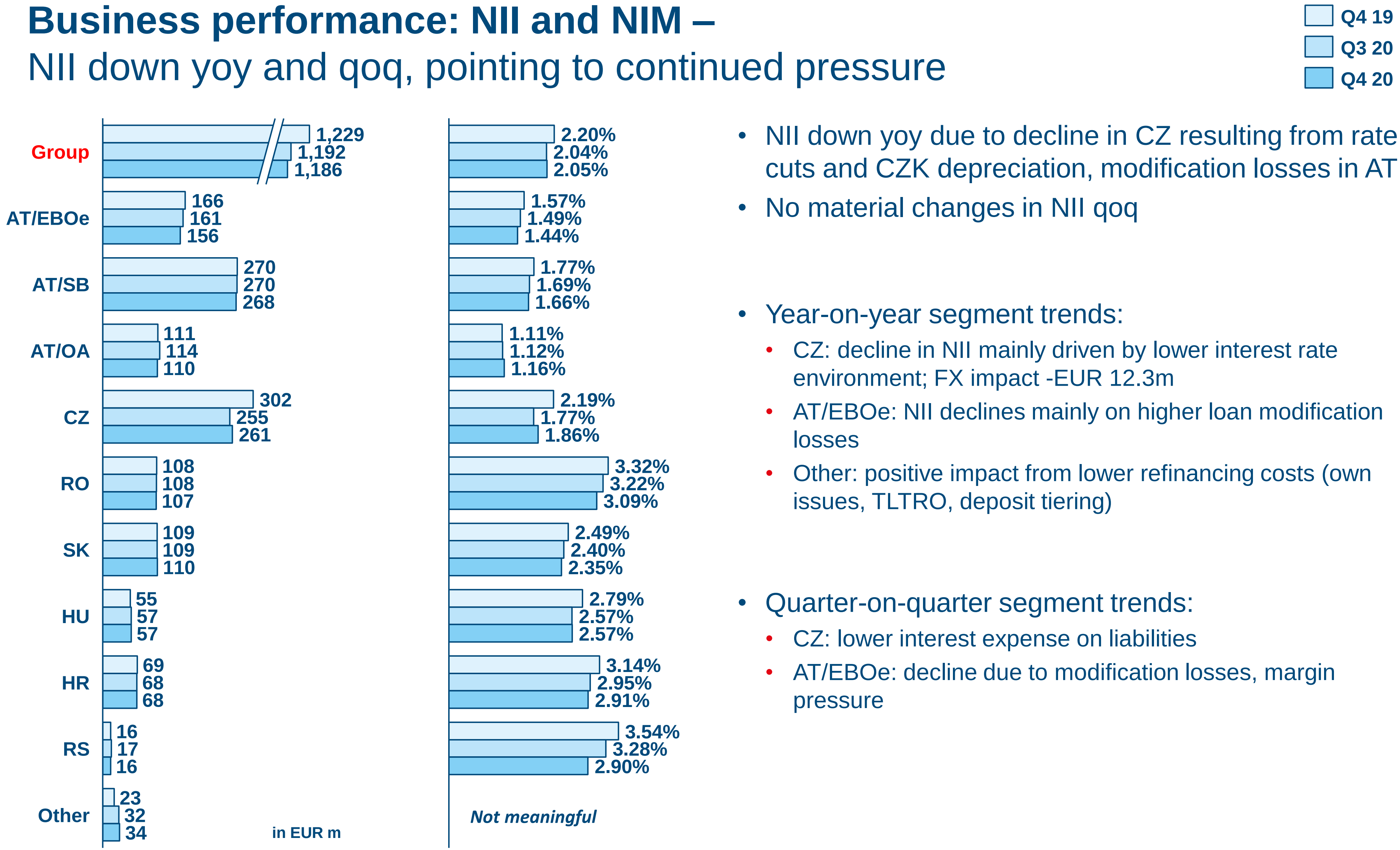
- 2020 sees best deposit growth since 2007 as retail and corporate clients park cash in overnight account
- Strong Q4 deposit build confirms annual trend, but growth driven by Retail, while Corporates decline

- Year-on-year segment trends:
  - AT/OA: lower customer deposits in foreign branches
  - SK: weaker overall growth as strong retail volumes are offset by lower Financial Institutions volumes
  - CZ: higher Retail and SME current account volumes partially offset by currency depreciation
  - RS: deposits grow faster than loans as EB Serbia moves towards balanced loan-to-deposit ratio (105.3%)

- Quarter-on-quarter segment trends:
  - CZ: decline due to year-end volatility in repo business
  - HU: strong growth in Retail, complemented by increased volumes from financial institutions
  - RO: strong growth in Retail and high year-end inflows from state-owned companies

* Excludes lease liabilities as of 2020

Business performance: NII and NIM –
NII down yoy and qoq, pointing to continued pressure



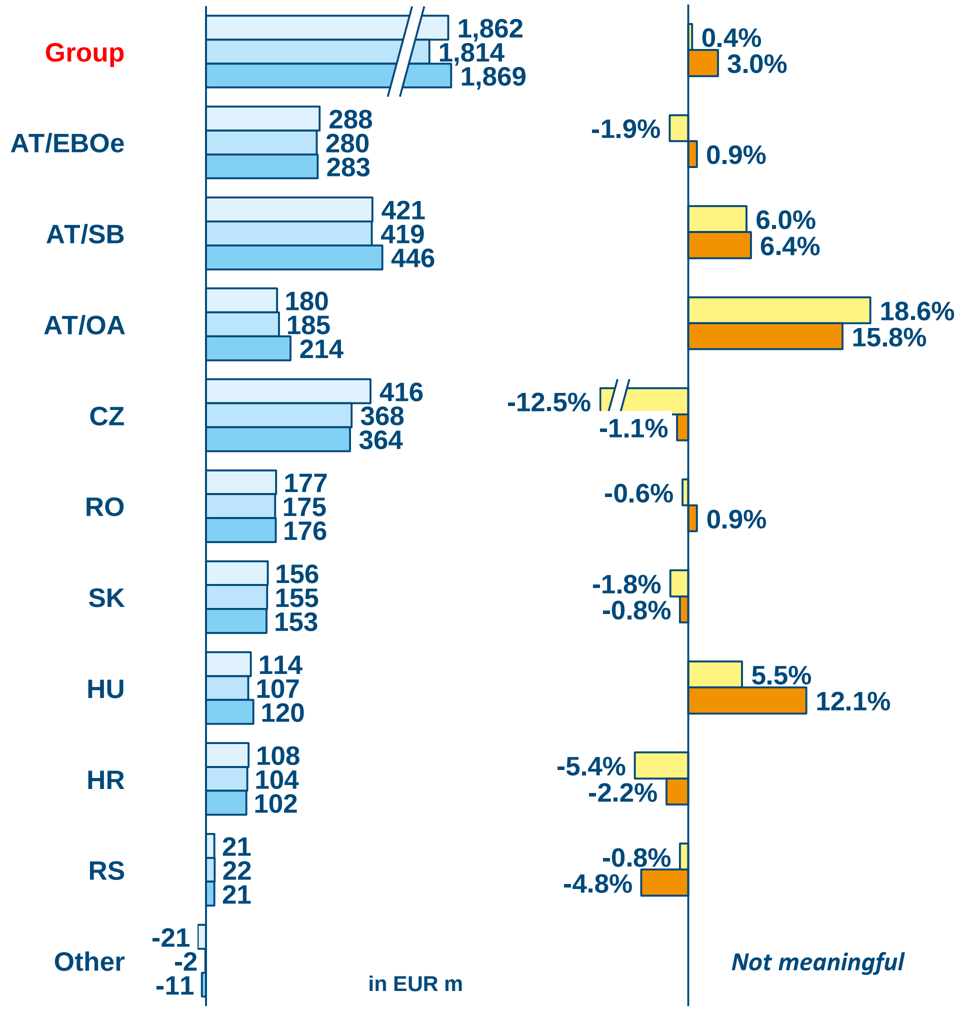
- NII down yoy due to decline in CZ resulting from rate cuts and CZK depreciation, modification losses in AT
- No material changes in NII qoq

- Year-on-year segment trends:
  - CZ: decline in NII mainly driven by lower interest rate environment; FX impact -EUR 12.3m
  - AT/EBOe: NII declines mainly on higher loan modification losses
  - Other: positive impact from lower refinancing costs (own issues, TLTRO, deposit tiering)

- Quarter-on-quarter segment trends:
  - CZ: lower interest expense on liabilities
  - AT/EBOe: decline due to modification losses, margin pressure

Business performance: operating income –

Q4 20: record fee quarter, resurgence in trading & FV result

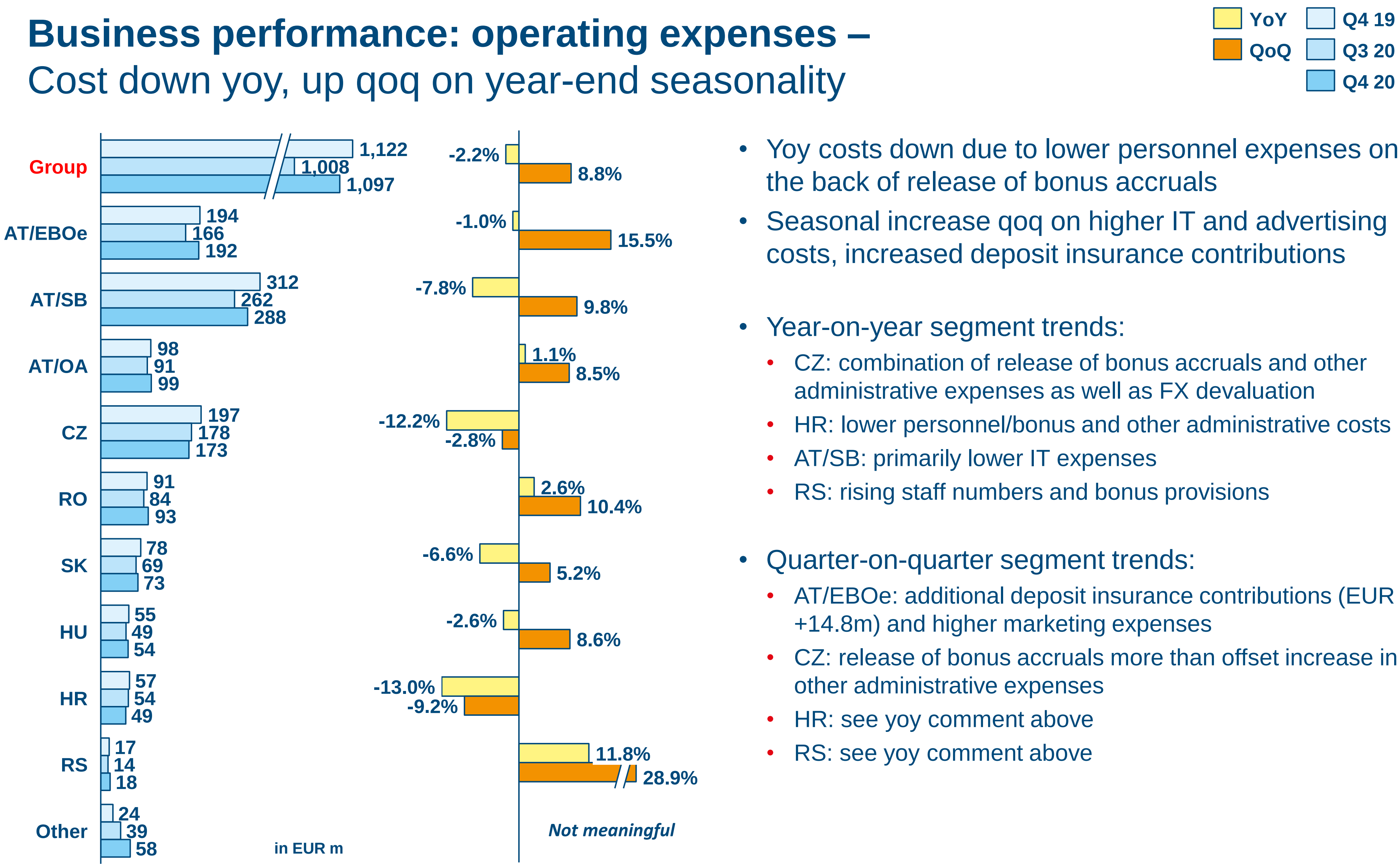


- Revenues slightly up yoy, pushed by resurging net trading & FV result, record fees, while NII was down
- Qoq improvement due to strong fee income (+7.5%) and strong net trading and FV result

- Year-on-year segment trends:
  - AT/OA: better valuation results in markets business, higher securities and asset management fees
  - CZ: operating income mainly impacted by lower NII, decline in fees due to SEPA regulation (EUR -8.0m full-year impact)
  - AT/SB: better derivatives and investment fund valuations, higher fees from securities business

- Quarter-on-quarter segment trends:
  - AT/OA: see comment on yoy performance
  - HU: increased revenues due to revaluation gains on fair value retail portfolio caused by long-term yield decrease
  - AT/SB: improved net trading & FV result (better own issues and investment fund valuations) and higher securities fees

Business performance: operating expenses –
Cost down yoy, up qoq on year-end seasonality



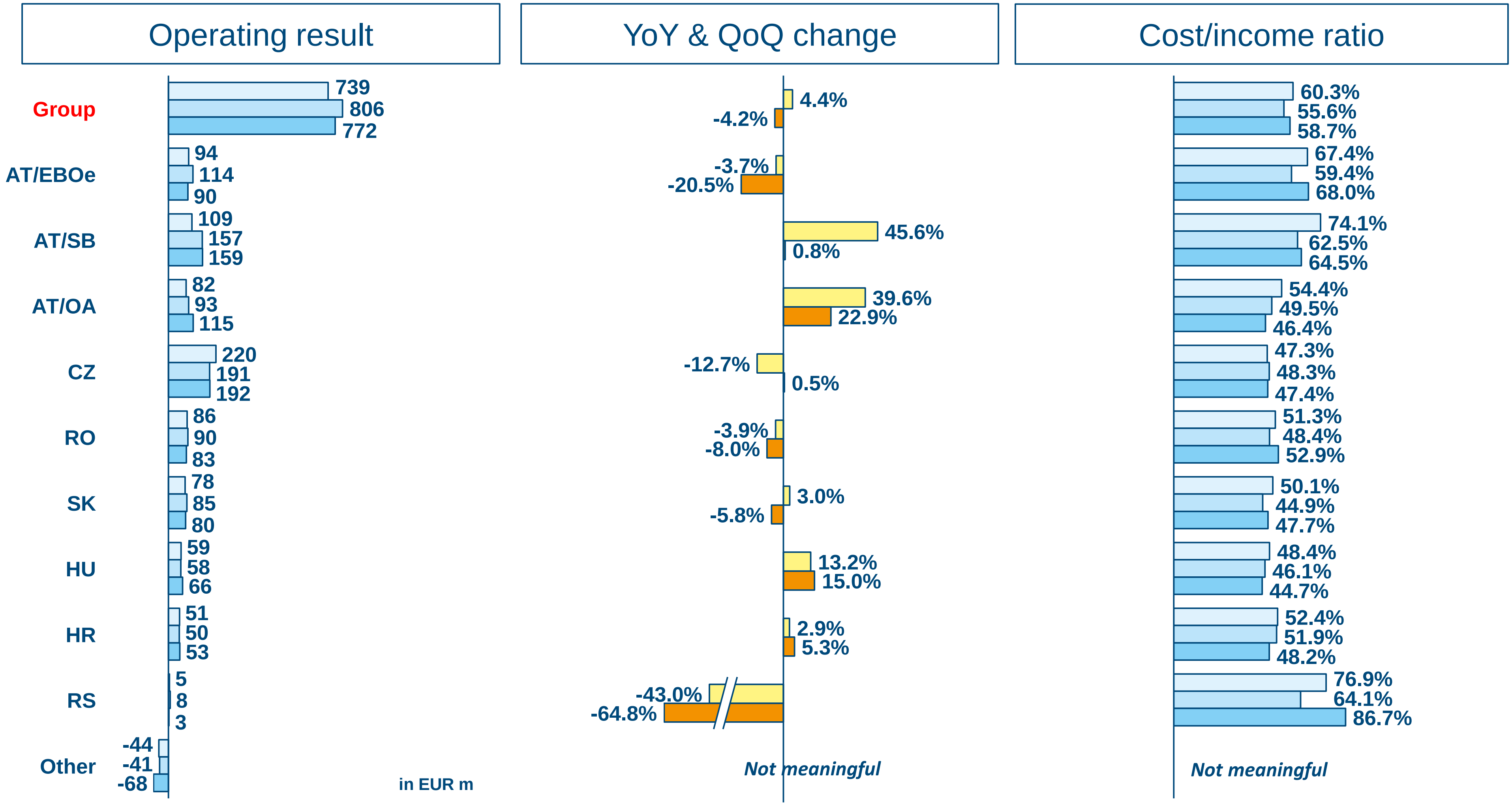
- Yoy costs down due to lower personnel expenses on the back of release of bonus accruals
- Seasonal increase qoq on higher IT and advertising costs, increased deposit insurance contributions

- Year-on-year segment trends:
  - CZ: combination of release of bonus accruals and other administrative expenses as well as FX devaluation
  - HR: lower personnel/bonus and other administrative costs
  - AT/SB: primarily lower IT expenses
  - RS: rising staff numbers and bonus provisions

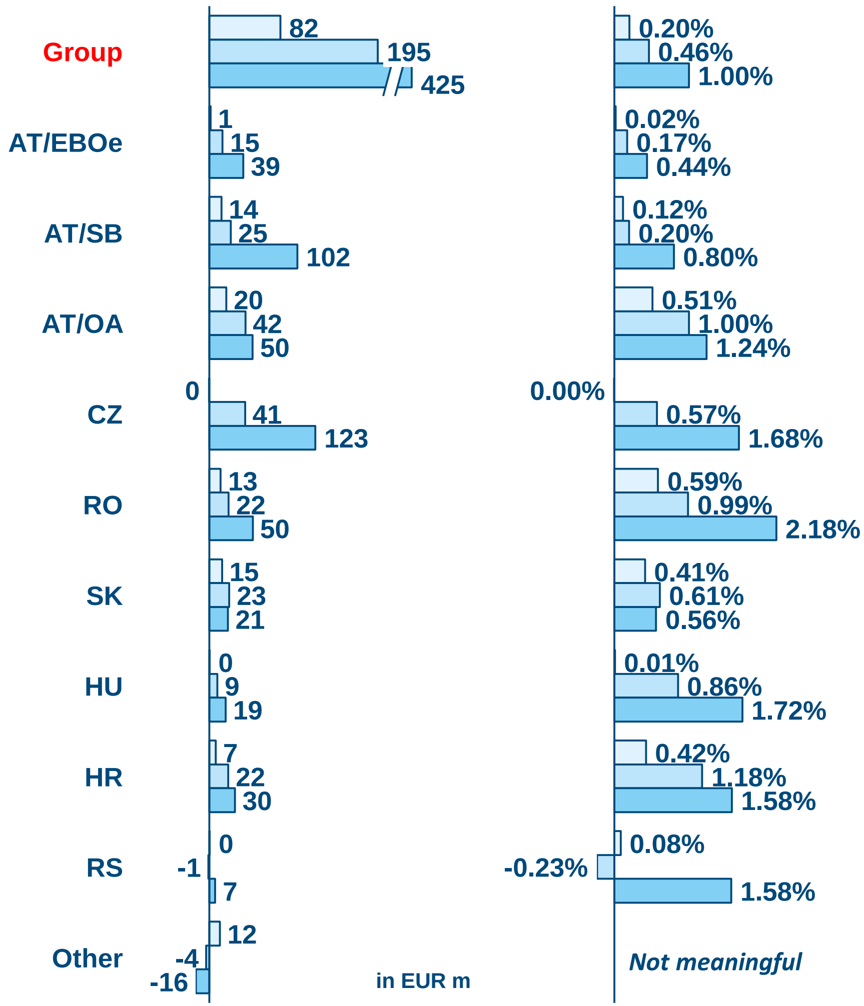
- Quarter-on-quarter segment trends:
  - AT/EBOe: additional deposit insurance contributions (EUR +14.8m) and higher marketing expenses
  - CZ: release of bonus accruals more than offset increase in other administrative expenses
  - HR: see yoy comment above
  - RS: see yoy comment above

Business performance: operating result and CIR –
CIR at solid 58.7% in Q4 20

YoY QoQ Q4 19 Q3 20 Q4 20



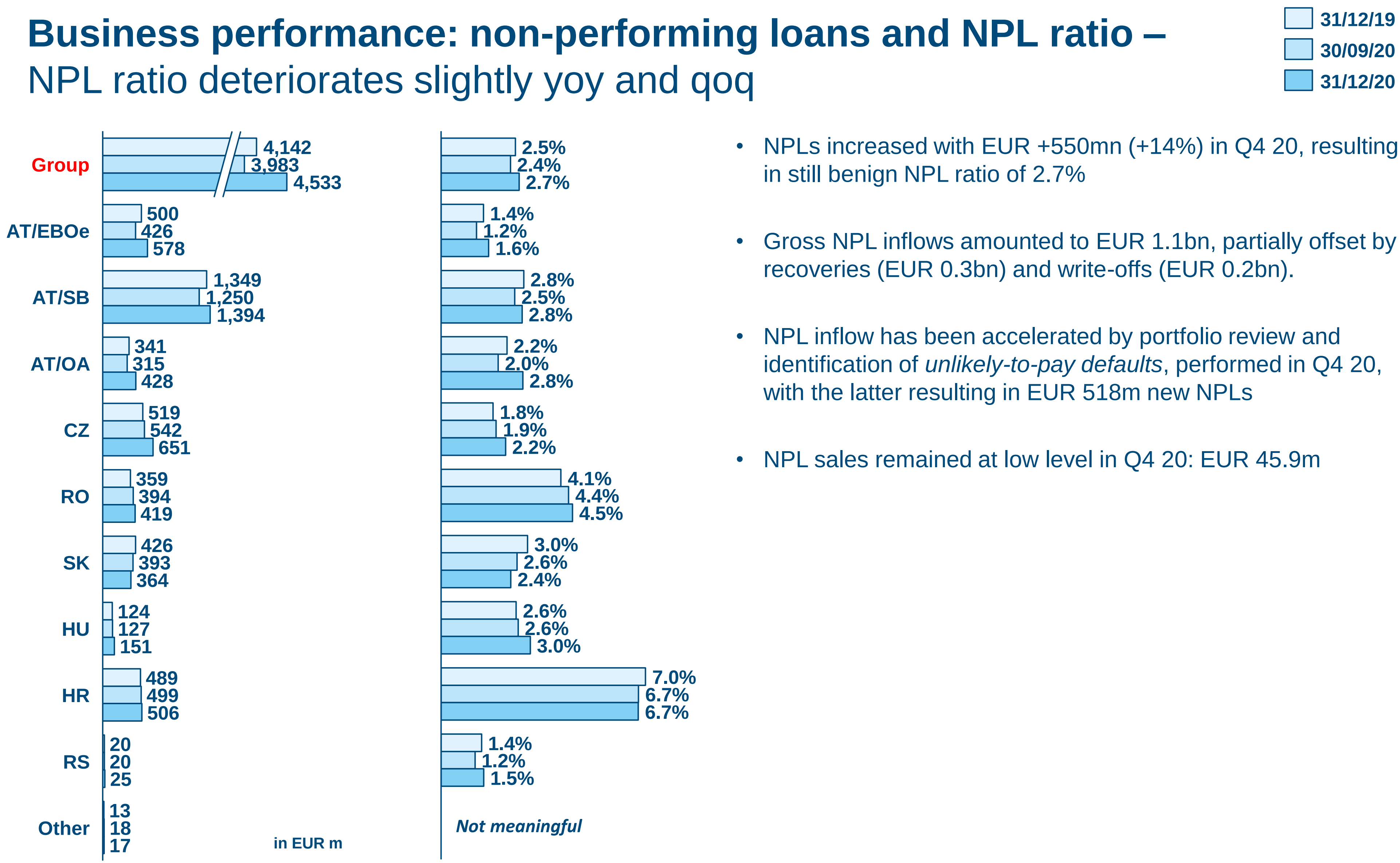
Business performance: risk costs (abs/rel*) –
Continued forward-looking provisioning in Q4 20



- 2020 risk costs in line with guidance: 78bps of average gross customer loans
- Yoy increase due to incorporation of expected economic effects of Covid-19 policy responses into provisioning
  - Update in forward-looking information (FLI) parameters, primarily of macro forecasts
  - Significant increase in credit risk (SICR) overlays in relation to most affected sectors (cyclical industries, transportation, hotels and leisure), resulting in increased allocations for expected credit losses (ECL)
  - *Unlikely-to-pay (UTP)*-assessment
  - Ordinary course of business risk costs, driven primarily by negative corporate rating migrations
- Key elements of Q4 20 provisioning:
  - SICR overlays: EUR 71.8m
  - FLI: EUR 105.5m
  - UTP reassessment: EUR 167.9m
  - Regular provisioning net of recoveries: EUR 79.6m

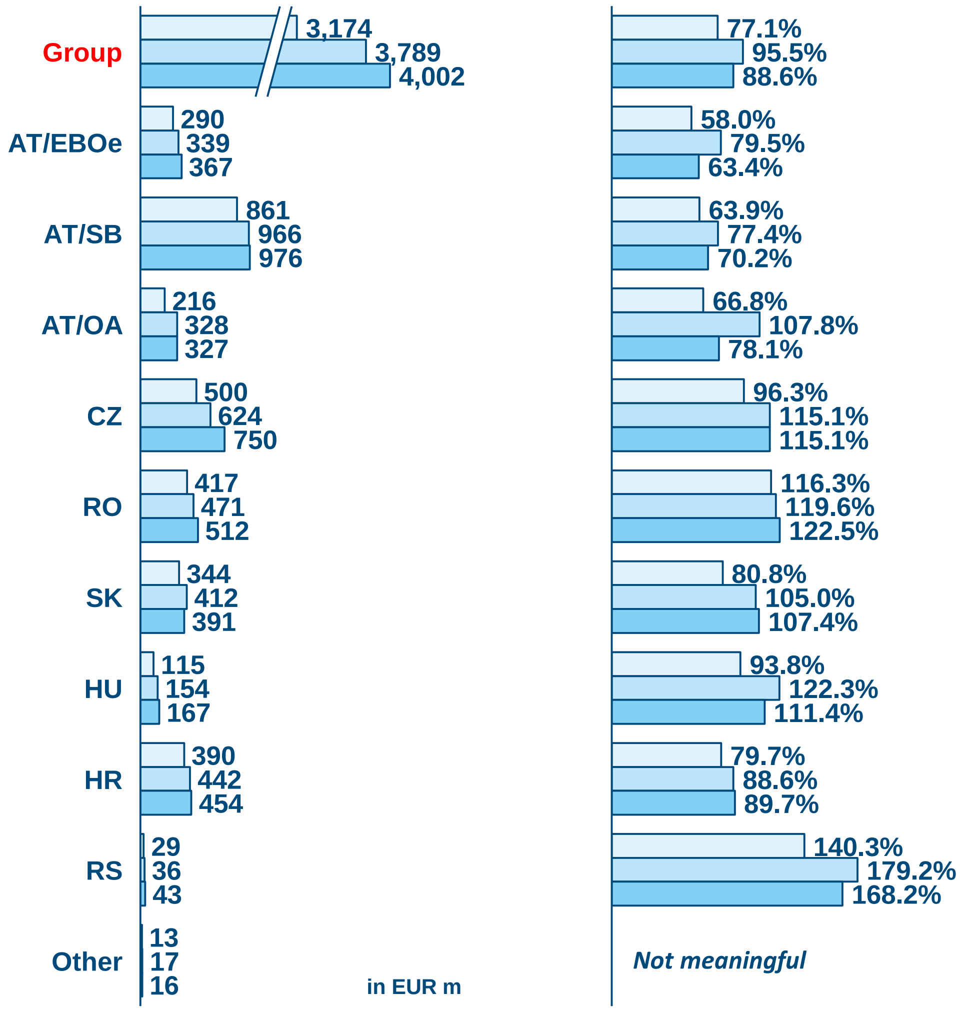
*) A positive (absolute) figure denotes risk costs, a negative figure denotes net releases. Relative risk costs are calculated as annualised quarterly impairment result of financial instruments over average gross customer loans.

Business performance: non-performing loans and NPL ratio –
NPL ratio deteriorates slightly yoy and qoq



- NPLs increased with EUR +550mn (+14%) in Q4 20, resulting in still benign NPL ratio of 2.7%
- Gross NPL inflows amounted to EUR 1.1bn, partially offset by recoveries (EUR 0.3bn) and write-offs (EUR 0.2bn).
- NPL inflow has been accelerated by portfolio review and identification of *unlikely-to-pay defaults*, performed in Q4 20, with the latter resulting in EUR 518m new NPLs
- NPL sales remained at low level in Q4 20: EUR 45.9m

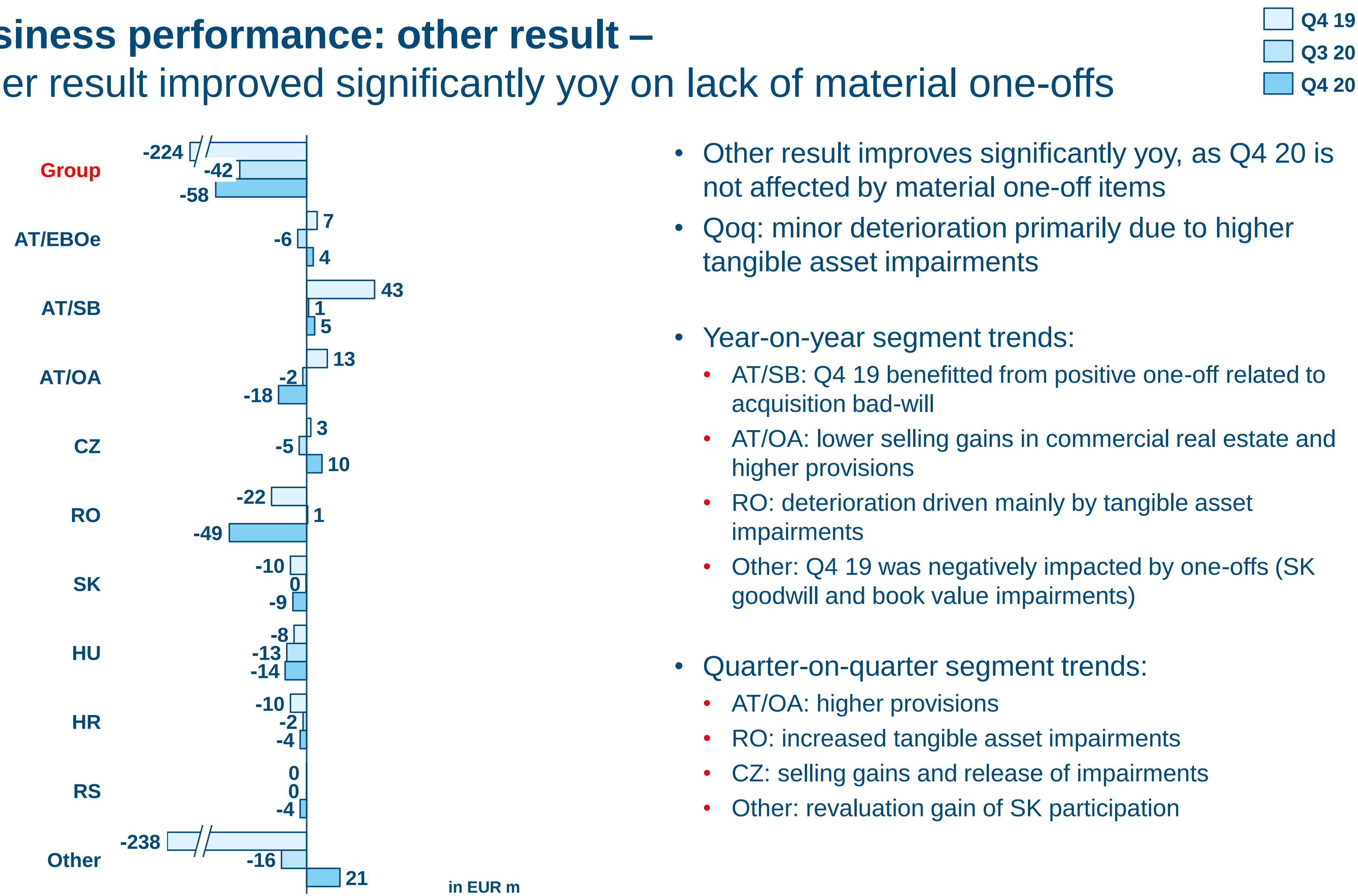
Business performance: allowances for loans and NPL coverage –
NPL coverage up yoy to 88.6%, down qoq



- NPL coverage increases yoy due to rising allowances, down qoq as Q4 20 saw NPL inflows with lower coverage levels
- Year-on-year segment trends:
  - Allocations of allowances in performing portfolio in anticipation of future credit losses resulted in higher NPL coverage across all segments
- Quarter-on-quarter segment trends:
  - AT/EBOe and AT/OA: coverage decline is driven by additional *unlikely-to-pay* (UTP) portfolio assessment and related defaults, as well as by other new defaults with a lower coverage than average
  - AT/OA additional UTP defaults coverage is around 30%, for AT/EBOe it stands around 21%

ERSTE Group

Business performance: other result –
Other result improved significantly yoy on lack of material one-offs

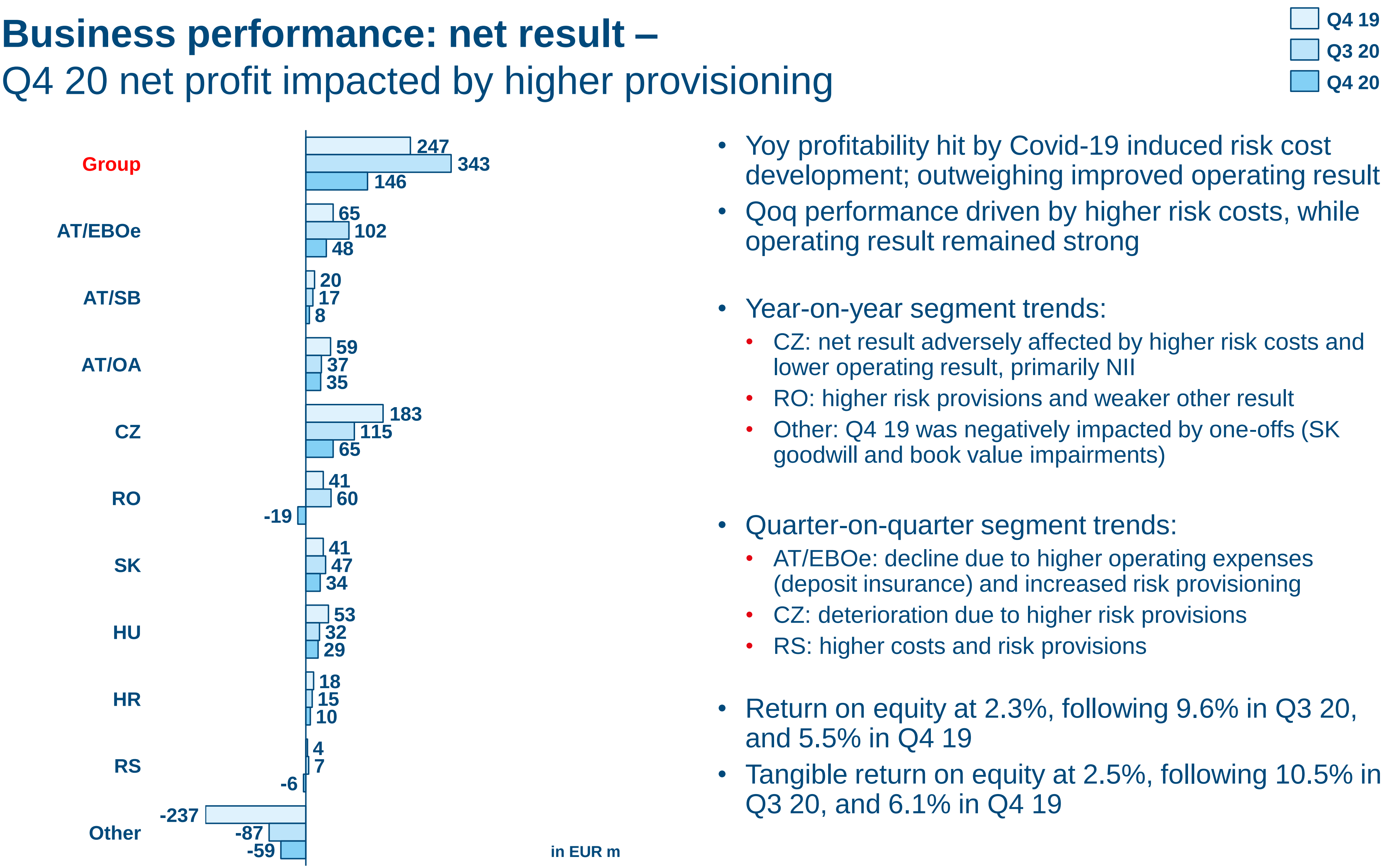


- Other result improves significantly yoy, as Q4 20 is not affected by material one-off items
- Qoq: minor deterioration primarily due to higher tangible asset impairments

- Year-on-year segment trends:
  - AT/SB: Q4 19 benefitted from positive one-off related to acquisition bad-will
  - AT/OA: lower selling gains in commercial real estate and higher provisions
  - RO: deterioration driven mainly by tangible asset impairments
  - Other: Q4 19 was negatively impacted by one-offs (SK goodwill and book value impairments)

- Quarter-on-quarter segment trends:
  - AT/OA: higher provisions
  - RO: increased tangible asset impairments
  - CZ: selling gains and release of impairments
  - Other: revaluation gain of SK participation

Business performance: net result –
Q4 20 net profit impacted by higher provisioning



- Yoy profitability hit by Covid-19 induced risk cost development; outweighing improved operating result
- Qoq performance driven by higher risk costs, while operating result remained strong

- Year-on-year segment trends:
  - CZ: net result adversely affected by higher risk costs and lower operating result, primarily NII
  - RO: higher risk provisions and weaker other result
  - Other: Q4 19 was negatively impacted by one-offs (SK goodwill and book value impairments)

- Quarter-on-quarter segment trends:
  - AT/EBOe: decline due to higher operating expenses (deposit insurance) and increased risk provisioning
  - CZ: deterioration due to higher risk provisions
  - RS: higher costs and risk provisions

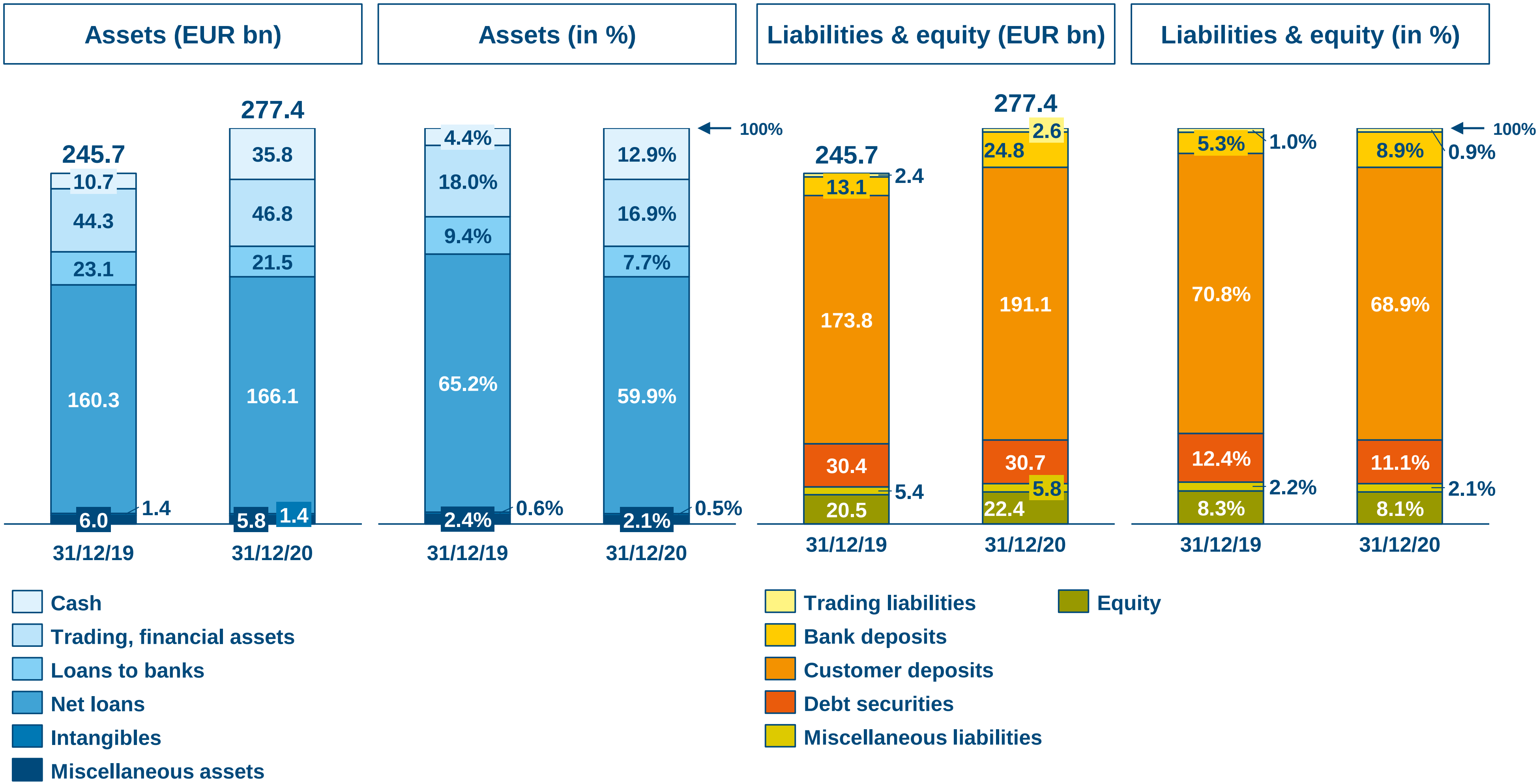
- Return on equity at 2.3%, following 9.6% in Q3 20, and 5.5% in Q4 19
- Tangible return on equity at 2.5%, following 10.5% in Q3 20, and 6.1% in Q4 19

Presentation topics

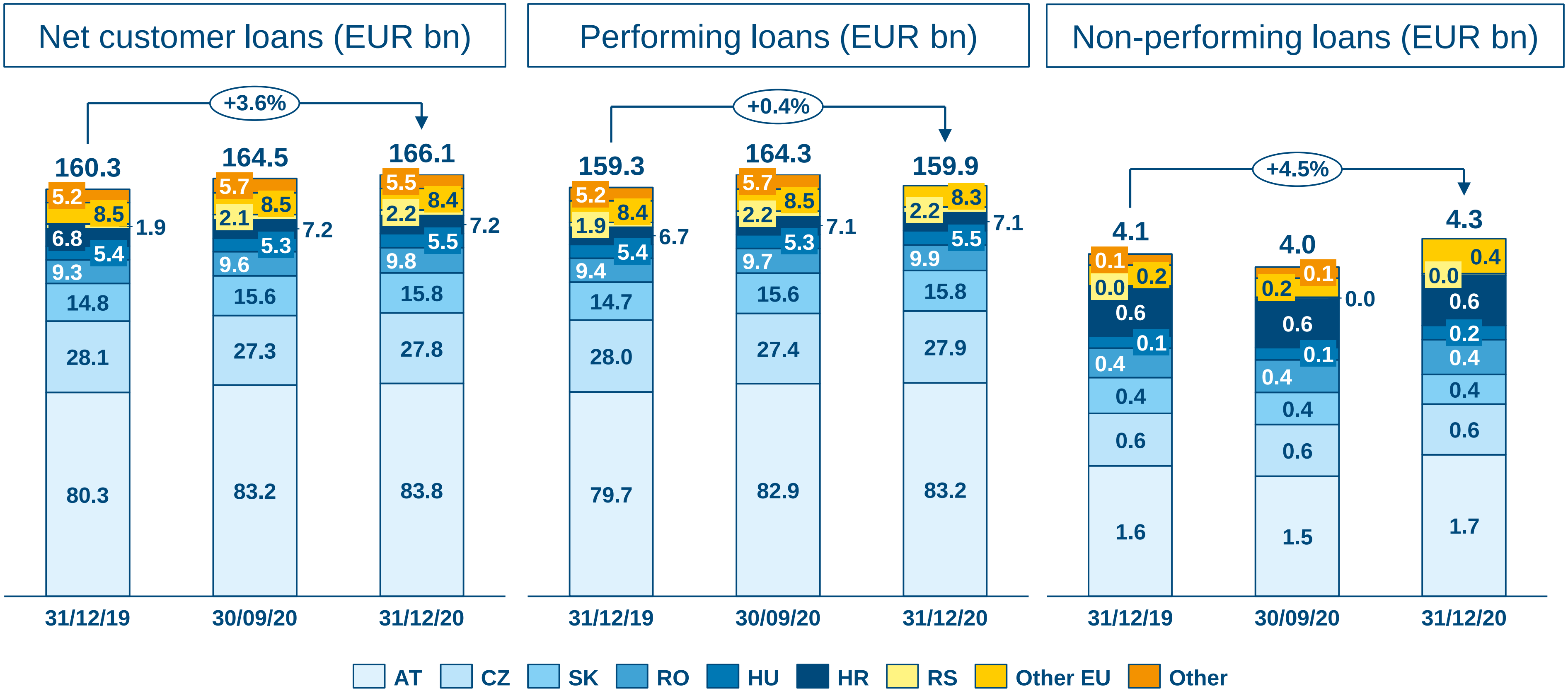
- Key topics
  - Macroeconomic update
  - Business update
  - Operating trends
  - Asset quality and impairments
  - Capital trends and dividends
  - Key takeaways and outlook

- Q4 20 presentation
  - Executive summary
  - Business environment
  - Business performance
  - Assets and liabilities
  - Additional information

Assets and liabilities: YTD overview –
Loan/deposit ratio at 86.9% (Dec 19: 92.2%)



Assets and liabilities: customer loans by country of risk –
Net customer loans up by 3.6%, NPLs by 4.5%

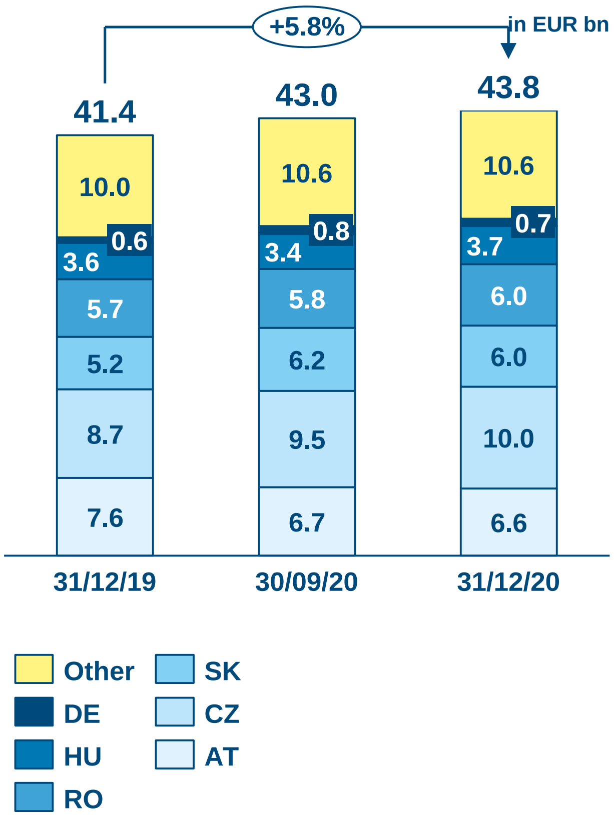


- Performing loans enjoyed solid growth across most geographies, decline in CZ due to FX depreciation
- Corporates performed better than Retail
- Minor increase in NPL stock from multi-year lows

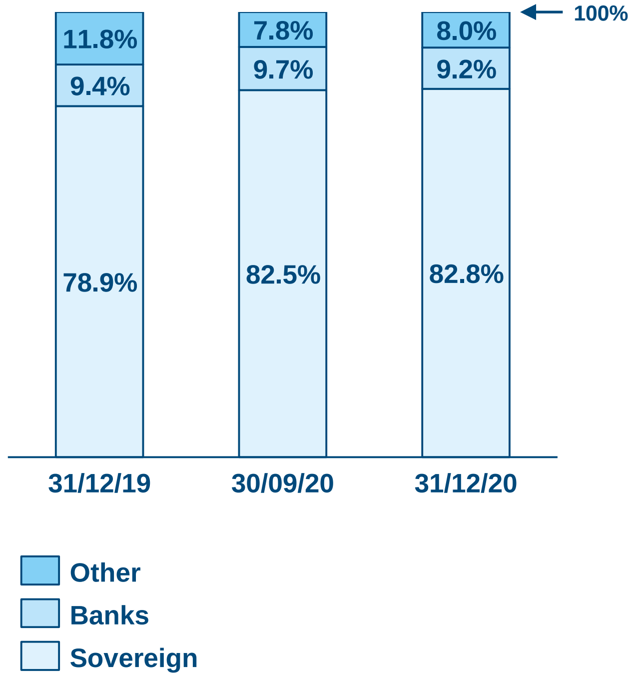
ERSTE Group

Assets and liabilities: financial and trading assets* –
LCR at excellent 182.5%

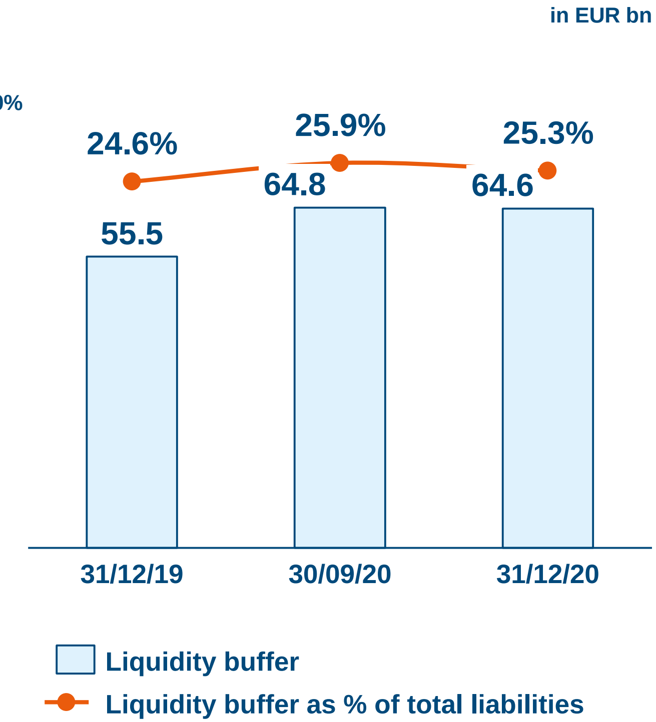
By geography



By debtor type



Liquidity buffer

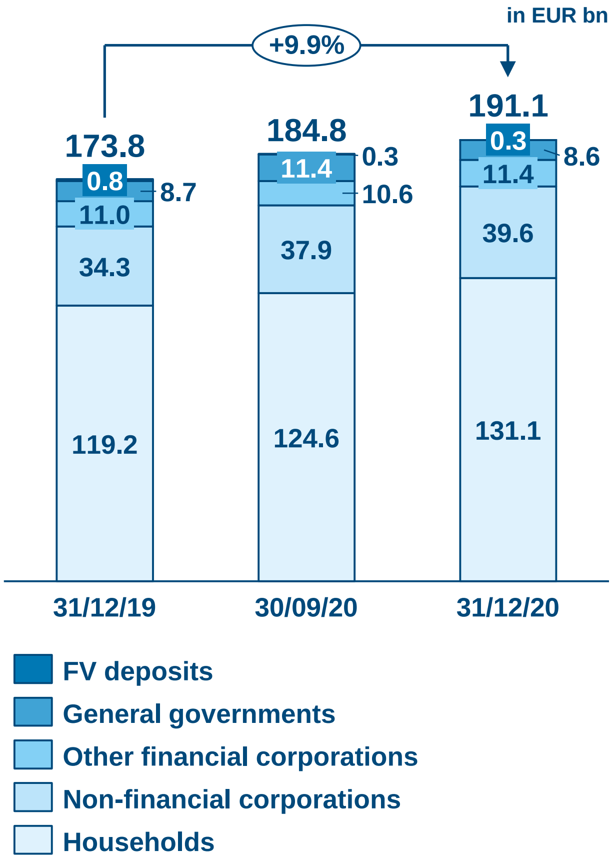


- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

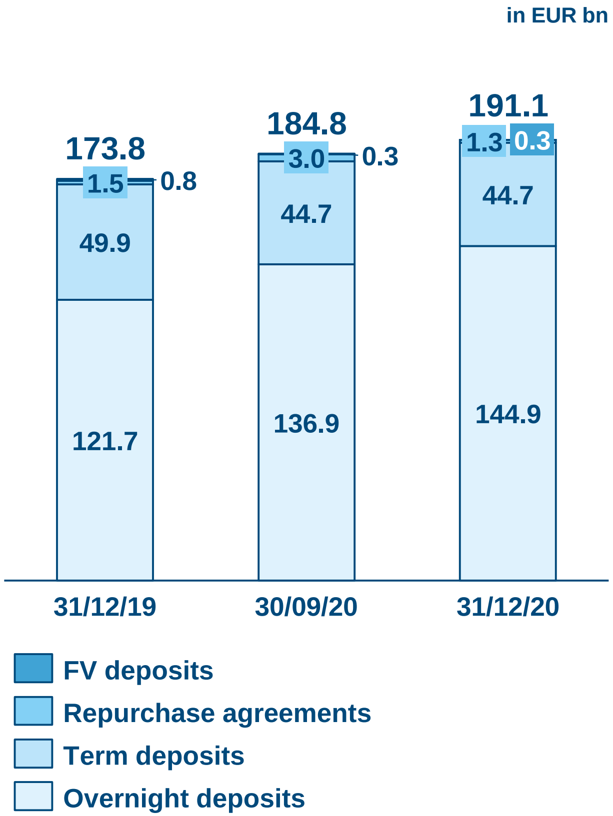
* Excludes derivatives held for trading

Assets and liabilities: customer deposit funding –
Customer deposits* up 9.9% in 2020, driven by customer business

By customer type



By product type



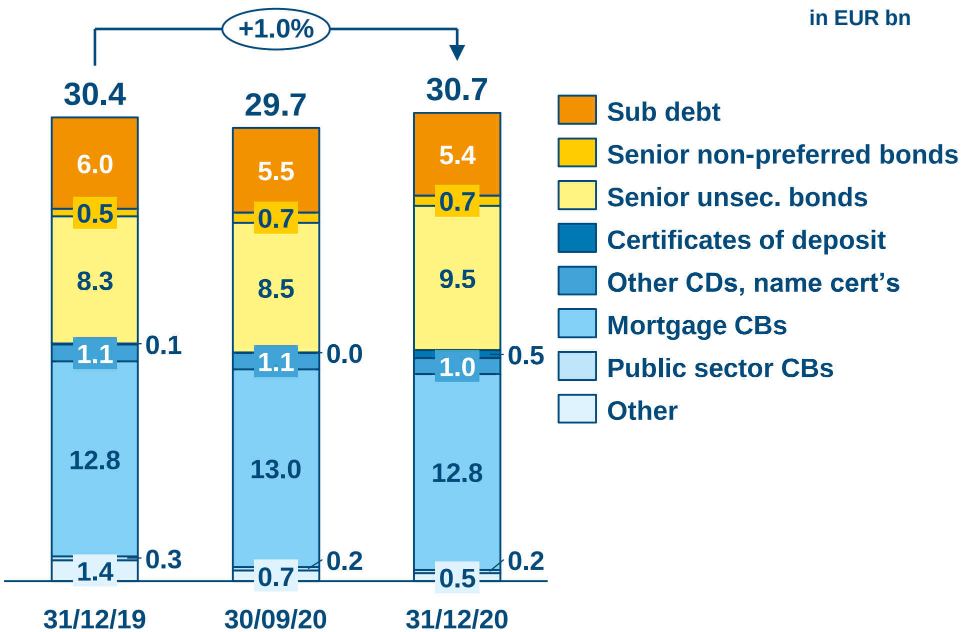
Highlights

- Continued deposit inflows driven by Retail segment with strong contribution from Corporate segment (esp. public sector) with highest demand for overnight deposits amid low interest rate environment
- Increasing share of overnight deposits with significantly longer behavioural maturity provides a cost effective funding source

* excludes lease liabilities as of 2020

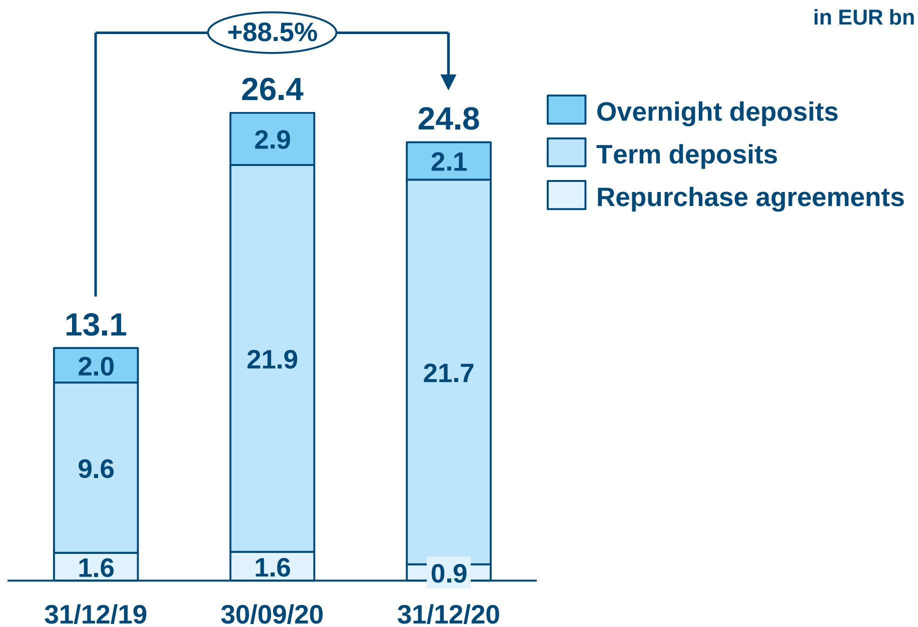
Assets and liabilities: debt vs interbank funding –
Stable wholesale funding reliance, as customer deposits grow strongly

Debt securities issued



- Overall, relative stable development; volumes of mortgage covered bonds and senior unsecured bonds have risen ytd

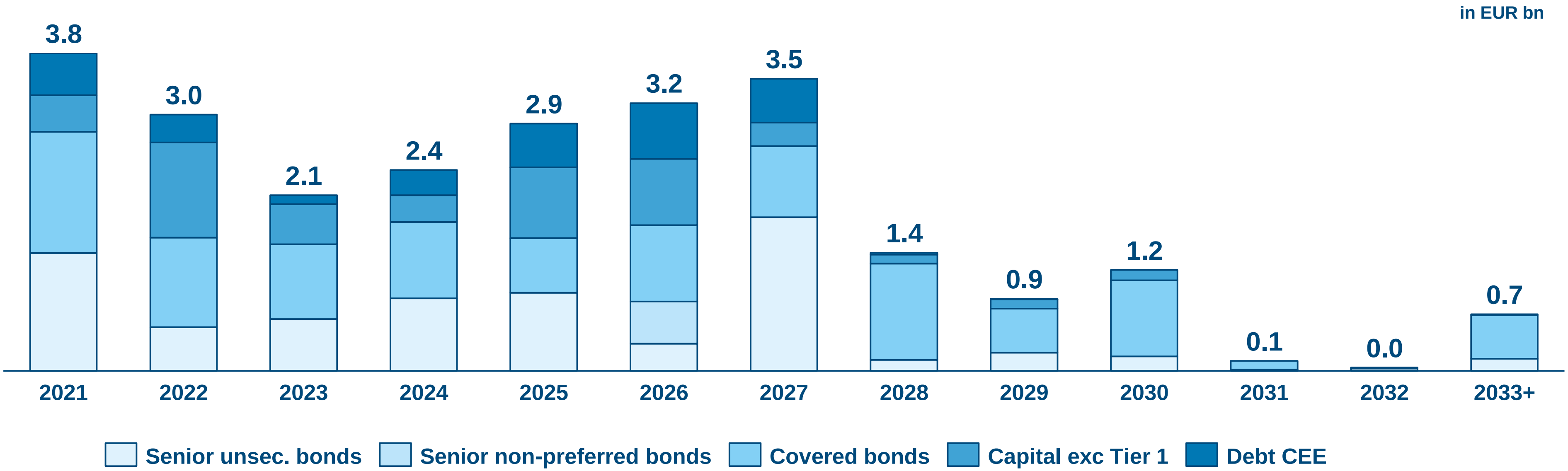
Interbank deposits



- Significant increase in interbank deposits predominantly in term deposits; mainly driven by TLTRO3

Assets and liabilities: LT funding –
Stable LT funding needs in 2021 with focus on senior preferred funding

Maturity profile of debt



- Erste Group started the year with a EUR 500m senior preferred notes issuance with a 10 year tenor in January; prolongation of the outstanding senior preferred benchmark-curve and priced at favourable MS+55bps
- 2021 funding volume of Erste Group Bank AG comparable to 2020 levels, issuances in late 2020 to be seen as pre-funding
- TLTRO outstanding as of 31 Dec 2020: EUR 14bn

Assets and liabilities: LT funding –
Targeting MPE approach

Resolution strategy

- Direct presence in 7 geographically connected countries
- Erste Group's setup suggests a multiple point of entry (MPE) resolution strategy
- When determined, MREL needs are likely to be met with a mix of own funds, senior non-preferred and senior preferred instruments

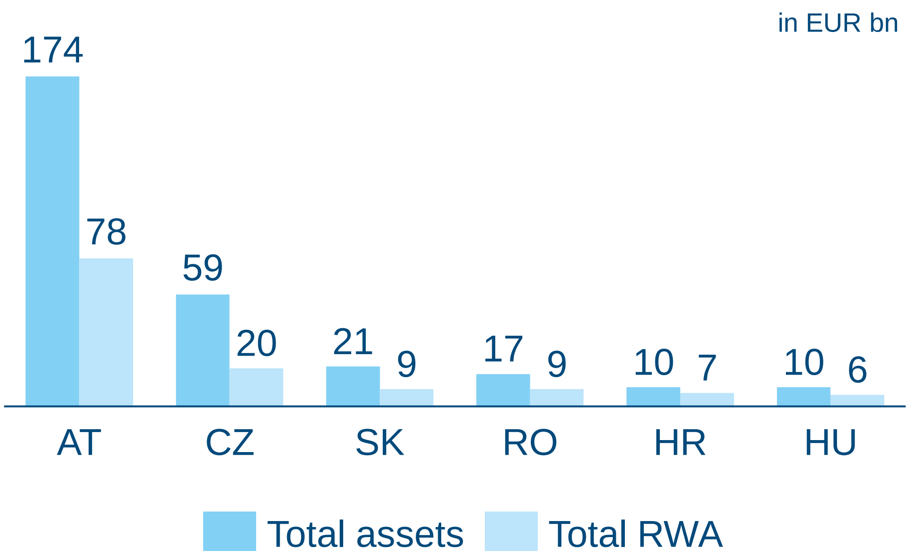
Austrian resolution group

- Major entities within the Austrian resolution group*:
  - Erste Group Bank AG
  - Erste Bank Oesterreich and its subsidiaries
  - All other savings banks of the Haftungsverbund
- Subordination requirement does not seem to be a limiting factor
- Binding MREL targets under BRRD1 for the Austrian, Slovak, Romanian, Hungarian and Czech resolution groups have been received; for Croatia the first binding target is expected in 2021
- All CEE resolution groups with a binding decision received in 2020 will receive a transition period until year-end 2023 enabling them to reach their MREL targets gradually
- MREL targets under BRRD2 are expected for all 6 EU-based resolution groups in H1 2021

*) Subject to joint decision of resolution authority

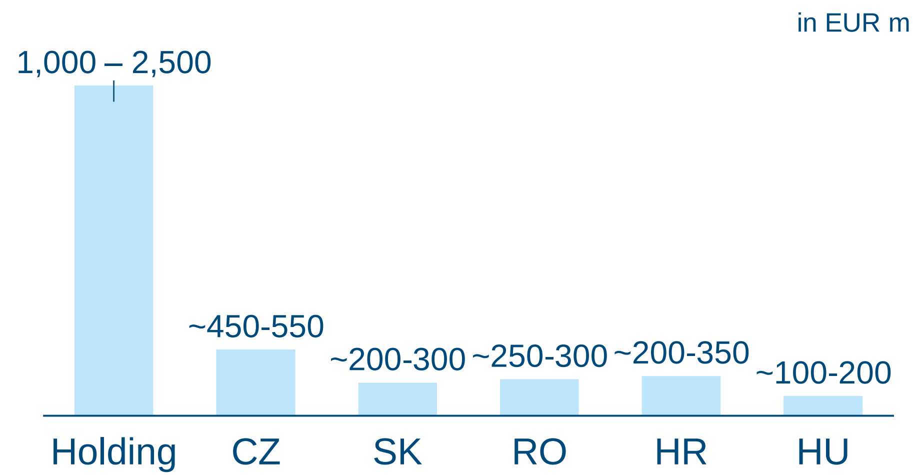
Assets and liabilities: LT funding –
Expected total MREL-related issuance volume unchanged

MREL resolution groups (December 2020)



- Under MREL there are 6 resolution groups covered by the Single Resolution Board
- The Austrian resolution group (parent company, EBOe and savings banks) is not considered a legal entity or reporting unit, hence there is neither a statutory reporting nor a capital requirement for the Austrian resolution group

Preliminary 3year* MREL issuance plan (avg. p.a.)



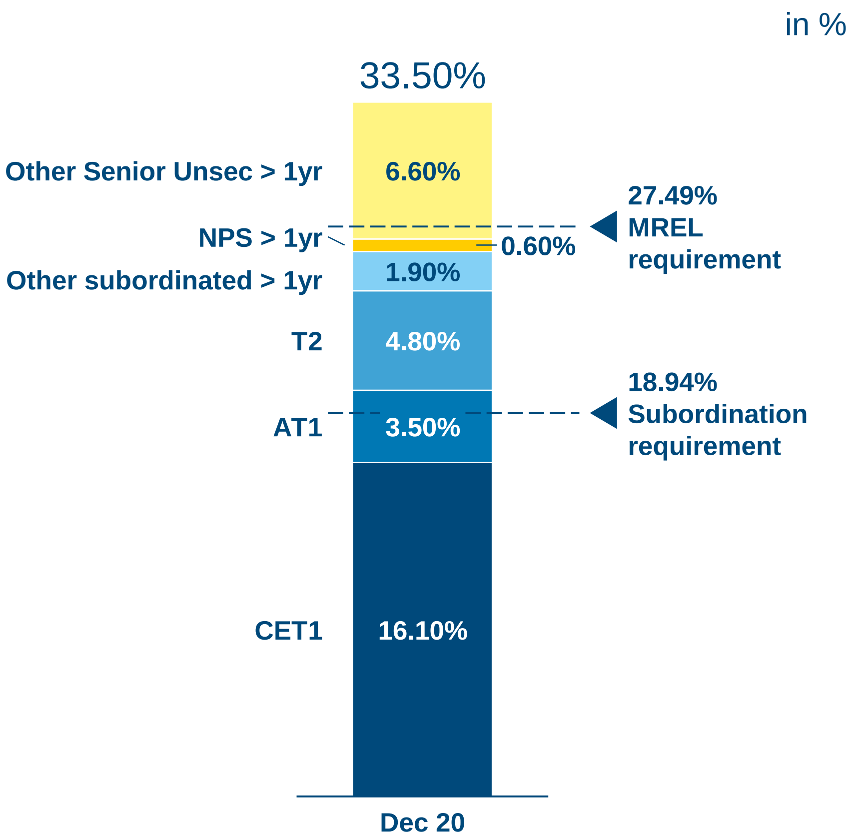
- CEE issuances will mainly be placed in domestic market and Euro markets
- First NPS issuances by Erste Group Bank AG (in EUR) and BCR (in RON) in 2019 and Slovenská sporiteľňa in Feb 2020
- Erste Bank Croatia issued a EUR PS in Q1 2021 in the domestic market

*) Horizon reduced to 3y from 5y to provide more accurate data range

Assets and liabilities: MREL for the Austrian resolution group

MREL requirement based on RWA fulfilled

MREL capacity based on TREA (RWA)*



*) TREA… total risk exposure amount

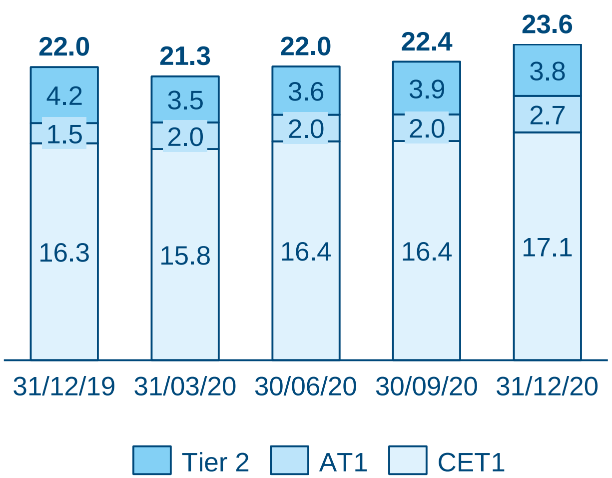
Key take-aways

- Erste Group's setup is based on a multiple point of entry (MPE) resolution approach
- In April 2020, Erste Group Bank AG received its MREL requirement calibrated on balance sheet data as of 31 Dec 2017 and based on BRRD1
- Erste Group Bank AG, as the Point of Entry of the Austrian resolution group, must comply with a MREL requirement of 14.90% of TLOF and a subordination requirement of 10.27%, which equals RWAs of 27.49% and 18.94% for the subordination requirement based on BRRD1
- Based on the Austrian resolution group's RWAs as of Dec 2020 of approx. EUR 78bn, the current MREL ratio stands at 33.50%, thereof 27.00% being subordinated eligible liabilities. Both ratios are well above the currently valid minimum requirements (MREL 2020 decision)
- A new MREL requirement based on SRB's 2020 MREL policy and BRRD2 is expected in H1 2021
- As of YE 2020 the AT resolution group would be compliant with the interim MREL requirement (based on draft MREL 2021 decision) to be fulfilled from 1 Jan 2022 and set under BRRD2
- Potential changes in the MREL requirement will be reflected in Erste Group Bank AG's funding plan as to ensure compliance with MREL & subordination targets

Assets and liabilities: capital position –
CET1 ratio at a strong 14.2%, phased-in at 14.5%

Basel 3 capital

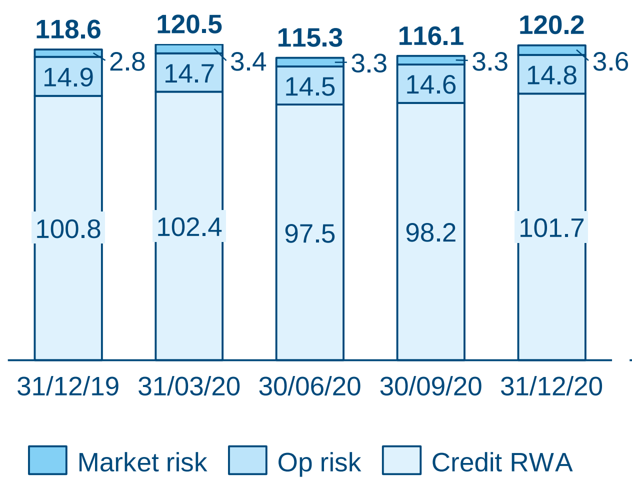
in EUR bn



- CET1 capital up by EUR 0.8bn ytd:
  - Retained earnings: +EUR 764m
  - Minority interest: +EUR 443m
  - OCI (mainly on FX impact): -EUR 233m
- AT1 issuance in 2020: EUR +1.2bn

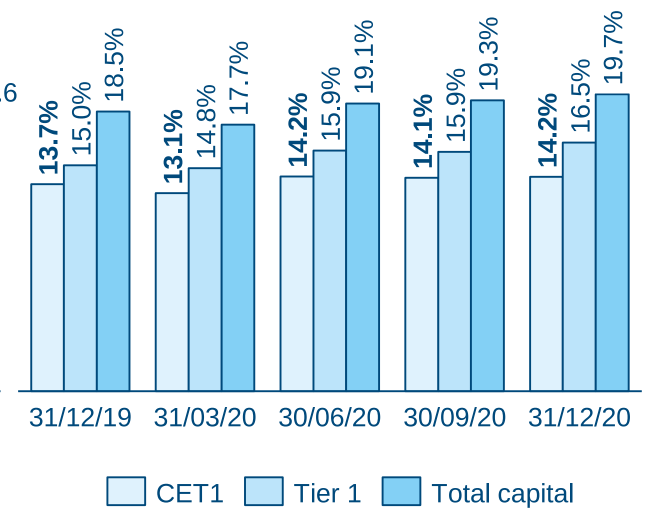
Risk-weighted assets

in EUR bn



- Ytd key credit RWA drivers:
  - Business effects: ~ EUR +6.6bn (growth)
  - Regulatory effects:: ~ EUR -6.3bn (SME support factor, 0% sovereign risk weight)
  - Asset quality effects: ~ EUR -0.5bn (negative rating migrations in Corporate offset by Retail)
  - FX depreciation: ~ EUR -1.0bn

Basel 3 capital ratios



- CET1 ratio benefits from SME support factor: +51bps
- FX impact: -16bps (OCI and RWA)
- 2019 dividend deduction of EUR 1.5/share rolled forward to 2020
- Medium-term target remains unchanged at 13.5%

Presentation topics

- Key topics
  - Macroeconomic update
  - Business update
  - Operating trends
  - Asset quality and impairments
  - Capital trends and dividends
  - Key takeaways and outlook

- Q4 20 presentation
  - Executive summary
  - Business environment
  - Business performance
  - Assets and liabilities
  - Additional information

Additional information: segment structure – Geographical/operating and business segment view

Erste Group – Geographical/operating segments

Austria
- EBOe & Subsidiaries (AT/EBOe)
- Savings Banks (AT/SB)
- Other Austria (AT/OA)
  - Holding Business
  - Erste Group Immorent
  - Erste Asset Management
  - Intermarket Bank AG

Central and Eastern Europe
- Czech Republic (CZ)
- Slovakia (SK)
- Romania (RO
- Hungary (HU)
- Croatia (HR)
- Serbia (RS)

Other
- Holding ALM
- Holding CC
- Other Subsidiaries
- Group bookings and IC elimination
- Free Capital

Erste Group – Business segments

- Retail
- Corporates
  - SME
  - Large Corporate
  - Commercial Real Estate
  - Public Sector
- Group Markets
- ALM & Local CC (ALM&LCC)
  - Asset/Liability Management
  - Local Corporate Center
- Savings Banks
- Group Corporate Center
  - Other Subsidiaries
  - Group bookings
  - Holding Corporate Center
  - Free Capital
- Intragroup Elimination

Additional information: income statement –
Year-to-date and quarterly view

in EUR million	Year-to-date view 2019	2020	YOY-Δ	Quarterly view Q4 19	Q3 20	Q4 20	YOY-Δ	QOQ-Δ
Net interest income	4,746.8	4,774.8	0.6%	1,229.5	1,192.4	1,185.6	-3.6%	-0.6%
Interest income	5,544.0	5,107.9	-7.9%	1,404.6	1,237.7	1,225.0	-12.8%	-1.0%
Other similar income	1,655.2	1,461.7	-11.7%	423.8	344.6	357.9	-15.5%	3.9%
Interest expenses	-1,054.9	-621.2	-41.1%	-237.1	-122.1	-120.3	-49.3%	-1.5%
Other similar expenses	-1,397.5	-1,173.6	-16.0%	-361.8	-267.8	-277.0	-23.4%	3.5%
Net fee and commission income	2,000.1	1,976.8	-1.2%	515.9	491.6	528.5	2.4%	7.5%
Fee and commission income	2,373.5	2,354.5	-0.8%	567.7	587.3	621.2	9.4%	5.8%
Fee and commission expenses	-373.4	-377.7	1.2%	-51.8	-95.7	-92.7	78.8%	-3.2%
Dividend income	27.9	19.9	-28.5%	3.8	0.9	4.3	11.4%	>100.0%
Net trading result	318.3	137.6	-56.8%	-101.0	28.2	128.6	n/a	>100.0%
Gains/losses from financial instruments measured at fair value through profit or loss	-24.5	62.0	n/a	164.9	52.9	-19.4	n/a	n/a
Net result from equity method investments	17.1	10.4	-39.2%	7.0	4.0	0.5	-93.3%	-88.3%
Rental income from investment properties & other operating leases	170.1	173.6	2.0%	41.7	44.0	41.3	-1.1%	-6.3%
Personnel expenses	-2,537.1	-2,520.7	-0.6%	-650.0	-636.7	-618.5	-4.8%	-2.9%
Other administrative expenses	-1,205.1	-1,158.9	-3.8%	-325.8	-235.6	-339.9	4.3%	44.2%
Depreciation and amortisation	-541.0	-540.9	0.0%	-146.6	-136.1	-138.9	-5.2%	2.1%
Gains/losses from derecognition of financial assets measured at amortised cost	0.9	6.8	>100.0%	1.3	-0.1	6.6	>100.0%	n/a
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	23.5	-0.4	n/a	5.5	1.4	0.3	-93.9%	-76.7%
Impairment result from financial instruments	-39.2	-1,294.8	>100.0%	-82.1	-194.7	-424.7	>100.0%	>100.0%
Other operating result	-628.2	-278.3	-55.7%	-230.9	-43.8	-64.6	-72.0%	47.7%
Levies on banking activities	-128.0	-117.7	-8.0%	-37.1	-17.3	-17.4	-53.1%	0.3%
Pre-tax result from continuing operations	**2,329.7**	**1,368.0**	**-41.3%**	**433.2**	**568.3**	**289.6**	**-33.1%**	**-49.0%**
Taxes on income	-418.7	-342.5	-18.2%	-67.8	-123.9	-78.3	15.5%	-36.8%
Net result for the period	**1,911.1**	**1,025.5**	**-46.3%**	**365.4**	**444.4**	**211.3**	**-42.2%**	**-52.5%**
Net result attributable to non-controlling interests	440.9	242.3	-45.0%	118.2	101.0	65.2	-44.8%	-35.5%
Net result attributable to owners of the parent	**1,470.1**	**783.1**	**-46.7%**	**247.2**	**343.3**	**146.0**	**-40.9%**	**-57.5%**
Operating income	7,255.9	7,155.1	-1.4%	1,861.8	1,814.0	1,869.3	0.4%	3.0%
Operating expenses	-4,283.3	-4,220.5	-1.5%	-1,122.4	-1,008.5	-1,097.3	-2.2%	8.8%
Operating result	**2,972.7**	**2,934.6**	**-1.3%**	**739.4**	**805.5**	**771.9**	**4.4%**	**-4.2%**

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	10,693	23,031	18,433	27,848	35,839	>100.0%	>100.0%	28.7%
Financial assets held for trading	5,760	7,706	6,984	6,764	6,356	10.4%	10.4%	-6.0%
Derivatives	2,805	4,034	3,233	3,369	2,954	5.3%	5.3%	-12.3%
Other financial assets held for trading	2,954	3,672	3,752	3,394	3,402	15.1%	15.1%	0.2%
Non-trading financial assets at fair value through profit and loss	3,208	3,130	3,122	3,157	3,083	-3.9%	-3.9%	-2.3%
Equity instruments	390	361	374	395	347	-11.0%	-11.0%	-12.0%
Debt securities	2,335	2,250	2,129	2,124	2,048	-12.3%	-12.3%	-3.6%
Loans and advances to banks	0	0	0	0	0	n/a	n/a	n/a
Loans and advances to customers	**483**	**519**	**619**	**638**	**687**	**42.1%**	**42.1%**	**7.7%**
Financial assets at fair value through other comprehensive income	9,047	8,953	8,883	8,578	8,519	-5.8%	-5.8%	-0.7%
Equity instruments	210	139	132	136	130	-38.2%	-38.2%	-4.7%
Debt securities	8,836	8,815	8,750	8,442	8,389	-5.1%	-5.1%	-0.6%
Financial assets at amortised cost	204,162	207,133	214,464	212,824	210,940	3.3%	3.3%	-0.9%
Debt securities	26,764	27,700	29,298	28,649	29,579	10.5%	10.5%	3.2%
Loans and advances to banks	23,055	24,264	27,418	25,672	21,466	-6.9%	-6.9%	-16.4%
Loans and advances to customers	**154,344**	**155,168**	**157,749**	**158,502**	**159,895**	**3.6%**	**3.6%**	**0.9%**
Finance lease receivables	4,034	4,040	4,082	4,118	4,127	2.3%	2.3%	0.2%
Hedge accounting derivatives	130	226	270	254	205	57.7%	57.7%	-19.2%
Property and equipment	2,629	2,558	2,526	2,496	2,552	-2.9%	-2.9%	2.2%
Investment properties	1,266	1,254	1,257	1,245	1,280	1.1%	1.1%	2.9%
Intangible assets	1,368	1,322	1,331	1,331	1,359	-0.7%	-0.7%	2.1%
Investments in associates and joint ventures	163	163	166	170	190	16.6%	16.6%	11.6%
Current tax assets	81	80	135	151	175	>100.0%	>100.0%	16.0%
Deferred tax assets	477	453	467	454	460	-3.5%	-3.5%	1.4%
Assets held for sale	269	265	260	209	212	-21.2%	-21.2%	1.4%
Trade and other receivables	1,408	1,391	1,287	1,256	1,341	-4.8%	-4.8%	6.8%
Other assets	1,001	1,191	1,019	1,123	751	-25.0%	-25.0%	-33.2%
Total assets	**245,693**	**262,898**	**264,692**	**271,983**	**277,394**	**12.9%**	**12.9%**	**2.0%**

Additional information: group balance sheet –
Liabilities and equity

	Quarterly data					Change		
in EUR million	**Dec 19**	**Mar 20**	**Jun 20**	**Sep 20**	**Dec 20**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Financial liabilities held for trading	2,421	3,322	2,737	2,845	2,625	8.4%	8.4%	-7.7%
Derivatives	2,005	2,945	2,308	2,253	2,037	1.6%	1.6%	-9.6%
Other financial liabilities held for trading	416	377	429	592	588	41.4%	41.4%	-0.8%
Financial liabilities at fair value through profit or loss	13,494	12,591	12,607	12,334	12,091	-10.4%	-10.4%	-2.0%
Deposits from customers	**265**	**252**	**295**	**279**	**254**	**-4.1%**	**-4.1%**	**-8.8%**
Debt securities issued	13,011	12,128	12,136	11,878	11,657	-10.4%	-10.4%	-1.9%
Other financial liabilities	219	211	177	178	180	-17.6%	-17.6%	1.4%
Financial liabilities at amortised cost	204,143	219,988	222,321	229,525	235,125	15.2%	15.2%	2.4%
Deposits from banks	13,141	20,703	21,984	26,433	24,771	88.5%	88.5%	-6.3%
Deposits from customers	**173,066**	**181,439**	**182,376**	**184,551**	**190,816**	**10.3%**	**10.3%**	**3.4%**
Debt securities issued	17,360	17,285	17,295	17,797	19,020	9.6%	9.6%	6.9%
Other financial liabilities	576	560	666	743	518	-10.2%	-10.2%	-30.3%
Lease liabilities	515	520	521	516	560	8.7%	8.7%	8.4%
Hedge accounting derivatives	269	207	209	209	189	-29.9%	-29.9%	-9.9%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	>100.0%	>100.0%	-20.6%
Provisions	1,919	2,046	2,033	2,008	2,082	8.5%	8.5%	3.7%
Current tax liabilities	61	94	62	67	58	-3.5%	-3.5%	-12.9%
Deferred tax liabilities	18	24	17	31	20	11.9%	11.9%	-35.6%
Liabilities associated with assets held for sale	6	7	7	3	1	-77.3%	-77.3%	-43.9%
Other liabilities	2,369	3,045	2,978	3,006	2,232	-5.8%	-5.8%	-25.8%
Total equity	**20,477**	**21,053**	**21,200**	**21,438**	**22,410**	**9.4%**	**9.4%**	**4.5%**
Equity attributable to non-controlling interests	4,857	4,875	4,922	5,024	5,073	4.4%	4.4%	1.0%
Additional equity instruments	1,490	1,987	1,987	1,987	2,733	83.4%	83.4%	37.5%
Equity attributable to owners of the parent	14,129	14,190	14,291	14,427	14,604	3.4%	3.4%	1.2%
Subscribed capital	860	860	860	860	860	0.0%	0.0%	0.0%
Additional paid-in capital	1,478	1,478	1,478	1,478	1,478	0.0%	0.0%	0.0%
Retained earnings and other reserves	11,792	11,853	11,953	12,090	12,267	4.0%	4.0%	1.5%
Total liabilities and equity	**245,693**	**262,898**	**264,692**	**271,983**	**277,394**	**12.9%**	**12.9%**	**2.0%**

Additional information: regulatory capital position/requirement (SREP) –

Capital requirements (SREP) for 2021; Erste Group target of 13.5% unchanged

	Erste Group Consolidated					Erste Group Unconsolidated			
	Phased-in		Fully loaded	ECB Capital Relief Measures 1)	Fully loaded	Phased-in		Fully loaded	
	2018	2019	Q4 2020	Q4 2020	YE 2021	2018	2019	Q4 2020	YE 2021
Pillar 1 CET1 requirement	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement 5)	**3.19%**	**4.91%**	**4.68%**	**2.18%**	**4.68%**	**3.07%**	**4.75%**	**4.63%**	**4.63%**
Capital conservation buffer	1.88%	2.50%	2.50%	0.00%	2.50%	1.88%	2.50%	2.50%	2.50%
Countercyclical capital buffer 2)	0.31%	0.41%	0.18%	0.18%	0.18%	0.20%	0.25%	0.13%	0.13%
OSII	1.00%	2.00%	2.00%	2.00%	1.00%	1.00%	2.00%	2.00%	1.00%
Systemic risk buffer	1.00%	2.00%	2.00%	2.00%	1.00%	1.00%	2.00%	2.00%	1.00%
Pillar 2 CET1 requirement 3)	**1.75%**	**1.75%**	**0.98%**	**0.98%**	**0.98%**	**1.75%**	**1.75%**	**0.98%**	**0.98%**
Pillar 2 CET1 guidance	**1.05%**	**1.00%**	**1.00%**	**0.00%**	**1.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Regulatory minimum ratios excluding P2G									
CET1 requirement	9.44%	11.16%	10.16%	7.66%	10.16%	9.32%	11.00%	10.11%	10.12%
1.50% AT1 Tier 1 requirement	10.94%	12.66%	11.99%	9.49%	11.99%	10.82%	12.50%	11.94%	11.95%
2.00% T2 Own funds requirement	12.94%	14.66%	14.43%	11.93%	14.43%	12.82%	14.50%	14.38%	14.38%
Regulatory minimum ratios including P2G									
CET1 requirement	10.49%	12.16%	11.16%	n.a.	11.16%	9.32%	11.00%	10.11%	10.12%
1.50% AT1 Tier 1 requirement	10.94%	12.66%	12.99%	n.a.	12.99%	10.82%	12.50%	11.94%	11.95%
2.00% T2 Own funds requirement	12.94%	14.66%	15.43%	n.a.	15.43%	12.82%	14.50%	14.38%	14.38%
Reported CET1 ratio as of December 2020			**14.45%**	**4)**				**22.07% 4)**	

- Buffer to MDA restriction as of 31 Dec 20: 429bps
- Available distributable items (ADI) as of 31 Dec 20: EUR 3.0bn (post EUR 0.5 dividend per share and AT1 coupon); based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 5.5bn

1) Following ECB's announcement re. measures in reaction to COVID-19 on 12 March 2020. (MDA restrictions still apply in case of a combined buffer requirement breach).
2) Planned values based on Q4 2020 exposure (Q4 20 countercyclical buffer of 0.18% for Erste Group consolidated)
3) As of 12 March 2020 ECB brought forward measures for the use of the P2R re. capital stack (56.25% for CET1 capital and 75% for Tier 1 capital. The overall P2R remained at 1.75% for Erste Group
4) Consolidated capital ratios pursuant to IFRS on phased-in basis. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.
5) Combined buffer requirement: until YE 2020 higher of OSII and systemic risk buffer; in 2021 OSII and systemic risk buffer are cumulative

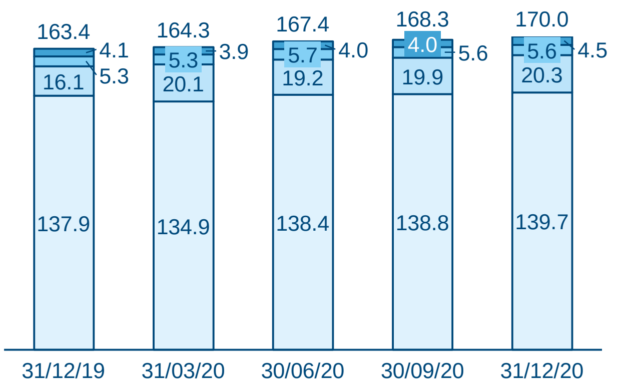
Capital position –
Erste Group applies regulatory quick fixes conservatively

Quick Fix	Applied by Erste Group	From	Phased-in/ Fully loaded	Estimated impact on CET1 ratio*	Comment
SME Supporting Factor	✔	Q2 20	Fully-loaded	+51 bps	**Regulator pulled forward permanent introduction from 2021 to Q2 20**
Sovereigns in EU currency (STD approach)	✔	Q2 20	Phased-in	+12 bps	
Sovereigns in EU currency (IRB approach)	✔	Q4 20	Phased-in	+14 bps	
Software	✔	in the course of 2021	Fully-loaded	up to +20-25 bps	**Internal preparations currently ongoing and application in the course of 2021**
Retail loans backed by pensions	✔	H1 21	Fully-loaded	No impact	
Leverage ratio and exclusion of central banks	✘	Q2 20	Phased-in	+68 bps on leverage ratio	**Erste Group boasts strong leverage ratio (>6%), hence no need for application**
FVTOCI debt securities	✘	Q2 20	Phased-in	+ 1 bp	**Immaterial impact, hence no application**
IFRS9 provisions for expected credit losses (ECL)	✘	Q2 20	Phased-in	Impact calculation not yet available	**Erste Group adopted fully loaded IFRS9 approach right from inception in 2019**

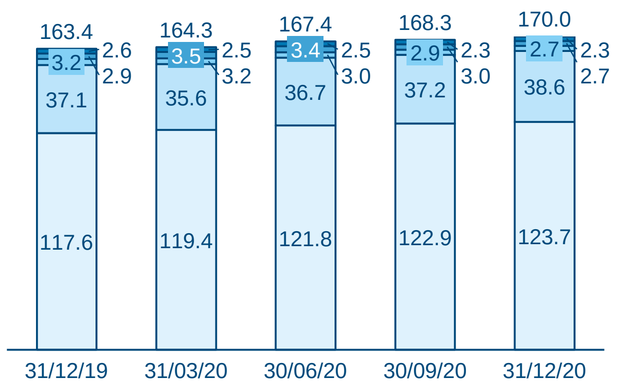
* Impact calculation based on Q4 20 RWA / leverage exposure

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

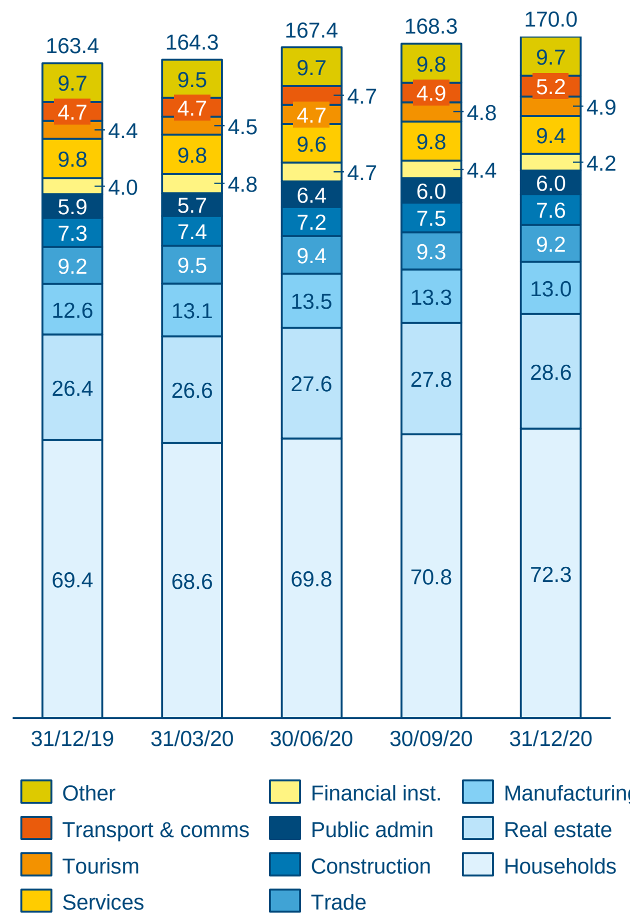
Gross cust. loans by risk category (EUR bn)



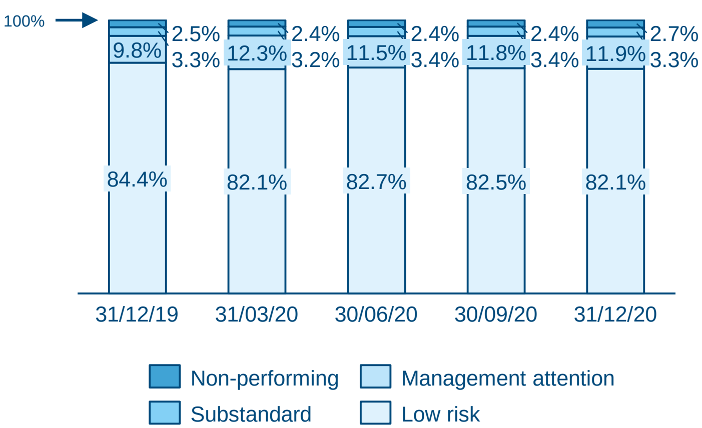
Gross customer loans by currency (EUR bn)



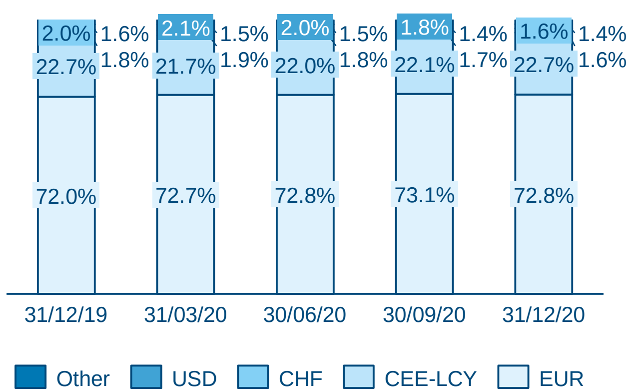
Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)



Gross customer loans by currency (in %)



Additional information: footprint –
Customer banking in Austria and the eastern part of the EU

Erste Group footprint

Majority ownership

Minority ownership

Czech Republic	
Customers: 4.5m	
Employees: 9,820	
Branches: 438	

Slovakia
Customers: 2.2m
Employees: 3,770
Branches: 206

Hungary
Customers: 0.9m
Employees: 3,227
Branches: 107

Romania
Customers: 2.9m
Employees: 5,645
Branches: 370

Austria
Customers: 3.8m
Employees: 15,942
Branches: 845 (EBOe: 196)

Croatia
Customers : 1.3m
Employees : 3,252
Branches: 139

Serbia
Customers: 0.5m
Employees: 1,198
Branches: 88

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
- Number of customers: 16.1 million
- Number of employees: 45,690
- Number of branches: 2,193

Employees: FTEs as of end of reporting period (The presented FTE data exclude FTEs outside Erste Group's core markets in Austria and CEE as well as FTEs of specific services entities not located in Austria)

Additional information: strategy –
A real customer need is the reason for all business

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
Focus on local currency mortgage and consumer loans funded by local deposits FX loans (in EUR) only where funded by local FX deposits (Croatia and Serbia) Savings products, asset management and pension products Expansion of digital banking offering	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 customer business, incl. customer-based trading activities In addition to core markets, presences in Poland, Germany, London, New York and Hongkong with institutional client focus and selected product mix Building debt and equity capital markets in CEE	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	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

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

Moody's

Macro Profile	
Strong	

+

Financial Profile	
Asset Risk	baa2
Capital	baa1
Profitability	baa3
Funding Structure	a3
Liquid Resources	baa1

+

Qualitative Factors	
Business Diversification	0
Opacity, Complexity	0
Corporate Behaviour	0

=

BCA Baseline Credit Assessment	**baa1**

+

Affiliate Support	0

=

Adjusted BCA	**baa1**

+

LGF Loss Given Failure	**+ 2**
Government Support	0

=

Senior Unsecured Long-Term Outlook / Short-Term

A2 Stable / P-1

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 Stable / A-1

FitchRatings

VR - Viability Rating (Individual Rating)

a-

SRF - Support Rating Floor

NF (No Floor)

IDR - Issuer Default Rating Long-Term Outlook / Short-Term

A Negative / F1

Status as of 1 December 2020

ERSTE Group

Additional information: ESG ratings, indices and alignment with UN SDGs

ESG Indices and Ratings

Erste Group has been included in the Vienna Stock Exchange's sustainability index since its launch in 2008

Included since 2016: The FTSE4Good Index Series measures the performance of companies with strong environmental, social and governance (ESG) practices

Since 2017 included in the Euronext Vigeo Index: Eurozone 120

Included since 2019 in the Bloomberg Gender-Equality Index. **Erste Group is the only Austrian company represented** in this index (as of 2020).

Erste Group was awarded **prime status** in **ISS ESG ratings** in October 2018.

In March 2020, imug Investment Research **confirmed** the **rating** for Erste Group at **positive (B)**, mortgage covered bonds are currently rated positive (BB) and raised the public sector covered bonds rating to very positive (A).

Erste Group was **upgraded to AA** in July 2019 and is considered a **leader among approx. 200 companies in the banking industry.**

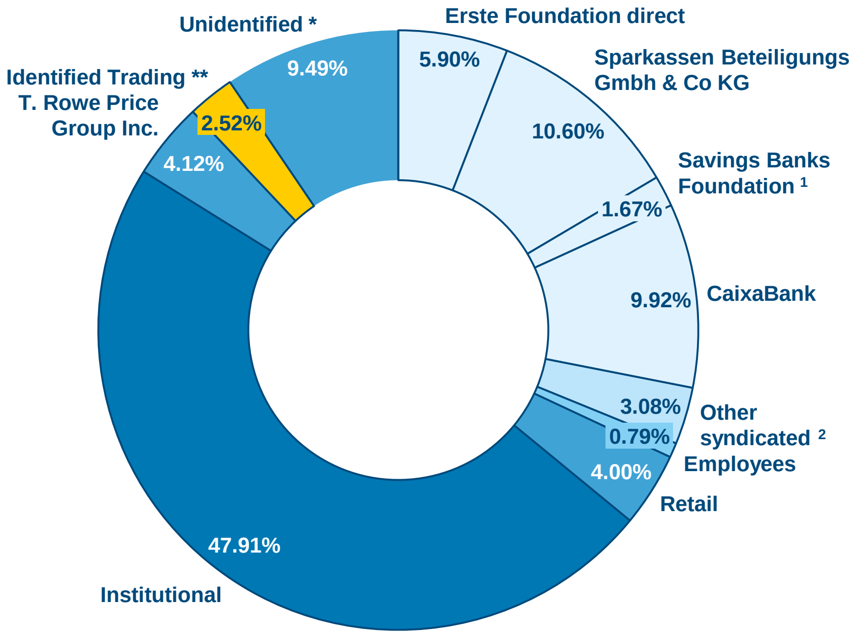
UN Sustainable Development Goals

In principle, Erste Group supports all SDGs. Given its regional footprint and business model, Erste Group is in fact able to make notable contributions to the achievement of the below-mentioned SDGs:

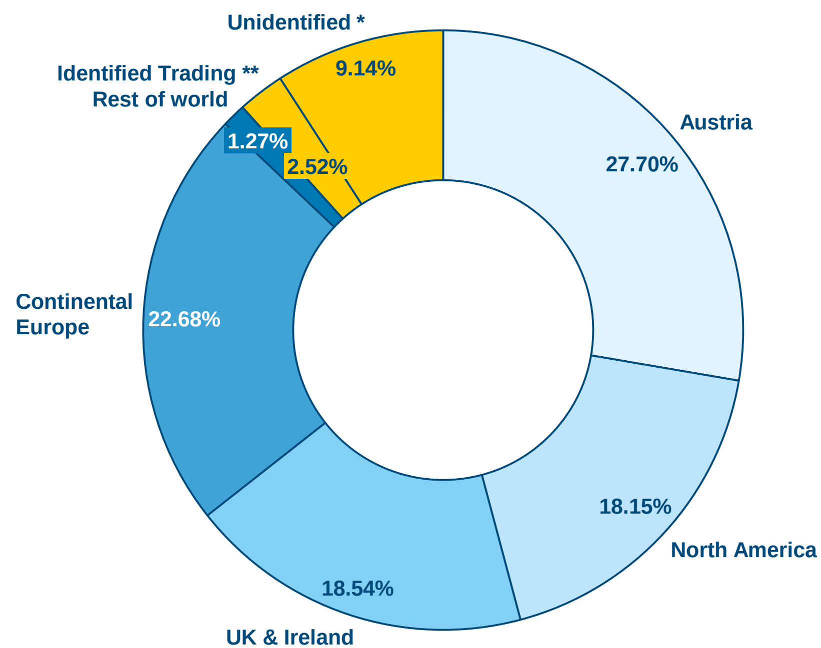
- Since its foundation 200 years ago, Erste Group's purpose has been to promote and secure prosperity. Erste Group values responsibility, respect and sustainability.
- Financial literacy is key to economic prosperity. Therefore, Erste Group offers a variety of financial literacy trainings.
- Erste Group respects and promotes work-life balance among its employees and also contributes to their good health.
- Diversity and equal opportunity are key elements of Erste Group's human resource strategy.
- For Erste Group social and/or ecological criteria are as important as economic criteria in its investment decision process.
- Erste Group has launched social banking initiatives aiming at the financial inclusion of those parts of the population that are often excluded.
- Erste Group contributes to the cultural and social development of society.
- Erste Group aims at protecting the environment by minimising its ecological footprint, in particular with its consumption of energy and paper.
- Erste Group cooperates with national and international organisations and it promotes corporate volunteering.

Additional information: shareholder structure –
Total number of shares: 429,800,000

By investor



By region



[1] Syndicated Savings Banks Foundations, own holdings of Savings Banks, Erste Employees Private Foundation
[2] Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank [3]
* Unidentified institutional and retail investors
** Including Market Makers, Prime Brokerage, Proprietary Trading, Collateral and Stock Lending positions which are visible through custodian banklists

Status as of 17 February 2021

Investor relations details

- **Erste Group Bank AG, Am Belvedere 1, 1100 Vienna**

  E-mail: **investor.relations@erstegroup.com**

  Internet: **http://www.erstegroup.com/investorrelations**
  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**

- **Contacts**

  Thomas Sommerauer
  Tel: +43 (0)5 0100 17326 e-mail: thomas.sommerauer@erstegroup.com

  Peter Makray
  Tel: +43 (0)5 0100 16878 e-mail: peter.makray@erstegroup.com

  Simone Pilz
  Tel: +43 (0)5 0100 13036 e-mail: simone.pilz@erstegroup.com

  Gerald Krames
  Tel: +43 (0)5 0100 12751 e-mail: gerald.krames@erstegroup.com