

Erste Group investor presentation

Q1 2022 results

29 April 2022

Erste Group starts 2022 with strong topline performance

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Presentation topics

- Key developments and executive summary
- Macroeconomic and business update
- Operating trends
 - Volumes
 - Revenues and costs
 - Impairments and asset quality
- Capital and wholesale funding
- Key takeaways and outlook
- Additional information

Key developments (1) – Setting the frame for today's presentation

- **Strong start to 2022 despite many challenges**
 - Faster and more sizable than expected rate hikes in Czech Republic, Hungary and Romania to counter inflation
 - Economic growth robust during Q1 22 in CEE & Austria, but outlook lowered across the board for 2022 while inflation expectations continue to rise
- **Operating result up 10.4% in Q1 22**
 - Operating income advances by 11.4%, driven by exceptional NII (+18.8%) and fee (+14.0%) growth, while trading and FV result impacted by valuation effects (savings banks, Hungary)
 - Operating expenses increase (+12.0%) inflated by Sberbank Europe-related deposit insurance contributions (EUR 68.2m) and significantly higher regular deposit insurance contributions, booked for the full year of 2022 in Q1 22
- **Continued benign credit risk environment in Q1 22**
 - Risk costs at 13 bps, lowest NPL ratio since IPO at 2.3%
 - Full cushion of performing loan loss provisions of EUR 630m still available for reallocation/release
- **Minor tweaks in 2022 guidance**
 - **Lowered GDP growth and higher inflation expectations** in CEE & Austria, impacted by anti-Russia sanctions
 - **At least high single digit NII growth**, up from at least mid-single digit growth
 - **Fee growth in mid-single digits**, up from low to mid-single digit growth
- **Reported fully loaded CET1 ratio at 13.7%**
 - No consideration of ytd profit
 - No consideration of positive FX translation effect within OCI
 - Full implementation of structural FX risk

Key developments (2) –

Updated impact analysis of Ukraine war/Russia sanctions on Erste Group

- Erste Group has **no direct subsidiaries** in Russia (RU), Ukraine (UA) or Belarus (BY)
- Erste Group has only **immaterial credit exposure** (EUR ~50m gross) to RU, UA and BY, accordingly **confirms FY2022 guidance for risk costs (<20bps)**
- **Full portfolio screening confirmed the limited impact on customers** of Erste Group
 - EUR 6.4bn (1.9% of Erste Group's total of EUR 338bn) client credit exposure potentially directly affected, e.g. due to local operations or larger shares of EBITDA generated in RU, UA and/or BY or due to sectoral sanctions
 - EUR 240m from the above are under Watch – already classified as Stage 2 – hence no increase in provisioning
 - Who are these customers? Mainly **well-diversified, multi-national companies** in the energy, automotive and natural resources sectors
- Banking exposures
 - Banking exposure to Austrian and European banks with exposure to RU, UA and/or BY are **no cause for concern**
- Deposit insurance contributions in relation to Sberbank Europe AG wind-down
 - **Not expected to lead to material negative economic impact as significant recoveries from asset sales likely**
 - Austria: booking in the amount of EUR 46.5m – full recovery through asset sales likely, however, timing unknown
 - Hungary: regulatory authority issued order for immediate payment – EUR 21.7m
 - Czech Republic: no booking as regular annual deposit insurance contribution bill is expected in May 2022 and currently no detailed/precise estimates available

Key developments (3) – Initial impact analysis of Ukraine war/Russia sanctions on Erste Group

- Direct market exposures, including derivatives (trading book and banking book securities accounted at fair value) are **negligible** too, resulting in **no material economic risk to the bank**
 - No direct exposures to Russian counterparties, RU interest rates, or RUB in derivatives trading, hence no sanctions impact
 - **No commodity business**, hence no risk stemming from current price volatility
 - All daily operations in OTC derivatives running smoothly, no issues with collateral transfers
 - Core of bilateral OTC derivatives business is done with international banks
 - Higher than usual price volatility can lead to temporary P&L fluctuations in trading and banking book assets accounted at fair value, but no long-term negative effects expected
- Customer deposit behaviour – no signs of stress
 - **No material change in the deposit base** since the beginning of the crisis; minor fluctuations due to month-end payments and, in some CEE countries, higher than usual cash withdrawals
 - All liquidity metrics (LCR, NSFR, stress test, structural ratios) are stable and comfortably above any regulatory or internal limit
- Compliance screening for sanctioned individuals yielded **no material result**

Key developments (4) –

Initial impact analysis of Ukraine war/Russia sanctions – macro view

• Economic growth to slow in CEE & AT in 2022

- Elevated commodity prices expected to lead to higher production costs and to weigh on consumption
- Increased uncertainty expected to dampen sentiment
- Worsening supply-side bottlenecks/disruptions
- Limited or halted trade with RU, UA and BY
- Increased defense spending to meet NATO guidelines

• Trade and financial links between CEE region and Russia have been on downward path since 2014

- **Russia is not among top 10 trading partners for most CEE countries**

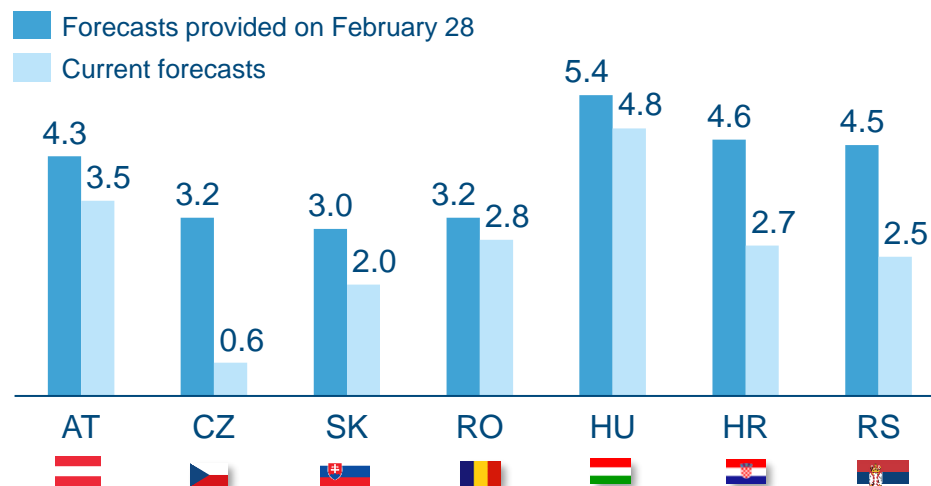
• Russia is a **key import partner for natural gas** for most CEE countries

- AT, HU, SK, RS import ~80% of gas from Russia, CZ ~50%
- RO covers 70% of its needs from local production

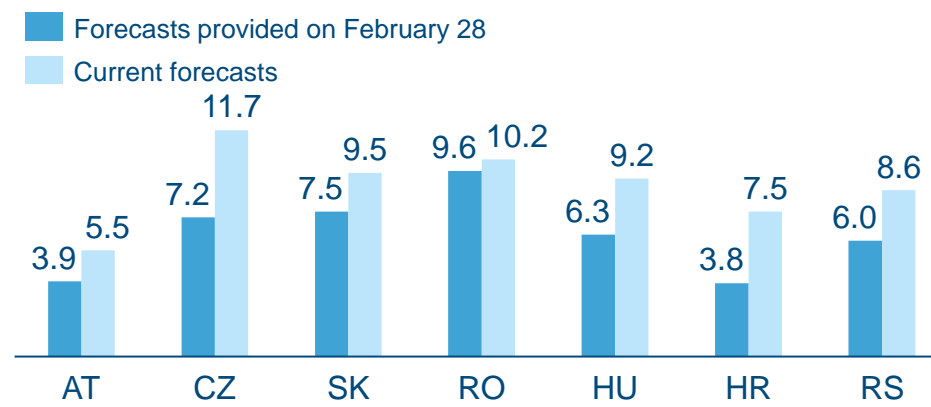
• **Inflation is expected to remain elevated** due to higher energy, fuel and food prices

- CEE currencies to remain volatile
- HU, RO & RS expected to further increase policy rates
- Limited space for further tightening in CZ

Real GDP expectations for 2022 (in %)*



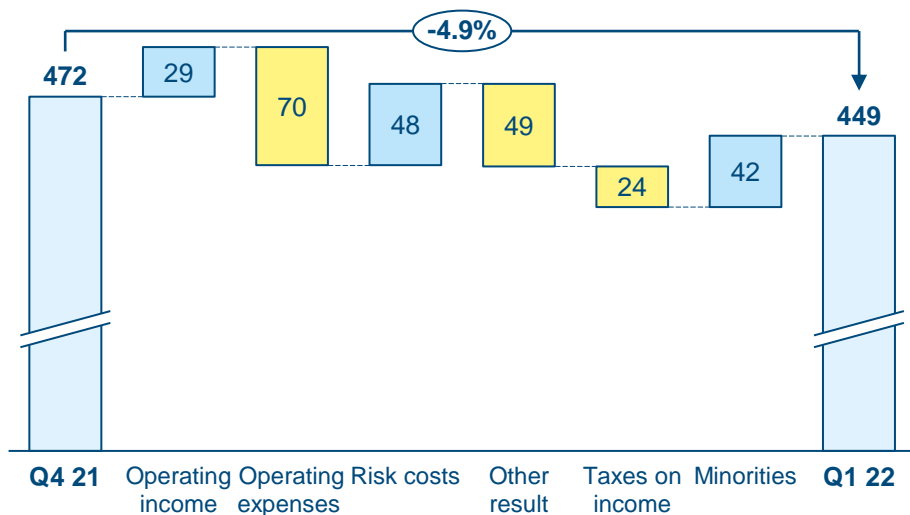
Inflation: avg CPI expectations for 2022 (in %)*



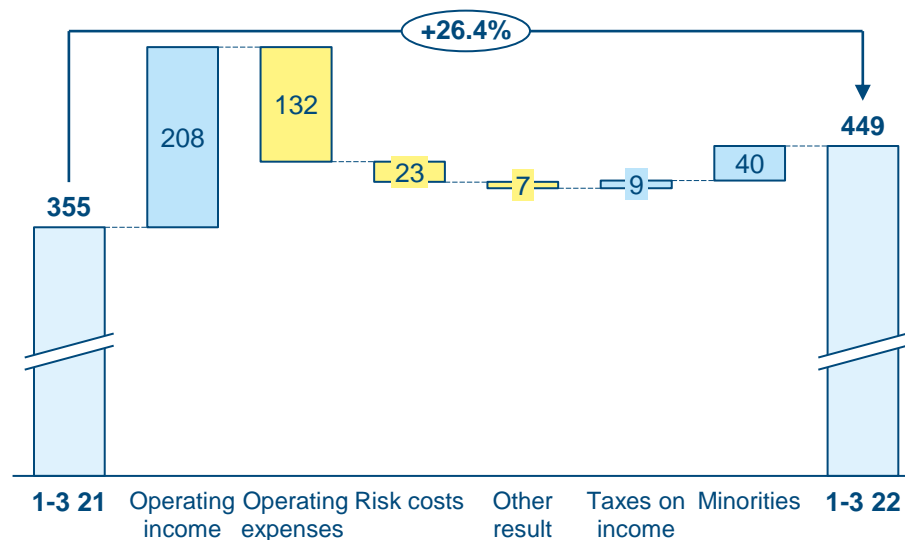
Sources: *Erste Group Research

Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



YoY net profit reconciliation (EUR m)

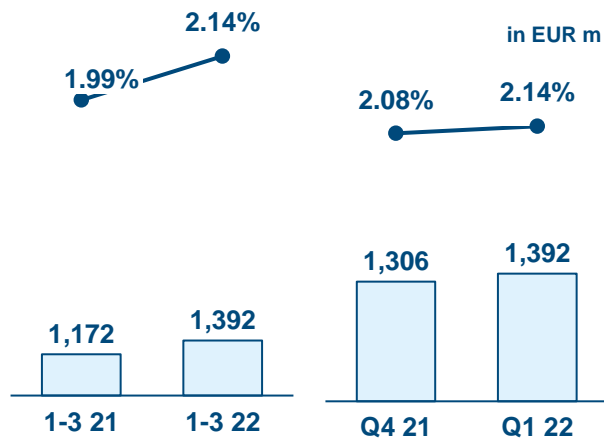


- Qoq net result declines mainly on seasonally higher operating expenses (full-year deposit insurance contributions incl. one-offs) and weaker other result (higher resolution funds contributions), partially offset by operating income (NII) and lower risk costs
- Operating income benefits from **strong NII growth**, offsetting **decline in net trading & FV result**
- Operating expenses driven by higher deposit insurance charges

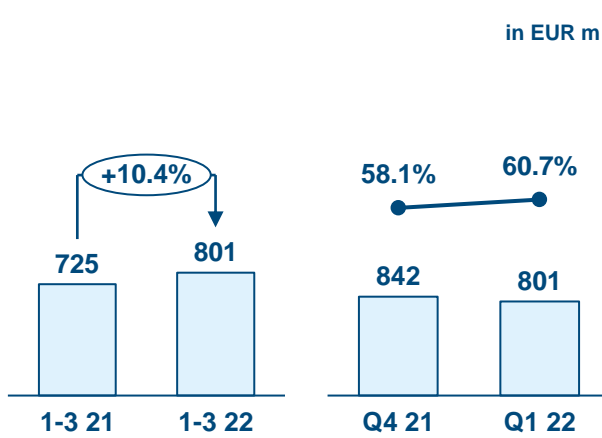
- YoY net profit growth primarily driven by **substantially higher operating income and lower minority charges**
- Operating income benefits from **rate hikes in CEE – NII up by 18.8%**; continuation of strong fee performance (double digit increases in payment services, asset management and brokerage fees), volatility-driven decline in net trading & FV result
- Costs up due to significantly higher deposit insurance contributions

Executive summary – Key income statement data

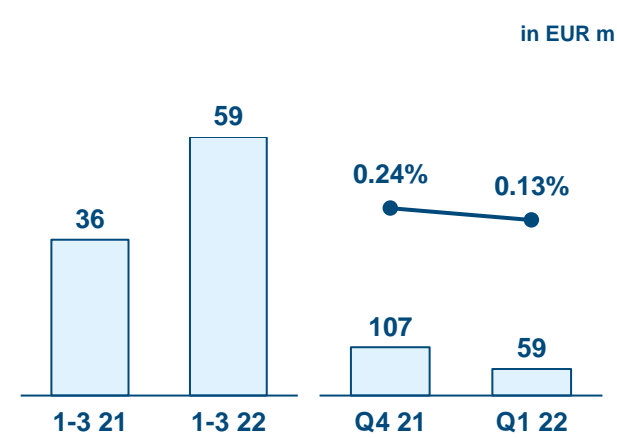
Net interest income & margin



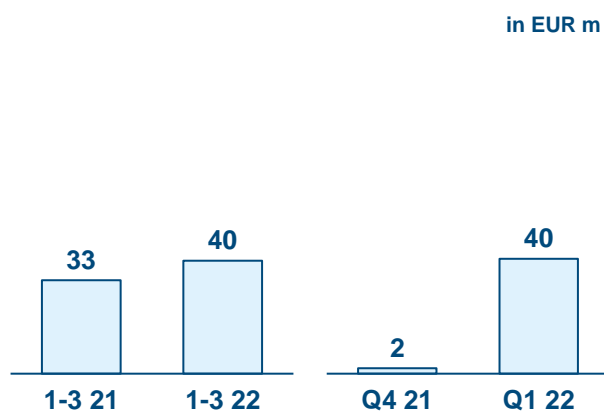
Operating result & cost/income ratio



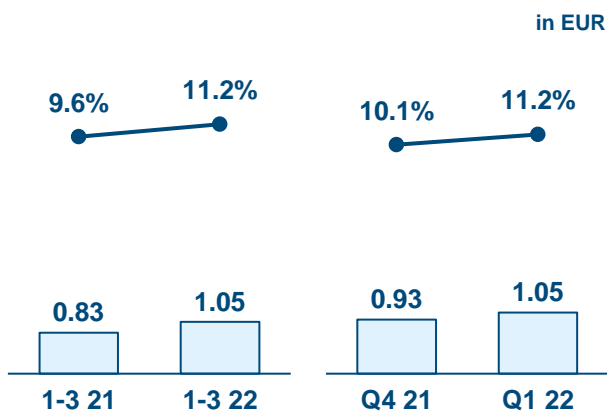
Cost of risk



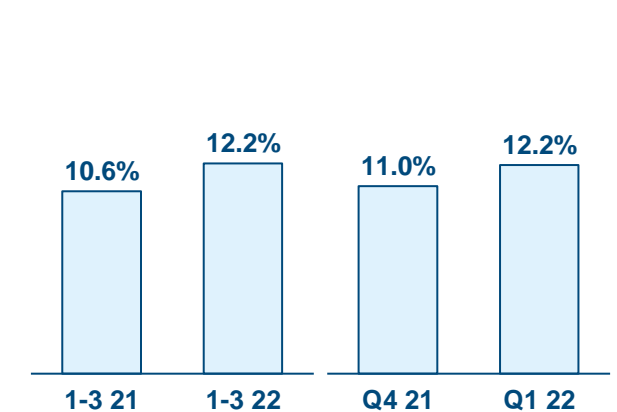
Banking levies



Reported EPS & ROE

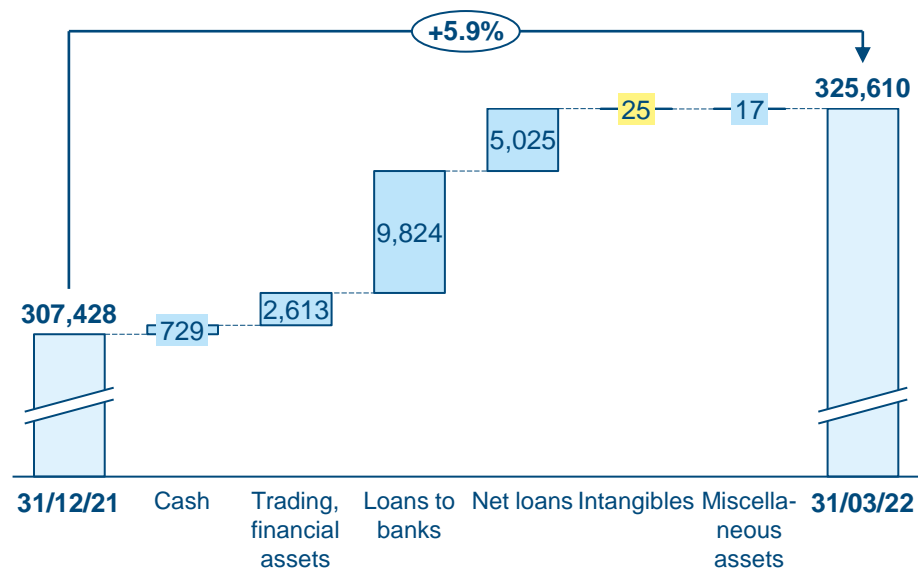


Return on tangible equity



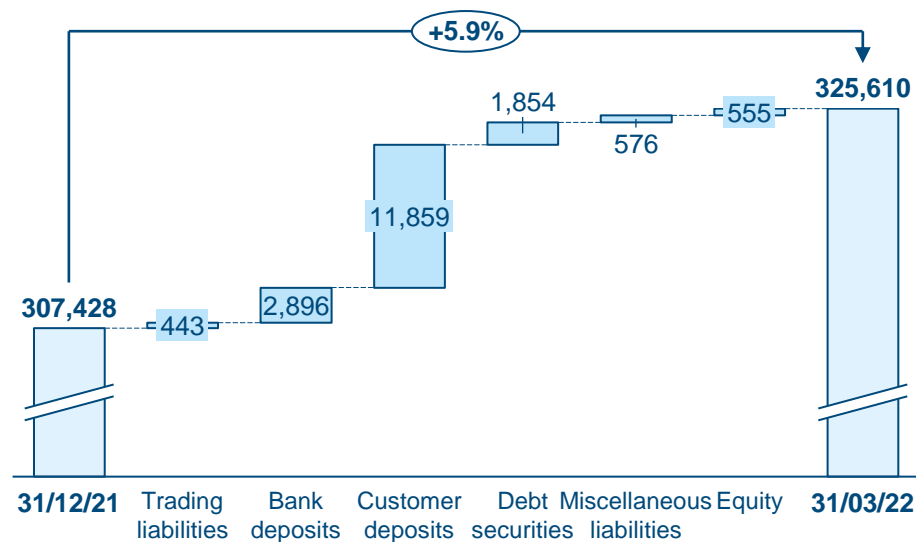
Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Total assets grew on the back of a **strong rise in loans to banks** (+46.8%), **net customer loans** (+2.8%), and **higher volume of trading and financial assets** (+4.9%)
- Net customer loan growth driven by strong demand from large corporates, healthy increases in Retail and at savings banks

YTD equity & total liability reconciliation (EUR m)

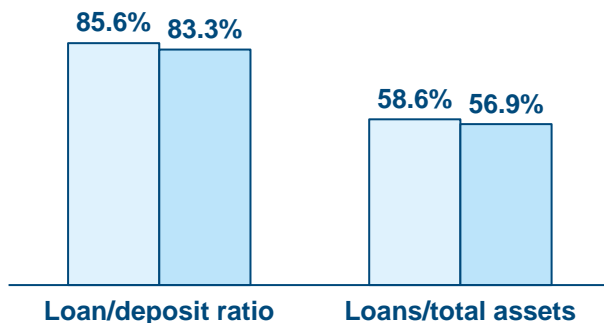


- Total liability growth driven by **rising customer deposits** (+5.6%) and bank deposits (+9.1%)
- Growing customer deposits drive **loan/deposit ratio to 83.3%** (YE 21: 85.6%)
- Increase in equity reflects strong profitability

Executive summary – Key balance sheet data

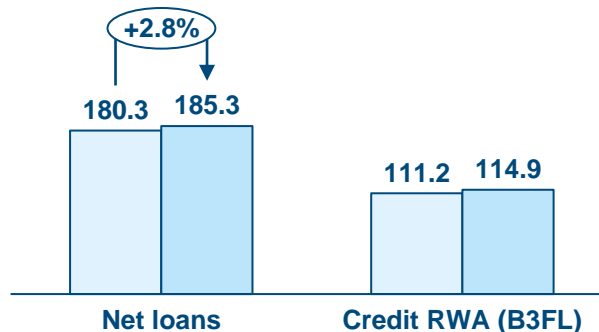
31/12/21
31/03/22

Loan/deposit & loan/TA ratio

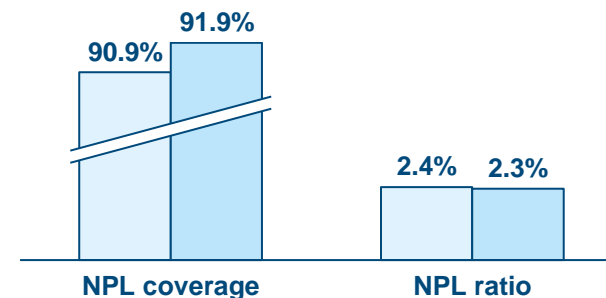


Net loans & credit RWA

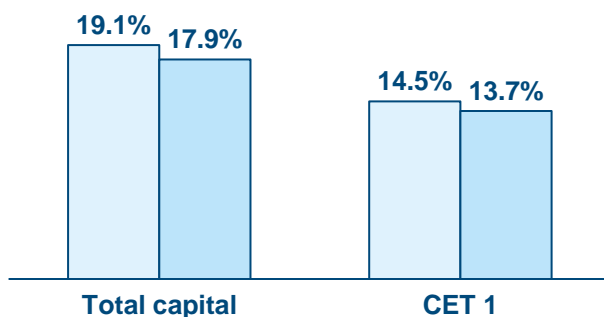
in EUR bn



NPL coverage ratio & NPL ratio

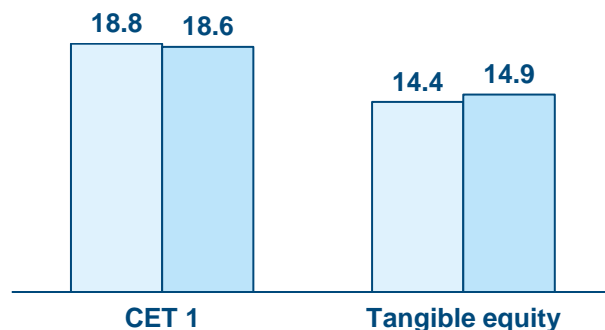


B3FL capital ratios

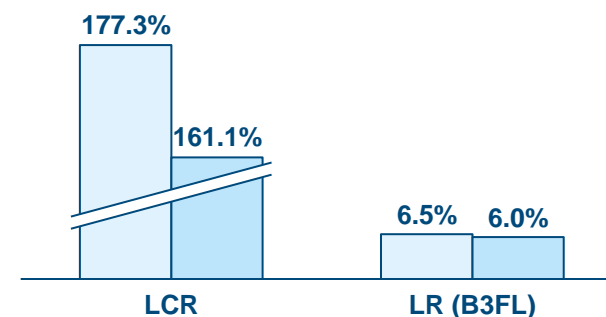


B3FL capital & tangible equity¹

in EUR bn



Liquidity coverage & leverage ratio²



1) Based on shareholders' equity, not total equity

2) Includes central bank exposures

Presentation topics

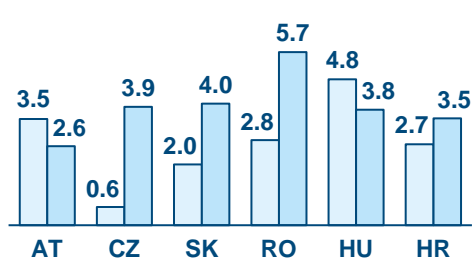
- Key developments and executive summary
- **Macroeconomic and business update**
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Macroeconomic update –

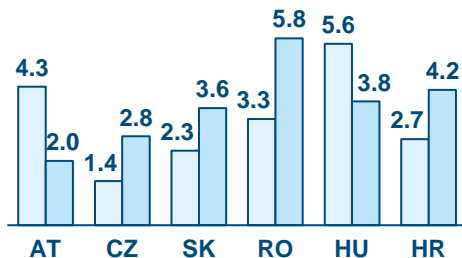
Lower economic growth accompanied by high inflation in 2022

2022
2023

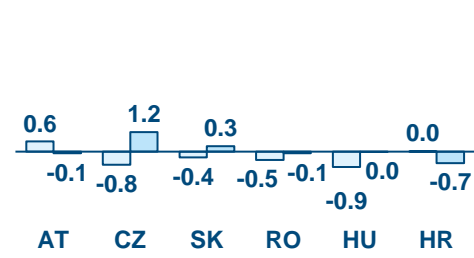
Real GDP growth (in %)



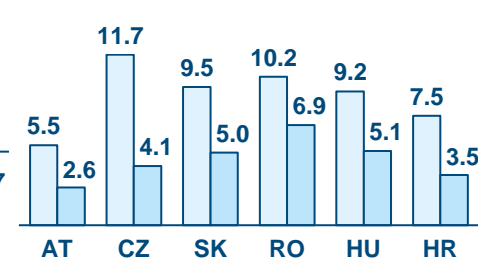
Dom. demand contribution* (in %)



Net export contribution* (in %)

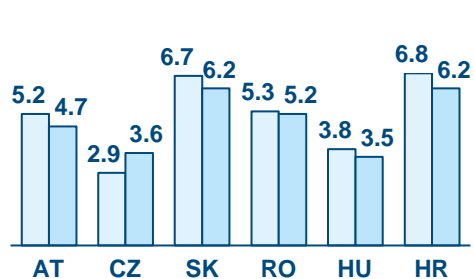


Consumer price inflation (avg, in %)

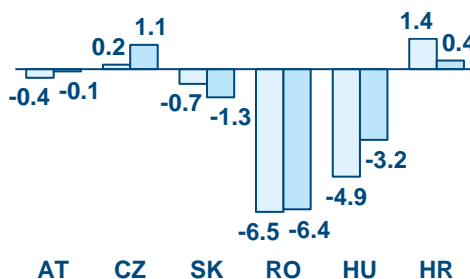


- **Economic slowdown expected in 2022** due to supply side disruptions, lower consumption & investments
- Household consumption and investment activity will be negatively impacted by high inflation
- **Inflation expected to average around 10% in CEE** driven by surging energy and food prices; expected to peak in Q2-Q3 2022

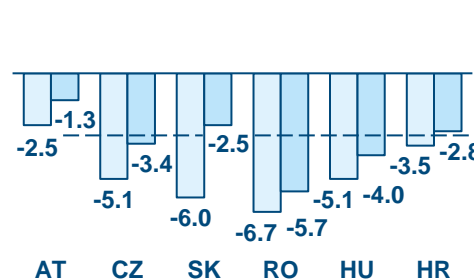
Unemployment rate (avg, in %)



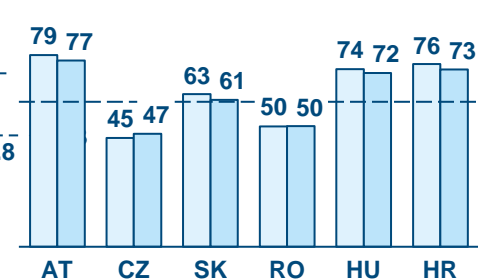
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)

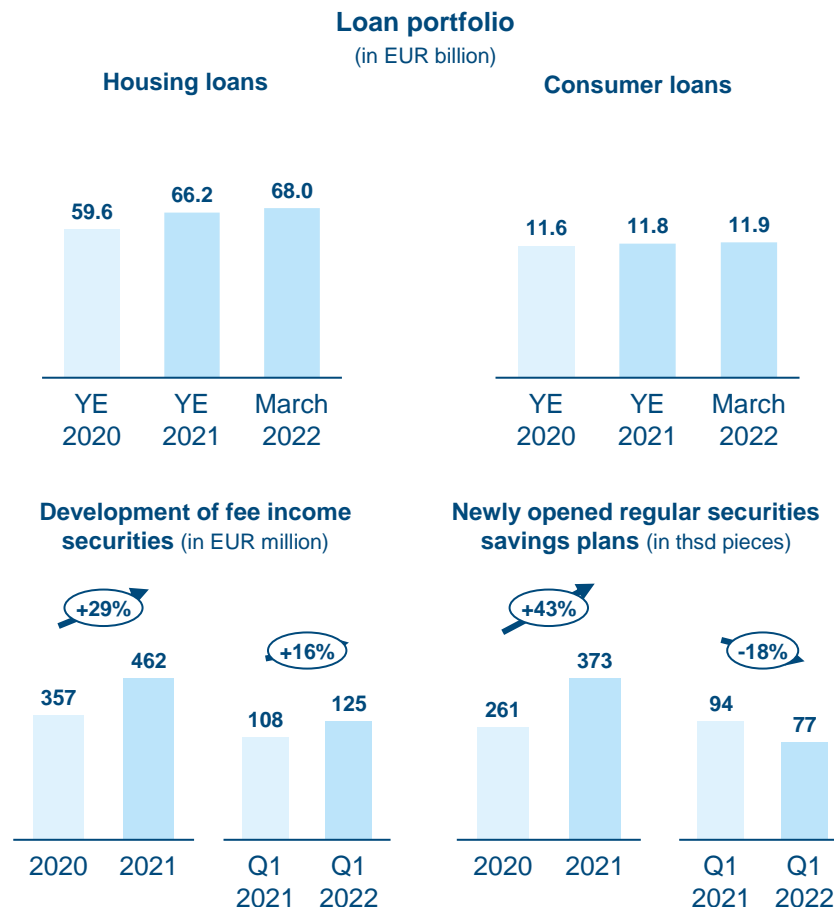


- **Unemployment rates** expected to slightly decline in CEE & AT in 2022
- **Higher fiscal spending** expected due to government measures addressing energy prices, investments into energy security & efficiency, partially financed from the Next Generation EU funds

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

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

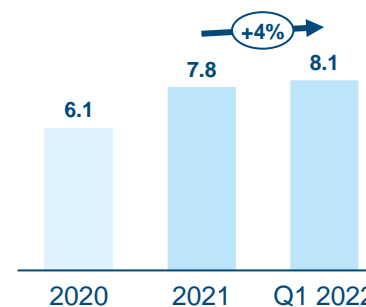
- **Demand for housing loans continued to be strong** across the region until February; first slowdown in countries with increasing interest rates (e.g. CZ)
- **Demand for consumer loans** influenced by uncertain macroeconomic environment, however **increasing again in some markets** (e.g. RO, SK)
- **Client deposits** continue to **increase significantly**, Erste Group perceived as a trusted partner for customers across all markets
- **Client demand for securities products remained high** in January and February, however market uncertainty started to influence client behaviour
 - Long-term securities savings plans in focus given volatile markets; annualised investment volume regular savings: > EUR 1 bn
 - Growing fee income driven by increase both in volumes and in number of clients holding securities products
- **Demand from customers for insurance solutions** (both life and non-life insurance) continues to **grow** given increased client awareness for financial protection



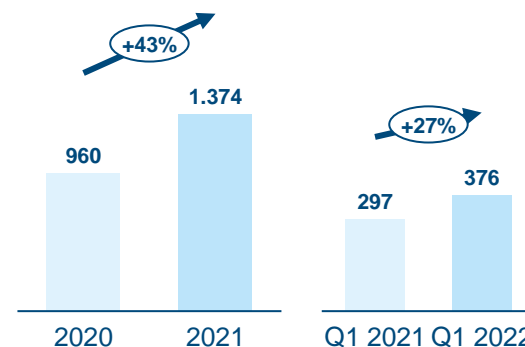
Business update – Retail – what’s happening on the ground? (2)

- “Omicron-wave” with no significant impact on **branch operations**, branch traffic only slightly below pre-crisis levels
- **Clients going digital:**
 - More than **8 million users onboarded to George** across 6 markets, vast majority of clients use the App-version
 - Clients clearly appreciate digital and remote offering – not only for servicing, but also for getting advice and access to financial products
 - “Most popular” digital products: current accounts, debit cards, consumer loans
- **Offering for investment and insurance products** further extended:
 - “**Gold savings plan**” launched in Austria
 - **Digital offering of non-life insurance** extended (e.g. for household and accident insurance)
 - Pilots for “**green mortgages**” showing good results; “green lending proposition” to be further strengthened
- **Ongoing focus on improving customer experience** results in increasing CXI (Customer experience indicator) values and supports the acquisition of new customers

Number of George users
(in million)



Development of digital sales
(2020 vs 2021, in thsd pieces)



Business update

Corporates & Markets – what's happening on the ground?

• Dynamic loan development

- Loan volume grew by almost EUR 7bn yoy; highest growth again in our major markets in Austria, Romania and the Czech Republic; increase in all segments (Large Corporates, SME, Commercial Real Estate and Public Sector)
- Operating result is driven by an increasing NII mainly due to the interest rate environment in Czech Republic and Hungary, additionally supported by loan volume growth

• Capital markets business outperforming

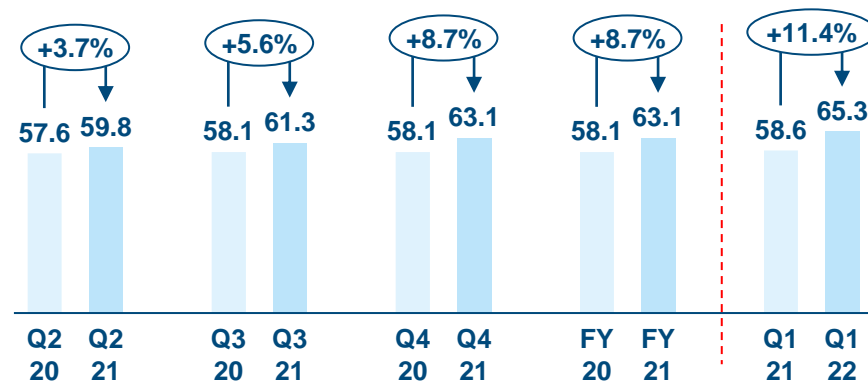
- After the exceptional performance in 2021, capital markets business is still outperforming and accomplished a very strong quarter with an operating income of more than EUR 211m (segment view)
- A total issuance volume of more than EUR 47bn (+30% yoy) was achieved through 67 mandated transactions (for all C&M segments)

• Flat volumes in asset management

- Assets under management stood at EUR 73.6bn at the end of the quarter (nearly +3% yoy)
- Despite the challenging market situation, ESG related AUM remained also flat yoy and stood EUR 14.5bn

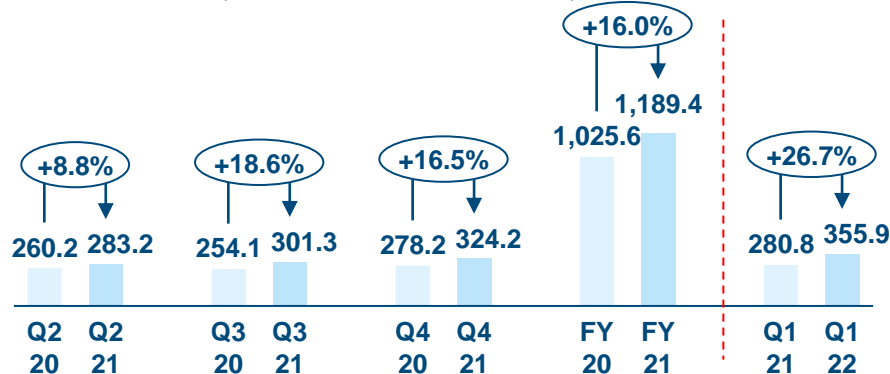
Corporate loan stock development

(gross, business line view, in EUR bn)



Corporate segment operating results development

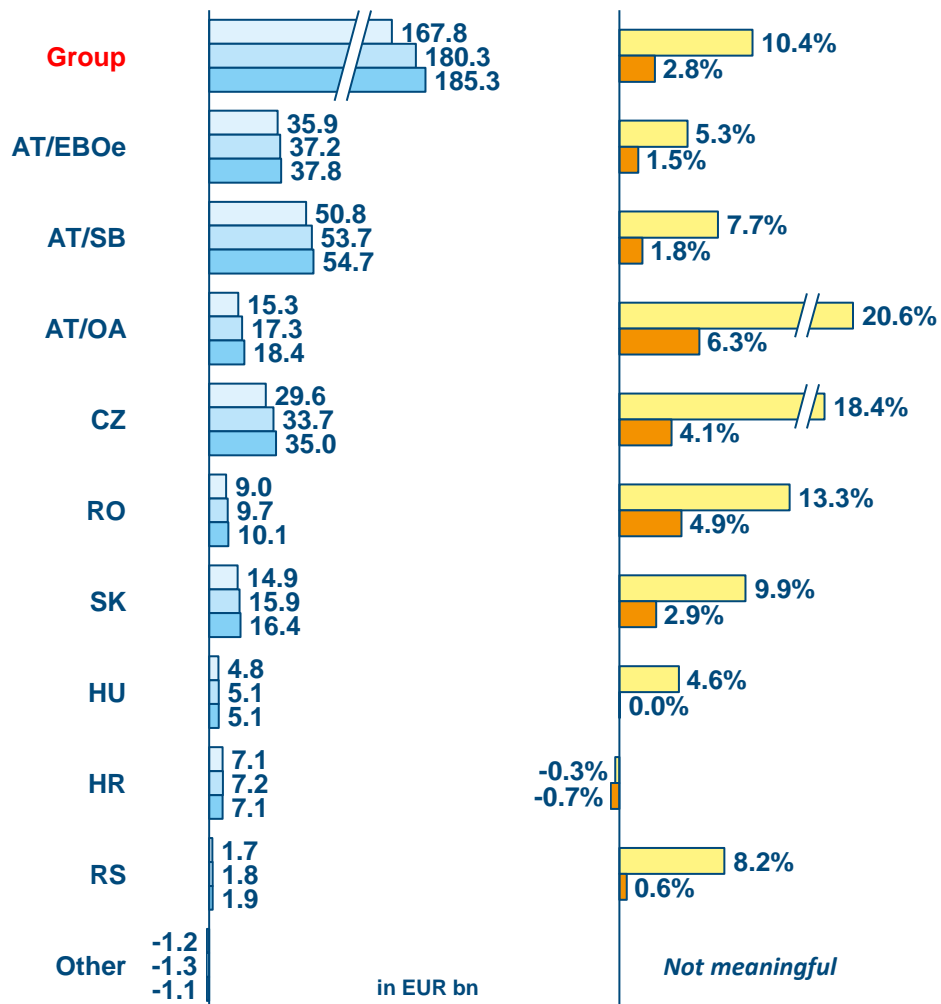
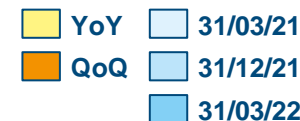
(business line view, in EUR m)



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Operating trends: net loan stock & growth – Strong net loan growth continues in Q1 22

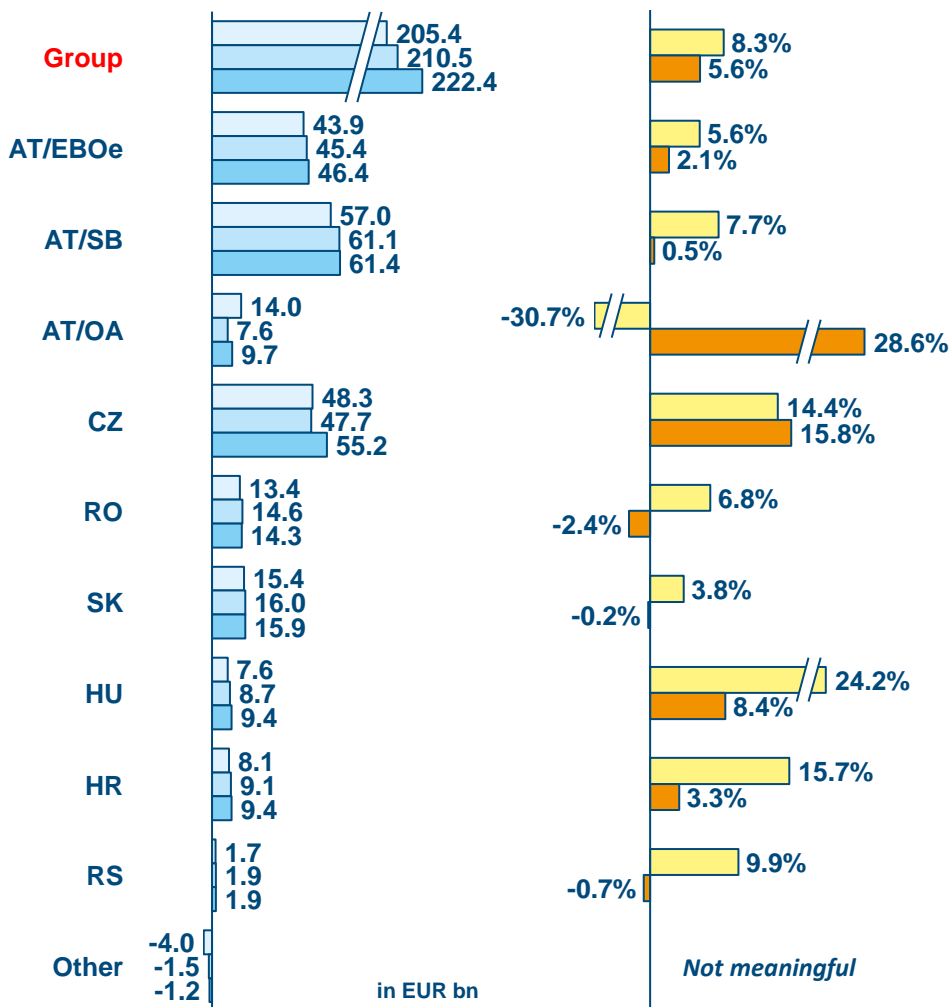


- Yoy growth strong and well balanced across all key business segments: Corporates (+11.7%), Retail (+11.3%); solid contribution by Savings Banks (+7.7%)
- Qoq growth dynamics more pronounced in Corporates (+3.5%) than in Retail (+2.5%); Savings Banks at +1.8%
- Year-on-year segment trends
 - AT/OA: strong loan demand from Large Corporates
 - CZ: exceptional loan growth in Retail (mainly housing loans) and Corporate business (balanced between SMEs and Large Corporate); FX effect EUR 2.1 bn
 - RO: solid increase in Corporate business (mostly Large Corporate) and in Retail
 - SK: growth in Retail more pronounced than in Corporate (thereof mainly attributable to Commercial Real Estate and SME)
- Quarter-on-quarter segment trends
 - AT/OA: continued growth momentum in Large Corporates business
 - CZ: loan growth mainly driven by Retail business
 - RO: Corporate loan growth more pronounced in Large Corporate than in SME business; strong contribution from Retail

Operating trends: customer deposit stock & growth –

Strong deposit growth, loan/deposit ratio at 83.3%

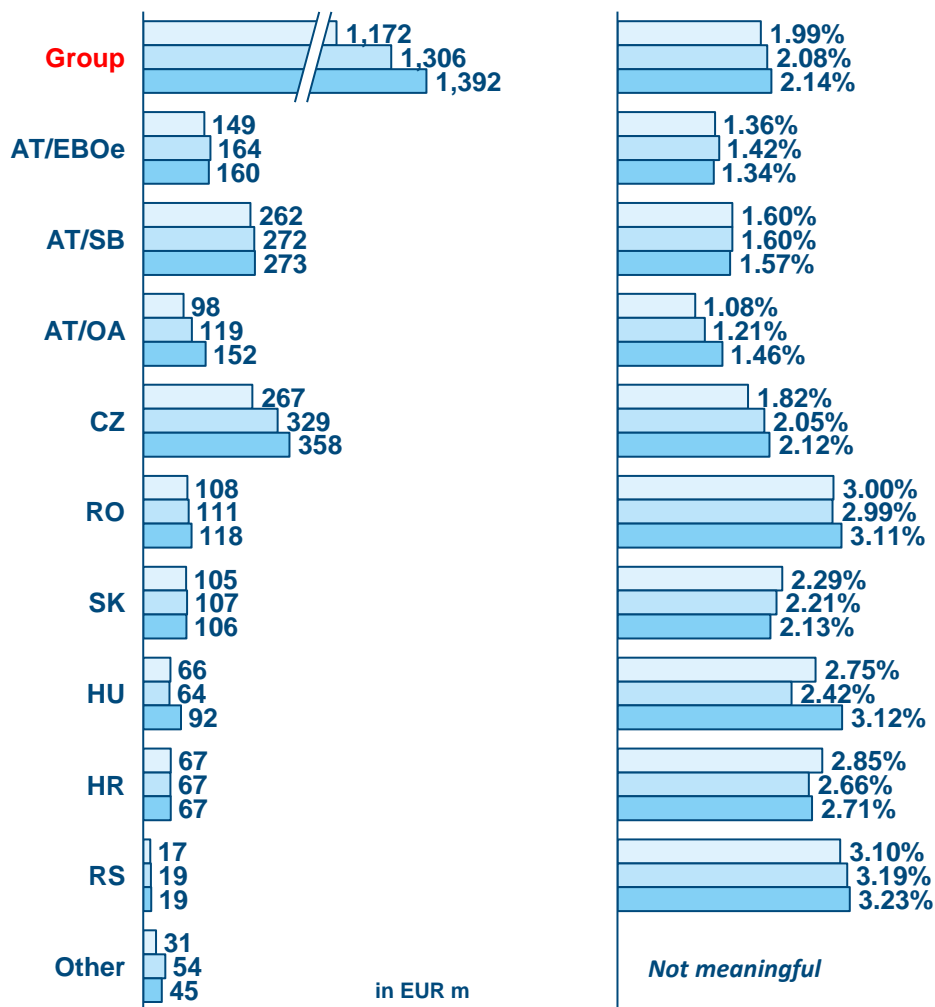
■ YoY ■ 31/03/21
■ QoQ ■ 31/12/21
■ 31/03/22



- YoY growth due to exceptional inflows of Retail (+9.7%) as well as Corporate deposits (+19.4%); Savings Banks also strong (+7.7%)
- QoQ development mainly driven by Corporates (+21.0%); Retail deposits inflow at 1.5%, Savings Banks at 0.5%
- Year-on-year segment trends:
 - CZ: exceptional deposits inflow in Corporates (+39.7%), most pronounced in Large Corporates and Public Sector; Retail deposits up by 16.1%; FX effect EUR 3.5bn
 - HU: increase mainly in Corporates (+41.7%), predominantly in SMEs, while Retail deposits grow by 19.0%
 - HR: Corporate deposits inflow (+19.3%) mainly attributable to inflows from Public Sector, while Retail deposits rise by 14.8%
- Quarter-on-quarter segment trends:
 - AT/OA: increase in customer deposits in Group Markets business segment and Large Corporates
 - CZ: development mainly driven by Corporates (+63.5%), predominantly in Public Sector and Large Corporate
 - HU: Corporate deposits grow by 13.7% (mainly SMEs), Retail deposits by 6.6%

Operating trends: NII and NIM – Rate hikes drive NII up

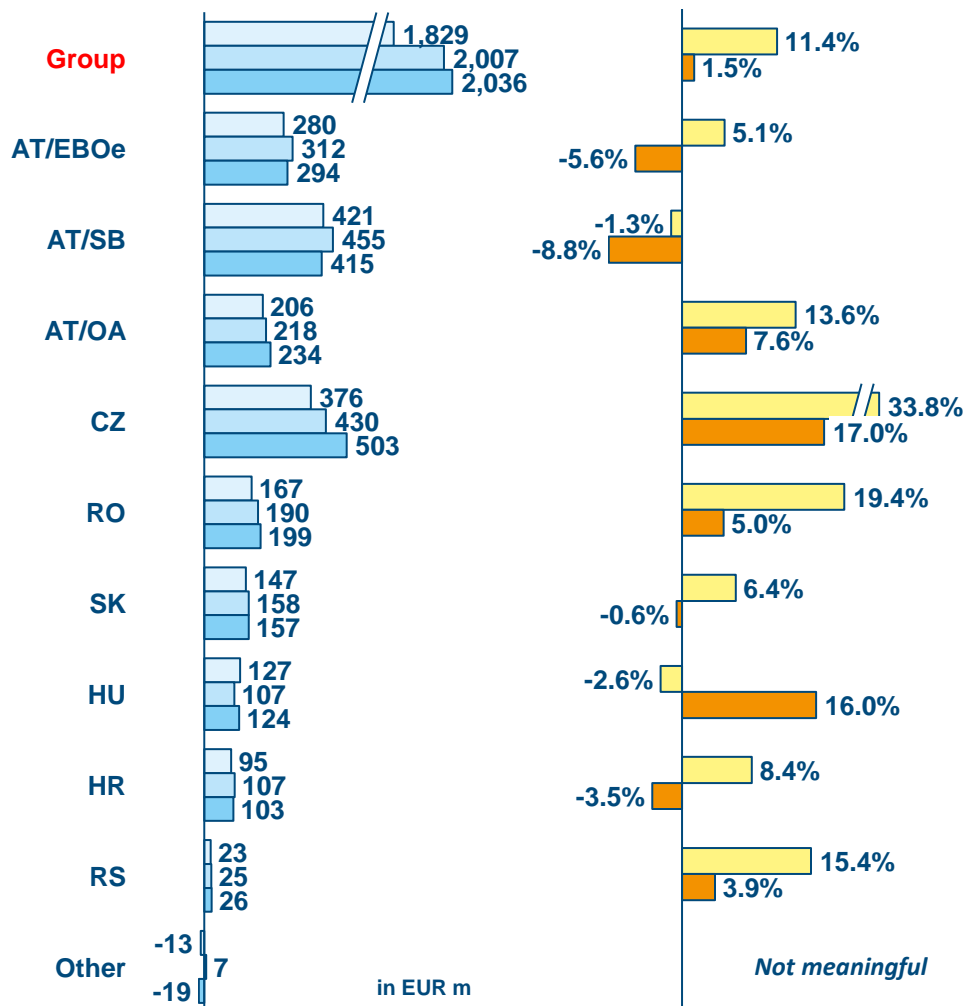
Q1 21
Q4 21
Q1 22



- NII up yoy and qoq on solid volume growth and improved rate environment, primarily in CZ
- Year-on-year segment trends:
 - CZ: rate hikes and volume growth push NII up; FX effect EUR 15.4m
 - AT/OA: Group Markets business in the Holding improves on money market and repo business benefitting from rate hikes in CZ and HU
 - HU: higher volumes and improved rate environment result in rising NII
- Quarter-on-quarter segment trends:
 - CZ: see yoy development; FX effect EUR 10m
 - HU: increase in yields and neg. one-off effects in Q4 21 (rate cap for moratoria-related credit card debt and overdrafts: EUR 9.8m, mortgage interest cap: EUR 3.0m)
 - AT/OA: Group markets business up on government bonds and interest rates derivatives, mainly in CZK portfolio

Operating trends: operating income – NII and fees drive revenue growth – trading & FV result weak

■ YoY ■ Q1 21
■ QoQ ■ Q4 21
■ Q1 22

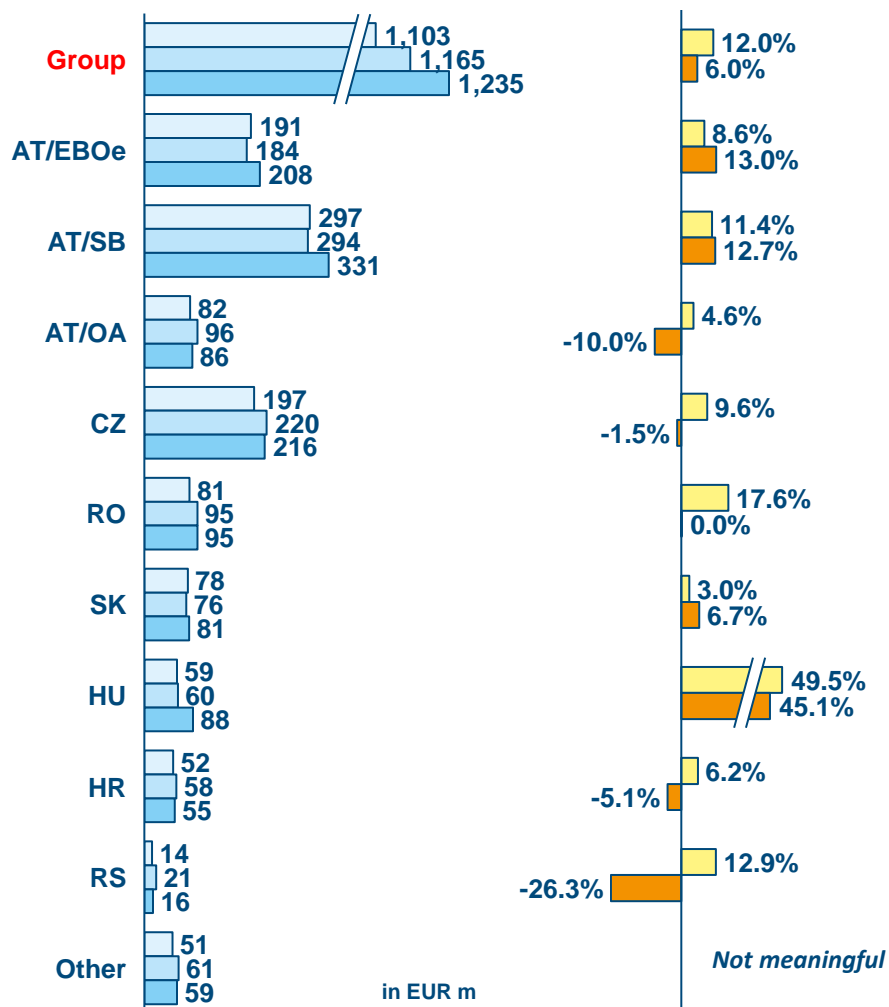


- Revenues up yoy, pushed by exceptional NII (+18.8%) and fee (+14.0%) performance, offsetting weak net trading & FV result
- Qoq increase attributable to solid NII (+6.6%)
- Year-on-year segment trends:
 - CZ: improvements across all major revenue lines, NII key revenue driver
 - RO, RS: improvements across all major revenue lines
- Quarter-on-quarter segment trends:
 - CZ: all major revenue lines improve, strong net trading performance
 - HU: operating income improves on strong NII
 - AT/EBOe, AT/SB: weaker net trading & FV result weigh on operating performance

Operating trends: operating expenses –

Costs driven up by higher deposit insurance contributions

■ YoY ■ Q1 21
■ QoQ ■ Q4 21
■ Q1 22

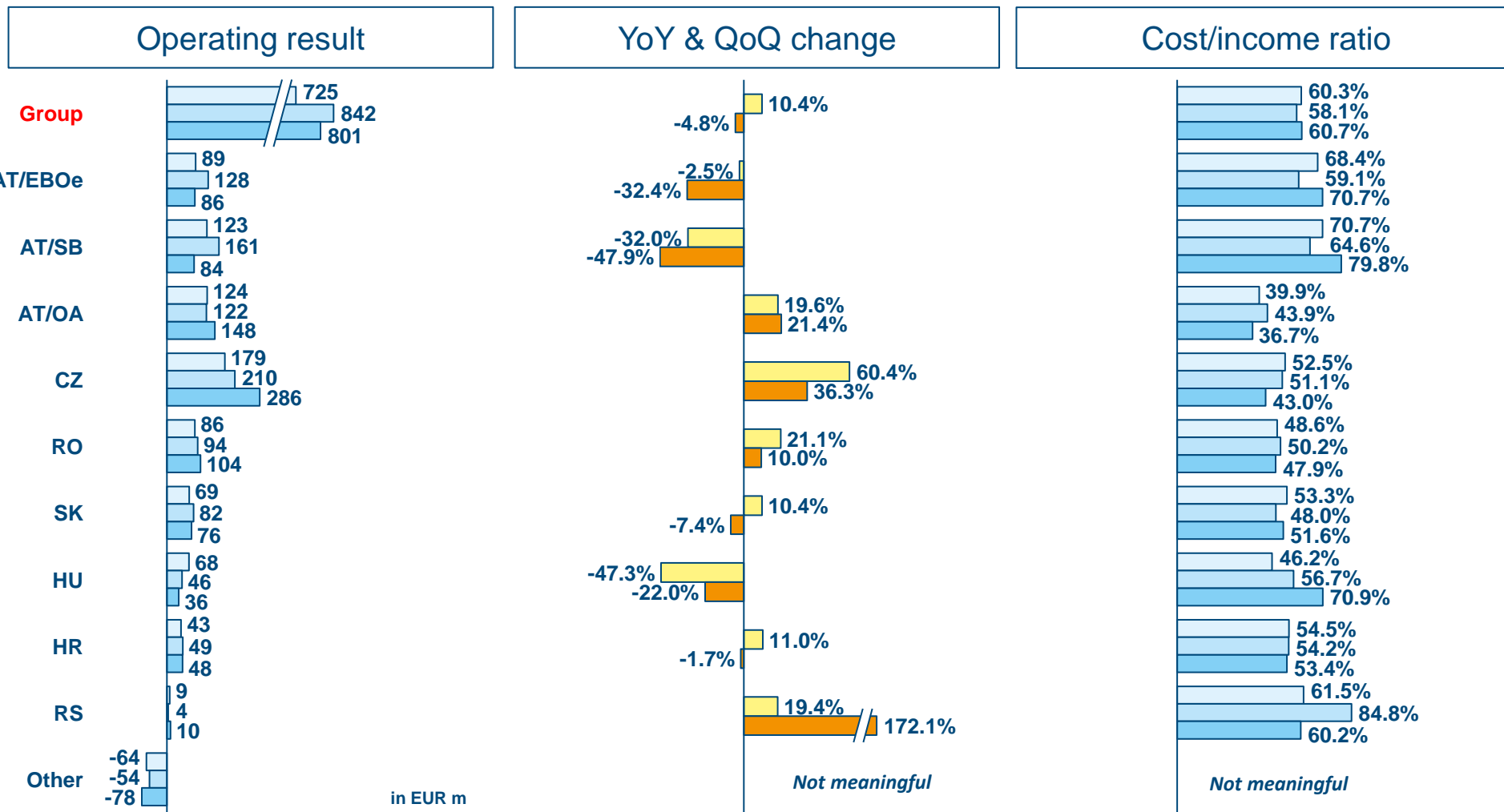


- YoY increase due to higher deposit insurance contributions; personnel expenses only moderately up (+1.3%)
- QoQ development attributable to booking of deposit insurance contributions, offsetting lower personnel expenses
- Year-on-year segment trends:
 - HU: increase in deposit insurance contributions (mainly related to deposits of Sberbank Europe)
 - RO: development driven by rising deposit insurance contributions and, to a lesser extent, IT and marketing costs
 - CZ: higher personnel expenses as key driver; FX effect EUR 11.4m
- Quarter-on-quarter segment trends:
 - AT/EBOe, AT/SB: seasonality of and increased contributions into deposit insurance funds as well as e.o. contributions related to deposits of Sberbank Europe
 - RS: operating expenses decline on lower personnel expenses and temporary increase in Q4 21 due to higher other administrative expenses (IT, legal and consultancy, marketing)
 - HU: see yoY development

Operating trends: operating result and CIR –

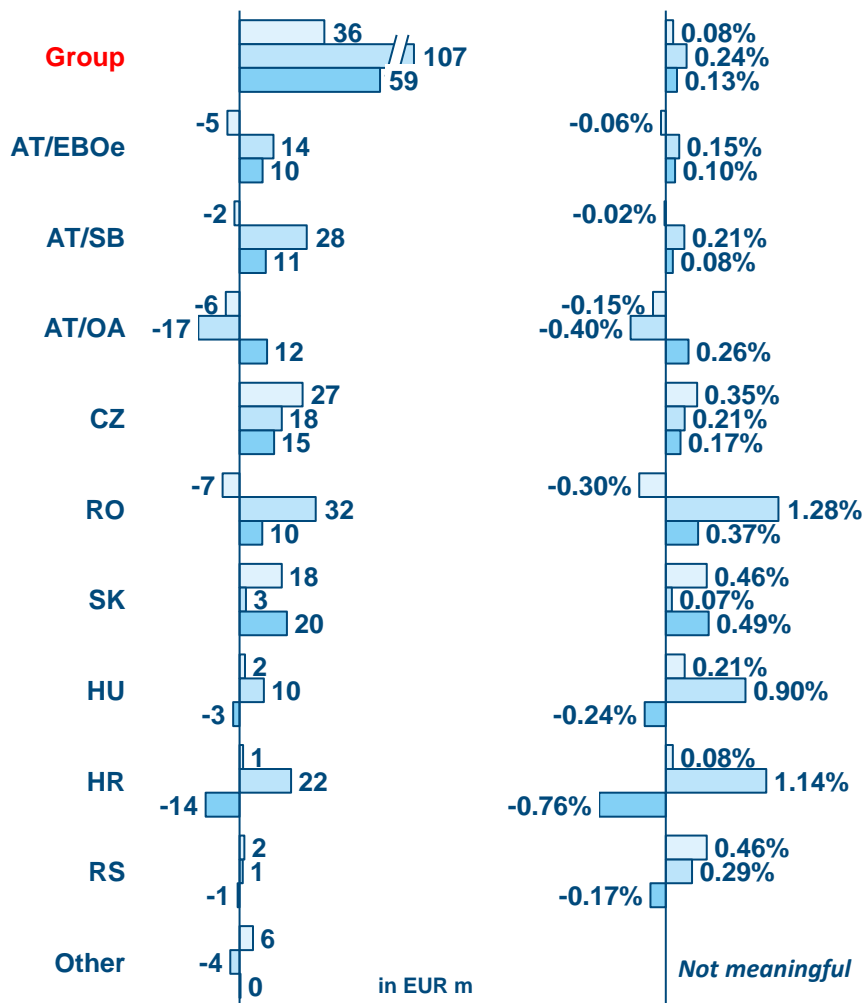
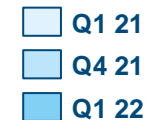
Operating result up 10.4% yoy, CIR at 60.7%

■ YoY ■ Q1 21
■ QoQ ■ Q4 21
■ Q1 22



Operating trends: risk costs (abs/rel*) –

Benign risk environment continues in Q1 22 – risk costs of 13 bps



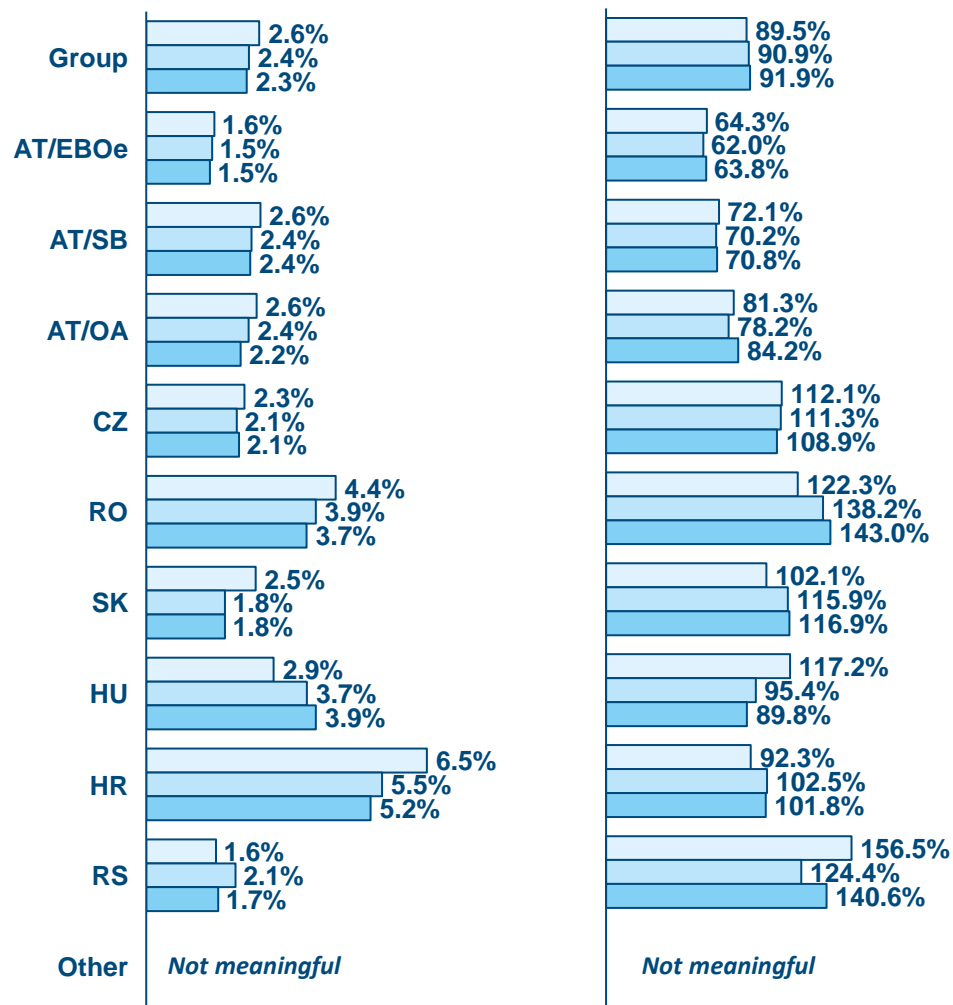
- No visible effects yet on risk costs from economic slowdown following the war in Ukraine
- Qoq development resulting mainly from new defaults and corporate downgrades, while full cushion of performing loan loss provisions of EUR 630m still available for reallocation/release due to macroeconomic uncertainties
- Quarter-on-quarter segment trends:
 - RO: Q4 21 was driven by parameter updates in retail and corporates
 - SK: allocations for new defaults and corporate rating downgrades
 - HR: net release in Q1 22 mainly as a result of rating upgrades and collections

*) 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.

Operating trends: asset quality – NPL ratio and coverage

NPL ratio at historic low, coverage ratio at comfortable level

31/03/21
31/12/21
31/03/22



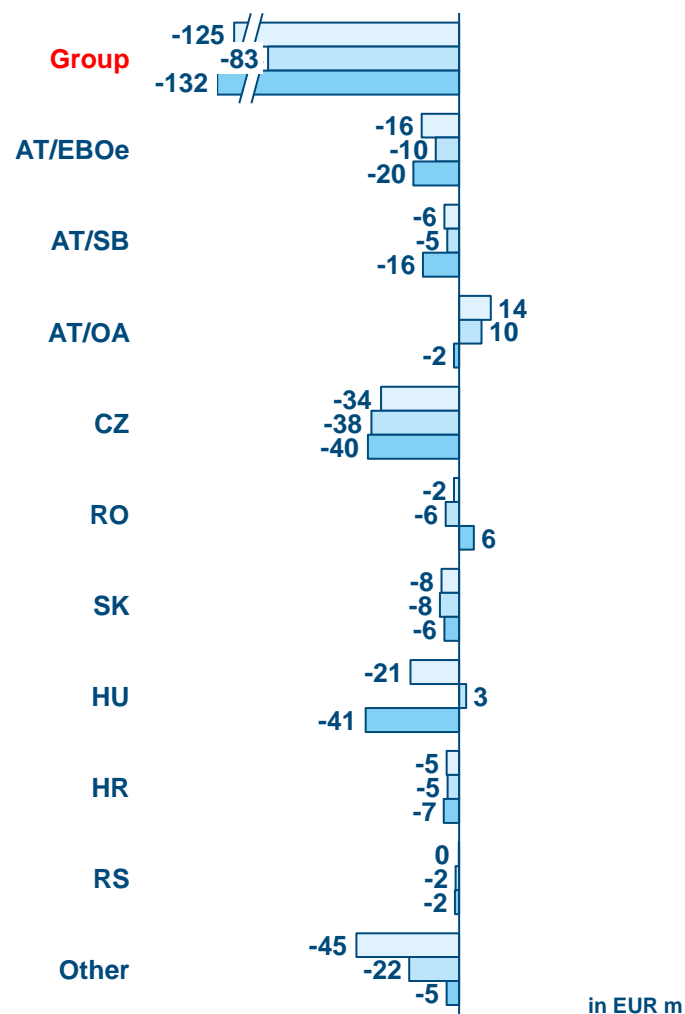
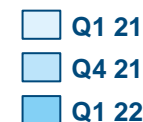
- **NPL ratio** improves to **2.3%** and **NPL coverage** increases to **91.9%** on accelerating loan growth
- **Stage 2 ratio** improved to 16.6%, with strong coverage of 4.1%
- No significant increase in hard defaults observed yet, neither from Covid-19 nor from the geopolitical situation

Risk provisions by IFRS9 stages

in EUR million						CLA	Coverage
	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Mar 22	Mar 22
Stage 1	78.2%	78.9%	79.2%	80.4%	80.6%	432	0.3%
Stage 2	18.7%	18.1%	17.9%	16.7%	16.6%	1,276	4.1%
Stage 3	2.5%	2.4%	2.3%	2.3%	2.2%	2,201	52.5%
POCI	0.2%	0.2%	0.2%	0.2%	0.2%	91	27.4%
Subject to IFRS9	99.6%	99.5%	99.5%	99.6%	99.6%	3,999	2.1%
Not subject to IFRS 9	0.4%	0.5%	0.5%	0.4%	0.4%	0	0.0%
Gross customer loans	171,811	176,094	179,848	184,177	189,292	3,999	2.1%

Operating trends: other result –

Other result characterised by resolution fund contributions

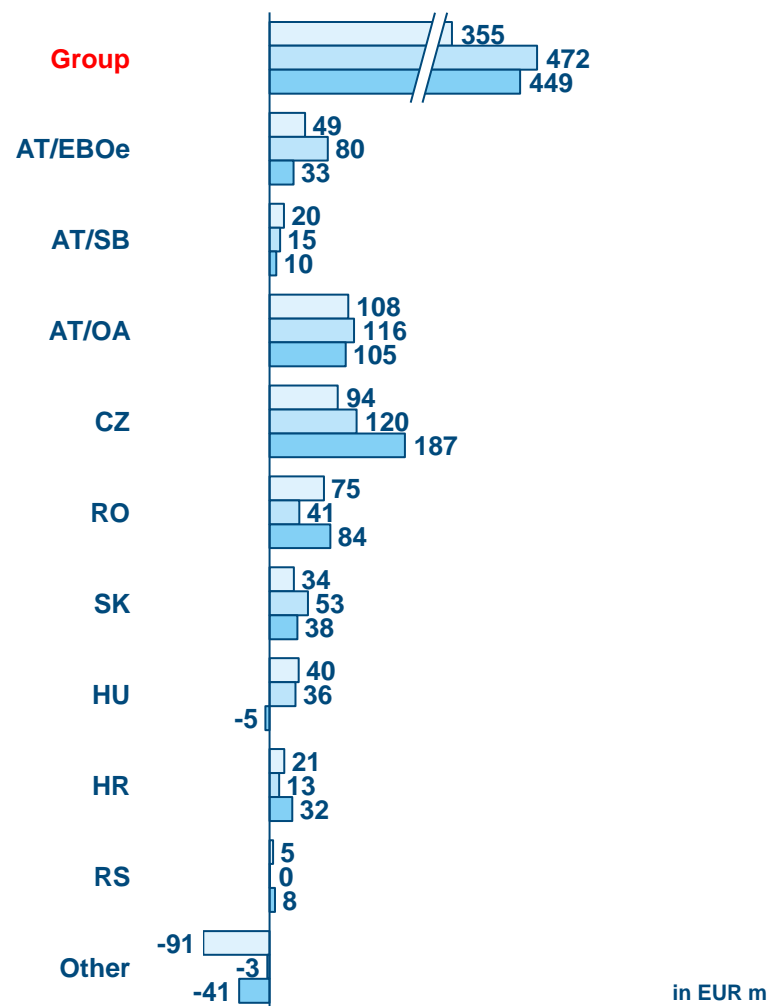


- Yoy development relatively stable as higher resolution fund contributions are offset by positive valuation effects
- Qoq deterioration attributable to booking of recovery and resolution fund contributions in Q1
- Year-on-year segment trends:
 - AT/SB: higher provisions and resolution fund contributions
 - AT/OA: lower real estate selling gains
 - HU: higher resolution fund contributions and higher banking levies
 - Other: valuation effects in the Holding
- Quarter-on-quarter segment trends:
 - RO: release of provisions
 - HU: resolution fund contributions as well as banking levy booked in Q1 as well as pos. effects booked in Q4 21 (reversal of temporary moratoria-related provisions and property-related selling gains)

Operating trends: net result –

Net profit increases by 26.4% yoy

Q1 21
Q4 21
Q1 22



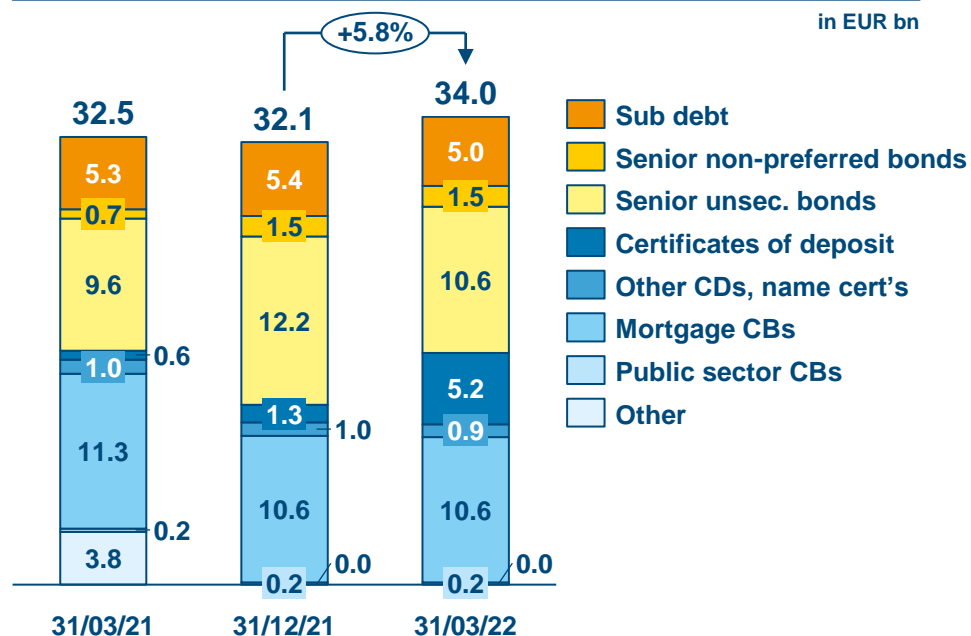
- Yoy profitability improves mainly on substantially higher operating income and, to a lesser extent, on lower minority charges
- Qoq development driven by seasonally higher operating expenses and deterioration of other result, while operating income increased on higher NII
- Year-on-year segment trends:
 - CZ: operating income, mainly NII, push net result
 - HU: higher operating expenses (deposit insurance) and other result (higher banking levies) weigh on profitability
 - Other: improvement mainly due to other result (valuation effects in the Holding)
- Quarter-on-quarter segment trends:
 - AT/EBOe: net result declines on booking of deposit insurance and resolution fund contributions
 - RO: profitability up on lower risk costs and improved other result
 - HU: see yoy development
 - Other: development mainly attributable to deterioration of net trading & FV result of the Holding
- Return on equity at 11.2%, following 10.1% in Q4 21, and 9.6% in Q1 21
- Return on tangible equity at 12.2%, following 11.0% in Q4 21, and 10.6% in Q1 21

Presentation topics

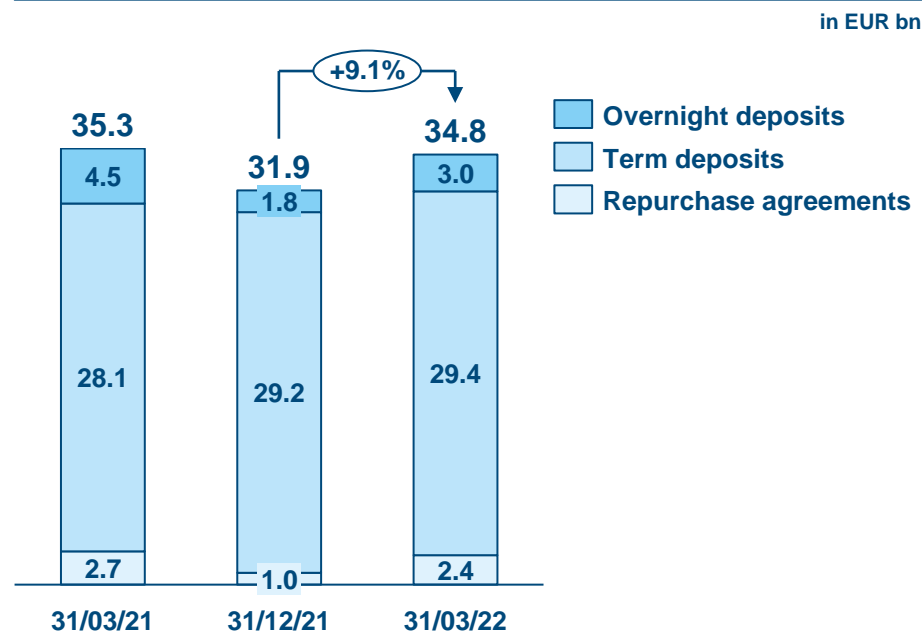
- Key developments and executive summary
- Macroeconomic and business update
- Operating trends
 - Volumes
 - Revenues and costs
 - Impairments and asset quality
- **Wholesale funding and capital**
- Key takeaways and outlook
- Additional information

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

Debt securities issued



Interbank deposits

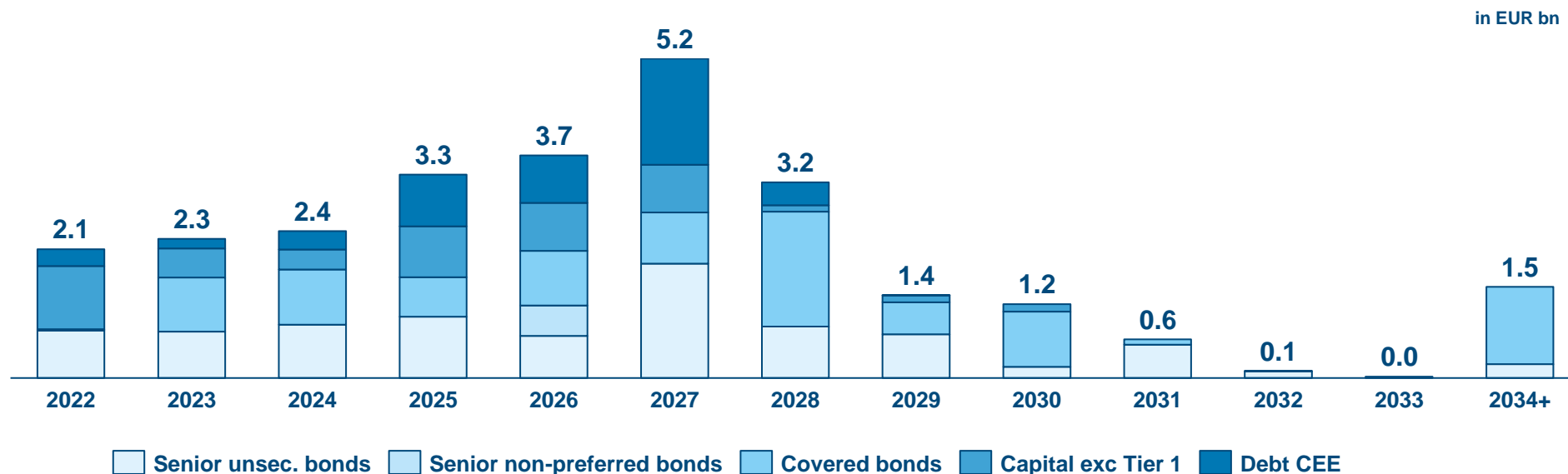


- MREL-related issuance leads yoy to rise in stock of senior unsecured bonds
- Increase in CDs attributable to increased business activity in Group Markets business

- Temporary decline at YE in interbank deposits predominantly driven by balance sheet management

Wholesale funding and capital: LT funding – Stable LT funding needs in 2022 with recurrence of covered bond funding

Maturity profile of debt

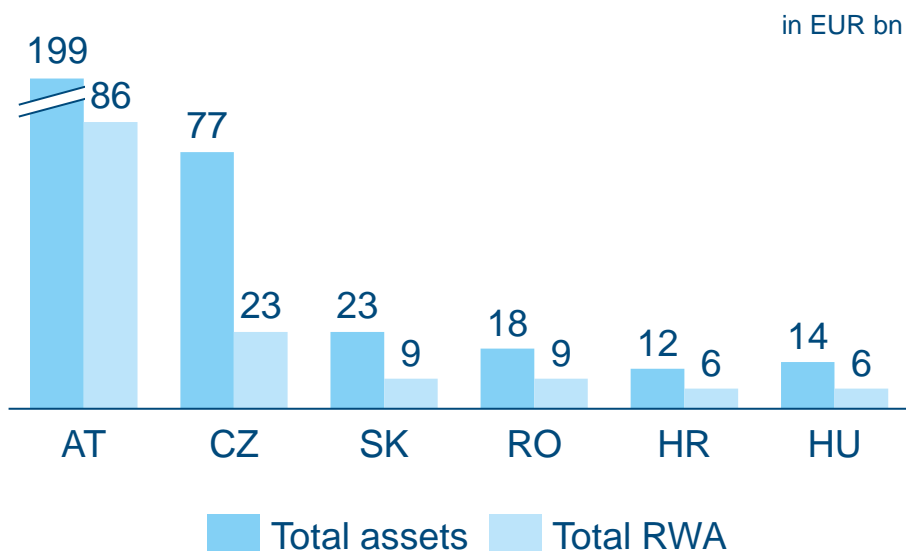


- After a two year absence from the syndicated covered bond market Erste Group successfully returned with a 6.5 and 15 year dual tranche, EUR 750m each, opening the market for European FIG issuers in January 2022.
- In March, Erste Group concluded the first quarter by pre-emptively issuing a EUR 500m 4y senior preferred bond at MS+55bps during a very supportive market backdrop amidst the Ukraine war.
- 2022 funding volume of Erste Group Bank AG comparable to 2021 levels
- 2027 maturity peak attributable to MREL issuances
- TLTRO III outstanding as of 31 Mar 2022: EUR 21.2bn

Wholesale funding and capital: MREL update –

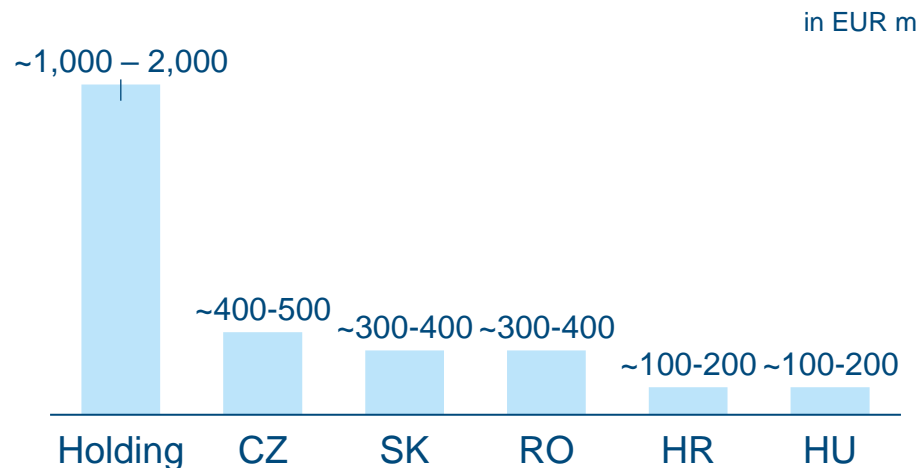
All resolution groups successfully completed their inaugural MREL issuances

MREL resolution groups (March 2022)



- Under MREL there are 6 MPE resolution groups: 3 (AT, SK, HR) covered by the Single Resolution Board and 3 (CZ, RO, HU) covered by the respective National Resolution Authority
- 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

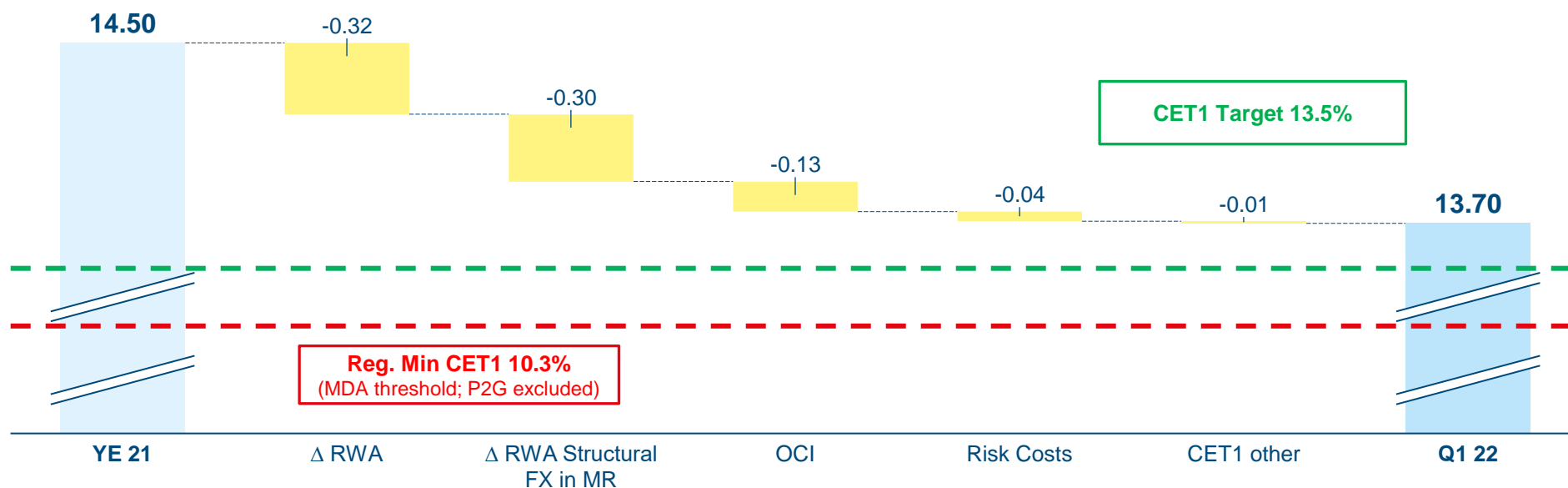
Preliminary 3year MREL issuance plan (avg. p.a.)



- CEE issuances will mainly be placed in domestic market and Euro markets
- MREL-related issuances in 2021:
 - Holding: ~EUR 2bn PS bonds (3 benchmarks)
 - CZ: EUR 500m NPS bond (1 inaugural benchmark)
 - SK: EUR 230m PS bonds (in 2 tranches)
 - RO: RON 1.6bn NPS and RON 500m PS bonds
 - HR: EUR 445m PS (international EUR 400m and domestic EUR 45m bonds)
- MREL-related issuances in 2022 (ytd):
 - HU: EUR 350m PS (international)
 - RO: RON 315.5m NPS (domestic)
 - Holding ~EUR 600m PS (thereof one EUR 500m PS benchmark)

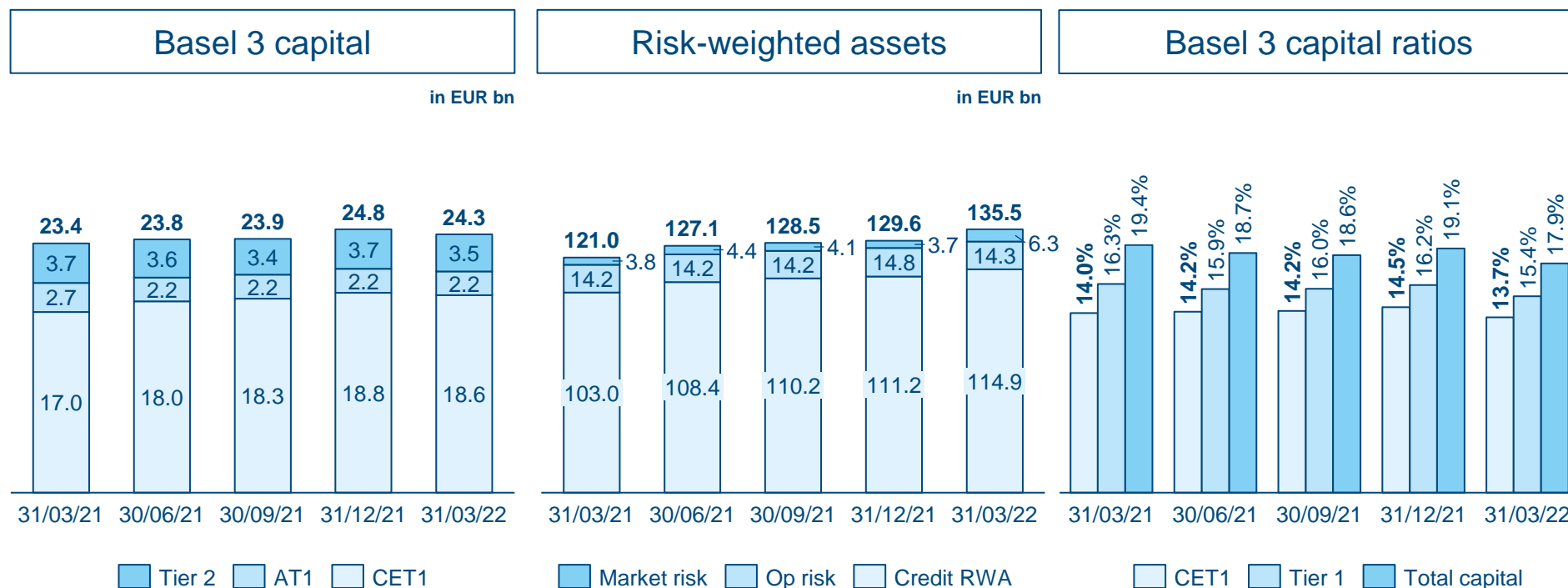
Wholesale funding and capital: CET1 ratio waterfall – Fully loaded CET1 at 13.7%

in %



- Reported fully loaded CET1 ratio at 13.7%
 - No consideration of Q1 22 profit
 - Increase in RWAs from EUR 129.6bn to EUR 135.5bn driven by business growth in credit risk and (one-off) consideration of structural FX in market risk (EUR 2.9bn)
 - OCI development driven by negative impact from FV changes of debt instruments (EUR -165m) given rising interest rates; no consideration of positive FX translation effect within OCI
 - Higher deduction for risk provisions (EUR -55m)

Wholesale funding and capital: capital & RWA – Risk-weighted assets increase on business effects and market risk



- **CET1 capital declines by 1.3% ytd**
 - Non-inclusion of Q1 22 interim profit
 - OCI impact and prudential filters: - EUR 190m

- **RWAs up by 4.5% in Q1 22**
 - Credit RWA up mainly on business growth (+ EUR 4.0bn) and FX effect (+ EUR 0.3bn), partially offset by portfolio effects (- EUR 0.8bn)
 - Market risk increases on structural FX effect (+ EUR 2.9bn)

- At 13.7%, CET1 ratio (final) above management target of 13.5%
- Management to propose **EUR 1.6 dividend per share** for FY2021 to 2022 AGM (FY2020: EUR 1.5 per share)

Presentation topics

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- Capital and wholesale funding
- **Key takeaways and outlook**
- Additional information

Conclusion –

Key takeaways and outlook for 2022

Q1 22 key takeaways

2022 outlook

Operating environment

- **Strong start to 2022 despite many challenges**
- Loan growth at +2.8% ytd
- Deposit growth came in at +5.6% ytd

- Real GDP to rise ~1-5% in 2022, inflation between ~5-12% in Erste Group's core CEE markets and Austria
- **Mid-single digit loan growth** expected

Business performance

- Operating income grew by 11.4% on the back of strong **NII (+18.8%) and fee (+14.0%) growth**
- Operating costs up by 12.0% (deposit insurance)
- Operating result: +10.4%, CIR at 60.7%

- At least high single digit NII growth expected
- Mid-single digit fee growth
- **Positive jaws**, as operating income expected to grow faster than costs; <55% CIR likely already in 2022

Credit risk

- Continued favourable risk environment resulted in low risk costs (13 bps of average gross customer loans)
- Strong asset quality indicators: NPL ratio at 2.3%, NPL coverage at 91.9%

- **2022e risk charge expected to be <20 bps of gross customer loans**
- YE22e NPL ratio expected below 3.0%

Capital position & capital return

- Fully loaded CET 1 ratio at 13.7% (excluding interim profit for Q1 22)

- **2022 dividend per share > 2021 DPS**
- Excess capital buffer earmarked for bolt-on M&A and potential share buybacks

Profitability

- ROTE at 12.2% despite booking of expected FY deposit insurance and resolution fund contributions
- Improved operating performance and low risk costs were key net profit drivers

- **Double-digit ROTE expected for 2022**

Risk factors to guidance

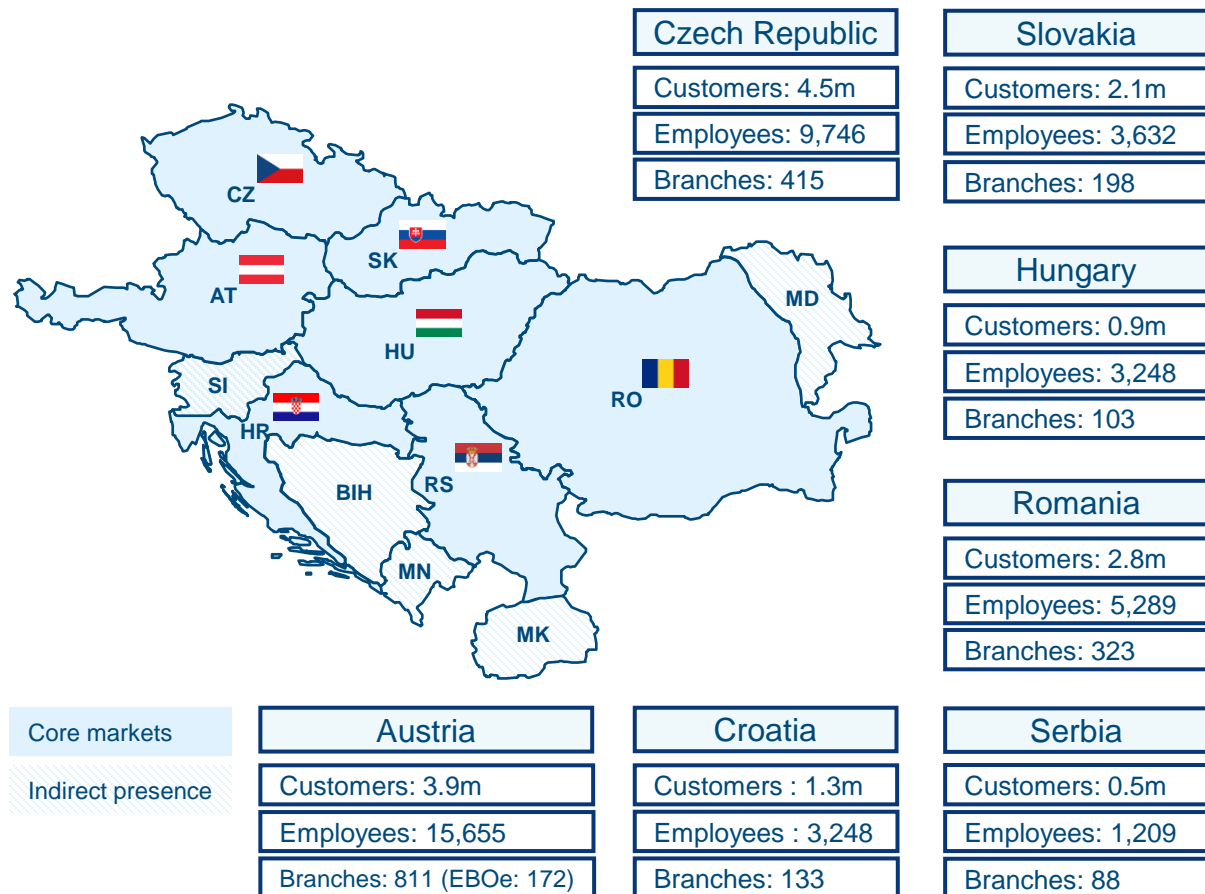
- Political, regulatory, geopolitical, economic, health and competition risks, also non-financial and legal risks
- Indirect effects from evolving Russia-Ukraine conflict and/or Covid-19 pandemic, such as prolonged supply chain disruptions, additional shock on energy prices and/or supply, deterioration of investment and consumption appetite
- Economic downturn may put goodwill at risk

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

Erste Group footprint



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: 16.0 million
- Number of employees: 44,692
- Number of branches: 2,071

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

Retail banking

Acting as Prosperity Advisor for the people in our region; the result of our advice is the financial health of our customers

Support customers to build up and secure wealth

Democratising advice via George

Active management of customer journeys to increase profitability and customer satisfaction

Corporate banking

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

Focus on customer business, incl. customer-based trading activities

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

Building debt and equity capital markets in CEE

Public sector

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

Any sovereign holdings are held for market-making, liquidity or balance sheet management reasons

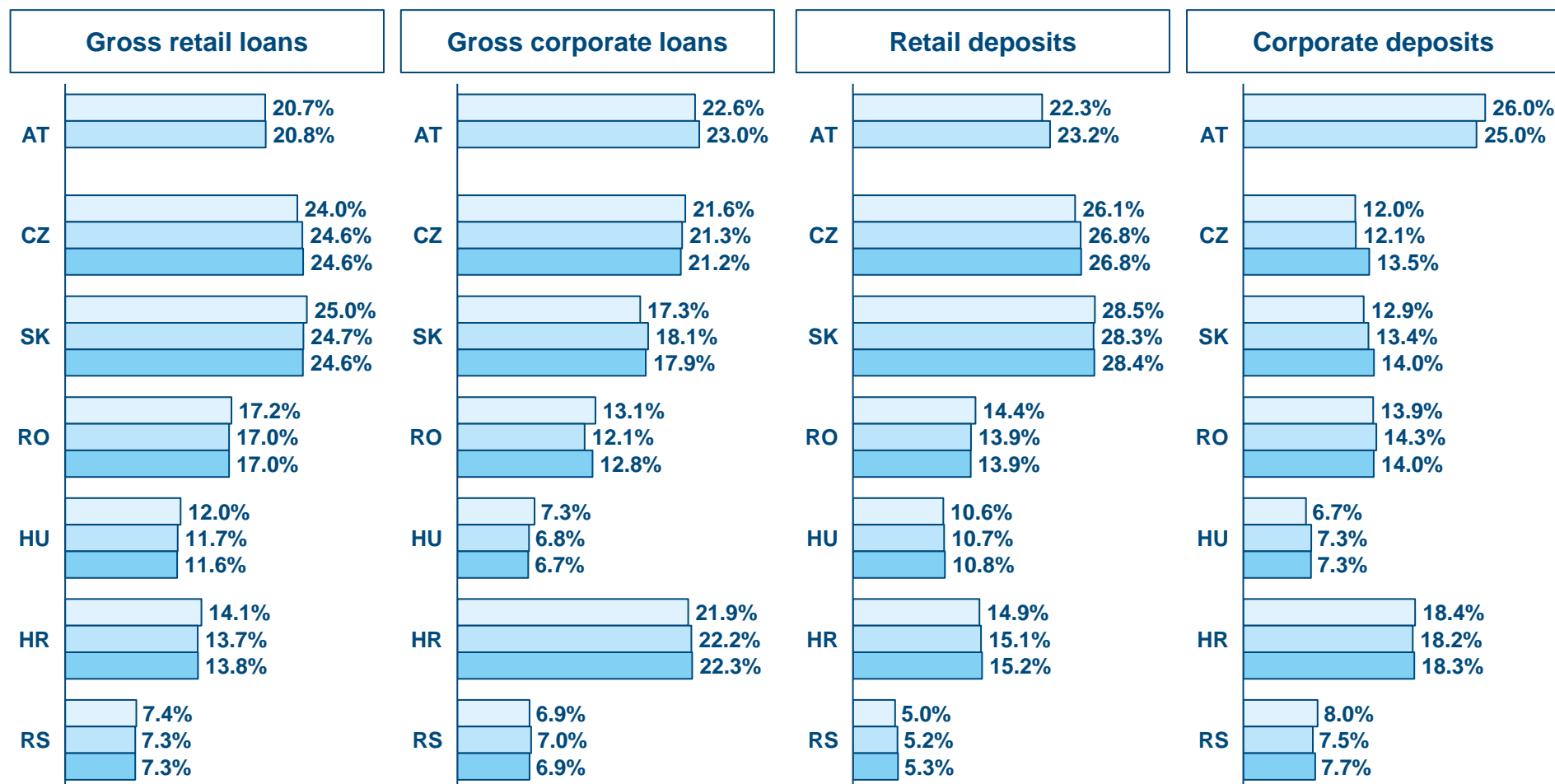
Interbank business

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: market shares – Commanding market shares across the CEE region

31/03/21
31/12/21
31/03/22



Market shares for Austria are not yet available as of 31/03/2022

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

in EUR million	Year-to-date view			Quarterly view				
	I-3 21	I-3 22	YOY-Δ	Q1 21	Q4 21	Q1 22	YOY-Δ	QOQ-Δ
Net interest income	1,172.1	1,392.1	18.8%	1,172.1	1,306.2	1,392.1	18.8%	6.6%
Interest income	1,208.0	1,623.2	34.4%	1,208.0	1,400.0	1,623.2	34.4%	15.9%
Other similar income	339.0	460.9	35.9%	339.0	362.6	460.9	35.9%	27.1%
Interest expenses	-104.4	-240.2	>100.0%	-104.4	-146.3	-240.2	>100.0%	64.1%
Other similar expenses	-270.6	-451.9	67.0%	-270.6	-310.1	-451.9	67.0%	45.7%
Net fee and commission income	540.0	615.3	14.0%	540.0	613.3	615.3	14.0%	0.3%
Fee and commission income	638.2	724.0	13.4%	638.2	728.8	724.0	13.4%	-0.7%
Fee and commission expenses	-98.2	-108.6	10.6%	-98.2	-115.6	-108.6	10.6%	-6.0%
Dividend income	4.8	2.4	-49.6%	4.8	5.0	2.4	-49.6%	-51.4%
Net trading result	9.5	-256.6	n/a	9.5	-8.8	-256.6	n/a	>100.0%
Gains/losses from financial instruments measured at fair value through profit or loss	56.9	239.7	>100.0%	56.9	39.7	239.7	>100.0%	>100.0%
Net result from equity method investments	1.5	3.0	>100.0%	1.5	5.4	3.0	>100.0%	-44.6%
Rental income from investment properties & other operating leases	43.7	40.2	-8.0%	43.7	46.2	40.2	-8.0%	-12.9%
Personnel expenses	-622.4	-630.7	1.3%	-622.4	-696.8	-630.7	1.3%	-9.5%
Other administrative expenses	-345.8	-468.1	35.3%	-345.8	-333.8	-468.1	35.3%	40.2%
Depreciation and amortisation	-135.1	-136.4	1.0%	-135.1	-134.9	-136.4	1.0%	1.1%
Gains/losses from derecognition of financial assets measured at amortised cost	2.5	-0.9	n/a	2.5	-9.5	-0.9	n/a	-90.2%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-0.3	1.9	n/a	-0.3	-6.4	1.9	n/a	n/a
Impairment result from financial instruments	-35.7	-59.1	65.7%	-35.7	-107.2	-59.1	65.7%	-44.8%
Other operating result	-126.7	-132.7	4.7%	-126.7	-67.2	-132.7	4.7%	97.5%
Levies on banking activities	-33.2	-40.2	21.0%	-33.2	-1.9	-40.2	21.0%	>100.0%
Pre-tax result from continuing operations	565.1	610.1	8.0%	565.1	651.2	610.1	8.0%	-6.3%
Taxes on income	-124.3	-115.6	-7.0%	-124.3	-91.6	-115.6	-7.0%	26.1%
Net result for the period	440.8	494.5	12.2%	440.8	559.6	494.5	12.2%	-11.6%
Net result attributable to non-controlling interests	85.7	45.7	-46.7%	85.7	87.6	45.7	-46.7%	-47.9%
Net result attributable to owners of the parent	355.1	448.8	26.4%	355.1	472.0	448.8	26.4%	-4.9%
Operating income	1,828.6	2,036.2	11.4%	1,828.6	2,007.0	2,036.2	11.4%	1.5%
Operating expenses	-1,103.3	-1,235.2	12.0%	-1,103.3	-1,165.5	-1,235.2	12.0%	6.0%
Operating result	725.3	801.0	10.4%	725.3	841.5	801.0	10.4%	-4.8%

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	53,954	48,421	47,125	45,495	46,225	-14.3%	1.6%	1.6%
Financial assets held for trading	6,464	6,088	6,244	6,473	6,823	5.6%	5.4%	5.4%
Derivatives	2,551	2,146	2,269	2,263	2,172	-14.9%	-4.0%	-4.0%
Other financial assets held for trading	3,912	3,942	3,975	4,210	4,651	18.9%	10.5%	10.5%
Non-trading financial assets at fair value through profit and loss	3,096	3,154	3,105	3,124	3,079	-0.5%	-1.5%	-1.5%
Equity instruments	325	309	316	332	359	10.5%	8.2%	8.2%
Debt securities	2,036	1,999	1,953	1,975	1,910	-6.2%	-3.3%	-3.3%
Loans and advances to banks	0	19	21	10	0	n/a	-100.0%	-100.0%
Loans and advances to customers	735	827	815	808	809	10.1%	0.2%	0.2%
Financial assets at fair value through other comprehensive income	8,547	9,181	9,074	8,881	9,226	7.9%	3.9%	3.9%
Equity instruments	127	109	114	132	127	-0.4%	-4.4%	-4.4%
Debt securities	8,420	9,072	8,960	8,749	9,100	8.1%	4.0%	4.0%
Financial assets at amortised cost	219,901	223,072	230,488	229,641	246,276	12.0%	7.2%	7.2%
Debt securities	31,009	33,272	33,651	35,551	37,506	21.0%	5.5%	5.5%
Loans and advances to banks	27,477	24,522	27,728	20,991	30,825	12.2%	46.8%	46.8%
Loans and advances to customers	161,414	165,279	169,109	173,099	177,945	10.2%	2.8%	2.8%
Finance lease receivables	4,094	4,167	4,208	4,209	4,196	2.5%	-0.3%	-0.3%
Hedge accounting derivatives	149	131	94	79	62	-58.7%	-21.5%	-21.5%
Fair value changes of hedged items in portfolio hedge of interest rate risk	1	0	-2	-4	-15	n/a	>100.0%	>100.0%
Property and equipment	2,526	2,545	2,539	2,645	2,549	0.9%	-3.6%	-3.6%
Investment properties	1,312	1,370	1,367	1,344	1,341	2.3%	-0.2%	-0.2%
Intangible assets	1,332	1,342	1,326	1,362	1,337	0.3%	-1.9%	-1.9%
Investments in associates and joint ventures	192	195	196	211	215	12.3%	2.2%	2.2%
Current tax assets	183	171	147	135	133	-27.6%	-1.8%	-1.8%
Deferred tax assets	446	427	439	562	573	28.5%	2.0%	2.0%
Assets held for sale	165	141	129	73	65	-60.4%	-10.4%	-10.4%
Trade and other receivables	1,596	1,841	1,797	2,152	2,342	46.8%	8.8%	8.8%
Other assets	1,010	1,188	962	1,045	1,183	17.1%	13.2%	13.2%
Total assets	304,969	303,435	309,240	307,428	325,610	6.8%	5.9%	5.9%

Additional information: group balance sheet – Liabilities and equity

in EUR million	Quarterly data					Change		
	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities held for trading	2,192	2,412	2,193	2,474	2,917	33.1%	17.9%	17.9%
Derivatives	1,631	1,392	1,364	1,624	1,988	21.9%	22.5%	22.5%
Other financial liabilities held for trading	561	1,021	829	850	928	65.4%	9.2%	9.2%
Financial liabilities at fair value through profit or loss	11,383	10,448	10,281	10,464	10,153	-10.8%	-3.0%	-3.0%
Deposits from customers	230	136	130	495	940	>100.0%	89.9%	89.9%
Debt securities issued	10,982	10,136	9,971	9,778	9,013	-17.9%	-7.8%	-7.8%
Other financial liabilities	172	176	180	191	201	16.7%	5.3%	5.3%
Financial liabilities at amortised cost	262,669	261,691	267,069	265,415	282,065	7.4%	6.3%	6.3%
Deposits from banks	35,288	34,643	35,387	31,886	34,781	-1.4%	9.1%	9.1%
Deposits from customers	205,144	206,120	207,376	210,029	221,443	7.9%	5.4%	5.4%
Debt securities issued	21,535	20,107	23,534	22,352	24,971	16.0%	11.7%	11.7%
Other financial liabilities	702	820	772	1,149	870	23.9%	-24.3%	-24.3%
Lease liabilities	557	594	582	588	606	8.8%	3.1%	3.1%
Hedge accounting derivatives	191	170	230	309	319	67.0%	3.2%	3.2%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	-100.0%	0.0%	0.0%
Provisions	2,196	2,055	2,053	1,986	2,087	-5.0%	5.1%	5.1%
Current tax liabilities	68	65	87	144	153	>100.0%	6.6%	6.6%
Deferred tax liabilities	25	28	26	19	29	15.5%	55.7%	55.7%
Liabilities associated with assets held for sale	1	1	1	0	0	-100.0%	n/a	n/a
Other liabilities	2,914	2,602	2,765	2,516	3,213	10.3%	27.7%	27.7%
Total equity	22,771	23,371	23,954	23,513	24,068	5.7%	2.4%	2.4%
Equity attributable to non-controlling interests	5,163	5,282	5,453	5,516	5,546	7.4%	0.5%	0.5%
Additional equity instruments	2,733	2,733	2,732	2,236	2,236	-18.2%	0.0%	0.0%
Equity attributable to owners of the parent	14,876	15,355	15,769	15,761	16,286	9.5%	3.3%	3.3%
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	12,538	13,018	13,432	13,424	13,948	11.2%	3.9%	3.9%
Total liabilities and equity	304,969	303,435	309,240	307,428	325,610	6.8%	5.9%	5.9%

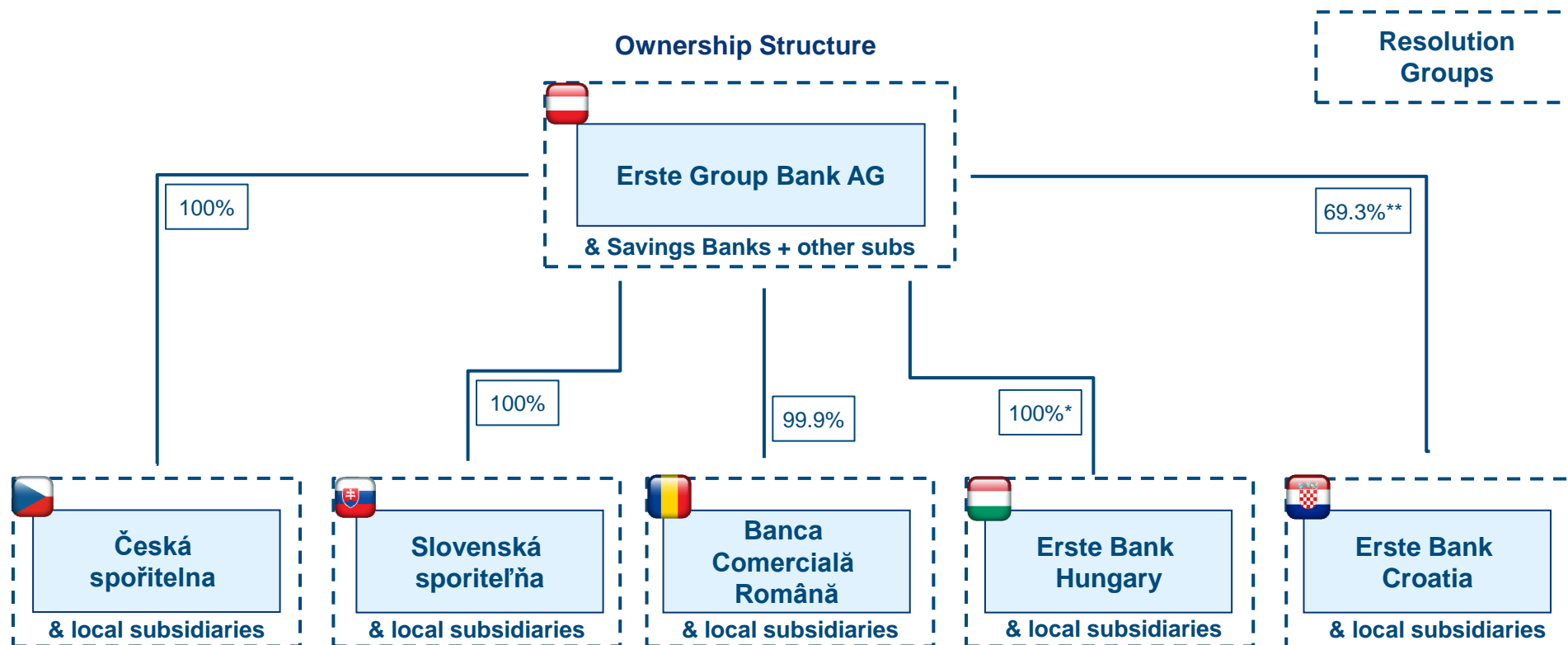
Additional information: regulatory capital position/requirement (SREP) – Capital requirements (SREP) for 2022 slightly up on higher CCyB

	Erste Group Consolidated					Erste Group Unconsolidated				
	Fully loaded		ECB Capital Relief			Fully loaded				
	2020	2021	Fully loaded Q1 2022	Measures 1) Q1 2022	Fully loaded YE 2022	2020	2021	Q1 2022	YE 2022	
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)	4.68%	4.68%	4.68%	2.18%	4.90%	4.63%	4.62%	4.62%	4.81%	
Capital conservation buffer	2.50%	2.50%	2.50%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	
Countercyclical capital buffer 2)	0.18%	0.18%	0.18%	0.18%	0.40%	0.13%	0.12%	0.12%	0.31%	
OSII buffer	2.00%	1.00%	1.00%	1.00%	1.00%	2.00%	1.00%	1.00%	1.00%	
Systemic risk buffer	2.00%	1.00%	1.00%	1.00%	1.00%	2.00%	1.00%	1.00%	1.00%	
Pillar 2 CET1 requirement 3)	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	
Pillar 2 CET1 guidance	1.00%	1.00%	1.00%	0.00%	1.00%	0.00%	0.00%	0.00%	0.00%	
Regulatory minimum ratios excluding P2G										
CET1 requirement	10.16%	10.16%	10.16%	7.66%	10.38%	10.11%	10.10%	10.10%	10.29%	
1.50% AT1 Tier I requirement	11.99%	11.99%	11.99%	9.49%	12.21%	11.94%	11.93%	11.93%	12.12%	
2.00% T2 Own funds requirement	14.43%	14.43%	14.43%	11.93%	14.65%	14.38%	14.37%	14.37%	14.56%	
Regulatory minimum ratios including P2G										
CET1 requirement	11.16%	11.16%	11.16%	n.a.	11.38%	10.11%	10.10%	10.10%	10.29%	
1.50% AT1 Tier I requirement	12.99%	12.99%	12.99%	n.a.	13.21%	11.94%	11.93%	11.93%	12.12%	
2.00% T2 Own funds requirement	15.43%	15.43%	15.43%	n.a.	15.65%	14.38%	14.37%	14.37%	14.56%	
Reported CET1 ratio as of March 2022			13.93%	4)				23.66%	4)	

- Buffer to MDA restriction as of 31 March 2022: 363bps
- Available distributable items (ADI) as of 31 March 2022: EUR 3.6bn (post expected dividend); based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 6.2bn

1. Following ECB's announcement related to measures in reaction to COVID-19 on 12 March 2020 and 1 July 2021, the ECB allows banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the Capital Conservation Buffer (CCB). However, MDA restrictions still apply in case of a combined buffer requirement breach.
2. Planned values based on Q1 2022 exposure.
3. As of end of May 2021 Art. 70b (7) ABA applies using the Pillar 2 Requirement (P2R) according to the capital stack which results in the following application: 56.25% for CET1 capital and 75% for Tier 1 capital. The overall P2R remained at 1.75% for Erste Group. Since 2020 the temporary capital relief actions from ECB apply.
4. Consolidated capital ratios pursuant to IFRS on phased-in (Ph) basis. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) as per Q4 2021. ADIs pursuant to UGB.
5. Combined buffer requirement: until Q1 2021 higher of OSII and Systemic risk buffer is considered; YE 2021 OSII and Systemic risk buffer are cumulative

Additional information: Multiple point of entry resolution strategy – MREL compliance at Point of Entry Levels (bail-in)



Erste Group follows an MPE resolution strategy with each resolution group issuing its external MREL debt

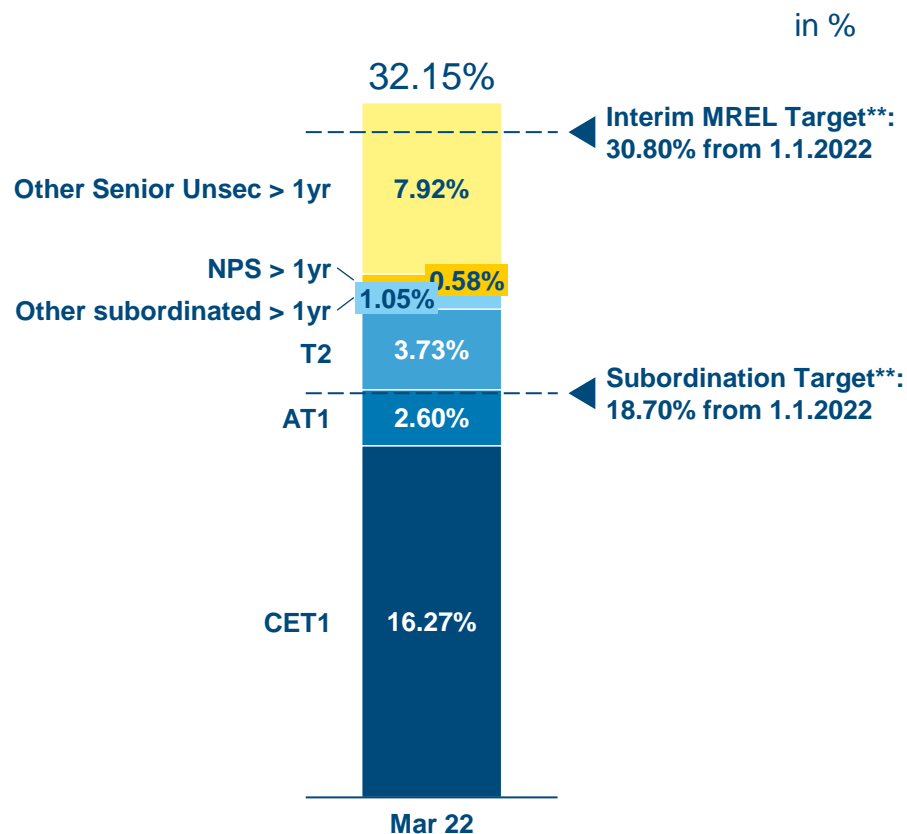
*Erste Bank Hungary: 30% held by Corvinus/Hungarian State and EBRD (15% each) with option agreement to sell stakes to Erste Group Bank AG

**Erste Bank Croatia: direct stake of 59%; indirect stake through Steiermärkische Sparkasse

Additional information: MREL details

Austrian resolution group: MREL requirement based on RWA fulfilled

MREL capacity based on TREA (RWA)*



* TREA... total risk exposure amount

** Target including the Combined Buffer Requirement (CBR)

Key take-aways

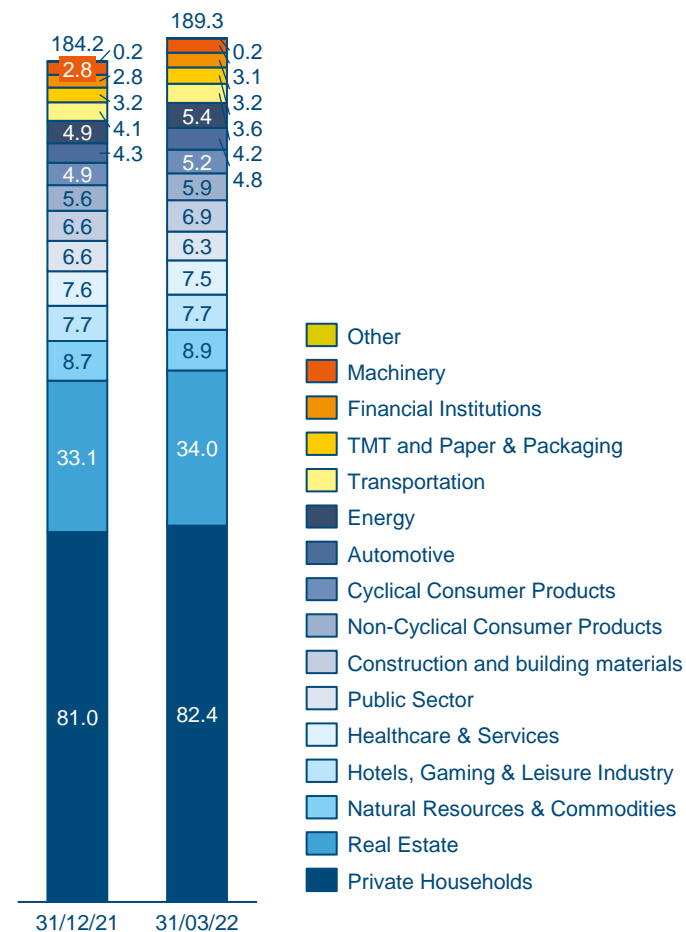
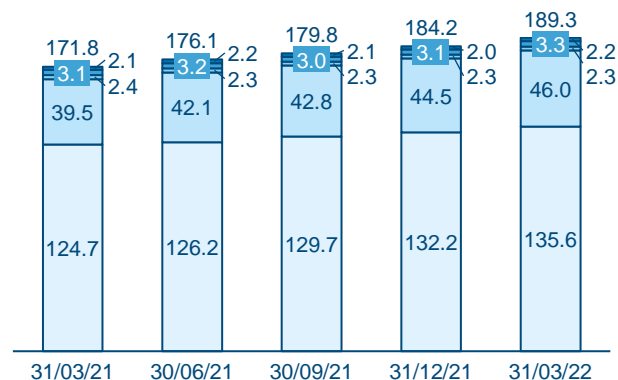
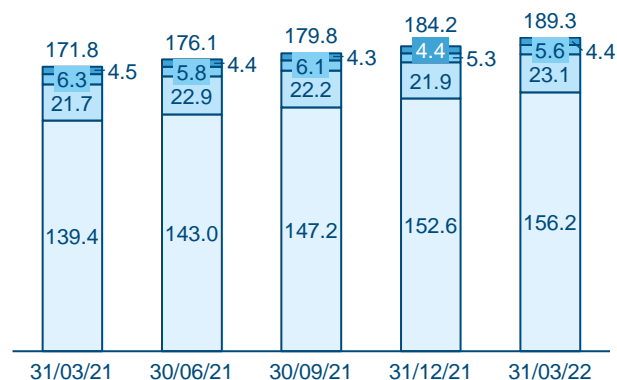
- Erste Group's setup is based on a multiple point of entry (MPE) resolution approach
- In Q2 2021, Erste Group Bank AG received its MREL requirement calibrated on balance sheet data as of 31 Dec 2019 and based on BRRD2
- Erste Group Bank AG, as the Point of Entry of the Austrian resolution group, must comply with a MREL requirement of 30.80% of TREA (incl. CBR) and 9.92% of Leverage Ratio Exposure (LRE). In addition, the subordination requirement is set at 18.70% (incl. CBR) of TREA and 8.60% of LRE respectively.
- Based on the Austrian resolution group's RWAs as of March 2022 of approx. EUR 86bn, the current MREL ratio stands at 32.15%, thereof 24.24% being subordinated eligible liabilities.
- As of Q1 2022 the AT resolution group is compliant with the interim MREL and subordination requirements (TREA and LRE-based) to be fulfilled from 1 Jan 2022.
- 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

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

Gross cust. loans by risk category (EUR bn)

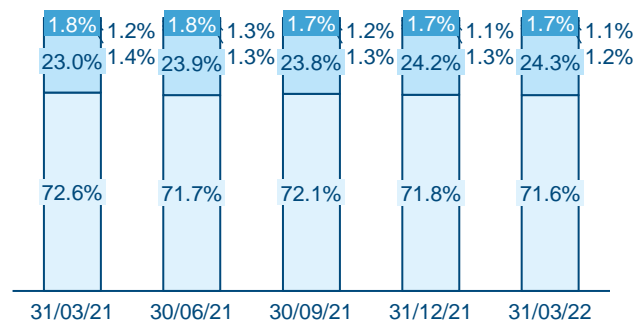
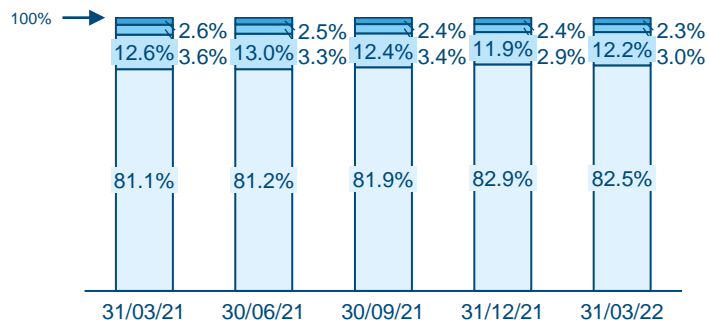
Gross customer loans by currency (EUR bn)

Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)

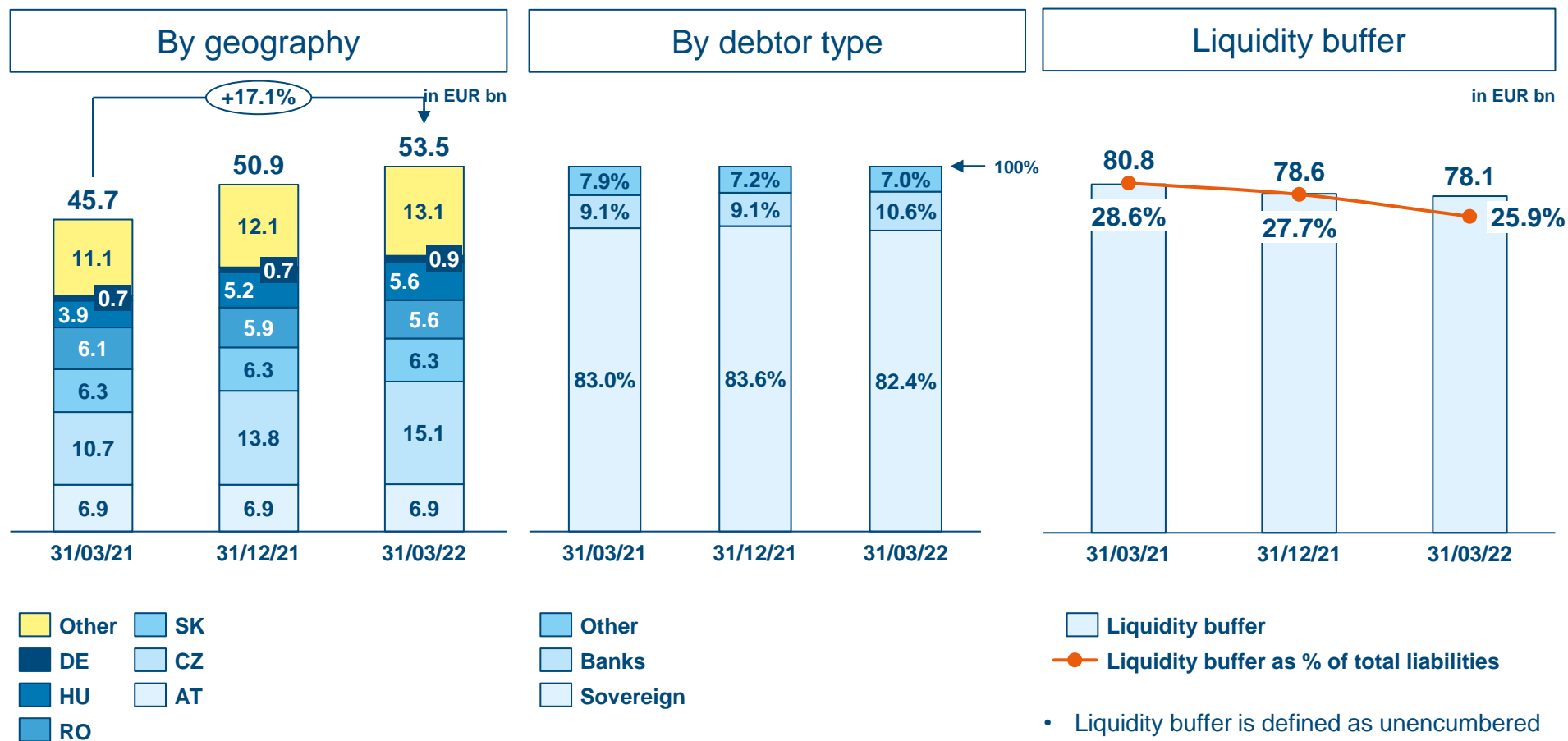
Gross customer loans by currency (in %)



■ Non-performing ■ Management attention
■ Substandard ■ Low risk

■ Other ■ USD ■ CHF ■ CEE-LCY ■ EUR

Additional information: financial and trading assets* – LCR at excellent 161.1%



- 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

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	a2
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	+1	
▲		
ALAC Support	+1	
GRE Support	0	
Group Support	0	
Sovereign Support	0	
+		
Additional Factors	0	
=		
Issuer Credit Rating Long-Term Outlook / Short-Term		
A+ / Stable / A-1		

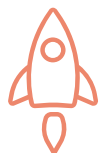
FitchRatings

VR - Viability Rating (Individual Rating)
a
SRF - Support Rating Floor
NF (No Floor)
IDR - Issuer Default Rating Long-Term Outlook / Short-Term
A / Stable / F1

Status as of 16 December 2021

Additional information: ESG update (1) – Social Banking

Impact highlights



Starting Entrepreneurs

- 6,027 financed customers
- 21,671 education participants
- EUR 184m disbursed loans
- **~29,700 preserved and created jobs**
- **48% could not start or expand their business without our loan**



Microfinance Businesses

- 8,885 financed customers
- 14,583 provided loans
- EUR 122m disbursed loans
- **~31,600 preserved and created jobs**
- **57% are in a better economic situation**



Social Organisations

- 821 financed customers
- 9,948 education participants
- EUR 106m disbursed loans
- **~16,200 preserved and created jobs**
- **79% can better fulfil their social mission**










People in financial difficulties

- 22,288 customers supported via Zweite Sparkasse and debt advisory
- **81% are less worried about their financial situation**
- **96% can now pay regular expenses on time**
- **457 people have found a new home**

Absolute figures of impact assessment are cumulative results since the launch of Social Banking

Additional information: ESG update (2)

Priority ESG objectives and commitments

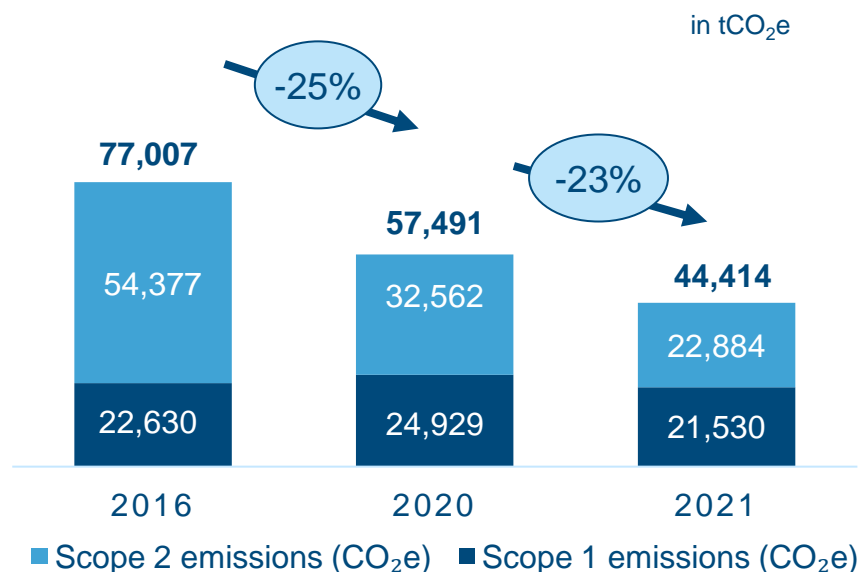
Lead green transition of economies in CEE		Targets
 Climate action	Erste Group strives to be a leading institution contributing to the future green economy of the CEE region. That means we want to invest into the transformation of the energy sector, building renovations, transportation, but with equal importance we want to contribute to needed investments into clean water and water sanitation as well as the recycling and circular economy of the region.	<ul style="list-style-type: none"> • Reach 25% green investments in our corporate book by 2026 • Promote investment opportunities with at least 17 Ecolabel funds by 2023 • Net-zero portfolio by 2050 (first set of interim targets to be disclosed in 2023) • Climate neutral operations by 2023
 Clean water		
 Circular economy		
Support social cohesion through financial inclusion		Targets
 Financial inclusion	In the CEE region there are still 14 million people at the risk of poverty. Erste Group is committed to provide services and disseminate prosperity through its social banking services for the marginalised groups in our society.	<ul style="list-style-type: none"> • Erste Group through its Social Banking continues to be the leader in offering financial services to NGOs, start-ups and individuals in difficult situations. • 200,000 jobs to be created or preserved by Social Banking activities by 2030 . • Establish 12,000-15,000 affordable housing units by 2030.
 Affordable housing	Our cities are in need of affordable housing. Therefore, Erste Group wants to support affordable housing projects in the region which would offer below commercial rents for early career phase young professionals.	
Promoting equal opportunities as a basis for strong societies		Targets
 Financial literacy	Financial literacy is a basis for successful financial life and therefore Erste Group will pursue its efforts of bringing financial literacy into education of young generations.	<ul style="list-style-type: none"> • 80,000 financial education beneficiaries by 2030 • 37% women in top management (board, board minus 1) by 2025 • 40% women in other managerial positions (board minus 2, board minus 3) by 2025
 Gender equality	Strong societies are built from individuals with equal opportunities regardless of their gender and Erste Group wants to be a role model promoting gender equality.	

Additional information: ESG update (3)

Our ambition to be a role model in climate action

Our progress in reducing emissions

Reduced Scope 1+2 emissions by 43% between 2016 and 2021



Our emission reductions were a result of energy efficiency investments and upgrades of the administrative headquarters buildings as well as increasing the share of low carbon electricity sourcing to the current share of 66%.

Our steps towards climate neutrality

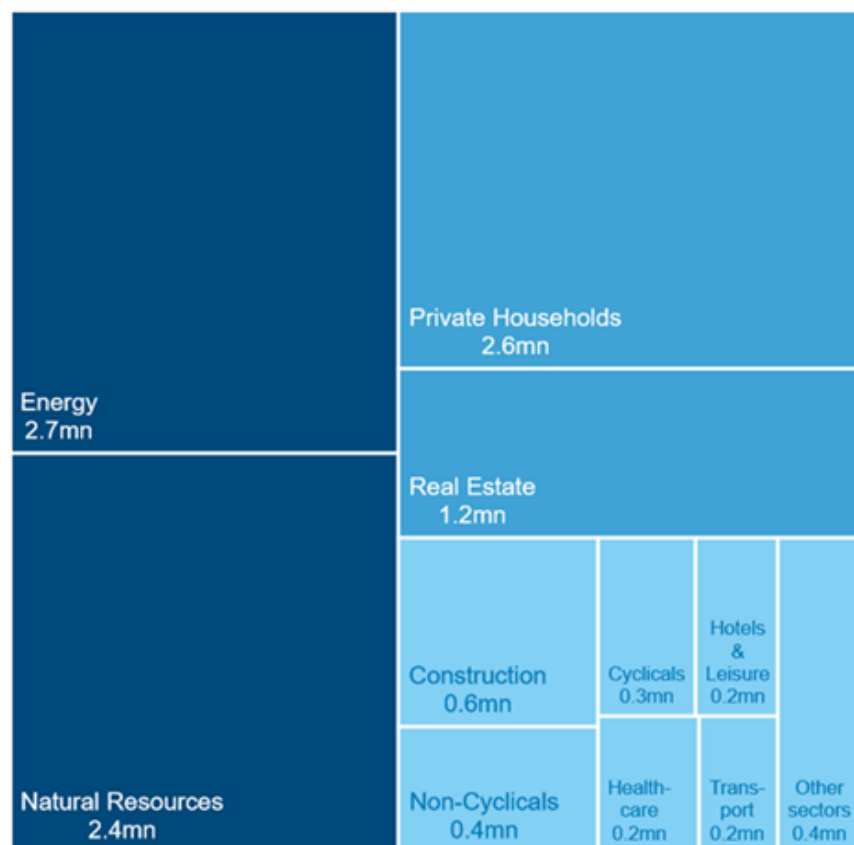
- Transition of our operations to green buildings with an interim target of more than **90% of our electricity stemming from low emission sources by 2023**. Erste Group will continue to invest into its premises to ensure low carbon heating and cooling sources wherever the technology will allow.
- **Electrification of our car fleet** with steps utilising the local available charging infrastructure and through promoting green mobility (business travels, commuting).
- Increase **employee awareness and engagement** to create a climate neutrality culture in our working and private sphere and to contribute to the environmental objectives through corporate volunteering actions.
- **Reduce emissions wherever possible** and compensate all unavoidable emissions starting by 2023. Our objectives in compensations are focused on regional impact either through nature or technology-based solutions.

Additional information: ESG update (4)

Financed emissions show low emissions intensity

Financed emissions as of 31.12.2021 (78% loans to customers portfolio; excl. credit institutions, sovereigns)

Scope 3 emissions 11.1m tCO₂e, carbon intensity of 79 gCO₂e/EUR



First time disclosure on Scope 3 financed emissions following the PCAF standards,


- Coverage of loans to customers reached high 78% or EUR 140.2bn (on-balance exposure), still outstanding segments are mostly consumer loans without PCAF methodology
- 13% of the covered portfolio has a „PCAF data quality score“ of 3 or better, majority of portfolio is based on NACE code driven PCAF emission factor database
- Erste Group gradually increases the share of client reported emissions in the calculation (highest data quality score), which will significantly improve further by the CSRD standards in 2024

Low financed emission intensity (below 100 gCO₂/EUR) of loan book is driven mostly by the high share of real estate and service sector activities located in Austria

- **Real estate-related (commercial and residential) sector** represents 62% of the loan book while having 34% of emissions (i.e. 43 gCO₂e/EUR carbon intensity)
- **Low exposure in typically high emissions energy sector** represent 3% of loan book while having 24% of total emissions (emission intensity of 575 gCO₂e/EUR) as well as limited exposure in **natural resources & commodities** with moderately high emission intensity of 335 gCO₂e/EUR

Additional information: ESG update (5)

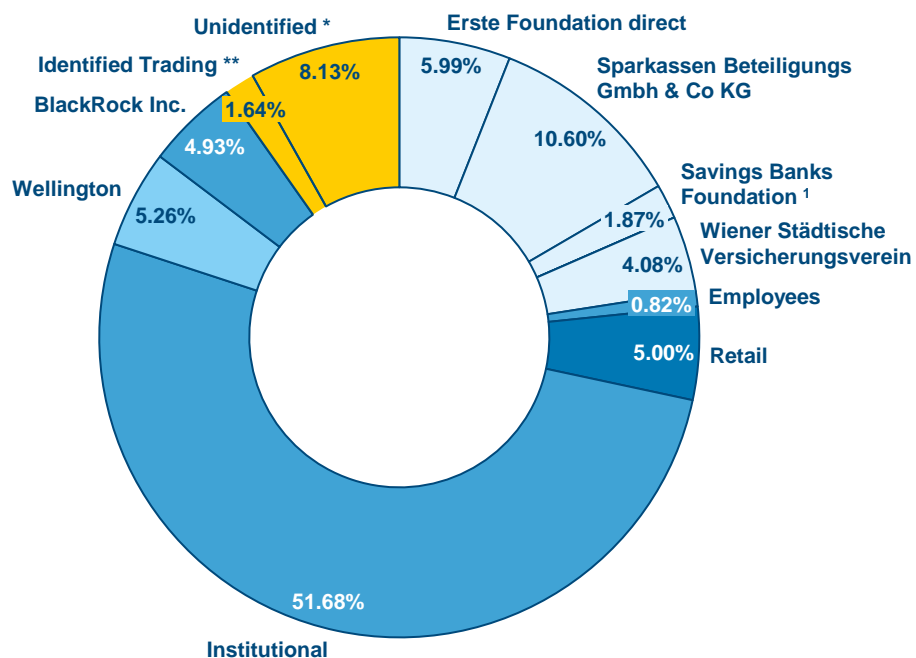
ESG ratings and indices

		2020	2021
RATINGS	 <p>In 2019, Erste Group Bank AG received a rating of 'AA' in the MSCI ESG Ratings assessment.</p>	AA	AA
	 <p>In 2022, Sustainalytics improved its assessment of Erste Group by 3.2 points and confirmed the 'low risk' category.</p>	LOW RISK 18.9/100	LOW RISK 15.7/100
	 <p>Erste Group is awarded Prime Status by ISS ESG research since October 2018.</p>	C „Prime“ 50.23	C „Prime“ 50.79
	 <p>In 2019, imug Investment Research upgraded Erste Group from “neutral” to “positive”.</p>	B (positive) 53.14%	B (positive) 53.14%
INDICES	 <p>Erste Group is part of the Euronext Vigeo Index Eurozone 120 since June 2018.</p>	51/100	54/100
	 <p>Erste Group is member of the Austrian stock market VÖNIX sustainability benchmark index since its launch in 2008.</p>	B	B
	 <p>Erste Group is a member since 2016, has been independently rated since 2016 and has met the requirements to become a part of the FTSE4Good Index Series.</p>	-	3.6
	 <p>Erste Group Bank AG is the only Austrian company that is a member of the Bloomberg Gender-Equality Index (member since 2019).</p>	-	-

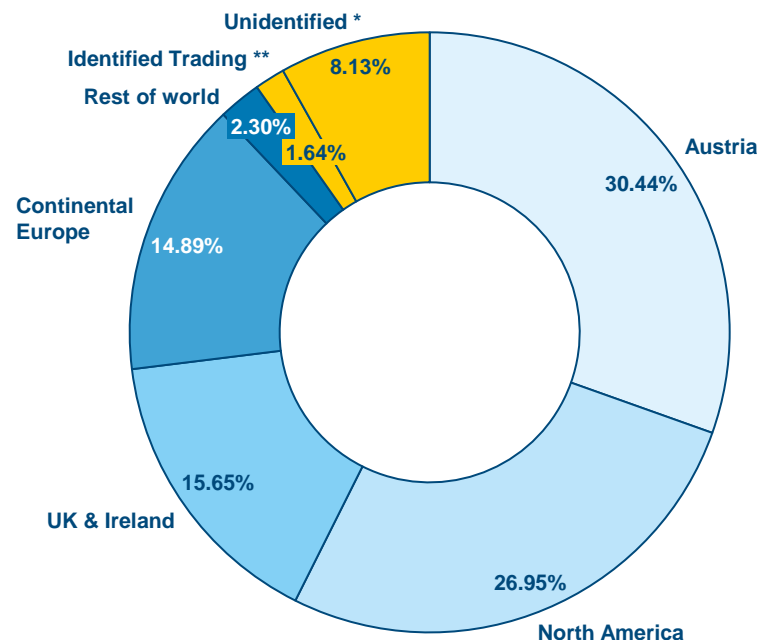
Additional information: shareholder structure –

Total number of shares: 429,800,000

By investor



By region



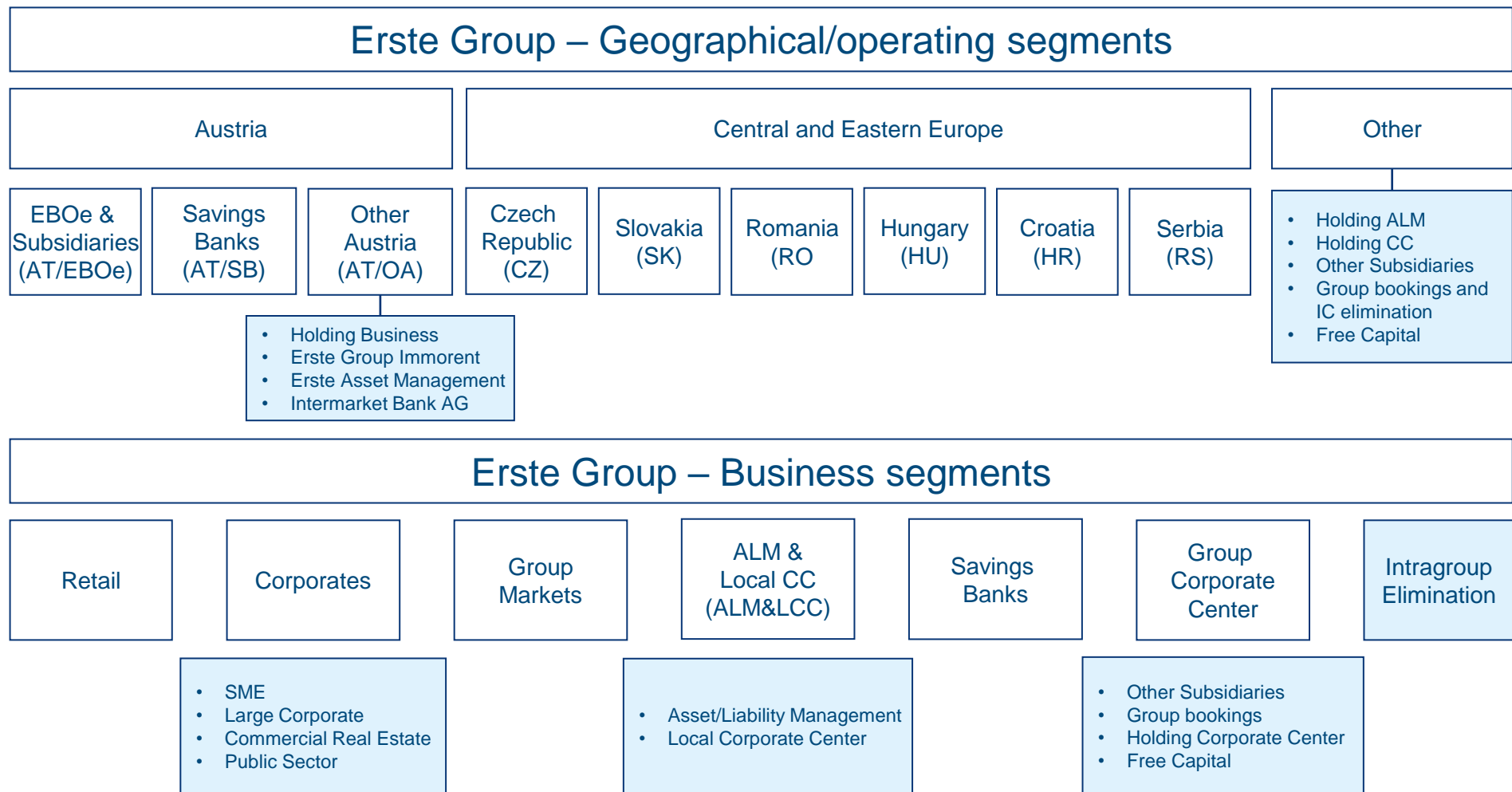
¹ Syndicated Savings Banks Foundations, own holdings of Savings Banks, Erste Employees Private Foundation

* Unidentified institutional and retail investors

** Including Market Makers, Prime Brokerage, Proprietary Trading, Collateral and Stock Lending positions which are visible through custodian banklists
The shareholder structure may contain rounding differences.

Status as of 27 April 2022

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



Investor relations details

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<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**

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