

Report

Erste Group Bank AG,
Vienna

Independent Limited Assurance Report on the
“Erste Group Allocation and Impact Reporting
as of December 31, 2022”

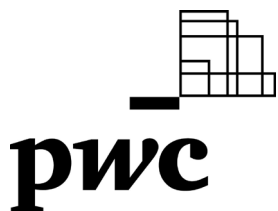
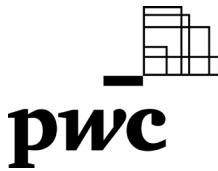


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To the
Management Board of
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Independent Limited Assurance Report on the “Erste Group Allocation and Impact Reporting as of December 31, 2022”

We have performed a limited assurance engagement on the sustainable bond allocation and impact report for the period ended December 31, 2022 (the “Erste Group Allocation and Impact Reporting as of December 31, 2022” or the “Allocation and Impact Report”) of Erste Group Bank AG (the “Company”), Vienna.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that

- the Allocation and Impact Report has not been drawn up, in all material respects, in line with the Erste Group Sustainable Finance Framework (“the Framework”), Version 1.0, dated April 2021,
- the loan portfolio allocated to the sustainable bonds does not meet the eligibility criteria defined in the Framework as measured in accordance with the methodology described in the Allocation and Impact Report,
- the information provided with respect to the loan portfolio allocated to the sustainable bonds does not agree, in all material respects, to underlying data,
- the impact indicators are not measured, in all material respects, in accordance with the methodology disclosed.

Inherent limitations

The accuracy and completeness of environmental impact indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with the Erste Group Bank AG's methodology on environmental impact indicators reporting described on pages 25 and 26 of the Allocation and Impact Report. The absence of a significant body of established practice on which to draw on to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques. In addition, quantification of avoided CO₂-emissions are estimates, based on assumptions, and is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors. This leads to significant management judgments and may affect comparability between entities.

Management's Responsibility

Erste Group Bank AG's management is responsible for preparing the Allocation and Impact Report in accordance with the criteria described in the Framework.

Erste Group Bank AG's management is also responsible for determining the appropriateness of the measurement and reporting criteria selected under the Framework in view of the intended users of the Allocation and Impact Report and for ensuring that those criteria are publicly available to the report users. This responsibility includes adequate documentation as well as design, implementation and maintenance of internal control relevant to the preparation of the Allocation and Impact Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a limited assurance conclusion based on the procedures performed and the evidence obtained as to whether any matters have come to our attention that cause us to believe that the Allocation and Impact Report does not comply, in all material aspects, with the Framework. In detail, this comprises:

Subject matter	Applicable criteria according to the Framework
Content and overall presentation of the Allocation and Impact Report	Framework
Allocation of loan portfolio to proceeds	Eligibility criteria: Framework Measurement of eligibility criteria: methodology described in the Allocation and Impact Report / Drees&Sommer
Indicators describing the allocated loan portfolio (size, number, geographical distribution, total)	Framework, underlying accounting records
Impact indicators – estimated ex ante annual primary energy consumption (in KWh), annual energy generation (in MWh) and estimated annual avoided carbon emissions (in t CO ₂)	Indicators: Framework, ICMA The Green Bond Principles – Handbook-Harmonised Framework for Impact Reporting (December 2020) Measurement of indicators: methodology described in the Allocation and Impact Report / Drees&Sommer

We have performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than the Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements, including rules on independence, and that we plan and perform the engagement to obtain limited assurance within the limits of materiality.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures that were performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The selection of the procedures lies in the sole discretion of the auditor.

The procedures we have performed were based on our professional judgement and include inquiries, observation of processes, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we

- inquired with Erste Group Bank AG's staff involved in the preparation of the Allocation and Impact Report to obtain an understanding of the process for selecting loans to be allocated to the bonds, including the methodology applied to measure eligibility criteria, how reporting of the allocated portfolio is derived from underlying records as well as the methodology applied for estimating the impact indicators and the presentation in the report;
- inspected the Framework as well as principles and guidelines referred to in the Framework and comparing identified practices of management of proceeds and reporting to those principles and guidelines;
- inspected the documentation provided by management's external expert regarding the methodology for measuring and determining eligibility criteria, evaluating the management's expert's competence, capabilities and objectivity and, at a very high level, evaluated the management's expert's approach and conclusions;
- reperformed, on a sample basis, the application of the eligibility criteria provided by management's expert to the allocated loans by corroborating documentation with underlying evidence;
- traced indicators describing the allocated loan portfolio to the information recorded in the underlying lending systems and checked mathematical accuracy;
- inspected the documentation provided by management's external expert regarding the methodology for estimating impact indicators, assessed accordance of the indicators chosen with the Framework and, at a very high level, evaluated the methodological approach to measurement provided by management's expert;
- reperformed the application of the methodological approach to measurement of impact indicators to the allocated loans, traced, on a sample basis, to underlying documentation, and checked mathematical correctness.

Ensuring the Auditor's Independence and Quality

We are independent of the Company in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities, in particular the requirements for quality assurance, in accordance with these requirements.

Restriction of Use

This report is addressed to the Management Board and is intended solely to inform the Management Board of the result of the engagement. The report may therefore not be suitable for any other purpose than the purpose named above and is not intended to serve as basis for any (investment) decisions by third parties. Therefore, no legal claims of third parties can be derived from it.

General Conditions of Contract

Our report is issued based on the terms of engagement agreed upon with Erste Group Bank AG which also apply towards third parties and is governed by the General Conditions of Contract for the Public Accounting Professions (AAB) in its current applicable version enclosed to this report.

Vienna
May 12, 2023

PwC Wirtschaftsprüfung GmbH

Dorotea-E. Rebmann
Austrian Certified Public Accountant

Appendices

Allocation and Impact Reporting

As of 31.12.2022

#believeinsustainability #believeinyourself

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Introduction & Key Figures

In Erste Group, as a bank, all our actions also have an impact on the environment. This starts with the financial services we offer to our retail and corporate clients and extends to the way we run our own business – from the energy efficiency of our offices to the way our employees get to work. Due to the enormous negative effects of the climate crisis on the environment and people, we are focusing more intensively on environmental protection, conscious usage of resources and CO₂ emission avoidance to ensure that future generations have a future worth living. This future we want to shape together with our customers. Because we believe not only in our customers, but also in a better tomorrow.

In our annual allocation and impact report for the year 2022 we are presenting aggregated figures for all issuers of sustainable finance instruments, in line with the Group's Sustainable Finance Framework (SFF):



In the reporting year 2022, the volume of issued sustainable finance instruments increased by € 825 mn and amounts to € 2,090 mn as of 31.12.2022. € 2,103 mn have been allocated to green finance and an avoidance in CO₂ emissions of 112,947 tonnes has been enabled.



EUR € 2,090 mn of sustainable bonds issued



EUR € 2,103 mn of proceeds allocated to sustainable green finance



Avoidance in CO₂ emissions of 112,947 tonnes

Issuing sustainable bonds to finance sustainable economy (projects) is an integral part of the total sustainability targets we set for both our Group-wide locations and financing services. Our strategic priorities in the pursuit of sustainability are Green Transition and Social Inclusion:

25 % of corporate book as green investments in 2026

15 % share of green housing mortgages in 2027

17 Ecolabel funds offered to our clients by 2023 to promote investment opportunities

2050 Net Zero Portfolio interim targets established in 2022 for at least 50 % of financed emissions

2030 Net Zero Operations

Climate Neutral Operations by end of 2023

90 % green electricity by 2023

€ 1 bn Social Banking financing till 2023

200,000 jobs created or preserved through Social Banking by 2030

15,000 affordable housing units to be established till 2030

40 % share of women in other management positions (B-2 & B-3) by 2025

37% share of women in top management (Board & B-1) by 2025

In October 2018, Erste Group was awarded prime status by **ISS ESG**. In 2019, Erste Group received a AA (on a scale of AAA-CCC) in **MSCI ESG Ratings** assessment. In the same year **imug Investment Research** raised the rating for Erste Group from neutral to positive, and public sector covered bonds are now rated as very positive. Since February 2021, **Sustainalytics**, a leading ESG research, ratings and data firm, has assessed Erste Group to be at low risk of experiencing material financial impacts from ESG factors.

For more details concerning ESG Ratings and memberships of various programmes and associations like the **United Nations Net-Zero Banking Alliance (NZBA)** please see [Sustainability/ESG - the principles of Erste Group | Erste Group Bank AG.](#)



Erste Group's Sustainable Finance Framework

Prosperity, equal opportunities, fairness and social wellbeing are at the heart of Erste Group's values and business objectives. It is also very clear that the accelerating level of environmental degradation and the urgency of climate change are threatening the most vulnerable sections of our societies. Reflecting the importance of social wellbeing in the CEE region, Erste Group is committed to the United Nations Sustainable Development Goals ("SDGs"), as well as to meeting the targets set by the Paris climate agreement of limiting global warming to well below 2, preferably 1.5, degrees Celsius, compared to pre-industrial levels.

In line with these global targets, in 2020 Erste Group approved an overarching set of internal Environmental, Social & Governance ("ESG") business objectives and set out a strategic roadmap for achieving them.

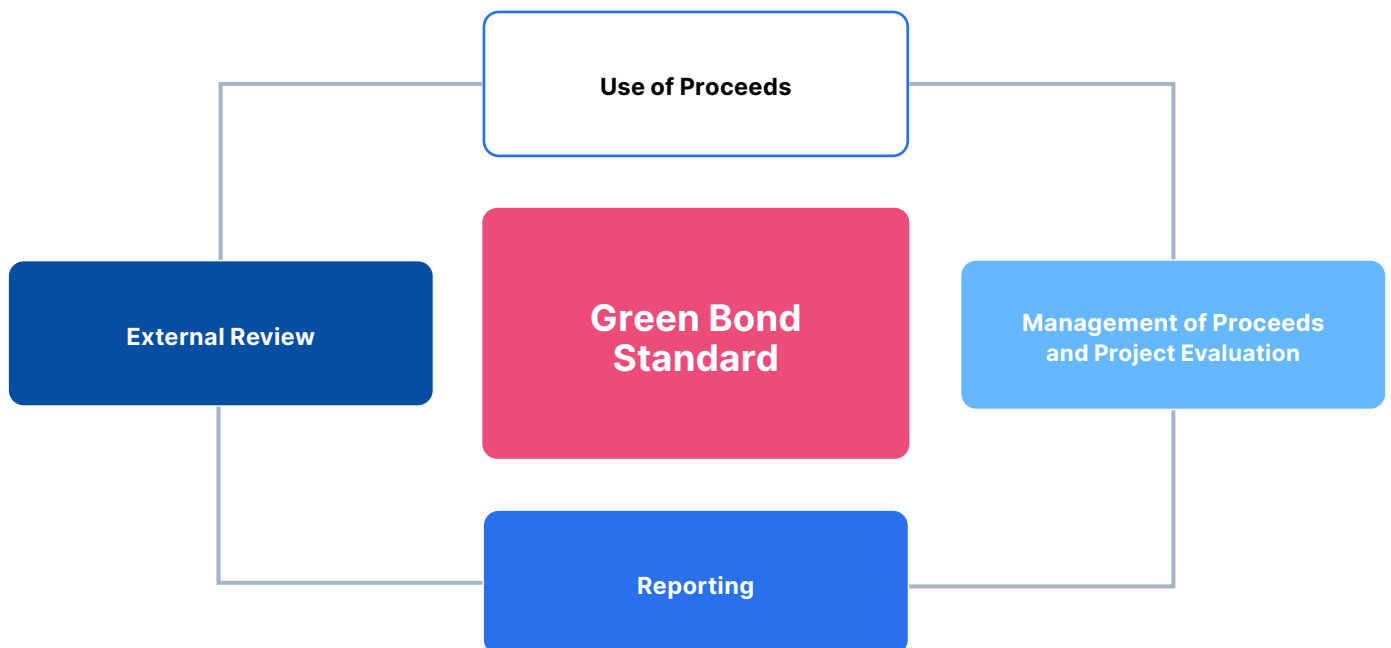
Erste Group's Sustainable Finance Framework is designed as an umbrella framework that will allow Erste Group and its subsidiaries to issue sustainable finance instruments to finance new and/or refinance existing loans to its clients for projects with environmental and/or social benefits.



ERSTE GROUP'S CURRENT SUSTAINABLE FINANCE FRAMEWORK ADHERES TO THE:

- International Capital Market Association (ICMA) Green Bond Principles ("GBP") 2018;
- International Capital Market Association (ICMA) Social Bond Principles ("SBP") 2020;
- International Capital Market Association (ICMA) Sustainability Bond Guidelines ("SBG") 2018.

The GBP, SBP and SBG are voluntary guidelines that promote transparency, disclosure and integrity in the development of green and social bond markets. In alignment with these, Erste Group's Sustainable Finance Framework is based on the following key pillars:



A dedicated Sustainable Finance Committee (the "SFC") has been established to create and manage, amongst other topics, the Sustainable Finance Framework.

Erste Group ensures that all green and social loans comply with national laws and international environmental and social regulations and any standards on a best effort basis.

The eligibility criteria, minimum requirements and ESG related matters are continuously developed and renewed in Erste Group's external and internal policy frameworks. Erste Group's environmental and social policies can be found on:

www.erstegroup.com/en/about-us/sustainability .

Erste Group entities strive, within 24 months of issuance, to reach a level of allocation of the eligible loan portfolio that at least matches the net proceeds from its outstanding sustainable finance instruments.

The full document can be found in the Annex, section IV Sustainable Finance Framework (V0.1, April 2021)



Bonds Issued

As sustainability is at the core of Erste Group's objectives, until 31 December 2022, Green- and Sustainable Bonds have been issued across Erste Group's entities amounting to € 2,090,178,253 (at 31 Dec, 2022 F/X rates).

In May 2021, Erste Group issued its first Sustainability Bond as a benchmark bond of € 500,000,000 in line with

Erste Group's strategy to be an active issuer of sustainable finance instruments, which opened the door for several issuances of sustainable and green bonds under the Sustainable Finance Framework.

This report provides an overview of the impact an allocation of proceeds from these bonds made across all Erste Group's entities, covering the following bonds:

Issuing Bank	ISIN	Currency	Notional in local Currency	Amount in EUR	Issuance Date
Erste Group Bank AG	AT0000A2RAA0	EUR	500,000,000	500,000,000	17.05.2021
	ATDEALFBX2U1	EUR	10,000,000	10,000,000	28.05.2021
	AT0000A303B8	EUR	45,500,000	45,500,000	03.10.2022
Česká spořitelna, a. s.	AT0000A2STV4	EUR	500,000,000	500,000,000	06.09.2021
Banca Comerciale Romana s.a	ROMU2ND4VHC6	RON	500,000,000	101,020,305	14.10.2021
	ROPC9F84ZSG4	RON	702,000,000	141,832,508	14.06.2022
Slovenská sporiteľ'na, a.s.	SK4000019337	EUR	154,000,000	154,000,000	16.06.2021
	SK4000021242	USD	57,000,000	53,440,840	13.07.2022
	SK4000021820	EUR	500,000,000	500,000,000	05.10.2022
Allgemeine Sparkasse Oberösterreich AG	SK4000021994	EUR	25,000,000	25,000,000	20.10.2022
	AT000B101456	EUR	15,300,000	15,300,000	27.01.2022
	QOXDBA049125	EUR	5,000,000	5,000,000	04.02.2022
	AT000B101464	EUR	20,000,000	20,200,000	09.03.2022
	AT000B101514	EUR	13,884,600	13,884,600	25.10.2022
	QOXDBA049315	EUR	5,000,000	5,000,000	27.04.2022
				2,090,178,253	

Since the reference cut-off date is the year end (31 December), additional bonds may, at the point of publication, have already been issued but not been included in this report.

The report covers Sustainable and Green Bonds issued under the Sustainable Finance Framework and the strict rules that are adhered to for these issuances:

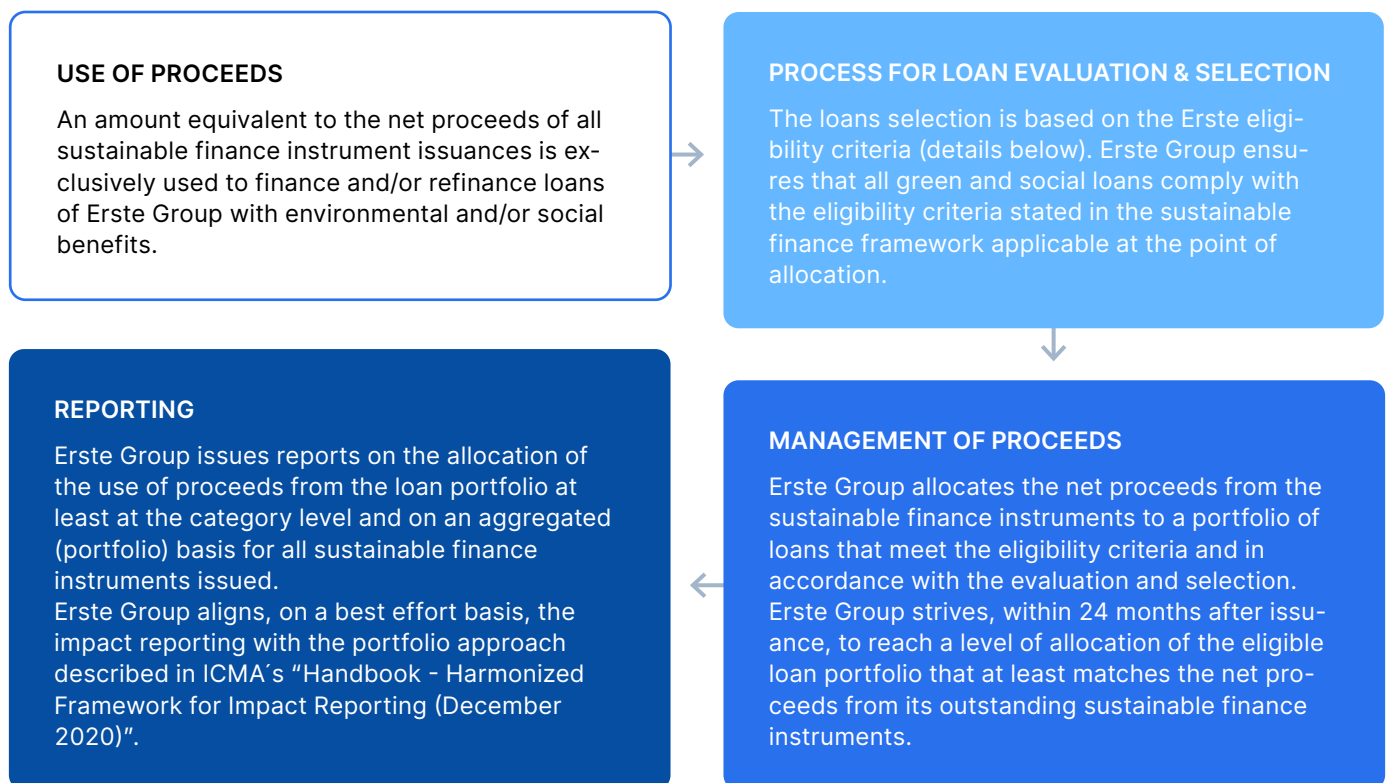
BOND PRINCIPLES

- Erste Group adheres to regular reporting as foreseen under the Green Bond Principles on at least local level.
- Erste Group’s entities act under a common framework (Sustainable Finance Framework) within which issuance is allowed. The management of proceeds and reporting on impacts is predefined within a common ruleset.
- The net proceeds from the sustainable finance instruments issued under the Sustainable Finance Framework are managed by Erste Group in a portfolio approach.
- Erste Group (“Erste Group” or “the issuer”) commissioned ISS ESG to assist with its Sustainable Finance Framework by assessing the core elements to determine the sustainability quality of the framework.

Allocation

As defined in the Sustainable Finance Framework, Erste Group entities will strive, within 24 months of issue, to reach a level of allocation of the eligible loan portfolio that at least matches the net proceeds from its outstanding sustainable finance instruments.









The process of proceeds management and reporting






The allocation process is based on selecting projects which are in line with Erste Groups's SFF. For Erste Group's issuances in 2022, € 1,962 mn have been allocated to loans for the construction or acquisition of buildings that are either amongst the top 15% low-carbon buildings in the respective country or meet Drees & Sommer thresholds for their respective building types. Energy performance certificates and the construction regulations applicable to the building processes of the financed projects have been viewed and taken into consideration to assess the eligibility of the loans. Besides Green Buildings, renewable energy projects account for some of the bonds' Use of Proceeds amounting to € 141 mn.

Minimum Allocation Criteria

The Group Sustainable Finance Framework sets eligibility criteria for eligible projects. Thus, the criteria stated in the SFF form a minimum requirement for allocation. Detailed descriptions of eligible Green Categories, as defined in the SFF, and their respective eligibility criteria can be found in the following table:

Social Category	Definition	Eligibility Criteria	UN SDG	EU Environmental Objective
Green Buildings (Residential)	Loans and/or investments to finance new or existing residential buildings	<ul style="list-style-type: none"> Buildings that are within the top 15% low-carbon performing in the respective country Buildings that have undergone refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before renovation (When using EPC labels, at least two label steps increase in energy performance certificate compared to original built quality) New Buildings that comply with Nearly Zero Energy Buildings requirements defined in relevant country building legislation' 	  	Environmental Objective (1): Climate Change Mitigation
Green Buildings (Commercial)	Loans and/or investments to finance new or existing commercial buildings	<ul style="list-style-type: none"> Buildings that are within the top 15% low-carbon performing in the respective country Buildings that have undergone refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before the renovation Where applicable, minimum certification of BREEAM „Very Good, LEED „Gold“ or any other equivalent certification 	  	Environmental Objective (1): Climate Change Mitigation
Renewable Energy	Loans and/or investments to finance or refinance generation and transmission of energy from renewable sources and manufacturing of the related equipment	<ul style="list-style-type: none"> Onshore and offshore wind energy Solar (Photovoltaic) Small scale hydro power (<20 MW) and refurbishment (or refinancing) of existing large-scale hydro (>20 MW) Geothermal energy with life cycle assessment emissions : 100g CO₂e/kWh 	 	Environmental Objective (1): Climate Change Mitigation

According to the SFF, social projects are eligible too. A description of eligible projects and the necessary prerequisites are outlined in the following table.

Social Category	Definition	Eligibility Criteria	UN SDG
Access to Subsidized Housing ("Gemeinnütziger Wohnbau") Affordable Housing	Loans and/or investments to finance or refinance existing or new projects of subsidized housing meeting the relevant statutory definitions ⁵ ,	<ul style="list-style-type: none"> – Financing of „gemeinnützige Bauvereinigungen“ (GBV) and following the statutory definitions of the Wohnungsgemeinnützigkeitsgesetz (WGG). (e.g. cap on rental expenses for tenants, Income caps, cost coverage principle with limitation on profits) – Affordable housing: Creating and operation of affordable and/or improved housing; Cooperative apartments; Rental Microcredits (Zweite Sparkasse) 	
Financial and Social Inclusion	Loans and/or investments to finance or refinance start-ups, microfinance businesses or subjects of social economy	<ul style="list-style-type: none"> – Financing must be part of the following activities / programs: <ul style="list-style-type: none"> – Financing of social organizations – Microcredit program: financing unemployed who start businesses - cooperation with Ministry of Social Affairs; – Agriculture start-up loans in rural areas – Financing of social infrastructure projects like kindergartens, cultural centers, house for orphans or disabled people or sports facilities 	
Access to Essential Services	Loans to finance or refinance projects related to essential services	<ul style="list-style-type: none"> – Providers of public healthcare and facilities: <ul style="list-style-type: none"> – Public hospitals – Elderly care facilities – Other Healthcare facilities – Primary and secondary schools (public) and vocational training: <ul style="list-style-type: none"> – Related infrastructure – Dedicated programmes, learning materials, furniture and other equipment 	

The SFC manages any future updates of the Sustainable Finance Framework, including amendments to the list of eligible categories, oversees their implementation, and meets at least once a year. The loan selection is based on the eligibility criteria defined in the tables above. It is part of Erste Group’s transaction approval process to ensure that all its activities comply with internal environmental and social directives, regulations and laws.

Geographical distribution of the loan portfolio

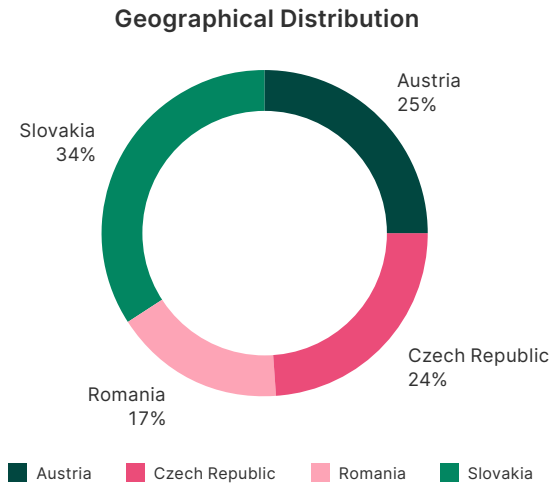


Figure 1 Geographical distribution of loan portfolios of sustainable finance instruments amount in EUR

The geographical distribution is split based on the location of the property or the renewable energy plant and calculated as a percentage of the outstanding net financing amount attributed to the respective property/ plant compared to the total allocation. Currently 25% of green finance properties and plants are located in Austria, 17% in Romania, 24% in the Czech Republic and 34% in Slovakia.

Proportion of proceeds allocated

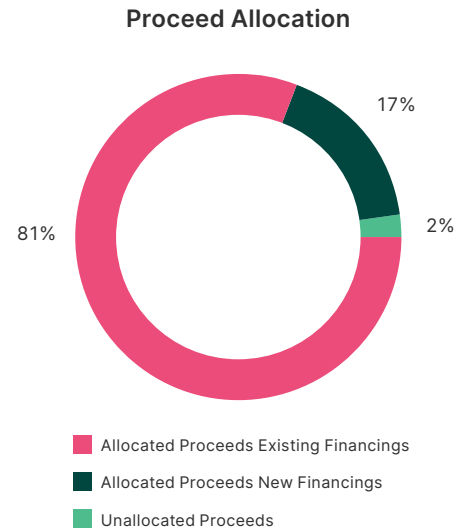


Figure 2 Percentages of proceed allocation

Approximately 81% of the sustainability bonds' proceeds have been allocated to existing projects at issuance and approximately 17% of proceeds have been allocated after the issuance date of the bonds. On an aggregated level, currently only 2% of all bond proceeds have not yet been allocated.

Allocation Report

Erste Group Bank AG Sustainable Bond Allocation Report

Green Buildings - Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
AT	407	€ 528,791,797.37
CZ	1,545	€ 412,884,446.65
RO	1,496	€ 299,246,832.69
SK	6,389	€ 721,936,967.31
Total	9,837	€ 1,962,860,044.02

Renewable Energy - Projects

Geographical Distribution	Number of Loans	Size of Loan Portfolio
CZ	47	€ 87,717,822.22
RO	2	€ 52,844,444.44
Total	49	€ 140,562,266.66

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
QOXDBA049315	27.04.22	27.04.37	€ 5,000,000
QOXDBA049125	04.02.22	04.02.37	€ 5,000,000
AT000B101514	25.10.22	25.10.27	€ 13,884,600
AT000B101464	09.03.22	09.03.32	€ 20,200,000
AT000B101456	27.01.22	27.01.34	€ 15,300,000
ROMU2ND4VHC6	14.10.21	14.10.28	€ 101,020,305
ROPC9F84ZSG4	14.06.22	14.06.27	€ 141,832,508
SK4000019337	16.06.21	16.06.28	€ 154,000,000
SK4000021242	13.07.22	13.12.29	€ 53,440,840
SK4000021820	05.10.22	05.04.28	€ 500,000,000
SK4000021994	20.10.22	20.10.25	€ 25,000,000
AT0000A2STV4	06.09.21	13.09.28	€ 500,000,000
ATDEALFBX2U1	28.05.21	28.05.24	€ 10,000,000
AT0000A303B8	03.10.22	03.10.27	€ 45,500,000
AT0000A2RAA0	17.05.21	17.05.28	€ 500,000,000
Total			€ 2,090,178,253

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of new financing	Percentage of new financing
€ 2,103.422,310.68	100%	€ 38,870,374.41	2%	€ 364,323,033.62	17%

Although Allocated Proceeds exceed the Green Funding, Unallocated Proceeds arise due to the fact, that on single entity level a full allocation of proceeds has to be achieved. More details can be found in the section of individual local reports.

Impact Reporting

Impact reporting quantifies the contribution made to the UN’s Sustainable Development Goals (SDGs). In line with the ICMA Standards, Erste Group has defined a methodology of assessing the impact of our Sustainable Bonds, which is mandatory across the group.



394,151 MWh Financed Annual Generation



112,947 tonnes CO₂ emissions avoided

Common Reporting Standards

To ensure a common approach to assessing the effects of the financed projects, Erste’s Sustainable Finance Framework provides a list of impact indicators per category used for the assessment in the impact report.

GBP/SBP Category	Potential Impact indicators
Green Buildings (Commercial)	<ul style="list-style-type: none"> - Estimated ex-ante annual energy consumption in KWh - Estimated annual avoided carbon emissions (in tCO₂, eq) - Overview of sustainable labels and certificates of eligible buildings
Green Buildings (Residential)	<ul style="list-style-type: none"> - Estimated ex-ante annual energy consumption in KWh - Estimated annual avoided carbon emissions (in tCO₂, eq)
Renewable Energy	<ul style="list-style-type: none"> - Installed renewable energy capacity (GW or MW) - Estimated annual avoided carbon emissions (in tCO₂,eq)
Access to Subsidized Housing (“Gemeinnütziger Wohnbau”)	<ul style="list-style-type: none"> - Number of units built - Number of beneficiaries (if possible)
Financial and Social Inclusion	<ul style="list-style-type: none"> - Number of projects/facilities financed - Volume allocated to projects - Number of beneficiaries
Access to Essential Services	<ul style="list-style-type: none"> - Number of projects/facilities financed - Volume allocated to projects - Number of beneficiaries

Additionally, the impact reporting is guided by the ICMA Standards to ensure comparability with green and sustainable bonds across markets.

Methodology

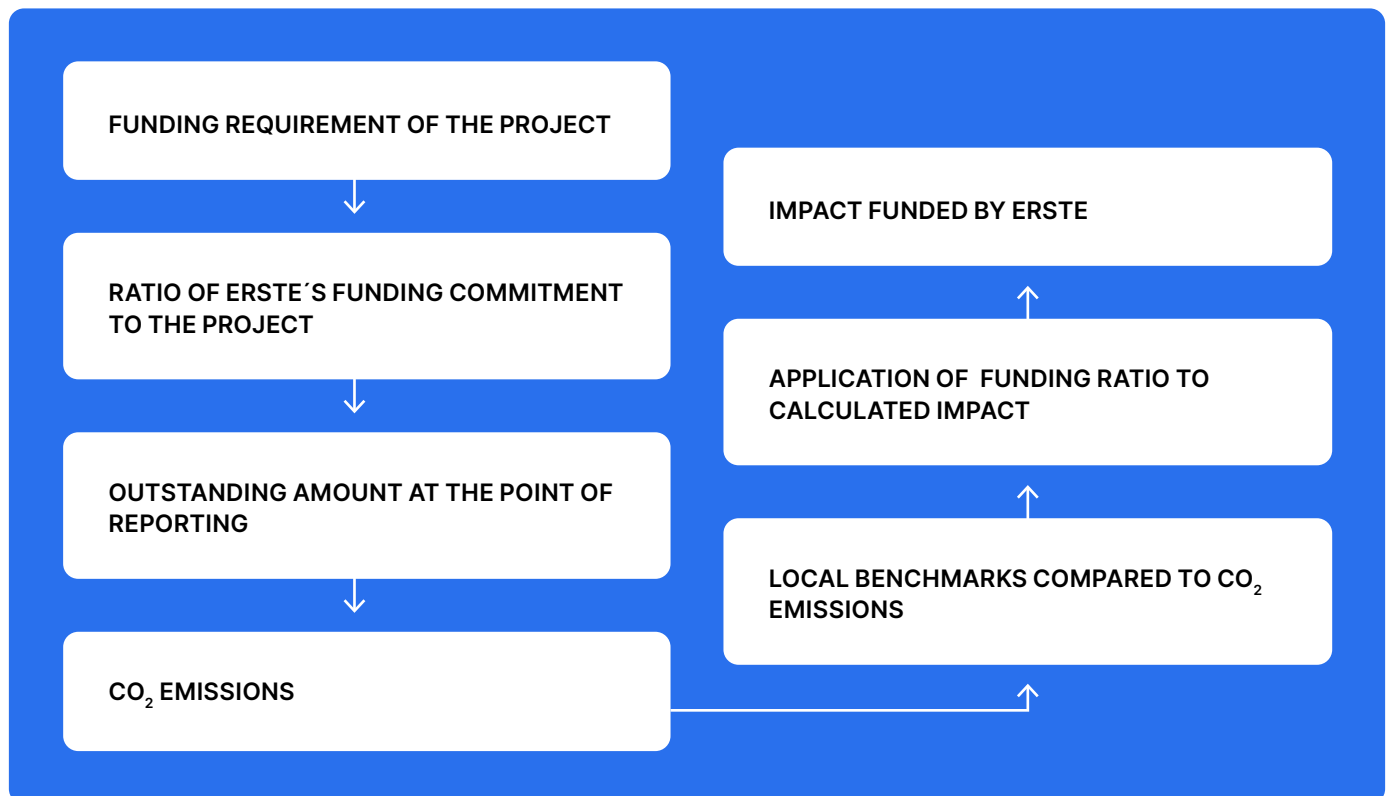
To properly assess the impact of the eligible financing on the abovementioned indicators, the following factors have been taken into account:

- What is the overall project funding need?
- How much of it is funded through Erste Group?
- What are the benchmarks applicable for the respective project?
- What are the factors that make the impact quantifiable for the specific project?

In a first step, the funding required is assessed to understand the full extent of the project. For the specific impact report, the actual amount drawn plays the main role. The amount drawn is compared to the full funding requirement to assess Erste's contribution to the impact. The project's impact is provided only after applying the ratio of amount drawn and funding need to the calculated impact, assuring a clean depiction of the actual impact and avoiding any form of double counting.

Here the Erste approach follows ICMA standards very closely and assures comparable benchmarks through the inclusion of Second Party Opinions and use of centrally available benchmarks.

For any given project sector, the following concept is adhered to:



Impact Overview

One of the key impact measurements for sustainable bonds and green bonds is the avoidance of carbon emissions. Through project financings that have been provided, avoidance of 112,947 tonnes of CO₂ has been enabled. This has been achieved by financing projects providing renewable energy (€ 141 mn) and building or acquiring Green Buildings (€ 1,962 mn).

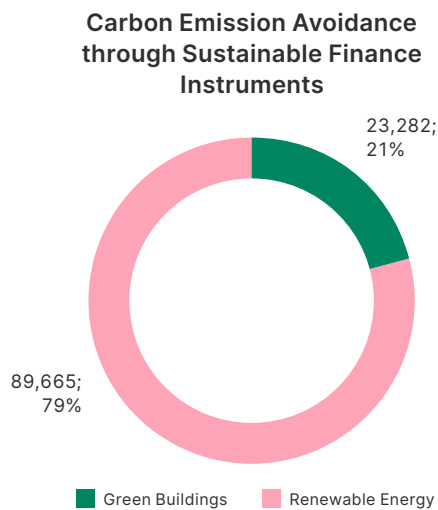


Figure 3 CO₂ avoidance enabled by Erste Group's sustainable finance instruments in tonnes of CO₂

The CO₂ avoidance has been split in the following way across the countries:

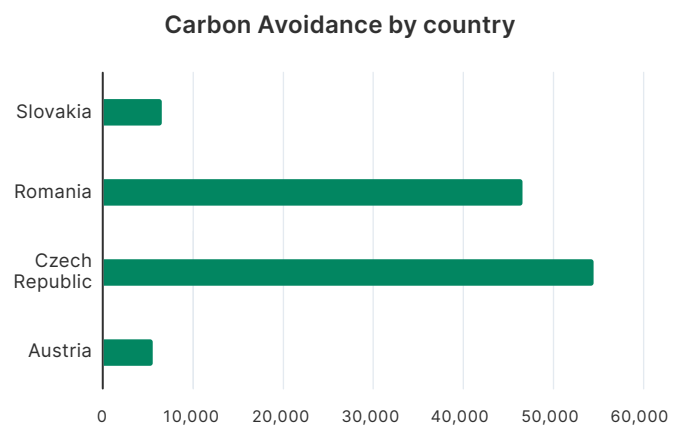


Figure 4 Erste Group's avoidance in tonnes of CO₂ emissions split by the countries of the projects

The lifetime of the funding projects ranges from 1 to 26 years, leading to an average lifetime of 19 years for projects in Erste Group's eligible loan portfolio.

Distribution of sustainable investments according to project category

The tables show the distribution of financed amounts per country and project category. Additionally, information on the share of financing in relation to total costs is given. Total costs represent the full amount a project would have been required to be completed. By comparing the total costs to the financing amount (share of total

project financing), an understanding can be gained of the issuer's contribution to the overall impact of the project in question. In case of renewable energy projects, the signed amount and the share of project financing are reported.

Portfolio	Total Costs	Project Financing Amount	Share of total Project Financing	Building Type
AT Green Buildings	€ 38,600,000.00	€ 23,804,864.00	62%	Retail/Sales Building
	€ 33,583,150.00	€ 16,965,863.26	51%	Single Family
	€ 1,355,636,599.57	€ 497,431,063.07	37%	Multi Family
RO Green Buildings	€ 19,023,000.00	€ 12,254,302.01	64%	Retail/Sales Building
	€ 32,230,915.00	€ 23,113,326.00	72%	Single Family
	€ 124,201,186.00	€ 86,740,735.00	70%	Multi Family
SK Green Buildings	€ 352,509,000.00	€ 191,000,000.00	54%	Office Building
	€ 17,044,000.00	€ 10,168,000.00	60%	Sales Building
	€ 724,137,568.28	€ 468,036,039.33	65%	Single Family
CZ Green Buildings	€ 322,814,321.48	€ 244,334,187.00	76%	Multi Family
	€ 109,689,360.00	€ 65,637,000.00	60%	Office Building
	€ 572,074,561.53	€ 236,842,271.54	41%	Office Buildings
CZ Green Buildings	€ 183,610,906.03	€ 152,899,487.25	83%	Single Family
	€ 103,209,987.06	€ 81,267,252.83	79%	Multi Family
	€ 3,988,364,554.95	€ 2,110,494,391.29		

Portfolio	Total Costs	Share of Total Project
RO Wind Energy Projects	€ 72,737,777.78	10%
CZ Solar (Photovoltaic) Energy Projects	€ 23,372,099.85	100%
CZ Wind Energy Projects	€ 38,474,045.03	100%
CZ Small scale hydro Energy Projects	€ 25,871,677.34	100%
	€ 160,455,600.00	

Distribution of sustainable investments according to project lifetime

With this section a view on the project financing lifetime in years per green project category is taken. The project lifetime is a volume weighted average of remaining time

to maturity of each combination of green category and country, whereas the weighting is based on allocated amount.

Portfolio	Allocated Amounts	Project Lifetime in years	Gross Building Area	Building Type
AT Green Buildings	€ 23,993,286.00	7.25	18,011	Retail/Sales Building
	€ 15,685,848.75	24.61	15,596	Single Family
	€ 489,112,662.62	25.59	687,511	Multi Family
RO Green Buildings	€ 12,254,302.01	2.22	15,068	Retail/Sales Building
	€ 22,025,773.92	24.36	48,671	Single Family
	€ 81,777,756.75	23.72	106,552	Multi Family
	€ 183,189,000.00	3.64	220,970	Office Building
SK Green Buildings	€ 7,502,735.00	1.01	10,824	Sales Building
	€ 423,199,902.37	24.26	560,468	Single Family
	€ 227,142,464.94	25.69	167,939	Multi Family
	€ 64,091,865.00	1.35	54,306	Office Building
CZ Green Buildings	€ 209,341,675.79	3.25	201,244	Office Buildings
	€ 132,727,619.68	24.52	161,894	Single Family
	€ 70,815,150.97	24.03	42,666	Multi Family
	€ 1,962,860,043.81	18.98	2,311,720	

Portfolio	Allocated Amount	Project Lifetime in years
RO Wind Energy Projects	€ 52,844,444.44	6.50
CZ Solar (Photovoltaic) Energy Projects	€ 23,372,099.85	4.94
CZ Wind Energy Projects	€ 38,474,045.03	13.72
CZ Small scale hydro Energy Projects	€ 25,871,677.34	12.56
	€ 140,562,266.66	8.98


Green Buildings Impact

Buildings and construction are amongst the main contributors to global CO₂ emissions. Erste Group's lending portfolio depicts a significant share in this category to enable a more sustainable future.

With these financings, over 2,311,720 square metres of sustainable gross building area have been enabled, which will provide sustainable energy use in Green Buildings with reduced carbon emissions over an average financing lifetime of 19 years.



2,311,720 sqm of buildings financed



23,282 tonnes annual CO₂ emissions savings

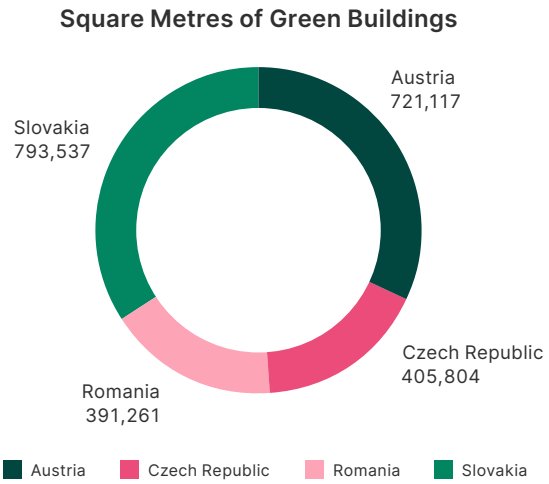


Figure 5 Square Metres of Green Buildings

The impact of this will be an overall avoidance of 27% in primary energy demand and 23,282 in tonnes of CO₂ emissions. Utility spaces are reported in line with either the energy performance certificate or a valuation-based dataset used for the purpose of standardising the data.

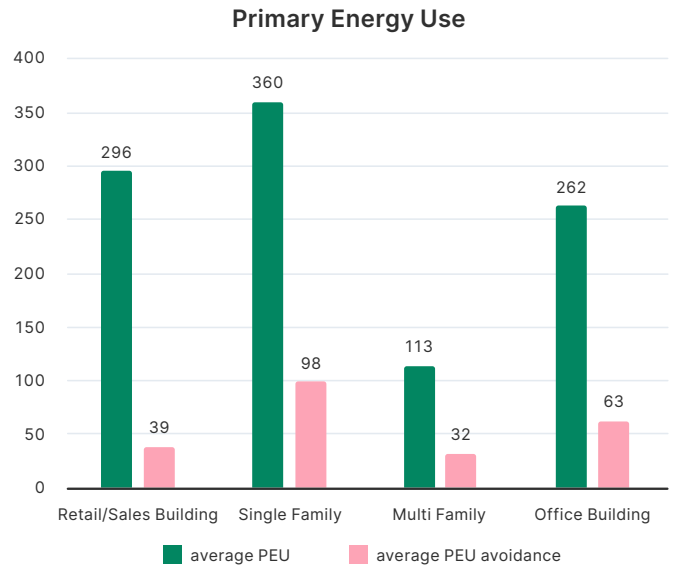


Figure 6 Impact on primary energy based on average Primary Energy Use avoidance in average KWh

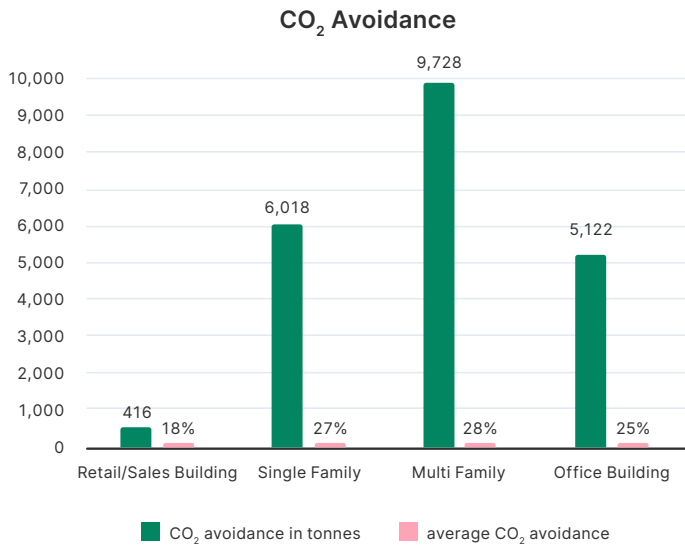
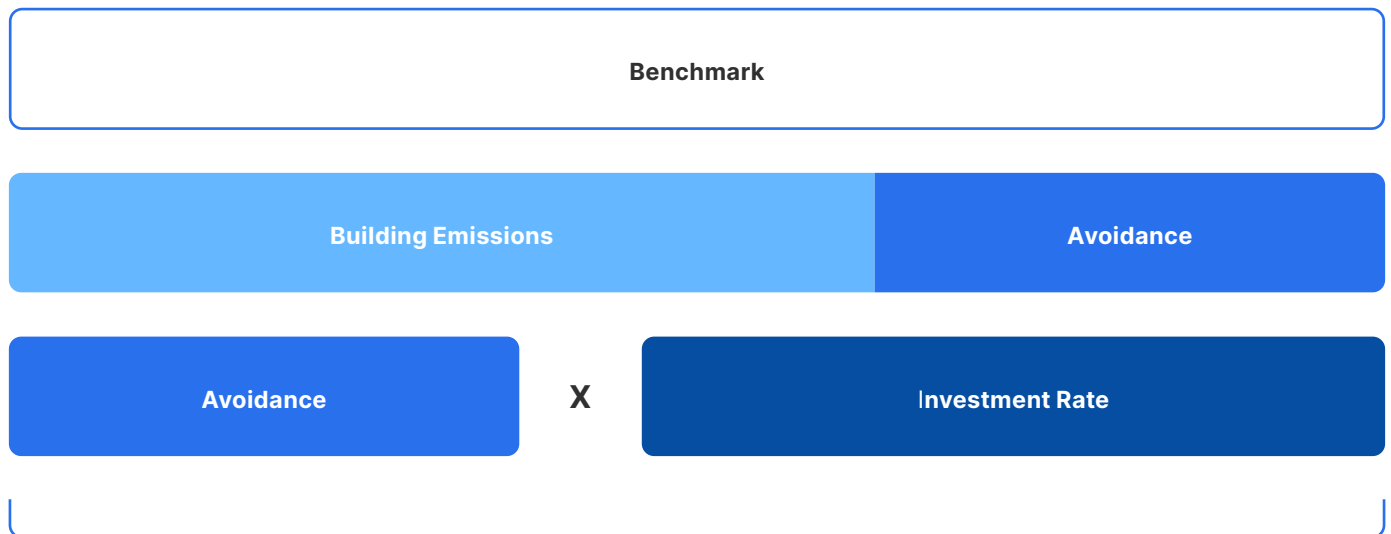


Figure 7 CO₂ avoidance in tonnes split by building category

The contribution to each of the impacts is calculated on a single building level. In order to measure the impact of higher energy efficiency, buildings are evaluated based on either of the two criteria below

- Energy Performance Certificates (EPC)
- Assessment based on the age of the building

With either of these references, the contribution to energy use and carbon emission avoidance can be clearly estimated. On an individual building basis, the building is compared to the country’s benchmark for the respective building type to assess if and by how much the energy usage or emissions may be avoided, resulting in an assessment of the building’s impact. The energy savings are then multiplied by the so called “impact factor” to quantify the bank’s actual contribution.



Erste Group’s Impact

Erste Group Sustainable Bond Impact Report 1/2

Portfolio	Total Costs	Project Financing Amount	Share of total Project Financing	Outstanding Amount	Share eligible for Green Bonds (in %)	Amount eligible for Green Bonds (in EUR)	Green Building Component
AT Green Buildings	€ 38,600,000.00	€ 23,804,864.00	62%	€ 23,993,286.00	100%	€ 23,993,286	100%
	€ 33,583,150.00	€ 16,965,863.26	51%	€ 15,685,848.75	100%	€ 15,685,849	100%
	€ 1,355,636,599.57	€ 497,431,063.07	37%	€ 489,112,662.62	100%	€ 489,112,663	100%
RO Green Buildings	€ 19,023,000.00	€ 12,254,302.01	64%	€ 12,254,302.01	100%	€ 12,254,302	100%
	€ 32,230,915.00	€ 23,113,326.00	72%	€ 22,025,773.92	100%	€ 22,025,774	100%
	€ 124,201,186.00	€ 86,740,735.00	70%	€ 81,777,756.75	100%	€ 81,777,757	100%
	€ 352,509,000.00	€ 191,000,000.00	54%	€ 183,189,000.00	100%	€ 183,189,000	100%
SK Green Buildings	€ 17,044,000.00	€ 10,168,000.00	60%	€ 7,502,735.00	100%	€ 7,502,735	100%
	€ 724,137,568.28	€ 468,036,039.33	65%	€ 423,199,902.37	100%	€ 423,199,902	100%
	€ 322,814,321.48	€ 244,334,187.00	76%	€ 227,142,464.94	100%	€ 227,142,465	100%
	€ 109,689,360.00	€ 65,637,000.00	60%	€ 64,091,865.00	100%	€ 64,091,865	100%
CZ Green Buildings	€ 572,074,561.53	€ 236,842,271.54	41%	€ 209,341,675.79	100%	€ 209,341,676	100%
	€ 183,610,906.03	€ 152,899,487.25	83%	€ 132,727,619.68	100%	€ 132,727,620	100%
	€ 103,209,987.06	€ 81,267,252.83	79%	€ 70,815,150.97	100%	€ 70,815,151	100%
	€ 3,988,364,554.95	€ 2,110,494,391.29		€ 1,962,860,043.81		€ 1,962,860,043.81	

Erste Group Sustainable Bond Impact Report 2/2

Portfolio	Allocated Amount	Project Lifetime in years	Gross Building Area	Primary Energy Use in kwh/m2 of GBA p.a.	Primary Energy Use in % of energy use avoided	Carbon Avoidance in kg CO ₂ /m ² of GBA p.a.	Carbon Avoidance in tonnes of CO ₂ equivalent reduced/avoided p.a.	Carbon Avoidance in % of carbon emissions reduced/avoided	Building Type
AT Green Buildings	€ 23,993,286.00	7.25	18,011	287	5%	3	59	7%	Retail/Sales Building
	€ 15,685,848.75	24.61	15,596	92	28%	15	245	28%	Single Family
	€ 489,112,662.62	25.59	687,511	92	21%	7	5,210	21%	Multi Family
RO Green Buildings	€ 12,254,302.01	2.22	15,068	249	24%	24	358	37%	Retail/Sales Building
	€ 22,025,773.92	24.36	48,671	198	47%	18	885	35%	Single Family
	€ 81,777,756.75	23.72	106,552	204	48%	19	2,063	38%	Multi Family
	€ 183,189,000.00	3.64	220,970	143	29%	16	3,637	30%	Office Building
SK Green Buildings	€ 7,502,735.00	1.01	10,824	368	19%	113	288	22%	Sales Building
	€ 423,199,902.37	24.26	560,468	448	20%	32	2,912	20%	Single Family
	€ 227,142,464.94	25.69	167,939	171	45%	38	1,854	45%	Multi Family
	€ 64,091,865.00	1.35	54,306	240	16%	94	1,485	19%	Office Building
CZ Green Buildings	€ 209,341,675.79	3.25	201,244	276	29%	8	1,709	29%	Office Buildings
	€ 132,727,619.68	24.52	161,894	89	52%	12	1,977	52%	Single Family
	€ 70,815,150.97	24.03	42,666	97	48%	14	601	48%	Multi Family
	€ 1,962,860,043.81		2,311,720		27%		23,282		

Renewable Energy Impact

Another contributor to greenhouse gas emissions can be found in the energy sector, which contributes around 75% of the EU's CO₂ emissions¹. Recent developments have turned the spotlight even more on the energy sector. Erste Group's portfolio has allocated more than € 140 mn in funding to improve the sustainability of the energy sector.

394,151 MWh Financed Annual Generation

89,665 tCO₂e emissions avoided

Portfolio financing lifetime of 8.98 years

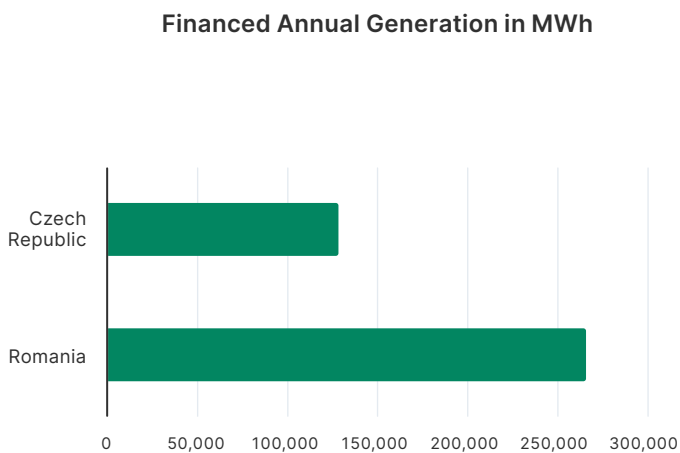


Figure 8 Financed Annual Generation in MWh

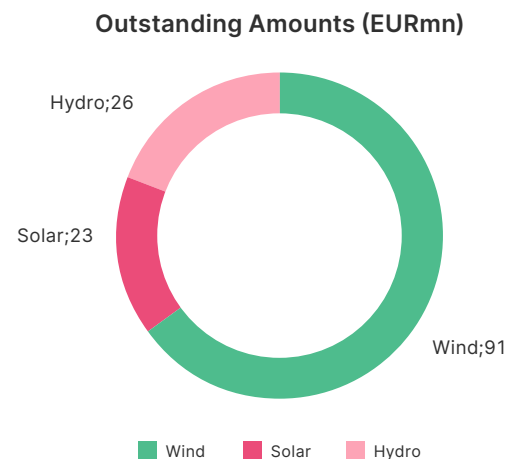


Figure 9 Outstanding amounts of financing for renewable energy projects

For impact calculation, the annual generation capacity is multiplied with a co-efficient reflecting the national composition of its energy sources. With Erste Group's sustainability and green bonds proceeds, a volume of over € 140 mn is contributed to the generation of renewable energy across Europe. The portfolio lifetime of renewable energy financings spreads from 5 to 14 years.

For benchmarks in this field, we rely on a common standard found through IFI² data. The calculation of the impact is based on the assumption that energy generated from renewable energy sources today would otherwise have been provided by the countries' existing energy mixes. Those country specific energy mixes might also include fossil sources of energy generation. The information on the annual capacity added is calculated through a technical analysis which is an established part of the project documentation in the energy sector.

¹ https://ec.europa.eu/info/research-and-innovation/research-area/energy-research-and-innovation_en

² <https://unfccc.int/documents/437880>

Portfolio	Signed Amount	Share of Total Project Financing	Eligibility of green bonds	RE Component	Allocated Amounts	Portfolio Lifetime	Annual Generation MW	Annual Generation GJ	Annual GHG Emissions avoided
RO Wind Energy Projects	€ 72,737,777.78	10%	100%	100%	€ 52,844,444.44	6.50	265,655	956,357	39,552
CZ Solar (Photovoltaic) Energy Projects	€ 23,372,099.85	100%	100%	100%	€ 23,372,099.85	4.94	25,039	90,142	9,765
CZ Wind Energy Projects	€ 38,474,045.03	100%	100%	100%	€ 38,474,045.03	13.72	39,843	143,434	15,539
CZ Small scale hydro Energy Projects	€ 25,871,677.34	100%	100%	100%	€ 25,871,677.34	12.56	63,614	229,009	24,809
	€ 160,455,600.00				€ 140,562,266.66		394,151	1,418,942	89,665

Measurement & Benchmarks

The main approach to assessing impact requires emissions and energy data to be compared with local benchmarks.

With Green Buildings, comparability and transparency is achieved via the use of benchmarks provided by a leading consultant's analysis (Drees & Sommer) in the field of sustainable construction.

The benchmarks in Austria³ stem primarily from the following definitions and documents:

- OIB R6: 2007 2019
- WIFO 2008 reference benchmarks according to calculations based on reference buildings
- Poehn et al. 2012 reference benchmarks according to calculations based on default U values
- Nutzenergieanalyse, Statistik Austria, 2019

Benchmarks used for the Romanian market are mainly derived from the following sources:

- Cost-optimal report 2013/ 2018 (published 05/2019)
- Study of Ministry of Regional Development and Public Administration (MRDPA) 2017
- C 105-2005, C 105/2010, C 107 2005, C 107/2010
- Mc 001-2006, MC 001/2017

Slovakia's benchmarks are mainly derived from the EU Building Stock Observatory, Slovakian cost-optimal report 2018, building energy codes ZZ 2005, ZZ 2012, ZZ 2016, and NZEB codes.

In the Czech Republic, benchmarks are derived from the Czech Central Statistical Office, regulation no. 264/2020, the EU Building Stock Observatory [EU Buildings Factsheets | Energy \(europa.eu\)](#) and the Czech Green Building Council (CZGBC).

In Europe, a more decentralised source for benchmarks for renewable energy is found in the use of grid factors. These Grids provide information on average CO₂ footprints per KW/h of various sources of energy generation (e.g. solar, wind, water, geothermal) to the operating grid per country. Erste Group uses a commonly available and accessible source for these factors in <https://unfccc.int/documents/437880>.

In addition to the use of comparable grids, the method used to calculate the avoided GHG emissions for the renewable energy portfolio is based on the IFI Approach to GHG Accounting for Renewable Energy Projects and methodologically aligned with Drees & Sommer as second party opinion provider. https://unfccc.int/sites/default/files/resource/IFITWG_Methodological_approach_to_common_dataset.pdf

³By Drees & Sommer - 210319_GB-Methodology_Erste Group_AT_DS.pdf



IMPACT REPORTING PRINCIPLES

- The local impact is made visible by a split between geographical regions.
- To assure better transparency on specific impacts, the segments are split between the different building types for which different benchmarks apply.
- Renewable energy has been properly captured in the Renewable Energy GHG accounting approach which is used as the prime approach for impact reporting assessments in Erste Group, with additional consultation from Drees & Sommer.
- Erste Group adheres strictly to the principle of non-double-counting of impact, which is why an impact factor calculation is performed on all of the impacts assessed. The values are updated for each round of reporting to ensure the proper attribution according to use of proceeds principles.
- Environmental impact data is assessed based on case-by-case inclusion of energy performance certificates or property assessment of construction and commissioning dates.
- Reporting content is set up in compliance with ICMA reporting.
- To assist external validation, the setup of approaches, proxies and demanded output in the final impact report has been aligned and validated with the external consultant Drees & Sommer.
- Investment amounts in Erste Group's reporting are provided in Euros after converting at current exchange rates.
- Eligibility criteria have been determined in accordance with the Erste Group Sustainable Finance Framework.



ANNEX

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II Individual Country Reports and Links

Allgemein Sparkasse Oberösterreich:

Allgemeine Sparkasse Oberösterreich Sustainable Bond Allocation Report

Green Buildings - Eligible Loan Portfolio

Geographical Distribution	Number of loans	Size of Loan Portfolio
AT	281	€ 88,303,552.50
Total	281	€ 88,303,552.50

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
QOXDBA049315	27.04.2022	27.04.2037	€ 5,000,000
QOXDBA049125	04.02.2022	04.02.2037	€ 5,000,000
AT000B 101514	25.10.2022	25.10.2027	€ 13,884,600
AT000B 101464	09.03.2022	09.03.2032	€ 20,200,000
AT000B 101456	27.01.2022	27.01.2034	€ 15,300,000
Total			€ 59,384,600

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of new financing	Percentage of new financing
€ 88,303,552.50	100%	€ 0.00	0%	€ 0.00	0%

Allgemein Sparkasse Oberösterreich Sustainable Bond Impact Report

Portfolio	Total Costs	Project Financing Amount	Share of total Project Financing	Outstanding Amount	Share eligible for Green Bonds (in %)	Amount eligible for Green Bonds (in EUR)	Green Building Component	Allocated Amount
AT Green Buildings	€ 19,571,150.00	€ 10,134,376.00	52%	€ 10,104,071.53	100%	€ 10,104,072	100%	€ 10,104,071.53
	€ 125,571,786.00	€ 78,885,788.00	63%	€ 78,199,480.97	100%	€ 78,199,481	100%	€ 78,199,480.97
	€ 145,142,936.00	€ 89,020,164.00		€ 88,303,552.50		€ 88,303,552.50		€ 88,303,552.50

Portfolio	Project Lifetime in years	Gross Building Area	Primary Energy Use in kwh/m2 of GBA p.a.	Primary Energy Use in % of energy use avoided	Carbon Avoidance in kg CO ₂ /m ² of GBA p.a.	Carbon Avoidance in tonnes of CO ₂ equivalent reduced/ avoided p.a.	Carbon Avoidance in % of carbon emissions reduced/avoided	Building Type
AT Green Buildings	23.38	9,403	123	24%	12	127	23%	Single Family
	23.19	76,173	112	22%	7	562	22%	Multi Family
		85,576		22%		689		

Banca Commerciale Romana S.A. :**Banca Commerciale Sustainable Bond Allocation Report**

Green Buildings - Eligible Loan Portfolio

Geographical Distribution	Number of loans	Size of Loan Portfolio
RO	1,494	€ 201,992,530.68
Total	1,494	€ 201,992,530.68

Renewable Energy - Projects

Geographical Distribution	Number of loans	Size of Loan Portfolio
RO	1	€ 30,066,666.66
Total	1	€ 30,066,666.66

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
ROMU2ND4VHC6	14.10.21	14.10.28	€ 101,020,305
ROPC9F84ZSG4	14.06.22	14.06.27	€ 141,832,508
Total			€ 242,852,813

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of new financing	Percentage of new financing
€ 232,032,764.67	96%	€ 28,366,501.67	12%	€ 20,297,584.72	9%

Banca Commerciale Sustainable Bond Impact Report

Portfolio	Total Costs	Project Financing Amount	Share of total Project Financing	Outstanding Amount	Share eligible for Green Bonds (in %)	Amount eligible for Green Bonds (in EUR)	Green Building Component	Allocated Amount
RO Green Buildings	€ 190,000,000.00	€ 106,000,000.00	56%	€ 98,189,000.00	100%	€ 98,189,000	100%	€ 98,189,000.00
	€ 124,201,186.00	€ 86,740,735.00	70%	€ 81,777,756.75	100%	€ 81,777,757	100%	€ 81,777,756.75
	€ 32,230,915.00	€ 23,113,326.00	72%	€ 22,025,773.92	100%	€ 22,025,774	100%	€ 22,025,773.92
	€ 346,432,101.00	€ 215,854,061.00		€ 201,992,530.68		€ 201,992,530.68		€ 201,992,530.68

Portfolio	Project Lifetime in years	Gross Building Area	Primary Energy Use in kwh/m2 of GBA p,a,	Primary Energy Use in % of energy use avoided	Carbon Avoidance in kg CO ₂ /m ² of GBA p,a,	Carbon Avoidance in tonnes of CO ₂ equivalent reduced/avoided p,a,	Carbon Avoidance in % of carbon emissions reduced/avoided	Building Type
RO Green Buildings	1.44	147,695	113	35%	18	2,654	34%	Office Building
	23.72	106,552	204	48%	19	2,063	38%	Multi family
	24.36	48,671	198	47%	18	885	35%	Single family
		302,918		40%		5,601		

Portfolio	Signed Amount	Share of Total Project Financing	Eligibility for green bonds	RE component	Allocated Amount	Portfolio Lifetime	Annual generation MW	Annual Generation GJ	Annual GHG emissions avoided
RO Wind Energy Projects	€ 49,960,000.00	9%	100%	100%	€ 30,066,666.66	6.50	123,165	443,393	28,867
	€ 49,960,000.00				€ 30,066,666.66	6.50	123,165	443,393	28,867

Ceska Sportelna a.s.:**Ceska Sportelna Sustainable Bond Allocation Report**

Green Buildings - Eligible Loan Portfolio

Geographical Distribution	Number of loans	Size of Loan Portfolio
CZ	1,545	€ 412,884,446.65
Total	1,545	€ 412,884,446.65

Renewable Energy - Projects

Geographical Distribution	Number of loans	Size of Loan Portfolio
CZ	47	€ 87,717,822.22
Total	47	€ 87,717,822.22

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
AT0000A2STV4	06.09.21	13.09.28	€ 500,000,000
Total			€ 500,000,000

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of new financing	Percentage of new financing
€ 500,602,268.87	100%	€ 0.00	0%	€ 108,304,141.02	22%

Ceska Sporitelna Sustainable Bond Impact Report

Portfolio	Total Costs	Project Financing Amount	Share of total Project Financing	Outstanding Amount	Share eligible for Green Bonds (in %)	Amount eligible for Green Bonds (in EUR)	Green Building Component	Allocated Amount
CZ Green Buildings	€ 572,074,561.53	€ 236,842,271.54	41%	€ 209,341,675.79	100%	€ 209,341,676	100%	€ 209,341,675.79
	€ 183,610,906.03	€ 152,899,487.25	83%	€ 132,727,619.68	100%	€ 132,727,620	100%	€ 132,727,619.68
	€ 103,209,987.06	€ 81,267,252.83	79%	€ 70,815,150.97	100%	€ 70,815,151	100%	€ 70,815,150.97
	€ 858,895,454.62	€ 471,009,011.62		€ 412,884,446.44		€ 412,884,446.44		€ 412,884,446.44

Portfolio	Project Lifetime in years	Gross Building Area	Primary Energy Use in kwh/m2 of GBA p,a,	Primary Energy Use in % of energy use avoided	Carbon Avoidance in kg CO ₂ /m ² of GBA p,a,	Carbon Avoidance in tonnes of CO ₂ equivalent reduced/ avoided p,a,	Carbon Avoidance in % of carbon emissions reduced/avoided	Building Type
CZ Green Buildings	3.25	201,244	276	29%	8	1,709	29%	Office Buildings
	24.52	161,894	89	52%	12	1,977	52%	Single Family
	24.03	42,666	97	48%	14	601	48%	Multi Family
		405,804		36%		4,287		

Portfolio	Signed Amount	Share of Total Project Financing	Eligibility for green bonds	RE component	Allocated Amount	Portfolio Lifetime	Annual generation MW	Annual Generation GJ	Annual GHG emissions avoided
CZ Solar (Photovoltaic) Energy Projects	€ 23,372,099.85	100%	100%	100%	€ 23,372,099.85	4.94	25,039	90,142	9,765
CZ Wind Energy Projects	€ 38,474,045.03	100%	100%	100%	€ 38,474,045.03	13.72	39,843	143,434	15,539
CZ Small scale hydro Energy Projects	€ 25,871,677.34	100%	100%	100%	€ 25,871,677.34	12.56	63,614	229,009	24,809
	€ 87,717,822.22				€ 87,717,822.22	11.04	128,496	462,585	50,113

Erste Group Bank AG (AT stand alone)

Erste Group Bank AG Sustainable Bond Allocation Report

Green Buildings - Eligible Loan Portfolio

Geographical Distribution	Number of loans	Size of Loan Portfolio
AT	126	€ 440,488,244.87
RO	2	€ 97,254,302.01
Total	128	€ 537,742,546.88

Renewable Energy - Projects

Geographical Distribution	Number of loans	Size of Loan Portfolio
RO	1	€ 22,777,777.78
Total	1	€ 22,777,777.78

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
ATDEALFBX2U1	28.05.21	28.05.24	€ 10,000,000
AT0000A303B8	03.10.22	03.10.27	€ 45,500,000
AT0000A2RAA0	17.05.21	17.05.28	€ 500,000,000
Total			€ 555,500,000

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of new financing	Percentage of new financing
€ 560,520,324.66	100%	€ 0,00	0%	€ 132,672,738.08	24%

Erste Group Sustainable Bond Impact Report

Portfolio	Total Costs	Project Financing Amount	Share of total Project Financing	Outstanding Amount	Share eligible for Green Bonds (in %)	Amount eligible for Green Bonds (in EUR)	Green Building Component	Allocated Amount
AT Green Buildings**	€ 19,023,000.00	€ 12,254,302.01	64%	€ 12,254,302.01	100%	€ 12,254,302	100%	€ 12,254,302,01
	€ 162,509,000.00	€ 85,000,000.00	52%	€ 85,000,000.00	100%	€ 85,000,000	100%	€ 85,000,000,00
	€ 14,012,000.00	€ 6,831,487.26	49%	€ 5,581,777.22	100%	€ 5,581,777	100%	€ 5,581,777,22
RO Green Buildings	€ 38,600,000.00	€ 23,804,864.00	62%	€ 23,993,286.00	100%	€ 23,993,286	100%	€ 23,993,286,00
	€ 1,230,064,813.57	€ 418,545,275.07	34%	€ 410,913,181.65	100%	€ 410,913,182	100%	€ 410,913,181,65
	€ 1,464,208,813.57	€ 546,435,928.34		€ 537,742,546.88		€ 537,742,546.88		€ 537,742,546.88

Portfolio	Project Lifetime in years	Gross Building Area	Primary Energy Use in kWh/m ² of GBA p,a,	Primary Energy Use in % of energy use avoided	Carbon Avoidance in kg CO ₂ /m ² of GBA p,a,	Carbon Avoidance in tonnes of CO ₂ equivalent reduced/avoided p,a,	Carbon Avoidance in % of carbon emissions reduced/avoided	Building Type
AT Green Buildings**	2.22	15,068	249	24%	24	358	37%	Single Family
	6.20	73,275	179	23%	13	984	26%	Retail/Sales Building
	26.32	6,193	48	35%	18	118	34%	Multi Family
RO Green Buildings	7.25	18,011	287	5%	3	59	7%	Retail/Sales Building
	25.83	611,337	90	20%	7	4,648	21%	Office Building
		723,884		20%		6,166		

Portfolio	Signed Amount	Share of Total Project Financing	Eligibility for green bonds	RE component	Allocated Amount	Portfolio Lifetime	Annual generation MW	Annual Generation GJ	Annual GHG emissions avoided
RO Wind Energy Projects	€ 22,777,777.78	11%	100%	100%	€ 22,777,777.78	6.50	142,490	512,964	10,685
					€ 22,777,777.78	6.50	142,490	512,964	10,685

** thereof EUR 386 mn dedicated to providing affordable housing (social)

Slovenská sporiteľ'na, a.s.:**Slovenská sporiteľ'na, a.s. Sustainable Bond Allocation Report**

Green Buildings - Eligible Loan Portfolio

Geographical Distribution	Number of loans	Size of Loan Portfolio
SK	6,389	€ 721,936,967.31
Total	6,389	€ 721,936,967.31

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
SK4000019337	16.06.21	16.06.28	€ 154,000,000
SK4000021242	13.07.22	13.12.29	€ 53,440,840
SK4000021820	05.10.22	05.04.28	€ 500,000,000
SK4000021994	20.10.22	20.10.25	€ 25,000,000
Total			€ 732,440,840

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of new financing	Percentage of new financing
€ 721,936,967.31	99%	€ 10,548,167.47	1%	€ 103,048,569.80	14%

Slovenská sporiteľňa, a.s Sustainable Bond Impact Report

Portfolio	Total Costs	Project Financing Amount	Share of total Project Financing	Outstanding Amount	Share eligible for Green Bonds (in %)	Amount eligible for Green Bonds (in EUR)	Green Building Component	Allocated Amount
	€ 17,044,000.00	€ 10,168,000.00	60%	€ 7,502,735.00	100%	€ 7,502,735	100%	€ 7,502,735.00
SK Green Buildings	€ 724,137,568.28	€ 468,036,039.33	65%	€ 423,199,902.37	100%	€ 423,199,902	100%	€ 423,199,902.37
	€ 322,814,321.48	€ 244,334,187.00	76%	€ 227,142,464.94	100%	€ 227,142,465	100%	€ 227,142,464.94
	€ 109,689,360.00	€ 65,637,000.00	60%	€ 64,091,865.00	100%	€ 64,091,865	100%	€ 64,091,865.00
	€ 1,173,685,249,76	€ 788,175,226.33		€ 721,936,967.31		€ 721,936,967.31		€ 721,936,967.31

Portfolio	Project Lifetime in years	Gross Building Area	Primary Energy Use in kWh/m ² of GBA p,a,	Primary Energy Use in % of energy use avoided	Carbon Avoidance in kg CO ₂ /m ² of GBA p,a,	Carbon Avoidance in tonnes of CO ₂ equivalent reduced/ avoided p,a,	Carbon Avoidance in % of carbon emissions reduced/avoided	Building Type
	1.01	10,824	368	19%	113	288	22%	Retail/Sales Building
SK Green Buildings	24.26	560,468	448	20%	32	2,912	20%	Single Family
	25.69	167,939	171	45%	38	1,854	45%	Multi Family
	1.35	54,306	240	16%	94	1,485	19%	Office Building
		793,537		27%		6,539		

Issuing Bank	Link to local ESG/Investor Relations homepage
Erste Group Bank AG	Sustainability/ESG - the principles of Erste Group Erste Group Bank AG
Ceska Sporitelna	Sustainability Česká spořitelna Česká spořitelna (csas.cz)
Banca Comerciale Romana s.a	Investors (bcr.ro)
Slovenská sporiteľ'na, a.s.	Financial indicators of Slovenská sporiteľ'ňa (slsp.sk)
Allgemein Sparkasse Oberösterreich	Engagiert für eine lebenswerte Zukunft Sparkasse Oberösterreich

III Description of Terminology

In the following section, the impact report fields for Green Buildings and Renewable Energy projects are depicted:

General terminology

Term	Explanation
Portfolio	This field names the type of green asset and the relevant country.
Total Costs (also "Signed Amount")	The total costs reflect the full costs applicable for the relevant portfolio. This includes host as well as non-host amounts in case of syndicated loans but also the amounts of equity provided by the customer.
Project Financing Amount	This field shows the amount granted by the host bank of the Sustainable Finance Instrument.
Share of Total Project Financing	The Project Financing Amount is put into relation to the Total Costs and provided as a full % value: $\text{Share of total Project Financing} = \frac{\text{Project Financing Amount}}{\text{Total Costs}}$
Outstanding Amount	The balance amount at cut-off date of reporting
Share eligible for Sustainable Bonds	The share eligible for sustainable bonds is supposed to set the sustainable bond outstanding amount into relation of what part can be attributed to a green or sustainable investment.
Amount eligible for Sustainable Bonds	$\text{Amount eligible for Sustainable Bonds} = \text{Share eligible for sustainable bond} \times \text{Outstanding Amount}$
Allocated Amount	The allocated amount provides the final step of assessing the investment contribution. It is derived by a multiplication of the Asset Type Component with the Amount eligible for sustainable bonds $\text{Allocated Amount} = \text{Amount eligible for Sustainable Bond} \times \text{Asset Type Component}$
Project Lifetime	Time to Maturity of the loans in the allocated portfolio in years as a weighted average.
Asset Type Component	For each asset type a component is to be attributed. Here a typical 100% are expected unless loans are used for several sustainable purposes that are to be depicted in other sections.
Impact Factor	$\text{impact factor} = \frac{\sum \text{Allocated Amounts of one Green Project}}{\text{lending value}}$ <p>This factor represents the maximum contribution of one Green Project (one building, one renewable energy plant, ...) to the impact.</p>

Terminology applicable to Green Buildings

Any green building CO₂ impact is measured per building and capped by the bank’s attribution to the full building in percent. In case of any potential over-allocation of assets, the impacts related to the terms “Primary Energy Use - % of energy use avoided”, “Carbon Avoidance – in kg CO₂/m² of GBA p.a.”, “Carbon Avoidance – tonnes of CO₂ equivalent reduced / avoided p.a.”, and “Carbon Avoidance - % of carbon emissions reduced / avoided” are adapted to show the impact being attributable to the bond proceeds by multiplying the respective impact with the minimum of (allocated assets/bond proceeds) and 100%:

Term	Explanation
Type of Building	<p>Provides the option to separate the portfolio in types of building</p> <ul style="list-style-type: none"> - Single Family Buildings - Multi Family Buildings - Office Buildings - Sales Buildings <p>In case of mixed building use, the main building use shall be defined based on main purpose and floor area.</p>
Green Building Certificates	List of certificates (if any exist)
Gross Building Area	Gross building area of the Green Building (including walls) and external areas is to be provided.
Primary Energy Use – kwh/m ² of GBA p.a.	The primary energy use is derived from the Energy Performance Certificate (EPC) unless attribution to sustainability is done via Top15 approach where a calculation based on local averages is applied (sample based on construction year).
Primary Energy Use - % of energy use avoided	<p>Impact on the primary energy use provided by the allocation. The primary energy use is compared to the local benchmark and the result is multiplied with the impact factor.</p> <p>It is calculated as follows</p> $\text{Primary Energy Use-percentage of energy use avoided} = \left(\frac{\text{Benchmark Primary Energy Demand} - \text{Calculated Primary Energy Demand}}{\text{Benchmark Primary Energy Demand}} \times \text{Impact Factor} \right) \times 100$
Carbon Avoidance – in kg CO ₂ /m ² of GBA p.a.	Carbon emission avoidance of the building as a full value of kg emitted per m ² on an annual basis subtracted from the CO ₂ benchmark for the building type.
Carbon Avoidance – tonnes of CO ₂ equivalent reduced / avoided p.a.	$\text{Carbon Avoidance in Tonnes} = \frac{\left(\left(\frac{\text{Carbon Emissions Benchmark} - \text{Calculated Carbon Emissions}}{\text{Carbon Emissions Benchmark}} \right) \times \text{impact factor} \right) \times \text{Gross Building Area}}{1000}$
Carbon Avoidance - % of carbon emissions reduced / avoided	$\text{Carbon Avoidance in \%} = \left(\left(\frac{\text{Carbon Emissions Benchmark} - \text{Calculated Carbon Emissions}}{\text{Carbon Emissions Benchmark}} \right) \times 100 \right) \times \text{Impact Factor}$

Terminology applicable to Renewable Energy

The impact always applies to one plant and is adapted by the actual share of the project being financed by the issuing entity. The impact therefore can only be 100% of the plant's impact if the funding for the plant has fully been provided by the issuing entity (no equity or syndication).

In case of any potential over-allocation of assets, the impact related to the term "Annual GHG emissions avoided" is adapted to show the impact being attributable to the bond proceeds by multiplying the respective impact with the minimum of (allocated assets/bond proceeds) and 100%:

Term	Explanation
Annual generation	The annual generation is either derived from the contracts or calculated by multiplying the capacity with the conversion factor, multiplied by the own share of financing
Renewable energy capacity (added)	The minimum input derived from contracts or technical analysis multiplied by the own share of financing
Annual GHG emissions avoided	Annual generation multiplied with the grid factor compared to the local energy mix.

A photograph of a modern, curved glass building with a wooden deck and a green roof. The building has multiple floors with large glass windows and a curved facade. The sky is blue with some clouds. The foreground shows a wooden deck and a green roof with various plants.

Erste Group Sustainable Finance Framework

ERSTE 
Group

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1 About Erste Group

Erste Group Bank AG and all entities directly or indirectly controlled by Erste Group Bank AG (the **"Erste Group"**) currently employ around 46,200 staff, who work with 16.6 million clients in seven countries of Central and Eastern Europe (Austria, Croatia, Czech Republic, Hungary, Serbia, Romania, Slovakia). Erste Group provides its clients with safe, trusted, and top-quality services. Apart from retail operations, Erste Group provides corporate financing and consulting services related to investment, access to international capital markets, public sector financing and interbank market operations.

Erste Group is built on traditional roots of banking with a corporate history dating back to 1819. The first Erste oesterreichische SparCasse opened its doors in the midst of a post-war economic crisis, but had a clear and revolutionary mission codified in its founding letter: "[Its] purpose is to provide [...] factory workers, peasants, or other industrious and economical minors or persons of full legal age with the means of gradually building up a small amount of capital out of their hard-won earnings, so they can spend it later in life for retirement, dowries, assistance in sickness, old age, or to achieve any praiseworthy objective". The inclusion driven strategy, the believe that everyone can prosper is a critical and valid mission statement of Erste Group also today.

Sustainability at Erste Group

Prosperity, equal opportunities and a just social wellbeing is in the heart of Erste Group's core values and business objectives. It is also very clear, that the accelerating level of environmental degradation and the urgency of climate change are threatening especially the most vulnerable part of our societies.

As a reflection of the leading role in social wellbeing of the CEE region, Erste Group is committed to contribute to the United Nations Sustainable Development Goals ("**SDGs**") as well as committed to achieve the targets set by the Paris COP21 of limiting the global warming to a well below 2, preferably to 1.5 degree Celsius, compared to pre-industrial levels. In line with these global targets, Erste Group in 2020 approved an overarching set of internal Environmental-Social-Governance ("**ESG**") business objectives, laid down a strategic roadmap of priorities covering sustainable

finance, comprehensive ESG risk management, raising employee awareness and aiming enhanced transparency of ESG disclosure standards.

Erste Group is working to establish sustainable finance in the CEE region, to mobilize funds for a transition towards low carbon economy, to enhance risk management and financing standards and increase the credibility of the sustainable investments of the region. Erste Group in all its countries takes responsibility to finance socially and economically important infrastructure, public administration, or common good projects in demand. Erste Group applies across its regions a social banking concept to support the most vulnerable part of society (individuals, NGOs but also start-ups) and fosters financial literacy. Erste Group refrains from financing projects that have harmful consequences on the ethical, social and environmental wellbeing.

To be successful Erste Group will focus on communication to inform employees, clients, shareholders and other stakeholders about targets and guiding principles of its environmental strategy.

Erste Group is included in the following ratings/indexes:

Erste Group has been part of the Euronext Vigeo Index Eurozone 120 since June 2018.

- Included in the Vienna Stock Exchange's sustainability index since its launch in 2008.
- Erste Group has been part of the FTSE4Good Index Series since 2016.
- In October 2018, Erste Group was awarded prime status in the ISS ESG ratings.
- At the beginning of 2019 imug Investment Research raised the rating for Erste Group from neutral to positive, and public sector covered bonds (Öffentliche Pfandbriefe) are now rated as very positive.
- In 2019, Erste Group received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

2 Erste Group Sustainable Finance Framework



Erste Group's Sustainable Finance Framework is designed as an umbrella framework that will allow Erste Group to issue sustainable finance instruments to finance new and/or refinance existing loans to its clients and projects with environmental and/or social benefits.

"Sustainable Finance Instruments" will include bearer and registered bonds, promissory notes and other debt or financing instruments, which might be issued publicly or as private placements and fund eligible green and/or social projects that conform to the sustainable finance principles.

- **"Green Bonds"** means Sustainable Finance Instruments that finance and/or refinance Eligible Green Loans (as defined in the 3.1 Use of Proceeds section);
- **"Social Bonds"** means Sustainable Finance Instruments that finance and/or refinance Eligible Social Loans (as defined in the 3.2 Use of Proceeds section);
- **"Sustainability Bonds"** means Sustainable Finance Instruments that finance and/or refinance a mix of Eligible Green Loans (as defined in the 3.1 Use of Proceeds section) and Eligible Social Loans (as defined in the 3.2 Use of Proceeds section).

Erste Group's Sustainable Finance Framework is in line with:

- International Capital Market Association (ICMA) Green Bond Principles ("**GBP**") 2018¹;
- International Capital Market Association (ICMA) Social Bond Principles ("**SBP**") 2020²;
- International Capital Market Association (ICMA) Sustainability Bond Guidelines ("**SBG**") 2018³.

The GBP, SBP and SBG are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green and social instruments' market.

In alignment with these, Erste Group's Sustainable Finance Framework is based on the following key pillars:

- a. Use of Proceeds;
- b. Process for Project Evaluation and Selection;
- c. Management of Proceeds;
- d. Reporting;
- e. External Review.

For each Sustainable Finance Instrument issued, (i) Use of Proceeds (ii) Project Evaluation and Selection (iii) Management of Proceeds, (iv) Reporting, and (v) External Review will be adopted subject to and in accordance with this Sustainable Finance Framework as amended from time to time.

1 <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

2 <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

3 <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

3 Use of Proceeds









An amount equivalent to the net proceeds of the Sustainable Finance Instrument issuances (the **"Net Proceeds"**) will be exclusively used to finance and/or refinance the following loan instruments of Erste Group with environmental and/or social benefits:

Eligible Green Loans (**"Green Loans"**): loans and investments dedicated to the financing of Eligible Green Projects as defined in Section 3.1 with a positive environmental impact.

Eligible Social Loans (**"Social Loans"**): loans and investments dedicated to the financing of Eligible Social Projects as defined in Section 3.2 with a positive social impact.

Eligible Loan Portfolio (**"Loan Portfolio"**): is comprised of all Green Loans and Social Loans.




3.1 Eligible Green Projects

Green Category	Definition	Eligibility Criteria	UN SDG	EU Environmental Objective
Green Buildings (Residential)	Loans and/or investments to finance new or existing residential buildings	<ul style="list-style-type: none"> Buildings that are within the top 15% low-carbon performing in the respective country Buildings that have undergone refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before renovation (When using EPC labels, at least two label steps increase in energy performance certificate compared to original built quality) New Buildings that comply with Nearly Zero Energy Buildings requirements defined in relevant country building legislation⁴ 	  	Environmental Objective (1): Climate Change Mitigation
Green Buildings (Commercial)	Loans and/or investments to finance new or existing commercial buildings	<ul style="list-style-type: none"> Buildings that are within the top 15% low-carbon performing in the respective country Buildings that have undergone refurbishments resulting in an increase in energy of efficiency of at least 30% against a baseline performance of the building before the renovation Where applicable, minimum certification of BREEAM "Very Good", LEED "Gold" or any other equivalent certification 	  	Environmental Objective (1): Climate Change Mitigation
Renewable Energy	Loans and/or investments to finance or refinance generation and transmission of energy from renewable sources and manufacturing of the related equipment ⁵	<ul style="list-style-type: none"> Onshore and offshore wind energy Solar (Photovoltaic) Small scale hydro power (<20 MW) and refurbishment (or refinancing) of existing large-scale hydro (>20 MW) Geothermal energy with life cycle assessment emissions $\leq 100\text{g CO}_2\text{e/kWh}$ 	 	Environmental Objective (1): Climate Change Mitigation

⁴ Within its Sustainable Finance Reporting, Erste Group intends to report on the % of New Buildings complying with the EU Taxonomy NZEB – 20% criteria, where applicable (for assets located in geographies where NZEB has been defined in terms correspondent Building Regulation).

⁵ All renewable energy products should have lifecycle carbon emissions less than 100g CO₂/kWh.

3.2 Eligible Social Projects

Social Category	Definition	Eligibility Criteria	UN SDG
Access to Subsidized Housing (“Gemeinnütziger Wohnbau”) Affordable Housing	Loans and/or investments to finance or refinance existing or new projects of subsidized housing meeting the relevant statutory definitions ⁶ ;	<ul style="list-style-type: none"> – Financing of “gemeinnützige Bauvereinigungen” (GBV) and following the statutory definitions of the Wohnungsgemeinnützigkeitsgesetz (WGG), (e.g. cap on rental expenses for tenants, income caps, cost coverage principle with limitation on profits) – Affordable housing: Creating and operation of affordable and/or improved housing; Cooperative apartments; Rental Microcredits (Zweite Sparkasse) 	
Financial and Social Inclusion	Loans and/or investments to finance or refinance start-ups, microfinance businesses or subjects of social economy	<ul style="list-style-type: none"> – Financing must be part of the following activities / programs: <ul style="list-style-type: none"> – Financing of social organizations – Microcredit program: financing unemployed who start businesses – cooperation with Ministry of Social Affairs; – Agriculture start-up loans in rural areas – Financing of social infrastructure projects like kindergartens, cultural centers, house for orphans or disabled people or sports facilities 	
Access to Essential Services	Loans to finance or refinance projects related to essential services ⁷	<ul style="list-style-type: none"> – Providers of public healthcare and facilities: <ul style="list-style-type: none"> – Public hospitals – Elderly care facilities – Other Healthcare facilities – Primary and secondary schools (public) and vocational training: <ul style="list-style-type: none"> – Related infrastructure – Dedicated programmes, learning materials, furniture and other equipment 	

Erste Group may, at any time, extend the list of Green and/or Social Loans to other type of assets which provide verifiable sustainability benefits. In this case, Erste Group commits to update the current Sustainable Finance Framework and to extend the set of criteria to appropriately reflect the new asset class.

For clarification purposes, the Use of Proceeds of the Sustainable Finance Instruments must be in alignment with the limitations and restrictions outlined and defined in Erste Group’s Responsible Financing Policy⁸.

⁶ As defined by the Austrian federal law of 8 March 1979 on non-profit housing (Wohnungsgemeinnützigkeitsgesetz – WGG), as amended, updated.

⁷ Excluding range of businesses such as, but not limited to alcohol, tobacco, coal mining, weapons, pornography, gambling, activities involving forced or child labour, business with a record of engaging in illegal practices.

⁸ <https://www.erstegroup.com/en/about-us/sustainability>

4 Process for Loan Evaluation and Selection



A dedicated Sustainable Finance Committee (the “SFC”) has been established to create and manage this Sustainable Finance Framework. Erste Group’s SFC is comprised by the Sustainability Officer, who will serve as its chairman, and members of the Senior Management Team. The SFC will manage any future updates to the Sustainability Finance Framework, including amendments to the list of Eligible Categories, oversee its implementation and meet at least once a year. The Sustainable Finance Framework will be evaluated according to the Principles and Guidelines mentioned under 2. Erste Group Sustainable Finance Framework.

In identifying Green and Social Loans and their non-financial impacts Erste Group may rely on external consultants and their data sources.

The loans selection is based on the Eligibility Criteria defined in the section above (see the section entitled 3. Use of Proceeds). Erste Group ensures that all Green and Social Loans comply with official national and international environmental and social laws and regulations and any standards on a best effort basis. It is part of Erste Group’s transaction approval process to ensure that all its activities comply with internal environmental and social directives. Erste Group has defined minimum environmental and social requirements for all lending businesses, including those financed with the proceeds of the Sustainable Finance Instruments. These Eligibility Criteria, minimum requirements and ESG related matters are continuously developed and renewed in Erste Group’s external and internal policy frameworks. Erste Group’s environmental and social policies can be found on: <https://www.erstegroup.com/en/about-us/sustainability>.

ESG risk factors are always part of financing standards of Erste Group. The standards are industry sector differentiated, related to the size, complexity and impact, and applied at client onboarding or at the financing transactions. Reflecting on the increasing importance of ESG risks, Erste Group is further enhancing its approach with the implementation of a conceptually much broader, balanced ESG scorecard-based screening and a consecutive deep dive ESG risk assessment on the relevant large customer segments. Erste Group refrains from ethically, social and environmentally harmful transactions. Our risk perspective and exclusion rules are outlined in the publicly available “Responsible Finance Policy”. Erste Group is committed to regularly recalibrate these financing rules, reflecting on the rising urgency of climate action, the evolving new standards of the European Commission and the on-going public behavioural change.

The Erste Group definition of the ESG risks is available in the publicly disclosed “Erste Group ESG Risk Definition Policy”

5 Management of Proceeds

The Net Proceeds of the Sustainable Finance Instruments issued under this Sustainability Finance Framework will be managed by Erste Group in a portfolio approach. Erste Group intends to allocate the proceeds from the Sustainable Finance Instruments to a portfolio of loans that meet the Use of Proceeds Eligibility Criteria and in accordance with the evaluation and selection process presented above.

Erste Group entities will strive, within 24 months after issuance, to reach a level of allocation of the Loan Portfolio that at least matches the Net Proceeds from its outstanding Sustainable Finance Instruments.

Additional Green and/or Social Loans will be added to the Loan Portfolio to the extent required.

Pending the allocation of the Net Proceeds of any Sustainable Finance Instrument to the Loan Portfolio, all or a portion of the Net Proceeds may be used for the payment of outstanding indebtedness or other capital management activities.



6 Reporting

Erste Group will make and keep readily available reporting on the allocation of Net Proceeds to the Loan Portfolio on a nominal equivalence basis one year from the issuance of the respective Sustainable Finance Instruments, to be renewed annually until full allocation.

Erste Group intends to issue reports on the allocation of the Use of Proceeds to the Loan Portfolio at least at the category level and on an aggregated (portfolio) basis for all Sustainable Finance Instruments issued by Erste Group.

Erste Group intends to align, on a best effort basis, the impact reporting with the portfolio approach described in "Handbook - Harmonized Framework for Impact Reporting (December 2020)" and "Working Towards a Harmonized Framework for Impact Reporting for Social Bonds (June 2019)"

In any case, Erste Group will not double count the financing of any Green or Social Loans.

Allocation Reporting

The allocation report will provide, on an aggregated basis, indicators such as:

- the size of the Loan Portfolio;
- the total amount of proceeds allocated to the Loan Portfolio (consisting of Green and Social Loans);
- the balance (if any) of unallocated proceeds;
- the amount or the percentage of new financing and refinancing;
- the geographical distribution of the assets (at country level);
- the total volume of Sustainable Finance Instruments outstanding.

Impact Reporting

Where feasible, Erste Group intends to report on the environmental and social impacts of the projects funded with the Sustainable Finance Instruments' proceeds or refer to existing sustainability reporting of Erste Group. A list of potential indicators is presented below.

GBP/SBP Category	Potential impact indicators
Green Buildings (Commercial)	<ul style="list-style-type: none"> - Estimated ex-ante annual energy consumption in KWh - Estimated annual avoided carbon emissions (in tCO₂ eq) - Overview of sustainable labels and certificates of eligible buildings
Green Buildings (Residential)	<ul style="list-style-type: none"> - Estimated ex-ante annual energy consumption in KWh - Estimated annual avoided carbon emissions (in tCO₂ eq)
Renewable Energy	<ul style="list-style-type: none"> - Installed renewable energy capacity (GW or MW) - Estimated annual avoided carbon emissions (in tCO₂ eq)
Access to Subsidized Housing ("Gemeinnütziger Wohnbau")	<ul style="list-style-type: none"> - Number of units built - Number of beneficiaries (if possible)
Financial and Social Inclusion	<ul style="list-style-type: none"> - Number of projects/facilities financed - Volume allocated to projects - Number of beneficiaries
Access to Essential Services	<ul style="list-style-type: none"> - Number of projects/facilities financed - Volume allocated to projects - Number of beneficiaries

Both the allocation report and the impact report will be made available on the Erste Group's websites.

7 External review

Second party opinion

Erste Group's Sustainable Finance Framework has been reviewed by ISS ESG who has issued a Second Party Opinion. ISS ESG evaluated Erste Group's Sustainable Finance Framework and its alignment with relevant industry standards and has provided views on the robustness and credibility of the Sustainable Finance Framework.

The Second Party Opinion as well as the Sustainable Finance Framework are available to investors and other stakeholders on [Erste Group's website](#).

Verification

Erste Group may request on an annual basis, starting one year after issuance and until maturity (or until full allocation), a limited assurance report of the allocation of the Sustainable Finance Instruments proceeds to the Loan Portfolio, provided by its external auditor or reputable verifier.



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General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

SECTION I

1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1st and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

SECTION II

15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.