Q3 2023 results presentation

Vienna, 30 October 2023

Continued strong operating and risk performance

Willi Cernko, CEO Erste Group
Stefan Dörfler, CFO Erste Group
Alexandra Habeler-Drabek, CRO Erste Group

ERSTE Group

Cautionary note regarding forward-looking statements

THE INFORMATION CONTAINED IN THIS DOCUMENT HAS NOT BEEN INDEPENDENTLY VERIFIED AND NO REPRESENTATION OR WARRANTY EXPRESSED OR IMPLIED IS MADE AS TO, AND NO RELIANCE SHOULD BE PLACED ON, THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THIS INFORMATION OR OPINIONS CONTAINED HEREIN.

CERTAIN STATEMENTS CONTAINED IN THIS DOCUMENT MAY BE STATEMENTS OF FUTURE EXPECTATIONS AND OTHER FORWARD-LOOKING STATEMENTS THAT ARE BASED ON MANAGEMENT'S CURRENT VIEWS AND ASSUMPTIONS AND INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN SUCH STATEMENTS.

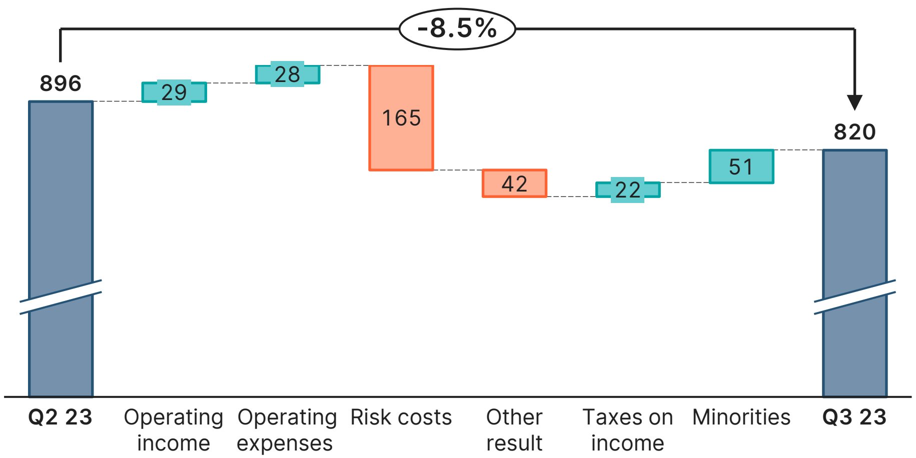
NONE OF ERSTE GROUP OR ANY OF ITS AFFILIATES, ADVISORS OR REPRESENTATIVES SHALL HAVE ANY LIABILITY WHATSOEVER (IN NEGLIGENCE OR OTHERWISE) FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS DOCUMENT OR ITS CONTENT OR OTHERWISE ARISING IN CONNECTION WITH THIS DOCUMENT.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR ANY SHARES AND NEITHER IT NOR ANY PART OF IT SHALL FORM THE BASIS OF OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER.

Operating and risk performance drive net profit

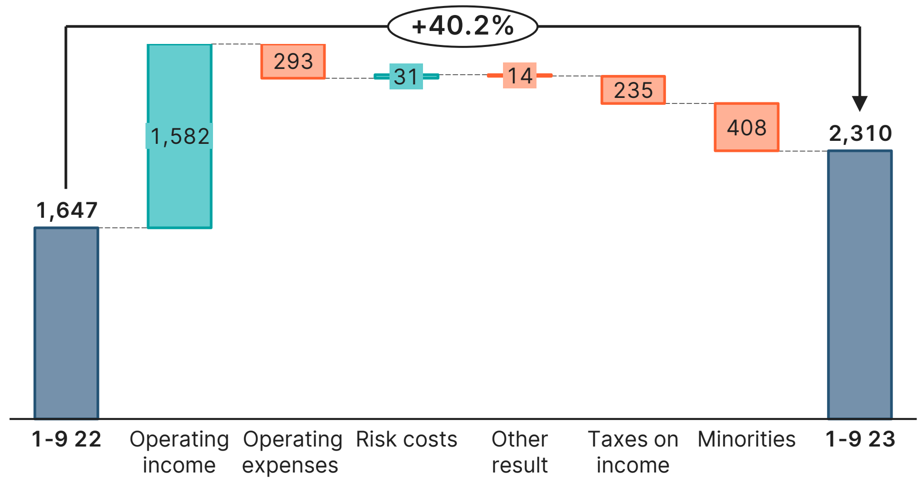
QoQ net profit development

in EUR m



YTD net profit development

in EUR m



Strong operating performance continues in Q3 23

– NII and fees set new quarterly records

Parameter updates contribute to increase in risk costs

– Quarterly risk costs primarily booked in Austrian entities

Slightly weaker net result due to risk releases in Q2 23

NII remained key revenue driver in 1-9 23, up 23.7%

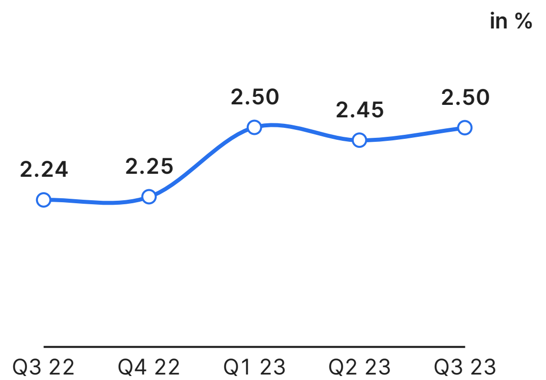
– Net fee income also made a strong positive contribution as did trading and FV result supported by improved valuations

Cost inflation in line with expectations

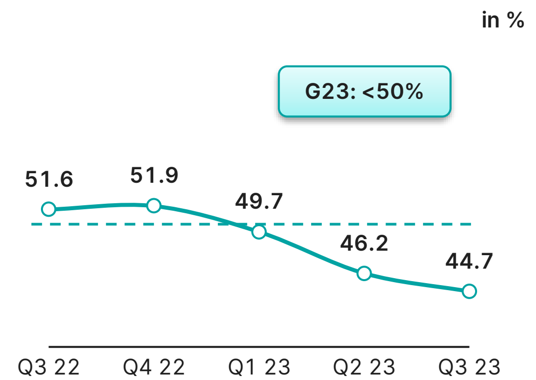
Continued strong credit risk performance

On track to deliver upgraded 2023 guidance

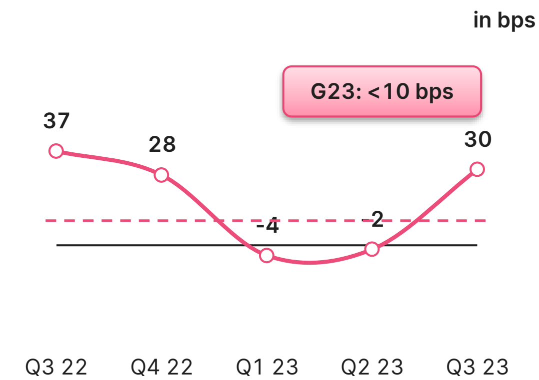
Net interest margin



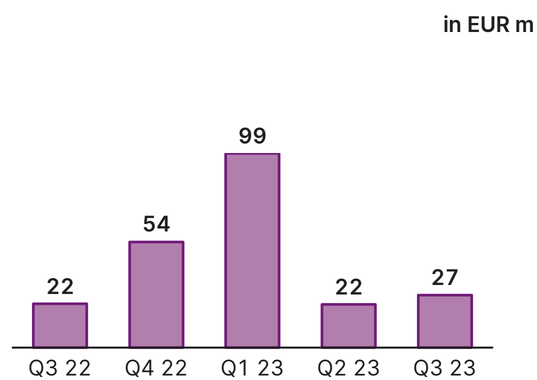
Cost/income ratio



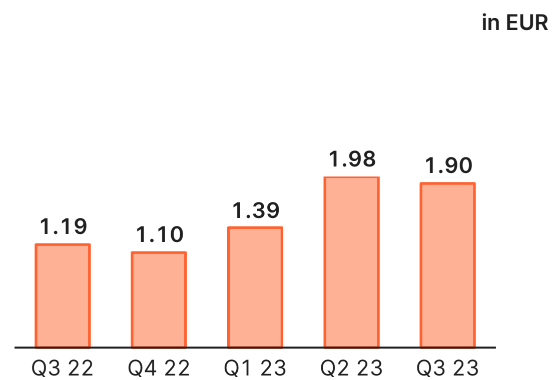
Risk cost ratio



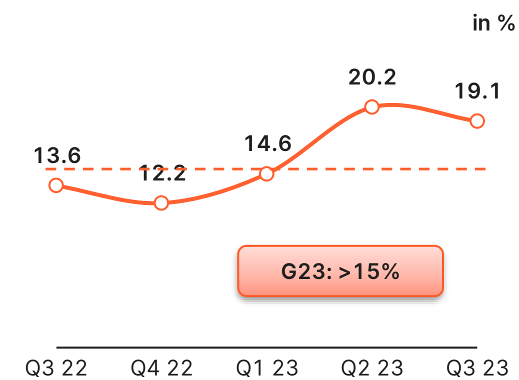
Banking levies



Earnings per share

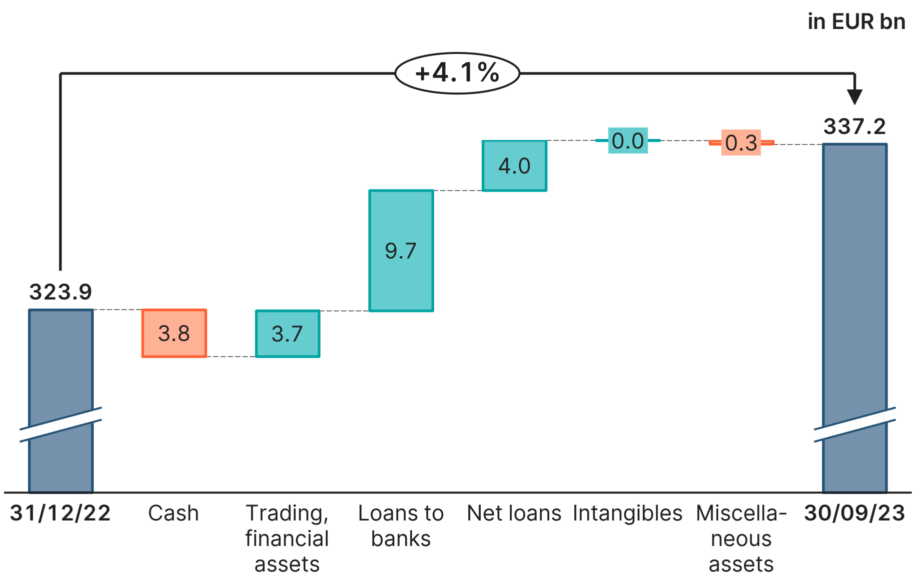


Return on tangible equity



Encouraging loan trends, stable core customer deposits

YTD total asset development



YTD equity & total liability development

Underlying loan growth accelerates in Q3 23

- Driven by EBOe (corporate), Slovakia and Croatia (retail & corporate)
- Czech performance understated due to qoq currency depreciation

Rise in interbank lending due to higher deposit inflows

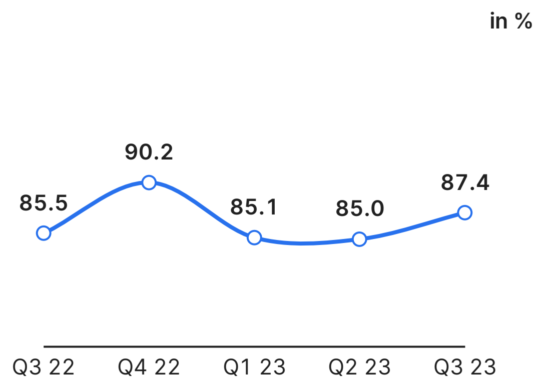
Stable retail and SME deposits

- Quarterly volatility driven exclusively by large corporates and financial institutions business
- Core deposits (Retail, SME, Savings Banks) broadly stable ytd despite continued inflation pressures

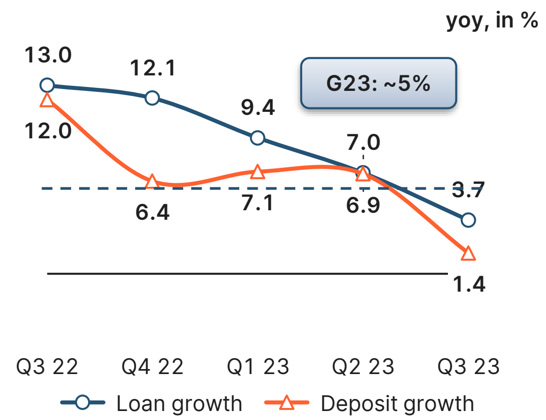
Senior unsecured and covered bonds issuance drive increase in debt securities

Balance sheet metrics strong across the board

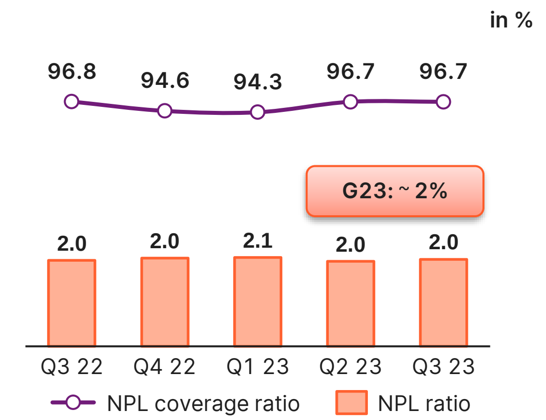
Loan/deposit ratio



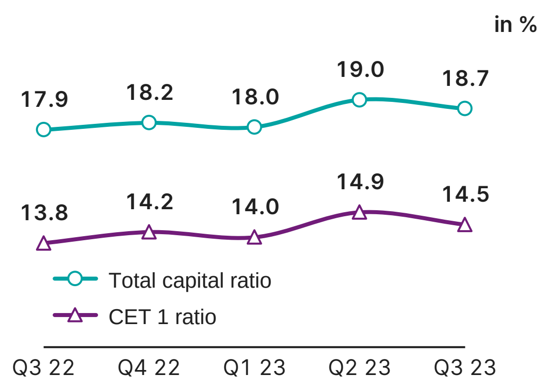
Loan & deposit growth



Asset quality

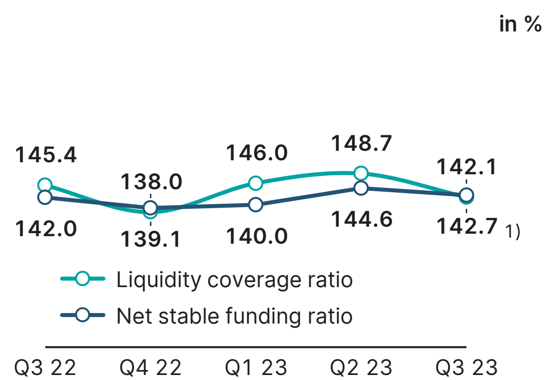


Capital ratios (final)



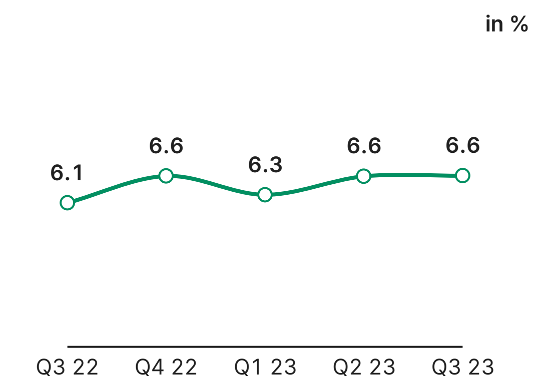
1) Q3 23 pro forma CET1 at 15.0%.

Liquidity ratios



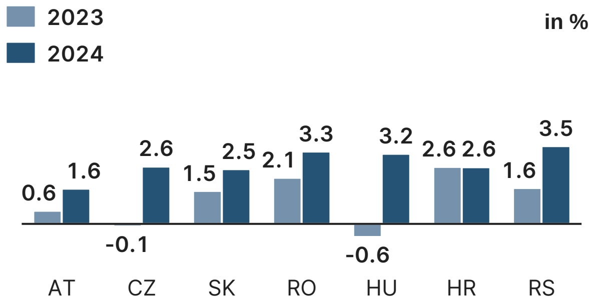
1) NSFR as of 08/23.

Leverage ratio

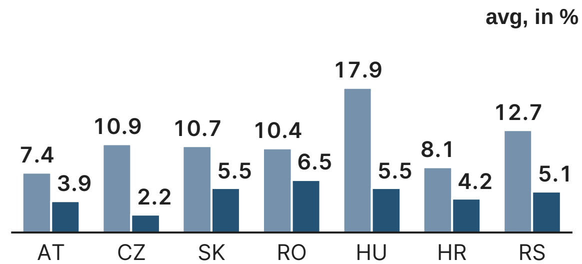


Slower growth in 2023, moderate recovery in 2024

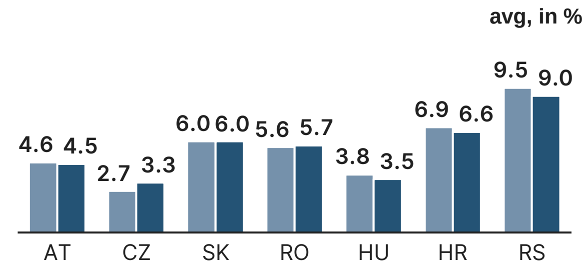
Real GDP growth



Consumer price inflation



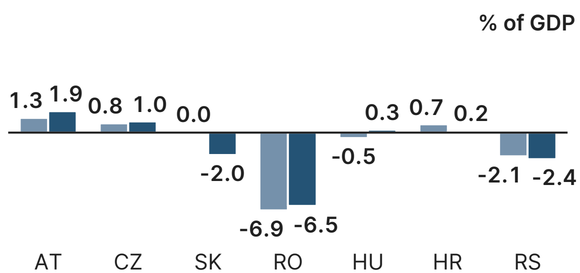
Unemployment rate



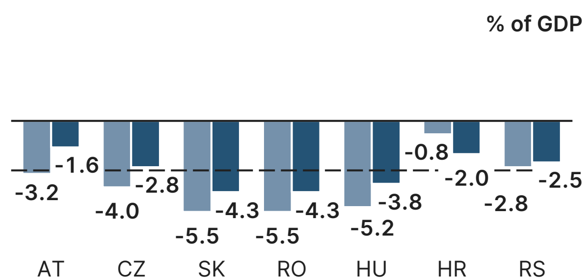
Lower household consumption to impact economic growth in 2023; rebound expected in 2024

Declining inflation expected toward year-end 2023, supported by lower energy prices

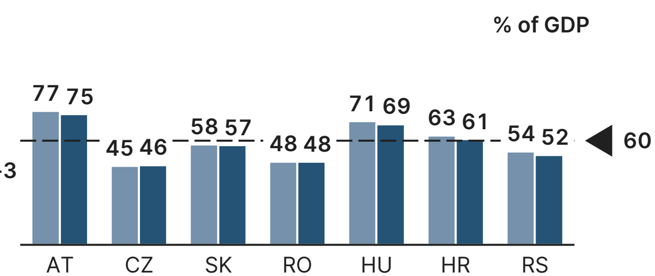
Current account balance



General government balance



Public debt



Labour markets expected to remain strong across CEE & AT

Fiscal and current account balances set to improve on the back of lower energy prices

* Source: Erste Group Research.

Retail loans up year-to-date

Slightly growing loan book amid economic slowdown

- **Housing loan demand** stabilisation continued at low levels; **increasing demand in certain countries (CZ, RO) and for renovation loans** to improve energy efficiency
- **New business volumes** for **consumer loans** remain at high levels
- **Risk profile** of the retail loan portfolio **remains excellent**

Broadly stable retail deposit base

- **NII growth** mostly **liability-driven** on the back of euro zone interest rate hikes

Stock of securities savings plans increased further in Q3 23

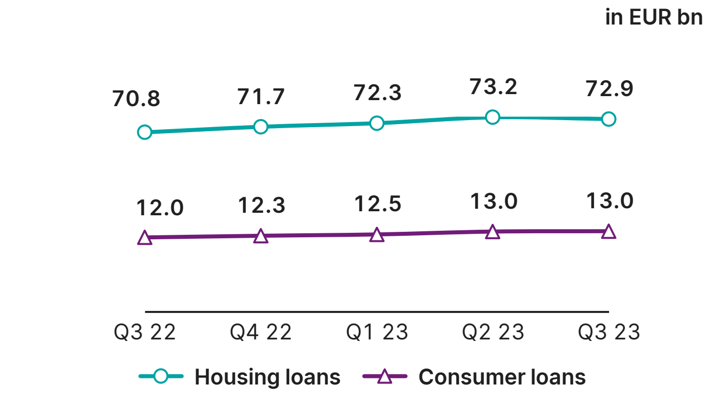
- **New sales of savings plans strengthened**
- Continued shift from investment funds to bonds due to higher yield environment

Retail digital platform George continues to grow

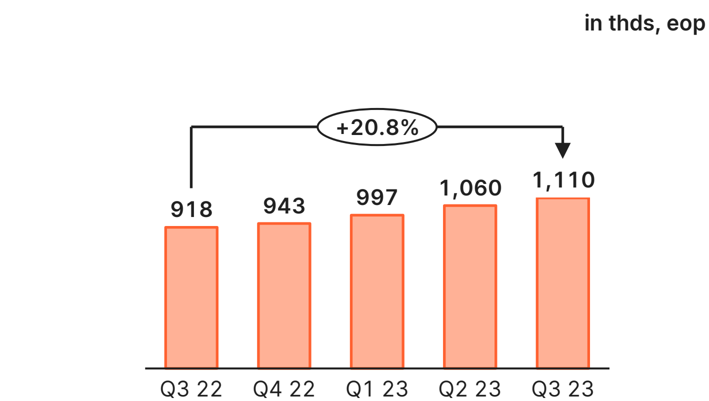
- **9.5 million users onboarded** to George across 6 markets
- Continued focus on driving digital adoption among our retail customers
- **Digital sales reach 48%,** supported by assisted digital sales initiatives in CZ, HR, RO and SK

Fee income supported by insurance brokerage and payment fees

Housing and consumer loans



Securities savings plans



Corporates and Markets division maintains earnings momentum

Loans moderately up

– Loan growth moderated somewhat across all sub-segments; customer deposits down qoq on large opportunistic placements in Q2 23; SME and public sector deposits stable to positive, benefiting from strong brand and Erste Group rating

– CRE loan stock up on drawing of existing lines, hardly any new projects; focus on green investments

– **Key revenue growth driver is NII**, mainly benefitting from deposit inflows in Large Corporates

Group Markets already ahead of strong 2022

– Financial Institutions business and corporate sales doing well; Retail securities sales +7.5% yoy, Corporate treasury sales +15.9% yoy

– Capital markets origination thrives with 204 issuance mandates by Q3 2024 (+7% over Q3 2022), generating 47% more fees

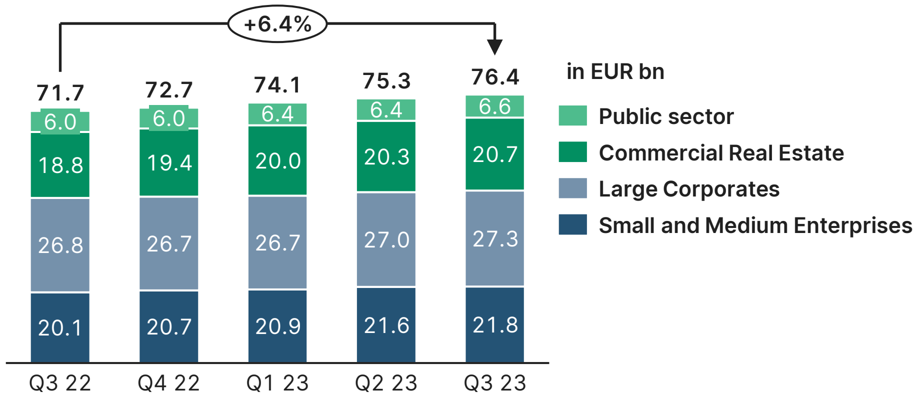
Discretional portfolio management drives Asset Management

– Strong Retail net sales in CZ and HU (EUR 2bn ytd)
– Operating result ahead of expectations

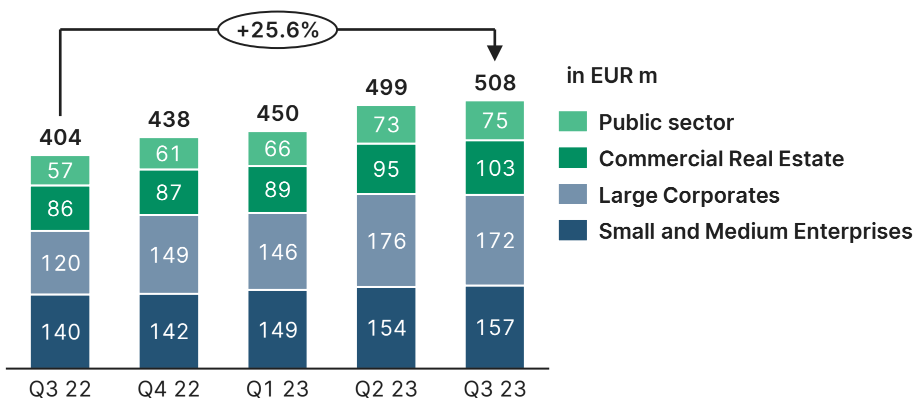
George Business

– In Austria over 12,000 business customers with over 47k users onboarded in George Business
– Rollout in RO in progress, public launch expected in Q1 24

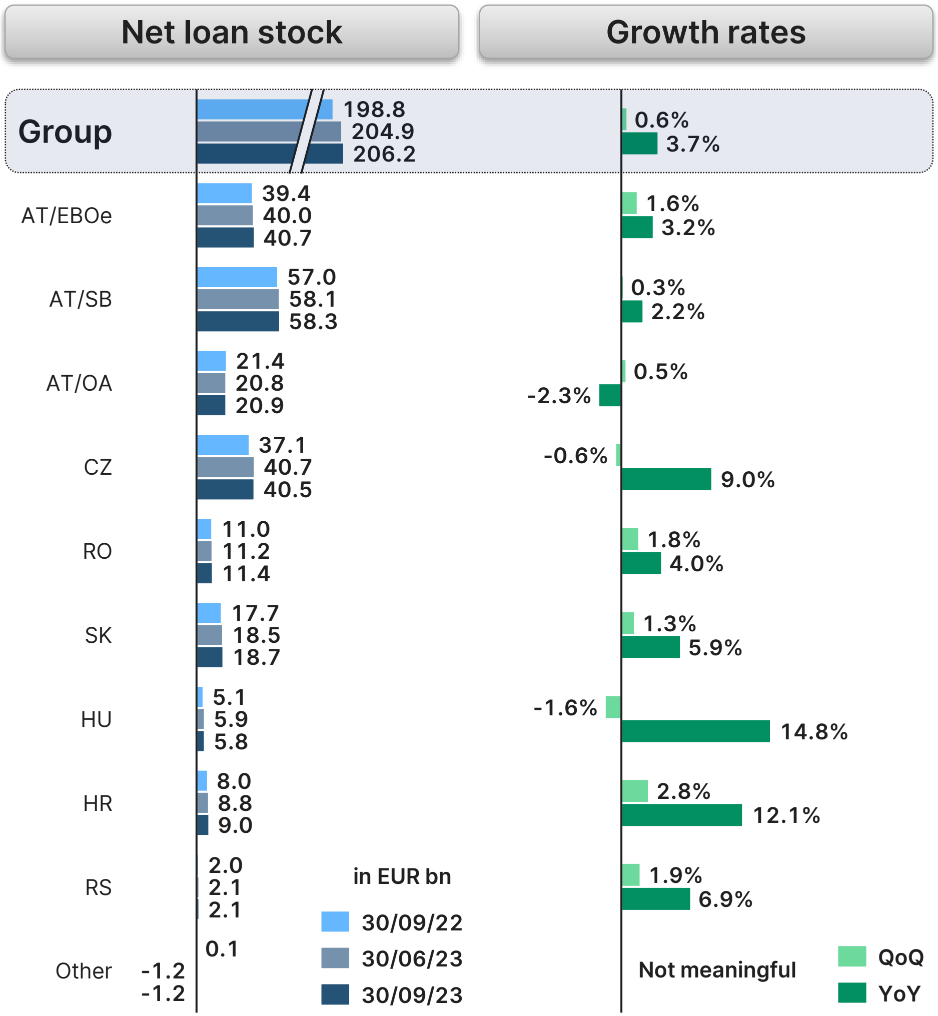
Net loan stock of Corporate segment



Operating result of Corporate segment



Up-tick in underlying loan growth



Improving underlying loan growth Q3 23

- Retail loans grew by 4.6% year-on-year (+EUR 3.2bn), primarily in SK and HR, still sluggish in Austrian segments
- Corporate loans up 6.4% year-on-year (+EUR 4.6bn), with healthy demand in SME, CRE and volatile public sector business
- FX impact of EUR -1.3bn qoq (CZ, HU)

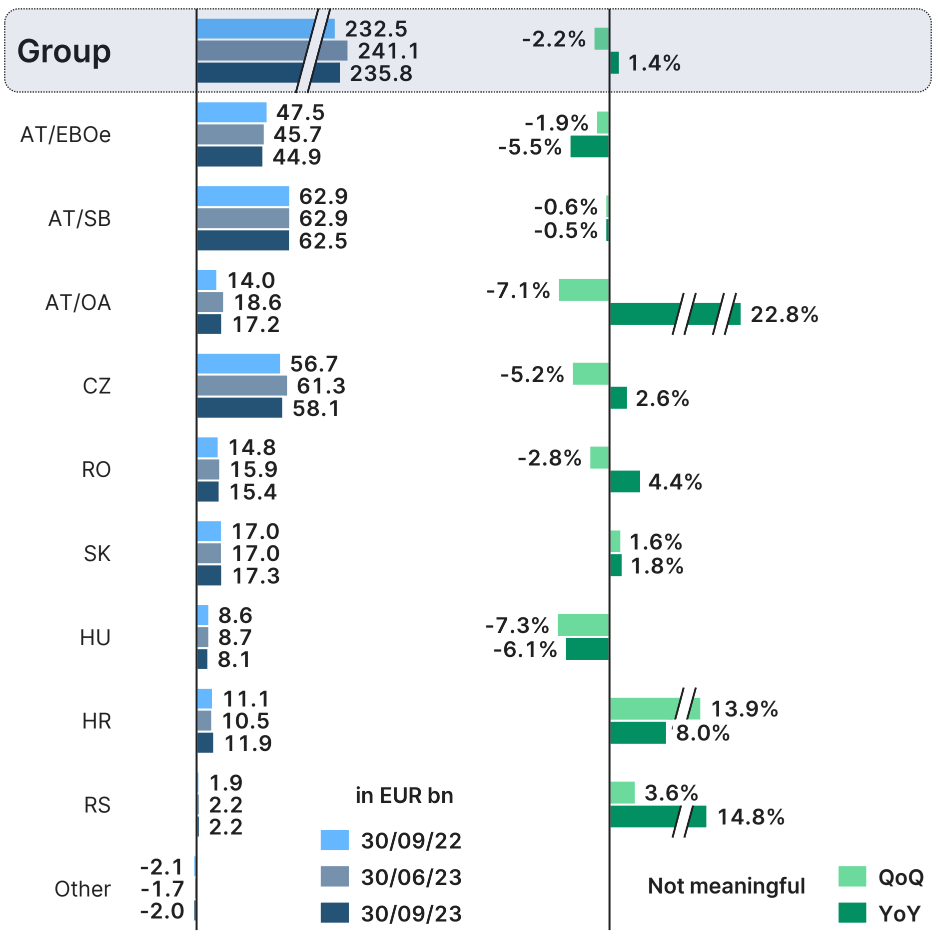
2023 loan growth guidance confirmed at ~ +5%

Q3 23 loan growth drivers

- CZ: qoq decline exclusively attributable to currency depreciation, currency-adjusted up by 1.9%
- AT/EBOe: solid qoq growth primarily driven by Corporate segment, Retail continues to be sluggish
- HR and SK: healthy qoq and yoy growth trends across all segments

Customer deposit volumes remain stable

Customer deposits | **Growth rates**

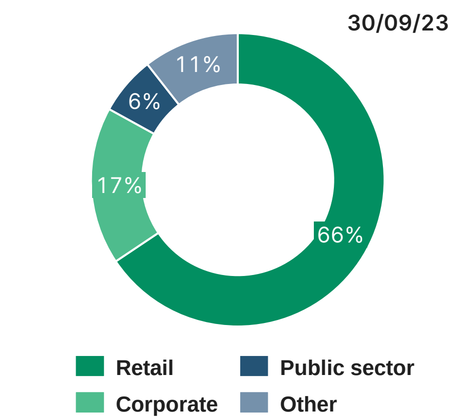


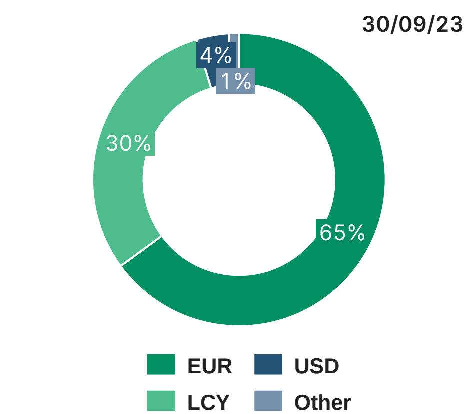
Erste Group's favourable deposit mix is a key competitive advantage – overweight retail, sight, EUR deposits

Key Q3 23 deposit drivers

- **Core deposits** (Retail, SME & Savings Banks) broadly stable qoq, yoy
- **Share of retail current account deposits** (of total Retail) slipped to **56.1%** (Q2 23: 57.6%, Q3 22: 61.5%), as customers gradually diversify into term and savings deposits
- CZ: qoq decline attributable to volatility in large corporate, currency depreciation
- AT/OA: qoq decline due to usual business volatility

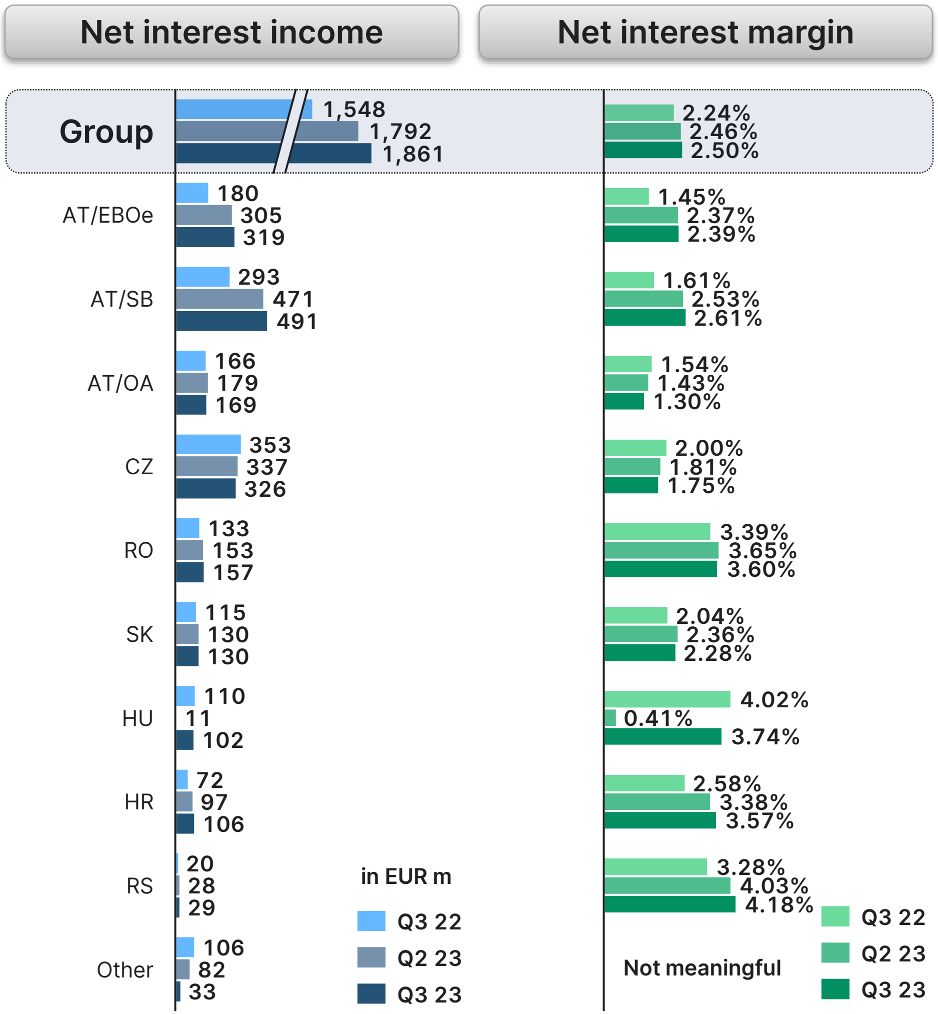
Deposits by clients * | **Deposits by currency**





*) Split by customer groups, not segments; Retail includes Savings Banks and their retail associated client groups; may contain rounding differences

NII momentum remains healthy, guidance upgraded to > +20%



NII grows 20.2% yoy, up 3.9% qoq, driven by:

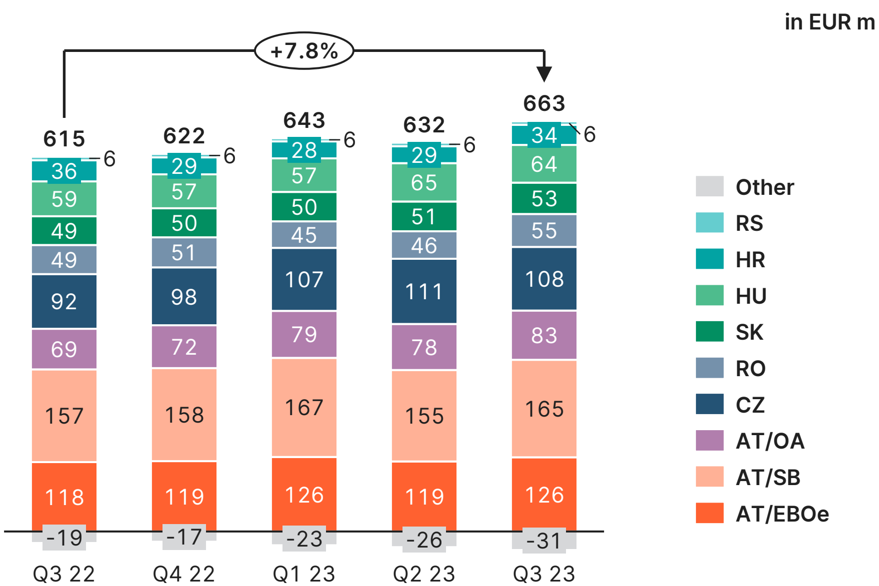
- Higher short and long term interest rates
- Moderately rising deposit pass-through rates, supported by remarkably stable retail deposit structure – slower than expected drift towards term and savings deposits
- Continued retail asset-side repricing
- Moderate volume growth, primarily in corporate business

Key NII drivers in Q3 23

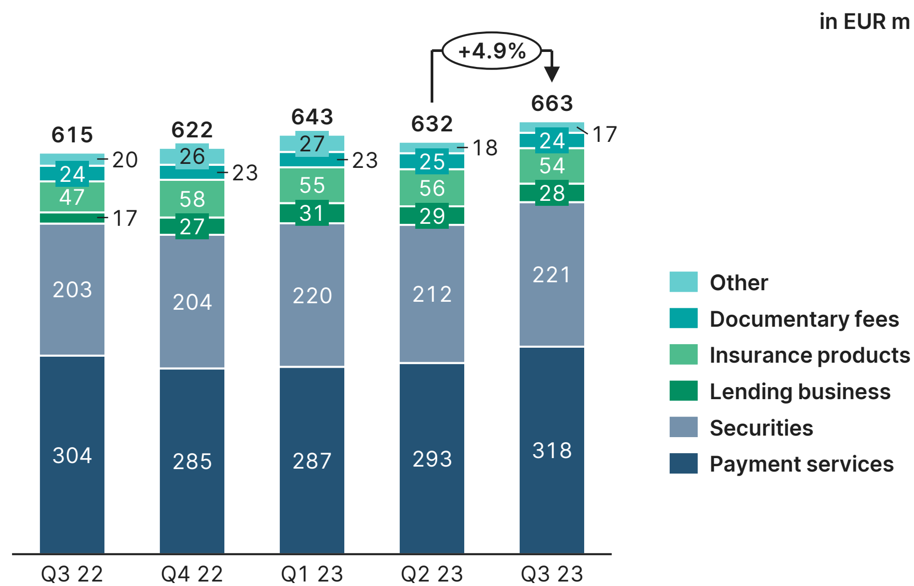
- AT/EBOe and AT/SB: variable loan repricing offsets moderately rising deposit pass-through rates
- CZ: NII development reflects deposit repricing and shift from current accounts to term deposits, only partially offset by higher NII from lending
- HU: despite falling interest rates strong recovery following **P&L neutral shift** in the amount of EUR -108.4m from net trading result to NII in Q2 23
- HR: higher loan volumes and yoy higher interest rates

Robust fee performance continues, reaching new quarterly high

Net fee income by segment



Net fee income by fee type



Key fee drivers in Q3 23

- Payment fees up on transaction volumes and repricing; together with securities fees strongest growth contributor
- Continued positive contribution from insurance brokerage fees

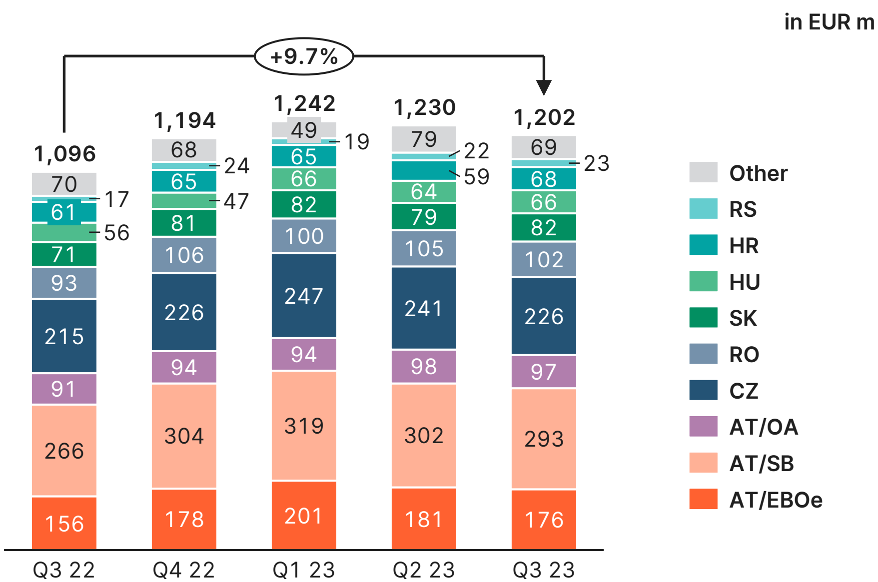
Overall fee performance very satisfactory in light of economic slowdown

FY23 guidance increased to >5% (previously: ~5%)

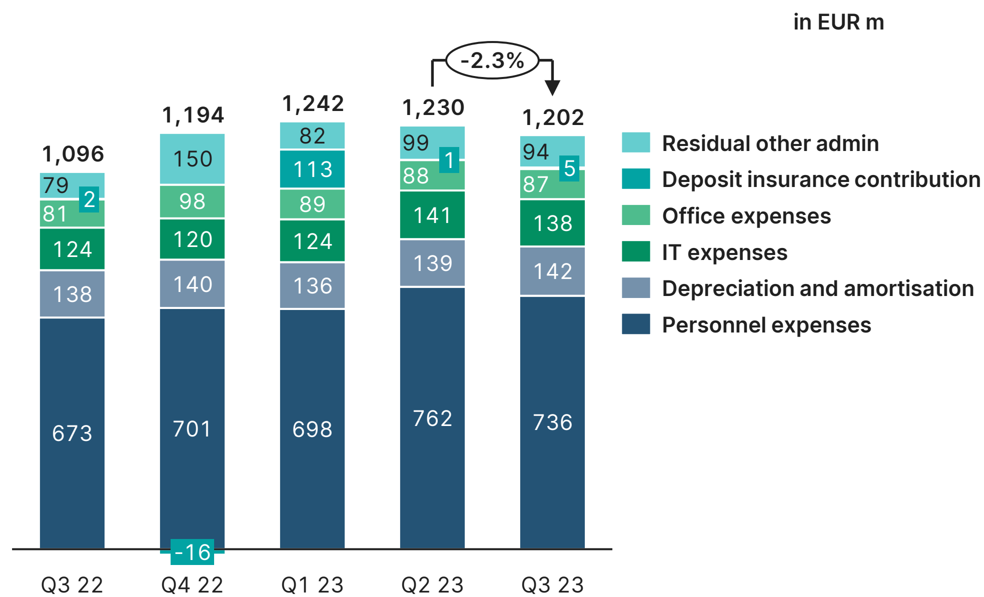
Fee income remains a key long-term structural growth opportunity

Costs develop in line with expectations

Operating expenses by segment



Operating expenses by type



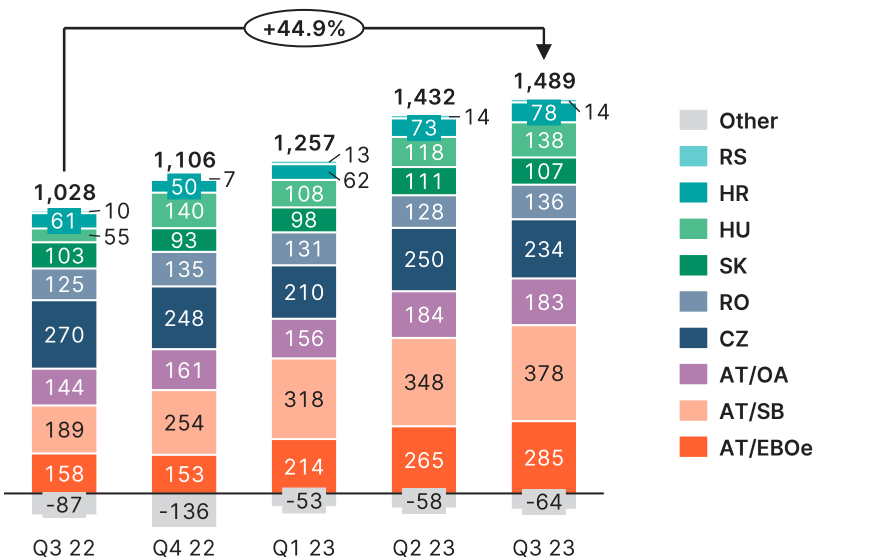
Key cost drivers in Q3 23

- Qoq lower personnel expenses attributable to higher expenses for employee share programme in Q2 23 and lower long-term employee provisions
- Yoy personnel expenses reflecting higher wage settlements in all geographies

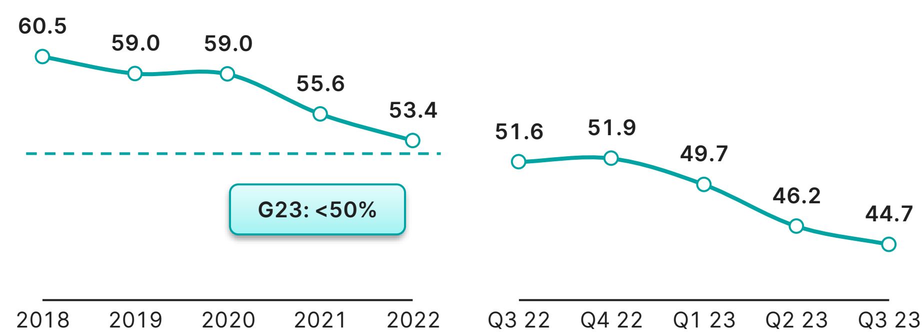
FY23 guidance for ~9% cost inflation confirmed

Cost/income ratio guidance confirmed at <50% for 2023

Operating result



Cost/income ratio



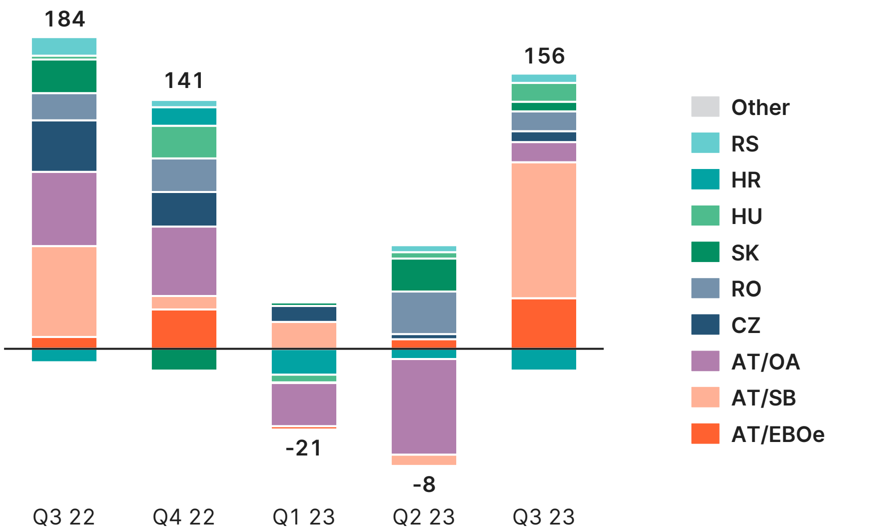
Key operating result drivers in Q3 23

- Operating result hits new quarterly high as net interest income and fee income post quarterly records
- ... supported by solid trading & FV result on valuation effects

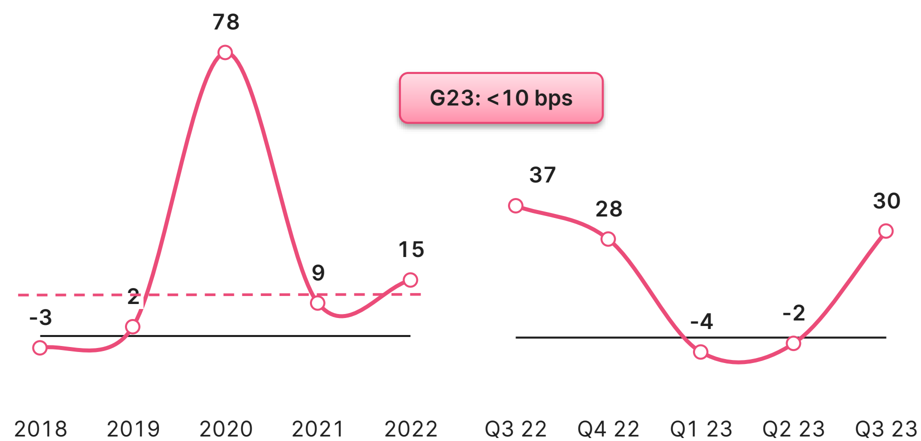
Q3 23 saw continuing revenue momentum paired with improved cost development

Parameter updates contribute to higher risk costs in Q3 23

Risk costs by segment *



Risk cost ratio *



*) A positive (absolute) figure denotes a net allocation, a negative figure denotes a net release. The risk cost ratio is calculated as annualised quarterly impairment result of financial instruments over average gross customer loans.

Key risk costs drivers in Q3 23

– FLI review reflecting latest macro forecast and parameter updates contributed to higher risk cost allocation

– Continued **low level of new defaults and good recoveries**

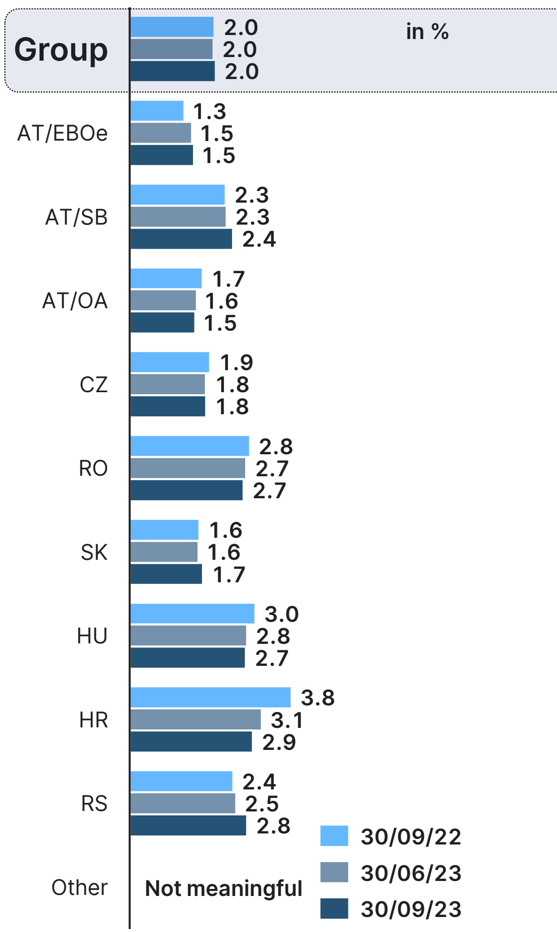
Underlying credit risk performance remains strong

Broadly unchanged EUR ~900m of portfolio overlays and FLI provisions available for portfolio/macro deterioration

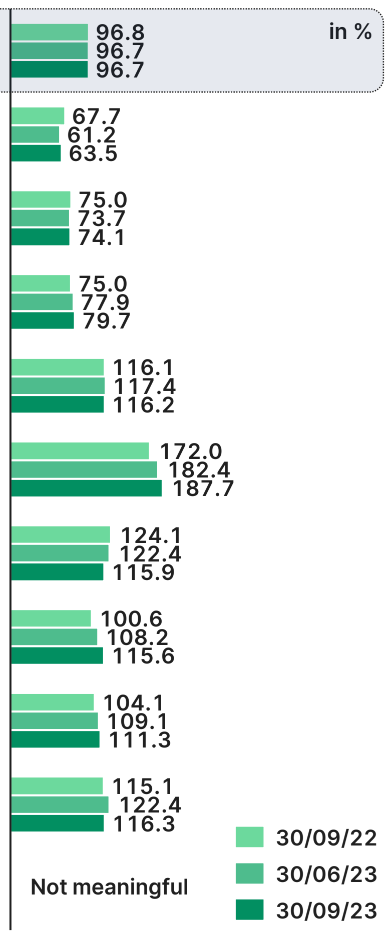
2023 guidance confirmed at <10 bps

Asset quality parameters remain stable at excellent levels

NPL ratio



NPL coverage ratio



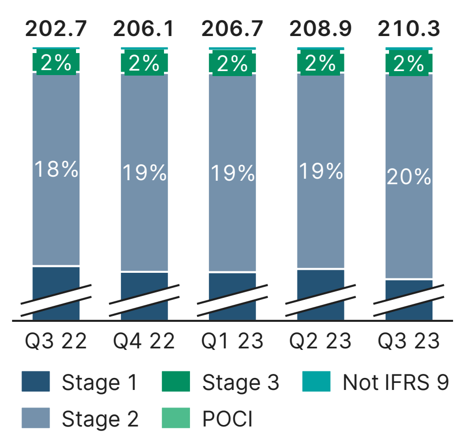
NPL ratio stable at historic low of 2%

- No significant increase in hard defaults due to geopolitical crises and economic slowdown
- NPL/stage 3 coverage remains strong

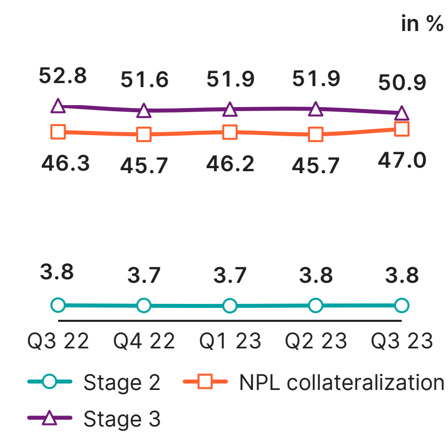
FLI and parameters update in Q3 23, no material change in management overlays

- Stage 2 loans slightly up on regular parameter and macroeconomic scenarios update
- Majority of stage 2 loans results from portfolio overlays and FLI updates

Gross loans by stages



IFRS 9 stage coverage

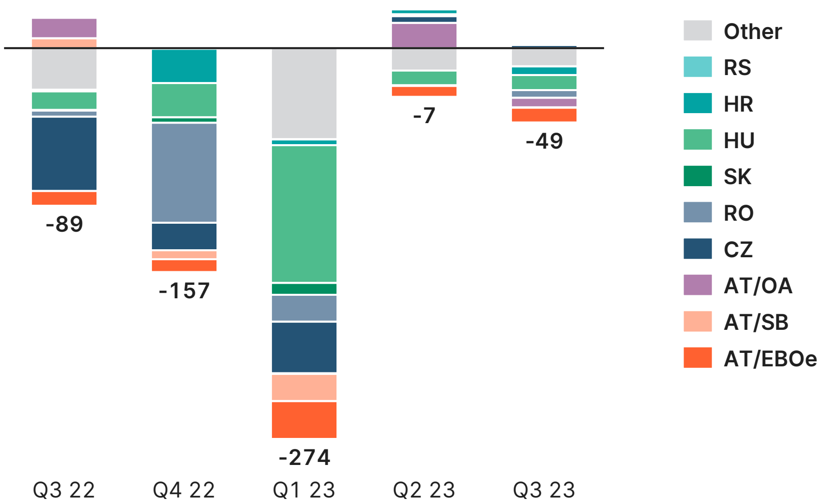


ERSTE Group

Other result continues to perform well

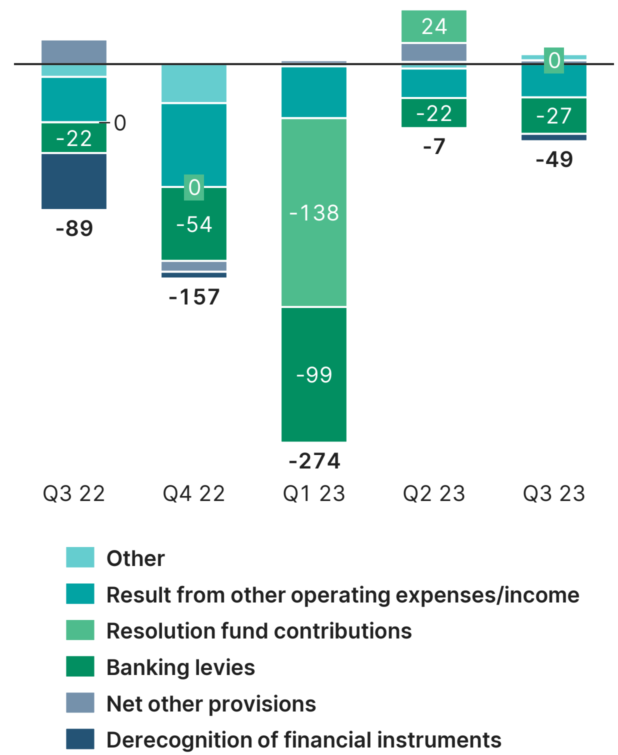
Other result by segment

in EUR m



Other result by accounting categories

in EUR m

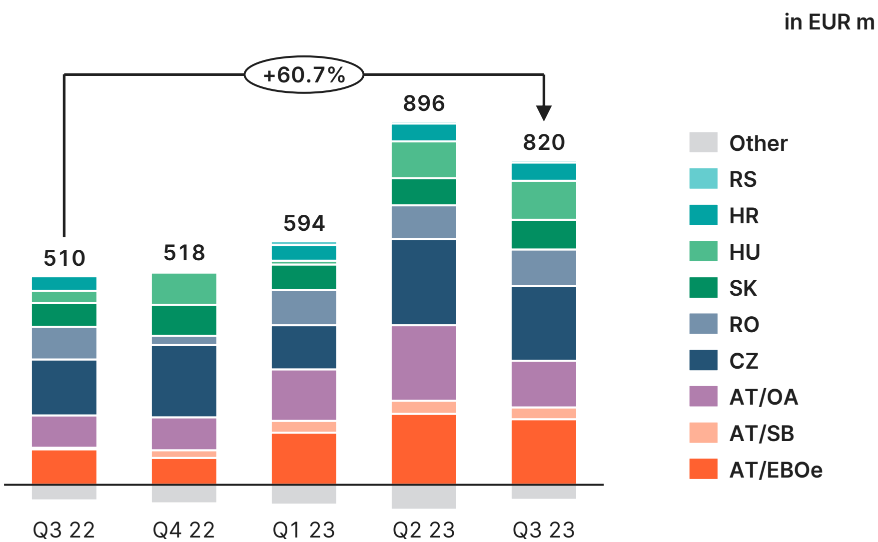


Key other result drivers in Q3 23

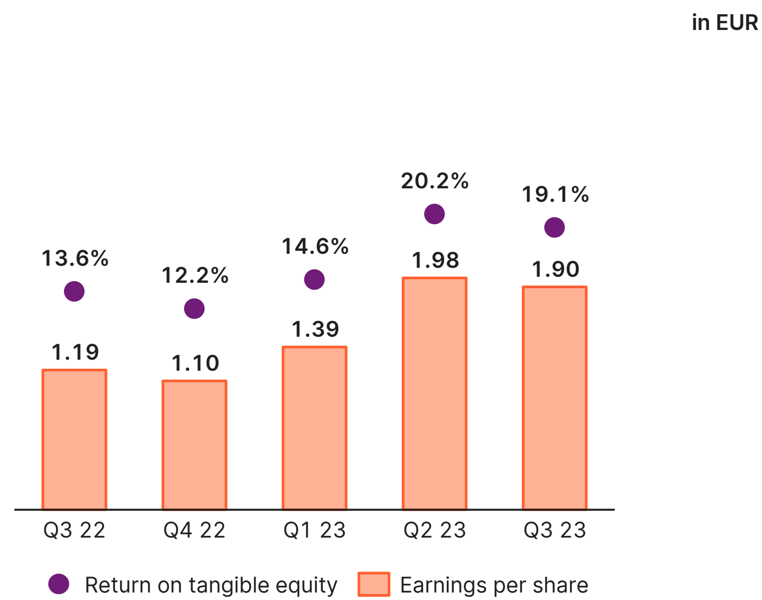
- Regular quarterly banking levy in AT in the amount of EUR 9.1m, financial transaction tax in HU of EUR 17.1m
- Other: increased fair value of Hungarian operation led to negative valuation effects as a result of minority shareholder put option

2023 ROTE guidance confirmed at >15%

Net result by segment



EPS & ROTE



Key net profit drivers in Q3 23

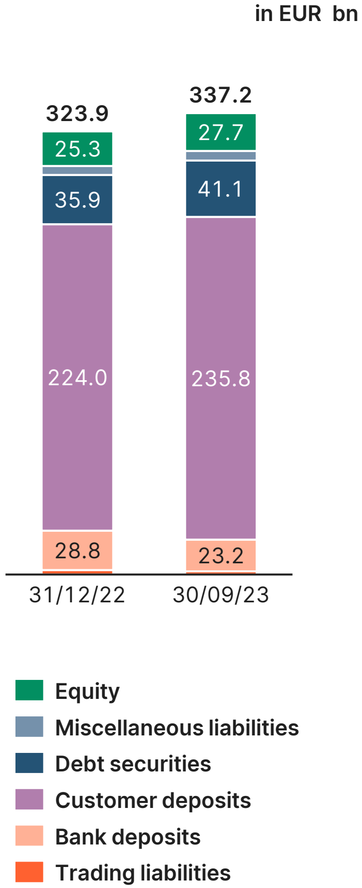
- Strong operating result driven by top line growth
- Temporary increase in risk costs following parameter updates

Erste Group continues track record of earning premium on cost of capital

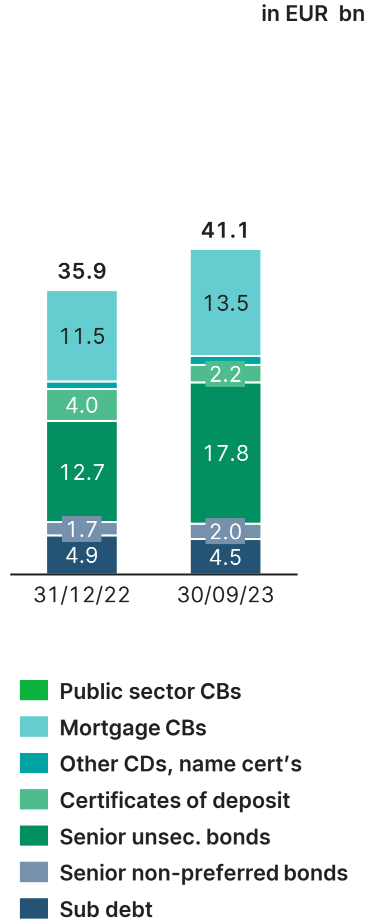
Erste Group targets ROTE of >15% in 2023

MREL drives wholesale funding, core customer deposits stable

Liabilities and equity



Debt securities



Interbank deposits

Comments

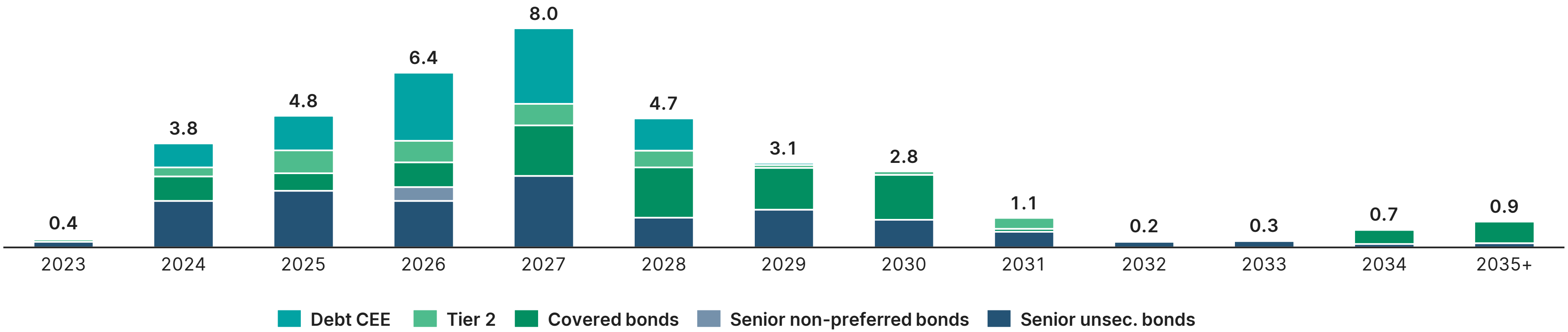
Higher customer deposit volumes mainly driven by increased corporate and non-core institutional deposits

MREL compliance and long-term liquidity needs drive the increase in issued debt securities volumes

Decline in interbank deposits driven by TLTRO

2023 funding plan successfully executed

Maturity profile of debt



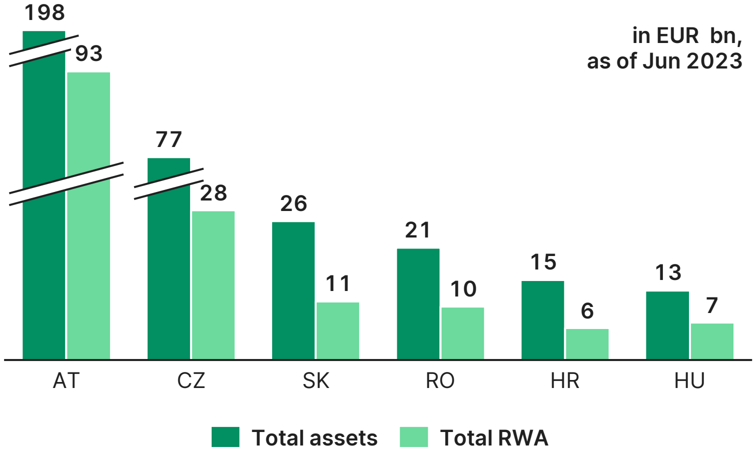
2023 funding plan successfully executed, pre-funding depending on market conditions

- In September, Erste Group issued a EUR 500m perpNC April 2029 AT1. In order to pro-actively manage its capital stack the new issue was combined with an any-and-all tender offer targeting XS1597324950/perpNC April 2024 AT1 (participation rate 66%, EUR 331.2m).
- 2 senior preferred issuances this year; EUR 750m green senior preferred bond and a EUR 500m senior preferred bond
- Syndicated mortgage bond funding amounted to EUR 2bn (two notes, EUR 1bn each)
- Private placements played a significant role in this year's funding exercises

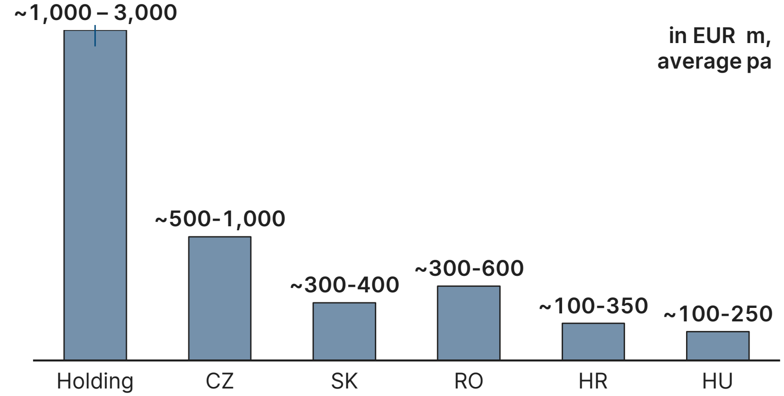
TLTRO III: Outstanding amount of EUR 6.8bn as of Q3 23

MREL issuance progresses to plan

MPE resolution groups



3-year MREL issuance plan



Multiple point of entry (MPE) resolution strategy

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

Features of the Austrian resolution group

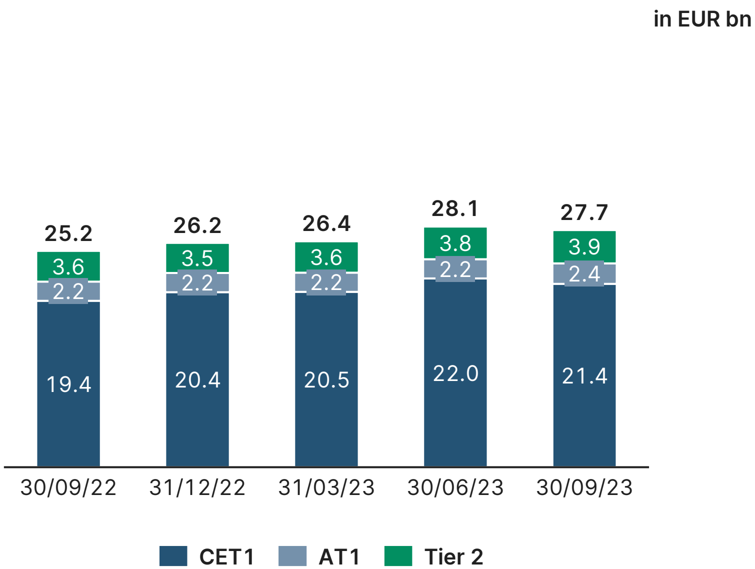
- Covers parent company (holding), EBOe and savings banks
- Not considered a legal entity or reporting unit, hence there is neither a statutory reporting nor a capital requirement

More than EUR 4.5bn MREL-related CEE issuances placed in domestic and euro markets in 2022 & 2023

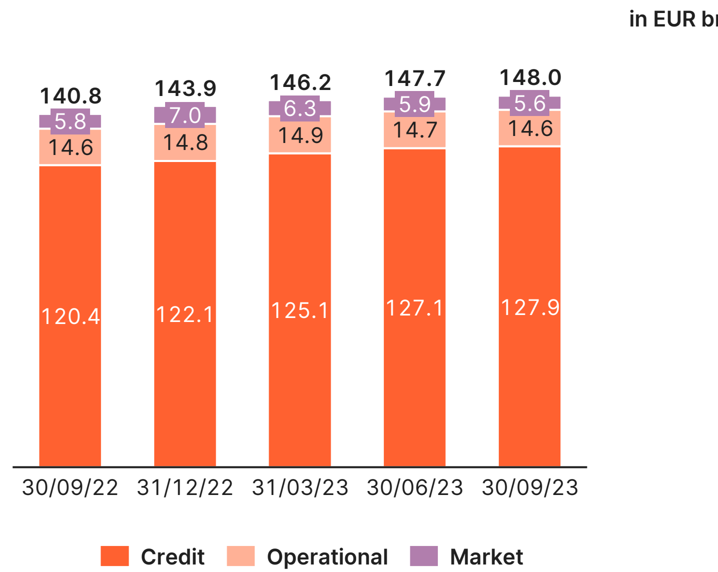
- Holding: ~EUR 5bn PS (thereof latest EUR 500m PS benchmark in Q2 23)
- CZ: ~EUR 2bn, thereof CZK 6bn NPS (domestic) and three EUR 500m NPS (international in Q4 22, Q2 23 and Q3 23)
- SK: ~EUR 1bn PS (several domestic & int issues, latest EUR 300m in Oct 23)
- RO: ~EUR 1bn, thereof three RON 1,387.5m NPS (domestic) and one EUR 700m NPS benchmark (Q2 23)
- HU: ~EUR 550m PS, thereof EUR 350m PS (international issue)
- HR: ~EUR 90m PS (domestic issue, Q2 23)

RWAs mainly up on increased exposure

Basel 3 capital



Risk-weighted assets



CET 1 capital up by 4.8% ytd

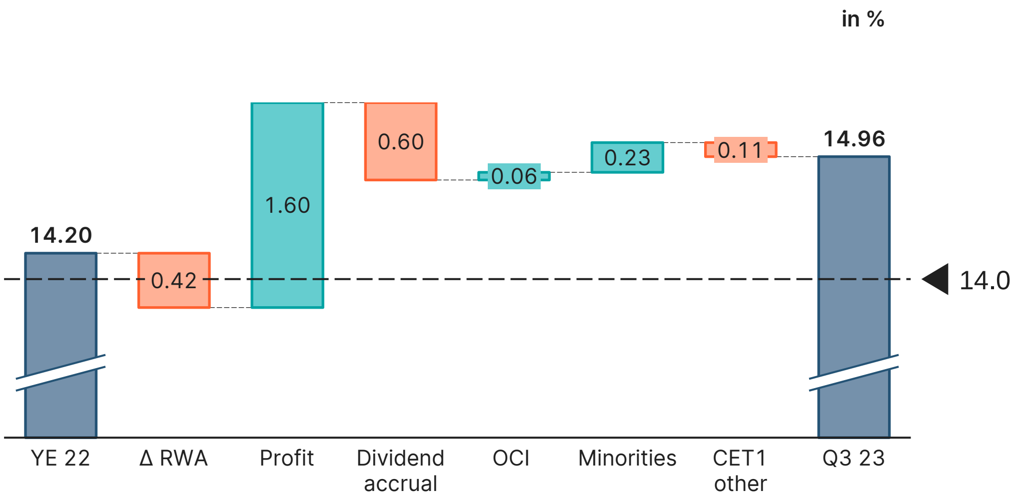
- Q3 23 interim profit not included
- AT1 issuance and tender offer in Sep 23: +EUR 158m
- OCI impact and prudential filters: +EUR 32m

RWAs up on exposure growth

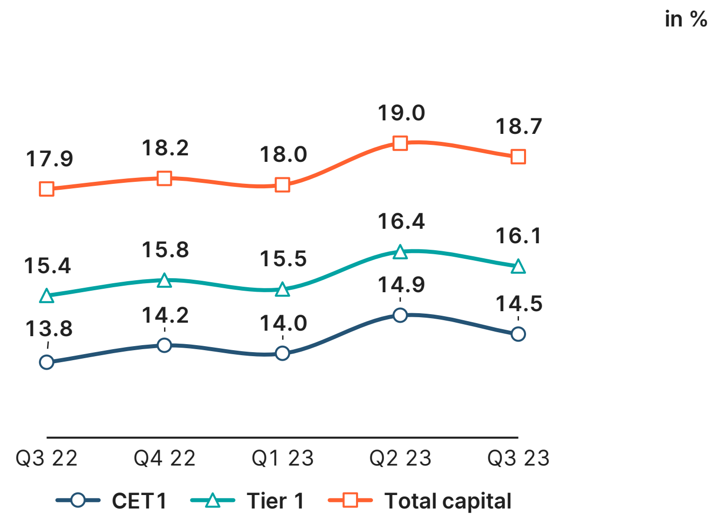
- Key ytd credit RWA drivers: +EUR 6.7bn on business effects (mainly corporate business growth, including +EUR 0.7bn for Sberbank CZ acquisition); +EUR 1.3bn from regulatory effects; partially offset by –EUR 1.6bn from improved portfolio
- Market risk RWA down ytd by EUR 1.4bn on internal model effects

Strong profitability drives capital build

CET 1 ratio development (pro forma, final)



Basel 3 capital ratios (final)



CET1 ratio (pro forma, fully loaded) hits new high at close to 15%

- Current share buyback of EUR 300m is progressing well and approaching its final third – in full size already deducted from capital
- Confirmation of EUR 2.7 dividend per share for 2023 business year, equating to yield of >8%

Target CET1 ratio (fully loaded) upped to 14% on account of higher regulatory capital requirements

Another upgrade of 2023 guidance, targeting ROTE of ~15% for 2024

Variable	Previous '23 guidance	New '23 guidance	Key assumptions/additional comments
Real GDP	> 0%	> 0%	Unchanged economic outlook
Loans	~ +5%	~ +5%	Guidance confirmed on slightly improving growth patterns
NII	~ +20%	**> +20%**	**Significant euro zone rates are main driver**
Fees	~ +5%	**> +5%**	**Fee outlook upgrade confirms growth momentum**
Costs	~ +9%	~ +9%	Inflationary pressures partially mitigated by efficiency measures
CIR	< 50%	< 50%	Maintenance of strong operating performance
Risk costs	< 10 bps	< 10 bps	Excellent risk outlook confirmed
ROTE	> 15%	> 15%	Strong profitability outlook driven by operating and risk performance
Dividend	€2.7	€2.7	Planned dividend for FY2023; unchanged dividend policy with **pay-out ratio targeted at 40-50%**
CET1 ratio	> 13.5%	**> 14.0%**	Reflecting higher regulatory capital requirements

Risk factors to guidance

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

ERSTE Group

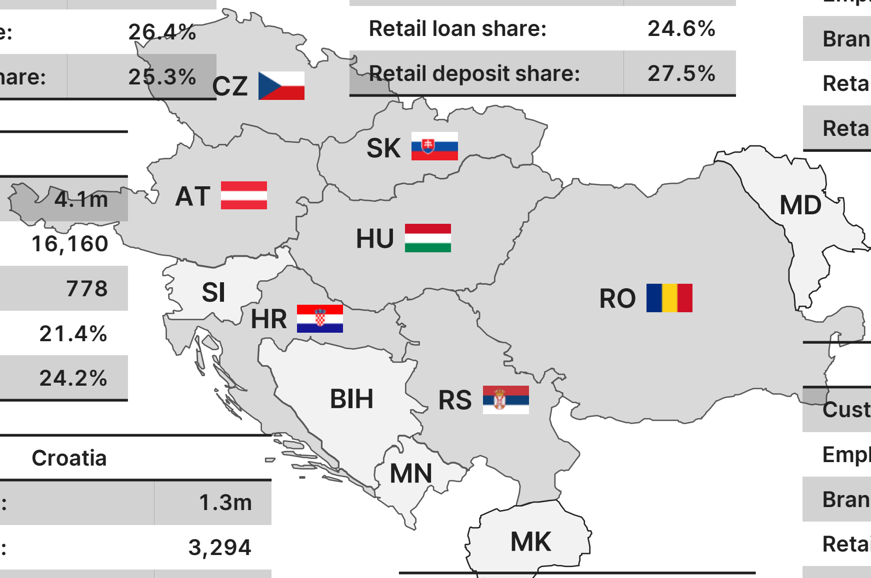
Banking leadership in Central and Eastern Europe (1)

Czech Republic	
Customers:	4.5m
Employees:	9,924
Branches:	369
Retail loan share:	26.4%
Retail deposit share:	25.3%

Slovakia	
Customers:	2.0m
Employees:	3,564
Branches:	186
Retail loan share:	24.6%
Retail deposit share:	27.5%

Hungary	
Customers:	1.0m
Employees:	3,346
Branches:	101
Retail loan share:	11.5%
Retail deposit share:	10.1%

Austria	
Customers:	4.1m
Employees:	16,160
Branches:	778
Retail loan share:	21.4%
Retail deposit share:	24.2%



Croatia	
Customers:	1.3m
Employees:	3,294
Branches:	131
Retail loan share:	14.7%
Retail deposit share:	15.2%

Serbia	
Customers:	0.5m
Employees:	1,306
Branches:	87
Retail loan share:	7.1%
Retail deposit share:	5.7%

Romania	
Customers:	2.8m
Employees:	5,530
Branches:	322
Retail loan share:	16.6%
Retail deposit share:	12.3%

Erste Group	
Customers:	16.1m
Employees:	45,886
Branches:	1,974

- Leading retail and corporate bank in 7 geographically connected core markets
- Favourable mix of mature & emerging markets with low penetration rates
- Potential for cross selling and organic growth in CEE

Core markets

Indirect presence

Market shares for Austria are as of June 2023

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

Banking leadership in Central and Eastern Europe (2)

Eastern part of EU		Focus on CEE, limited exposure to other Europe		
Retail banking	**Corporate banking**	**Capital markets**	**Public sector**	**Interbank business**
Acting as Financial Health Advisor for the people in our region Support customers to build up and secure wealth Active management of customer journeys to increase profitability and customer satisfaction	SME and large corporate banking Advisory services, with focus on providing access to capital markets and corporate finance Transaction banking services (trade finance, factoring, leasing) Commercial real estate business	Focus on customer business, incl. customer-based trading activities In addition to core markets, presences in Poland, Germany, New York and Hong Kong with institutional client focus and selected product mix Building debt and equity capital markets in CEE	Financing sovereigns and municipalities with focus on infrastructure development in core markets Any sovereign holdings are held for market-making, liquidity or balance sheet management reasons	Focus on banks that operate in the core markets Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

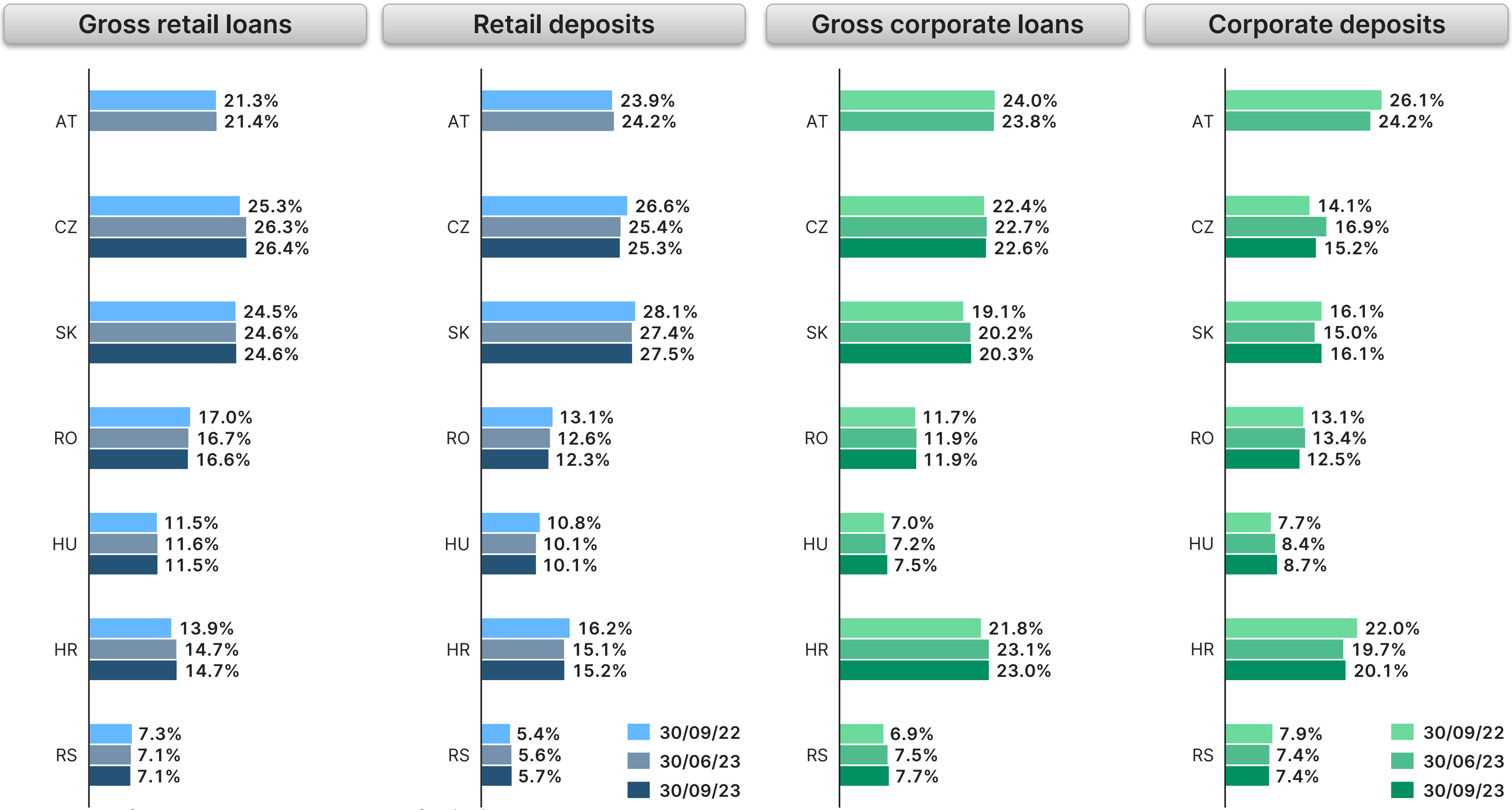
FINANCIAL HEALTH – Bringing advice to all customers to improve their financial health

Priorities in digitalisation

– **Invest in data analytics** to **scale deep client understanding** across all client segments and beyond pure banking

– **Innovate George** for our client franchise and enrich with 3rd party products and services

Commanding market shares across the CEE region



Market shares for Austria are not yet available as of 30/09/2023

Strong track record of profitability

	Year-to-date view			Quarterly view				
in EUR million	**1-9 22**	**1-9 23**	**YOY-Δ**	**Q3 22**	**Q2 23**	**Q3 23**	**YOY-Δ**	**QOQ-Δ**
Net interest income	4,385.2	5,422.3	23.7%	1,548.2	1,792.2	1,861.2	20.2%	3.9%
Interest income	5,820.9	11,125.4	91.1%	2,312.8	3,765.1	3,972.1	71.7%	5.5%
Other similar income	1,711.6	3,342.3	95.3%	698.1	1,162.1	1,111.9	59.3%	-4.3%
Interest expenses	-1,381.9	-4,979.0	>100.0%	-728.1	-1,712.1	-1,854.7	>100.0%	8.3%
Other similar expenses	-1,765.4	-4,066.4	>100.0%	-734.7	-1,423.0	-1,368.1	86.2%	-3.9%
Net fee and commission income	1,829.9	1,937.6	5.9%	615.1	631.9	662.9	7.8%	4.9%
Fee and commission income	2,161.0	2,290.4	6.0%	728.2	753.7	790.1	8.5%	4.8%
Fee and commission expenses	-331.1	-352.8	6.6%	-113.2	-121.7	-127.2	12.4%	4.5%
Dividend income	22.9	29.1	27.3%	2.8	17.1	5.8	>100.0%	-66.2%
Net trading result	-848.5	337.4	n/a	-316.0	153.7	67.0	n/a	-56.4%
Gains/losses from financial instruments measured at fair value through profit or loss	743.3	-17.7	n/a	226.5	17.6	46.1	-79.6%	>100.0%
Net result from equity method investments	14.3	17.6	23.1%	6.2	8.5	4.4	-28.1%	-48.0%
Rental income from investment properties & other operating leases	123.6	126.4	2.2%	41.3	41.4	44.1	6.7%	6.6%
Personnel expenses	-1,967.2	-2,195.4	11.6%	-672.5	-761.6	-736.3	9.5%	-3.3%
Other administrative expenses	-1,003.4	-1,062.0	5.8%	-285.7	-329.6	-323.8	13.3%	-1.8%
Depreciation and amortisation	-410.7	-417.3	1.6%	-137.7	-139.0	-142.3	3.4%	2.4%
Gains/losses from derecognition of financial assets measured at amortised cost	-47.3	-3.0	-93.6%	-16.5	-0.1	-2.0	-87.9%	>100.0%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-23.2	-0.6	-97.4%	-25.2	1.7	-3.4	-86.4%	n/a
Impairment result from financial instruments	-158.3	-127.5	-19.4%	-184.3	8.3	-156.5	-15.1%	n/a
Other operating result	-246.5	-326.9	32.6%	-47.3	-8.8	-43.8	-7.2%	>100.0%
Levies on banking activities	-133.2	-147.8	11.0%	-22.3	-22.0	-26.7	19.7%	21.7%
Pre-tax result from continuing operations	**2,414.1**	**3,720.0**	**54.1%**	**754.9**	**1,433.4**	**1,283.5**	**70.0%**	**-10.5%**
Taxes on income	-434.5	-669.6	54.1%	-119.3	-253.0	-231.0	93.6%	-8.7%
Net result for the period	**1,979.6**	**3,050.4**	**54.1%**	**635.6**	**1,180.4**	**1,052.5**	**65.6%**	**-10.8%**
Net result attributable to non-controlling interests	332.6	740.9	>100.0%	125.6	284.1	232.8	85.4%	-18.1%
Net result attributable to owners of the parent	**1,647.0**	**2,309.6**	**40.2%**	**510.0**	**896.3**	**819.7**	**60.7%**	**-8.5%**
Operating income	6,270.7	7,852.8	25.2%	2,124.0	2,662.4	2,691.6	26.7%	1.1%
Operating expenses	-3,381.3	-3,674.6	8.7%	-1,096.0	-1,230.2	-1,202.4	9.7%	-2.3%
Operating result	**2,889.4**	**4,178.1**	**44.6%**	**1,028.1**	**1,432.3**	**1,489.2**	**44.9%**	**4.0%**

Strong balance sheet dominated by customer loans

	Quarterly data					Change		
in EUR million	**Sep 22**	**Dec 22**	**Mar 23**	**Jun 23**	**Sep 23**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Cash and cash balances	44,552	35,685	43,305	32,810	31,922	-28.3%	-10.5%	-2.7%
Financial assets held for trading	5,375	7,766	6,472	8,076	6,971	29.7%	-10.2%	-13.7%
Derivatives	1,982	1,719	1,668	1,306	1,357	-31.5%	-21.1%	3.9%
Other financial assets held for trading	3,394	6,047	4,803	6,770	5,615	65.5%	-7.1%	-17.1%
Non-trading financial assets at fair value through profit and loss	2,791	2,735	2,870	2,902	2,889	3.5%	5.6%	-0.5%
Equity instruments	367	347	366	381	384	4.6%	10.8%	0.9%
Debt securities	1,660	1,549	1,633	1,584	1,555	-6.3%	0.4%	-1.8%
Loans and advances to banks	0	0	0	0	0	n/a	n/a	n/a
Loans and advances to customers	**764**	**839**	**870**	**938**	**949**	**24.3%**	**13.1%**	**1.2%**
Financial assets at fair value through other comprehensive income	9,247	9,560	9,811	10,087	10,227	10.6%	7.0%	1.4%
Equity instruments	121	99	99	96	98	-18.4%	-0.7%	2.6%
Debt securities	9,126	9,460	9,712	9,991	10,129	11.0%	7.1%	1.4%
Financial assets at amortised cost	259,311	253,360	265,455	274,936	270,286	4.2%	6.7%	-1.7%
Debt securities	41,253	40,612	43,401	44,819	44,367	7.5%	9.2%	-1.0%
Loans and advances to banks	26,721	18,435	27,299	33,454	28,094	5.1%	52.4%	-16.0%
Loans and advances to customers	**191,337**	**194,313**	**194,755**	**196,663**	**197,825**	**3.4%**	**1.8%**	**0.6%**
Finance lease receivables	4,345	4,553	4,640	4,790	4,869	12.1%	6.9%	1.6%
Hedge accounting derivatives	99	159	218	226	204	>100.0%	28.8%	-9.5%
Fair value changes of hedged items in portfolio hedge of interest rate risk	-38	-38	-35	-35	-35	-6.7%	-7.0%	0.4%
Property and equipment	2,542	2,618	2,671	2,665	2,593	2.0%	-1.0%	-2.7%
Investment properties	1,377	1,372	1,391	1,408	1,457	5.8%	6.2%	3.5%
Intangible assets	1,300	1,347	1,335	1,328	1,313	1.0%	-2.5%	-1.2%
Investments in associates and joint ventures	223	209	217	225	225	1.0%	8.0%	0.1%
Current tax assets	114	109	105	115	113	-1.2%	3.9%	-1.6%
Deferred tax assets	582	629	582	516	450	-22.6%	-28.4%	-12.8%
Assets held for sale	59	167	175	163	173	>100.0%	3.6%	6.2%
Trade and other receivables	2,349	2,404	2,402	2,489	2,510	6.9%	4.4%	0.8%
Other assets	1,069	1,232	1,308	1,290	994	-7.0%	-19.3%	-22.9%
Total assets	**335,297**	**323,865**	**342,921**	**343,993**	**337,161**	**0.6%**	**4.1%**	**-2.0%**

Liabilities dominated by retail deposits

	Quarterly data					Change		
in EUR million	**Sep 22**	**Dec 22**	**Mar 23**	**Jun 23**	**Sep 23**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Financial liabilities held for trading	3,175	3,264	3,139	2,788	2,428	-23.5%	-25.6%	-12.9%
Derivatives	2,540	2,626	2,505	2,070	1,918	-24.5%	-27.0%	-7.3%
Other financial liabilities held for trading	634	637	635	718	510	-19.6%	-20.0%	-29.0%
Financial liabilities at fair value through profit or loss	10,031	10,814	11,227	11,223	10,931	9.0%	1.1%	-2.6%
Deposits from customers	**1,323**	**1,353**	**1,384**	**1,201**	**1,016**	**-23.2%**	**-24.9%**	**-15.5%**
Debt securities issued	8,547	9,310	9,708	9,890	9,781	14.4%	5.1%	-1.1%
Other financial liabilities	162	151	135	132	134	-17.5%	-11.5%	1.7%
Financial liabilities at amortised cost	291,880	278,932	295,892	297,334	290,402	-0.5%	4.1%	-2.3%
Deposits from banks	36,158	28,821	29,876	25,669	23,223	-35.8%	-19.4%	-9.5%
Deposits from customers	**231,128**	**222,620**	**236,690**	**239,881**	**234,758**	**1.6%**	**5.5%**	**-2.1%**
Debt securities issued	23,785	26,593	28,538	30,756	31,307	31.6%	17.7%	1.8%
Other financial liabilities	810	899	787	1,027	1,114	37.6%	24.0%	8.4%
Lease liabilities	653	662	699	703	684	4.8%	3.3%	-2.7%
Hedge accounting derivatives	380	372	365	322	300	-21.1%	-19.6%	-7.0%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	-14.3%	-14.3%	-14.3%
Provisions	1,696	1,676	1,857	1,702	1,636	-3.5%	-2.4%	-3.9%
Current tax liabilities	114	127	163	171	174	52.9%	36.9%	2.0%
Deferred tax liabilities	24	16	19	3	3	-85.7%	-78.0%	28.7%
Liabilities associated with assets held for sale	0	115	112	104	119	n/a	3.9%	14.8%
Other liabilities	2,760	2,581	2,966	2,909	2,796	1.3%	8.3%	-3.9%
Total equity	**24,584**	**25,305**	**26,483**	**26,735**	**27,687**	**12.6%**	**9.4%**	**3.6%**
Equity attributable to non-controlling interests	5,827	5,957	6,188	6,424	6,672	14.5%	12.0%	3.9%
Additional equity instruments	2,236	2,236	2,236	2,236	2,394	7.1%	7.1%	7.1%
Equity attributable to owners of the parent	16,521	17,111	18,059	18,074	18,621	12.7%	8.8%	3.0%
Subscribed capital	860	860	860	860	851	-0.9%	-0.9%	-0.9%
Additional paid-in capital	1,478	1,478	1,478	1,478	1,486	0.5%	0.5%	0.5%
Retained earnings and other reserves	14,183	14,774	15,721	15,737	16,284	14.8%	10.2%	3.5%
Total liabilities and equity	**335,297**	**323,865**	**342,921**	**343,993**	**337,161**	**0.6%**	**4.1%**	**-2.0%**

Capital requirements for 2023 slightly up on higher buffers

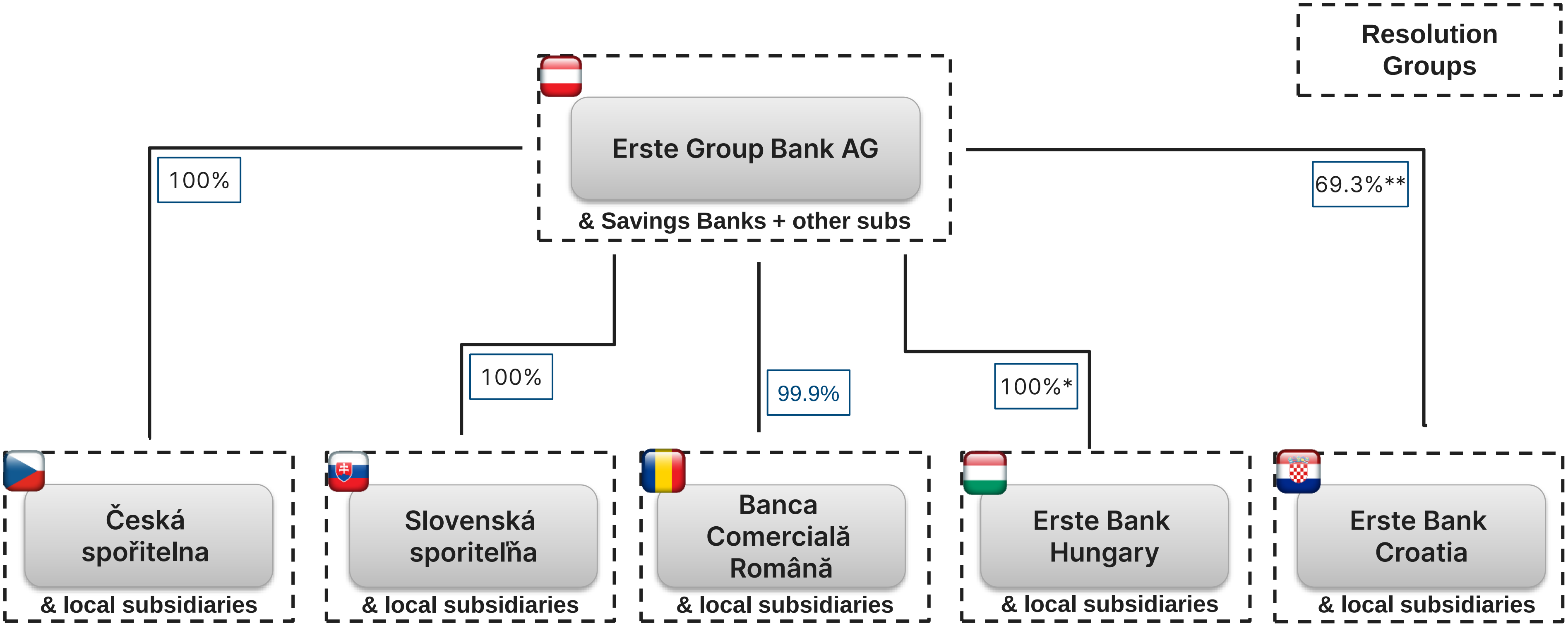
		Erste Group Consolidated				Erste Group Unconsolidated			
		Fully loaded				Fully loaded			
		2021	2022	Q3 2023	YE 2023	2021	2022	Q3 2023	YE 2023
Pillar 1 CET1 requirement		**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement		**4.68%**	**4.91%**	**5.44%**	**5.45%**	**4.62%**	**4.78%**	**5.22%**	**5.31%**
Capital conservation buffer (CCB)		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Countercyclical capital buffer (CCyB) 1)		0.18%	0.41%	0.69%	0.70%	0.12%	0.28%	0.47%	0.56%
OSII buffer		1.00%	1.00%	1.25%	1.25%	1.00%	1.00%	1.75%	1.75%
Systemic risk buffer (SRB)		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.50%	0.50%
Pillar 2 CET1 requirement (P2R) 2)		**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**
Pillar 2 CET1 guidance (P2G)		**1.00%**	**1.00%**	**1.00%**	**1.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Regulatory minimum ratios excluding P2G									
	CET1 requirement	10.16%	10.40%	10.92%	10.94%	10.10%	10.27%	10.70%	10.79%
1.50% AT1	Tier 1 requirement	11.99%	12.23%	12.75%	12.77%	11.93%	12.10%	12.53%	12.62%
2.00% T2	Own funds requirement	14.43%	14.66%	15.19%	15.20%	14.37%	14.53%	14.97%	15.06%
Regulatory minimum ratios including P2G									
	CET1 requirement	11.16%	11.40%	11.92%	11.94%	10.10%	10.27%	10.70%	10.79%
1.50% AT1	Tier 1 requirement	12.99%	13.23%	13.75%	13.77%	11.93%	12.10%	12.53%	12.62%
2.00% T2	Own funds requirement	15.43%	15.66%	16.19%	16.20%	14.37%	14.53%	14.97%	15.06%
Reported CET1 ratio as of September 2023				**14.56%**				**24,84% 3)**	

Buffer to MDA restriction as of 30 Sep 2023: 344bps

Available distributable items (ADI) as of 30 Sep 2023: EUR 4.9bn (post expected dividend); based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 7.5bn

1. Planned values based on Q3 23 exposure.
2. As of end of May 2021 Art. 70b (7) ABA applies using P2R according to the capital stack: 56.25% for CET1 capital and 75% for Tier 1 capital. The overall P2R remained at 1.75% for Erste Group.
3. Consolidated capital ratios pursuant to IFRS on phased-in basis. Unconsolidated capital ratios pursuant to IFRS as of Q2 2023. ADIs pursuant to Austrian Commercial Code (UGB) .

MREL compliance at point of entry level (bail-in)

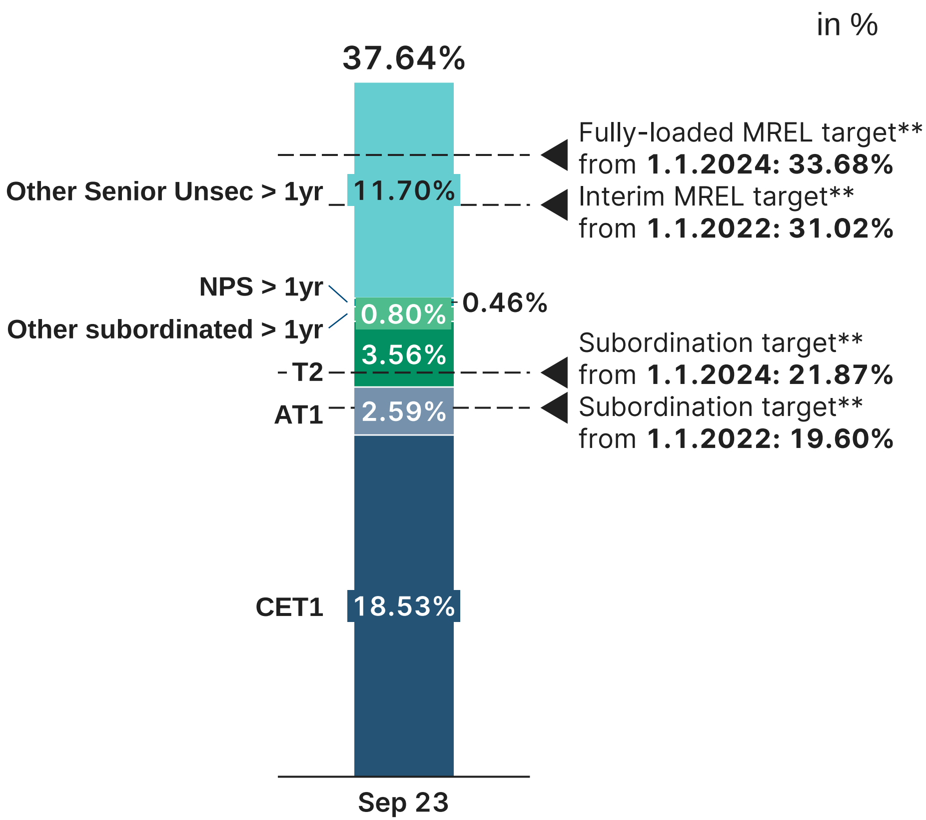


Erste Group follows an MPE resolution strategy with each resolution group issuing its external MREL debt

* Erste Bank Hungary: 30% held by Corvinus/Hungarian State and EBRD (15% each) with option agreement to sell stakes to Erste Group Bank AG
**Erste Bank Croatia: direct stake of 59%; indirect stake through Steiermärkische Sparkasse

Austrian resolution group: MREL requirement based on RWA fulfilled

MREL capacity based on TREA (RWA)*



* TREA... total risk exposure amount

** Target including the Combined Buffer Requirement (CBR)

Key take-aways

Erste Group adopted multiple point of entry (MPE) resolution approach

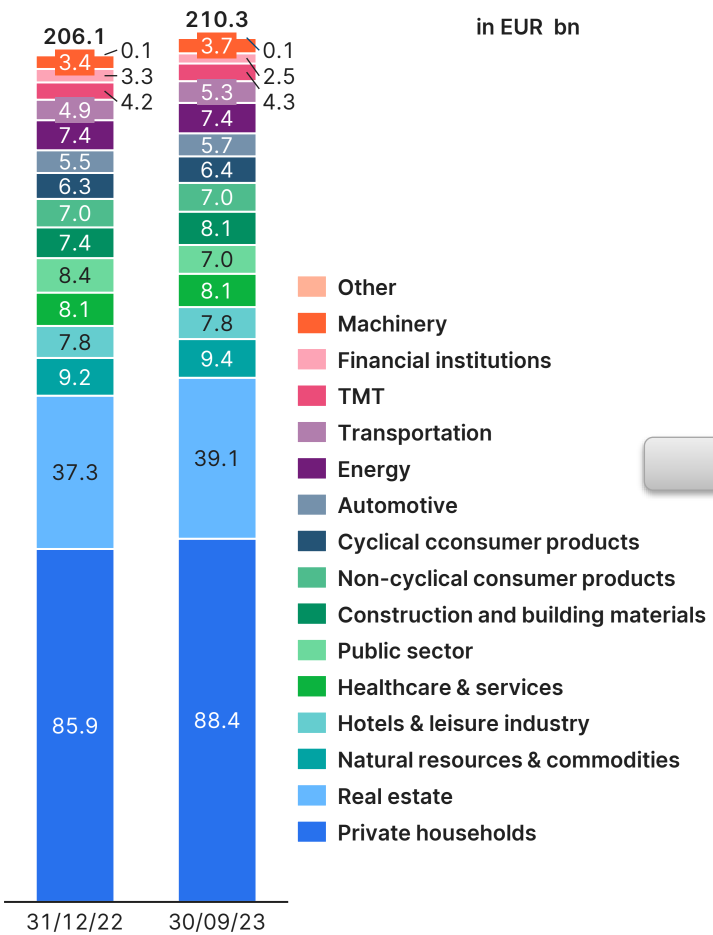
- In Q2 23, Erste Group Bank AG received its MREL requirement calibrated on 31 Dec 2021 balance sheet data
- From 1.1.2024, Erste Group Bank AG, as the resolution entity of the Austrian resolution group, must comply with a MREL requirement of 28.69% of TREA (excl. CBR) and 9.49% of Leverage Ratio Exposure (LRE). In addition, the subordination requirement is set at 16.88% (excl. CBR) of TREA and 8.81% of LRE respectively.
- As of Q3 2023 the Combined Buffer Requirement (CBR) of the Austrian Resolution Group was 4.99% of TREA.
- Based on the Austrian resolution group's RWAs as of Sep 2023 of approx. EUR 92.5bn, the current MREL ratio stands at 37.64%, thereof 25.94% being subordinated eligible liabilities.

As of Q3 23 the AT resolution group is compliant with both the interim and final MREL and subordination requirements (TREA and LRE-based) to be fulfilled from 1 Jan 2022 and 1 Jan 2024, respectively.

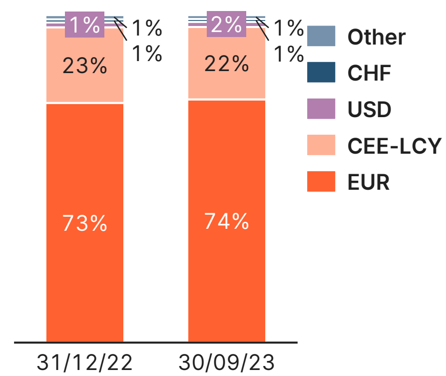
- Potential changes in the MREL requirement will be reflected in Erste Group Bank AG's funding plan as to ensure compliance with MREL & subordination targets

Erste Group benefits from a highly diversified loan book

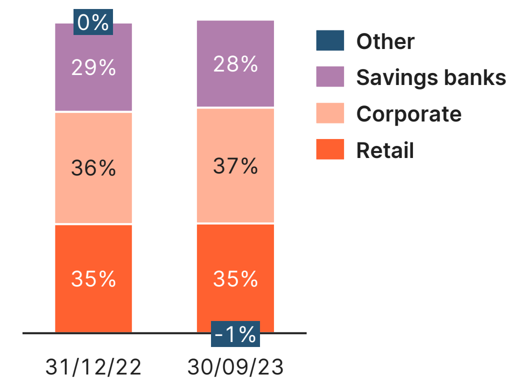
Gross customer loans by industry



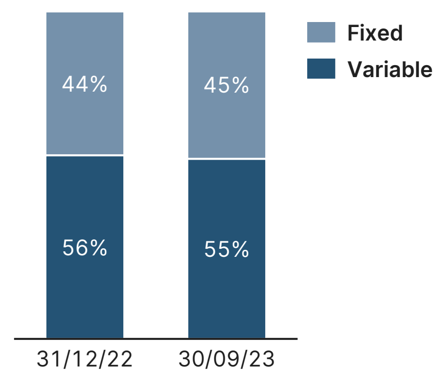
By currency



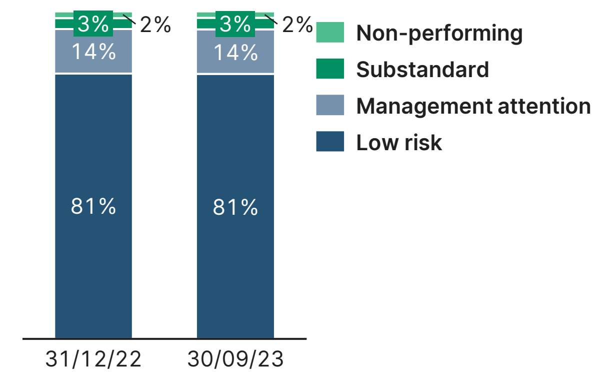
By business segment



By interest rate



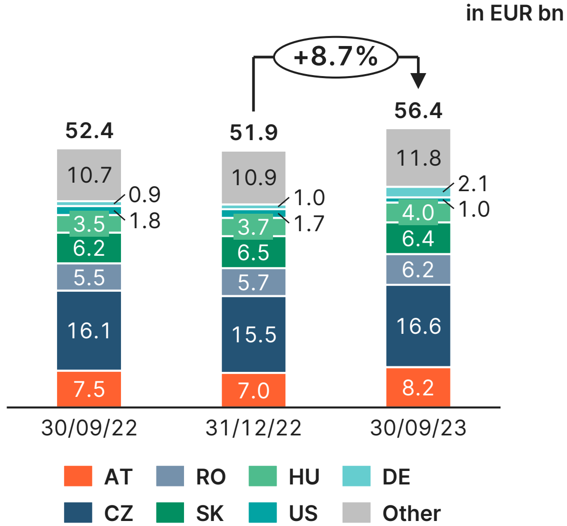
By risk category



ERSTE Group

Financial asset portfolio creates strong net interest income tailwinds

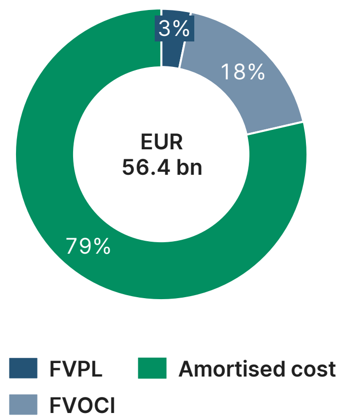
Financial assets – geographic view



Financial assets are geographically well-diversified

- Main rationale is maintenance of strong levels of highly liquid assets
- Focus on Erste Group core markets
- Largest exposure is to Czech sovereign

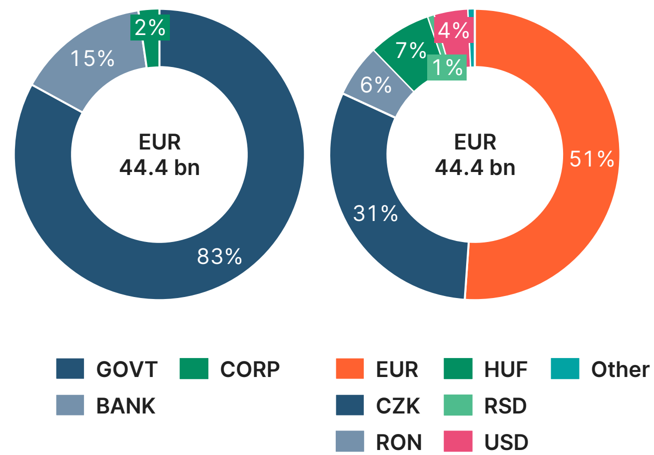
Financial assets – accounting view



Amortised cost portfolio as at Q3 23

- Amounts to EUR 44.4bn or 79% of total financial assets, +9.2% ytd
- Portfolio duration: 4.4 years
- Portfolio yield: 2.5%

AC by issuer and currency



- Rolling maturities are re-invested at higher yields
- Focus on euro driven by investments in core markets (AT, SK) as well as other euro zone exposures
- Focus on strong ratings: ~76% A or higher, ~23% BBB

ERSTE Group

Erste Group supports the well-being in the CEE region

Priority objectives

Leading Green Transition

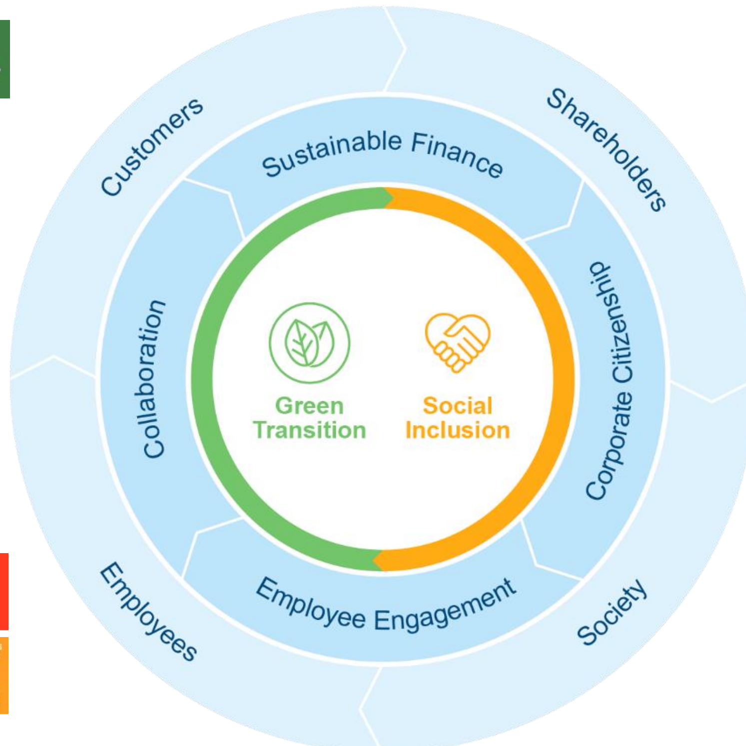
Erste Group strives to be a role model and leading institution to mobilise funds for tackling climate change, clean water preservation and improvement in material efficiency as it is a great chance for the citizens of CEE.

We believe in a just transition for all, and therefore Erste Group helps all its clients to progress.

Nurturing Social Inclusion

Since its foundation, Erste Group has taken an active role in building inclusive societies in the CEE region.

Our efforts in financial inclusion, social banking, financial literacy, affordable housing and gender equality are relevant today, as they were 200 years ago.



Our promise

Customers
Providing prosperity to our clients in an inclusive, secure and sustainable way through our advisory and sustainable finance products.

Employees
shall benefit from our services, disseminating prosperity to all and contributing to the company success through servicing our clients in a sustainable and efficient way.

Shareholders
Ensuring adequate and long-term sustainable compensation by an inclusive growth strategy and resilient company values.

Society
Increasing well-being of our societies and local communities built on social cohesion and good environmental status.

Sustainability is embedded into the DNA of Erste Group

Sustainable Finance

mobilise financial resources and **customer advice** for **social-ecological goals** and support customers on their way to a **sustainable business model**

Working together

actively participate in public initiatives and thus make a positive contribution in our region

Good corporate citizenship

demonstrate strong **social commitment** by adhering to rules and standards that we also expect from our business partners

Employee engagement and social contribution

support employee awareness and **commitment** through training and volunteering opportunities

Erste Group has set itself ambitious ESG targets

25%
green investments by 2026 in our corporate book to be reached

15%
green housing mortgages by 2027

Net-zero portfolio
by 2050

Coal exit
by 2030

90%
low carbon electricity by 2050

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

Erste Group through its Social Banking continues to be the **leader in offering financial services** to NGOs, start-ups and individuals in difficult situations.

EUR 1bn
Social Finance loans provided by 2030

200,000
jobs to be created or preserved by 2030 by Social Banking activities

500,000
financial education beneficiaries by 2030

15,000
affordable housing units by 2030

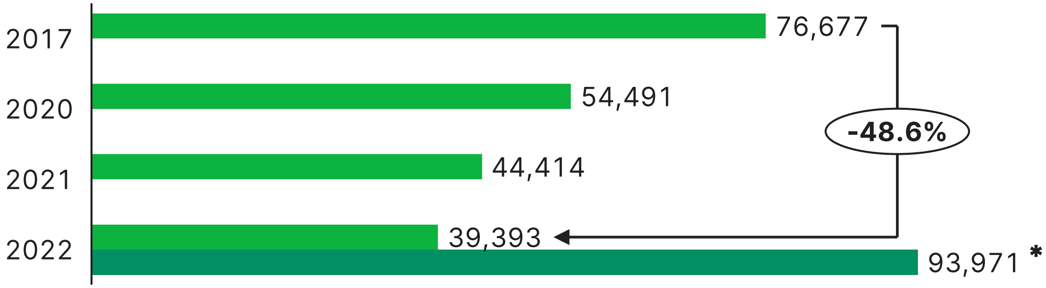
37%
women in B/B-1 positions by 2025

40%
women in B-2/B-3 positions by 2025

Environment

Net zero operations

Scope 1+2 decrease of emissions (tonnes of CO_2e) → pathway towards climate neutrality 2023



* First time calculation including operational Scope 3 emissions

Green Investments

New corporate financing of environmental objectives

Committed amount (total), Sep 23	in EUR m
Construction and real estate	1,378
Renewable energy	124
Transportation	100
Other Corporate	165
Total	**1,767**

Scope 3, financed emissions, covering EUR 183.2bn exposure – low intensity & overall emissions (as of Q3 23)

→ basis for our **journey towards net-zero portfolio** by 2050

142

gCO_2e/€ financing low emission intensity

14.8

million tonnes of CO_2e total financed emissions Scope 1 and 2

11.1

million tonnes of CO_2e total financed emissions Scope 3

Net-zero target setting to move towards 1.5 degree climate scenarios

Portfolio decarbonization interim targets 2030

Portfolio selection	Metric	Baseline 2022	Target	Reduction	Volume covered (Q3 23)*
Housing mortgages	$kgCO_2e/m^2$	53.3	30.5	-43%	EUR 49.4bn
Commercial real estate	$kgCO_2e/m^2$	50.9	25.7	-50%	EUR 20.6bn
Electricity production	$kgCO_2e/MWh$	421.4	215.6	-49%	EUR 2.6bn
Heat & steam production	thd tCo_2e	1,382	801	-42%	EUR 0.2bn

Reducing the ecological impact of our banking operations – targets for 2023 and beyond

Indicator	Metric	Year	Target
Reduction of total Scope 1 and 2 emissions	tCO_2	2030	-80%
Increase share of green electricity	% of green electricity	2023	90%
Extend share of electric car fleet	% of e-cars (total car fleet)	2025	25%

*) excl. savings banks; they will be included as of Q1 24

The EU members states' updated National Energy & Climate Plans (NECP) in acc. with the Green Deal will allow us to update our target setting for all sectors to be in line with 1.5° scenarios

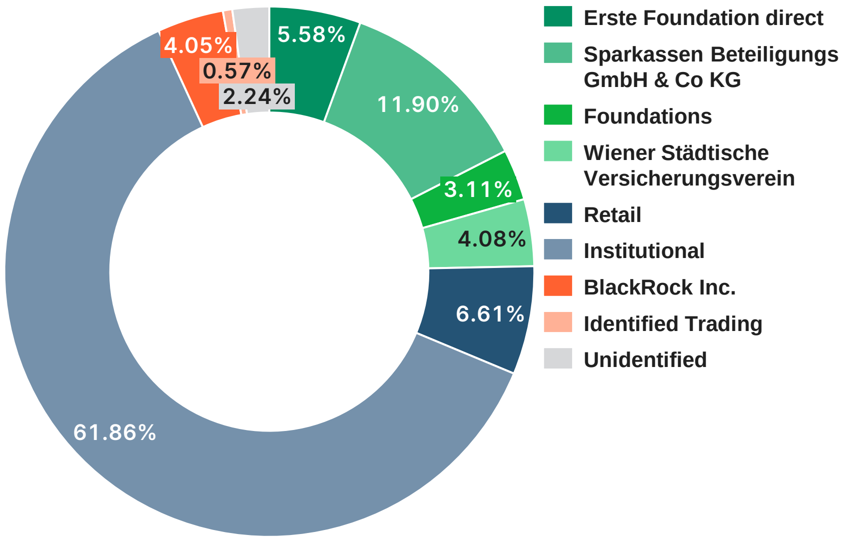
Erste Group has strong ESG ratings

Rating agency	Description	2022	2023
MSCI ESG RATINGS	Erste Group maintains **rating of AA** in the MSCI ESG Ratings assessment	**AA** (5.9)	**AA** (5.5)
SUSTAINALYTICS a Morningstar company	In 2022, Erste Group improved its assessment by Sustainalytics by 3.6 points, **low risk** category confirmed	**Low Risk** 15.3 / 100	**Low Risk** 16.4 / 100
Corporate ESG Performance Prime RATED BY ISS ESG	Erste Group kept the Prime Status by ISS ESG, with a **"very high" transparency level** awarded	**C "Prime"** 50.00	**C "Prime"** 52.25
CDP DISCLOSURE INSIGHT ACTION	First time reporting resulted in good **B rating**, strong improvement potential for 2023 on the basis of Net Zero targets	**B**	**- ***

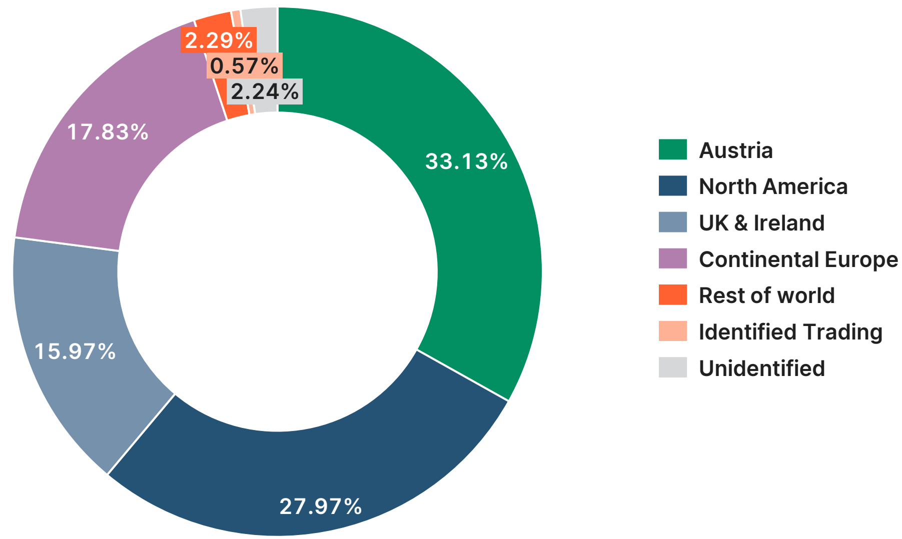
* 2023 update pending

Erste Group benefits from strong and well-diversified shareholder base

By investor



By region



Notes to shareholder structure

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

Status as of 26 October 2023

Erste Group Bank AG boasts strong issuer ratings

Moody's

Weighted Macro Profile	
Strong	
+	
Financial Profile	
Asset Risk	baa1
Capital	baa1
Profitability	baa3
Funding Structure	a2
Liquid Resources	baa1
+	
Qualitative Factors	
Business Diversification	0
Opacity and Complexity	0
Corporate Behaviour	0
=	
BCA Baseline Credit Assessment	**baa1**
+	
Affiliate Support	0
=	
Adjusted BCA	**baa1**
+	
LGF Loss Given Failure	+ 2
Government Support	+1
=	
Senior Unsecured Long-Term Outlook / Short-Term	**A1 / Stable / P-1**

S&P Global Ratings

SACP - Stand-Alone Credit Profile		
a		
▲		
Anchor	bbb+	
Business position	Strong	+1
Capital and earnings	Adequate	0
Risk position	Adequate	0
Funding	Above Average	+1
Liquidity	Strong	
CRA adjustment		0
+		
Support	**+1**	
▲		
ALAC Support	+1	
GRE Support	0	
Group Support	0	
Sovereign Support	0	
+		
Additional Factors	**0**	
=		
Issuer Credit Rating Long-Term Outlook / Short-Term	**A+ / Stable / A-1**	

FitchRatings

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

Status as of 21 July 2023

Geographical/operating and business segment view

Erste Group – Geographical/operating segments

Austria

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

Central and Eastern Europe

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

Other

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

Erste Group – Business segments

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

Erste Group IR contact details

IR Team	Role	Phone	Email
Catherina Frass	IR Assistant	+4350100 17731	catherina.frass@erstegroup.com
Gerald Krames	IR Manager	+4350100 12751	gerald.krames@erstegroup.com
Peter Makray	IR Manager	+4350100 16878	peter.makray@erstegroup.com
Alexandra Negrin	IR Assistant	+4350100 17741	alexandra.negrin@erstegroup.com
Monika Peraus	IR Analyst	+4350100 11282	monika.peraus@erstegroup.com
Simone Pilz	IR Manager	+4350100 13036	simone.pilz@erstegroup.com
Thomas Sommerauer	Head of Group IR	+4350100 17326	thomas.sommerauer@erstegroup.com

Further contact details	
Postal address	Erste Group Bank AG, Am Belvedere 1, 1100 Vienna
General email	investor.relations@erstegroup.com
Web address	http://www.erstegroup.com/investorrelations
Twitter	http://twitter.com/ErsteGroupIR
ISIN, Bloomberg and Reuters codes	AT0000652011, EBS AV, ERST.VI