



Report on the fiscal year 2023 of Erste Group Bank AG (consolidated)

Willi Cernko
Chairman of the Management Board



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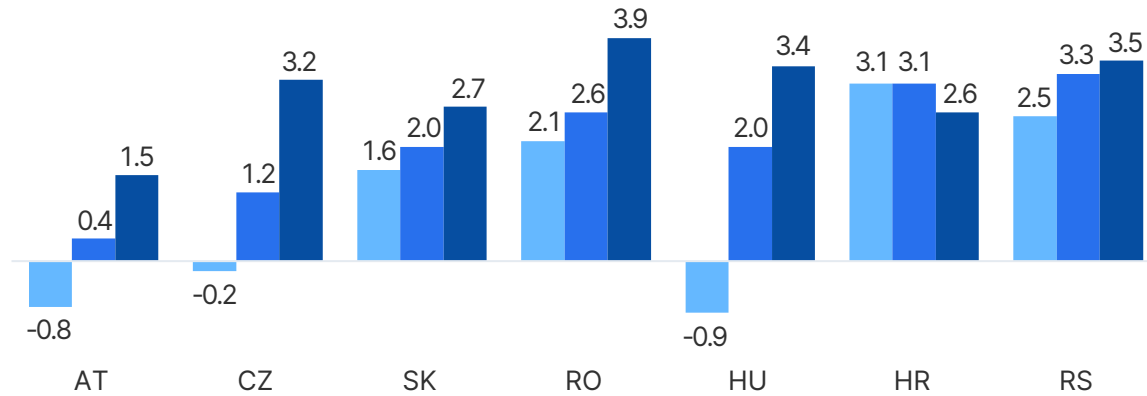
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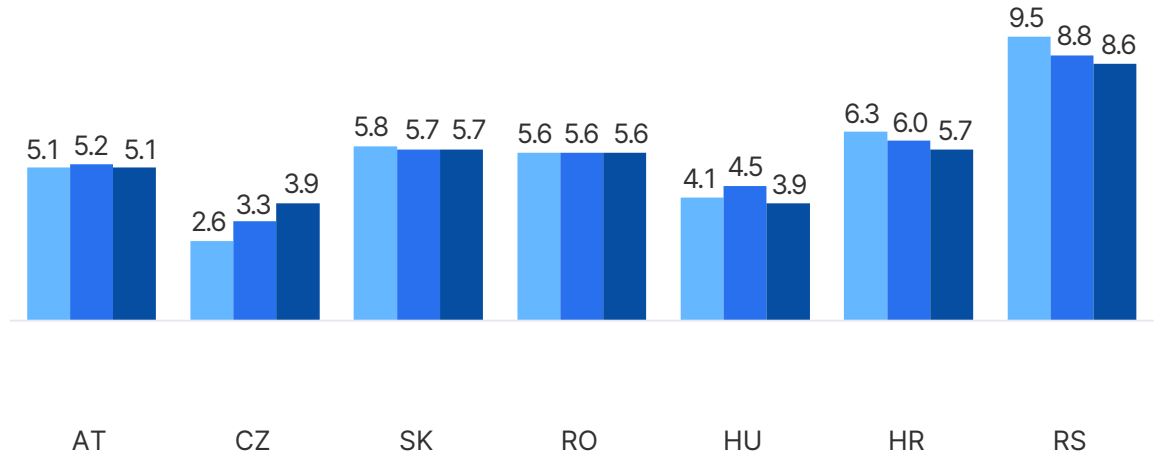
Weak economy in 2023, moderate recovery in 2024

IN %

Real GDP growth



Unemployment rate



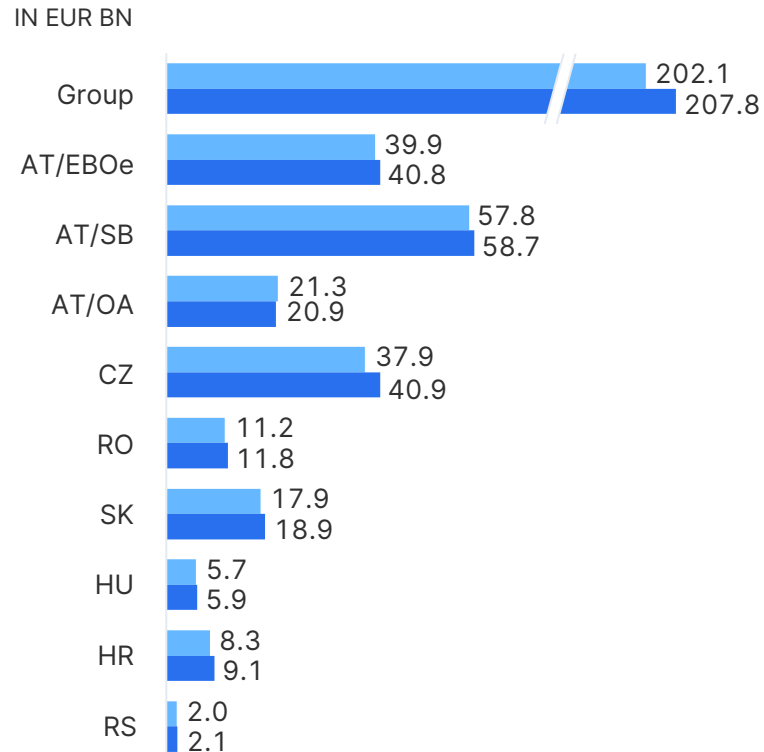
- Economic growth expected to rebound on stronger household consumption
- Decline of inflation expected to continue

– Robust labour markets in Austria and CEE

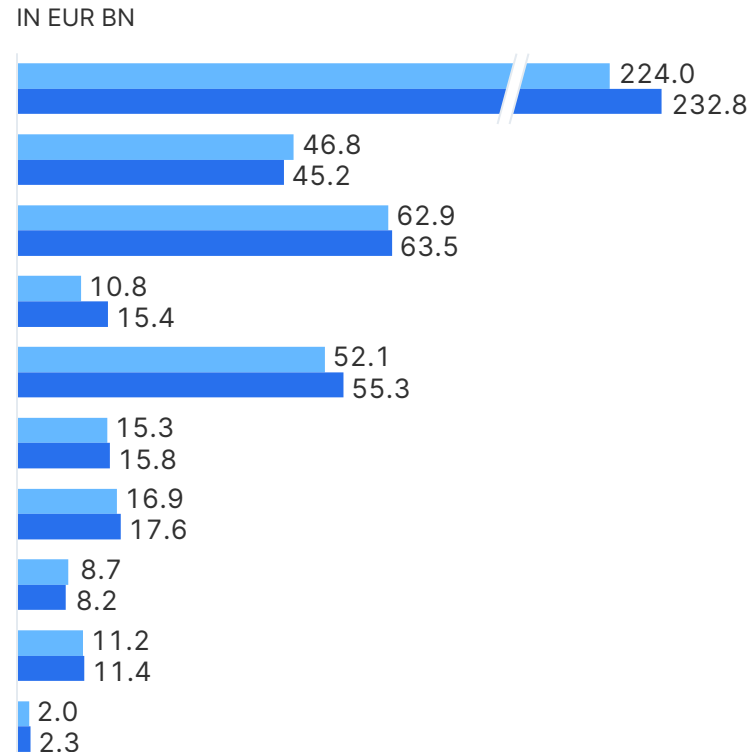
2023 2024 2025

Weaker loan growth, but strong deposit base

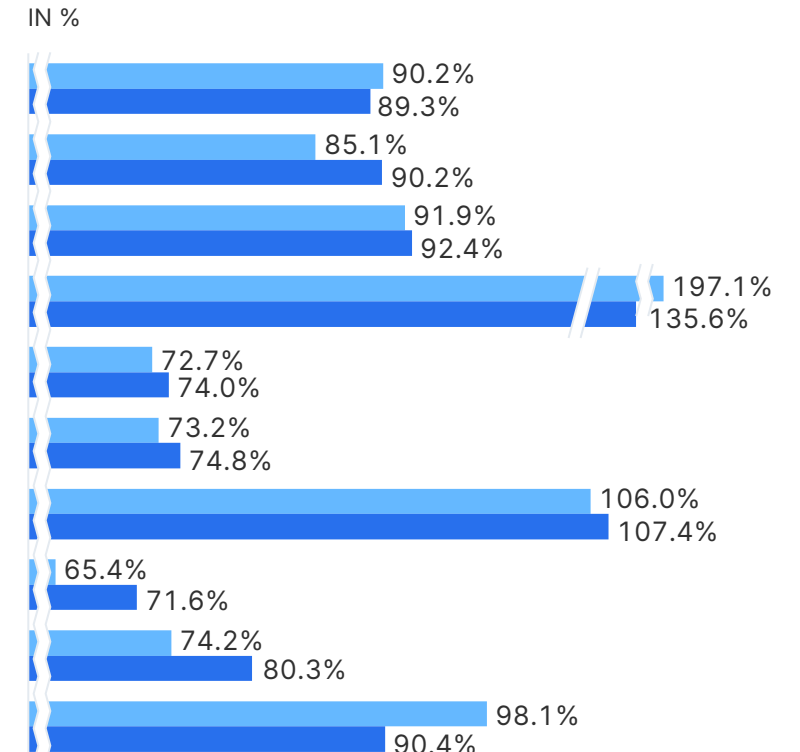
Customer loans (net)



Customer deposits



Loan/deposit ratio

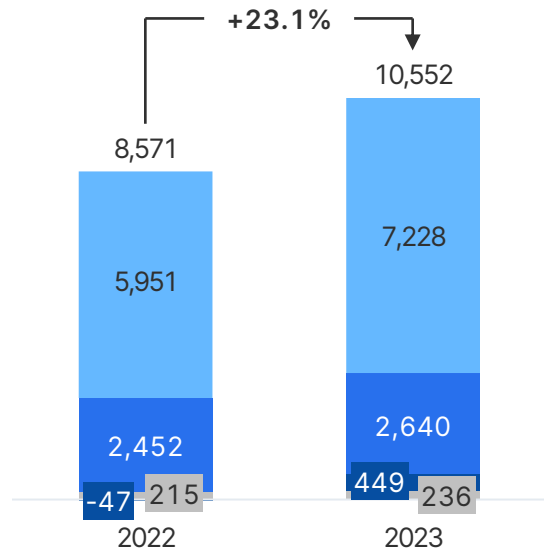


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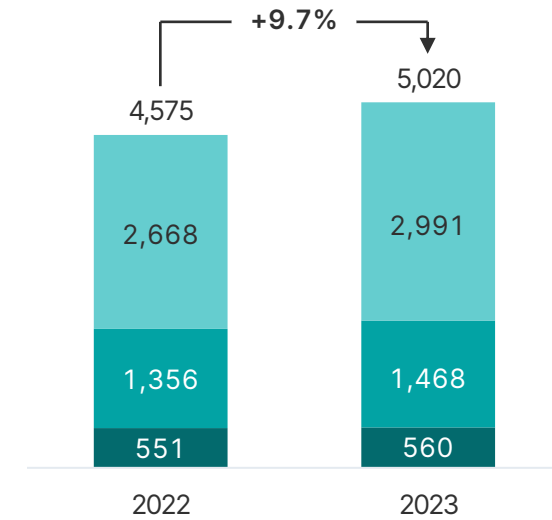
Operating revenues up more dynamically than expenses

IN EUR M

Operating revenues



Operating expenses



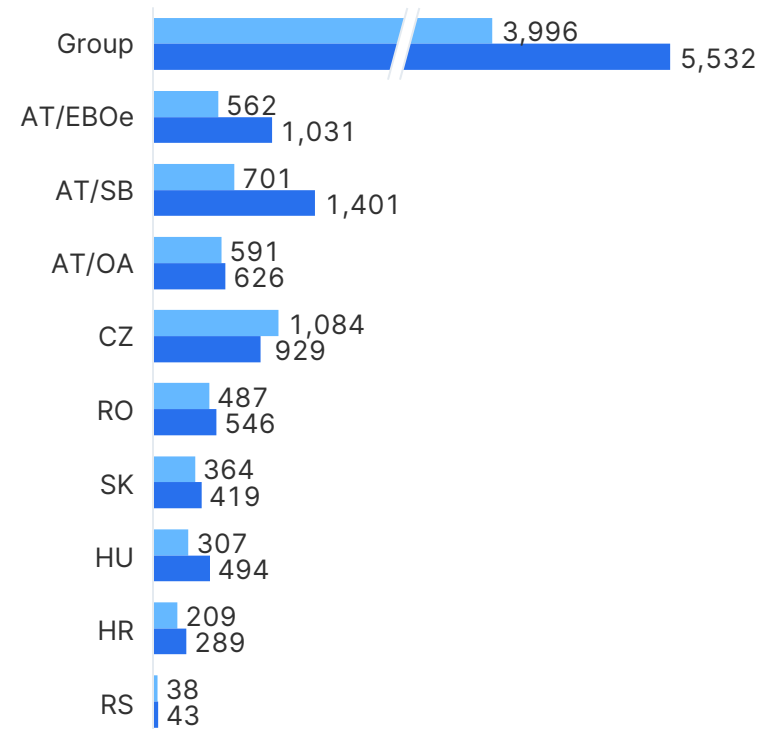
■ Net interest income
 ■ Net fee and commission income
■ Net trading and fair value result
 ■ Other income

■ Personnel expenses
 ■ Other administrative expenses
■ Depreciation and amortisation

Best operating result, best cost/income ratio

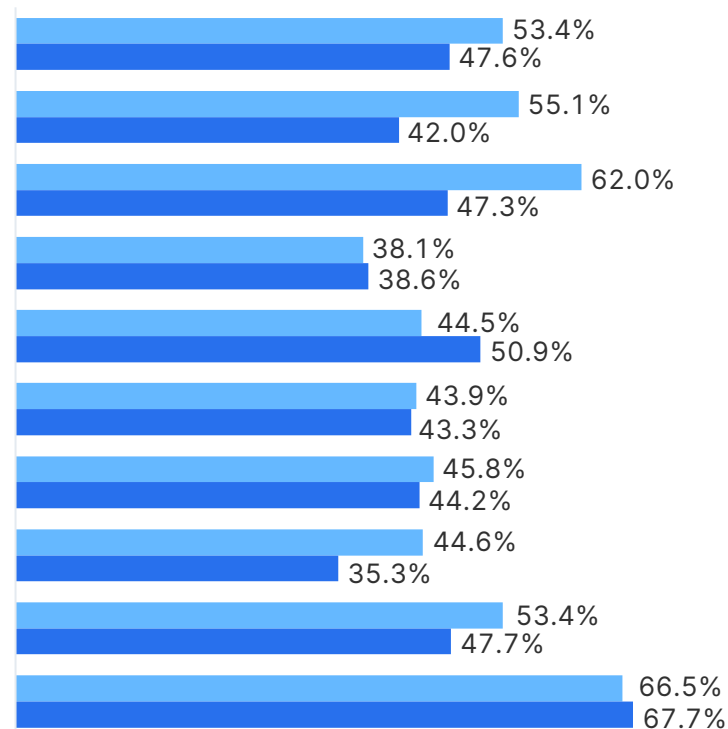
Operating result

IN EUR M



Cost/income ratio

IN %



Summary

Operating revenues rise significantly

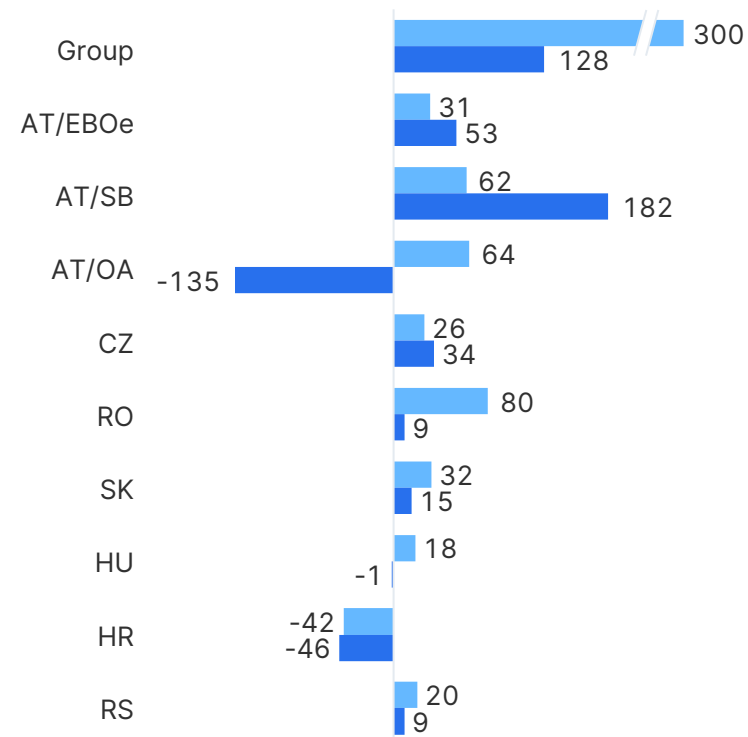
- Net interest income: +21.5%
- Fee and commission income: +7.6%
- Trading and fair value result rebounds after negative contribution in 2022

2022 2023

Risk costs remain on low levels

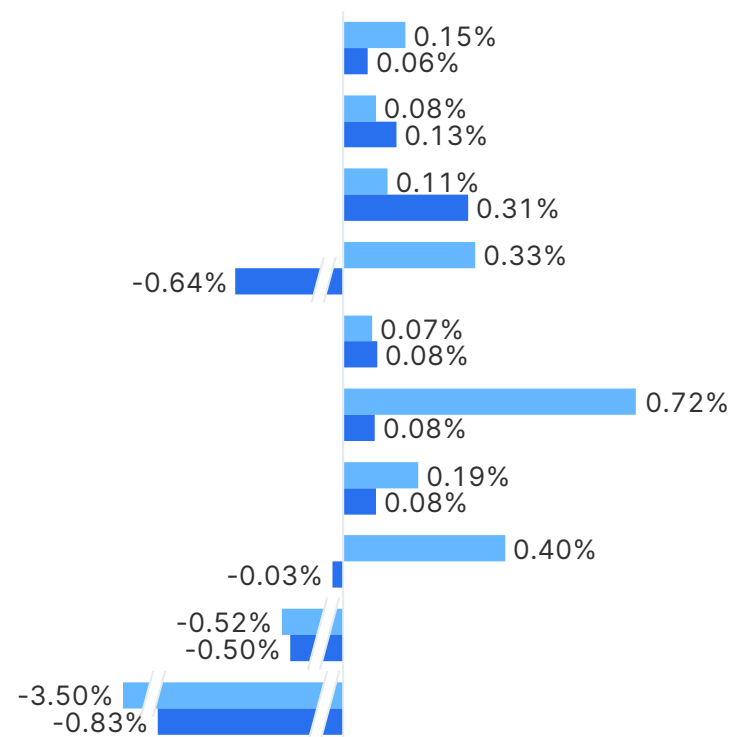
Risk costs

IN EUR M



Relative risk costs

IN %



Summary

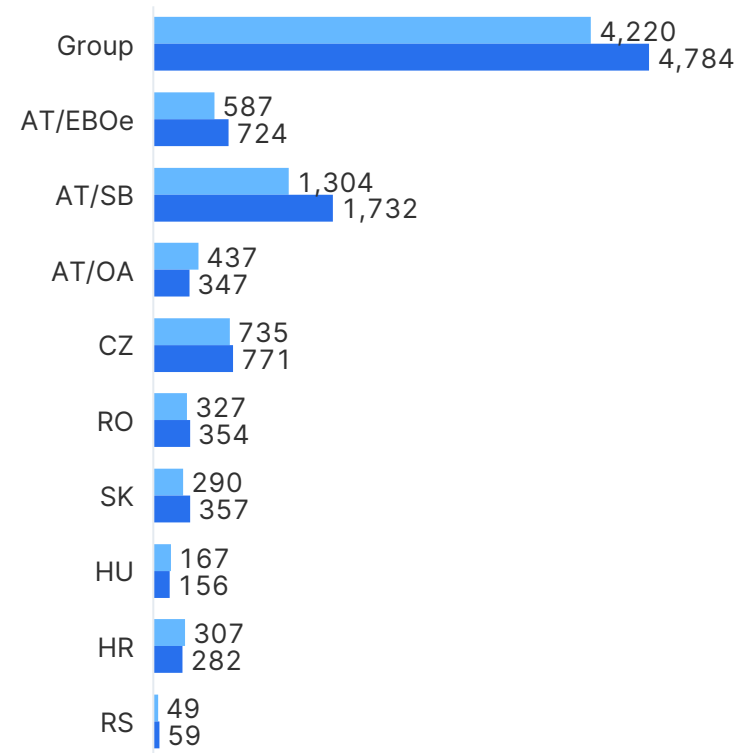
- Risk costs of 6 basis points significantly better than expected
- Release of risk provisions of approx. EUR 200 million

2022 2023

NPL ratio remains on low level

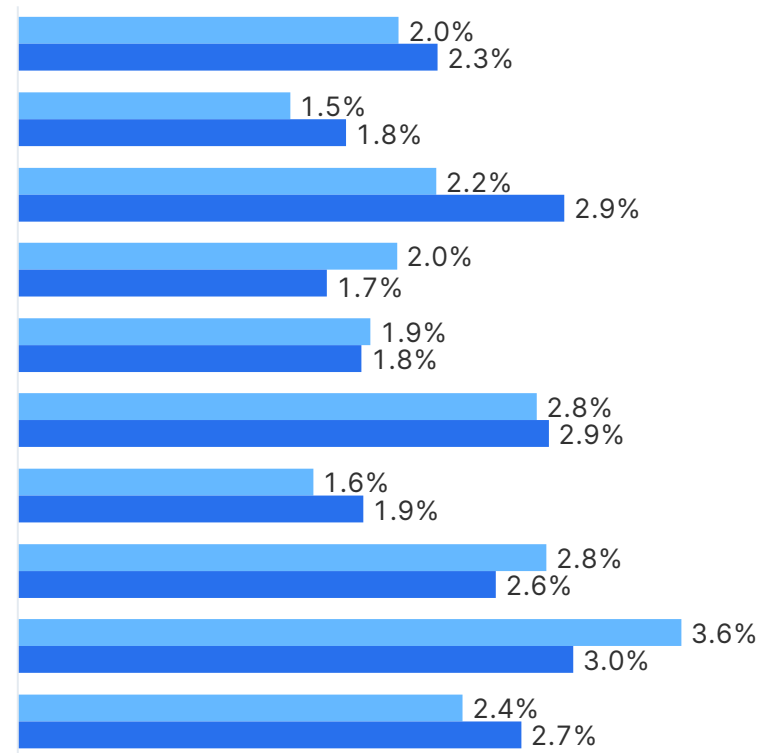
NPL-volume

IN EUR M



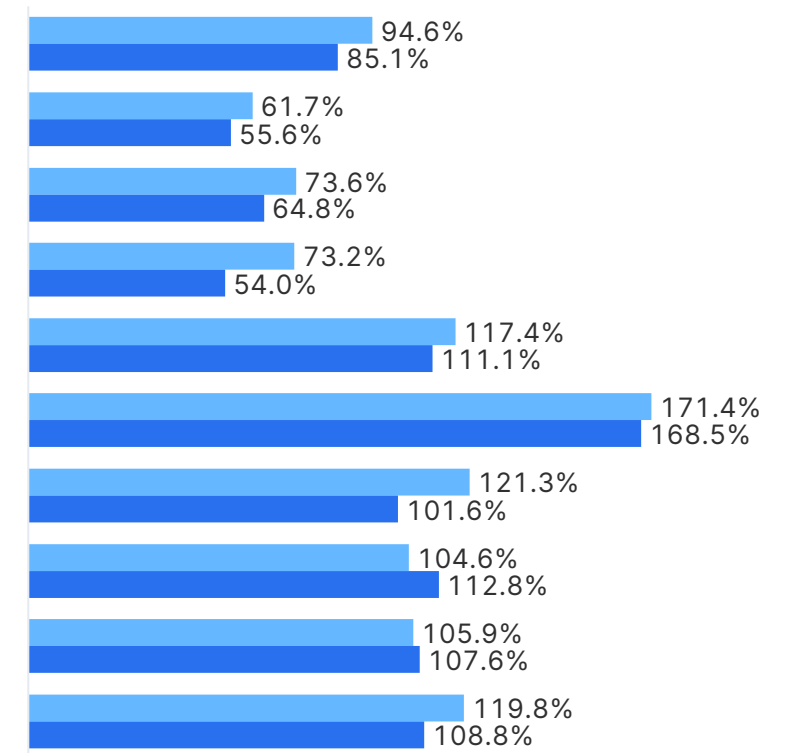
NPL-ratio

IN %



NPL-coverage (excl. collateral)

IN %

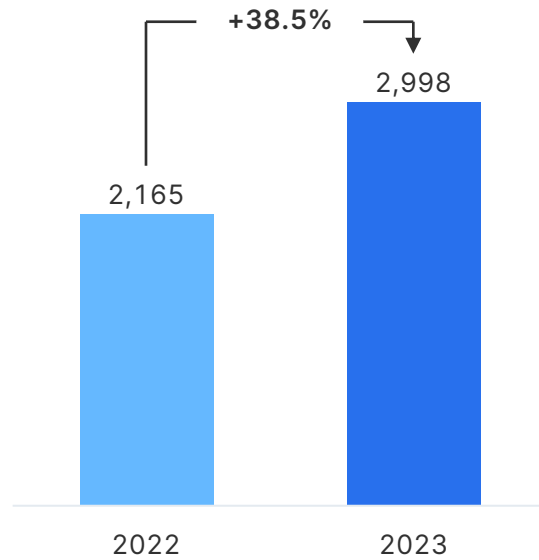


Dec 22 Dec 23

Record net result and dividend

Net result

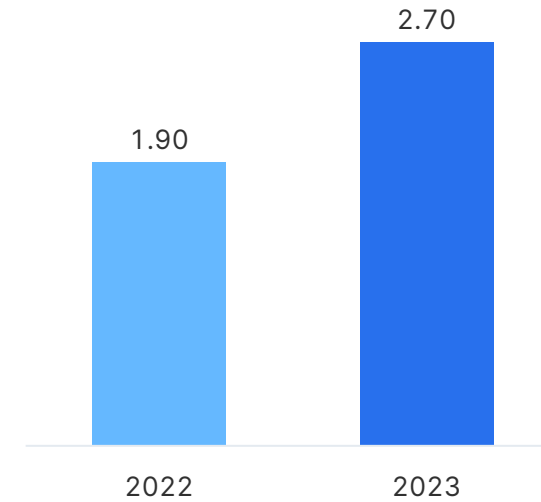
IN EUR M



- Rising operating revenues reflected in improved net result

Dividend

IN EUR

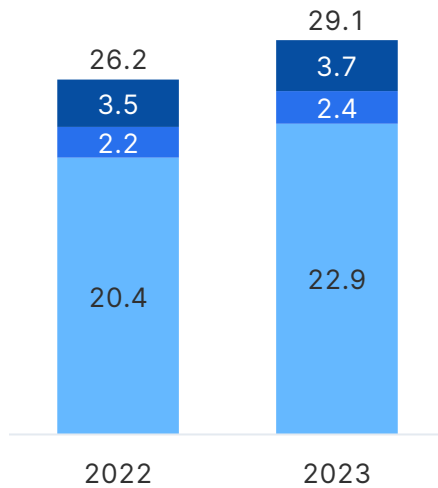


- EUR 2.70 dividend per share for the fiscal year 2023 proposed to the Annual General Meeting

Even stronger capital base

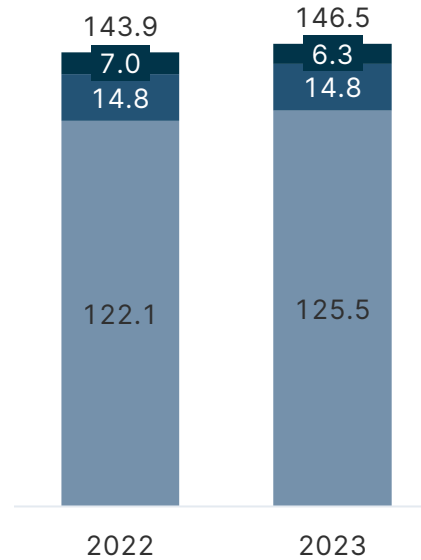
Regulatory capital

IN EUR BN



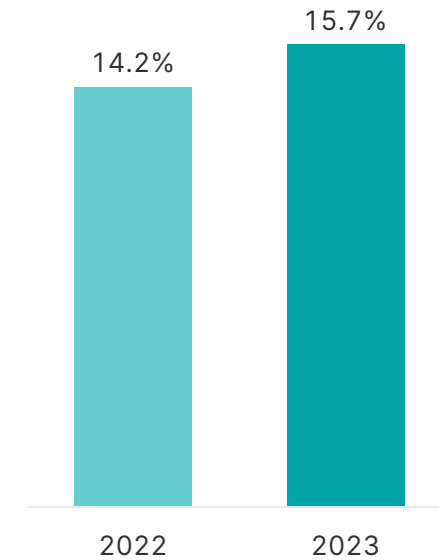
Risk-weighted assets

IN EUR BN



CET1 ratio

IN %



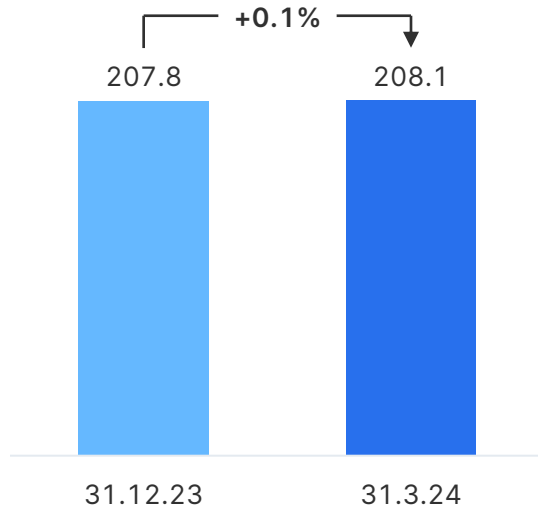
CET1 AT1 Tier 2

Credit RWA Operational risk
Market risk

Q1 24: Continued deposit inflows

Customer loans (net)

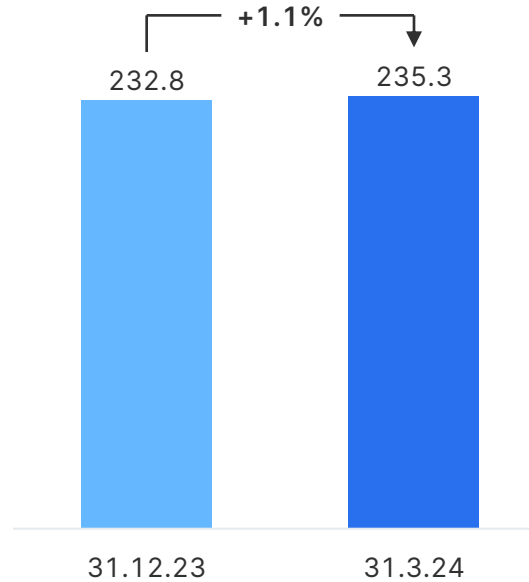
IN EUR BN



– Muted start into the year

Customer deposits

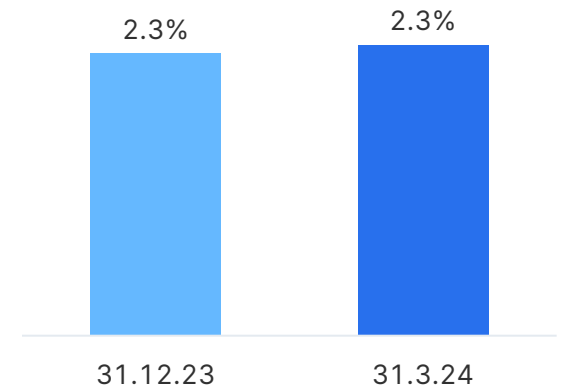
IN EUR BN



– Stable deposit base
– Loan/deposit ratio at 88.4%

NPL ratio

IN %

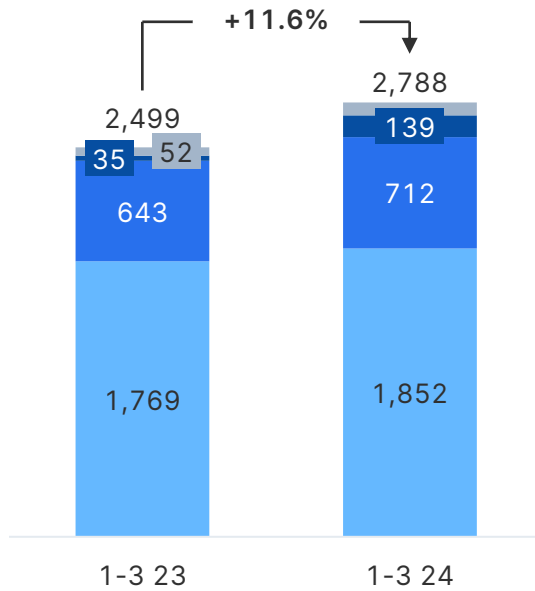


– Continued robust asset quality
– NPL coverage at 83.7%

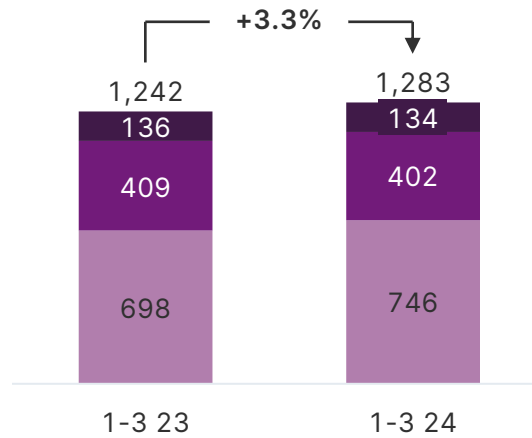
Q1 24: A very good start to the year

IN EUR M

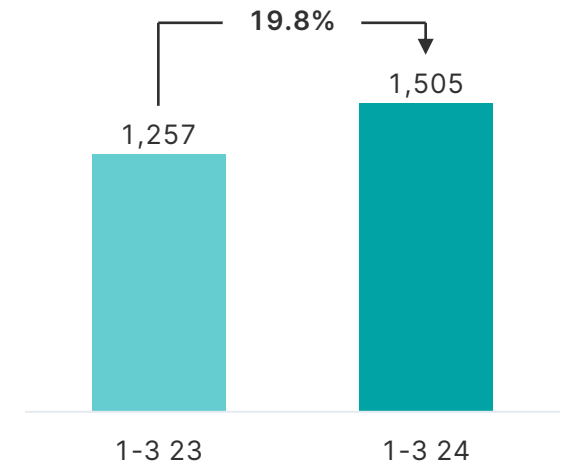
Operating revenues



Operating expenses



Operating result



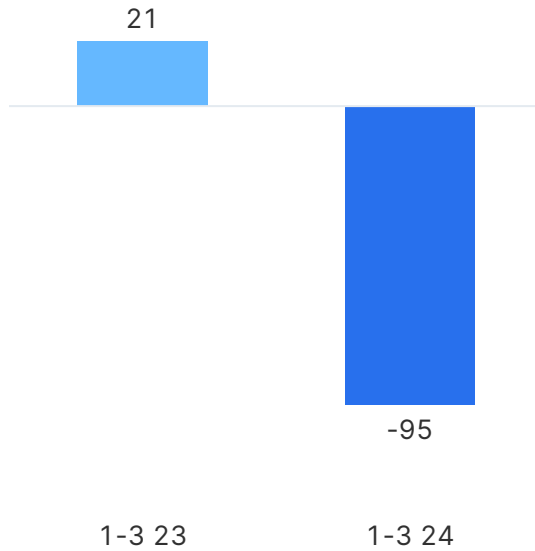
- Net interest income
- Net fee and commission income
- Net trading and fair value result
- Other income

- Personnel expenses
- Other administrative expenses
- Depreciation and amortisation

Q1 24: Net result improves further

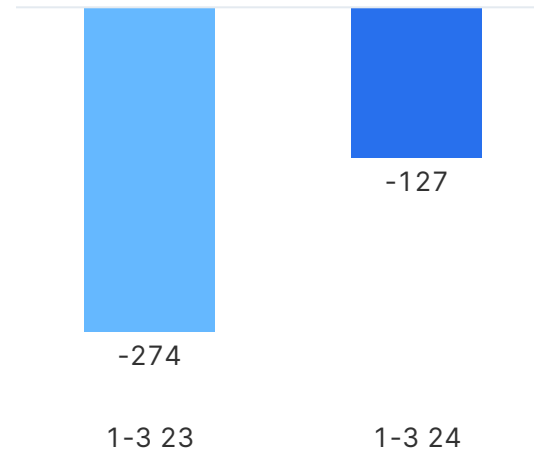
IN EUR M

Risk costs



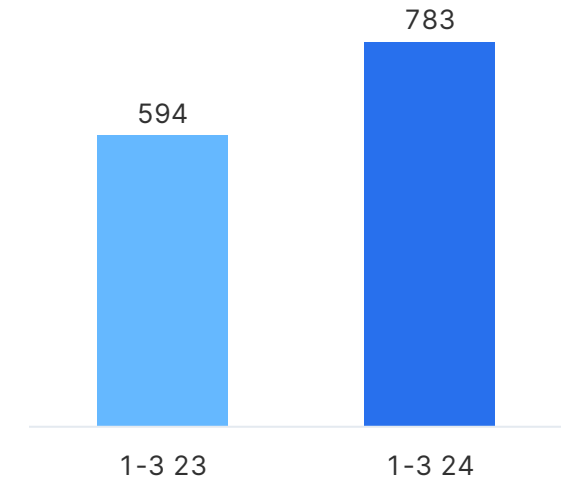
– Risk costs increase in line with guidance

Other result



– Lower resolution funds contributions

Net result



– Return on tangible equity (ROTE) at 17.2%

Our climate strategy



Net-zero portfolio

Aligning to 1.5°C
together with our clients

- Setting science-based targets for key sectors in our portfolio
- Green business as key enabler and opportunity



Sustainable asset management

Mobilising capital for the climate transition

- Leading supplier of sustainable fund products & investment services
- Pro-active client engagement as 'Climate action 100+' member



Integration into risk management

Bringing current and future climate risks into the equation

- Continuous enhancement of climate risk assessment and management tools
- Navigate climate-related risks, including both physical and transition risks



Net-zero operations by 2030

Bringing our own house in order

- Our facilities, from HQ to branches to data centers
- Our Mobility
- Our Culture

Our ESG targets

Leading the green transition

Green Finance

25% of sustainable corporate financing in 2026

15% of sustainable retail mortgages in 2027

Portfolio Net Zero

2050 Net Zero Portfolio

Net-Zero Operations

90% low carbon electricity

2030 Net Zero Operations

Coal Exit

2030 Coal Exit



Promoting Social Inclusion

Social Banking

EUR 1 bn Social Bank financing by 2030

200,000 jobs created or preserved by 2030

Affordable housing

10,000 affordable housing units to be established by 2030

Diversity

30% women in board positions by 2028

33% women in board-1 positions by 2028

Strong outlook for 2024

Variable	Guidance	Key assumptions / additional comments
Real GDP	> 2%	Moderately improving economic outlook
Loans	~ + 5%	Loan growth on better economic outlook, declining interest rates, but back-end-loaded
NII	~ - 3%	NII consolidation after 2 years of historic upswing
Fees	~ + 5%	Strong fee outlook on healthy demand for asset management, payment services
Costs	~ + 5%	Inflationary pressures partially mitigated by efficiency measures
CIR	~ 50%	Maintenance of strong operating performance
Risk costs	< 25 bps	Continuation of broadly positive risk environment
ROTE	~ 15%	Sustainable, strong profitability
CET1 ratio	> 14.0%	Unchanged target CET1 ratio, targeting second share buyback in the amount of EUR 500m in 2024
Risk factors to the guidance	<ul style="list-style-type: none"> – Political, regulatory, geopolitical, economic, health and competition risks, also non-financial and legal risks – Indirect effects from Russia-Ukraine conflict, such as prolonged supply chain disruptions, additional shock on energy prices and/or supply, deterioration of investment and consumption appetite – Economic downturn may put goodwill at risk 	