Q4 2023 preliminary results presentation

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Strong profitability drives up capital

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ERSTE Group

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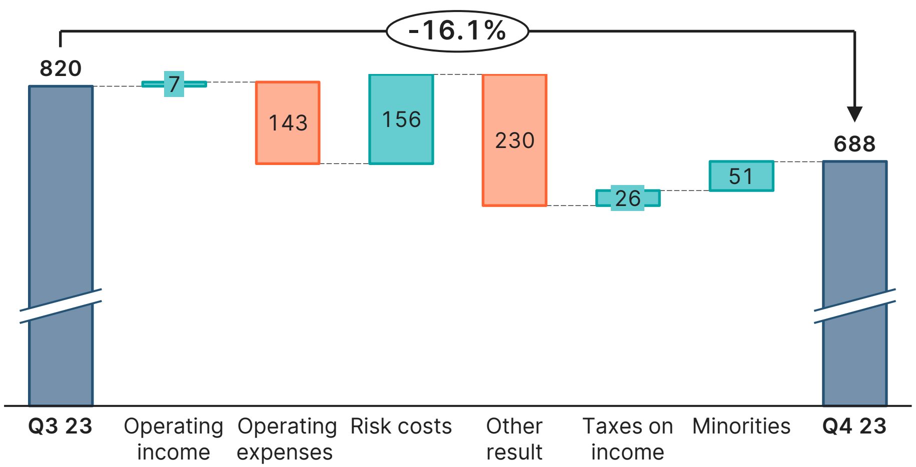
Operating and risk performance drive record net profit

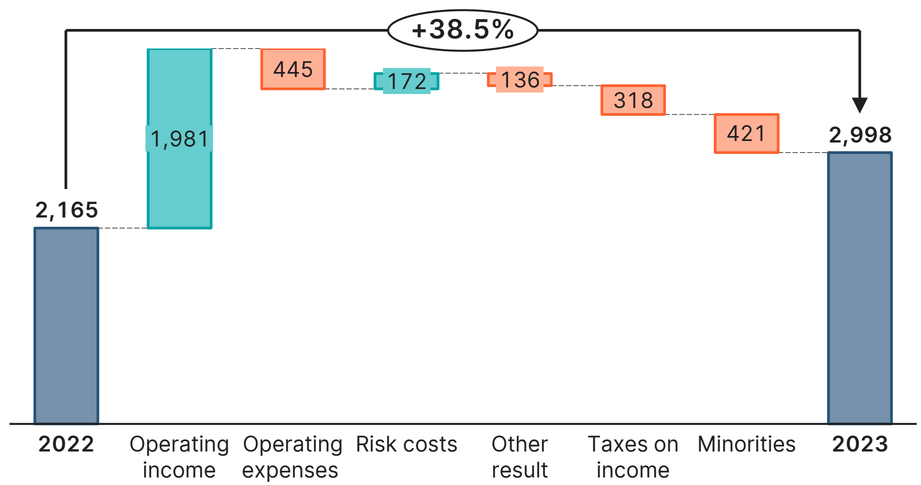
QoQ net profit development

in EUR m



YTD net profit development

in EUR m



Operating income remained strong in Q4 23

- Fees set new quarterly record, net trading & FV result strong, while NII slipped slightly from record in Q3 23

Seasonally higher operating expenses

- Primarily at the savings banks

Weaker net result due to one-offs in other result

NII was key revenue driver in 2023, up 21.5%

Net fee income hit new record, up 7.6% in 2023

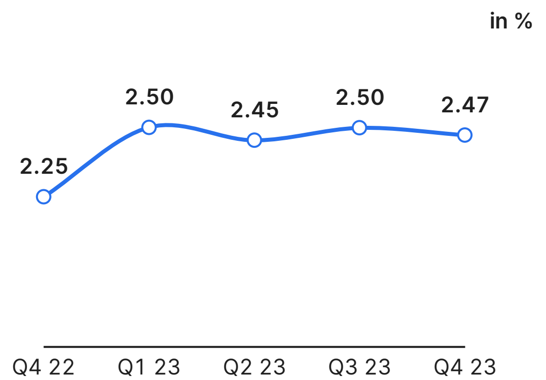
Cost/income ratio at historic best of 47.6%

- Cost inflation in line with expectations

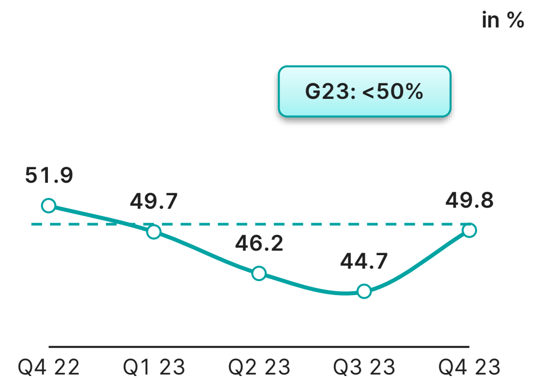
Strong credit risk performance (6 bps in 2023)

Upgraded 2023 guidance outperformed

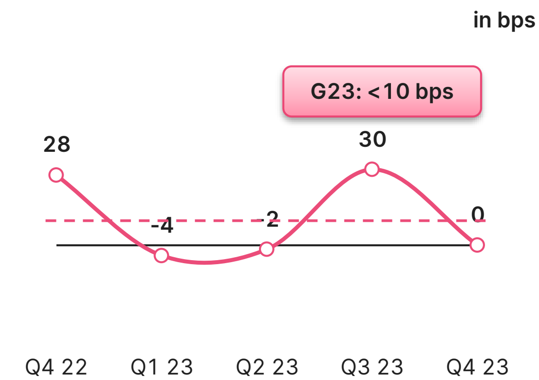
Net interest margin



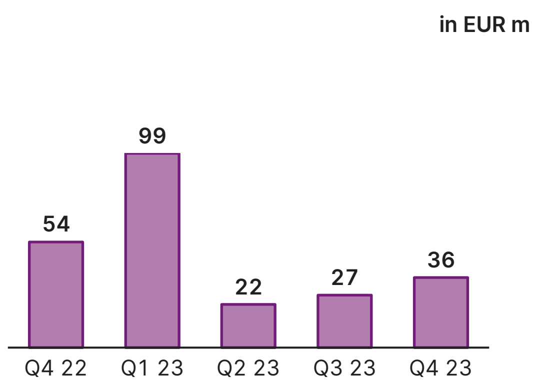
Cost/income ratio



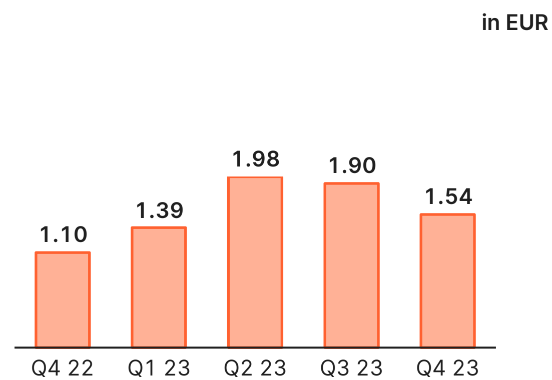
Risk cost ratio



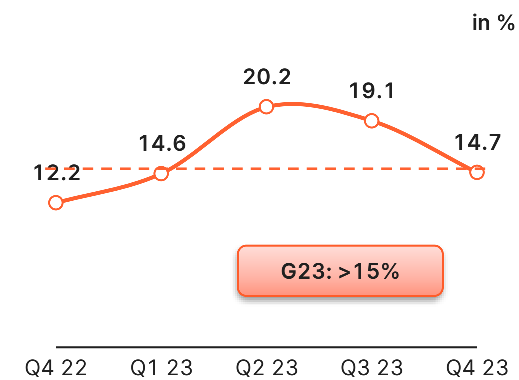
Banking levies



Earnings per share

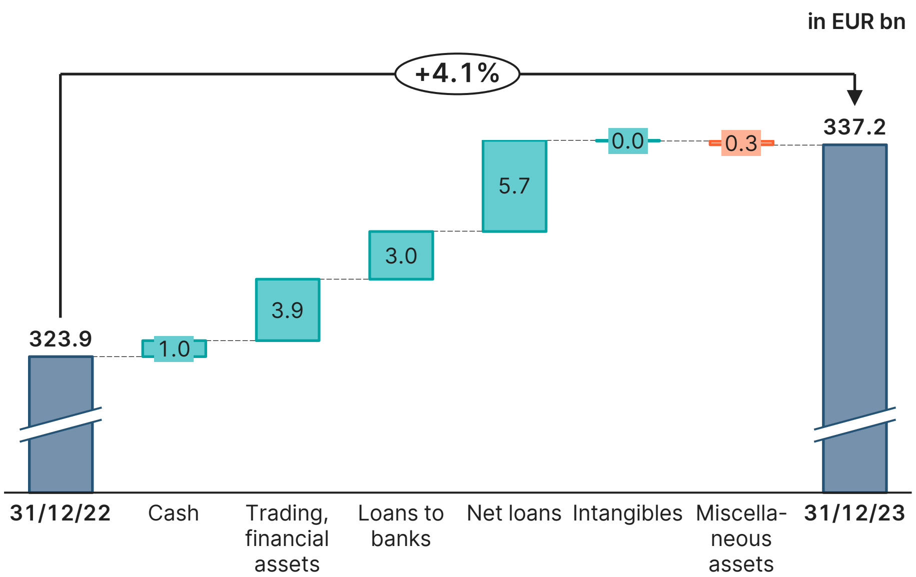


Return on tangible equity



Healthy growth in customer loans and deposits

YTD total asset development



YTD equity & total liability development

Customer loans grew by 2.8% in 2023

- Retail & Corporate business lines outperformed with increase of 3.7% and 5.6%, respectively
- Weaker performance at minority-owned savings banks and in non-core business

Rise in interbank lending due to higher deposit inflows

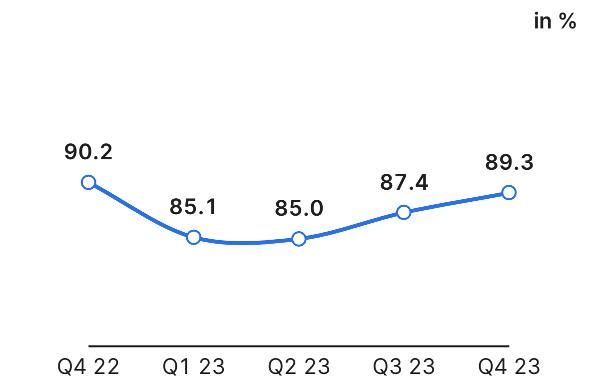
Customer deposits increased by 3.9% in 2023

- Core deposits (Retail, SME, Savings Banks) broadly stable despite continued inflation pressures
- Healthy growth in Corporate business

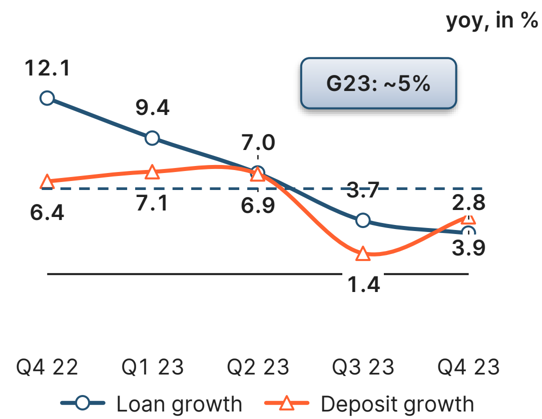
Senior unsecured and covered bonds issuance drive increase in debt securities

Exemplary balance sheet metrics

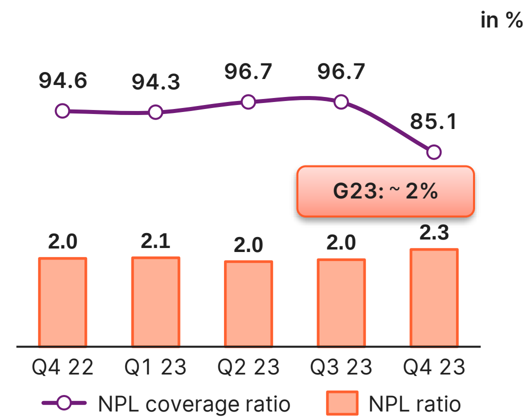
Loan/deposit ratio



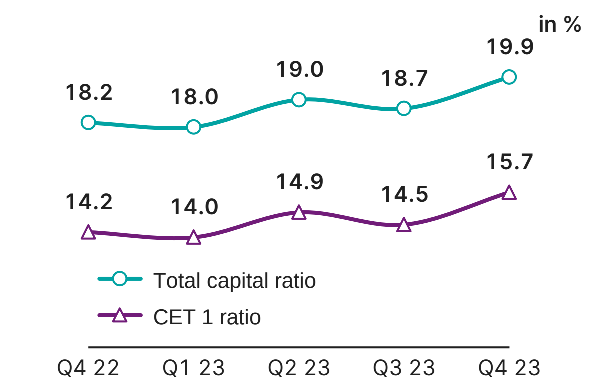
Loan & deposit growth



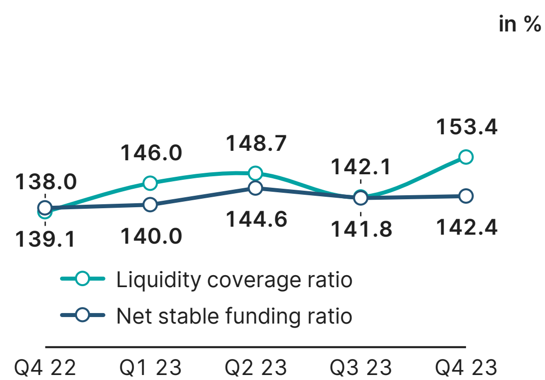
Asset quality



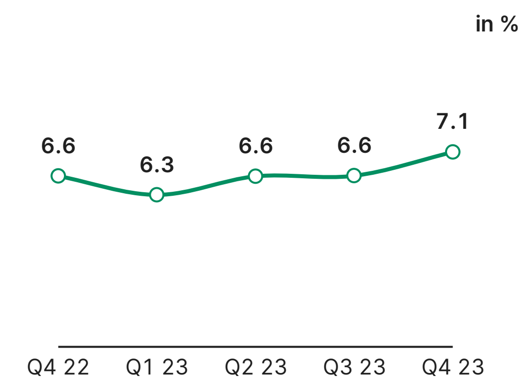
Capital ratios (final)



Liquidity ratios

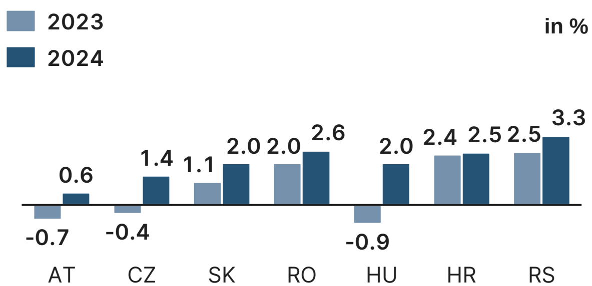


Leverage ratio

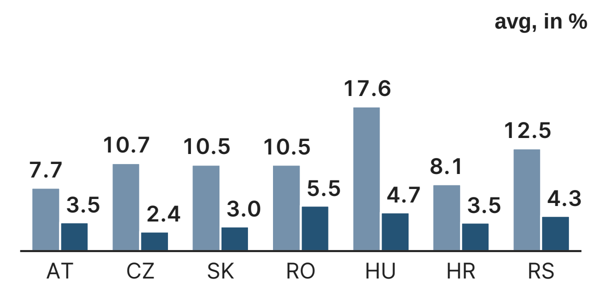


Weak economy in 2023, moderate recovery in 2024

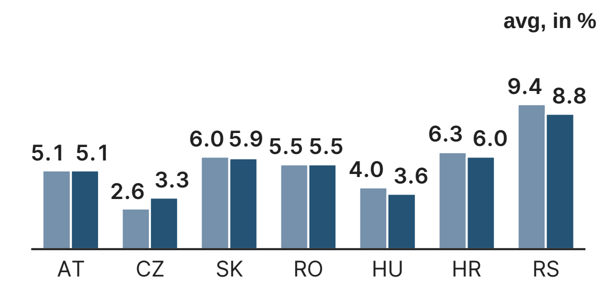
Real GDP growth



Consumer price inflation



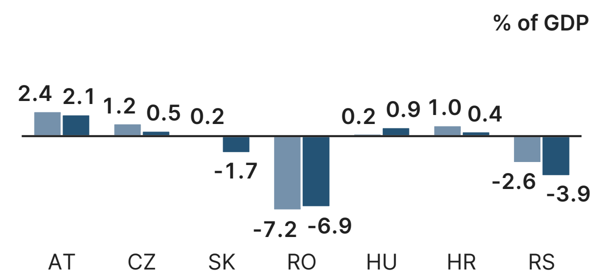
Unemployment rate



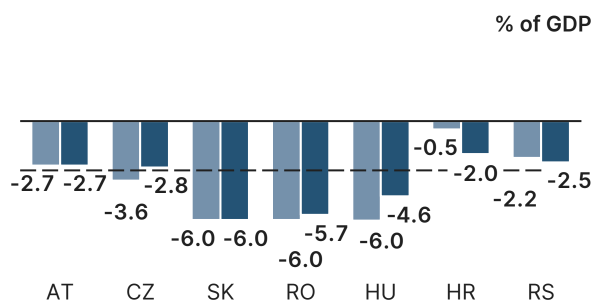
Economic growth expected to rebound on stronger household consumption

Disinflation to continue and approach central banks' targets in 2024

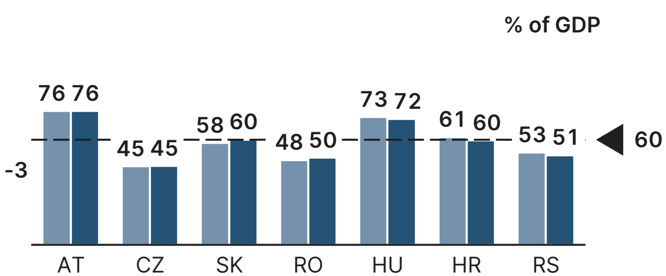
Current account balance



General government balance



Public debt



Labour markets were strong in 2023 and are expected to remain robust in 2024

Current account balances sustainable in most countries, high fiscal deficit countries set to improve in 2024

* Source: Erste Group Research.

Retail loans up in 2023

Slightly growing loan book amid economic slowdown

- **Housing loan demand** stabilisation continued at low levels; **sustainable growth trend likely to be triggered by lower interest rates**
- **New business volumes** for **consumer loans** remain at high levels
- **Risk profile** of the retail loan portfolio **remains very good**

Broadly stable retail deposit base, up qoq

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

Stock of securities savings plans increased further in Q4 23

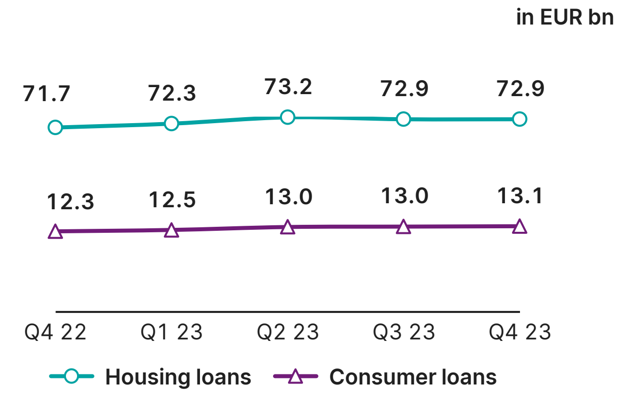
- **New sales of savings plans strengthened**
- Strong securities sales

Retail digital platform George continues to grow

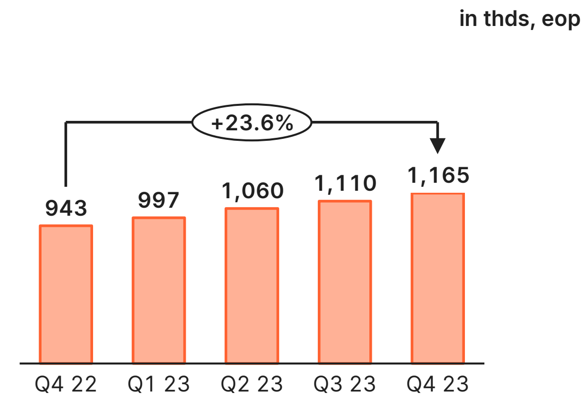
- **9.7 million users onboarded** to George across 6 markets
- Continued focus on driving digital adoption among our retail customers
- **Digital sales reach 49%,** supported by assisted digital sales initiatives in CZ, HR, RO and SK

Fee income growth driven by insurance brokerage, securities and payment fees

Housing and consumer loans



Securities savings plans



Corporates and Markets division maintains momentum

Loan growth >5% yoy, demand continues to be weak

- Loan growth moderated somewhat across all business lines in H2 23; customer deposits remained volatile; current account volumes developed favourably in connection with transactional business
- CRE loan stock up on drawing of existing lines, few new projects; focus on green investments
- **Key revenue growth driver was NII**, mainly benefitting from deposit inflows in Large Corporates; **fee income also performs well**, up 10.7% in 2023

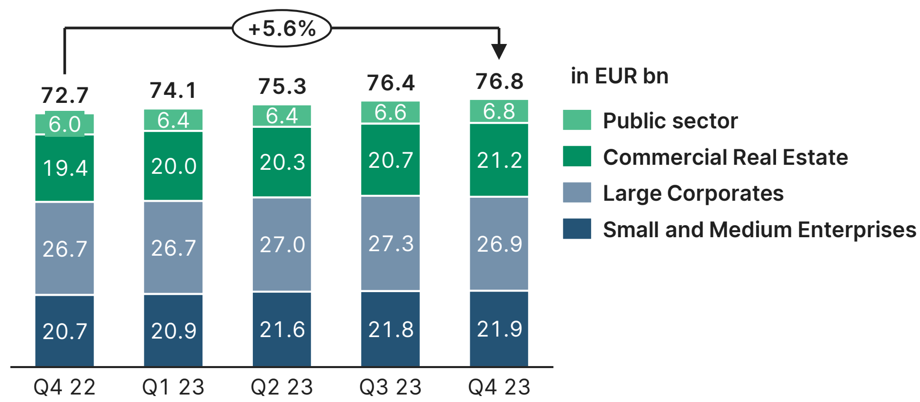
Group Markets business with solid contribution

- Retail and corporate **sales business increasing** performance in 2023, reflected in a growth of operating income by +18.5% yoy supported by favourable development of deposit business
- Origination business outperformed the already strong 2022 result with fee growth of +42% yoy and a total of EUR 153bn (co-)arranged issuance volume (+20%yoy)
- Operating income in 2023 lower by -1.8% yoy, almost reaching the exceptionally strong result of 2022

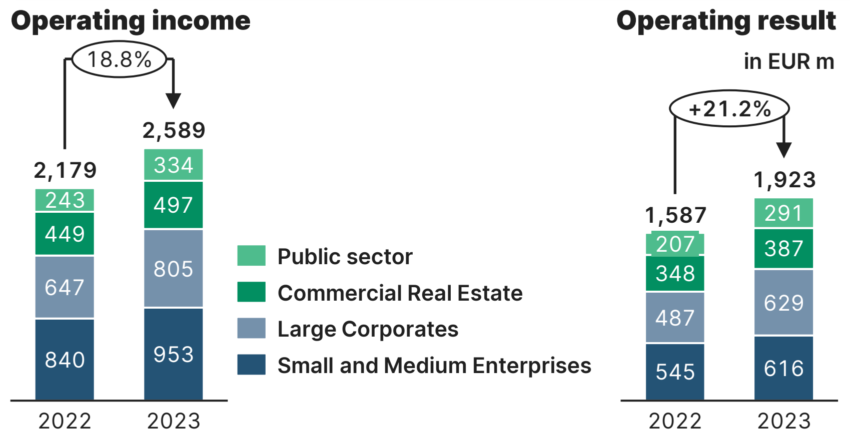
Discretional portfolio management drives Asset Management

- Assets under management rise to EUR 78bn, up +12.8% yoy, strong Retail net sales in CZ and HU (EUR 2.6bn yoy)
- Share of sustainable funds at 22.2%
- Operating result outperformed expectations

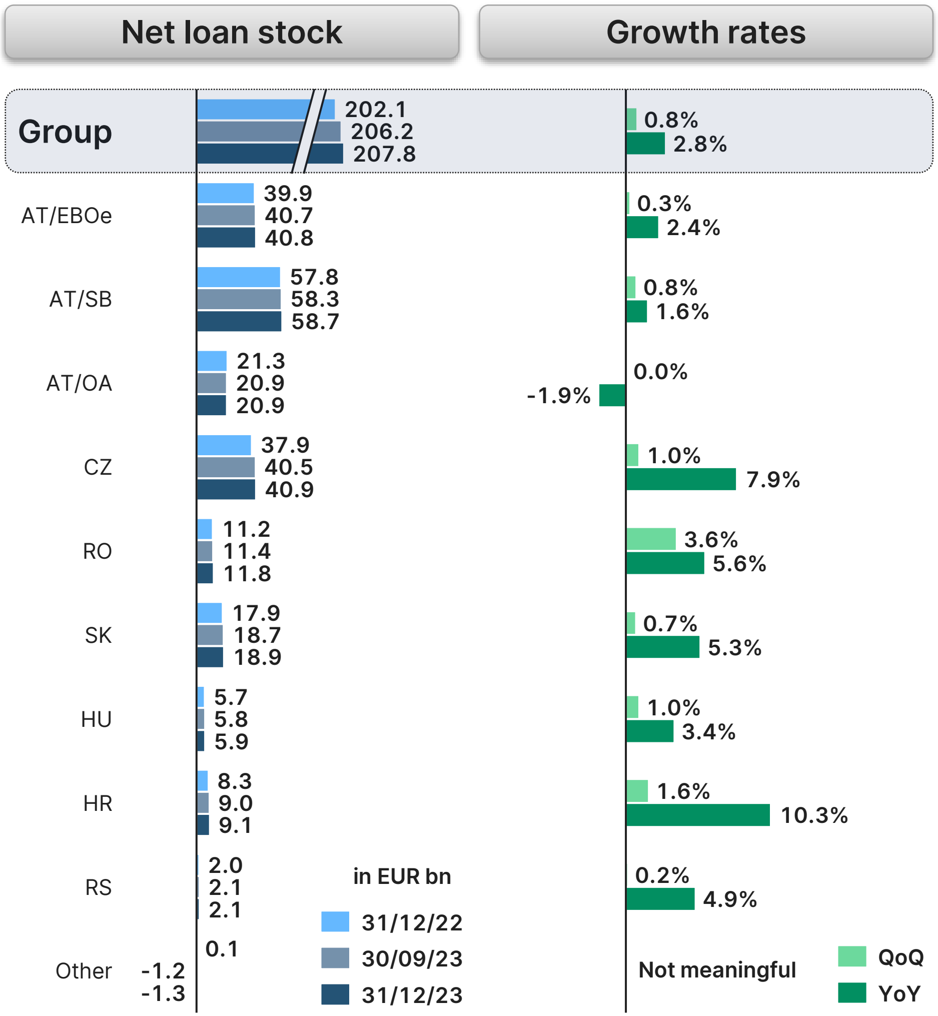
Net loan stock of Corporate segment



Operating performance of Corporate segment



CEE delivered loan growth of >5% in 2023



Consolidated loan growth amounted to 2.8% in 2023

- Retail business performed well, growing by 3.7% year-on-year (EUR +2.6bn), particularly in CZ and HR
- Corporate loans up 5.6% year-on-year (EUR +4.1bn), with healthy demand in SME, CRE and public sector business
- Decline in non-core business (ALM, GM) contributed negatively to overall growth
- Austrian segments, particularly savings banks, trailed CEE growth, as higher interest rates and regulatory measures impacted demand
- FX impact of EUR -0.7bn dented growth

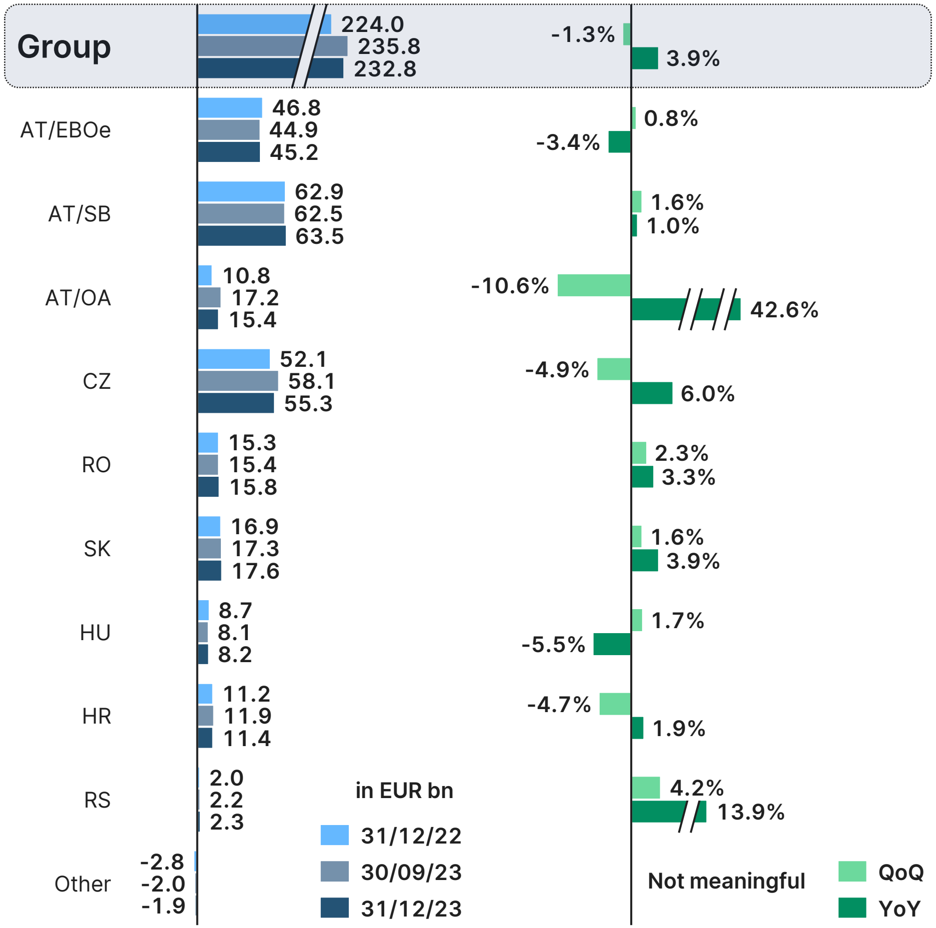
2024 loan growth guidance: ~ +5%

Q4 23 loan growth drivers

- Balanced, moderate growth across almost all segments

Customer deposits up by 3.9% in 2023

Customer deposits | **Growth rates**

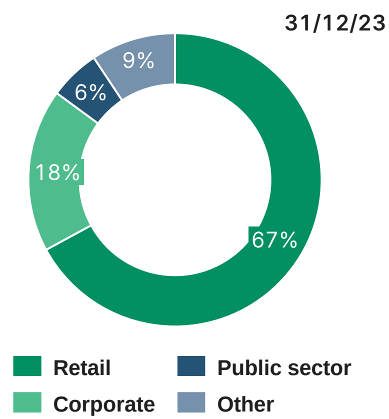


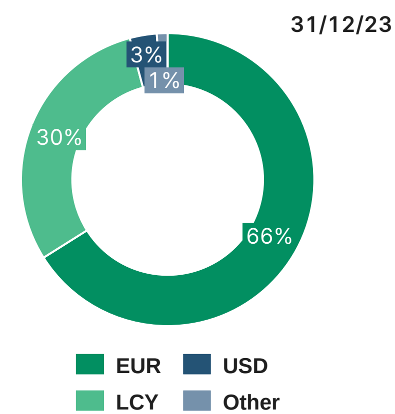
Erste Group's favourable deposit mix is a key competitive advantage – overweight retail, sight, EUR deposits

Key Q4 23 deposit drivers

- **Core deposits** (Retail, SME & Savings Banks) up qoq, stable yoy
- **Share of retail current account deposits** (of total Retail) slipped to **54.9%** (Q3 23: 56.1%, Q4 22: 60.3%), as customers gradually diversify into term and savings deposits
- CZ: qoq decline attributable to volatility in public sector business
- AT/OA: qoq decline due to usual business volatility in Group Markets

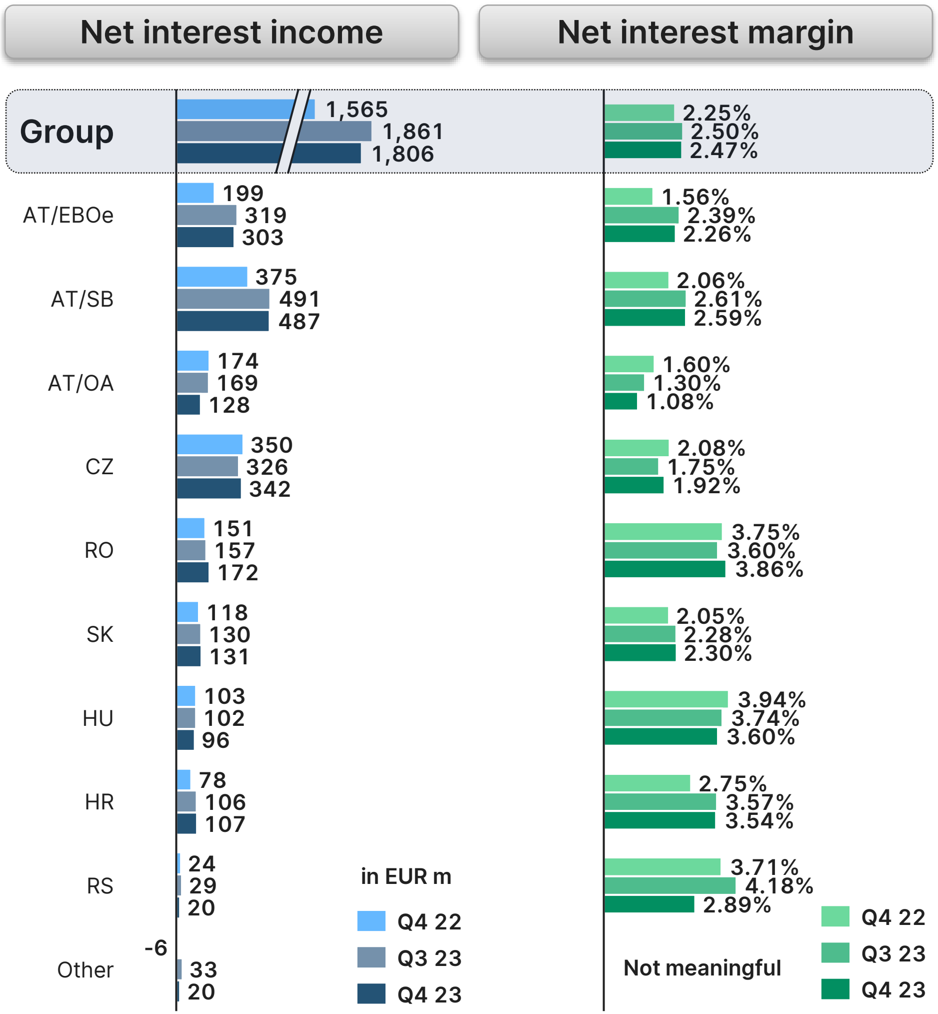
Deposits by clients * | **Deposits by currency**





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

NII was key income driver in 2023, growing 21.5%



NII grows 15.3% yoy, qoq consolidation driven by:

- Moderately rising deposit pass-through rates, especially in Austria (now at 23%), led to higher interest expense
- Modification losses as a result of temporary rate caps in HU and RS
- Stop of minimum reserve remuneration in euro zone and CZ

Key NII drivers in Q4 23

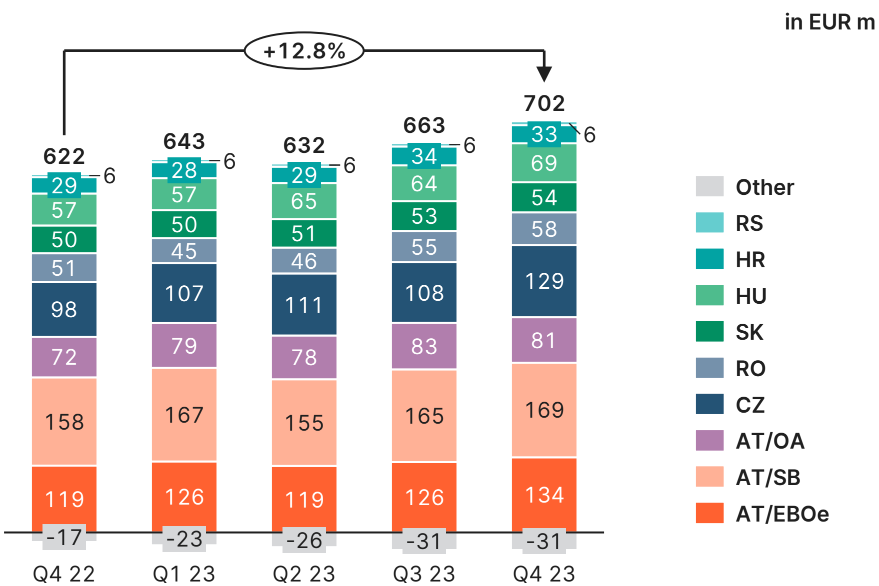
- AT/EBOe and AT/SB: moderately rising deposit pass-through rates, stop of minimum reserve remuneration
- AT/OA: mostly technical adjustment fully offset by positive impact in Other segment and lower profitability in money market business
- HU, RS: modification losses in the amount of EUR 10.7m and EUR 8.9m in HU and RS, respectively, for various interest rate caps

2024 NII to consolidate after historic upswing

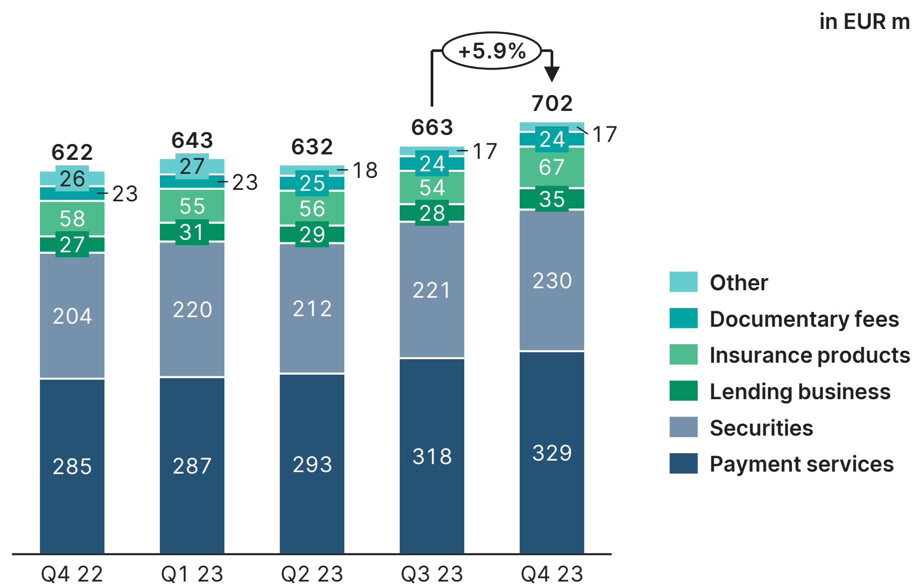
- Current projection is for NII to slip by ~3%, with potential pressures being **mostly neutral to bottom line** as mainly affecting the minority-owned savings banks, which benefitted most in the up cycle
- **Headwinds**: expected rate cuts, stop of remuneration of minimum reserves in CZ and euro zone
- **Tailwinds**: volume growth, increased income from bond portfolio
- Timing and magnitude of central bank rate cuts primarily in the euro zone and the Czech Republic will be key driver

Net fee income sets another quarterly record, up 7.6% in 2023

Net fee income by segment



Net fee income by fee type



Key fee drivers in Q4 23

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

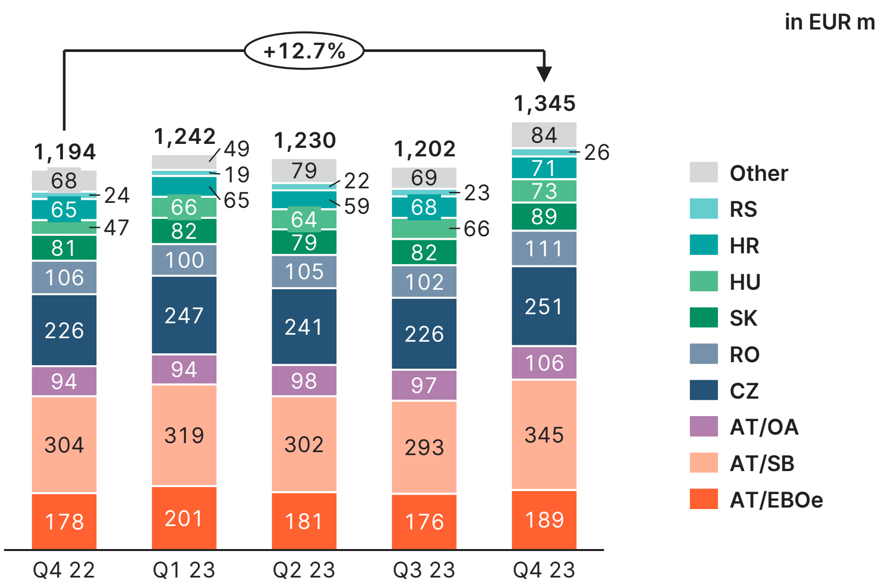
Overall fee performance very satisfactory

FY24 guidance: mid-single-digit growth

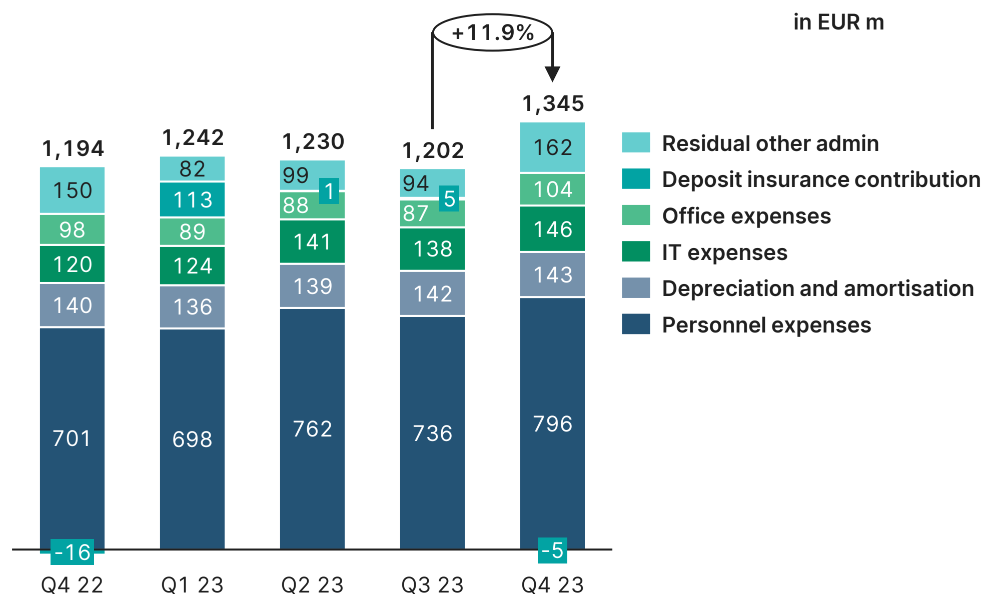
Fee income remains a key long-term structural growth opportunity

Costs developed in line with guidance in 2023

Operating expenses by segment



Operating expenses by type



Key cost drivers in Q4 23

- Qoq higher personnel expenses attributable to higher bonus accruals and provisions for various minor restructuring measures
- Qoq higher residual other administrative expenses due to seasonally higher marketing spend, particularly in Austria, as well as higher legal and consultancy expenses

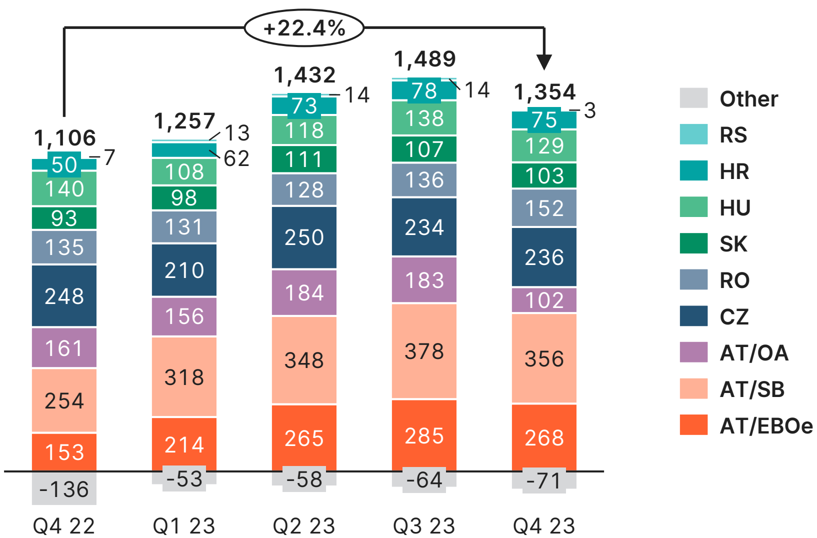
FY23 in line with guidance of ~9% cost inflation

FY24 guidance: ~ +5%, mainly on continued wage drift, especially in Austria

Best ever cost/income ratio in 2023, solid outlook for 2024

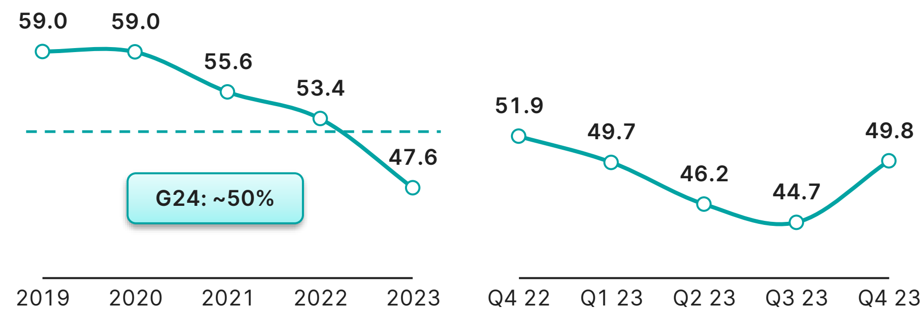
Operating result

in EUR m



Cost/income ratio

in %



Key operating result drivers in Q4 23

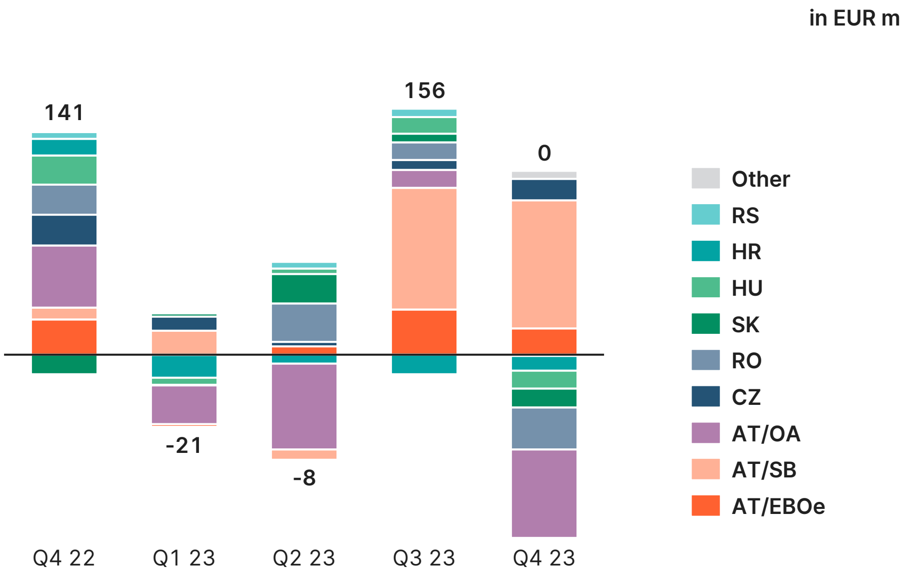
- Revenue momentum slowed, with NII consolidating, fees setting another quarterly record and trading & FV result also making a strong positive contribution
- Expenses were seasonally higher, on increased personnel and other administrative expenses

Q4 23 saw slowing revenue momentum paired with seasonally higher costs

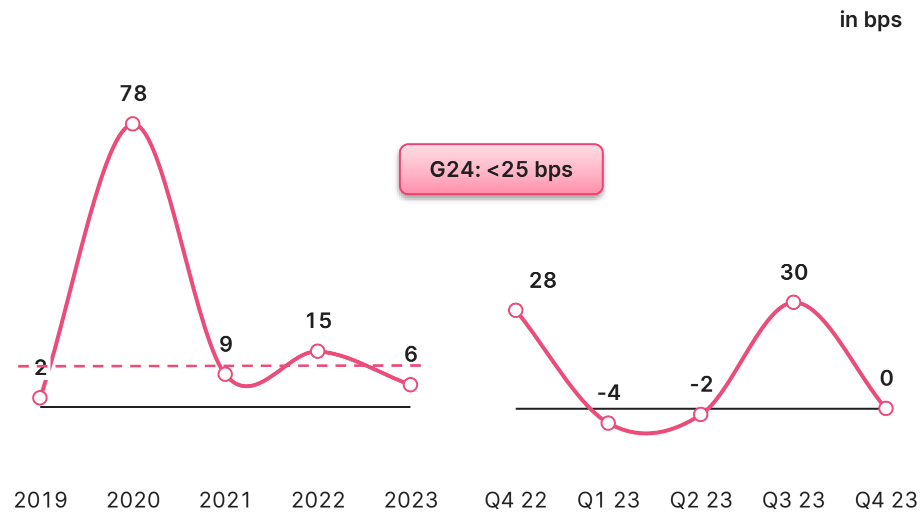
FY24 guidance: CIR of ~50%

2023 risk costs come in at 6 bps, solid outlook for 2024

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 Q4 23

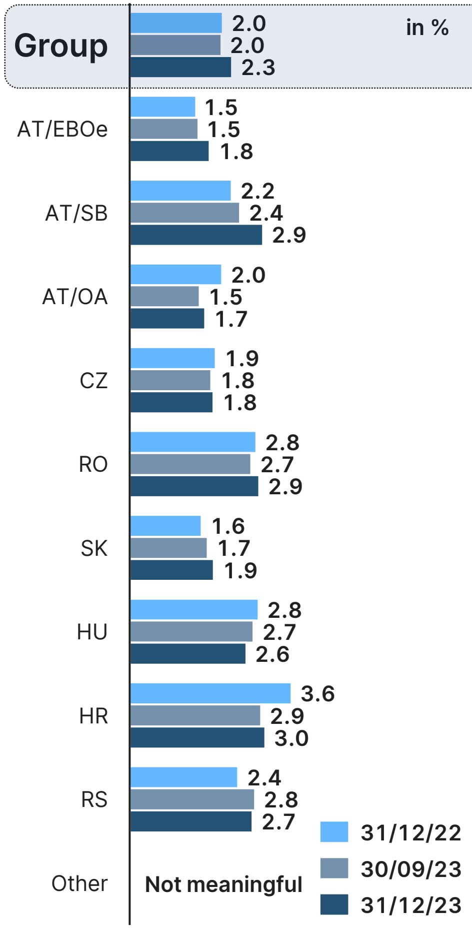
- Allocations primarily at the savings banks due to increase in defaults of small and medium-sized real estate projects
- **Release of FLI provisions and industry overlays** in the amount of approx. EUR 200m, benefitting AT/OA segment

2024 guidance: <25 bps

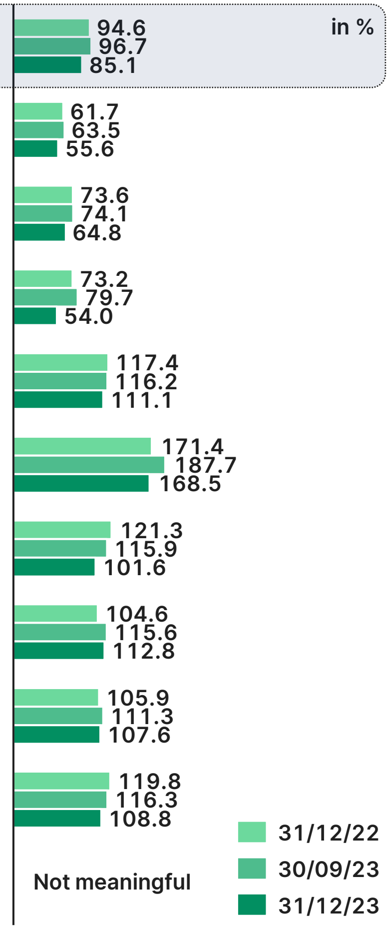
- Minority-owned savings banks expected to post somewhat higher risk costs, **limiting bottom line impact**
- EUR ~740m of portfolio overlays and FLI provisions available for portfolio/macro deterioration, of which **approx. 1/3 are targeted for release in 2024**

Slight increase in NPL ratio from historic low

NPL ratio



NPL coverage ratio



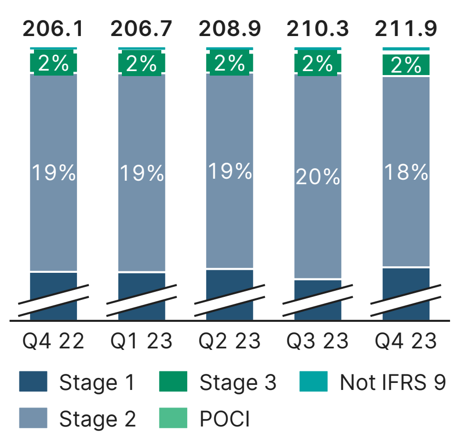
NPL ratio edges up slightly from historic low

- Primarily driven by small, well collateralised residential real estate projects at the mostly minority-owned savings banks (AT/SB)
- Minor deterioration in AT/EBOe primarily driven by Corporates

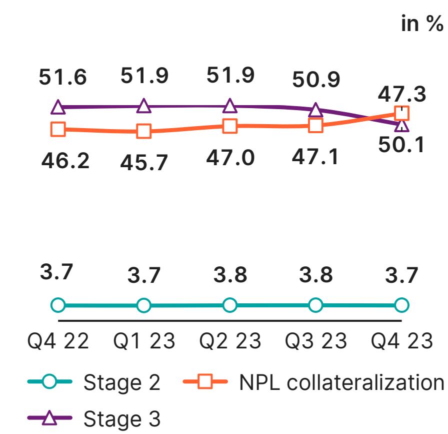
Stage 3 coverage slips, collateralisation improves

- Stage 3 coverage impacted by new NPL inflows at AT/SB
- Stage 2 coverage slightly down on release of overlay and FLI provisions based on better macro predictions
- AT/OA coverage impacted by release of overlay provisions

Gross loans by stages



IFRS 9 stage coverage



Real estate snapshot

Sound lending standards

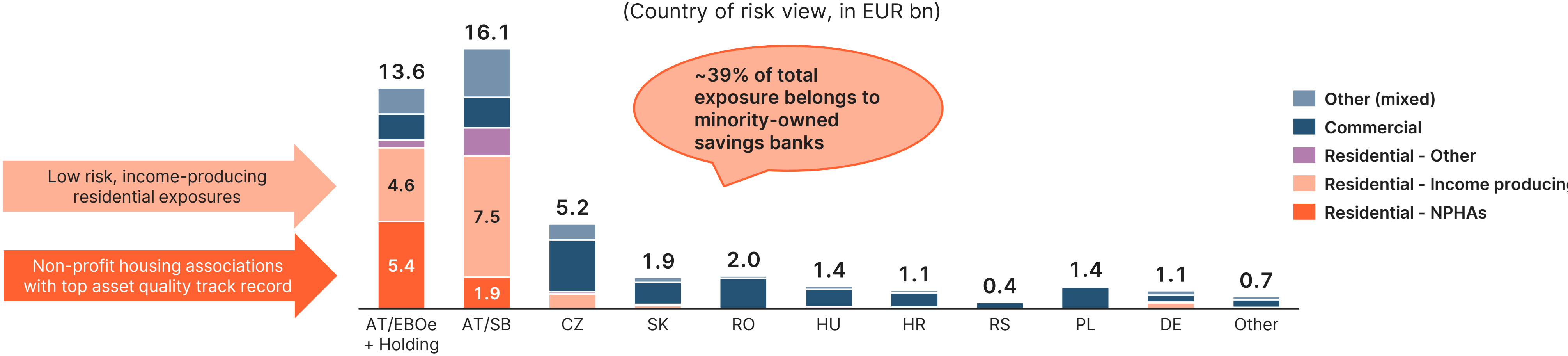
- Income producing projects (>80%)
- Ring-fenced, A-class buildings in prime locations with risk-mitigating structures
- Highly collateralised business with conservative valuation approach (application of valuation haircuts) and LTVs in the 50-60% range

Well-diversified portfolio with low-risk focus

- >50% of exposure is related to AT-focused **residential real estate (RRE)** with significant risk mitigating elements, such as high share of state-subsidised, non-profit housing associations (NPHAs)
- **Commercial real estate (CRE)** is well-diversified and heavily weighted towards lower risk economies, such as AT and CZ
- **Moderate office vacancy rates** in relevant market of Vienna of ~4%, and only minor increases in CEE
- Other real estate relates to RE management services and small RRE and CRE projects, typically in the minority-owned savings banks (>65%)

Real estate gross exposure as of Q4 23 (EUR 45.1bn)

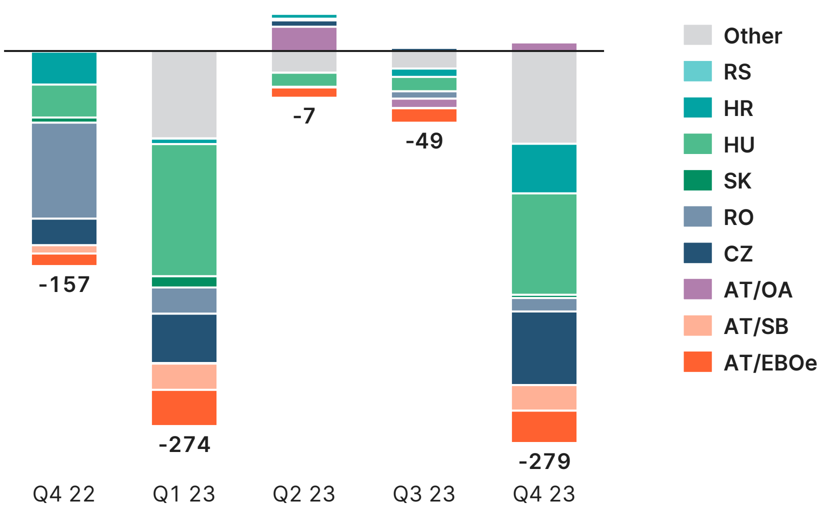
(Country of risk view, in EUR bn)



Other result impacted by one-offs

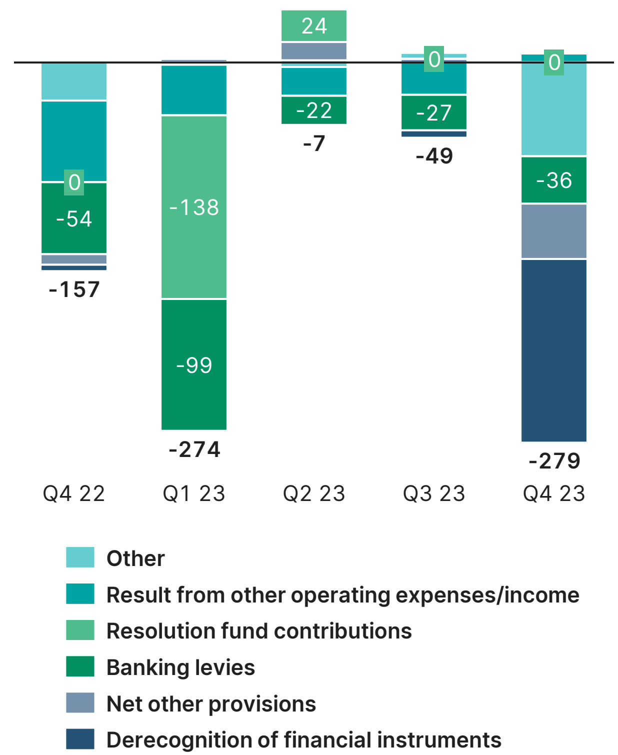
Other result by segment

in EUR m



Other result by accounting categories

in EUR m

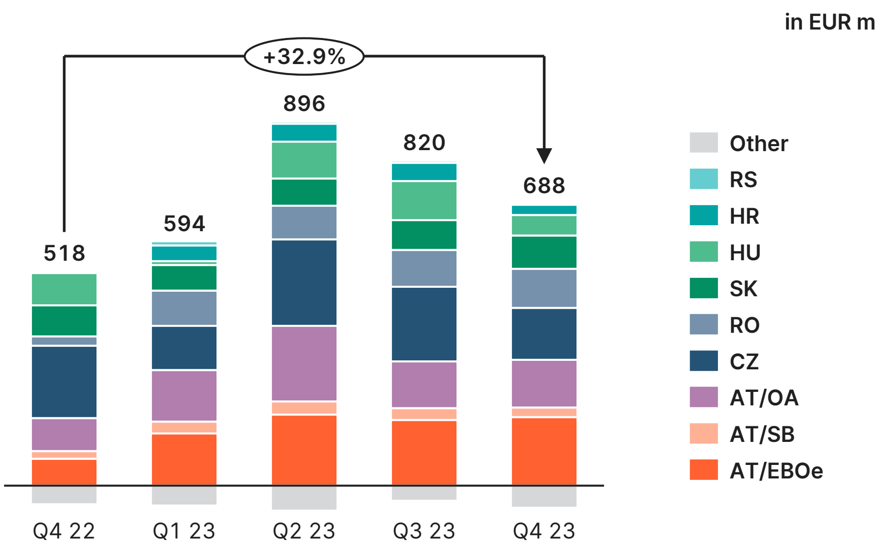


Key other result drivers in Q4 23

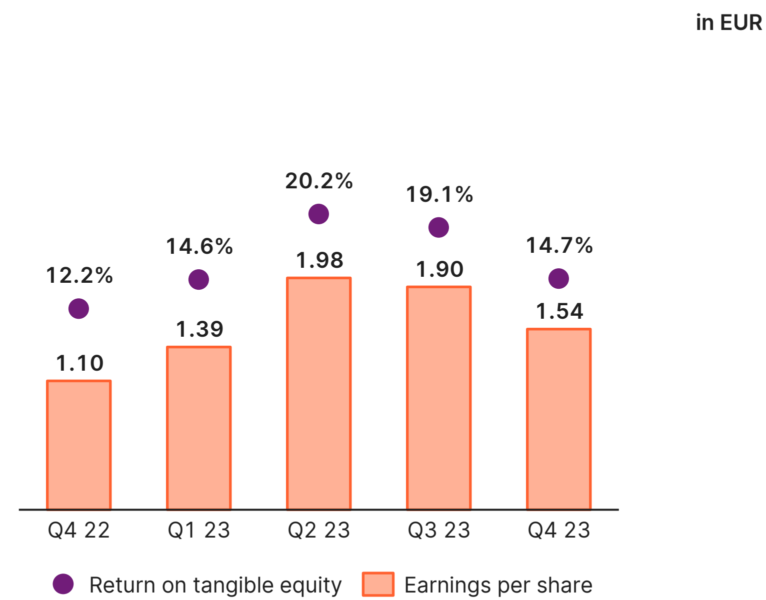
- One-off from derecognition of financial assets, primarily in holding, HU and HR, amounting to EUR 138m
- Various impairments for tangible and intangible assets, primarily in CZ and HU, in the amount of EUR 64m

2023 ROTE at 17.2%, 2024 ROTE target confirmed at ~15%

Net result by segment



EPS & ROTE



Key net profit drivers in Q4 23

- Strong yoy operating performance driven by top line growth
- Negligible risk costs following overlay and FLI releases

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

Erste Group targets ROTE of ~15% in 2024

EXECUTIVE SUMMARY

MACROECONOMIC AND BUSINESS UPDATE

OPERATING TRENDS

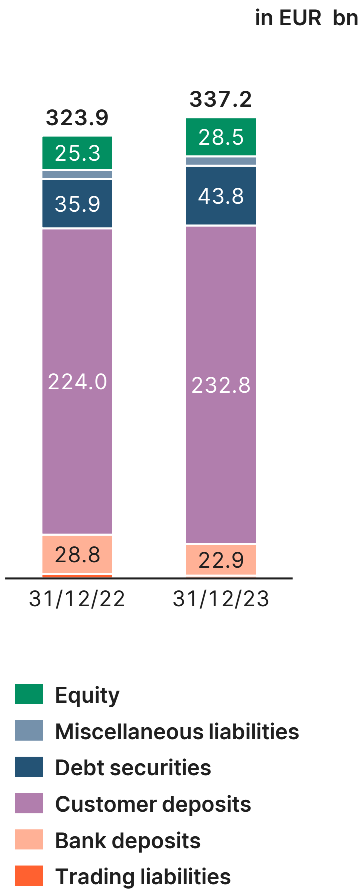
WHOLESALE FUNDING AND CAPITAL

FINANCIAL OUTLOOK

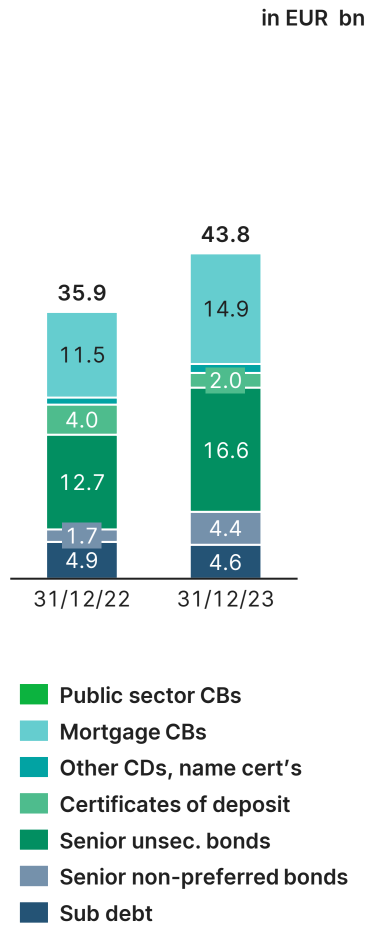
APPENDIX

MREL and long-term liquidity needs drive wholesale funding

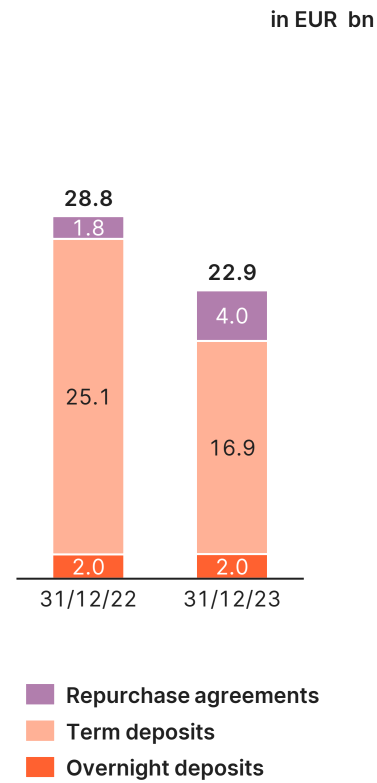
Liabilities and equity



Debt securities



Interbank deposits



Comments

Core customer deposits from Retail and SME stable yoy

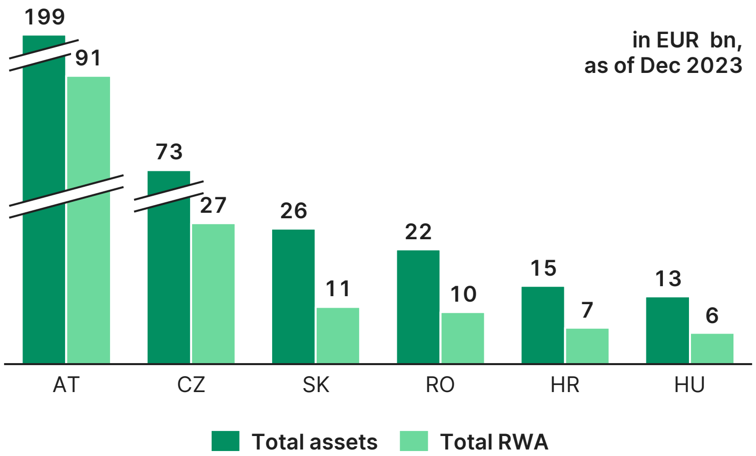
Yoy increase in customer deposits driven by corporate and institutional deposits

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

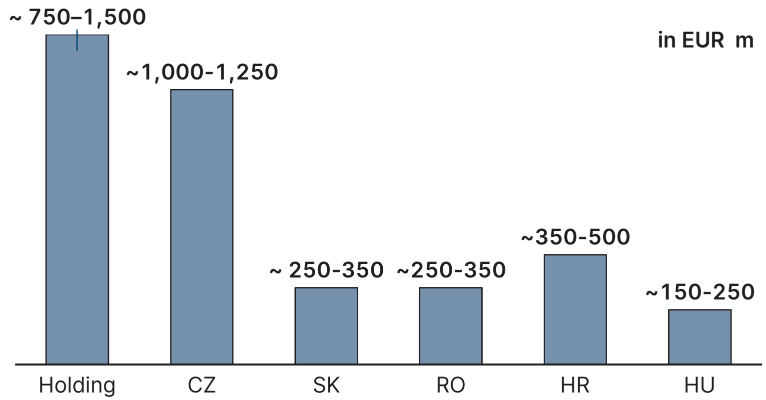
Decline in interbank deposits driven by TLTRO

MREL issuance progresses to plan

MPE resolution groups



MREL issuance plan (by year-end 2024)



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

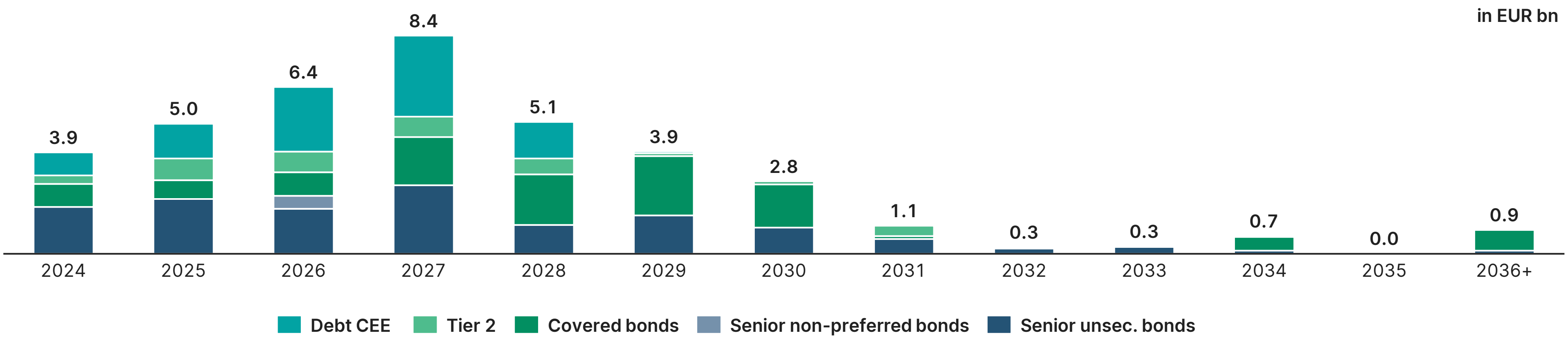
- Covers parent company (holding), EBOe and savings banks
- Not considered a legal entity or reporting unit, hence there is neither a statutory reporting nor a capital requirement

More than EUR 4.5bn MREL-related CEE issuances placed in domestic and euro markets in 2022, 2023 and 2024

- Holding: ~EUR 5bn PS (thereof latest EUR 500m PS benchmark in Q2 23)
- CZ: ~EUR 2.3bn, thereof CZK 6bn NPS (domestic) and four EUR 500m NPS (international in Q4 22, Q2 23, Q3 23 and Q1 24)
- SK: ~EUR 1bn PS (several domestic & int issues, latest EUR 300m in Oct 23)
- RO: ~EUR 1.2bn, thereof four RON 2.4bn NPS (domestic) and one EUR 700m NPS benchmark (Q2 23)
- HU: ~EUR 550m PS, thereof EUR 350m PS (international issue)
- HR: ~EUR 490m PS (domestic issue, Q2 23 and EUR 400m in Q1 24)

2023 funding plan successfully executed, 2024 volumes in similar range

Maturity profile of debt



Highlights 2023:

- Three mortgage covered bond benchmarks: EUR 1bn (6y at MS+20bps), EUR 1bn (4.5y at MS+20bps) and EUR 750m (5.5y at MS+40bps)
- Two senior preferred trades: EUR 750m green (8NC7 at MS+125bps) and EUR 750m (7NC6 at MS+125bps)
- New EUR 500m perpNC5.6 AT1 8.5% in combination with a tender offer targeting Erste's perpNC April 2024 (66%take-up rate, i.e. EUR 331.2m)

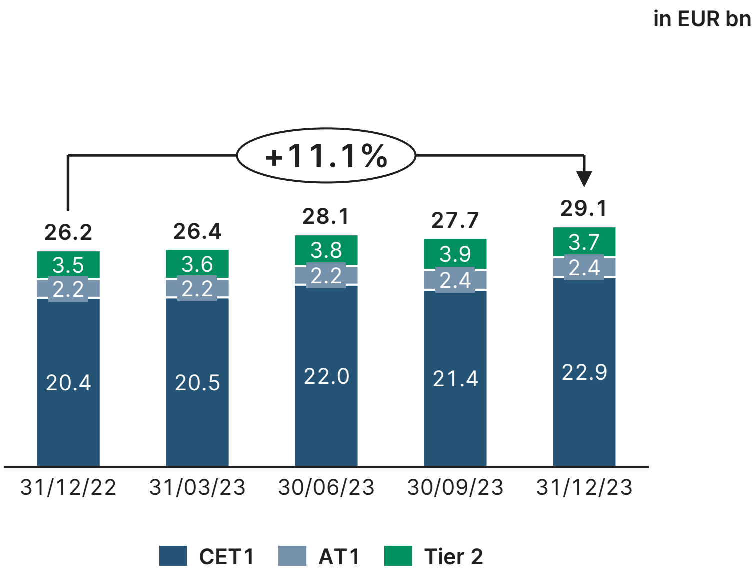
2024 funding volume comparable to 2023 with funding mix leaning towards covered bonds

- In January 2024, Erste Group started the year with a EUR 1bn covered bond (7y at MS+50bps)

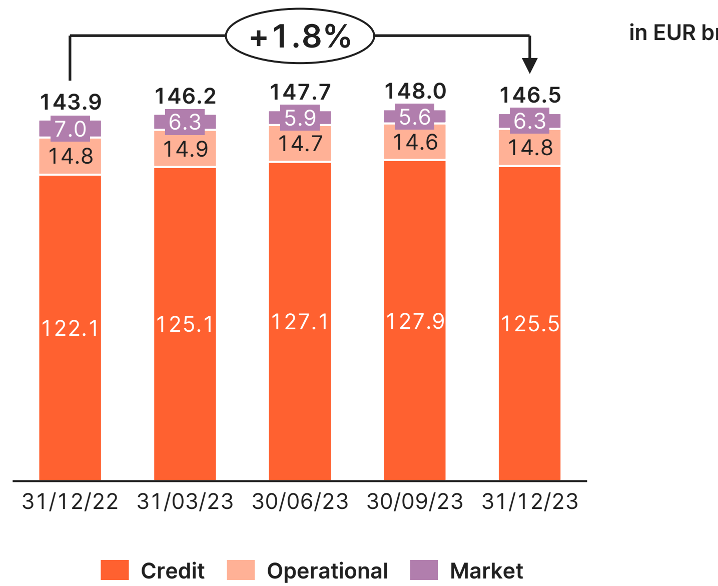
TLTRO III: Outstanding amount of EUR 6.35bn as of YE 23

Strong organic capital generation trumps RWA development…

Basel 3 capital



Risk-weighted assets



CET 1 capital rises on strong profitability

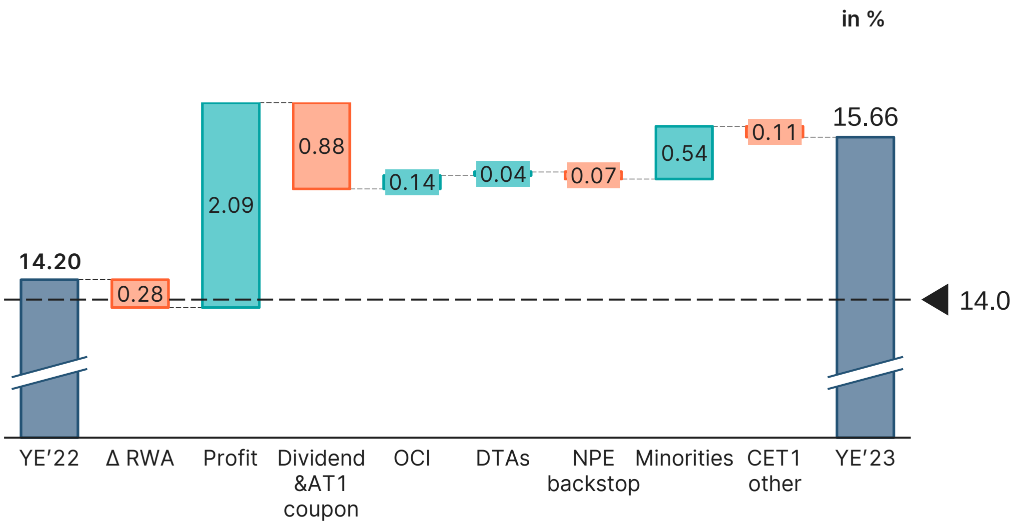
- Profit net of proposed dividend, AT1 coupons: EUR 1.7bn
- Minority interest: +EUR 773m
- OCI impact and prudential filters: +EUR 215m
- AT1 issuance and tender offer in Sep 23: +EUR 169m

RWAs decline qoq, only slightly up yoy

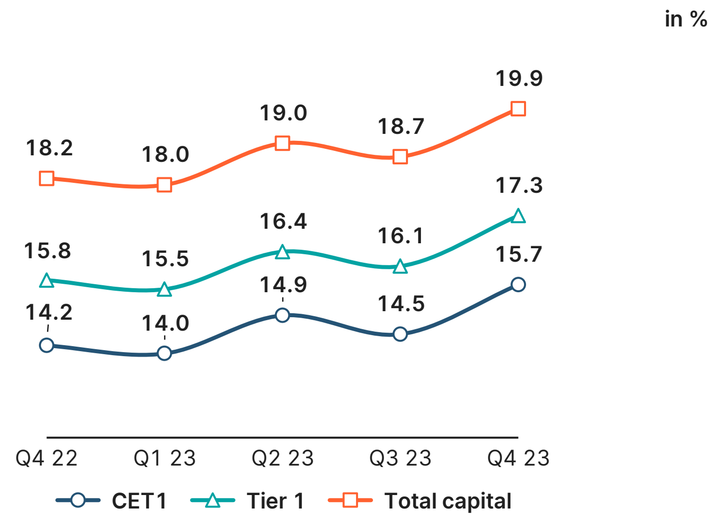
- Key yoy credit RWA drivers: +EUR 9.4bn on corporate and retail business growth, partially offset by –EUR 2.0bn from improved portfolio, -EUR 1.8bn from migrations to default and in Q4 23 –EUR 2.2bn from RWA accuracy measures
- Market risk RWA down yoy by EUR 0.7bn on internal model effects, partially offset by structural FX effects of EUR 0.4bn

...and paves the way for second SBB (EUR 500m)

CET 1 ratio development (final)



Basel 3 capital ratios (final)



First share buy-back (SBB 1) of EUR 300m successfully completed in Feb 2024, lowering number of shares by 2.1%

Record CET1 ratio (fully loaded) of 15.7% provides enhanced capital return and M&A optionality

- Erste Group targets **second share buyback (SBB 2) in the amount of EUR 500m**, will seek regulatory approval in Q1 24
- Confirmation of EUR 2.7 dividend per share for 2023 business year, subject to AGM approval

Target CET1 ratio (fully loaded) of 14.0%

Robust outlook for 2024

Variable	2024 guidance	Key assumptions/additional comments
Real GDP	> 2%	Moderately improving economic outlook
Loans	~ +5%	Higher loan demand on better economic outlook, declining interest rates
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
Dividend	€2.7	Planned dividend for FY2023; unchanged dividend policy with pay-out ratio targeted at 40-50%
CET1 ratio	> 14.0%	Unchanged target CET1 ratio, targeting second share buyback in the amount of EUR 500m in 2024

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

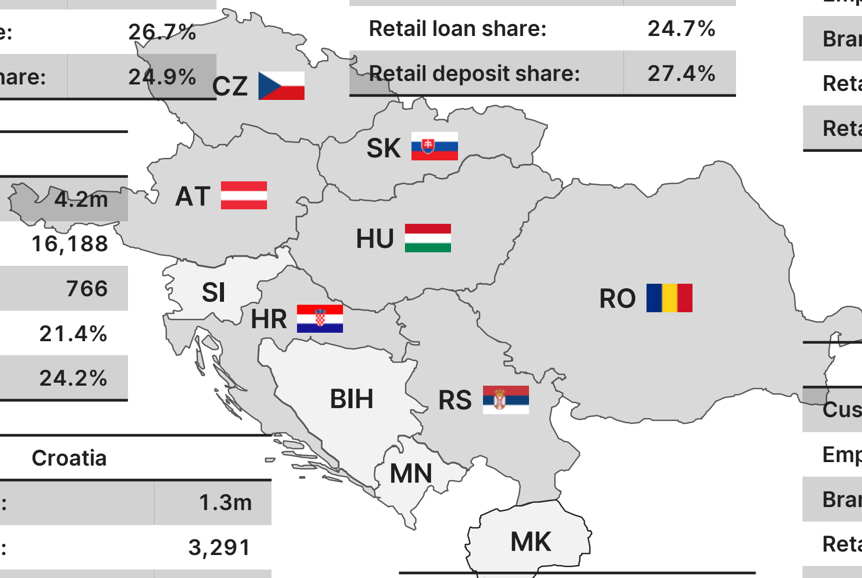
Banking leadership in Central and Eastern Europe (1)

Czech Republic	
Customers:	4.5m
Employees:	9,829
Branches:	366
Retail loan share:	26.7%
Retail deposit share:	24.9%

Slovakia	
Customers:	2.0m
Employees:	3,520
Branches:	178
Retail loan share:	24.7%
Retail deposit share:	27.4%

Hungary	
Customers:	1.0m
Employees:	3,359
Branches:	98
Retail loan share:	11.6%
Retail deposit share:	10.1%

Austria	
Customers:	4.2m
Employees:	16,188
Branches:	766
Retail loan share:	21.4%
Retail deposit share:	24.2%



Erste Group	
Customers:	16.2m
Employees:	45,723
Branches:	1,948
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	

Croatia	
Customers:	1.3m
Employees:	3,291
Branches:	131
Retail loan share:	15.1%
Retail deposit share:	14.9%

Romania	
Customers:	2.8m
Employees:	5,444
Branches:	322
Retail loan share:	16.3%
Retail deposit share:	12.3%

Serbia	
Customers:	0.5m
Employees:	1,310
Branches:	87
Retail loan share:	7.1%
Retail deposit share:	5.6%

Core markets

Indirect presence

Market shares for Austria are as of Sept 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

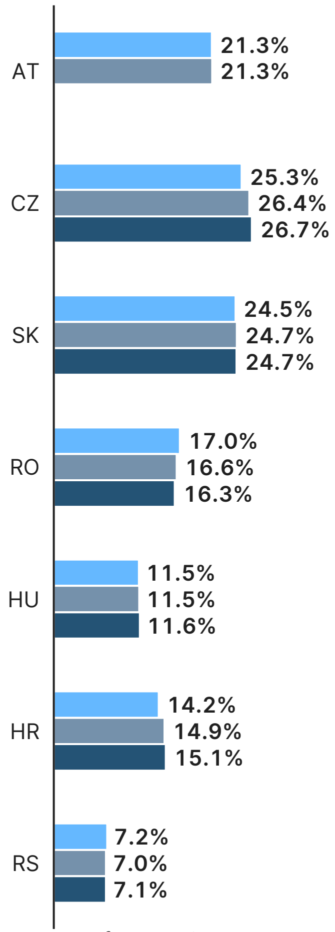
GREEN TRANSITION – Being a financial leader in the green transition in CEE

PRIORITIES in DIGITALISATION – Invest in data analytics and innovate George

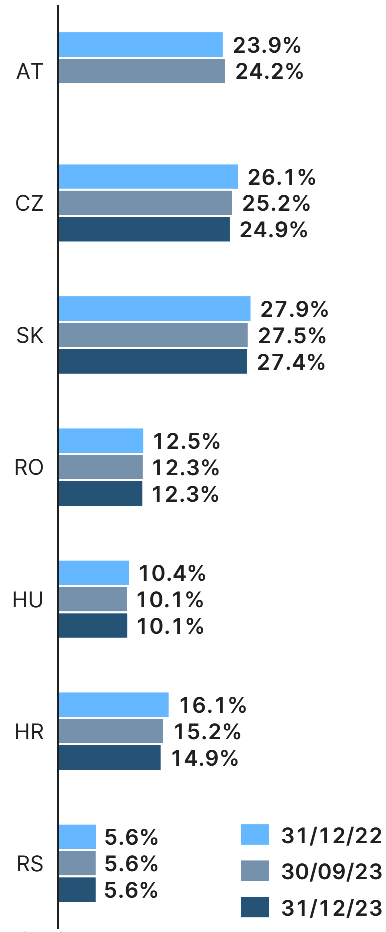
CORPORATE RESPONSIBILITY – Operating sustainably and profitably

Commanding market shares across the CEE region

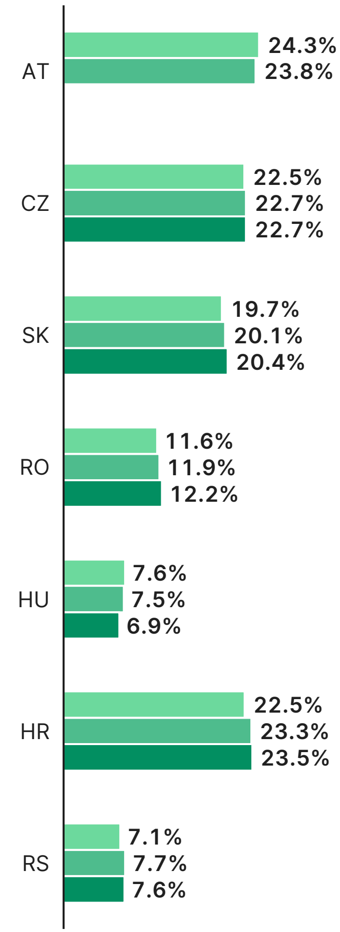
Gross retail loans



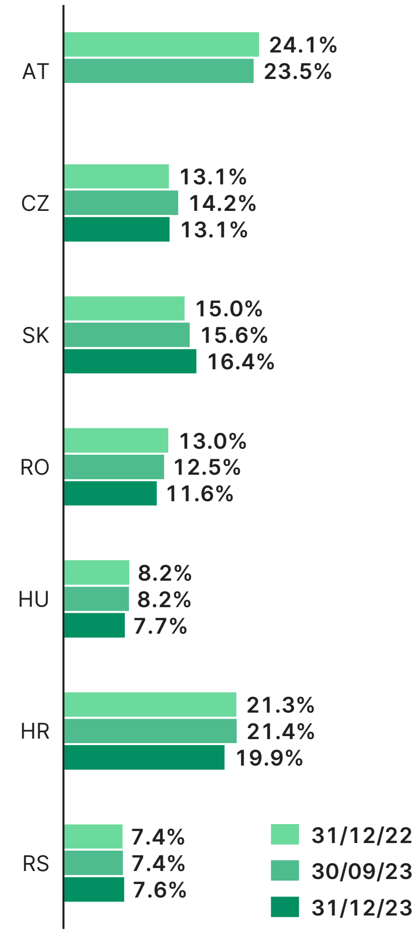
Retail deposits



Gross corporate loans



Corporate deposits



Market shares for Austria are not yet available as of 31/12/2023

Strong track record of profitability

	Year-to-date view				Quarterly view			
in EUR million	**2022**	**2023**	**YOY-Δ**	**Q4 22**	**Q3 23**	**Q4 23**	**YOY-Δ**	**QOQ-Δ**
Net interest income	5,950.6	7,227.9	21.5%	1,565.4	1,861.2	1,805.6	15.3%	-3.0%
Interest income	8,622.7	15,044.7	74.5%	2,801.8	3,972.1	3,919.3	39.9%	-1.3%
Other similar income	2,617.6	4,445.7	69.8%	905.9	1,111.9	1,103.4	21.8%	-0.8%
Interest expenses	-2,569.2	-6,873.0	>100.0%	-1,187.3	-1,854.7	-1,894.1	59.5%	2.1%
Other similar expenses	-2,720.5	-5,389.4	98.1%	-955.1	-1,368.1	-1,323.1	38.5%	-3.3%
Net fee and commission income	2,452.4	2,639.6	7.6%	622.5	662.9	702.0	12.8%	5.9%
Fee and commission income	2,888.7	3,104.0	7.5%	727.7	790.1	813.6	11.8%	3.0%
Fee and commission expenses	-436.3	-464.4	6.4%	-105.3	-127.2	-111.6	6.0%	-12.2%
Dividend income	29.1	38.1	30.8%	6.2	5.8	9.0	43.4%	55.0%
Net trading result	-778.6	754.2	n/a	69.9	67.0	416.8	>100.0%	>100.0%
Gains/losses from financial instruments measured at fair value through profit or loss	731.3	-305.6	n/a	-12.0	46.1	-288.0	>100.0%	n/a
Net result from equity method investments	18.0	22.9	26.8%	3.8	4.4	5.3	40.9%	19.5%
Rental income from investment properties & other operating leases	167.8	174.6	4.1%	44.2	44.1	48.2	9.1%	9.3%
Personnel expenses	-2,668.0	-2,991.3	12.1%	-700.8	-736.3	-795.9	13.6%	8.1%
Other administrative expenses	-1,356.2	-1,468.5	8.3%	-352.8	-323.8	-406.5	15.2%	25.5%
Depreciation and amortisation	-550.7	-559.8	1.7%	-140.0	-142.3	-142.5	1.8%	0.1%
Gains/losses from derecognition of financial assets measured at amortised cost	-52.0	-13.2	-74.6%	-4.7	-2.0	-10.2	>100.0%	>100.0%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-23.3	-128.3	>100.0%	-0.1	-3.4	-127.7	>100.0%	>100.0%
Impairment result from financial instruments	-299.5	-127.8	-57.3%	-141.3	-156.5	-0.3	-99.8%	-99.8%
Other operating result	-398.5	-467.9	17.4%	-152.1	-43.8	-141.0	-7.3%	>100.0%
Levies on banking activities	-187.1	-183.5	-1.9%	-53.9	-26.7	-35.7	-33.8%	33.5%
Pre-tax result from continuing operations	**3,222.4**	**4,794.8**	**48.8%**	**808.3**	**1,283.5**	**1,074.7**	**33.0%**	**-16.3%**
Taxes on income	-556.1	-874.1	57.2%	-121.6	-231.0	-204.5	68.3%	-11.5%
Net result for the period	**2,666.3**	**3,920.6**	**47.0%**	**686.7**	**1,052.5**	**870.2**	**26.7%**	**-17.3%**
Net result attributable to non-controlling interests	501.6	923.1	84.0%	169.0	232.8	182.2	7.8%	-21.7%
Net result attributable to owners of the parent	**2,164.7**	**2,997.6**	**38.5%**	**517.7**	**819.7**	**688.0**	**32.9%**	**-16.1%**
Operating income	8,570.6	10,551.6	23.1%	2,299.9	2,691.6	2,698.9	17.3%	0.3%
Operating expenses	-4,574.9	-5,019.6	9.7%	-1,193.5	-1,202.4	-1,345.0	12.7%	11.9%
Operating result	**3,995.8**	**5,532.0**	**38.4%**	**1,106.4**	**1,489.2**	**1,353.9**	**22.4%**	**-9.1%**

ERSTE Group

Strong balance sheet dominated by customer loans

	Quarterly data					Change		
in EUR million	**Dec 22**	**Mar 23**	**Jun 23**	**Sep 23**	**Dec 23**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Cash and cash balances	35,685	43,305	32,810	31,922	36,685	2.8%	2.8%	14.9%
Financial assets held for trading	7,766	6,472	8,076	6,971	8,773	13.0%	13.0%	25.8%
Derivatives	1,719	1,668	1,306	1,357	1,262	-26.6%	-26.6%	-7.0%
Other financial assets held for trading	6,047	4,803	6,770	5,615	7,511	24.2%	24.2%	33.8%
Non-trading financial assets at fair value through profit and loss	2,735	2,870	2,902	2,889	3,004	9.8%	9.8%	4.0%
Equity instruments	347	366	381	384	415	19.6%	19.6%	7.9%
Debt securities	1,549	1,633	1,584	1,555	1,551	0.1%	0.1%	-0.2%
Loans and advances to banks	0	0	0	0	0	n/a	n/a	n/a
Loans and advances to customers	**839**	**870**	**938**	**949**	**1,038**	**23.7%**	**23.7%**	**9.4%**
Financial assets at fair value through other comprehensive income	9,560	9,811	10,087	10,227	8,905	-6.9%	-6.9%	-12.9%
Equity instruments	99	99	96	98	110	11.3%	11.3%	12.2%
Debt securities	9,460	9,712	9,991	10,129	8,794	-7.0%	-7.0%	-13.2%
Financial assets at amortised cost	253,360	265,455	274,936	270,286	264,721	4.5%	4.5%	-2.1%
Debt securities	40,612	43,401	44,819	44,367	44,047	8.5%	8.5%	-0.7%
Loans and advances to banks	18,435	27,299	33,454	28,094	21,432	16.3%	16.3%	-23.7%
Loans and advances to customers	**194,313**	**194,755**	**196,663**	**197,825**	**199,241**	**2.5%**	**2.5%**	**0.7%**
Finance lease receivables	4,553	4,640	4,790	4,869	4,970	9.1%	9.1%	2.1%
Hedge accounting derivatives	159	218	226	204	183	15.0%	15.0%	-10.7%
Fair value changes of hedged items in portfolio hedge of interest rate risk	-38	-35	-35	-35	-25	-34.0%	-34.0%	-29.0%
Property and equipment	2,618	2,671	2,665	2,593	2,605	-0.5%	-0.5%	0.5%
Investment properties	1,372	1,391	1,408	1,457	1,524	11.1%	11.1%	4.6%
Intangible assets	1,347	1,335	1,328	1,313	1,313	-2.5%	-2.5%	0.0%
Investments in associates and joint ventures	209	217	225	225	241	15.7%	15.7%	7.1%
Current tax assets	109	105	115	113	72	-33.9%	-33.9%	-36.4%
Deferred tax assets	629	582	516	450	468	-25.6%	-25.6%	3.8%
Assets held for sale	167	175	163	173	163	-2.3%	-2.3%	-5.7%
Trade and other receivables	2,404	2,402	2,489	2,510	2,579	7.3%	7.3%	2.8%
Other assets	1,232	1,308	1,290	994	976	-20.8%	-20.8%	-1.9%
Total assets	**323,865**	**342,921**	**343,993**	**337,161**	**337,155**	**4.1%**	**4.1%**	**0.0%**

Liabilities dominated by retail deposits

	Quarterly data					Change		
in EUR million	**Dec 22**	**Mar 23**	**Jun 23**	**Sep 23**	**Dec 23**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Financial liabilities held for trading	3,264	3,139	2,788	2,428	2,304	-29.4%	-29.4%	-5.1%
Derivatives	2,626	2,505	2,070	1,918	1,614	-38.5%	-38.5%	-15.9%
Other financial liabilities held for trading	637	635	718	510	690	8.3%	8.3%	35.3%
Financial liabilities at fair value through profit or loss	10,814	11,227	11,223	10,931	11,152	3.1%	3.1%	2.0%
Deposits from customers	**1,353**	**1,384**	**1,201**	**1,016**	**593**	**-56.2%**	**-56.2%**	**-41.6%**
Debt securities issued	9,310	9,708	9,890	9,781	10,429	12.0%	12.0%	6.6%
Other financial liabilities	151	135	132	134	130	-13.8%	-13.8%	-2.6%
Financial liabilities at amortised cost	278,932	295,892	297,334	290,402	289,842	3.9%	3.9%	-0.2%
Deposits from banks	28,821	29,876	25,669	23,223	22,911	-20.5%	-20.5%	-1.3%
Deposits from customers	**222,620**	**236,690**	**239,881**	**234,758**	**232,223**	**4.3%**	**4.3%**	**-1.1%**
Debt securities issued	26,593	28,538	30,756	31,307	33,330	25.3%	25.3%	6.5%
Other financial liabilities	899	787	1,027	1,114	1,378	53.4%	53.4%	23.7%
Lease liabilities	662	699	703	684	670	1.2%	1.2%	-2.0%
Hedge accounting derivatives	372	365	322	300	286	-23.3%	-23.3%	-4.7%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	0.0%	0.0%	16.7%
Provisions	1,676	1,857	1,702	1,636	1,612	-3.8%	-3.8%	-1.5%
Current tax liabilities	127	163	171	174	265	>100.0%	>100.0%	51.8%
Deferred tax liabilities	16	19	3	3	14	-8.0%	-8.0%	>100.0%
Liabilities associated with assets held for sale	115	112	104	119	113	-1.9%	-1.9%	-5.6%
Other liabilities	2,581	2,966	2,909	2,796	2,396	-7.2%	-7.2%	-14.3%
Total equity	**25,305**	**26,483**	**26,735**	**27,687**	**28,502**	**12.6%**	**12.6%**	**2.9%**
Equity attributable to non-controlling interests	5,957	6,188	6,424	6,672	6,853	15.0%	15.0%	2.7%
Additional equity instruments	2,236	2,236	2,236	2,394	2,405	7.6%	7.6%	0.5%
Equity attributable to owners of the parent	17,111	18,059	18,074	18,621	19,243	12.5%	12.5%	3.3%
Subscribed capital	860	860	860	851	843	-1.9%	-1.9%	-1.0%
Additional paid-in capital	1,478	1,478	1,478	1,486	1,494	1.1%	1.1%	0.6%
Retained earnings and other reserves	14,774	15,721	15,737	16,284	16,906	14.4%	14.4%	3.8%
Total liabilities and equity	**323,865**	**342,921**	**343,993**	**337,161**	**337,155**	**4.1%**	**4.1%**	**0.0%**

Capital requirements for 2023 slightly up on higher buffers

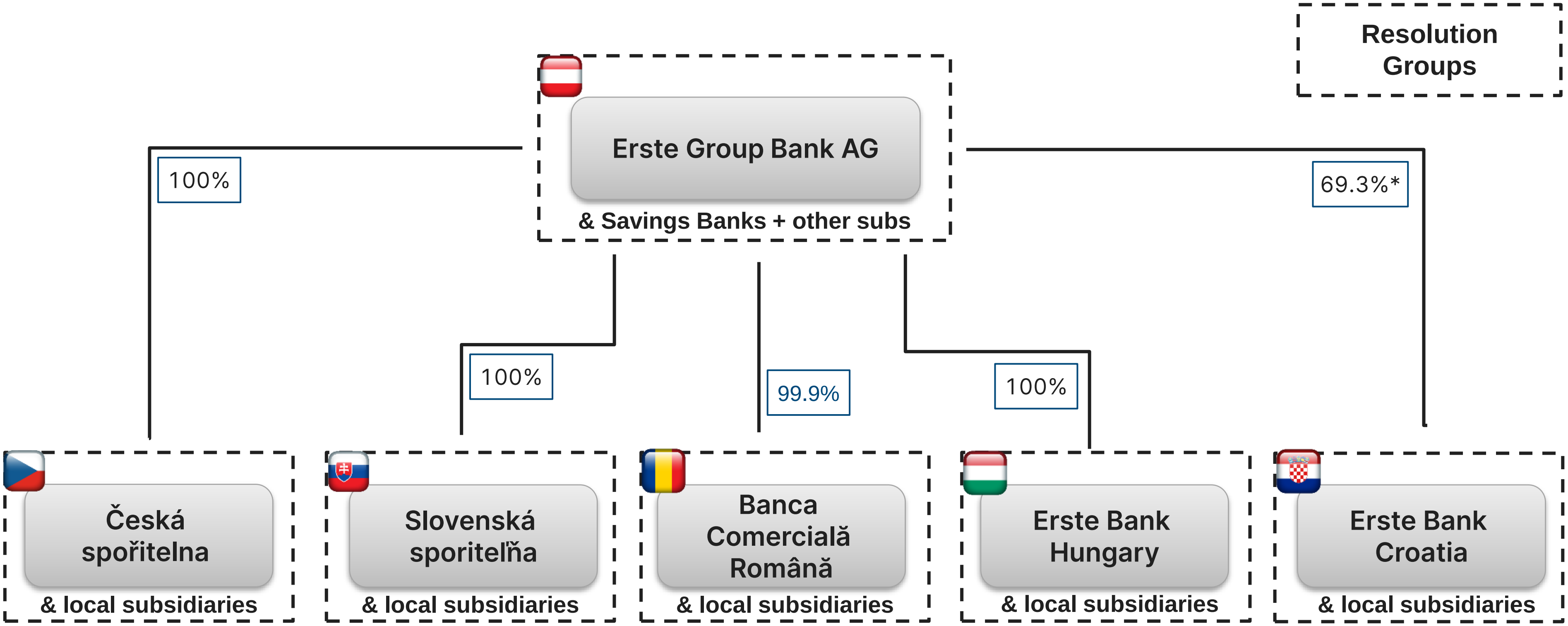
		Erste Group Consolidated				Erste Group Unconsolidated			
		Fully loaded				Fully loaded			
		2021	2022	Q4 2023	YE 2024	2021	2022	Q4 2023	YE 2024
Pillar 1 CET1 requirement		**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement		**4.68%**	**4.91%**	**5.46%**	**5.78%**	**4.62%**	**4.78%**	**5.31%**	**5.40%**
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%	0.71%	0.78%	0.12%	0.28%	0.56%	0.65%
OSII buffer		1.00%	1.00%	1.25%	1.50%	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%**	**1.07%**	**0.98%**	**0.98%**	**0.98%**	**1.07%**
Pillar 2 CET1 guidance (P2G)		**1.00%**	**1.00%**	**1.00%**	**1.00%**	**0.00%**	**0.00%**	**0.00%**	**1.00%**
Regulatory minimum ratios excluding P2G									
	CET1 requirement	10.16%	10.40%	10.95%	11.35%	10.10%	10.27%	10.80%	10.96%
1.50% AT1	Tier 1 requirement	11.99%	12.23%	12.78%	13.20%	11.93%	12.10%	12.63%	12.82%
2.00% T2	Own funds requirement	14.43%	14.66%	15.21%	15.68%	14.37%	14.53%	15.06%	15.30%
Regulatory minimum ratios including P2G									
	CET1 requirement	11.16%	11.40%	11.95%	12.35%	10.10%	10.27%	10.80%	11.96%
1.50% AT1	Tier 1 requirement	12.99%	13.23%	13.78%	14.20%	11.93%	12.10%	12.63%	13.82%
2.00% T2	Own funds requirement	15.43%	15.66%	16.21%	16.68%	14.37%	14.53%	15.06%	16.30%
Reported CET1 ratio as of December 2023				**15.75%**				**23.40% 3)**	

Buffer to MDA restriction as of 31 Dec 2023: 462bps

Available distributable items (ADI) as of 31 Dec 2023: EUR 4.7bn (post expected dividend); based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 7.3bn

1. Planned values based on Q4 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 stood at 1.75% for Erste Group for year-end 2023 and has changed to 1.90% as of 1.1.2024.
3. Consolidated capital ratios pursuant to IFRS on phased-in basis. Unconsolidated capital ratios pursuant to IFRS as of Q4 2023. ADIs pursuant to Austrian Commercial Code (UGB).

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

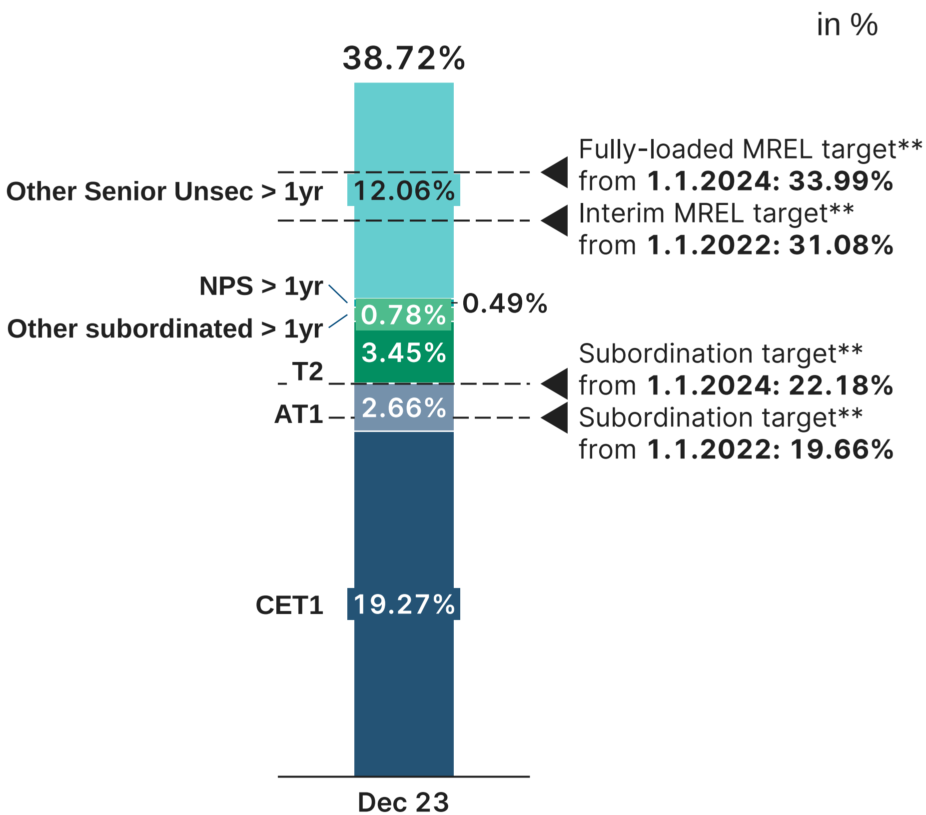


Erste Group follows an MPE resolution strategy with each resolution group issuing its external MREL debt

* Erste Bank 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

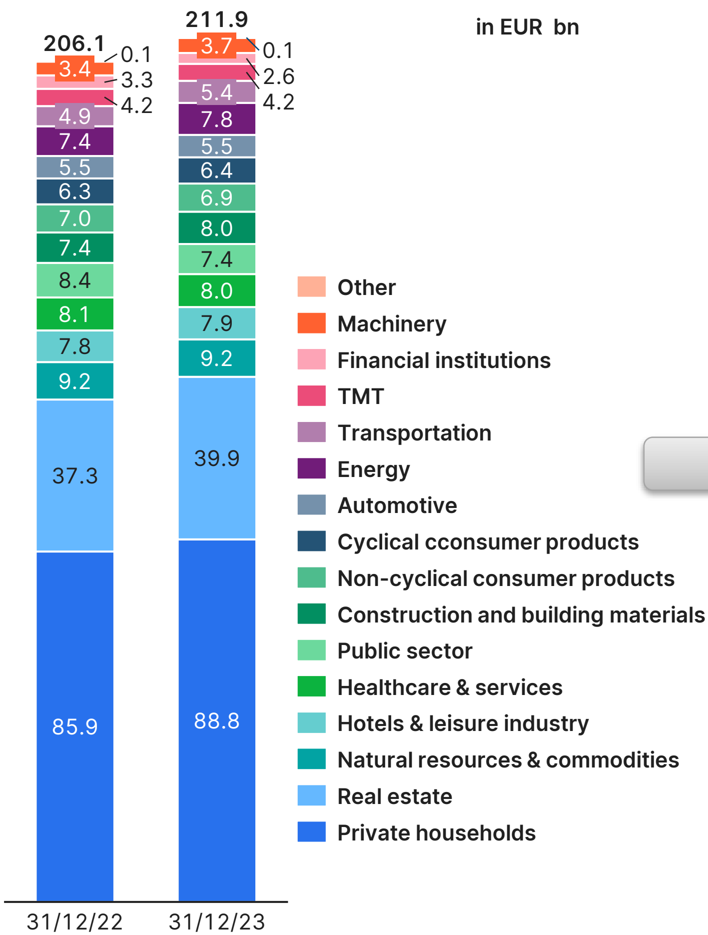
- In Q2 23, Erste Group Bank AG received its MREL requirement calibrated on 31 Dec 2021 balance sheet data
- From 1.1.2024, Erste Group Bank AG, as the resolution entity of the Austrian resolution group, must comply with a MREL requirement of 28.69% of TREA (excl. CBR) and 9.49% of Leverage Ratio Exposure (LRE). In addition, the subordination requirement is set at 16.88% (excl. CBR) of TREA and 8.81% of LRE respectively.
- As of Q4 2023 the Combined Buffer Requirement (CBR) of the Austrian Resolution Group was 5.05% of TREA; as of 1.1.24: 5.30%
- Based on the Austrian resolution group's RWAs as of Dec 2023 of approx. EUR 90.6bn, the current MREL ratio stands at 38.72%, thereof 26.66% being subordinated eligible liabilities.

As of Q4 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.

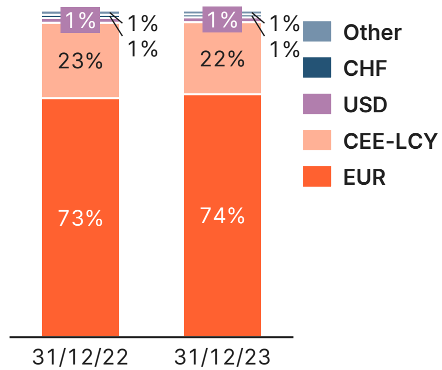
- Potential changes in the MREL requirement will be reflected in Erste Group Bank AG's funding plan as to ensure compliance with MREL & subordination targets

Erste Group benefits from a highly diversified loan book

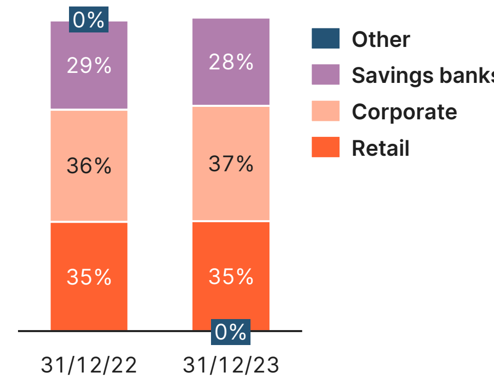
Gross customer loans by industry



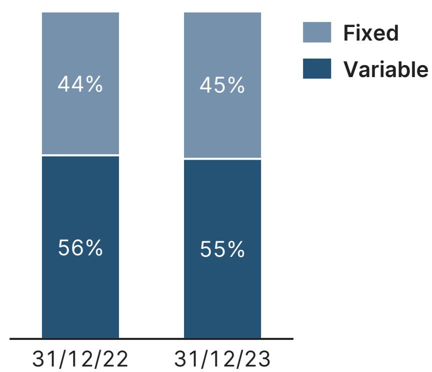
By currency



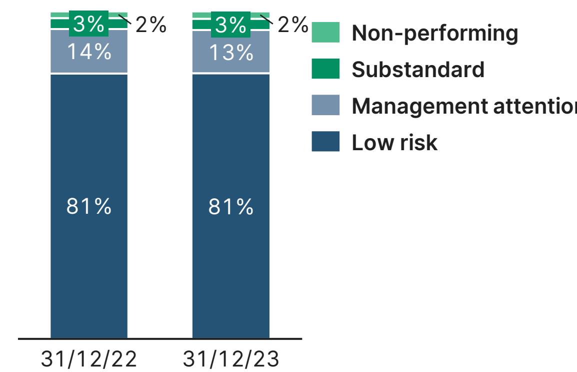
By business segment



By interest rate



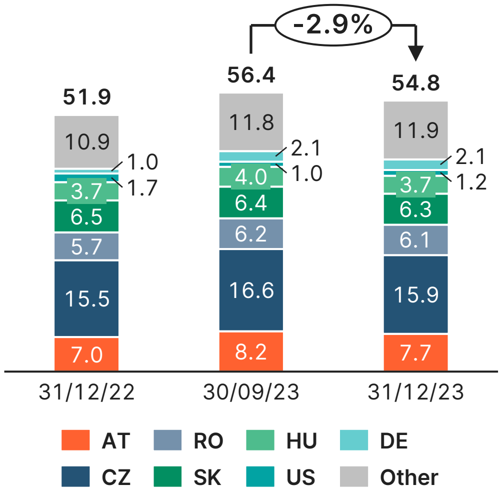
By risk category



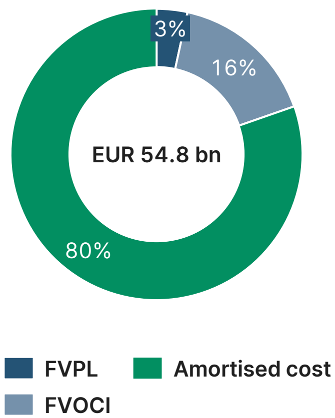
Financial asset portfolio creates strong net interest income tailwinds

Financial assets – geographic view

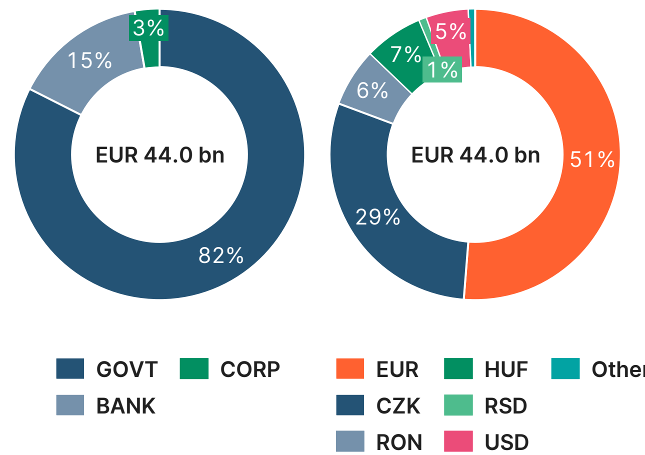
in EUR bn



Financial assets – accounting view



AC by issuer and currency



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

Amortised cost portfolio as at Q4 23

- Amounts to EUR 44.0bn or 80% of total financial assets, +8.5% in 2023
- Portfolio duration: 4.3 years
- Portfolio yield: 2.5%

- 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's embedded ESG strategy as a key to success

GREEN TRANSITION

- We aim to achieve **a net zero status for our portfolio by 2050**.
- We **strengthen our leading position in green finance in CEE** by funding climate action and adaptation to climate change.
- We aim to achieve a **net zero status of banking operations by 2030** to make a direct contribution to ecological transition as a credible champion of sustainability.

SOCIAL INCLUSION

- We **promote financial inclusion** through our social banking activities, thereby strengthening social cohesion in the civil society.
- We help our customers gain **financial health** and financial literacy, with a focus on financial education projects for children and young people.
- We invest in **affordable housing**.
- We **promote diversity**, including gender diversity, as a significant contributor to performance and a healthy corporate culture.

Our contribution to the UN SGDs

Erste Group's ESG targets

Leading the Green Transition

Sustainable 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 1bn Social Banking financing by 2030

200,000 jobs created or preserved by 2030

Affordable housing

10,000 affordable housing units established by 2030

Diversity

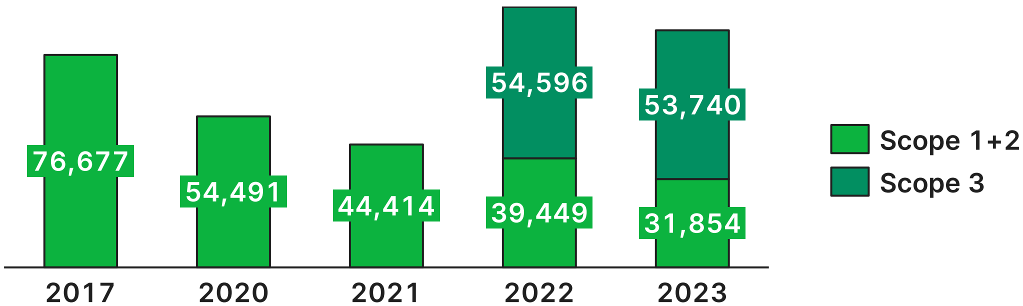
30% women in management board positions by 2028

33% women in B-1 positions by 2028

Environment

Net zero operations

Operational emissions (in tonnes CO_2e):
→ pathway towards net zero 2030



Sustainable finance

New corporate financing of environmental objectives

Committed amount (total), Dec 23	in EUR m
Construction and real estate	2,096
Renewable energy	486
Transportation	127
Other Corporate	241
Total	**2,950**

Scope 3, financed emissions, covering EUR 184.7bn exposure – low intensity & overall emissions (as of Q4 23)
→ basis for our **journey towards net-zero portfolio** by 2050

153
gCO$_2$e/€ financing low emission intensity

15.0
million tonnes of CO_2e total financed emissions Scope 1 and 2

13.2
million tonnes of CO_2e total financed emissions Scope 3

Net-zero target setting to meet 1.5 degree climate scenarios[1]

Portfolio decarbonization interim targets 2030

Sector	Metric	Methodology	Scenario/ pathway	Emissions scope	Baseline Year	Baseline Value	Targets 2030	Targets reduction	Volume as of Dec 23 in EUR bn
excl. savings banks segment									
Mortgages	$kgCO_2e/m^2$	SBTiSDA	IEA B2DS	1+2	2022	53.3	30.5	-43%	72.6
Commercial real estate	$kgCO_2e/m^2$	SBTiSDA	IEA B2DS	1+2	2022	50.9	25.7	-50%	
Electricity production	$kgCO_2e/MWh$	PACTA	IEA NZE2050	1+2	2022	421.4	215.6	-49%	
Heat & steam production	thousand tCO_2e	SBTiAC	IEA NZE2050	1+2	2022	1,382	801.0	-42%	
Oil and gas extraction	thousand tCO_2e	PACTA	IEA NZE2050	1+2+3	2023	1,020	924.0	-9%	1.0
Automotive production	gCO_2e/km	PACTA	IEA NZE2050	1+2+3	2023	170.0	104.0	-39%	
Iron and steel production	tCO_2e/t steel	PACTA	IEA NZE2050	1+2	2023	1.46	1.1	-24%	
Cement production[2]	tCO_2e/t cement	SBTiSDA	IEA NZE2050	1+2	2023	0.584	0.5	-17%	
incl. savings banks segment									
Mortgages	$kgCO_2e/m^2$	SBTiSDA	IEA B2DS	1+2	2022	48.7	27.1	-44%	103.0
Commercial real estate	$kgCO_2e/m^2$	SBTiSDA	IEA B2DS	1+2	2022	45.9	22.2	-52%	
Electricity production	$kgCO_2e/MWh$	PACTA	IEA NZE2050	1+2	2022	357.1	182.7	-49%	

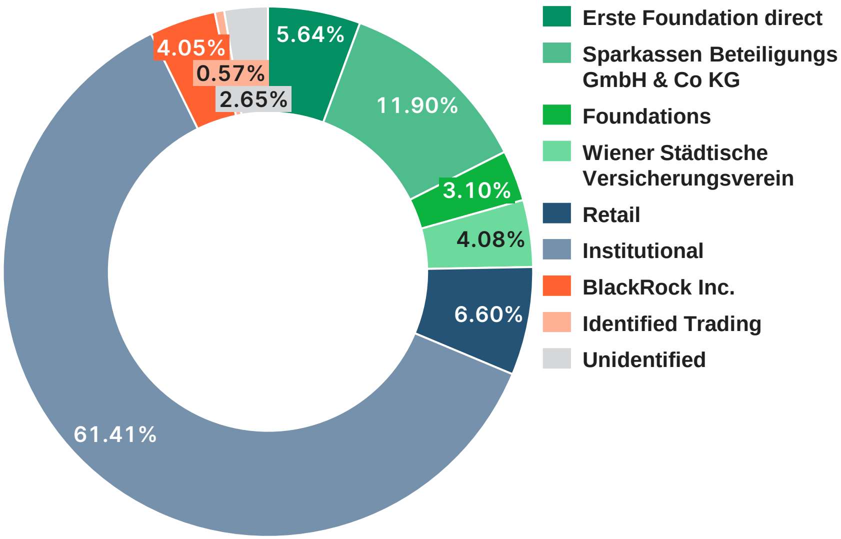
1 The EU members states' updated National Energy & Climate Plans (NECP) in acc. with the Green Deal will allow us to update our target setting for all sectors to be in line with 1.5° scenarios
2 The base year values are based on available input data, such as sustainability reports, some of which only show CO2 values. If, instead of the CO2e intensity, only the CO2 intensity per tonne of cement was available, this was used.
3 The savings bank segment was only included in the target setting for those sectors whose financed emissions were material.

Erste Group has strong ESG ratings

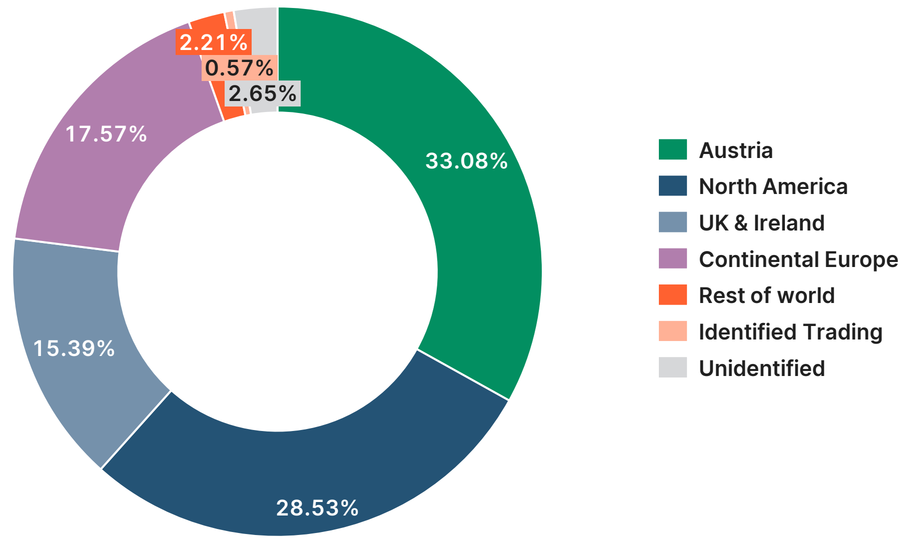
Agency	Assessment	2022	2023
MSCI ESG RATINGS	Erste Group maintains **rating of AA** in the MSCI ESG Ratings assessment.	**AA** (5.9)	**AA** (5.5)
SUSTAINALYTICS a Morningstar company	Erste Group's assessment by Sustainalytics in the **low risk** category was confirmed.	**Low Risk** 15.3 / 100	**Low Risk** 16.4 / 100
ISS ESG Corporate ESG Performance Prime	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	Second time reporting resulted in good **B rating**.	**B**	**B**

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 31 December 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

Fitch Ratings

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

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