Erste Group debt investor presentation

April 2022

ERSTE Group

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Presentation topics –

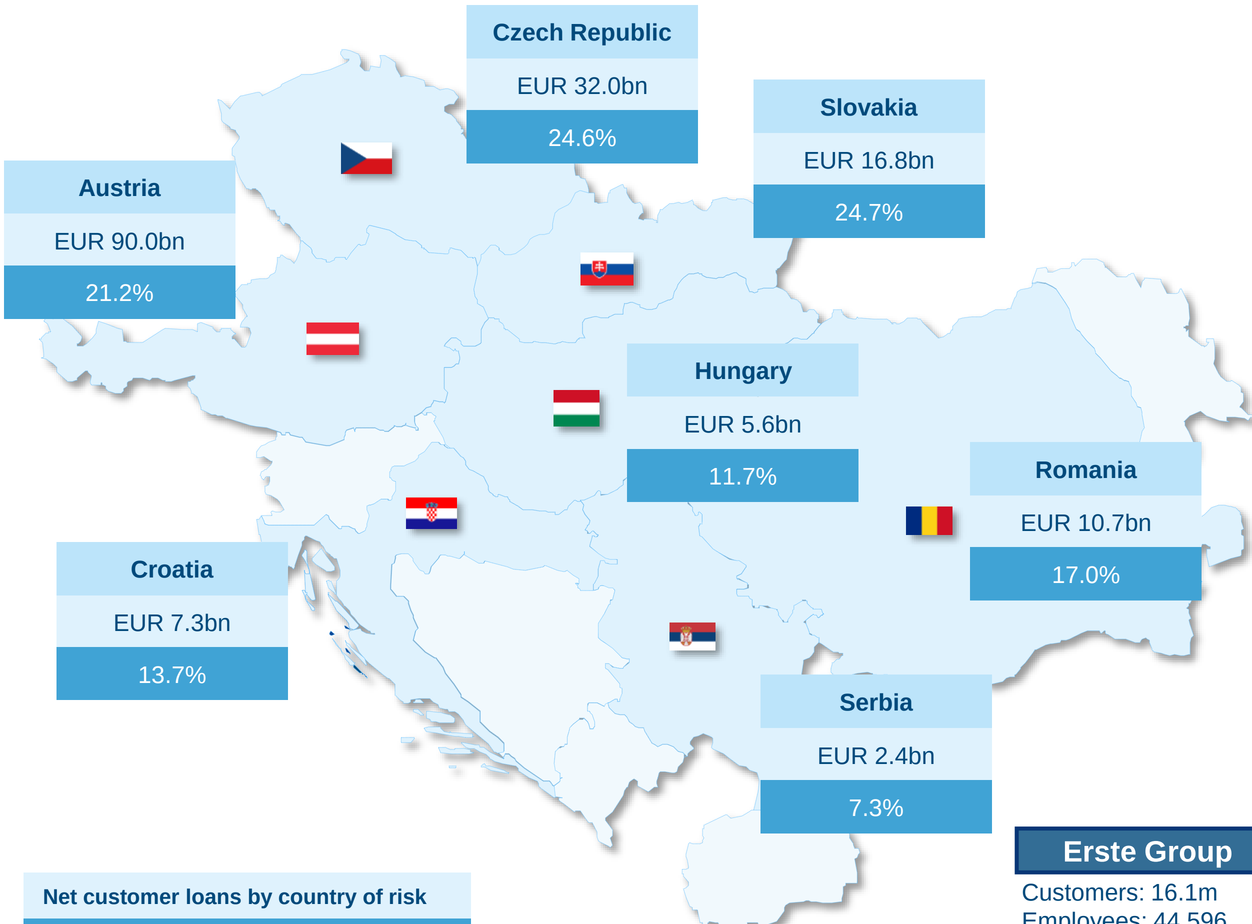
1 **Introduction to Erste Group**

2 Summary quarterly update

3 Funding strategy

4 Further information on latest quarterly financials and capital

Erste Group’s footprint –
Leading retail & corporate bank in the eastern part of the EU



Net customer loans by country of risk

Retail loans market share

as of December 21

Erste Group

Customers: 16.1m
Employees: 44,596
Branches: 2,091
Net loans: EUR 180.2bn

- Successful purpose driven business strategy: founded to create and safeguard prosperity
- Strong local banks with solid market positions in 7 core markets in CEE
- Favourable mix of mature and emerging markets with low penetration rates and high organic growth potential
- Dedicated omni-channel business model supported by cross-border digital platform George

Our strategy –
A real customer need is the reason for all business

Customer banking in Central and Eastern Europe

Eastern part of EU

Focus on CEE, limited exposure to other Europe

Retail banking	Corporate banking	Capital markets	Public sector	Interbank business
Acting as Prosperity Advisor for the people in our region; the result of our advice is the financial health of our customers Support customers to build up and secure wealth Democratising advice via George Active management of customer journeys to increase profitability and customer satisfaction	SME and local corporate banking Advisory services, with focus on providing access to capital markets and corporate finance Transaction banking services (trade finance, factoring, leasing) Commercial real estate business	Focus on customer business, incl. customer-based trading activities In addition to core markets, presences in Poland, Germany, New York and Hongkong 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 only 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

Additional information: Ratings –
Composition of Erste Group Bank AG's issuer ratings

Moody's

Macro Profile	
Strong	

+

Financial Profile	
Asset Risk	baa2
Capital	baa1
Profitability	baa3
Funding Structure	a2
Liquid Resources	baa1

+

Qualitative Factors	
Business Diversification	0
Opacity, Complexity	0
Corporate Behaviour	0

=

BCA Baseline Credit Assessment	**baa1**

+

Affiliate Support	0

=

Adjusted BCA	**baa1**

+

LGF Loss Given Failure	**+ 2**
Government Support	0

=

Senior Unsecured Long-Term Outlook / Short-Term

A2 / Stable / P-1

S&P Global Ratings

SACP - Stand-Alone Credit Profile		
a		
▲		
Anchor	bbb+	
Business Position	Strong	+1
Capital & Earnings	Adequate	0
Risk Position	Adequate	0
Funding	Above Average	+1
Liquidity	Strong	

+

Support	**+1**
▲	
ALAC Support	+1
GRE Support	0
Group Support	0
Sovereign Support	0

+

Additional Factors	0

=

Issuer Credit Rating Long-Term Outlook / Short-Term

A+ / Stable / A-1

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 16 December 2021

Presentation topics

1 Introduction to Erste Group

2 **Summary quarterly update**

3 Funding strategy

4 More details to latest quarterly financials and capital

Presentation topics

- Key developments
- ESG update: focus on S(ocial) and G(overnance)
- Executive summary income statement and balance sheet data
- Macroeconomic update
- Business update
- Results and outlook at a glance

Key developments (1) –
Initial impact analysis of Ukraine war/Russia sanctions on Erste Group

- Erste Group has **no direct subsidiaries** in Russia (RU), Ukraine (UA) or Belarus (BY)

- Erste Group has only **immaterial credit exposure** (EUR ~50m gross) to RU, UA and BY, accordingly **confirms FY2022 guidance for risk costs (<20bps)**

- **Limited impact on large corporate customers** of Erste Group
  - EUR 1.9bn (total global client credit exposure – client group view) generate >15% of EBITDA in RU, UA and/or BY
  - EUR 2.5bn (total global client credit exposure – client group view) potentially affected by RU, BY sectoral sanctions
  - Who are these customers? **Well-diversified, Western multi-national companies** in the energy, automotive and building materials sectors

- Banking exposures and Sberbank Europe AG resolution
  - Banking exposure to Austrian and European banks with exposure to RU, UA and/or BY are currently **no cause for concern**
  - Wind-down of Sberbank Europe AG, primarily in Austria and Czech Republic is **not expected to lead to material negative P&L impact** – head of Austrian deposit insurance company ESA expects significant recoveries from Sberbank asset disposals; affected countries: AT, CZ and HU; in all other markets Sberbank's subsidiaries were already sold

Key developments (2) –
Initial impact analysis of Ukraine war/Russia sanctions on Erste Group

- Direct market exposures, including derivatives (trading book and banking book securities accounted at fair value) are **negligible** too, resulting in **no material economic risk to the bank**
  - No direct exposures to Russian counterparties, RU interest rates, or RUB in derivatives trading, hence no sanctions impact
  - **No commodity business**, hence no risk stemming from current price volatility
  - All daily operations in OTC derivatives running smoothly, no issues with collateral transfers
  - Core of bilateral OTC derivatives business is done with international banks
  - Higher than usual price volatility can lead to temporary P&L fluctuations in trading and banking book assets accounted at fair value, but no long-term negative effects expected

- Customer deposit behaviour – no signs of stress
  - **No material change in the deposit base** since the beginning of the crisis; minor fluctuations due to month-end payments and, in some CEE countries, higher than usual cash withdrawals
  - All liquidity metrics (LCR, NSFR, stress test, structural ratios) are stable and comfortably above any regulatory or internal limit

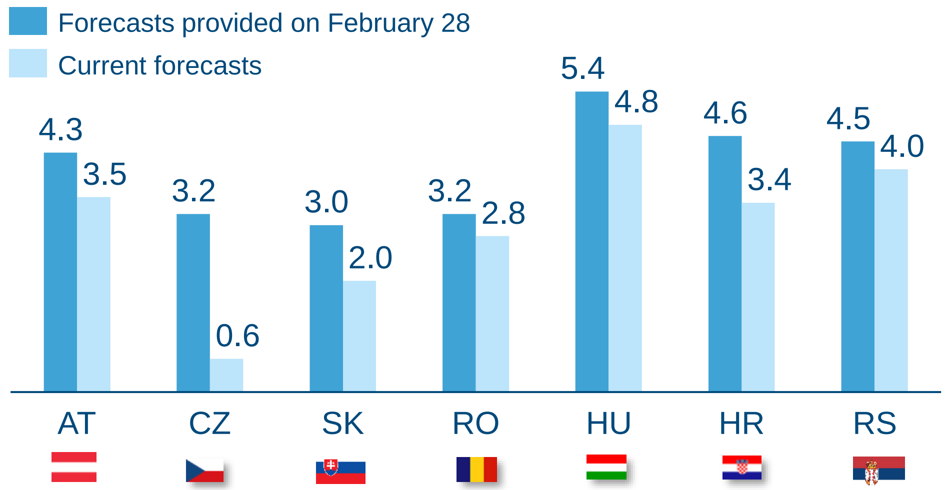
- Compliance screening for sanctioned individuals yielded **no material result**

- **Going forward, main focus is on fine-tuning macro scenarios along the following dimensions**
  - Energy/commodity price volatility (inflation/stagflation), currency volatility
  - Duration and geographic scope of crisis
  - Supply chain disruptions
  - Sanctions impact and regulatory responses

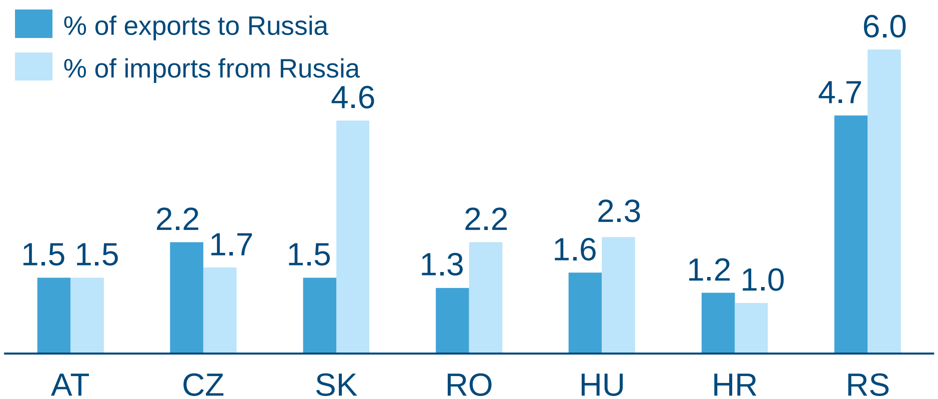
Key developments (3) –
Initial impact analysis of Ukraine war/Russia sanctions – macro view

- Economic growth to slow in CEE & AT in 2022
  - Elevated commodity prices expected to lead to higher production costs and to weigh on consumption
  - Increased uncertainty expected to dampen sentiment
  - Worsening supply-side bottlenecks/disruptions
  - Limited or halted trade with RU, UA and BY
  - Increased defense spending to meet NATO guidelines
- Trade and financial links between CEE region and Russia have been on downward path since 2014
  - **Russia is not among top 10 trading partners of most CEE countries**
- Russia is a **key import partner for natural gas** for most CEE countries
  - AT, HU, SK, RS import ~80% of gas from Russia, CZ ~50%
  - RO covers 70% of its needs from local production
- Inflation is expected to remain elevated due to higher energy, fuel and food prices
  - CEE currencies to remain volatile
  - HU, RO & RS expected to further increase policy rates
  - Limited space for further tightening in CZ

Real GDP expectations for 2022 (in %)*



Exports/imports - Russia**



Sources: *Erste Group Research, **United Nations International Trade Statistics database

Key developments (4) –
Setting the frame for today's presentation

- **Encouraging business environment in 2021**
  - Economic growth in CEE & Austria has outperformed expectations
  - Faster than expected rate hikes in Czech Republic, Hungary and Romania

- **Strong operating result in 2021: +17.1%**
  - Accelerating NII growth accompanied by record fee result drives operating income up by 8.2%
  - Moderate cost inflation of 2.0%

- **Benign credit risk environment throughout 2021**
  - Erste Group closes 2021 with risk costs of 9 bps, best NPL ratio since IPO at 2.4%

- **Robust guidance for 2022, but risks are rising rapidly**
  - Continued solid GDP growth in CEE & Austria expected, albeit impacted by RU/UA conflict and related sanctions
  - **At least mid-single digit NII growth** accompanied by mid-single digit loan growth
  - **Fee growth expected in low to mid-single digits** assuming constructive capital markets environment
  - **Positive jaws**, as operating income expected to grow faster than operating expenses
  - 2024 **CIR target of 55% likely to be achieved already in 2022**
  - **Risk costs** to remain moderate **(<20 bps)**
  - Again targeting **double-digit ROTE**

- **Erste Group defines M&A-/share buyback buffer on top of base dividend**
  - Erste Group to propose to AGM EUR 1.6 DPS for business year 2021
  - CET1 ratio portion > 13.5% = M&A-/share buyback buffer with preference for M&A (bolt-ons in existing markets)

ESG update: focus on the S(ocial) and the G(overnance) –
Alignment of employee with shareholder interests

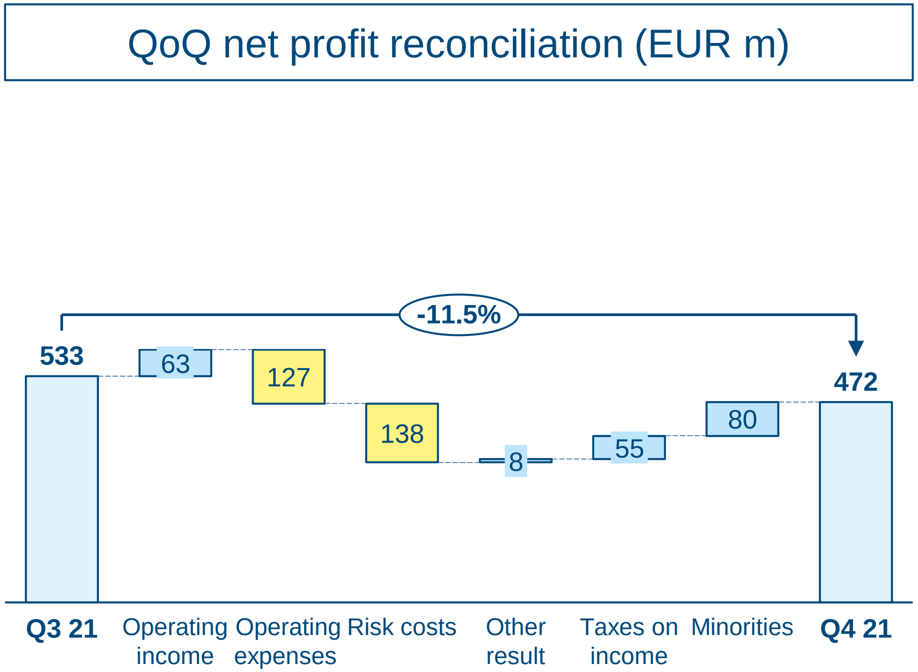
- Erste Group plans to launch **employee share programme (ESP)**

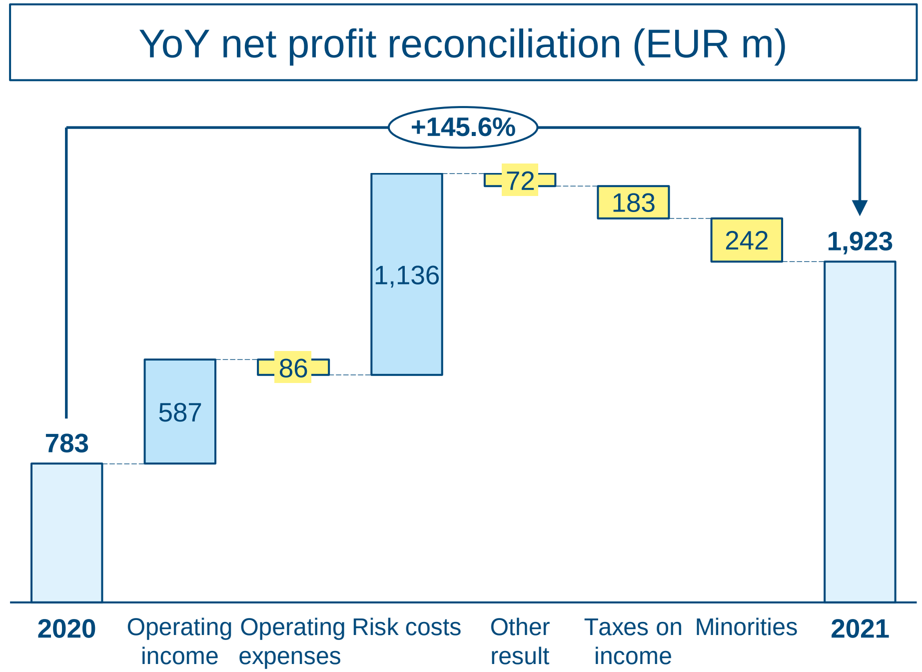
- **Key goals** of employee share programme
  - Turn employees of the bank in CEE and Austria into shareholders of Erste Group
  - Foster long-term share ownership culture and financial knowledge among employee base
  - Further improve employee retention and employer attractiveness
  - Allow employees to take advantage of tax benefits for share ownership, if applicable
  - Over time establish employee foundation as a significant “shareholder” by transfer of voting rights from employees to employee foundation

- **Planned structure** of employee share programme
  - 2-pronged programme structure
    - **Profit participation** of EUR 350 pa for each employee subject to (1) parent company paying dividends and (2) parent company and subsidiaries satisfying regulatory capital and liquidity requirements
    - **Company subsidised investment opportunity for employees**: each employee who purchases additional Erste Group shares up to a certain limit (tbd) is entitled to a sliding scale subsidy of investment volume by company
  - Long-term retention periods, thereafter tax-free disposal possibility, if applicable
  - Shares will be bought by Erste Group on the market – utilising existing buyback authorisation, subject to ECB approval

- **Key numbers** of the employee share programme
  - Annual cost of profit participation shares approx EUR 20m
  - Estimated annual cost of sliding scale subsidy approx EUR 13m
  - Total estimated annual cost of programme approx 0.75% of total expenses

Executive summary –
Group income statement performance



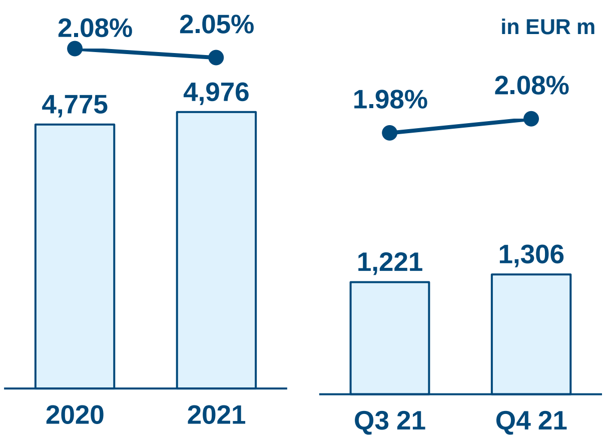


- Q4 21 net result slightly down due to seasonally higher costs, higher provisioning and accelerating operating income growth
- Operating income benefits from **strong NII growth** and another **record fee income quarter** (asset management)
- Operating expenses up due seasonally higher marketing and legal/consulting costs as well as higher personnel costs (bonus accruals, employee share programme)

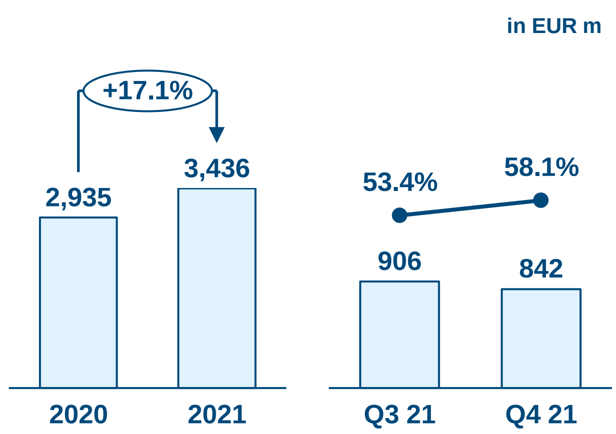
- Yoy net profit growth primarily driven by **substantially higher operating income** and **significant decline in risk costs**
- Operating income benefits from **broad-based macro recovery**, translating into **strong fee performance** (double digit increases in payment services, asset management and brokerage fees)
- Record minorities charge due to strong profitability at savings banks

Executive summary –
Key income statement data

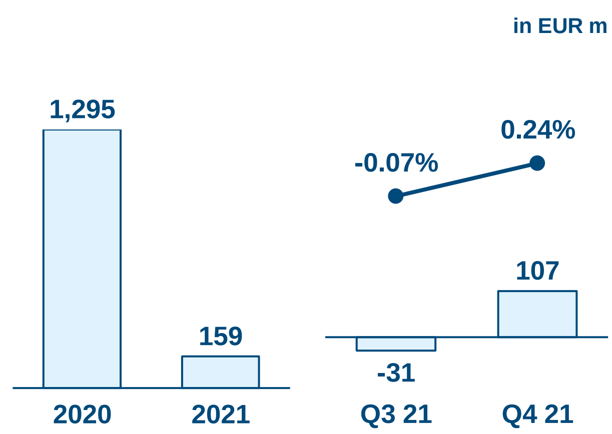
Net interest income & margin



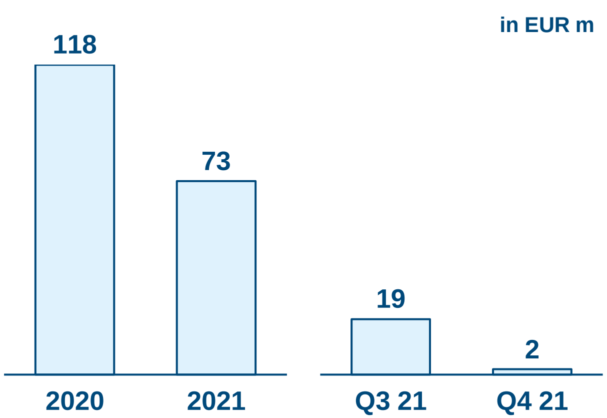
Operating result & cost/income ratio



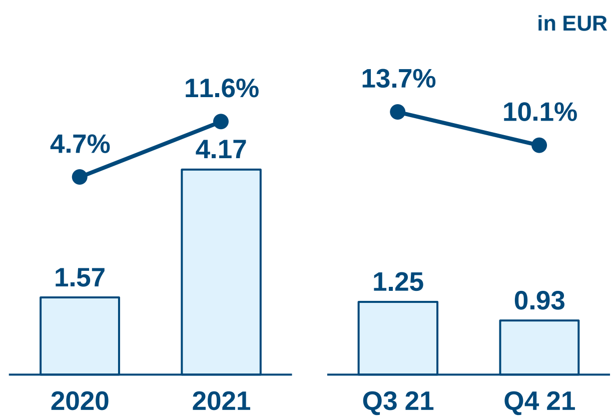
Cost of risk



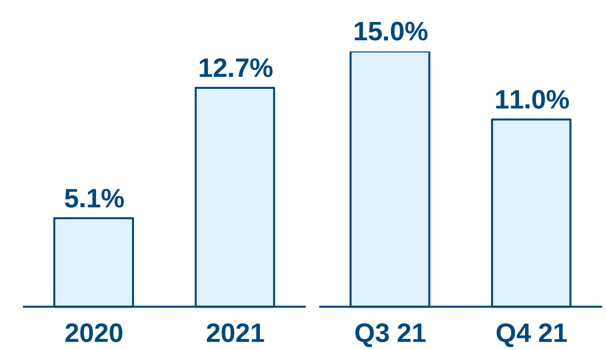
Banking levies



Reported EPS & ROE

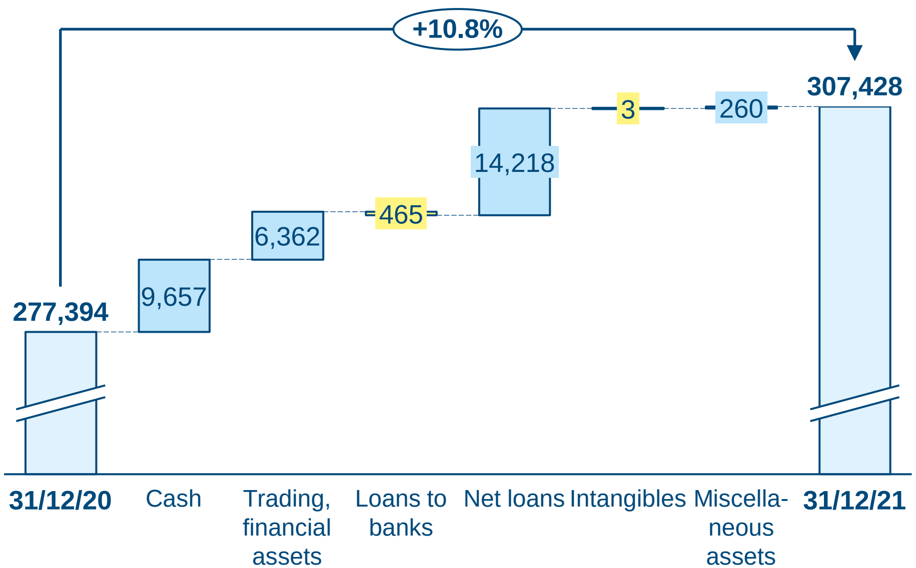


Return on tangible equity



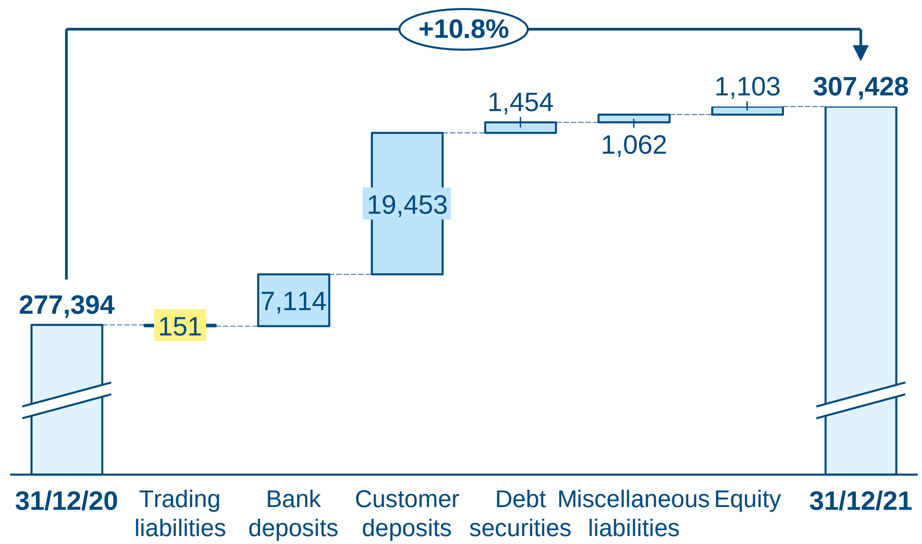
Executive summary –
Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Total assets grew on the back of a **strong rise in net customer loans** (+8.6%), **increased cash position** (+26.9%) and **higher volume of trading and financial assets** (+13.6%)
- Increase in cash position and trading/financial assets mainly driven by continued customer deposit inflows and increased TLTRO III uptake (total stands at EUR 21.2bn at YE21)

YTD equity & total liability reconciliation (EUR m)



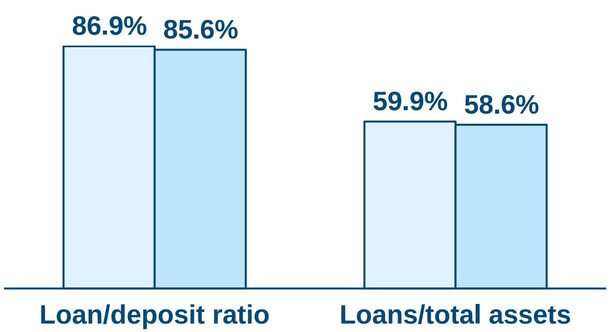
- Total liability growth driven by **rising customer deposits (+10.2%)** and bank deposits (+28.7%)
- Growing customer deposits drive **loan/deposit ratio to 85.6%** (YE 20: 86.9%)
- Increase in equity reflects strong profitability

ERSTE Group

Executive summary –
Key balance sheet data

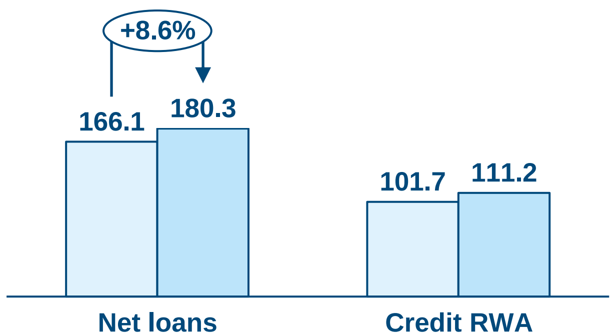
31/12/20
31/12/21

Loan/deposit & loan/TA ratio

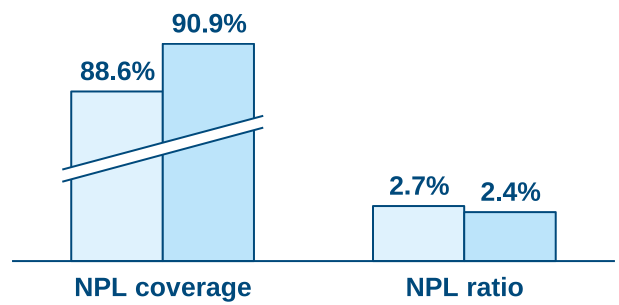


Net loans & credit RWA

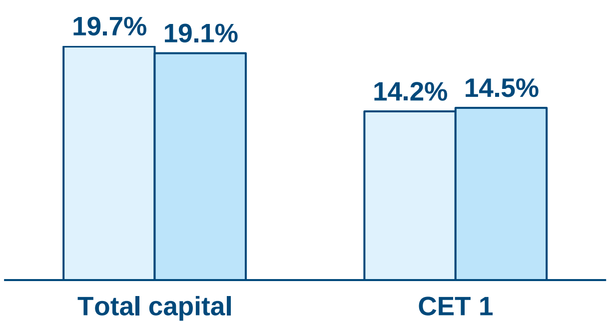
in EUR bn



NPL coverage ratio & NPL ratio

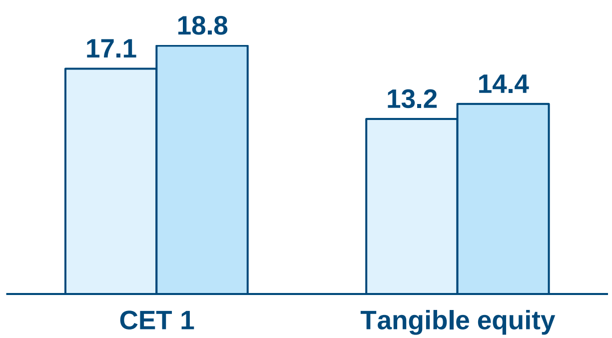


B3FL capital ratios

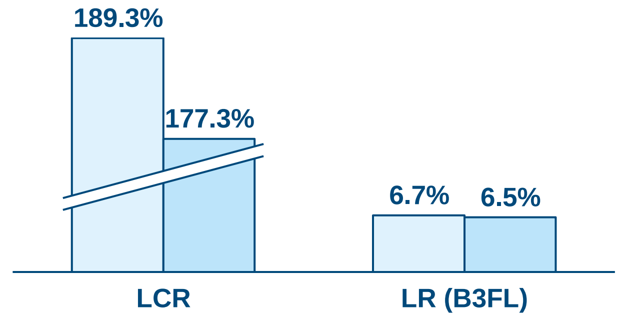


B3FL capital & tangible equity[1]

in EUR bn



Liquidity coverage & leverage ratio[2]



1) Based on shareholders' equity, not total equity

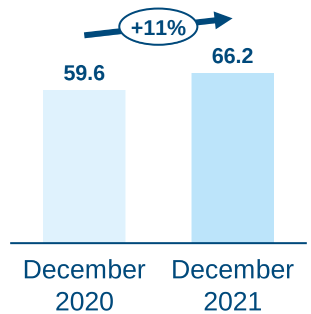
2) Includes central bank exposures

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

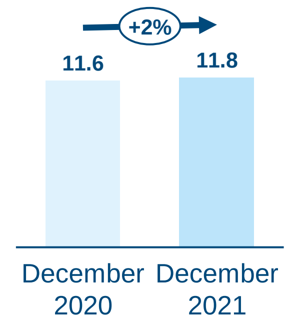
- Strong **demand for housing loans throughout 2021**
  - Refinancing and increased mortgage demand in expectation of (further) interest rate hikes as the key drivers in CEE
  - Rising share of fixed-rate housing loans
- **Demand for consumer loans** growing again**,** reflecting slowly increasing consumer confidence
- **Client deposits** continue to **increase significantly**, Erste Group perceived as a trusted partner for customers in all markets
- **High demand for securities products** throughout 2021
  - Investment funds volumes growing, increase in fee income from securities driven by AT, CZ, HU
  - Increase of newly opened securities saving plans strongly supported by new digital solutions
  - Annualised investment volume regular savings: > EUR 1 bn
- **Demand** from customers **for insurance solutions** (both life and non-life insurance) **growing** given increased client awareness for financial protection

Loan portfolio
(in EUR billion)

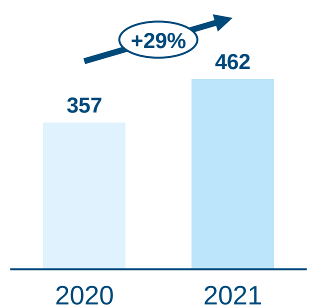
Housing loans



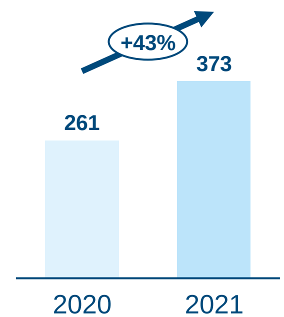
Consumer loans



Development of fee income securities (in EUR million)



Newly opened regular securities saving plans (in thsd pieces)



ERSTE Group

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

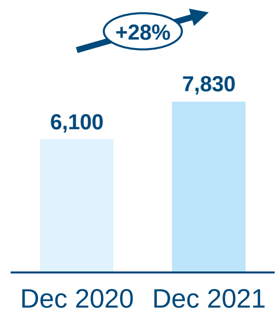
- **Clients continue to go digital**
  - More than **7.8 million users onboarded** to George across 6 markets, vast majority of clients use mobile app
  - Clients appreciate broad digital offering of banking products – digital sales continue to increase substantially

- **Offering for securities and insurance products** further extended, additional **green products launched**
  - Offering of **sustainable investment solutions** broadened in CEE markets
  - Additional **insurance products** offered via George (e.g. health insurance in HR, short-term travel insurance in CZ)
  - Pilots for **green mortgages** started in selected markets

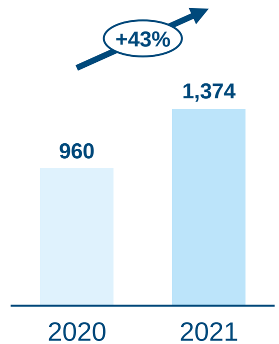
- **Ongoing focus on improving customer experience** results in increasing CXI (Customer experience indicator) values and supports the acquisition of new customers

- **Austrian savings banks** show a **strong sector performance**, particularly driven by **securities business**

Number of George users
(in thsd)



Development of digital sales
(in thsd pieces)



Business update –
Corporates & Markets – what‘s happening on the ground?

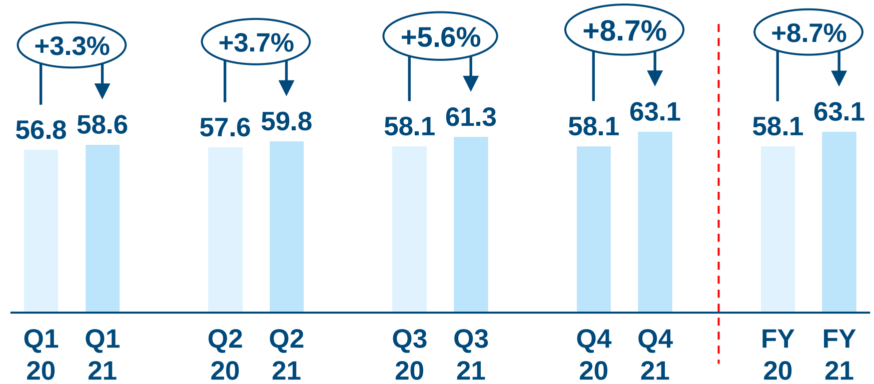
- **Loan demand continues to grow**
  - Loan volume grew by **more than EUR 5bn** yoy; highest growth in our major markets in Austria, Romania and the Czech Republic; increase in all segments (LC, SME, CRE and PS)
  - **Record operating result** on the back of higher income from core revenues, net trading and the fair value result as well as due to a strong fee development

- **Outstanding year for Capital Markets business**
  - Capital markets business performed exceptionally well with an operating income of more than EUR 600m
  - Erste Group executed several capital markets transactions, amongst others the EUR 1bn initial public offering of CTP– the largest IPO in the European real estate sector since 2014
  - A total **issuance volume of almost EUR 96bn** was achieved through **205 mandated transactions** (for all C&M segments) accompanied by a fee result of more than EUR 36m

- **Growth in Asset Management**
  - Assets under management stood at **almost EUR 77bn** at year-end 2021 (nearly +13% yoy)
  - **ESG-related AUM** increased to **EUR 15.5bn** (nearly +15% yoy)
  - **Asset management sales in Retail more than tripled** in 2021 to EUR 3.3bn

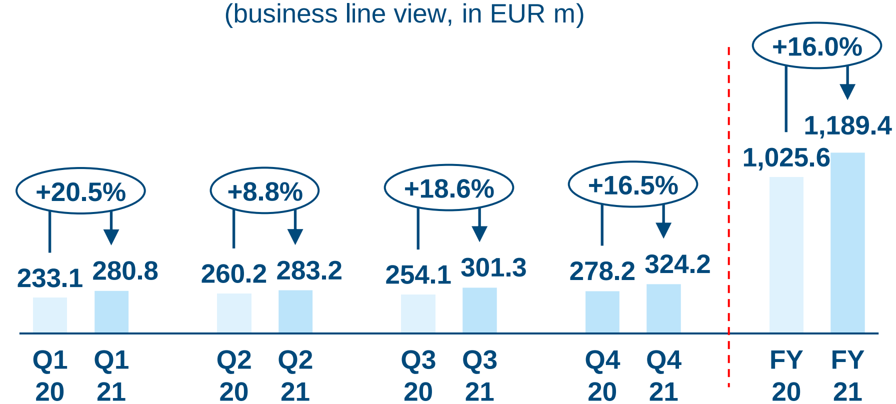
Corporate loan stock development

(gross, business line view, in EUR bn)



Corporate segment operating results development

(business line view, in EUR m)



At a glance –
Key takeaways and outlook for 2022

	2021 key takeaways	2022 outlook
Operating environment	• **2021 was a year of broad-based macro recovery** • Loan growth accelerated to +8.6% in 2021 • Deposit growth came in at +10.2%	• **Real GDP to rise ~1-5% in 2022** in Erste Group's core CEE markets and Austria • **Mid-single digit loan growth** expected
Business performance	• Operating income grew by 8.2% on the back of strong fee (+16.5%) and NII (+4.2%) growth • Operating costs up by just 2.0% despite inflation • **Operating result: +17.1%, CIR at 55.6%**	• **At least mid-single digit NII growth** • Low to mid-single digit fee growth • **Positive jaws**, as operating income expected to grow faster than costs; **<55% CIR likely already in 2022**
Credit risk	• Very favourable risk environment resulted in **low risk costs (9bps of average gross customer loans)** • Strong asset quality indicators: NPL ratio at 2.4%, NPL coverage at 90.9%	• **2022e risk charge expected to be <20 bps of gross customer loans** • YE22e NPL ratio expected below.3.0%
Capital position & capital return	• **Fully loaded CET 1 ratio advanced to 14.5%** • Dividend per share of EUR 1.6 proposed to 2022 AGM	• **2022 dividend per share > 2021 DPS** • Definition of excess capital buffer for bolt-on M&A and potential share buybacks
Profitability	• **ROTE recovered to 12.7%** • Improved operating performance and low risk costs were key net profit drivers	• **Double-digit ROTE expected for 2022**
Risk factors to guidance	• Political, regulatory, geopolitical, economic, health and competition risks, also non-financial and legal risks • **Indirect effects from evolving Russia-Ukraine situation,** such as financial market volatility, sanctions-related knock-on effects on some of our customers or the emergence of deposit insurance or resolution cases • Uncertainties due to Covid-19 policy measures; economic downturn may put goodwill at risk	

Presentation topics

1 Introduction to Erste Group

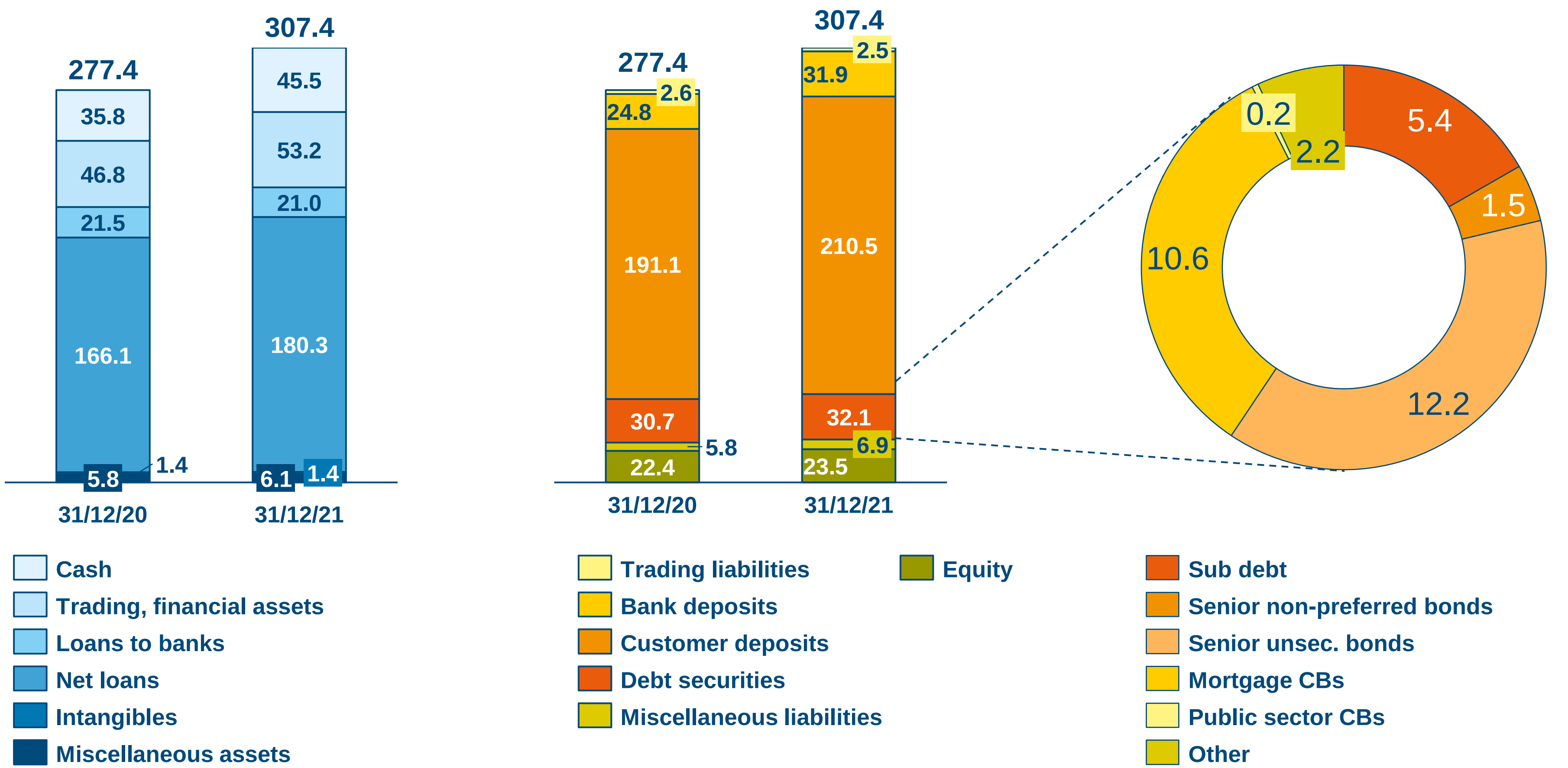
2 Summary quarterly update

3 **Funding strategy**

4 More details to latest quarterly financials and capital

Erste Group's balance sheet structure –

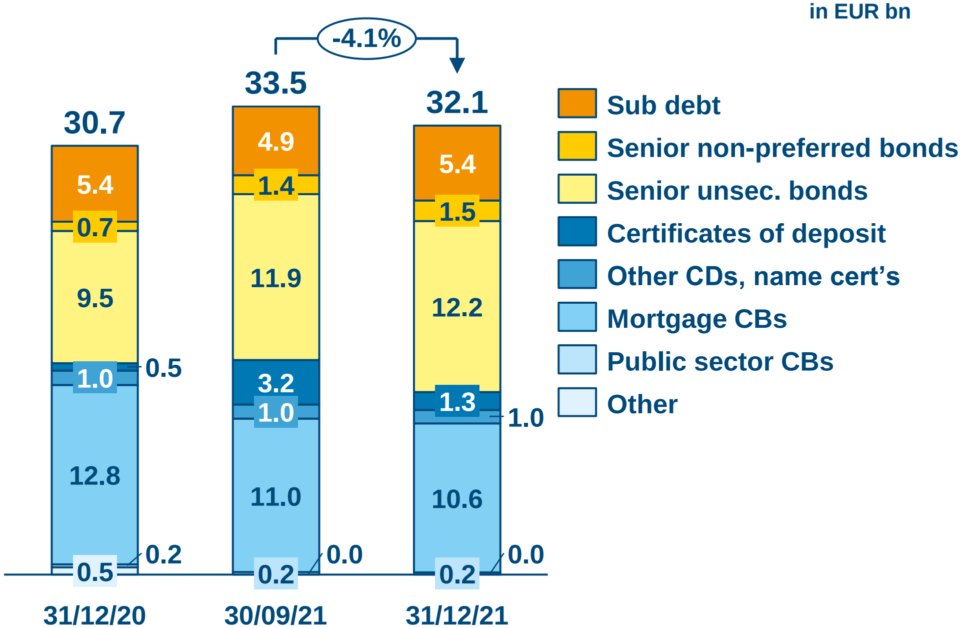
Favourable loan/deposit ratio of 85.6% at Sep 21 (Dec 20: 86.9%)



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

Debt securities issued

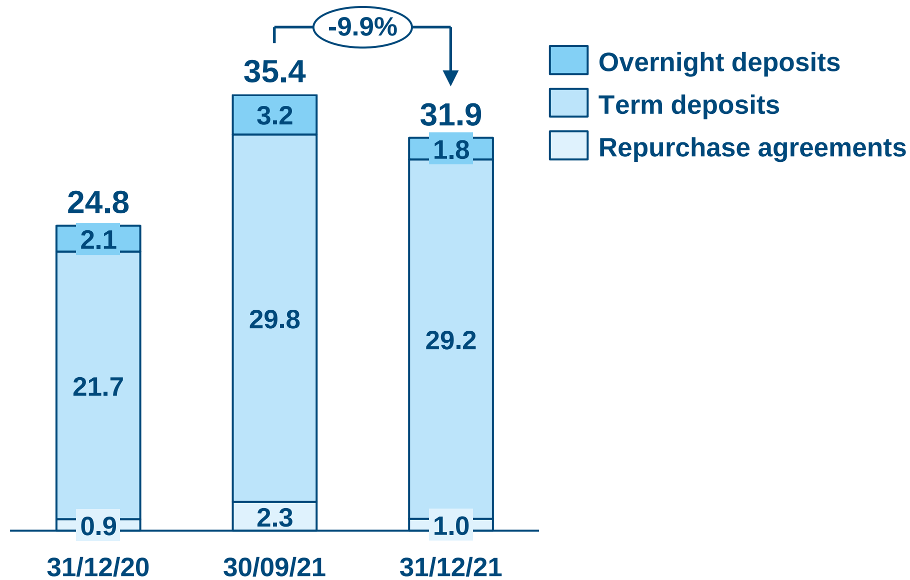
in EUR bn



- Increased MREL-related issuance leads to rise in stock of senior unsecured bonds
- Temporary increase in CDs reverses towards year-end
- High liquidity (attributable to substantial deposit inflow and TLTRO III) results in decline in covered bonds issuances

Interbank deposits

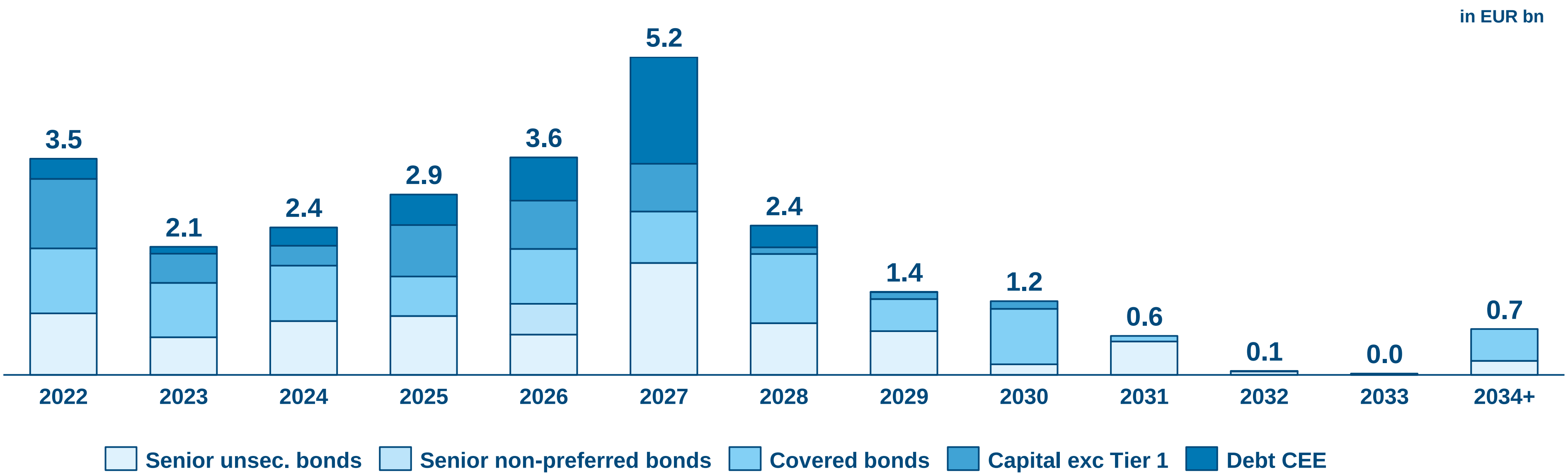
in EUR bn



- Significant yoy increase in interbank deposits predominantly driven by increased TLTRO III balance, balance sheet management

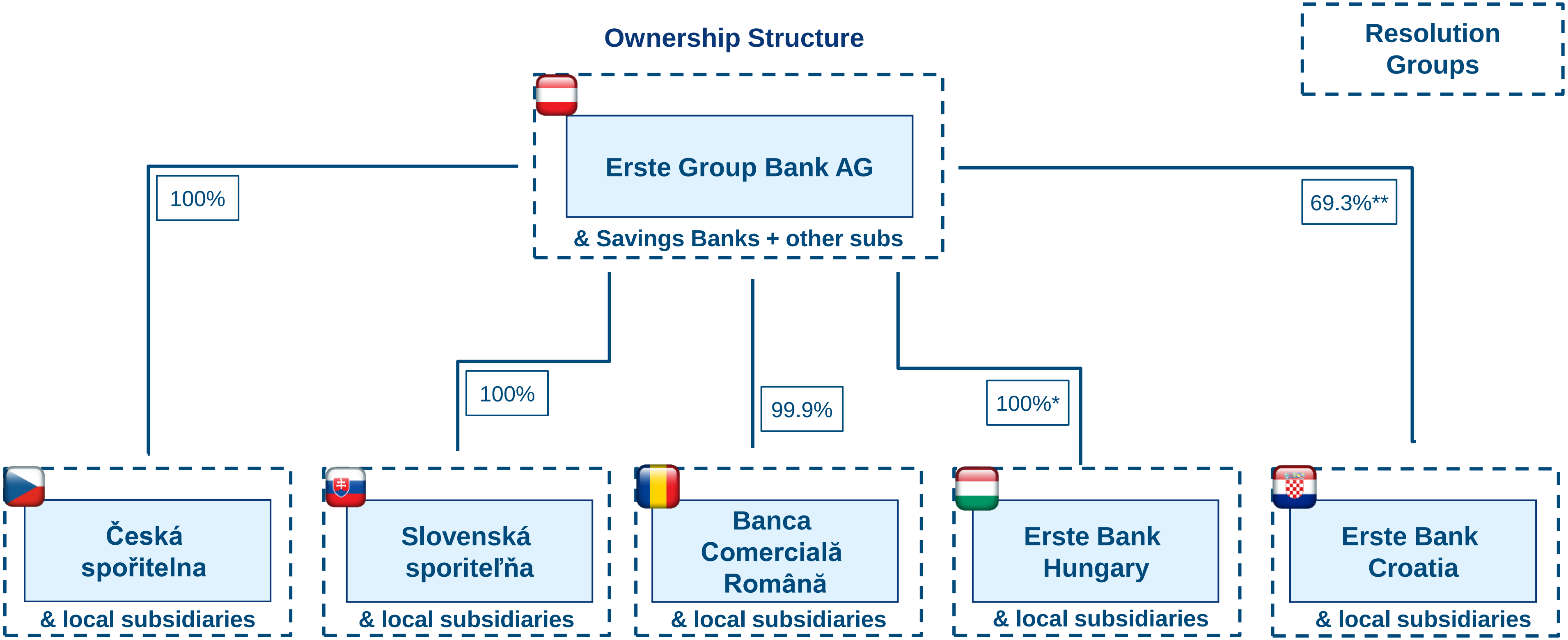
Wholesale funding and capital: LT funding –
Stable LT funding needs in 2022 with recurrence of covered bond funding

Maturity profile of debt



- Erste Group returned to the covered bond market after a two year absence with a 6.5 and 15 year dual tranche, EUR 750m each, opening the market for European FIG issuers in January 2022
- 2022 funding volume of Erste Group Bank AG comparable to 2021 levels
- 2027 maturity peak attributable to MREL issuances
- TLTRO III outstanding as of 31 Dec 2021: EUR 21.2bn

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



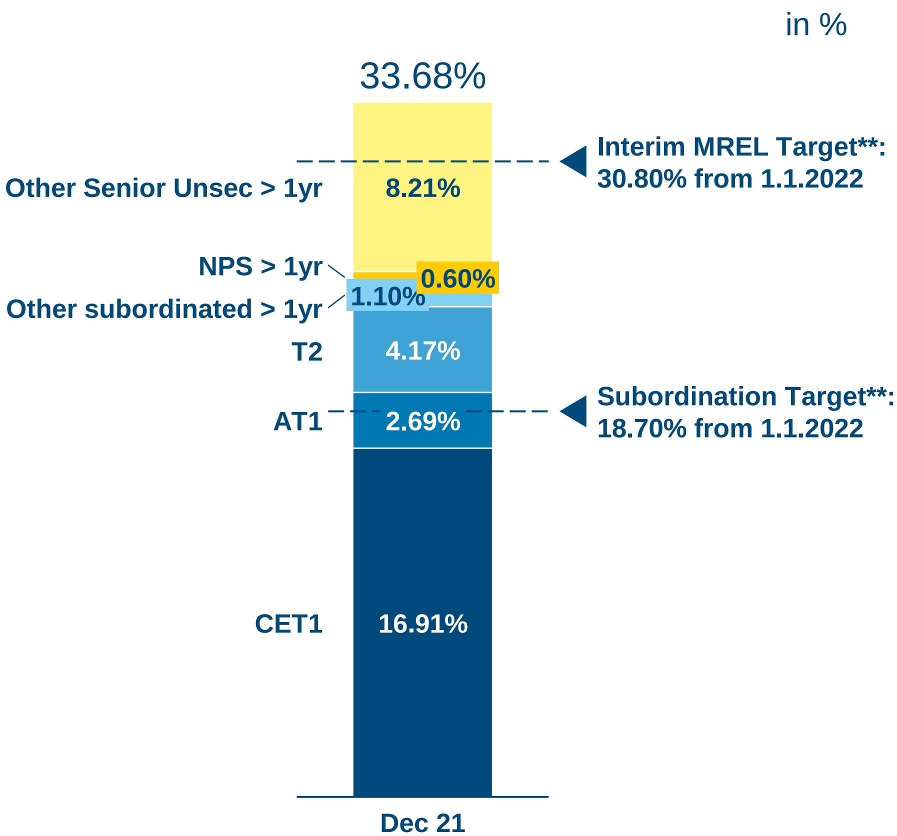
Erste Group follows an MPE resolution strategy with each resolution group issuing its external MREL debt

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

MREL details

Austrian resolution group: MREL requirement based on RWA fulfilled

MREL capacity based on TREA (RWA)*



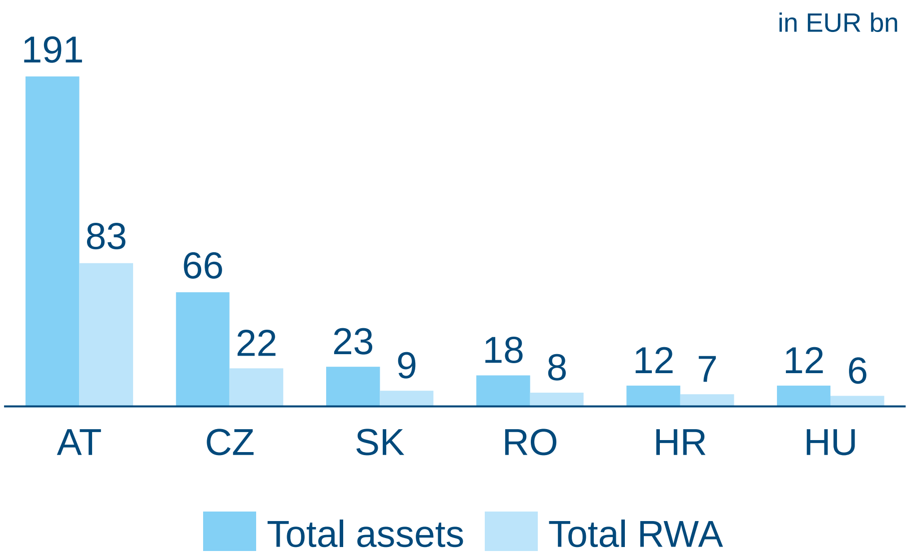
Key take-aways

- Erste Group's setup is based on a multiple point of entry (MPE) resolution approach
- In Q2 2021, Erste Group Bank AG received its MREL requirement calibrated on balance sheet data as of 31 Dec 2019 and based on BRRD2
- Erste Group Bank AG, as the Point of Entry of the Austrian resolution group, must comply with a MREL requirement of 30.80% of TREA (incl. CBR) and 9.92% of Leverage Ratio Exposure (LRE). In addition, the subordination requirement is set at 18.70% (incl. CBR) of TREA and 8.60% of LRE respectively.
- Based on the Austrian resolution group's RWAs as of Dec 2021 of approx. EUR 83bn, the current MREL ratio stands at 33.68%, thereof 25.48% being subordinated eligible liabilities.
- As of Q4 2021 the AT resolution group is compliant with the interim MREL and subordination requirements (TREA and LRE-based) to be fulfilled from 1 Jan 2022.
- Potential changes in the MREL requirement will be reflected in Erste Group Bank AG's funding plan as to ensure compliance with MREL & subordination targets

* TREA… total risk exposure amount
** Target including the Combined Buffer Requirement (CBR)

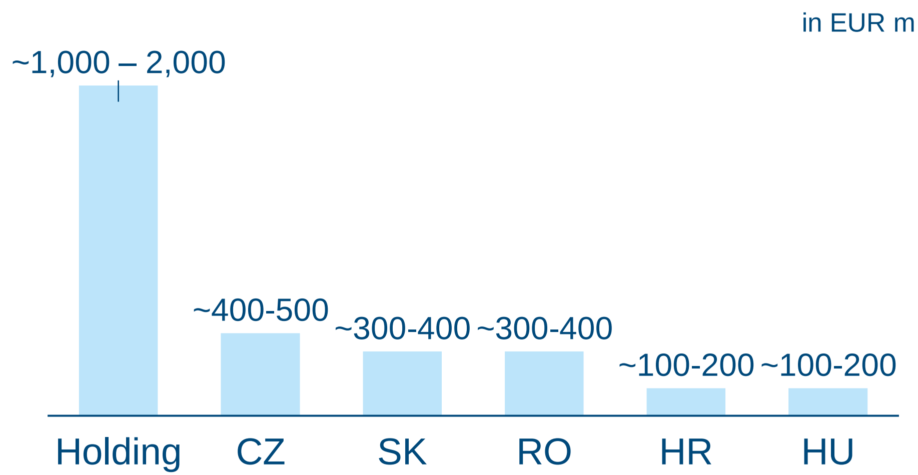
Wholesale funding and capital: MREL update –
All resolution groups successfully completed their inaugural MREL issuances

MREL resolution groups (December 2021)



- Under MREL there are 6 MPE resolution groups: 3 (AT, SK, HR) covered by the Single Resolution Board and 3 (CZ, RO, HU) covered by the respective National Resolution Authority
- The Austrian resolution group (parent company, EBOe and savings banks) is not considered a legal entity or reporting unit, hence there is neither a statutory reporting nor a capital requirement for the Austrian resolution group

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



- CEE issuances will mainly be placed in domestic market and Euro markets
- First NPS issuances by Holding (in EUR) and BCR (in RON) in 2019 and Slovenská sporiteľňa in 2020
- MREL-related issuances in 2021:
  - Holding: ~EUR 2bn PS bonds (3 benchmarks)
  - CZ: EUR 500m NPS bond (1 inaugural benchmark)
  - SK: EUR 230m PS bonds (in 2 tranches)
  - RO: RON 1.6bn NPS and RON 500m PS bonds
  - HR: EUR 445m PS (international EUR 400m and domestic EUR 45m bonds)
- MREL-related issuances in 2022:
  - HU: EUR 350m PS (international)

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Erste Group's long-term issuance track record –
Very successful Q1 2022 funding activities despite volatile markets

March 2022	January 2022	November 2021	September 2021	September 2021	May 2021
Erste Group Bank	Erste Group Bank	Erste Group Bank	Erste Group Bank	Erste Group Bank	Erste Group Bank
EUR 500,000,000 4y Senior Preferred	**EUR 750,000,000 6.5y & EUR 750,000,000 15y Mortgage Covered Bond**	**EUR 500,000,000 11NC6 T2**	**CHF 200,000,000 7y Senior Preferred**	**EUR 500,000,000 8y Senior Preferred**	**EUR 500,000,000 7y Sustainable Senior Preferred**
Joint Bookrunner	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner

- Q1 22 – After a 2-year absence from the syndicated covered bond market Erste Group started into 2022 with a successful EUR 1.5bn 6.5y & 15y dual-tranche **mortgage covered bond** (printed at MS-3bp and +5bp). In March Erste Group pre-emptively issued a EUR 500mn 4y senior preferred bond at MS+55bp during a very supportive market backdrop amidst the Ukraine war.

- Q4 21 - Heading out of the quiet period Erste Group Bank AG concluded its wholesale funding activities for 2021 with a EUR 500mn 11NC6 **T2 note** issued at MS+110bp – representing the tightest spread / lowest coupon for a benchmark T2 for the issuer

- Q3 21 - In September 2021, Erste Group decided to return to the **senior preferred** market twice with a EUR 500mn 8y note priced at MS+45bp followed by a CHF 200mn 7y note priced at SARON MS+41bp. The latter represents the first CHF benchmark transaction for Erste Group after more than 10 years.

Additional information: Erste Group Bank AG as issuer

Summary of benchmark issues

Seniority	ISIN	Coupon	Reset	Maturity / First Call	Term	Currency	Volume in mn
Mortgage Covered Bond	XS1346557637	0.625%		19/01/2023	7	EUR	750
Mortgage Covered Bond	XS1845161790	0.250%		26/06/2024	6	EUR	750
Mortgage Covered Bond	XS1181448561	0.750%		05/02/2025	10	EUR	500
Mortgage Covered Bond	XS1807495608	0.625%		17/04/2026	8	EUR	750
Mortgage Covered Bond	XS1550203183	0.625%		18/01/2027	10	EUR	750
Mortgage Covered Bond	XS1750974658	0.750%		17/01/2028	10	EUR	1,000
Mortgage Covered Bond	AT0000A2UXM1	0.100%		12/07/2028	6.5	EUR	750
Mortgage Covered Bond	AT0000A2A6W3	0.010%		11/09/2029	10	EUR	500
Mortgage Covered Bond	AT0000A2CDT6	0.100%		15/01/2030	10	EUR	750
Mortgage Covered Bond	AT0000A286W1	0.875%		15/05/2034	15	EUR	500
Mortgage Covered Bond	AT0000A2UXN9	0.500%		12/01/2037	15	EUR	750
Senior Preferred	XS1982725159	0.375%		16/04/2024	5	EUR	500
Senior Preferred	AT0000A2JAF6	0.050%		16/09/2025	5	EUR	500
Senior Preferred	AT0000A2WVQ2	1.500%		07/04/2026	6	EUR	500
Senior Preferred	AT0000A2GH08	0.875%		13/05/2027	7	EUR	750
Senior Preferred	AT0000A2KW37	0.100%	3m Euribor +52bps	16/11/2027	8NC7	EUR	750
Sustainable Senior Preferred	AT0000A2RAA0	0.125%		17/05/2028	7	EUR	500
Senior Preferred	AT0000A2SUH1	0.250%		14/09/2029	8	EUR	500
Senior Preferred	AT0000A2N837	0.250%		27/01/2031	10	EUR	500
Senior Preferred	CH1135555584	0.250%		02/10/2028	7	CHF	500
Senior Non-Pref.	XS2000538343	0.875%		22/05/2026	7	EUR	500
Tier 2	XS0840062979	7.125%		08/10/2022	10	EUR	302
Tier 2	XS2083210729	1.000%	5y ms+130.0bps	10/06/2025	10.5NC5.5	EUR	500
Tier 2	AT0000A2J645	1.625%	5y ms+210.0bps	08/09/2026	11NC6	EUR	500
Tier 2	AT0000A2U543	0.875%	5y ms+110.0bps	15/11/2027	11NC6	EUR	500
AT1	XS1597324950	6.500%	5y ms+620.4bps	15/04/2024	perpNC7	EUR	500
AT1	XS1961057780	5.125%	5y ms+485.1bps	15/10/2025	perpNC6.5	EUR	500
AT1	XS2108494837	3.375%	5y ms+343.3bps	15/04/2027	perpNC7.2	EUR	500
AT1	AT0000A2L583	4.250%	5y ms+464.6bps	15/04/2028	perpNC7.4	EUR	750

Presentation topics

1 Introduction to Erste Group

2 Summary quarterly update

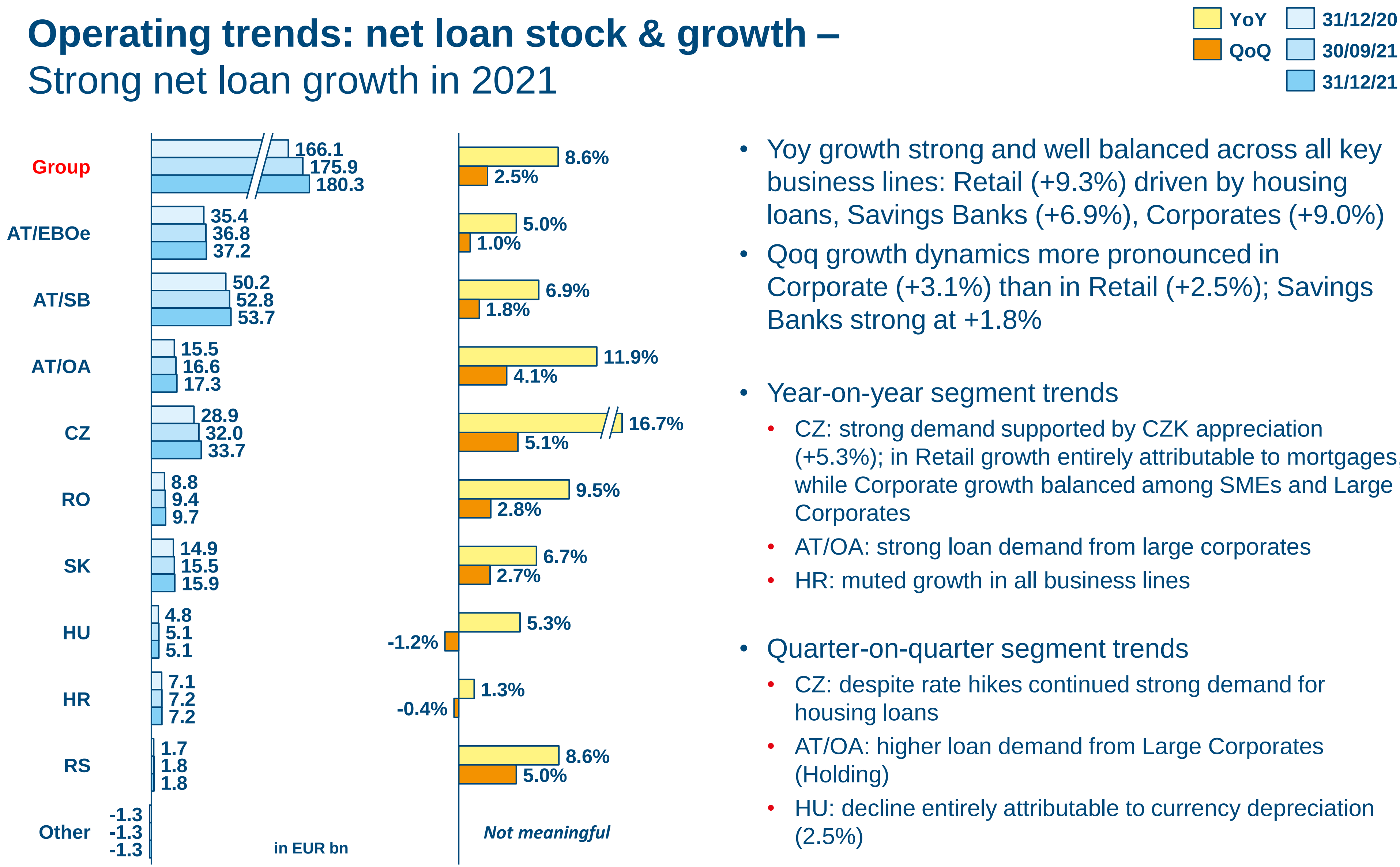
3 Funding strategy

4 **Further information on latest quarterly financials and capital**

Presentation topics

- Operating trends
  - Volumes
  - Revenues and costs
  - Impairments and asset quality
- Capital
- Additional information

Operating trends: net loan stock & growth –
Strong net loan growth in 2021



- Yoy growth strong and well balanced across all key business lines: Retail (+9.3%) driven by housing loans, Savings Banks (+6.9%), Corporates (+9.0%)
- Qoq growth dynamics more pronounced in Corporate (+3.1%) than in Retail (+2.5%); Savings Banks strong at +1.8%
- Year-on-year segment trends
  - CZ: strong demand supported by CZK appreciation (+5.3%); in Retail growth entirely attributable to mortgages, while Corporate growth balanced among SMEs and Large Corporates
  - AT/OA: strong loan demand from large corporates
  - HR: muted growth in all business lines
- Quarter-on-quarter segment trends
  - CZ: despite rate hikes continued strong demand for housing loans
  - AT/OA: higher loan demand from Large Corporates (Holding)
  - HU: decline entirely attributable to currency depreciation (2.5%)

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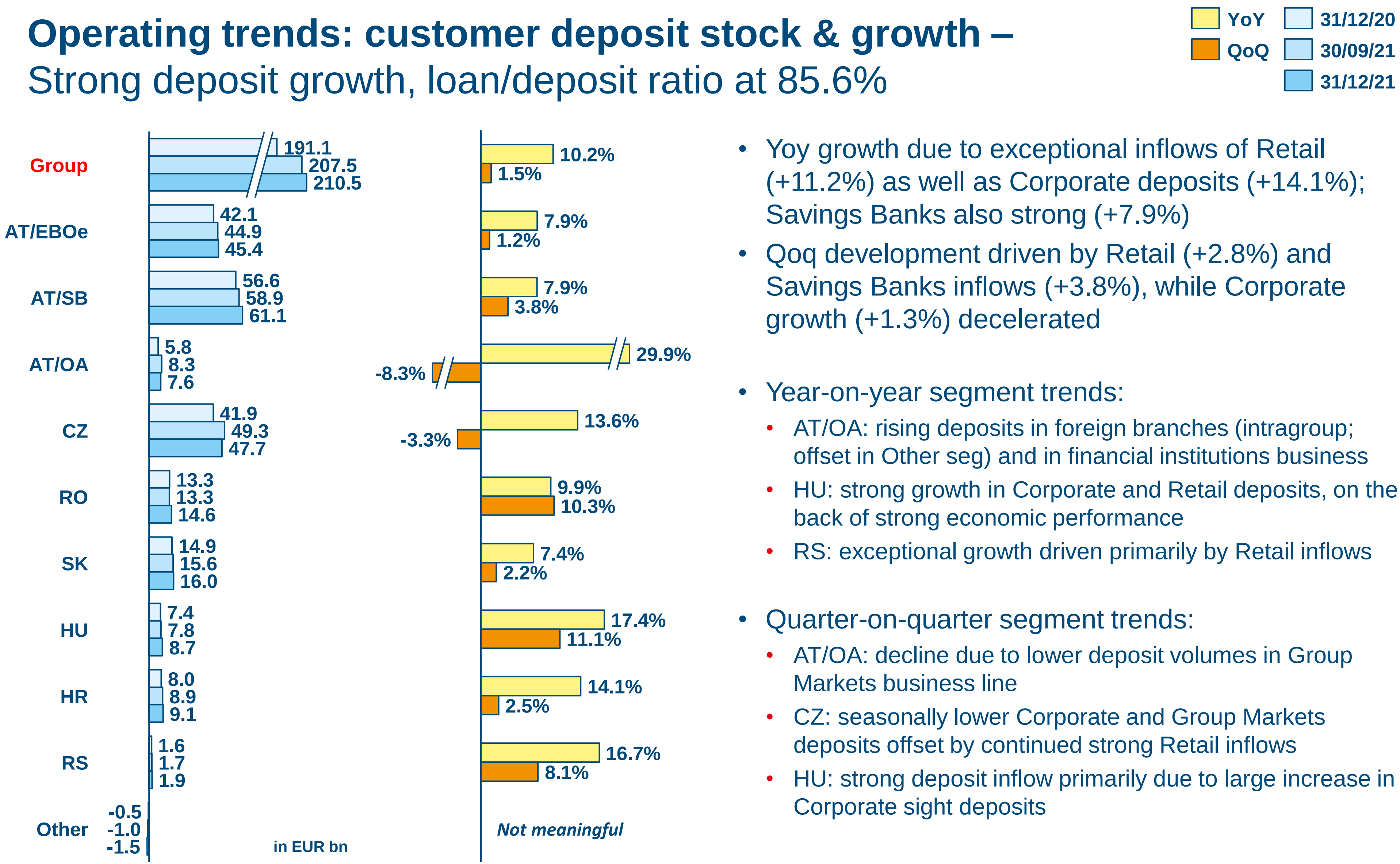
Operating trends: customer deposit stock & growth –
Strong deposit growth, loan/deposit ratio at 85.6%

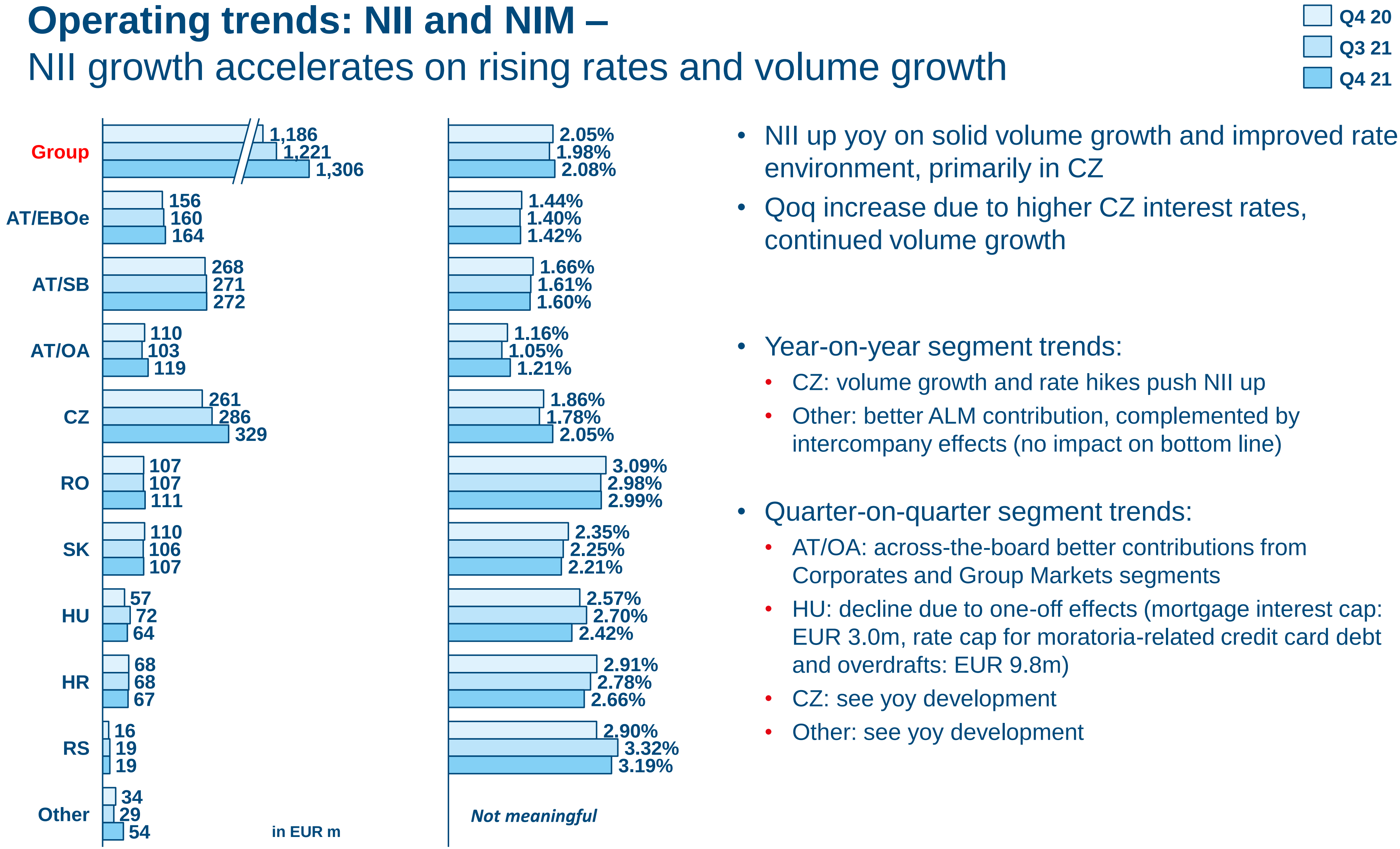


- Yoy growth due to exceptional inflows of Retail (+11.2%) as well as Corporate deposits (+14.1%); Savings Banks also strong (+7.9%)
- Qoq development driven by Retail (+2.8%) and Savings Banks inflows (+3.8%), while Corporate growth (+1.3%) decelerated

- Year-on-year segment trends:
  - AT/OA: rising deposits in foreign branches (intragroup; offset in Other seg) and in financial institutions business
  - HU: strong growth in Corporate and Retail deposits, on the back of strong economic performance
  - RS: exceptional growth driven primarily by Retail inflows

- Quarter-on-quarter segment trends:
  - AT/OA: decline due to lower deposit volumes in Group Markets business line
  - CZ: seasonally lower Corporate and Group Markets deposits offset by continued strong Retail inflows
  - HU: strong deposit inflow primarily due to large increase in Corporate sight deposits

Operating trends: NII and NIM –
NII growth accelerates on rising rates and volume growth

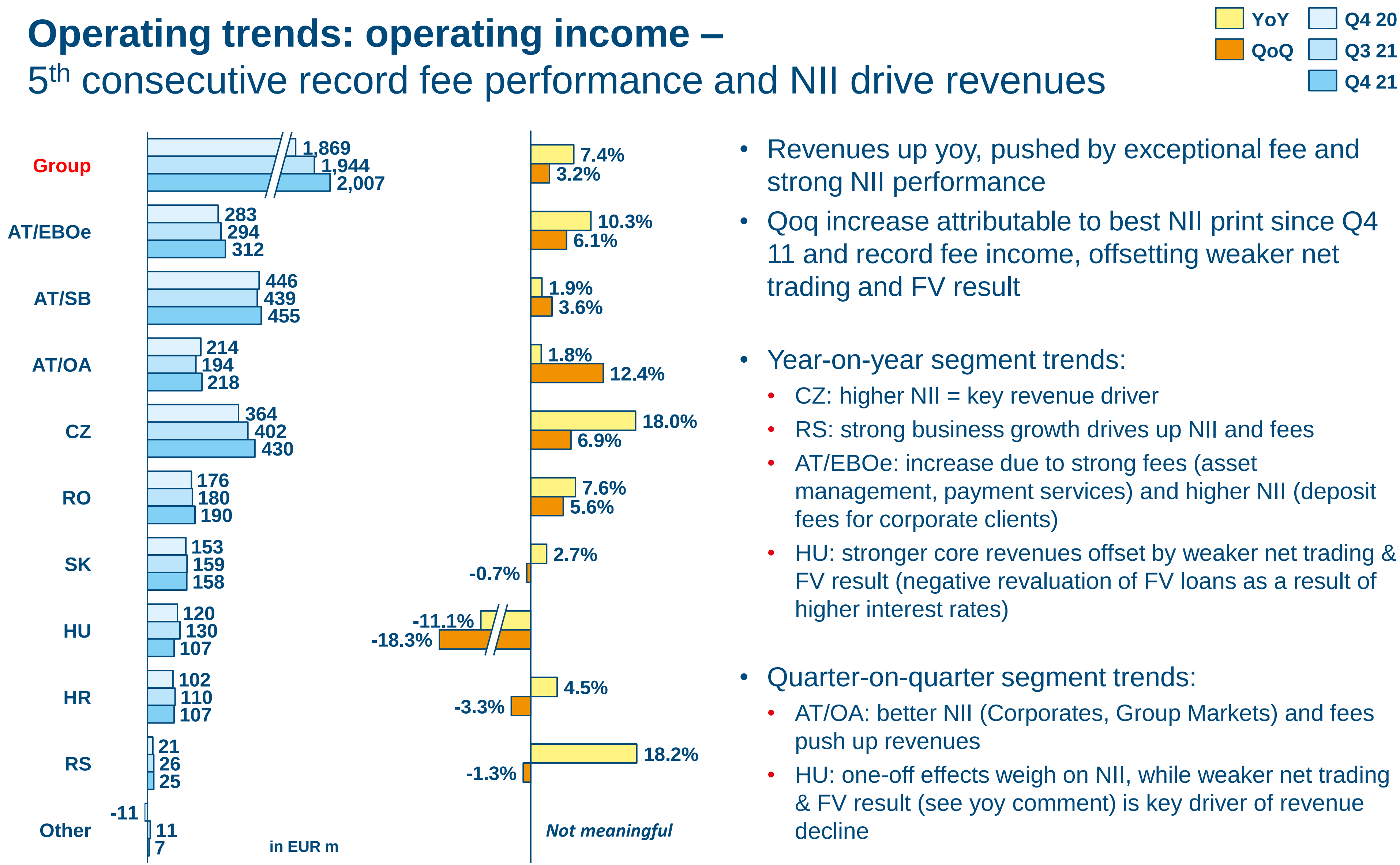


- NII up yoy on solid volume growth and improved rate environment, primarily in CZ
- Qoq increase due to higher CZ interest rates, continued volume growth

- Year-on-year segment trends:
  - CZ: volume growth and rate hikes push NII up
  - Other: better ALM contribution, complemented by intercompany effects (no impact on bottom line)

- Quarter-on-quarter segment trends:
  - AT/OA: across-the-board better contributions from Corporates and Group Markets segments
  - HU: decline due to one-off effects (mortgage interest cap: EUR 3.0m, rate cap for moratoria-related credit card debt and overdrafts: EUR 9.8m)
  - CZ: see yoy development
  - Other: see yoy development

Operating trends: operating income –
5th consecutive record fee performance and NII drive revenues



- Revenues up yoy, pushed by exceptional fee and strong NII performance
- Qoq increase attributable to best NII print since Q4 11 and record fee income, offsetting weaker net trading and FV result

- Year-on-year segment trends:
  - CZ: higher NII = key revenue driver
  - RS: strong business growth drives up NII and fees
  - AT/EBOe: increase due to strong fees (asset management, payment services) and higher NII (deposit fees for corporate clients)
  - HU: stronger core revenues offset by weaker net trading & FV result (negative revaluation of FV loans as a result of higher interest rates)

- Quarter-on-quarter segment trends:
  - AT/OA: better NII (Corporates, Group Markets) and fees push up revenues
  - HU: one-off effects weigh on NII, while weaker net trading & FV result (see yoy comment) is key driver of revenue decline

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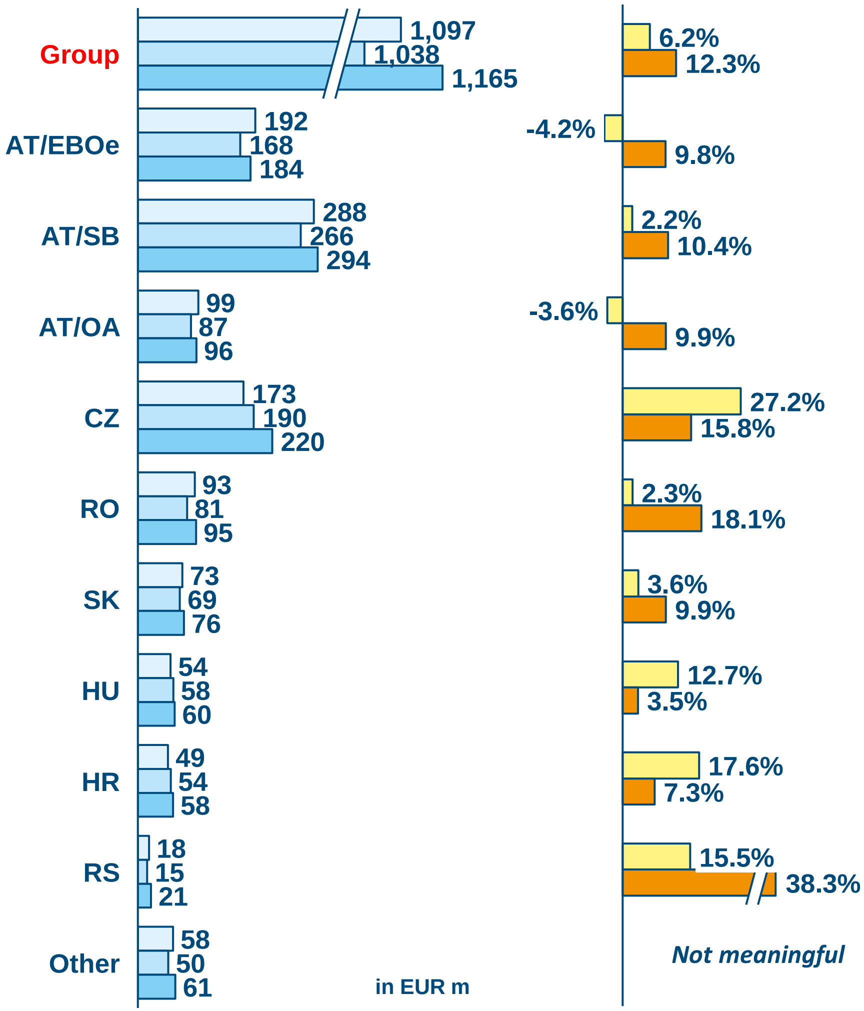
Operating trends: operating expenses –
Costs increase on higher personnel and administrative spend



- Yoy increase due to higher personnel costs (employee share programme, bonus accruals); other administrative expenses, depreciation/amortisation stable
- Qoq development attributable to personnel costs, seasonally higher other administrative expenses

- Year-on-year segment trends:
  - CZ: higher personnel expenses due to higher bonus accruals, wage increases and employee share programme; FX effect EUR 8.7m
  - HR: mainly driven by higher staff costs (wage increases)
  - HU: mainly higher wage costs
  - AT/OA: lower costs due to London branch closure in Q4 20

- Quarter-on-quarter segment trends:
  - RS: mainly driven by higher other administrative expenses (IT, legal and consultancy, marketing)
  - RO: driven by across-the-board higher other administrative expenses (IT, marketing, office space, legal & consultancy) and higher personnel expenses

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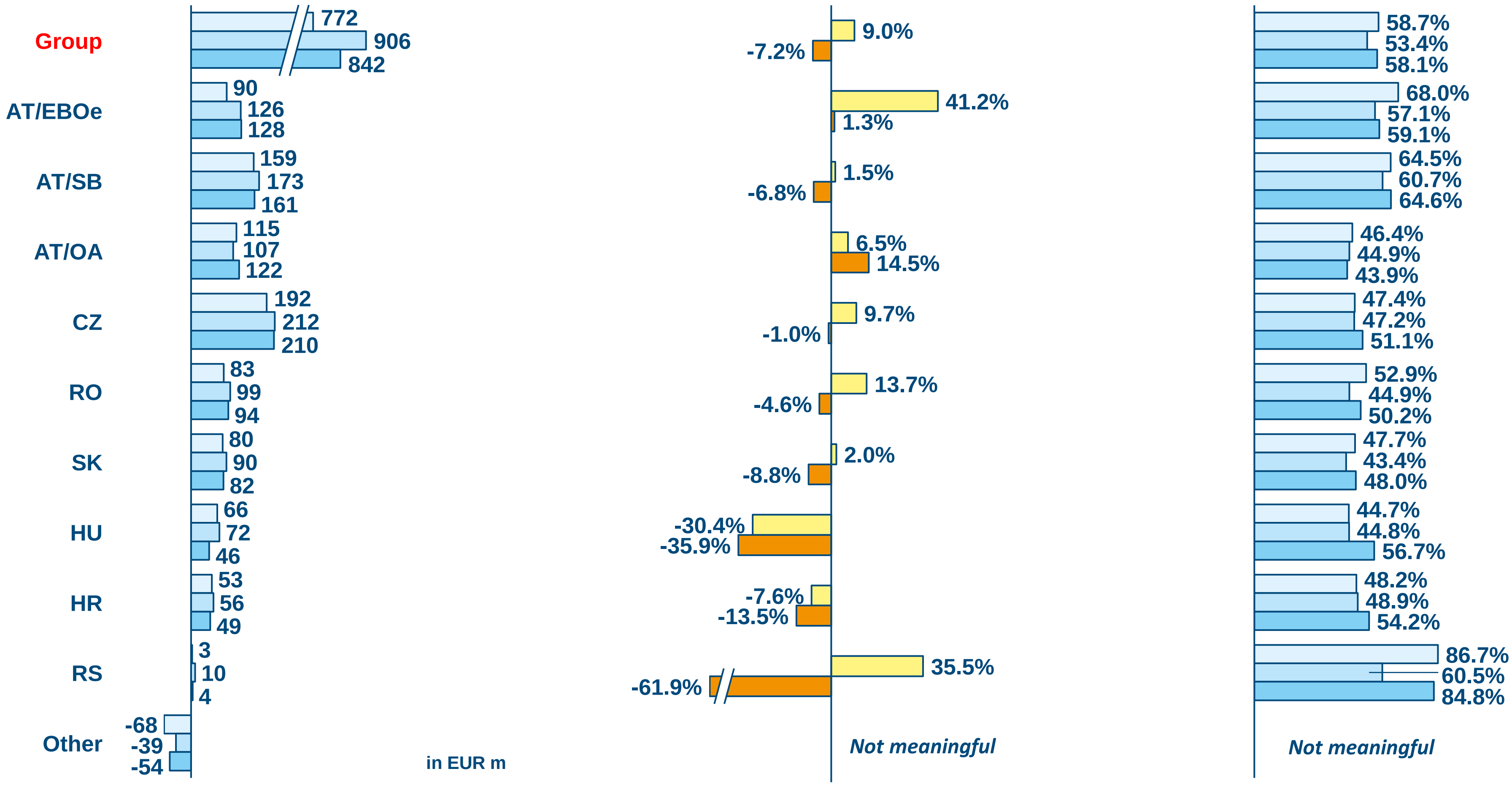
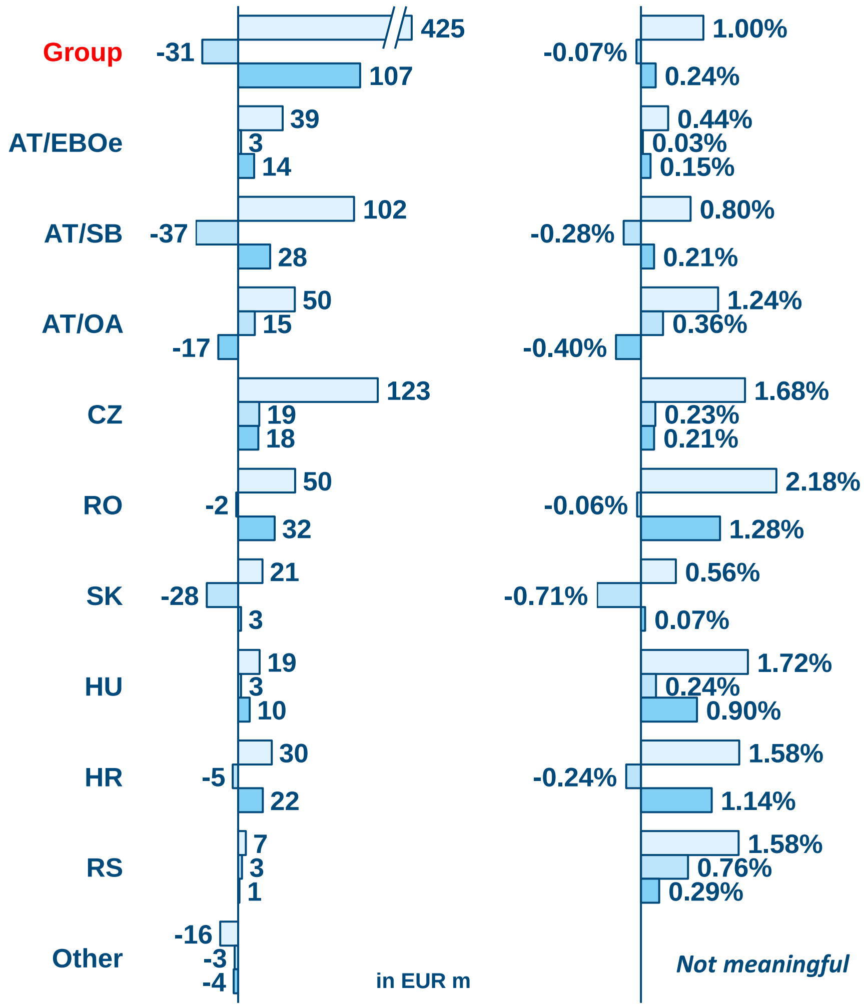
Operating trends: operating result and CIR –
Operating result up 17.1% in 2021, CIR improves to 55.6%

YoY QoQ Q4 20 Q3 21 Q4 21

Operating result | YoY & QoQ change | Cost/income ratio



Operating trends: risk costs (abs/rel*) –
Benign risk environment throughout 2021 – risk costs of 9 bps



- Steep decline of yoy risk costs attributable to few defaults, absence of special UTP assessment and updated management overlays (Covid heatmap)
- Qoq increase due to new defaults, method effects, while overall risk environment remained favourable

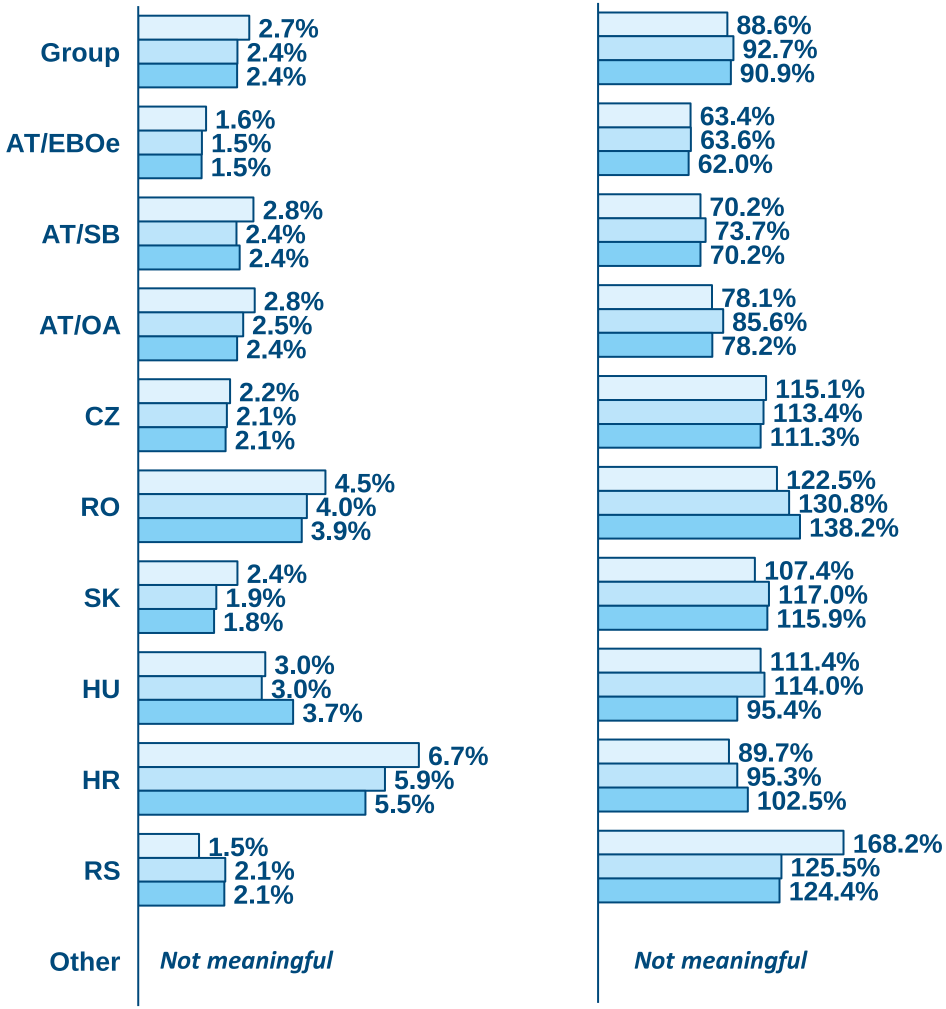
- Year-on-year segment trends:
  - Generally lower risk costs on better macro, few defaults, absence of special UTP assessment apart from HU

- Quarter-on-quarter segment trends:
  - AT/OA: large single recoveries in CRE and LC; method effects (PD updates) weighing on Q3 21
  - AT/SB: in Q3 21 method effects (macro update, lifetime PDs) had positive impact, in Q4 21 method effects had negative impact, resulting is significant swing
  - RO: retail and corporate PD updates drive higher charge
  - SK: previous quarter benefitted from single case release
  - HR: higher charge due to parameter updates and stage migrations (S1/S2)

*) A positive (absolute) figure denotes risk costs, a negative figure denotes net releases. Relative risk costs are calculated as annualised quarterly impairment result of financial instruments over average gross customer loans.

Operating trends: asset quality – NPL ratio and coverage

NPL ratio at historic low, coverage ratio at comfortable level

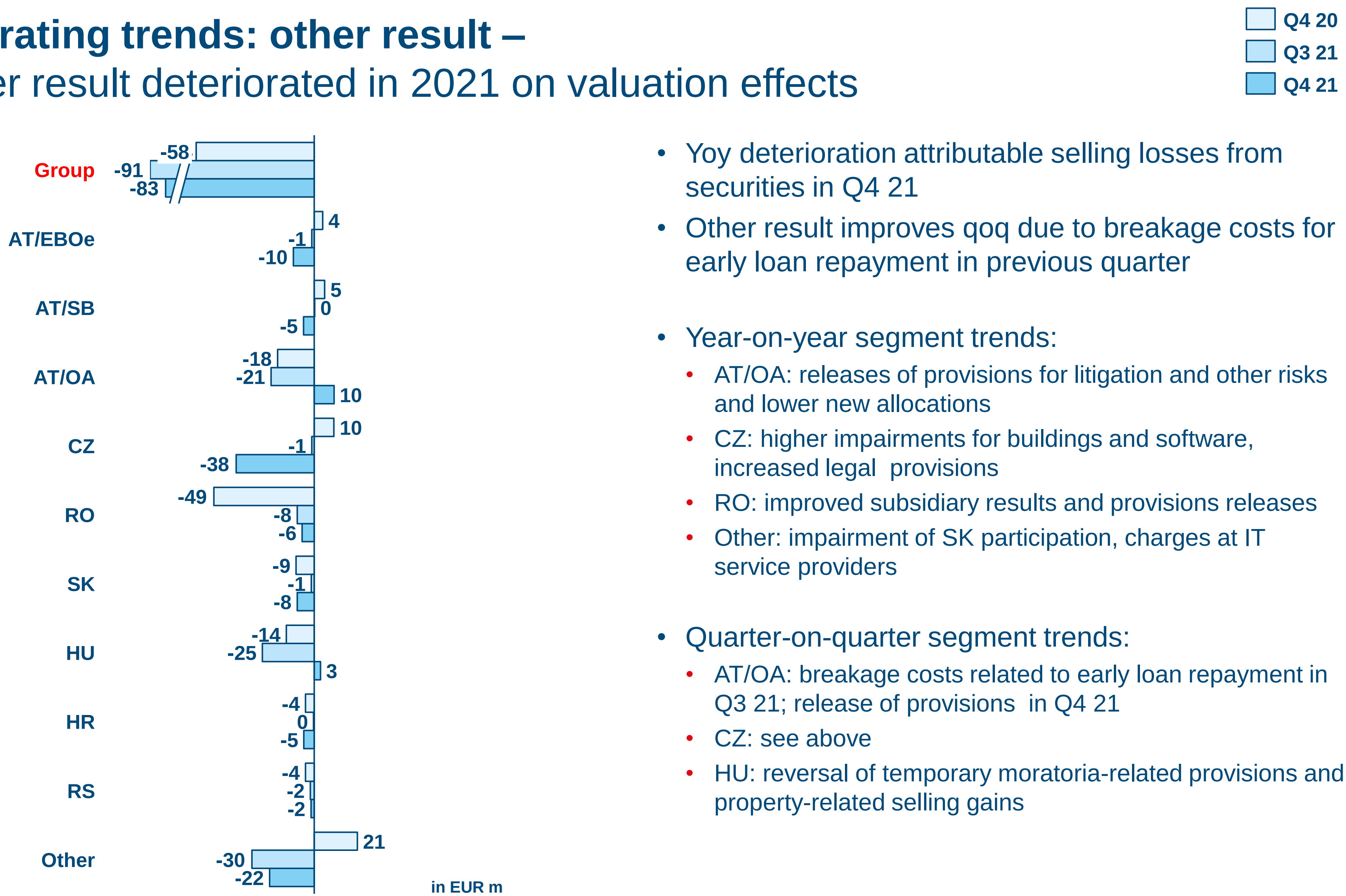


- **NPL ratio** improves to **2.4%** and **NPL coverage** increases to **90.9%** on decreasing yoy NPL stock and accelerating loan growth
- **Stage 2 ratio** improved to 16.7%, with strong coverage of 4.0%
- **Post-moratoria experiences continue to be promising**
  - No significant increase in hard defaults observed yet

Risk provisions by IFRS9 stages

						CLA	Coverage
in EUR million	**Dec 20**	**Mar 21**	**Jun 21**	**Sep 21**	**Dec 21**	**Dec 21**	**Dec 21**
Stage 1	78.4%	78.2%	78.9%	79.2%	80.4%	412	**0.3%**
Stage 2	18.4%	18.7%	18.1%	17.9%	16.7%	1,238	**4.0%**
Stage 3	2.5%	2.5%	2.4%	2.3%	2.3%	2,198	**52.8%**
POCI	0.2%	0.2%	0.2%	0.2%	0.2%	88	**26.9%**
Subject to IFRS9	99.6%	99.6%	99.5%	99.5%	99.6%	3,936	**2.1%**
Not subject to IFRS 9	0.4%	0.4%	0.5%	0.5%	0.4%	0	**0.0%**
Gross customer loans	**170,020**	**171,811**	**176,094**	**179,848**	**184,177**	**3,936**	**2.1%**

Operating trends: other result –
Other result deteriorated in 2021 on valuation effects



- Yoy deterioration attributable selling losses from securities in Q4 21
- Other result improves qoq due to breakage costs for early loan repayment in previous quarter

- Year-on-year segment trends:
  - AT/OA: releases of provisions for litigation and other risks and lower new allocations
  - CZ: higher impairments for buildings and software, increased legal provisions
  - RO: improved subsidiary results and provisions releases
  - Other: impairment of SK participation, charges at IT service providers

- Quarter-on-quarter segment trends:
  - AT/OA: breakage costs related to early loan repayment in Q3 21; release of provisions in Q4 21
  - CZ: see above
  - HU: reversal of temporary moratoria-related provisions and property-related selling gains

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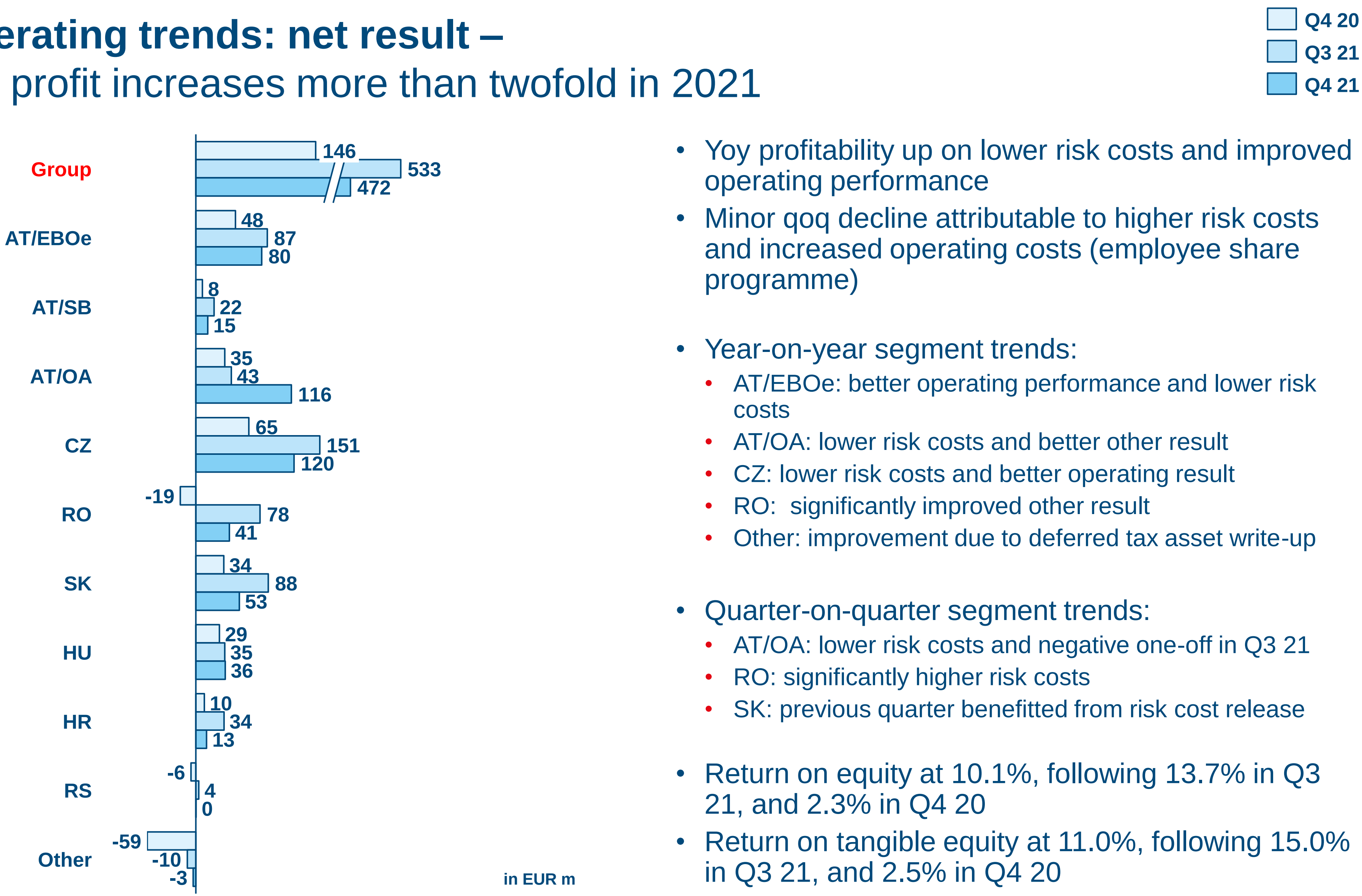
Operating trends: net result –
Net profit increases more than twofold in 2021



- Yoy profitability up on lower risk costs and improved operating performance
- Minor qoq decline attributable to higher risk costs and increased operating costs (employee share programme)

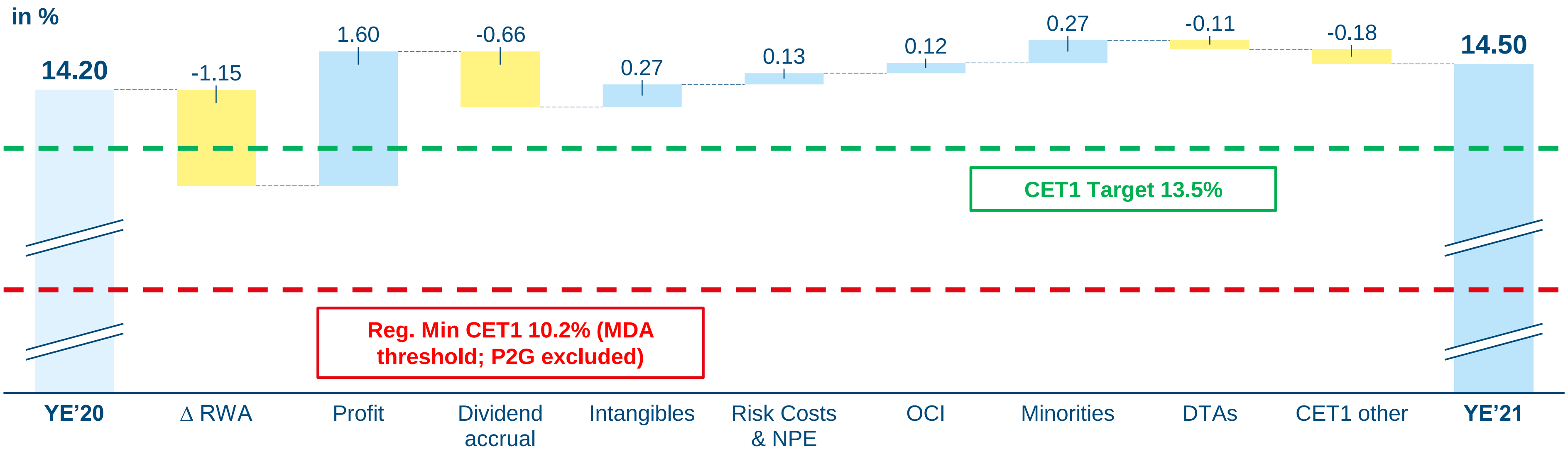
- Year-on-year segment trends:
  - AT/EBOe: better operating performance and lower risk costs
  - AT/OA: lower risk costs and better other result
  - CZ: lower risk costs and better operating result
  - RO: significantly improved other result
  - Other: improvement due to deferred tax asset write-up

- Quarter-on-quarter segment trends:
  - AT/OA: lower risk costs and negative one-off in Q3 21
  - RO: significantly higher risk costs
  - SK: previous quarter benefitted from risk cost release

- Return on equity at 10.1%, following 13.7% in Q3 21, and 2.3% in Q4 20
- Return on tangible equity at 11.0%, following 15.0% in Q3 21, and 2.5% in Q4 20

Wholesale funding and capital: CET1 ratio waterfall –

Fully loaded CET1 ratio advances to 14.5% at YE2021



CET1 ratio rises as 2021 profit generation exceeds RWA growth, other effects

- **RWAs** up by EUR 9.5bn to EUR 129.6bn, driven by rise in credit risk (business growth, method effects)
- Full year **profit** of EUR 1.927m (CRR scope), **dividend** of EUR 1.60 per share and AT1 coupon incorporated
- Lower deduction of **intangible assets** (EUR +322m) mainly driven by incorporation of prudent amortization on software assets
- Favourable development of **NPE backstop** (EUR +90m) and **lower risk costs** (EUR +71mn)
- **Positive OCI development** mainly driven by improvement in FX translation (EUR +272mn) partly counterbalanced by lower FV changes from debt instruments (EUR -152m)
- **Increase in minorities** (EUR +327m) mostly driven by early-profit inclusion of savings banks
- Rise in deduction for **deferred tax assets** (EUR -129m)
- Higher deduction in own CET1 instruments and higher adjustments for prudent valuation (in total EUR -211m)

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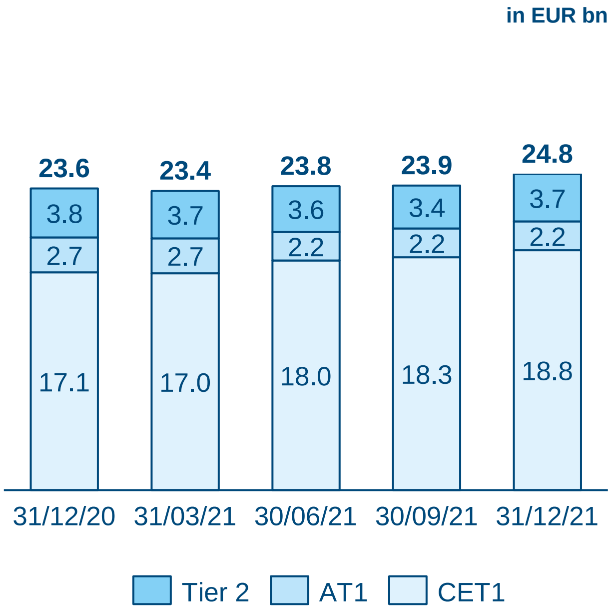
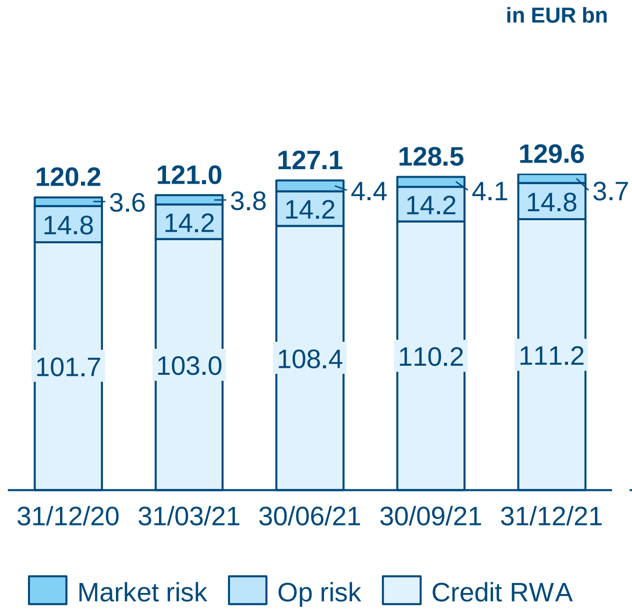
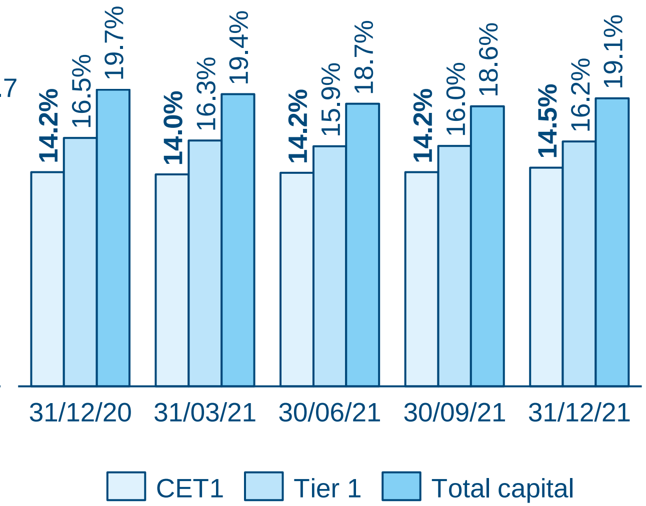
Wholesale funding and capital: capital & RWA –
Risk-weighted assets grow by 7.9% in 2021, in line with loan growth

Basel 3 capital	Risk-weighted assets	Basel 3 capital ratios







- **CET1 capital up 10.2%** in 2021
  - Retained earnings: + EUR 1.2bn
  - Minority interest: + EUR 0.3bn
  - Other intangible assets: - EUR 0.3bn
- AT1 declines by EUR 500m on calling XS1425367494 AT1 instrument

- **RWAs up by 7.9%** in 2021
  - Credit RWA: +9.3% in 2021, mainly on business growth (+ EUR 9.9bn), method and regulatory effects (+ EUR 3.8bn for new LGD model, CRR2 implementation), while portfolio effects (- EUR 4.1bn) contributed positively
  - Market and op risk RWA stable in 2021

- CET1 ratio (final) at solid **14.5%, ahead of 13.5% target**
- Management to propose **EUR 1.6 dividend per share** for FY2021 to 2022 AGM (FY2020: EUR 1.5 per share)

Wholesale funding and capital: uses of (excess) capital –
Organic capital generation supports business growth and capital return

- Priorities for the use of (excess) capital

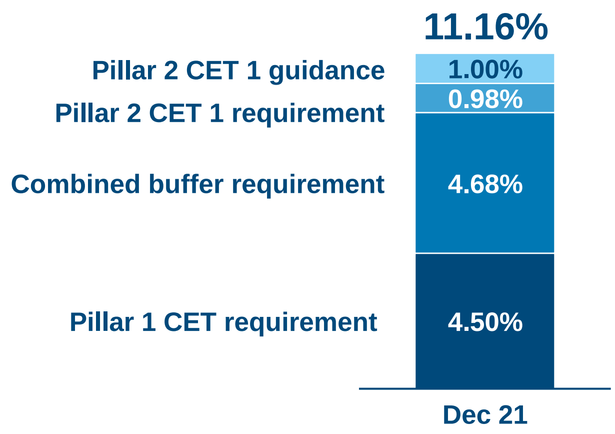
1. Funding organic business growth

2. Rewarding shareholders with adequate regular dividend – targeting progressive dividend policy within 40-50%* payout corridor
   - Payout ratio* for FY2021 (DPS = EUR 1.6): 38.7%

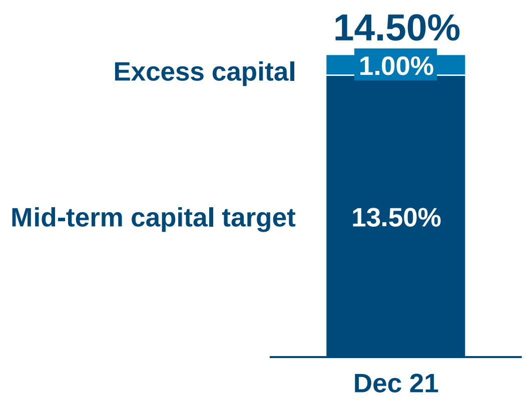
3. Investing in inorganic business growth by way of **bolt-on acquisitions in existing markets**, such as Commerzbank transaction in Hungary

4. Additional capital return by way of share buybacks

CET1 requirement (SREP)



Excess capital component in CET1 ratio



*) Payout ratio = (DPS * number of shares issued at the end of the period)/ (net result for the period attributable to owners of the parent after deduction of AT1 capital dividend)

ERSTE Group

Regulatory capital position/requirement (SREP) –
Capital requirements (SREP) for 2022 slightly up on higher CCyB

		Erste Group Consolidated					Erste Group Unconsolidated			
					ECB Capital Relief					
		Fully loaded		Fully loaded	Measures 1)	Fully loaded		Fully loaded		
		2019	2020	Q4 2021	Q4 2021	YE 2022	2019	2020	Q4 2021	YE 2022
Pillar 1 CET1 requirement		**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement 5)		**4.91%**	**4.68%**	**4.68%**	**2.18%**	**4.90%**	**4.75%**	**4.63%**	**4.62%**	**4.83%**
Capital conservation buffer		2.50%	2.50%	2.50%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Countercyclical capital buffer 2)		0.45%	0.18%	0.18%	0.18%	0.40%	0.25%	0.13%	0.12%	0.33%
OSII buffer		2.00%	2.00%	1.00%	1.00%	1.00%	2.00%	2.00%	1.00%	1.00%
Systemic risk buffer		2.00%	2.00%	1.00%	1.00%	1.00%	2.00%	2.00%	1.00%	1.00%
Pillar 2 CET1 requirement 3)		**1.75%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**1.75%**	**0.98%**	**0.98%**	**0.98%**
Pillar 2 CET1 guidance		**1.00%**	**1.00%**	**1.00%**	**0.00%**	**1.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Regulatory minimum ratios excluding P2G										
	CET1 requirement	11.16%	10.16%	10.16%	7.66%	10.38%	11.00%	10.11%	10.11%	10.31%
1.50% AT1	Tier 1 requirement	12.66%	11.99%	11.99%	9.49%	12.21%	12.50%	11.94%	11.93%	12.14%
2.00% T2	Own funds requirement	14.66%	14.43%	14.43%	11.93%	14.65%	14.50%	14.38%	14.37%	14.58%
Regulatory minimum ratios including P2G										
	CET1 requirement	12.16%	11.16%	11.16%	n.a.	11.38%	11.00%	10.11%	10.11%	10.31%
1.50% AT1	Tier 1 requirement	12.66%	12.99%	12.99%	n.a.	13.21%	12.50%	11.94%	11.93%	12.14%
2.00% T2	Own funds requirement	14.66%	15.43%	15.43%	n.a.	15.65%	14.50%	14.38%	14.37%	14.58%
Reported CET1 ratio as of December 2021				**14.75%**	**4)**				**23.66% 4)**	

- Buffer to MDA restriction as of 31 December 2021: 452bps
- Available distributable items (ADI) as of 31 December 21: EUR 3.5bn (post expected dividend);
  based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 6.1bn

1. Following ECB's announcement related to measures in reaction to COVID-19 on 12 March 2020 and 1 July 2021, the ECB allows banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the Capital Conservation Buffer (CCB). However, MDA restrictions still apply in case of a combined buffer requirement breach.
2. Planned values based on Q4 2021 exposure (Q4/21 Countercyclical buffer of 0.18% at EG Consolidated)
3. As of end of May 2021 Art. 70b (7) ABA applies using the Pillar 2 Requirement (P2R) according to the capital stack which results in the following application: 56.25% for CET1 capital and 75% for Tier 1 capital. The overall P2R remained at 1.75% for Erste Group. In 2020 the temporary capital relief actions from ECB (published on 12 March 2020) applied.
4. Consolidated capital ratios pursuant to IFRS on phased-in (PhI) basis. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB). ADIs pursuant to UGB.
5. Combined buffer requirement: until Q1 2021 higher of OSII and Systemic risk buffer is considered; YE 2021 OSII and Systemic risk buffer are cumulative

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

Erste Group footprint

Core markets

Indirect presence

Czech Republic
Customers: 4.5m
Employees: 9,711
Branches: 418

Slovakia
Customers: 2.1m
Employees: 3,644
Branches: 200

Hungary
Customers: 0.9m
Employees: 3,238
Branches: 105

Romania
Customers: 2.9m
Employees: 5,342
Branches: 326

Austria
Customers: 3.9m
Employees: 15,606
Branches: 820 (EBOe: 177)

Croatia
Customers : 1.3m
Employees : 3,220
Branches: 135

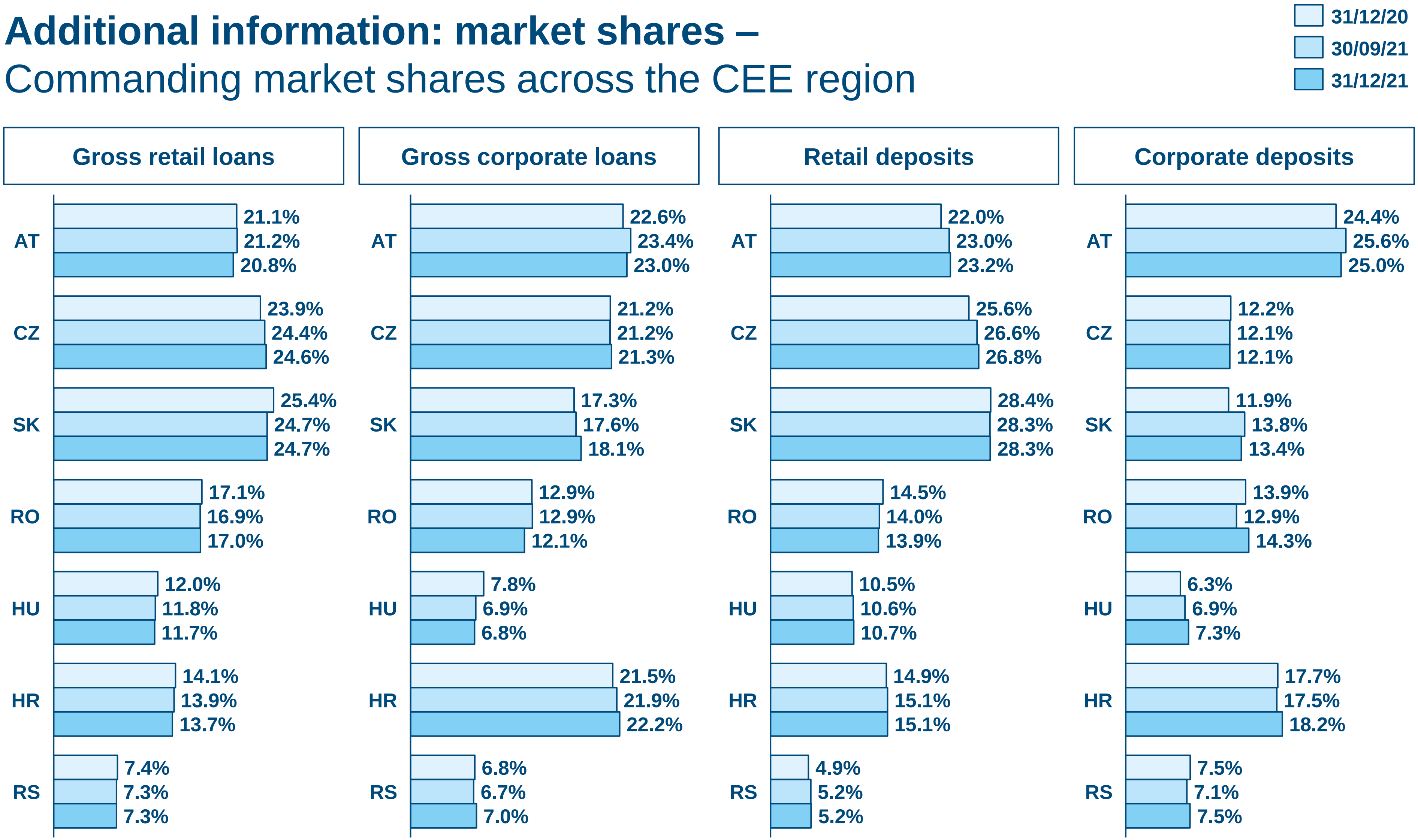
Serbia
Customers: 0.5m
Employees: 1,197
Branches: 87

Highlights

- Leading retail and corporate bank in 7 geographically connected countries
- Favourable mix of mature & emerging markets with low penetration rates
- Potential for cross selling and organic growth in CEE
- Number of customers: 16.1 million
- Number of employees: 44,596
- Number of branches: 2,091

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

Additional information: market shares –
Commanding market shares across the CEE region



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

in EUR million	Year-to-date view 2020	2021	YOY-Δ	Quarterly view Q4 20	Q3 21	Q4 21	YOY-Δ	QOQ-Δ
Net interest income	4,774.8	4,975.7	4.2%	1,185.6	1,220.8	1,306.2	10.2%	7.0%
Interest income	5,107.9	5,108.9	0.0%	1,225.0	1,274.8	1,400.0	14.3%	9.8%
Other similar income	1,461.7	1,476.5	1.0%	357.9	336.0	362.6	1.3%	7.9%
Interest expenses	-621.2	-483.8	-22.1%	-120.3	-124.1	-146.3	21.7%	17.9%
Other similar expenses	-1,173.6	-1,125.9	-4.1%	-277.0	-265.9	-310.1	11.9%	16.6%
Net fee and commission income	1,976.8	2,303.7	16.5%	528.5	591.4	613.3	16.0%	3.7%
Fee and commission income	2,354.5	2,722.1	15.6%	621.2	699.1	728.8	17.3%	4.2%
Fee and commission expenses	-377.7	-418.5	10.8%	-92.7	-107.8	-115.6	24.7%	7.2%
Dividend income	19.9	33.2	66.3%	4.3	7.7	5.0	17.6%	-34.7%
Net trading result	137.6	58.6	-57.4%	128.6	24.3	-8.8	n/a	n/a
Gains/losses from financial instruments measured at fair value through profit or loss	62.0	173.2	>100.0%	-19.4	49.9	39.7	n/a	-20.4%
Net result from equity method investments	10.4	15.4	48.0%	0.5	3.8	5.4	>100.0%	43.6%
Rental income from investment properties & other operating leases	173.6	182.3	5.0%	41.3	46.5	46.2	12.0%	-0.5%
Personnel expenses	-2,520.7	-2,578.1	2.3%	-618.5	-632.4	-696.8	12.7%	10.2%
Other administrative expenses	-1,158.9	-1,180.3	1.9%	-339.9	-265.3	-333.8	-1.8%	25.8%
Depreciation and amortisation	-540.9	-548.0	1.3%	-138.9	-140.3	-134.9	-2.9%	-3.9%
Gains/losses from derecognition of financial assets measured at amortised cost	6.8	-7.6	n/a	6.6	-1.4	-9.5	n/a	>100.0%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-0.4	-25.2	>100.0%	0.3	-18.2	-6.4	n/a	-64.9%
Impairment result from financial instruments	-1,294.8	-158.8	-87.7%	-424.7	31.3	-107.2	-74.8%	n/a
Other operating result	-278.3	-310.5	11.6%	-64.6	-70.9	-67.2	4.0%	-5.3%
Levies on banking activities	-117.7	-73.5	-37.6%	-17.4	-19.4	-1.9	-89.0%	-90.1%
Pre-tax result from continuing operations	**1,368.0**	**2,933.4**	**>100.0%**	**289.6**	**847.0**	**651.2**	**>100.0%**	**-23.1%**
Taxes on income	-342.5	-525.2	53.3%	-78.3	-146.3	-91.6	16.9%	-37.4%
Net result for the period	**1,025.5**	**2,408.1**	**>100.0%**	**211.3**	**700.7**	**559.6**	**>100.0%**	**-20.1%**
Net result attributable to non-controlling interests	242.3	484.8	>100.0%	65.2	167.3	87.6	34.3%	-47.6%
Net result attributable to owners of the parent	**783.1**	**1,923.4**	**>100.0%**	**146.0**	**533.4**	**472.0**	**>100.0%**	**-11.5%**
Operating income	7,155.1	7,742.0	8.2%	1,869.3	1,944.3	2,007.0	7.4%	3.2%
Operating expenses	-4,220.5	-4,306.5	2.0%	-1,097.3	-1,038.0	-1,165.5	6.2%	12.3%
Operating result	**2,934.6**	**3,435.5**	**17.1%**	**771.9**	**906.3**	**841.5**	**9.0%**	**-7.2%**

Additional information: group balance sheet – Assets

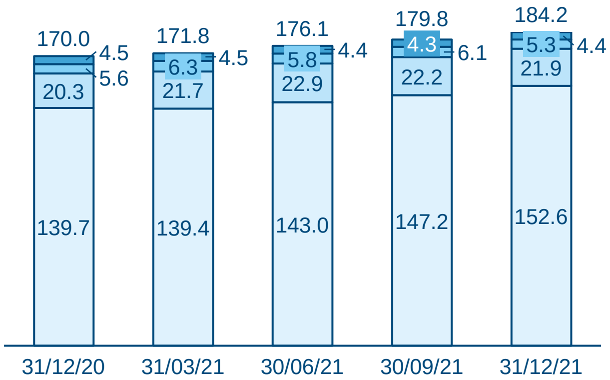
in EUR million	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	YOY-Δ	YTD-Δ	QOQ-Δ
	Quarterly data					Change		
Cash and cash balances	35,839	53,954	48,421	47,125	45,495	26.9%	26.9%	-3.5%
Financial assets held for trading	6,356	6,464	6,088	6,244	6,473	1.8%	1.8%	3.7%
Derivatives	2,954	2,551	2,146	2,269	2,263	-23.4%	-23.4%	-0.3%
Other financial assets held for trading	3,402	3,912	3,942	3,975	4,210	23.8%	23.8%	5.9%
Non-trading financial assets at fair value through profit and loss	3,083	3,096	3,154	3,105	3,124	1.3%	1.3%	0.6%
Equity instruments	347	325	309	316	332	-4.4%	-4.4%	5.0%
Debt securities	2,048	2,036	1,999	1,953	1,975	-3.6%	-3.6%	1.1%
Loans and advances to banks	0	0	19	21	10	n/a	n/a	-53.0%
Loans and advances to customers	**687**	**735**	**827**	**815**	**808**	**17.6%**	**17.6%**	**-0.9%**
Financial assets at fair value through other comprehensive income	8,519	8,547	9,181	9,074	8,881	4.3%	4.3%	-2.1%
Equity instruments	130	127	109	114	132	2.0%	2.0%	16.0%
Debt securities	8,389	8,420	9,072	8,960	8,749	4.3%	4.3%	-2.4%
Financial assets at amortised cost	210,940	219,901	223,072	230,488	229,641	8.9%	8.9%	-0.4%
Debt securities	29,579	31,009	33,272	33,651	35,551	20.2%	20.2%	5.6%
Loans and advances to banks	21,466	27,477	24,522	27,728	20,991	-2.2%	-2.2%	-24.3%
Loans and advances to customers	**159,895**	**161,414**	**165,279**	**169,109**	**173,099**	**8.3%**	**8.3%**	**2.4%**
Finance lease receivables	4,127	4,094	4,167	4,208	4,209	2.0%	2.0%	0.0%
Hedge accounting derivatives	205	149	131	94	79	-61.7%	-61.7%	-16.4%
Fair value changes of hedged items in portfolio hedge of interest rate risk	5	1	0	-2	-4	n/a	n/a	>100.0%
Property and equipment	2,552	2,526	2,545	2,539	2,645	3.6%	3.6%	4.2%
Investment properties	1,280	1,312	1,370	1,367	1,344	5.0%	5.0%	-1.7%
Intangible assets	1,359	1,332	1,342	1,326	1,362	0.2%	0.2%	2.7%
Investments in associates and joint ventures	190	192	195	196	211	10.9%	10.9%	7.6%
Current tax assets	175	183	171	147	135	-22.6%	-22.6%	-8.1%
Deferred tax assets	460	446	427	439	562	22.2%	22.2%	28.0%
Assets held for sale	212	165	141	129	73	-65.5%	-65.5%	-43.6%
Trade and other receivables	1,341	1,596	1,841	1,797	2,152	60.5%	60.5%	19.8%
Other assets	751	1,010	1,188	962	1,045	39.2%	39.2%	8.6%
Total assets	**277,394**	**304,969**	**303,435**	**309,240**	**307,428**	**10.8%**	**10.8%**	**-0.6%**

Additional information: group balance sheet –
Liabilities and equity

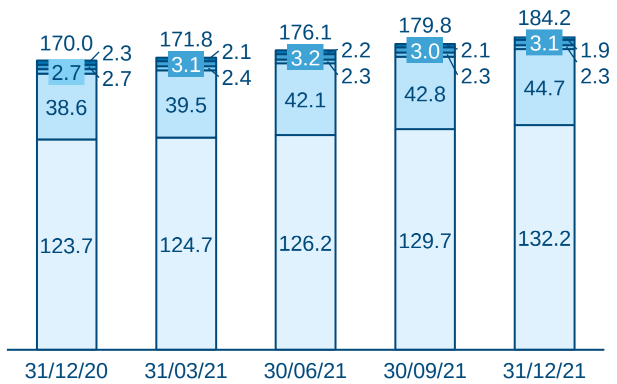
in EUR million	Quarterly data					Change		
	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities held for trading	2,625	2,192	2,412	2,193	2,474	-5.8%	-5.8%	12.8%
Derivatives	2,037	1,631	1,392	1,364	1,624	-20.3%	-20.3%	19.1%
Other financial liabilities held for trading	588	561	1,021	829	850	44.6%	44.6%	2.5%
Financial liabilities at fair value through profit or loss	12,091	11,383	10,448	10,281	10,464	-13.5%	-13.5%	1.8%
Deposits from customers	**254**	**230**	**136**	**130**	**495**	**94.8%**	**94.8%**	**>100.0%**
Debt securities issued	11,657	10,982	10,136	9,971	9,778	-16.1%	-16.1%	-1.9%
Other financial liabilities	180	172	176	180	191	5.9%	5.9%	6.3%
Financial liabilities at amortised cost	235,125	262,669	261,691	267,069	265,415	12.9%	12.9%	-0.6%
Deposits from banks	24,771	35,288	34,643	35,387	31,886	28.7%	28.7%	-9.9%
Deposits from customers	**190,816**	**205,144**	**206,120**	**207,376**	**210,029**	**10.1%**	**10.1%**	**1.3%**
Debt securities issued	19,020	21,535	20,107	23,534	22,352	17.5%	17.5%	-5.0%
Other financial liabilities	518	702	820	772	1,149	>100.0%	>100.0%	48.9%
Lease liabilities	560	557	594	582	588	5.1%	5.1%	1.0%
Hedge accounting derivatives	189	191	170	230	309	64.0%	64.0%	34.6%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	-100.0%	-100.0%	-99.9%
Provisions	2,082	2,196	2,055	2,053	1,986	-4.6%	-4.6%	-3.3%
Current tax liabilities	58	68	65	87	144	>100.0%	>100.0%	64.5%
Deferred tax liabilities	20	25	28	26	19	-6.5%	-6.5%	-27.3%
Liabilities associated with assets held for sale	1	1	1	1	0	-100.0%	-100.0%	-100.0%
Other liabilities	2,232	2,914	2,602	2,765	2,516	12.7%	12.7%	-9.0%
Total equity	**22,410**	**22,771**	**23,371**	**23,954**	**23,513**	**4.9%**	**4.9%**	**-1.8%**
Equity attributable to non-controlling interests	5,073	5,163	5,282	5,453	5,516	8.7%	8.7%	1.2%
Additional equity instruments	2,733	2,733	2,733	2,732	2,236	-18.2%	-18.2%	-18.1%
Equity attributable to owners of the parent	14,604	14,876	15,355	15,769	15,761	7.9%	7.9%	0.0%
Subscribed capital	860	860	860	860	860	0.0%	0.0%	0.0%
Additional paid-in capital	1,478	1,478	1,478	1,478	1,478	0.0%	0.0%	0.0%
Retained earnings and other reserves	12,267	12,538	13,018	13,432	13,424	9.4%	9.4%	-0.1%
Total liabilities and equity	**277,394**	**304,969**	**303,435**	**309,240**	**307,428**	**10.8%**	**10.8%**	**-0.6%**

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

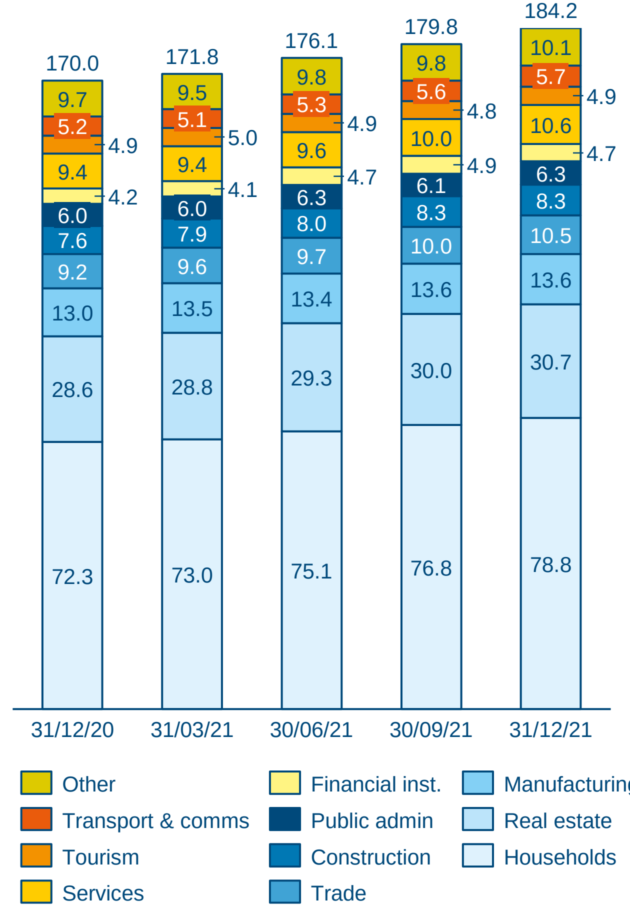
Gross cust. loans by risk category (EUR bn)



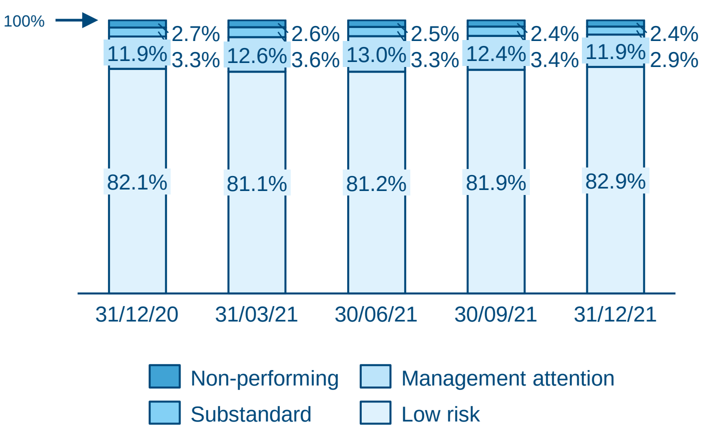
Gross customer loans by currency (EUR bn)



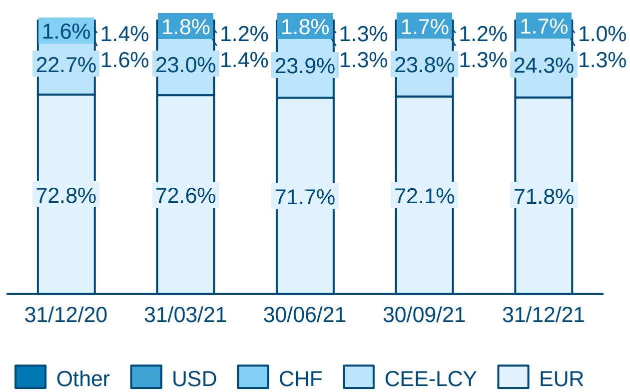
Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)



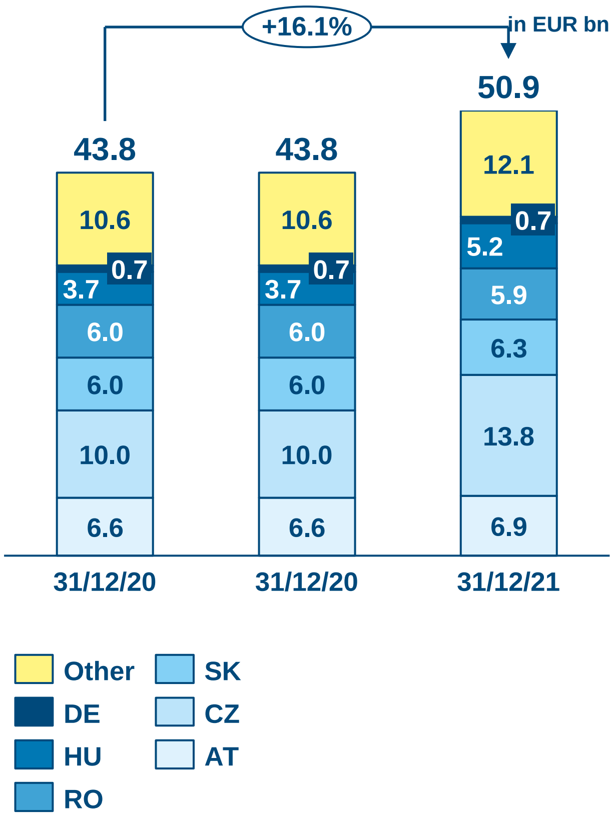
Gross customer loans by currency (in %)



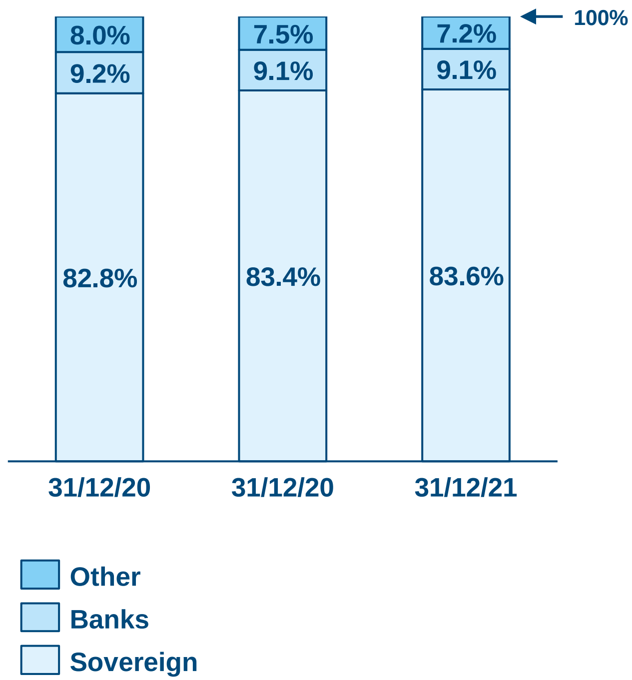
Additional information: financial and trading assets* –

LCR at excellent 177.3%

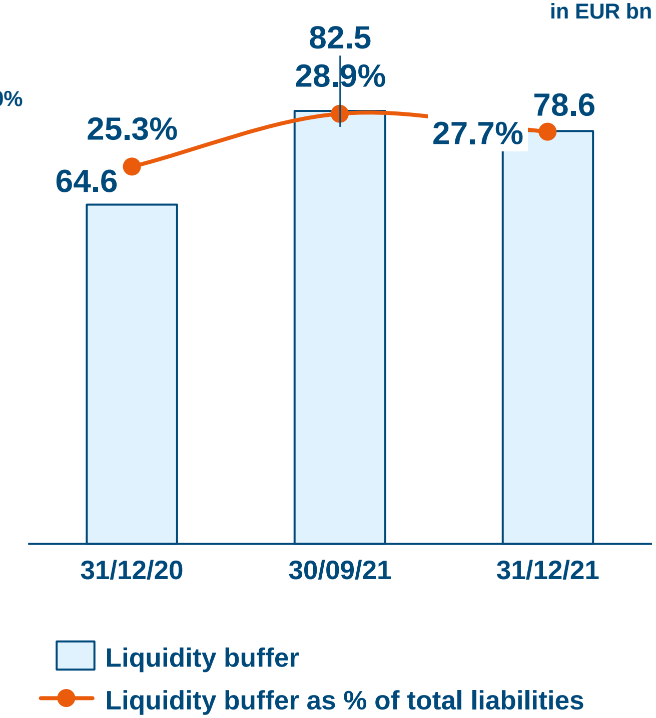
By geography



By debtor type



Liquidity buffer

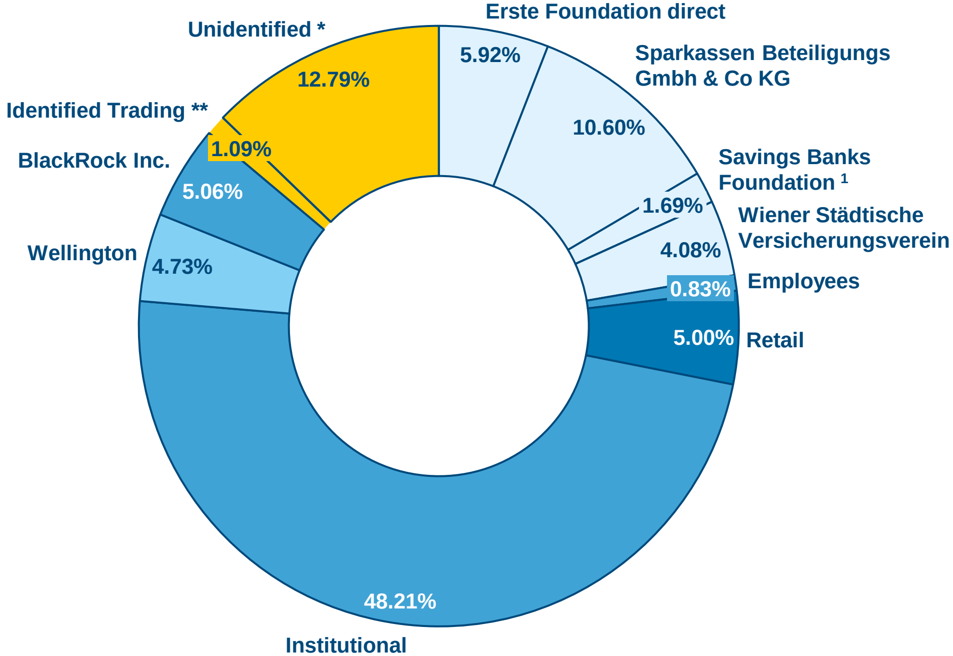


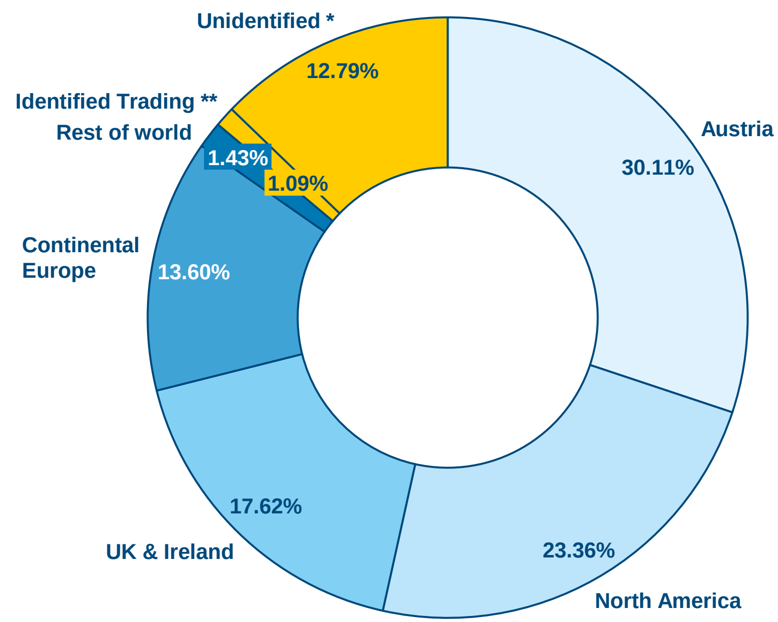
- Liquidity buffer is defined as unencumbered collateral plus cash
- Total liabilities are defined as total on balance sheet liabilities excluding total equity

* Excludes derivatives held for trading

Additional information: shareholder structure –
Total number of shares: 429,800,000

By investor	By region





[1] Syndicated Savings Banks Foundations, own holdings of Savings Banks, Erste Employees Private Foundation
* Unidentified institutional and retail investors
** Including Market Makers, Prime Brokerage, Proprietary Trading, Collateral and Stock Lending positions which are visible through custodian banklists
The shareholder structure may contain rounding differences.

Status as of 23 February 2022

Additional information: segment structure –
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

Additional information: Rationale for sustainable finance framework (SFF) under which green, social and sustainable finance instruments can be issued

Sustainable finance framework is the right choice for Erste Group to ...

Enhance Erste Group's sustainability commitment	Strengthen customer awareness and satisfaction	Strengthen Erste Group's financial position
• **highlights its social commitment** • underlines its commitment towards **climate and environmental objectives** • recognize the **importance of financial institutions** to promote sustainable investments	• contributes to **sustainability awareness** of our **customers** • helps to **increase investor dialogue and engagement on ESG topics** • contributes to **the credibility of sustainability in the CEE** region	• **Fosters long-term investor relationships** • enhances our competence in **important future market** • **diversifies our funding profile** with new instruments

Additional information:
Overview of Erste Group's sustainable finance framework

1 Use of proceeds

Eligible Green portfolios include

- Residential buildings
- Commercial buildings
- Renewable energy (wind, solar / PV, small scale hydro, geothermal)

Eligible Social portfolios include

- Subsidized housing program ('gemeinnütziger Wohnbau')
- Affordable housing ('Die Zweite Sparkasse')
- Financial & social inclusion financing
- Financing access to essential services (hospitals, schools)

2 Project evaluation and selection

- A dedicated Sustainable Finance Committee (the 'SFC') manages any future update of the Sustainable Finance Framework
- The loans selection is based on the Eligibility Criteria defined in respective section of Sustainable Finance Framework.
- EG has relied on the support of an external consultant to set up detailed Eligibility Criteria for Green Buildings
- EG refrains from ethically, social and environmentally harmful transactions. Risk perspective and exclusion rules are outlined in the publicly available 'Responsible Finance Policy'

3 Management of proceeds

- Net Proceeds of the Sustainable Finance Instruments will be allocated based on a portfolio approach.
- EG entities will strive, within 24 months after issuance, to reach full-allocation of the Net Proceeds to the Loan Portfolio
- Additional Green and / or Social Loans will be added to the Loan Portfolio to the extent required

4 Reporting

- EG will issue annual reports on the allocation of the Use of Proceeds and on the environmental and social impacts of the funded projects
- EG will not double count the financing of any Green or Social Loans
- EG intends to obtain verification of the Allocation Report, on a limited assurance basis, by an auditor or any other qualified party

Erste Group's SFF is aligned with:

The Social Bond Principles

EU TAXONOMY FINAL REPORT

The Green Bond Principles

SUSTAINABLE DEVELOPMENT GOALS

The Sustainability Bond Guidelines

Additional information: Second party opinion
ISS ESG verified sustainable finance framework

Summary of Second Party Opinion

PRINCIPLES ALIGNMENT	ASSET CATEGORIES	SUSTAINABILITY PERFORMANCE	CONTRIBUTION
POSITIVE	POSITIVE	Status PRIME Decile Rank: 2 (score 14.4**)**	

TRANSPARENCY LEVEL

VERY HIGH


SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainable Finance Framework

Erste Group
3 May 2021

ISS ESG

- *The issuer shows a **good sustainability performance** against industry peer group on key ESG issues and **has been rated 'PRIME'.***
- *The issuer’s **formal concept** of Green, Social and Sustainability Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting **is in line with the ICMA GBPs, SBPs and SBGs** and based on robust selection processes, the green eligible projects are considered to be aligned with the EU Taxonomy.*
- *For the **social project categories, the overall sustainability quality is good**.*

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