

Erste Group debt investor presentation

May 2021

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Presentation topics –

1

Introduction to Erste Group

2

Summary quarterly update

3

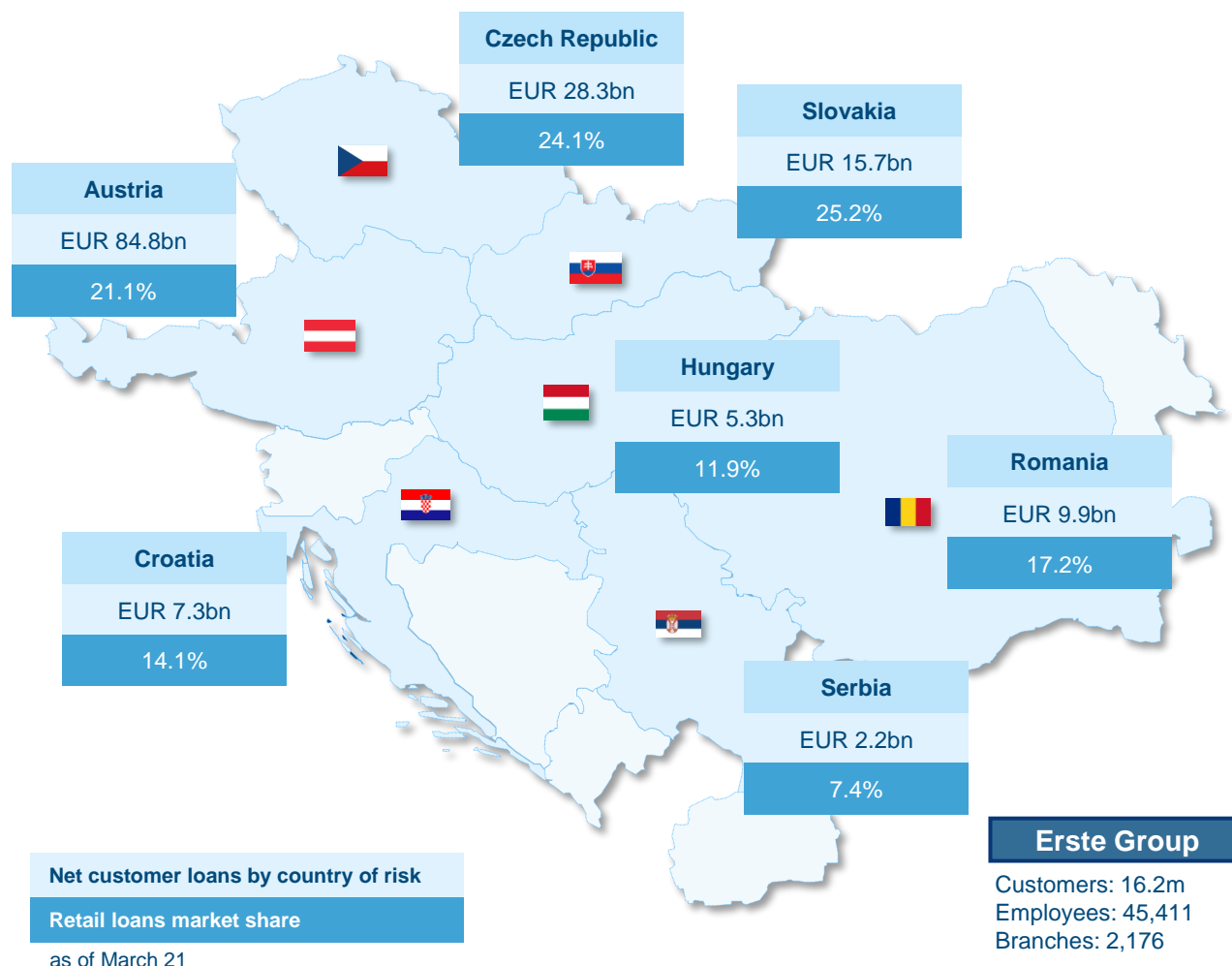
Funding strategy

4

Further information on latest quarterly financials

Erste Group's footprint –

Leading retail & corporate bank in the eastern part of the EU



- 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
- Strategy based on 3 pillars: efficiency, digital transformation and growth

Our strategy –

A real customer need is the reason for all business

Customer banking in Central and Eastern Europe

Eastern part of EU

Retail banking

Focus on local currency mortgage and consumer loans funded by local deposits

FX loans (in EUR) only where funded by local FX deposits (Croatia and Serbia)

Savings products, asset management and pension products

Expansion of digital banking offering

Corporate banking

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 CEE, limited exposure to other Europe

Capital markets

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

Public sector

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

Interbank business

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

Erste Group's contribution to the UN Sustainable Development Goals –

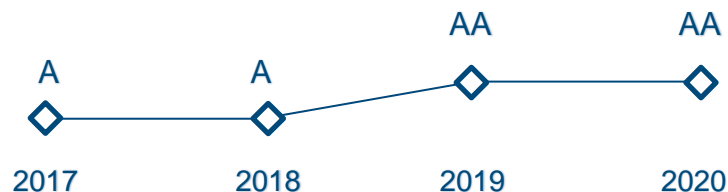
We strive to bring prosperity combined with social and environmental responsibility

Given its regional footprint and business model, Erste Group is able to make notable contributions to the achievement of the following SDGs



- Responsibility, respect and **sustainability have been core values of Erste Group** since its foundation 200 years ago
- As leader in **social banking initiatives**, Erste Group is aiming at the financial inclusion of those parts of the community that are often excluded
- For Erste Group's asset management division, **social and / or ecological criteria are as important as economic criteria** in its investment decision process
- Erste Group substantially **promotes financial literacy**, the key to economic prosperity and **contributes to the cultural and social development of society**
- **Diversity and equal opportunities** are key elements of Erste Group's human resource strategy
- Erste Group aims to **protect the environment by minimising its ecological footprint**, in particular with regards to its consumption of energy and paper
- Erste Group **respects and promotes the work-life balance among its employees** and **contributes to their good health**

Erste Group's ESG ratings and indices – Strong ESG rating credentials confirm industry leadership



- **Upgrade to 'AA'** in July 2019
- Strong in 'Access to Finance' and 'Financing Environmental Impact'
- Among the best rated ('AA', 'A') upper quartile of rated banks



- **Upgrade to 'low risk'** with a score of 18.9 in March 2021
- Strong in product governance, ESG integration of financials, data privacy and human capital



Vienna Stock Exchange's sustainability index
.. included since 2008



- **Bloomberg Gender-Equality Index. Erste Group is the only Austrian company represented** in this index



FTSE4Good

FTSE4Good Index Series
.. included since 2016



- **'Prime' status'** in ISS ESG ratings
- .. since 2018 (reconfirmed in March 2021)



Euronext Vigeo Index Eurozone 120
.. included since 2017



- imug Investment Research rating: **'positive' (B)**
- Mortgage covered bonds rated **'positive' (BB)**
- Public sector covered bonds rated **'very positive' (A)**

Erste Group Bank AG's ratings – Composition of issuer ratings

MOODY'S

Macro Profile	
Strong	
+	
Financial Profile	
Asset Risk	baa2
Capital	baa1
Profitability	baa3
Funding Structure	a3
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	0	
▲		
ALAC Support	0	
GRE Support	0	
Group Support	0	
Sovereign Support	0	
+		
Additional Factors	0	
=		
Issuer Credit Rating		
Long-Term Outlook / Short-Term		
A Stable / A-1		

FitchRatings

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

Status since 1 December 2020

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More details to latest quarterly financials

Presentation topics

- Key developments
- Macroeconomic update
- Business update
- Key income statement and balance sheet data
- Q1 results and outlook at a glance

Key developments –

Setting the frame for today's presentation

- **CEE macro recovery fully intact, 2.8%-4.5% real GDP growth expected in 2021**
 - Improving health situation in CEE region
 - Strong vaccination drive allowing for gradual opening up of economies
 - Good outlook for industrial production
- **Fee performance continued to be strong**
 - Successful conversion of deposits into asset management products with further deposit build-up creating additional growth opportunities
 - Supported by positive financial market backdrop
- **For the time being credit risk deterioration not a significant feature of the Covid-19 crisis**
 - Prudent risk guidance of max. 65bps maintained, but Q1 21 performance...
 - ...opens up the way for beating consensus expectation (~60 bps) in 2021
 - Guidance review dependent on vaccination progress, magnitude of economic recovery and effectiveness of government support measures

Macroeconomic update –

CEE economies prove their resilience, vaccination rollout is on track

• Economic activity expected to rebound in 2021

- Recovery to speed up from late spring once restrictions ease and economic activity resumes across the region
- Industrial sentiment has remained high in most CEE countries which indicates strong performance in 2021
- EU Multi-Annual Financial Framework and Next Generation funds to support recovery and growth
- CZ: private consumption to benefit from income tax cut & tight labour market
- HU: significant public investments expected from H2 2021
- HR: economic recovery significantly depends on tourism

• CEE Recovery Index points into positive direction

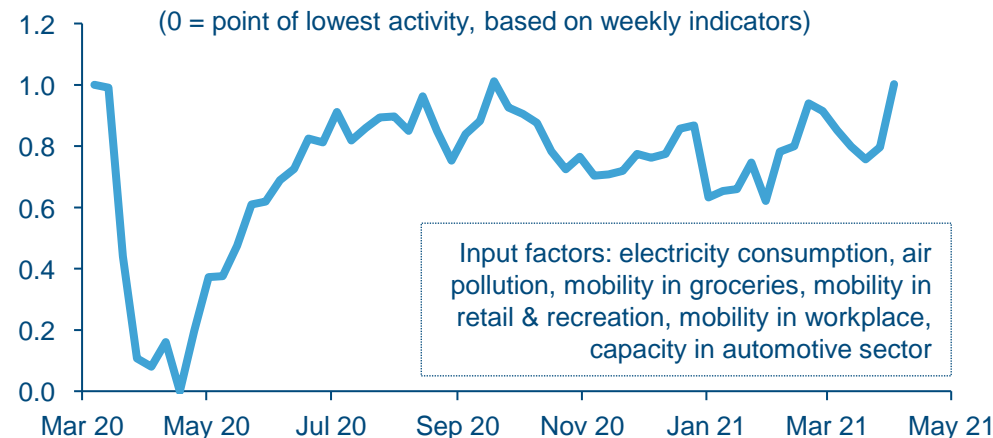
- Expected to increase significantly as soon as current lockdown measures ease further

• Successful vaccination drive paves the way for easing economic restrictions

- Most CEE countries and Austria have contracted sufficient amount of vaccines to reach herd immunity
- Hungary and Serbia stand out as they have ordered Russian and Chinese vaccines as well

CEE Recovery Index

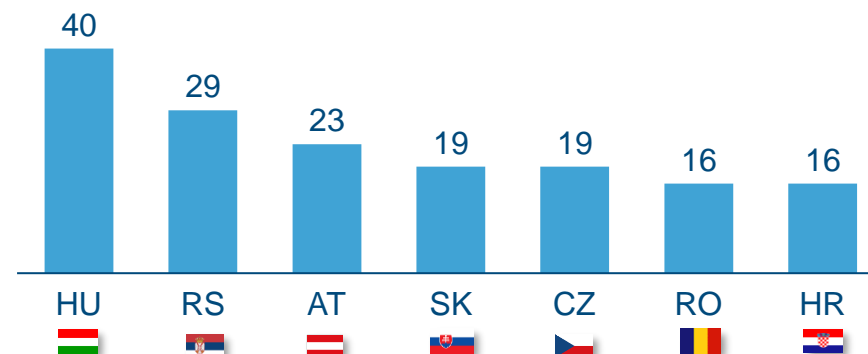
(0 = point of lowest activity, based on weekly indicators)



Source: Erste Group Research

Share of population (in %) who received at least one dose of COVID-19 vaccine

(as of April 28)

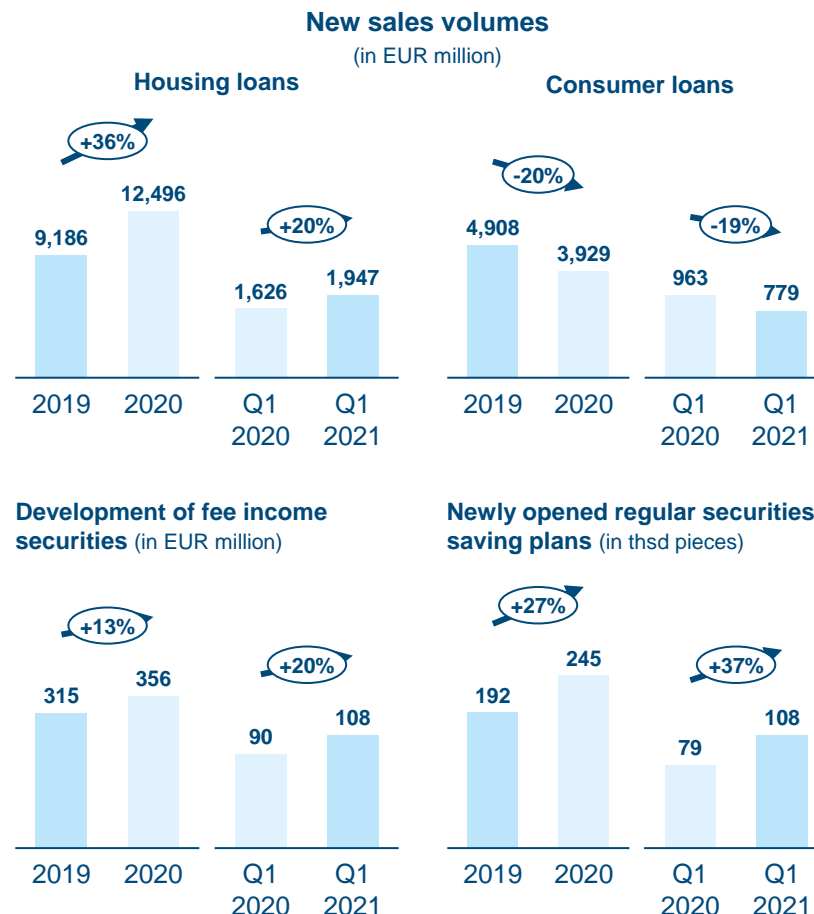


Source: Our World in Data

Business update –

Retail – what's happening on the ground? (1)

- Strong **demand for housing loans** (new sales +36% in 2020), continues in Q1 2021
- **Continuously lower demand for consumer loans** reflecting uncertainty among specific segments of the client base
- **Deposit volumes** continue to **increase**, customers see Erste Group as a trusted partner
- **Higher demand for securities products**, proving strategic focus on building up wealth
 - Increase in number of clients with investments; strong increase in fee income from securities driven by AT, CZ, HU
 - Long term securities saving plans in focus
 - Increase of opened securities saving plans strongly supported by new digital solutions
 - Yearly investment volume regular savings: > EUR 570m
- Solid demand from customers for insurance products
- Overall strong demand from clients **for profound financial advice**
 - Capabilities for providing advice to improve clients' financial health build up across Erste Group

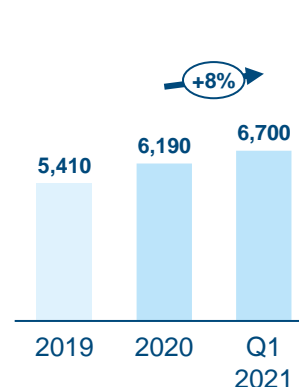


Business update –

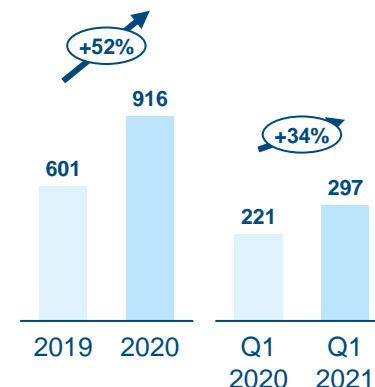
Retail – what's happening on the ground? (2)

- **Customer interactions are changing due to Covid-crisis**
- **Branch traffic** dropped significantly during the first lockdown in spring 2020, but recovered strongly
- **Clients going digital:** already 6.7m George users
 - George now available in 6 countries
- **Digital sales** peaked during lockdowns and overall **increased substantially**; customers clearly appreciate Erste Group's digital and remote offering – not only for servicing, but also for getting advice and access to financial products
- Cashless and mobile transactions on the rise
- Erste Group's **advice and support**, both by its advisors and in George, is **highly relevant to its customers**
- **Strong improvements in Customer Experience rankings** in 2020, outperforming our competitors
- We will therefore **continue to strengthen our advisory proposition and our digital offering** via George

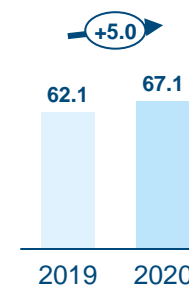
Number of George users
(2019 vs 2020, in thsd)



Development of digital sales
(2019 vs 2020, in thsd pieces)



Retail Customer Experience Index
(2019 vs 2020, absolute)



Business update – Corporates – what's happening on the ground?

• Recovery visible

- Loan demand mostly driven by large corporates; real estate in pipeline
- Industrial sectors performing very strong; investment appetite increasing
- Operating result rebound mostly due to improved fair value result, better fee income and cost containment
- NII under pressure, deposit pricing becoming more relevant

• Strong origination deal flow continued

- 65 mandated transactions (for all C&M customer segments) with a total issuance volume of EUR 36bn accompanied by Erste Group (+4% yoy)

• Asset management sales growing

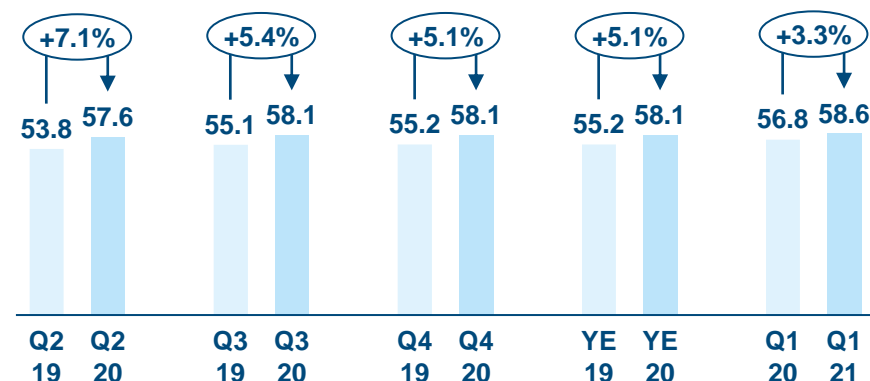
- Assets under management increased by more than 27% yoy and stood at EUR 71bn at the end of Q1 21

• Customer advisory requirements in ESG matters increasing

- Dedicated advisory teams in corporate and capital market departments set-up and fully booked
- Deal flow in sustainability linked products very strong (bonds, loans)

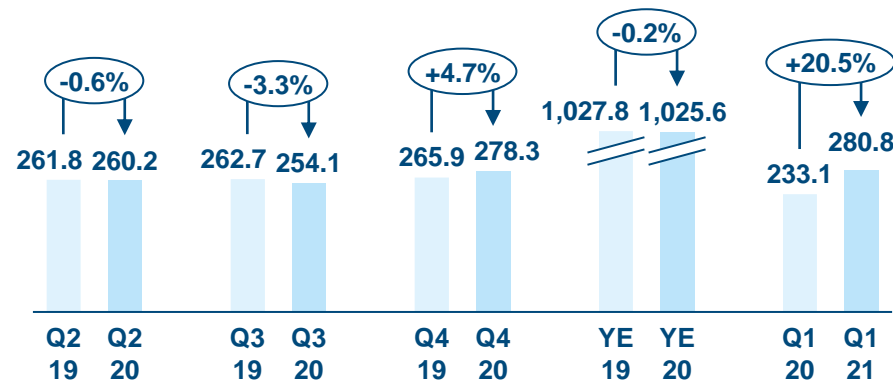
Corporate loan stock development

(gross, business line view, in EUR bn)



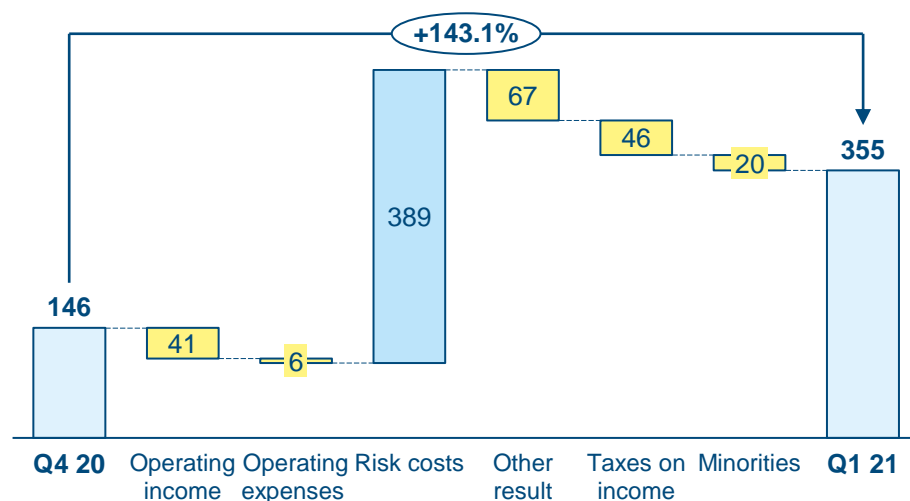
Operating results development

(business line view, in EUR mn)



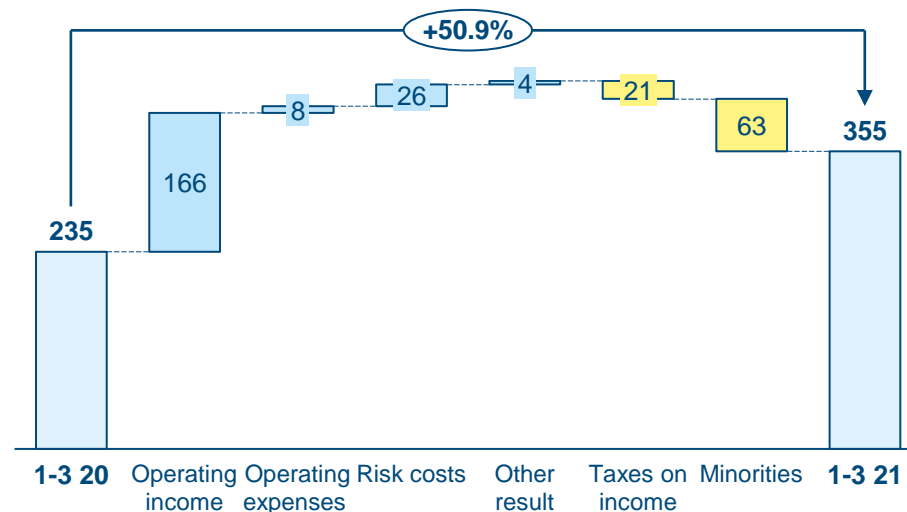
Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Q1 21 net result advanced to EUR 355.1m as expected Covid 19-related defaults did not yet materialise, resulting in low risk charge
- Operating income declined on weaker, albeit satisfactory net trading and FV result despite **another record fee quarter**
- Decline in other result exclusively due to seasonal bookings of annual resolution fund contributions of EUR 100.3m and the full-year amount of the HU banking levy of EUR 14.7m

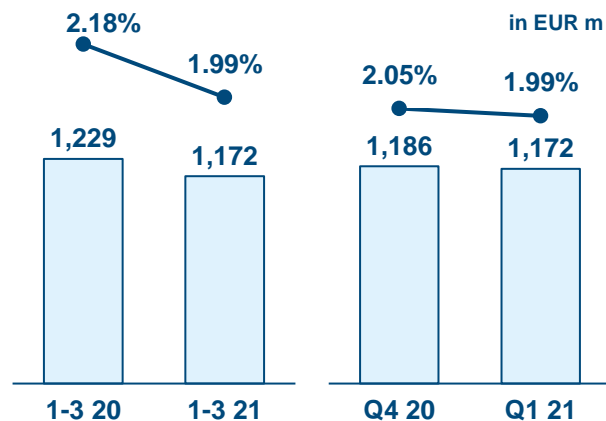
YoY net profit reconciliation (EUR m)



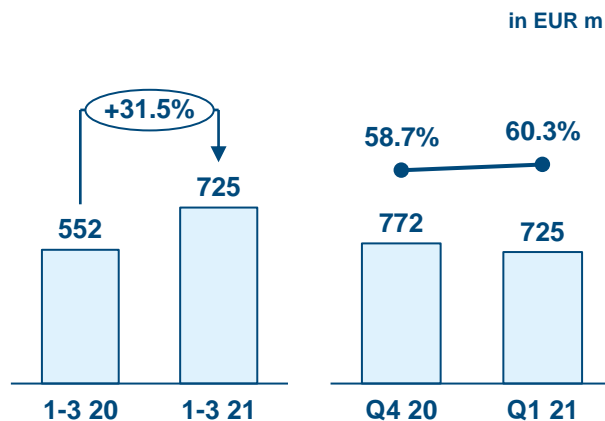
- Yoy net profit growth primarily driven by reversal in net trading and FV result in Q1 21, and lower risk costs, offsetting higher tax charge and minorities
- **Operating performance** improved significantly on turnaround in net trading and FV result, strong fees, while NII was down
- Higher minorities charge due to improved profitability at savings banks

Executive summary – Key income statement data

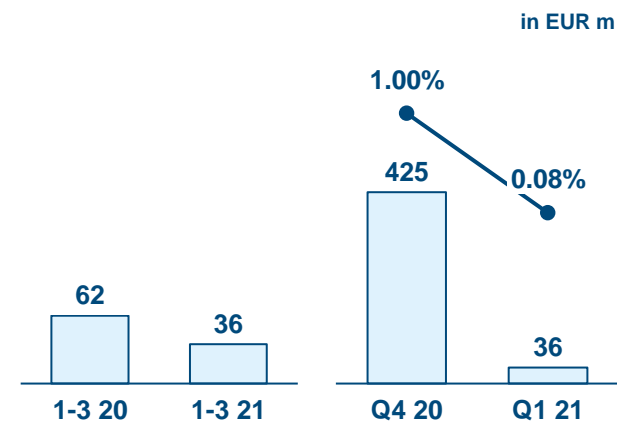
Net interest income & margin



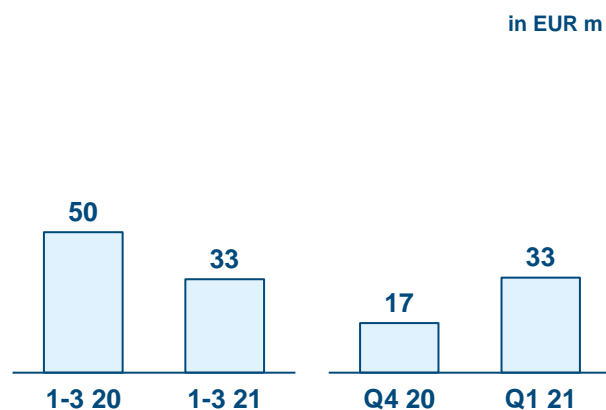
Operating result & cost/income ratio



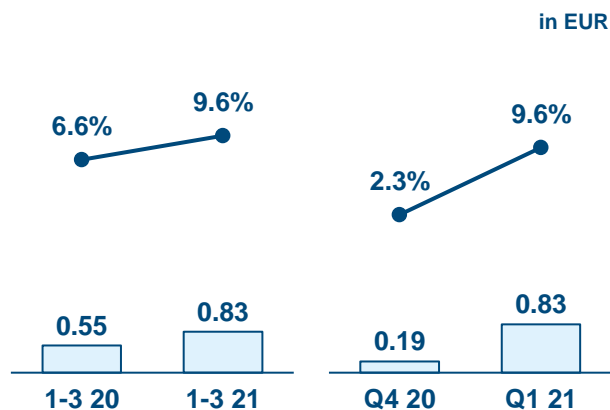
Cost of risk



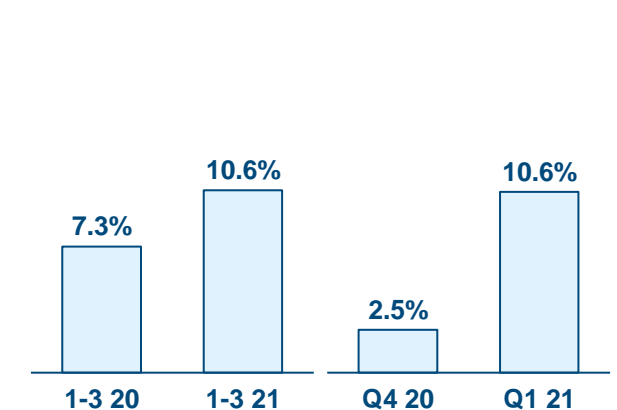
Banking levies



Reported EPS & ROE

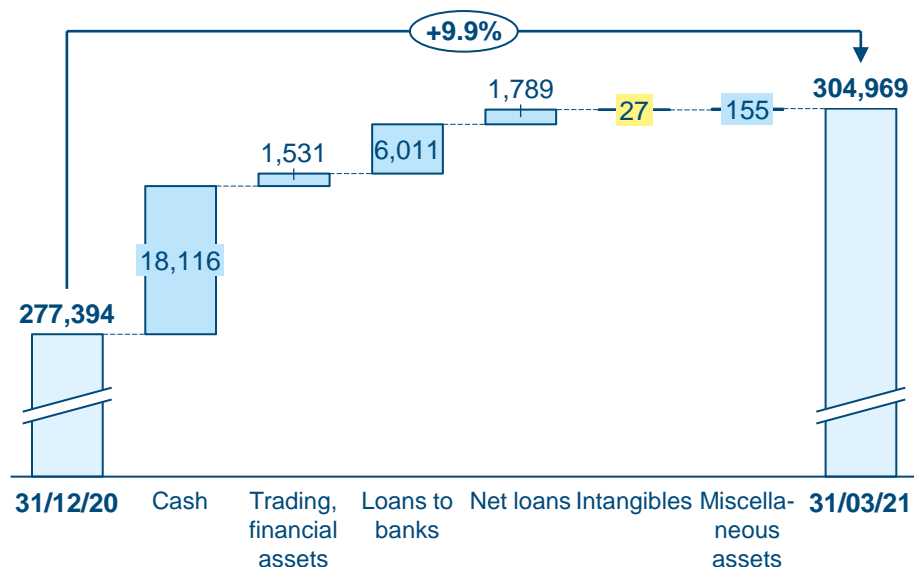


Return on tangible equity



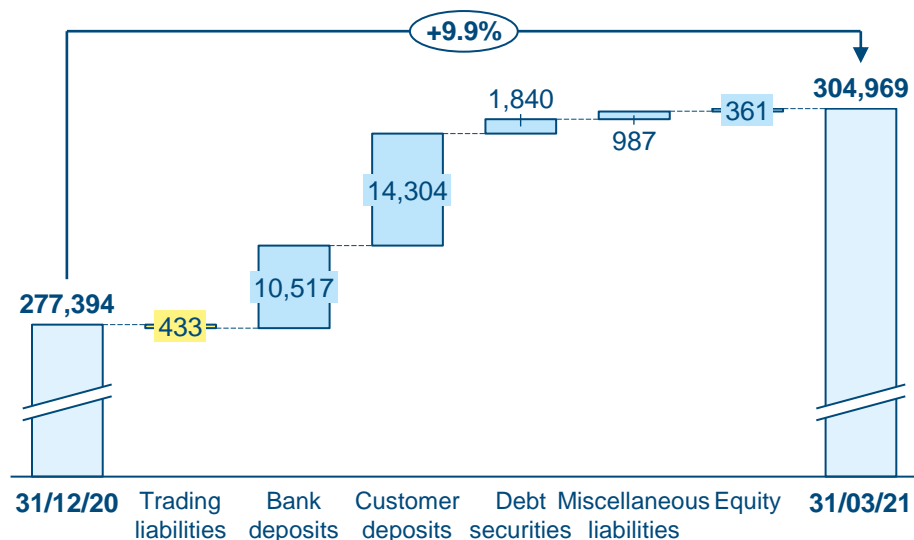
Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Total assets up by 9.9%, mainly driven by a substantial increase in cash (+50.5%) and loans to banks (+28.0%); net loans to customers increased by 1.1%
- Increase in cash attributable to AT (liquidity placed at central banks) mainly driven by TLTRO and to CZ (rise in cash position mirrors development in interbank and customer deposits)

YTD equity & total liability reconciliation (EUR m)

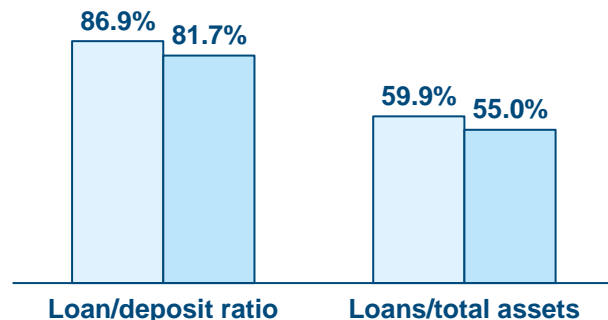


- Total liability growth driven by a continuation of rising bank deposits (+42.5%) and customer deposits (+7.5%)
- Growing customer deposits result in a loan/deposit ratio of 81.7% (YE 20: 86.9%)
- Increase in equity reflects rising net result

Executive summary – Key balance sheet data

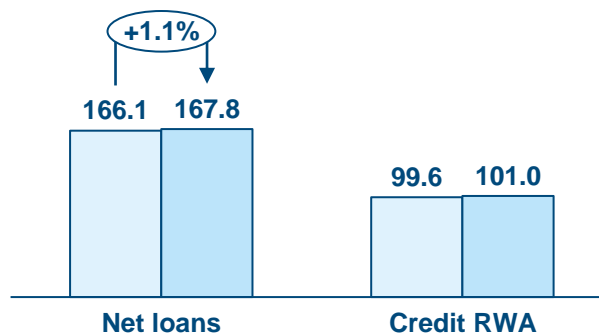
31/12/20
31/03/21

Loan/deposit & loan/TA ratio

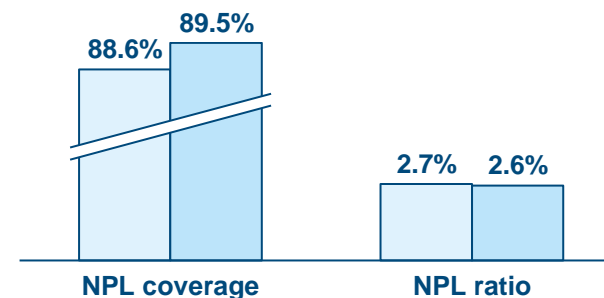


Net loans & credit RWA

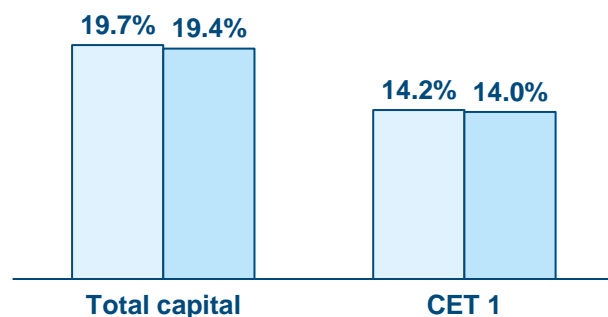
in EUR bn



NPL coverage ratio & NPL ratio

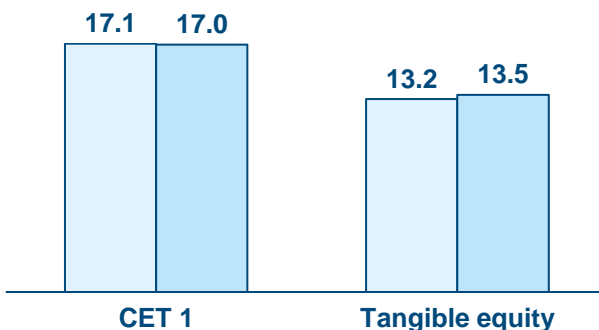


B3FL capital ratios

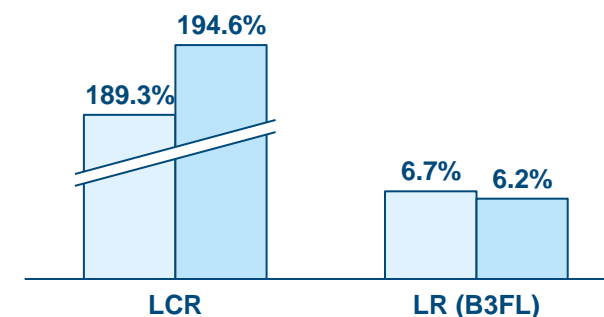


B3FL capital & tangible equity¹

in EUR bn



Liquidity coverage & leverage ratio²



1) Based on shareholders' equity, not total equity

2) Pursuant to Delegated Act

Q1 2021 – Results and outlook at a glance

Q1 21 key takeaways

2021 outlook

Operating environment

- **Macro recovery on track in CEE**
- Loan growth in line with expectations at +1.1% ytd
- Exceptional deposit growth continues

Business performance

- **Strong fee performance** driven by asset management, securities business, bancassurance
- NII dented by lower rates in CZ
- Sound cost development

Credit risk

- Benign risk environment results in low risk costs and strong asset quality indicators: NPL ratio at 2.6%, NPL coverage at 89.5%
- Post-moratoria debtor performance highly satisfactory

Capital position

- **Fully loaded CET 1 ratio remained strong at 14.0%**
- Q1 21 retained earnings not included

Profitability

- **ROTE hit double-digit level of 10.6%** as improved operating performance and low risk costs were key net profit drivers

Risk factors to guidance

- **Real GDP to rise ~2.8%-4.5% in 2021** in Erste Group's markets contingent on further development of Covid-19 policy measures
- Loan growth in low to mid single digits

- **Ambition for positive operating jaws underpinned by Q1 21 performance:** flattish NII, rising fees (mid-single digits with upside), improved FV/trading result, and cost growth < revenue growth

- **2021e risk charge to be < 65 bps of gross customer loans;** guidance review dependent on vaccination progress, magnitude of economic recovery
- 2021e NPL ratio expected between 3-4%

- CET1 ratio is expected to remain strong with significant cushion in case of worse than expected economic performance
- **CET1 target of 13.5% unchanged**

- 2021e net result to be meaningfully higher than in 2020
- Management proposes EUR 0.5 DPS in line with ECB recommendation to AGM for payment in May 2021, reserves EUR 1/share for potential later payment

- Political, regulatory, geopolitical, economic, health and competition risks, also nonfinancial and legal risks
- Elevated level of uncertainty due to Covid-19 crisis
- Economic downturn may put goodwill at risk

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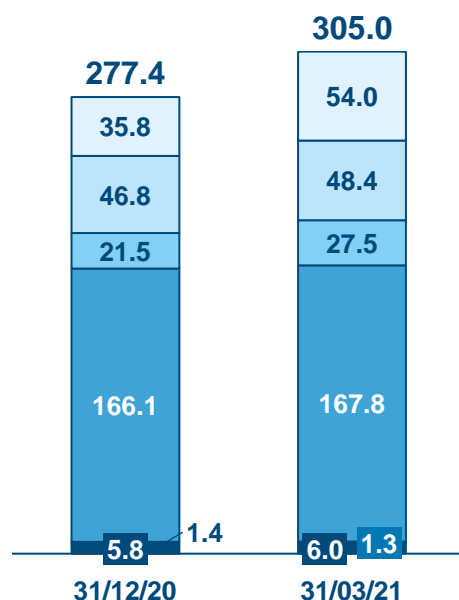
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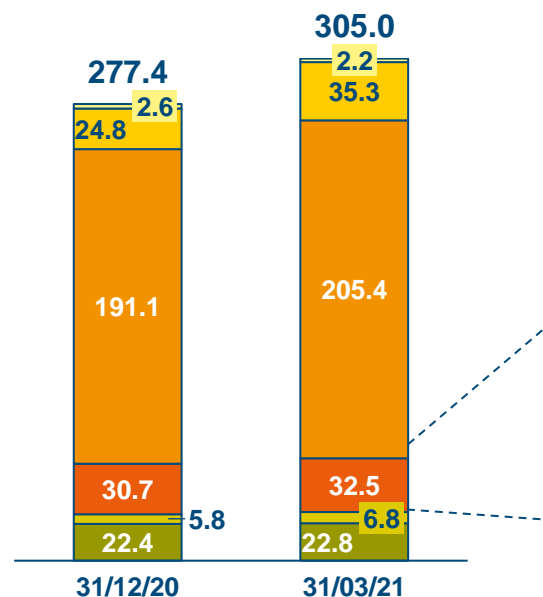
More details to latest quarterly financials

Erste Group's balance sheet structure – Favourable loan/deposit ratio of 81.7% at Mar 21 (Dec 20: 89.6%)

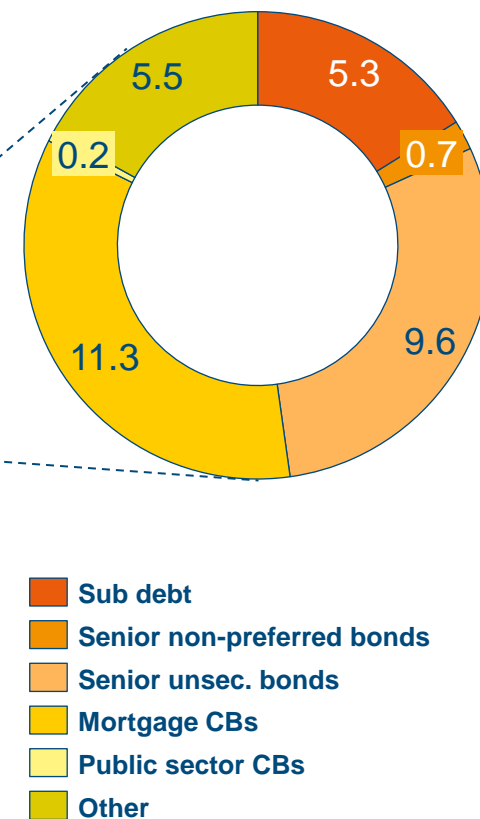
Assets (EUR bn)



Liabilities & equity (EUR bn)



Debt securities (EUR bn)



- Cash
- Trading, financial assets
- Loans to banks
- Net loans
- Intangibles
- Miscellaneous assets

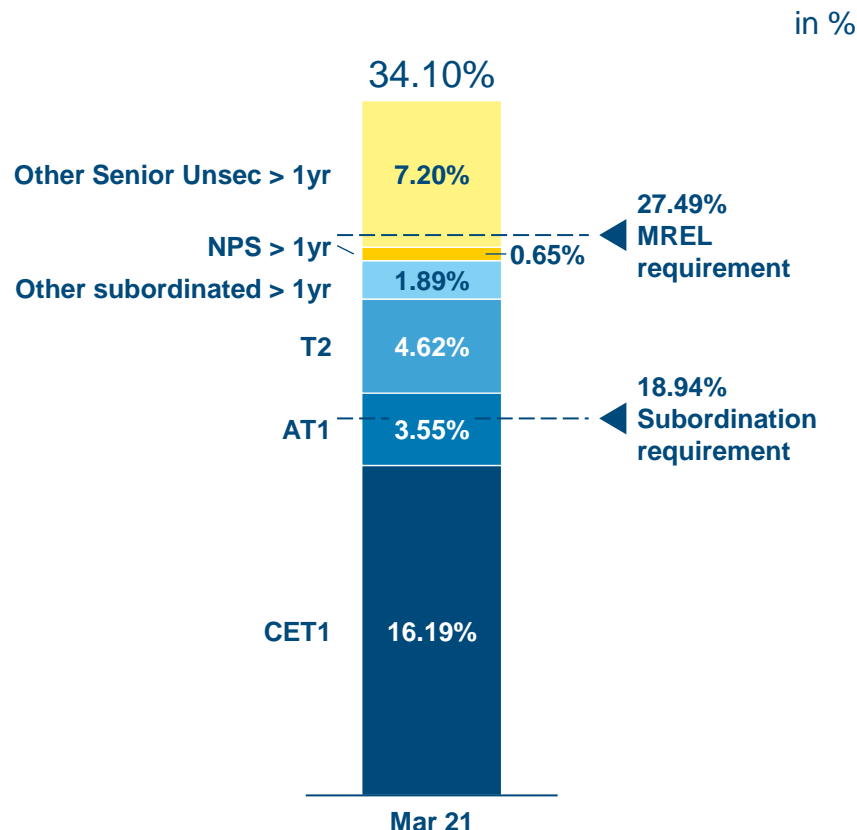
- Trading liabilities
- Bank deposits
- Customer deposits
- Debt securities
- Miscellaneous liabilities

- Equity

- Sub debt
- Senior non-preferred bonds
- Senior unsec. bonds
- Mortgage CBs
- Public sector CBs
- Other

Austrian resolution group – MREL requirement based on RWA fulfilled

MREL capacity based on TREA (RWA)*



*) TREA... total risk exposure amount

Key take-aways

- Erste Group's setup is based on a multiple point of entry (MPE) resolution approach
- In April 2020, Erste Group Bank AG received its MREL requirement calibrated on balance sheet data as of 31 Dec 2017 and based on BRRD1
- Erste Group Bank AG, as the Point of Entry of the Austrian resolution group, must comply with a MREL requirement of 14.90% of TLOF and a subordination requirement of 10.27%, which equals RWAs of 27.49% and 18.94% for the subordination requirement based on BRRD1
- Based on the Austrian resolution group's RWAs as of March 2021 of approx. EUR 77bn, the current MREL ratio stands at 34.10%, thereof 26.91% being subordinated eligible liabilities. Both ratios are well above the currently valid minimum requirements (MREL 2020 decision)
- A new MREL requirement based on SRB's 2020 MREL policy and BRRD2 is expected in Q2 2021
- As of Q1 2021 the AT resolution group would be compliant with the interim MREL and subordination requirements (based on draft MREL 2021 decision) to be fulfilled from 1 Jan 2022 and set under BRRD2
- 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's long-term issuance track record – Most recent transactions including pre-funding activities

May 2021 ERSTE  Group Erste Group Bank EUR 500,000,000 7y Sustainable Senior Preferred Joint Bookrunner	January 2021 ERSTE  Group Erste Group Bank EUR 500,000,000 10y Senior Preferred Joint Bookrunner	November 2020 ERSTE  Group Erste Group Bank EUR 750,000,000 AT1 perpNC2028 Joint Bookrunner	November 2020 ERSTE  Group Erste Group Bank EUR 750,000,000 8NC7 Senior Preferred Joint Bookrunner	September 2020 ERSTE  Group Erste Group Bank EUR 500,000,000 5y Senior Preferred Joint Bookrunner
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- Erste Group started into 2021 with a successful EUR 500mn **senior preferred note** (bullet format) in January; deal was printed at MS+55bp with a minimal new issue concession of 2bps
- After Q1 2021 results, Erste Group announced its **inaugural sustainable senior preferred note**: The EUR 500mn 7y transaction was priced at MS+35bps – inside the spotted fair value – translating into a 2bps “greenium”.

Pre-funding started with issuance activities in September and November 2020:

- EUR 500mn senior preferred 5y note; favourable market conditions led to a pricing at MS+52bps and a negative new issue concession of 2/3bps
- EUR 750mn 8NC7, the inaugural callable senior preferred note (eligible-liabilities format) at MS+52bp thus at the same level as September's 5y note
- EUR 750mn perpNC7.4 AT1 with a 4.25% p.a. coupon resulted in Erste Group's prudently exceeding Pillar 1 and 2 AT1 requirements

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	XS0743547183	3.500%		08/02/2022	10	EURO	1,000
Mortgage Covered Bond	XS1346557637	0.625%		19/01/2023	7	EURO	750
Mortgage Covered Bond	XS1845161790	0.250%		26/06/2024	6	EURO	750
Mortgage Covered Bond	XS1181448561	0.750%		05/02/2025	10	EURO	500
Mortgage Covered Bond	XS1807495608	0.625%		17/04/2026	8	EURO	750
Mortgage Covered Bond	XS1550203183	0.625%		18/01/2027	10	EURO	750
Mortgage Covered Bond	XS1750974658	0.750%		17/01/2028	10	EURO	1,000
Mortgage Covered Bond	AT0000A2A6W3	0.010%		11/09/2029	10	EURO	500
Mortgage Covered Bond	AT0000A2CDT6	0.100%		15/01/2030	10	EURO	750
Mortgage Covered Bond	AT0000A286W1	0.875%		15/05/2034	15	EURO	500
Senior Preferred	XS1982725159	0.375%		16/04/2024	5	EURO	500
Senior Preferred	AT0000A2JAF6	0.050%		16/09/2025	5	EURO	500
Senior Preferred	AT0000A2GH08	0.875%		13/05/2027	7	EURO	750
Senior Preferred	AT0000A2KW37	0.100%	3m Euribor +52bps	16/11/2027	8NC7	EURO	750
Sustainable Senior Preferred	AT0000A2RAA0	0.125%		17/05/2028	7	EURO	500
Senior Preferred	AT0000A2N837	0.250%		27/01/2031	10	EURO	500
Senior Non-Pref.	XS2000538343	0.875%		22/05/2026	7	EURO	500
Tier 2	XS0840062979	7.125%		08/10/2022	10	EURO	302
Tier 2	XS2083210729	1.000%	5y ms+130.0bps	10/06/2025	10.5NC5.5	EURO	500
Tier 2	AT0000A2J645	1.625%	5y ms+210.0bps	08/09/2026	11NC6	EURO	500
AT1	XS1425367494	8.875%	5y ms+902.0bps	15/10/2021	perpNC5	EURO	500
AT1	XS1597324950	6.500%	5y ms+620.4bps	15/04/2024	perpNC7	EURO	500
AT1	XS1961057780	5.125%	5y ms+485.1bps	15/10/2025	perpNC6.5	EURO	500
AT1	XS2108494837	3.375%	5y ms+343.3bps	15/04/2027	perpNC7.2	EURO	500
AT1	AT0000A2L583	4.250%	5y ms+464.6bps	15/04/2028	perpNC7.4	EURO	750

Presentation topics

1

Introduction to Erste Group

2

Summary quarterly update

3

Funding strategy

4

Further information on latest quarterly financials

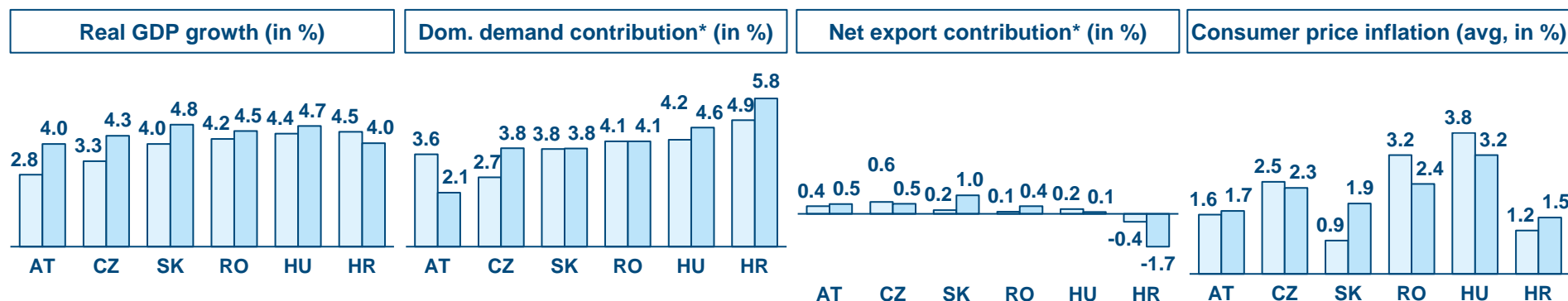
Presentation topics

- Macroeconomic update
- Operating trends
 - Volumes
 - Revenues and costs
 - Impairments and asset quality
- Capital and wholesale funding
- Additional information

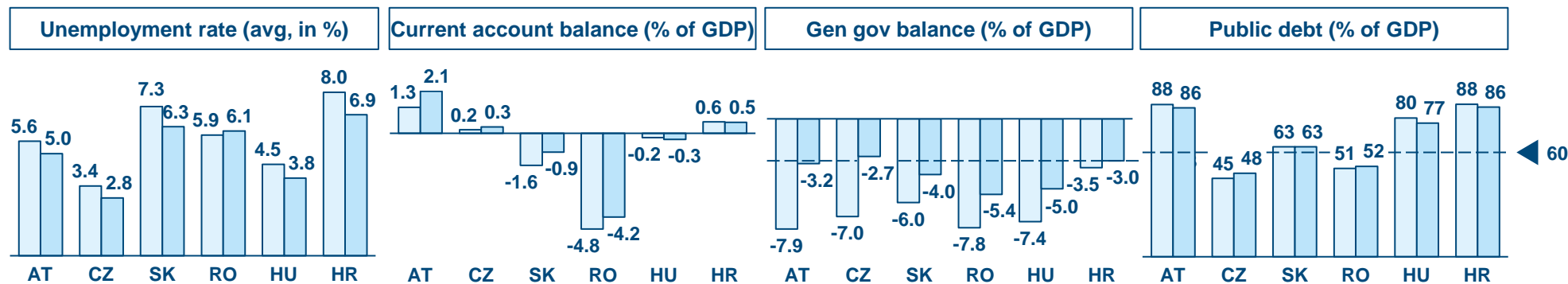
Macroeconomic update –

Economic rebound expected in 2021 & 2022

2021
2022



- Better than expected end 2020 economic performance has continued in 2021
- Manufacturing less impacted by recent containment measures; hardest hit industries are tourism, services, transport and retail trade
- 3-5% economic rebound expected in 2021 with further acceleration in most CEE countries in 2022



- Unemployment rates have increased across the region, expected to reduce in most CEE countries in 2022
- Lower tax revenues and higher social payments have led to rising fiscal deficits

* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research, EU Commission

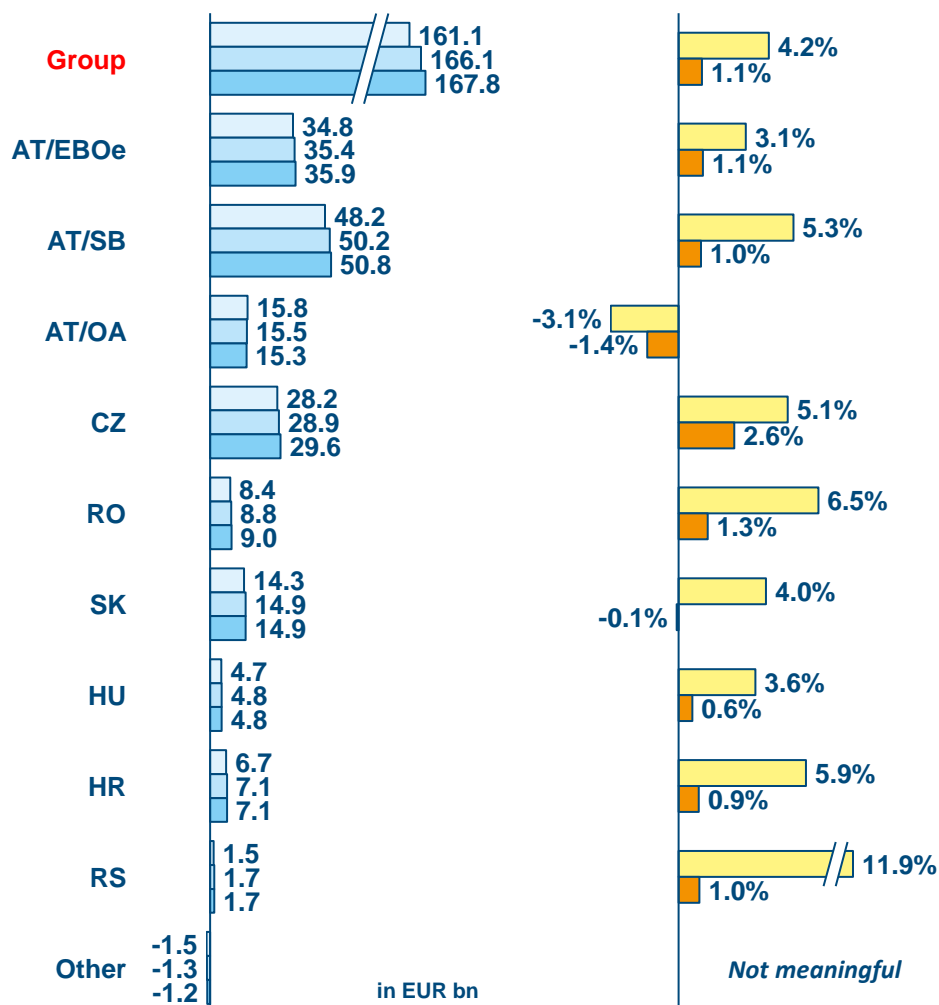
Presentation topics

- Macroeconomic update
- Operating trends
 - Volumes
 - Revenues and costs
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Operating trends: net loan stock & growth –

Net loans continued to grow, up 1.1% ytd

YoY 31/03/20
QoQ 31/12/20
31/03/21

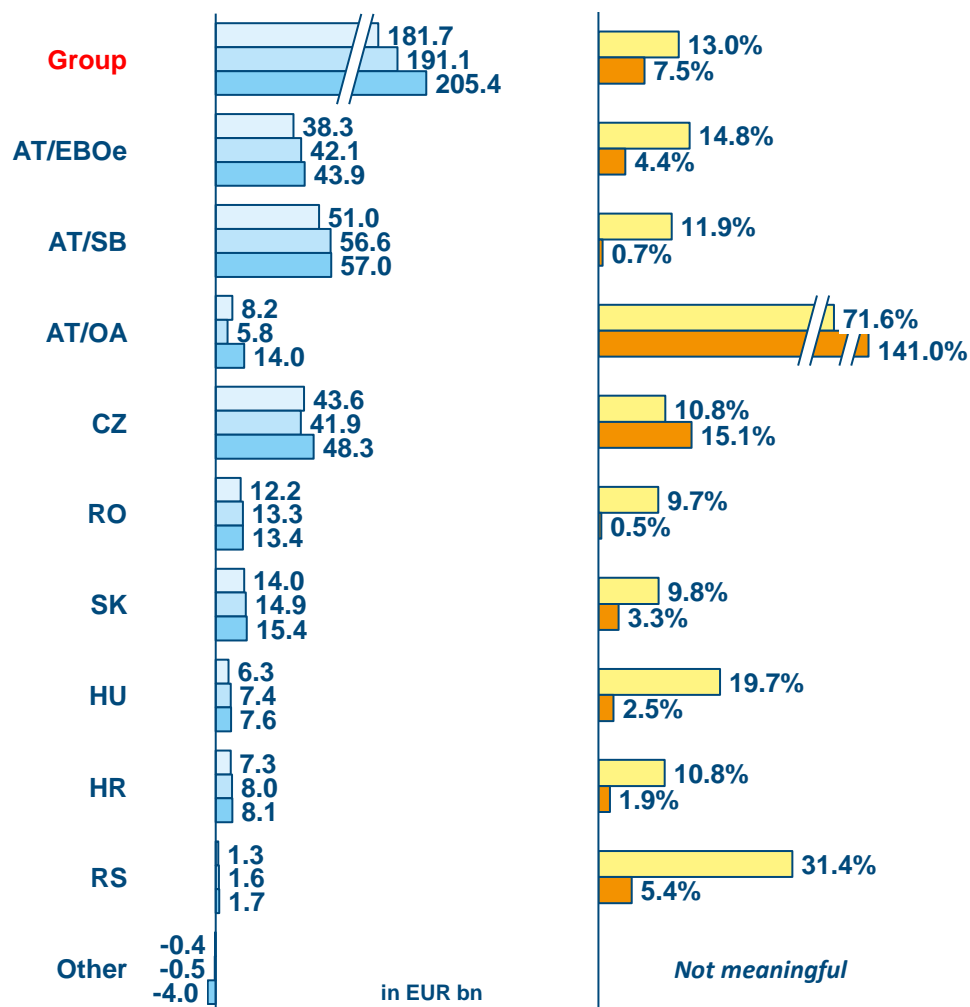


- Yoy growth higher in Savings Banks (+5.6%) and in Retail (+5.5%) than in Corporates (+3.3%)
- Qoq growth dynamics more pronounced in Corporates (+1.7%) than in Savings Banks (+1.1%) and in Retail (+0.9%)
- Year-on-year segment trends:
 - CZ: dynamic increase in Retail loans attributable to mortgages, while Corporate loans were driven by SMEs, offsetting decline in Large Corporates
 - RO: Corporate loans (with dynamic developments in SMEs and Public Sector) outperform solid Retail loan growth
 - HR: rise in net loans mainly attributable to Corporates (growth in Public Sector and Large Corporates offsetting decline in SMEs and CRE)
 - RS: continuation of dynamic growth
- Quarter-on-quarter segment trends:
 - AT/EBOe: qoq development mainly driven by Large Corporates
 - CZ: solid growth both in Retail (particularly due to mortgages) and Corporates (predominantly in SMEs and Large Corporates)
 - RO: growth mainly on Large Corporates; Retail loans remain flat

Operating trends: customer deposit stock & growth –

Deposit growth continues apace, loan/deposit ratio down to 81.7%

■ YoY ■ 31/03/20
■ QoQ ■ 31/12/20
■ 31/03/21

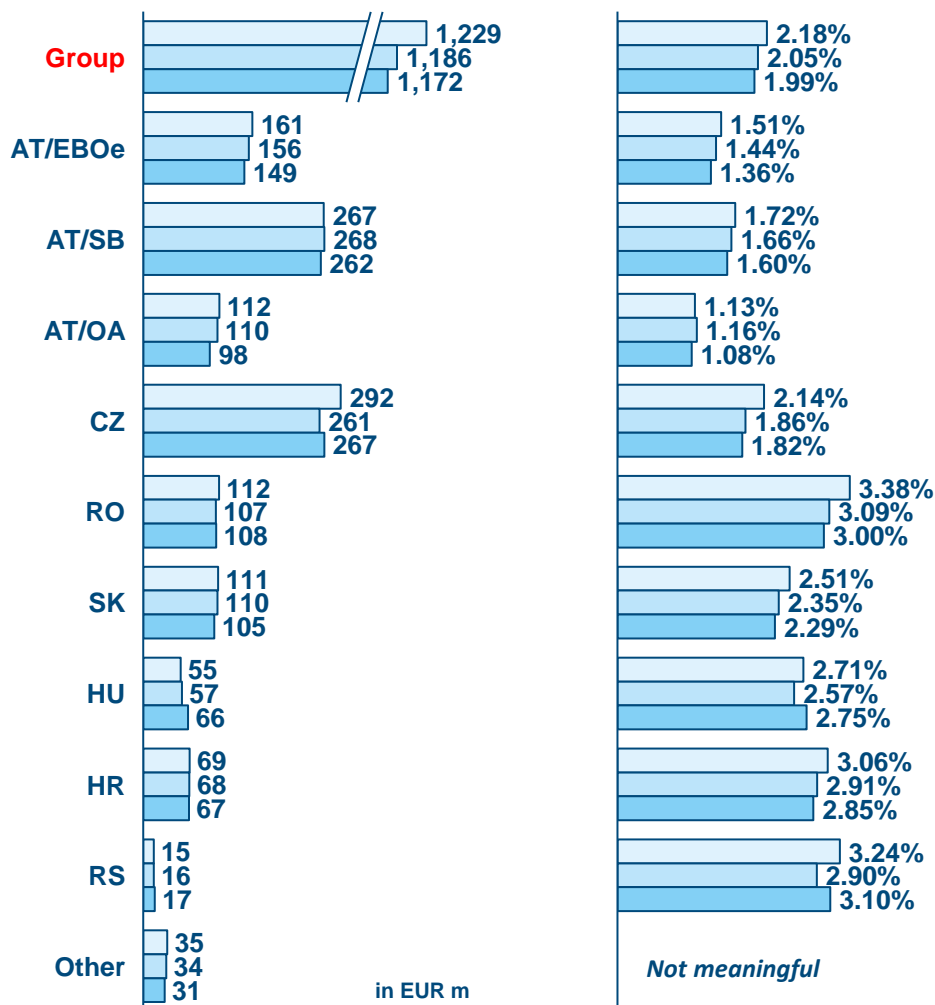


- Acceleration of deposit inflows as retail and corporate clients park cash in overnight account
- Strong Q1 deposit build confirms recent trend; in addition to growth in retail and corporate deposits, record inflows in the foreign branches
- Year-on-year segment trends:
 - AT/OA: rising customer deposits in foreign branches
 - CZ: solid inflow of retail deposits
 - RS: continuation of solid deposit inflows both in retail and corporate business, moving EB Serbia's loan-to-deposit ratio to 102%
- Quarter-on-quarter segment trends:
 - AT/OA: see above
 - CZ: unbroken inflow of retail deposits surpassed by rising corporate deposits after temporary decline in Q4 20, mainly stemming from public sector business
 - EBOe: corporate deposits grow faster than retail deposits

Operating trends: NII and NIM –

NII down yoy and qoq, reflecting continued pressure

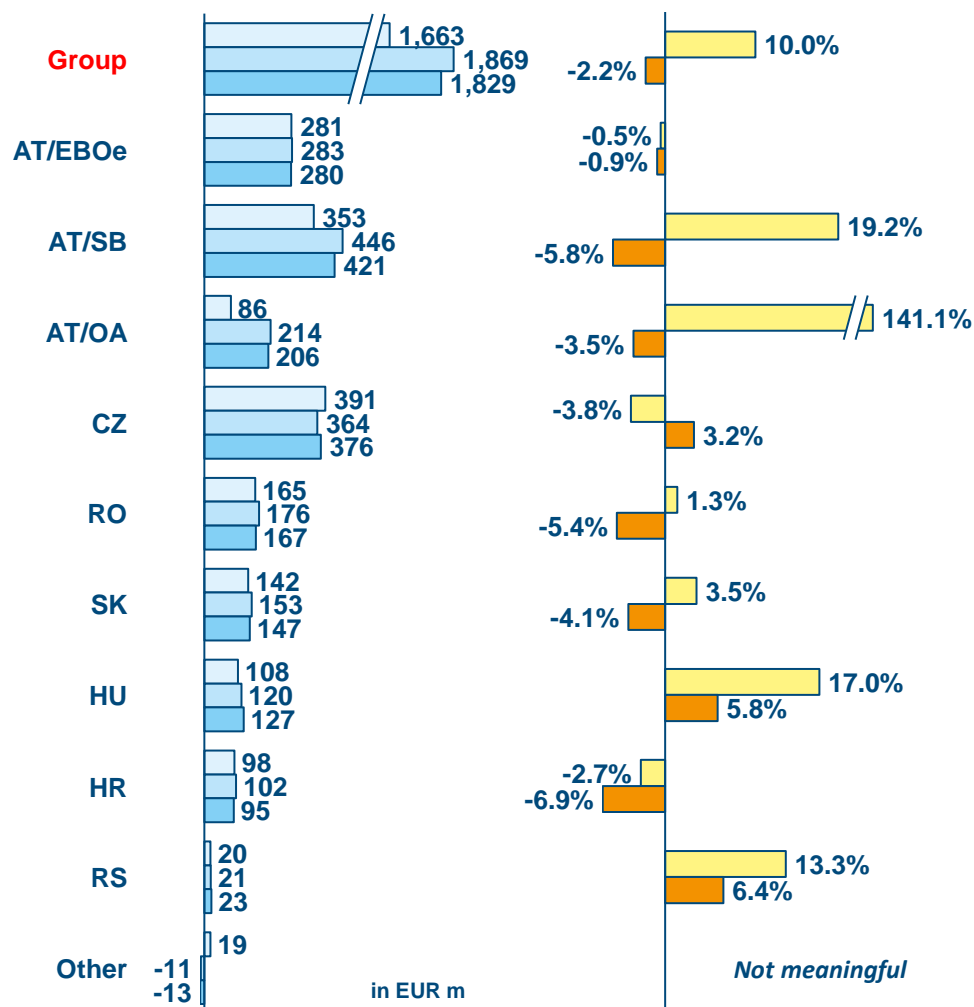
Q1 20
Q4 20
Q1 21



- NII down yoy due to decline in most geographies, most pronounced in CZ resulting from rate cuts, margin pressure in AT
- Qoq development mirrors continued margin pressure in AT and SK, while NII improves across most other geographies
- Year-on-year segment trends:
 - CZ: lower interest rate environment weighs on NII; FX effect of EUR -4.9m
 - AT/EBOe: volume growth only partially offsets lower margins for customers loans
 - AT/OA: Group Markets business in the Holding adversely impacted by interest rate development
- Quarter-on-quarter segment trends:
 - AT/OA: Group markets business in the Holding declines on lower performance of derivatives business
 - HU: improvement due to modification loss booked in Q4 20 and increasing loan volumes in Q1 21
 - CZ: higher volumes in retail housing loans offsetting lower ALM structural contribution; FX effect of EUR 6.0m

Operating trends: operating income – Q1 21 was another record fee quarter

YoY Q1 20
QoQ Q4 20
Q1 21

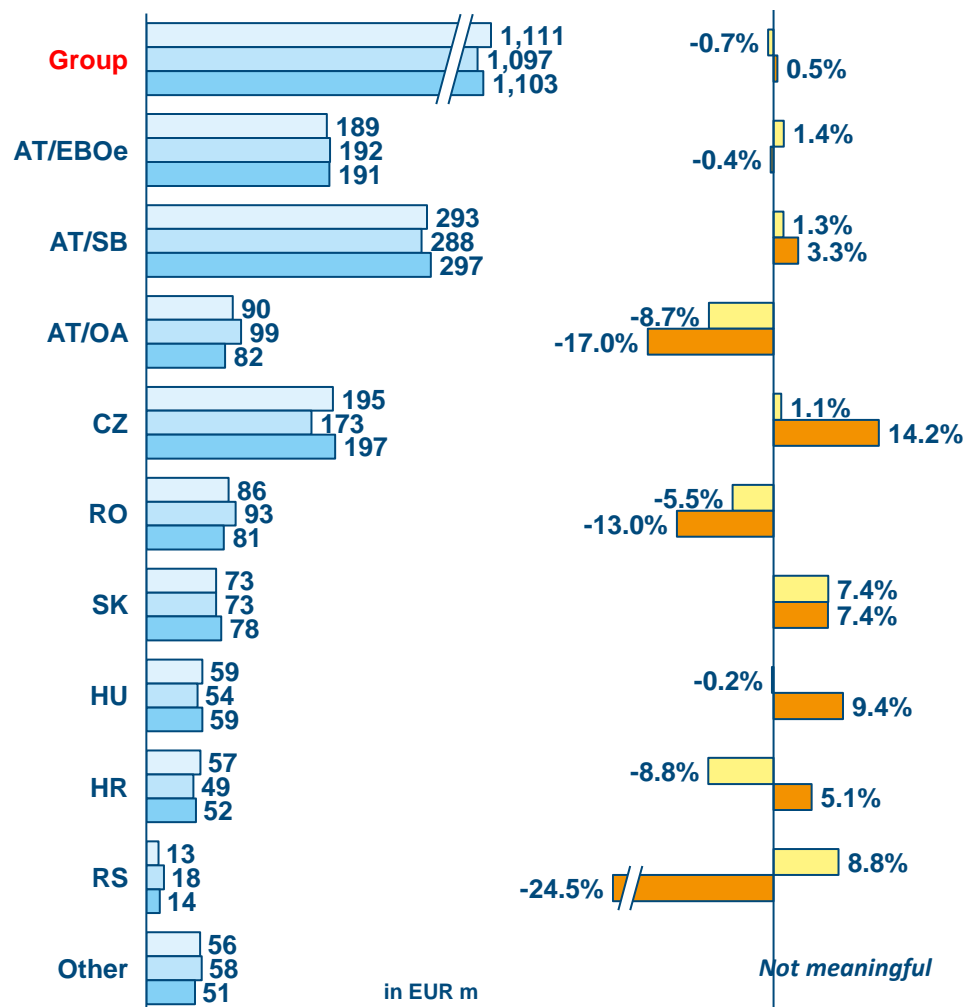


- Revenues up yoy, pushed by rebound in net trading & FV result, record fees, while NII was down
- QoQ slightly down on lower NII and lower but satisfactory net trading and FV result; fees rise to EUR 540.0m
- Year-on-year segment trends:
 - AT/OA: substantial improvement solely driven by net trading and FV result turning positive after temporary drop in Q1 20, fee income increases while NII declines
 - AT/SB: net trading and FV result rises mainly on investment fund valuation effects; higher fees (mainly in the securities business) more than offset pressure on NII
 - HU: increase in all major income lines, strongest in NII
- Quarter-on-quarter segment trends:
 - CZ: improvement across all major revenue lines, supported by FX effect; fee income mainly up on higher lending and securities fees
 - RO: decline in fee income (mainly driven by lower payment fees) and decrease in net trading and FV result on valuation effects
 - HR: development reflects decline in net trading and FV result on valuation effects

Operating trends: operating expenses –

Costs stable yoy and qoq despite higher deposit insurance

YoY Q1 20
QoQ Q4 20
Q1 21

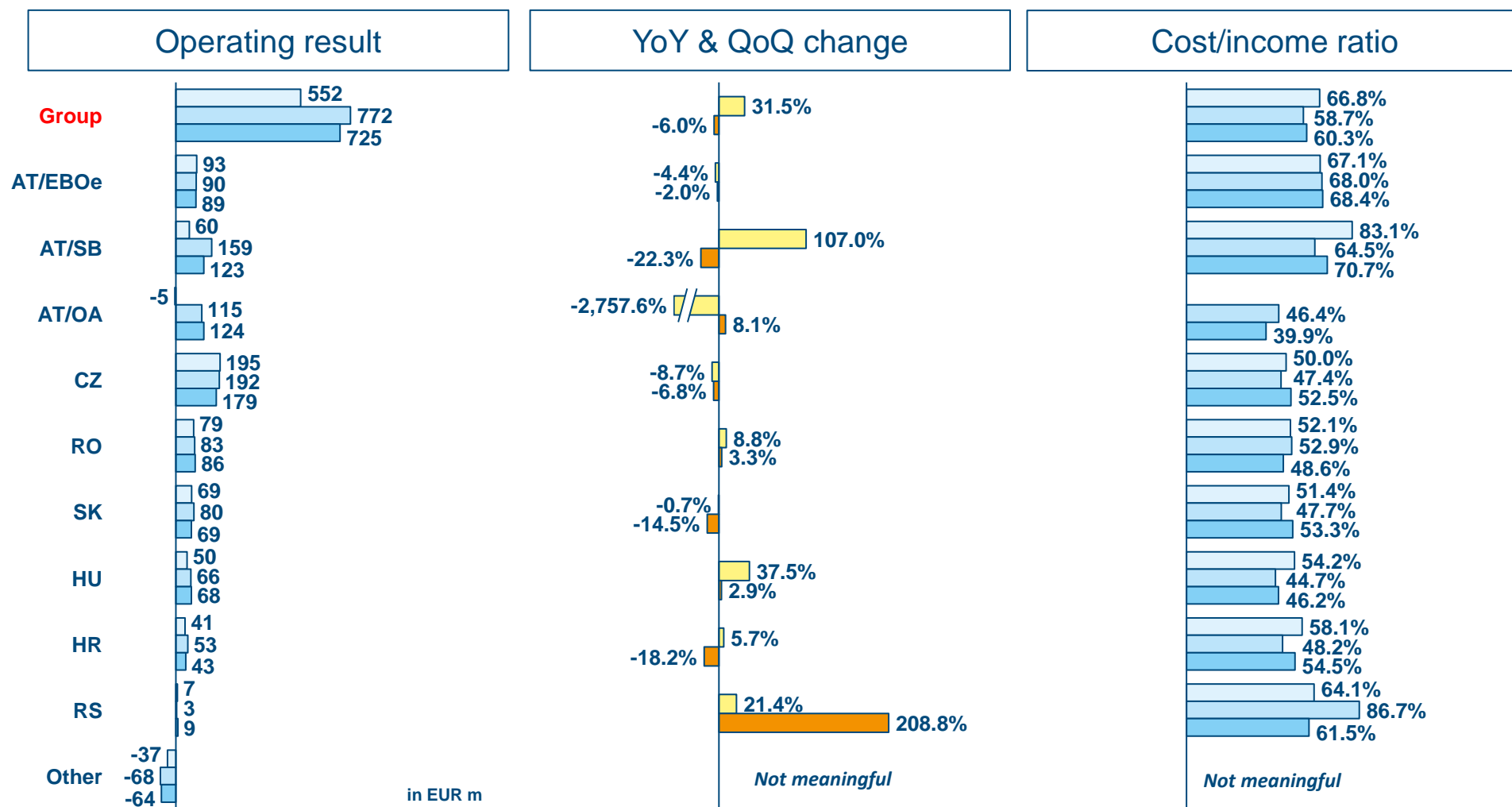


- Yoy costs improve slightly on lower personnel and marketing expenses, offsetting higher deposit insurance contributions (EUR 107.6m booked in Q1 21)
- Qoq development characterised by cost discipline, resulting in lower marketing and consulting expenses, offset by deposit insurance contributions booked in Q1
- Year-on-year segment trends:
 - AT/OA: improvement in cost performance mainly attributable to foreign branches
 - SK: increase in deposit insurance, partially offset by lower depreciation
 - HR: lower personnel and marketing expenses, supported by a decline in the deposit insurance
- Quarter-on-quarter segment trends:
 - AT/OA: lower operating expenses in the Holding and foreign branches following a one-off effect in Q4 20 related to the London branch
 - CZ: higher personnel expenses due to higher FTEs and full-year contribution into deposit insurance fund; FX effect of EUR 4.1m
 - HU: increase in operating expenses solely attributable to higher deposit insurance fund contribution

Operating trends: operating result and CIR –

CIR at 60.3%, seasonally up qoq

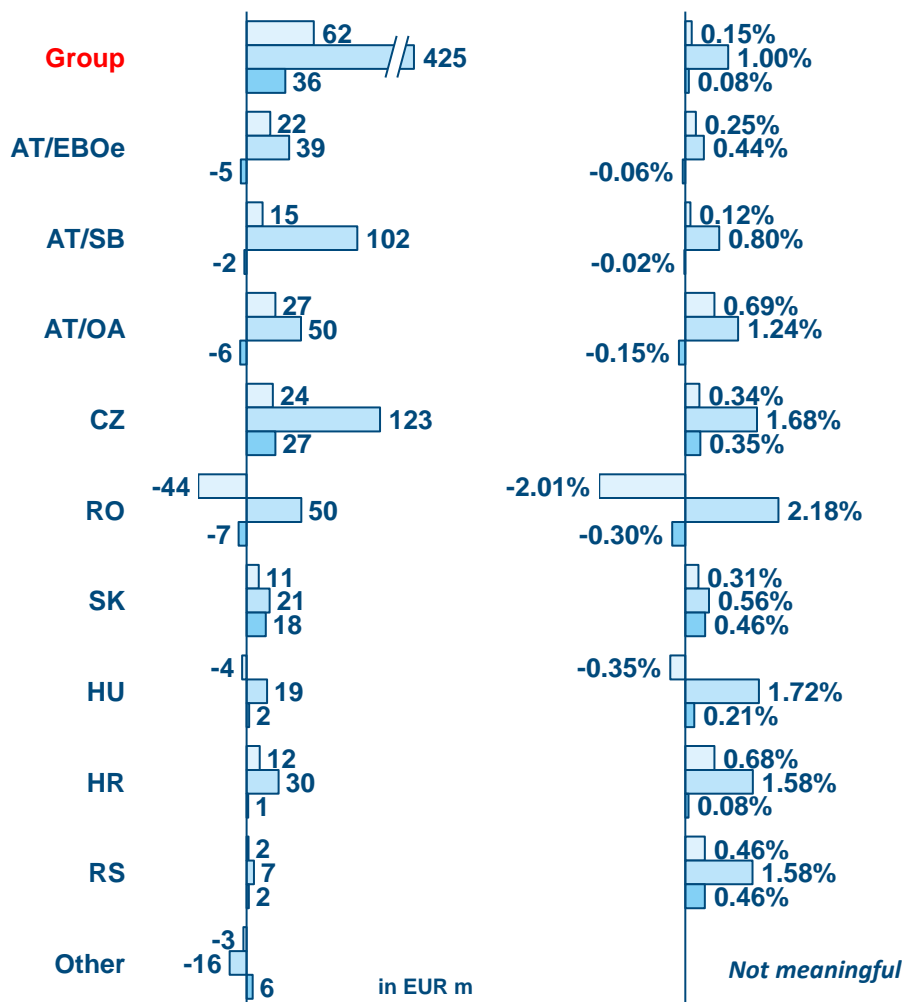
YoY Q1 20
QoQ Q4 20
Q1 21



Operating trends: risk costs (abs/rel*) –

Risk costs decline in Q1 21, risk guidance maintained

Q1 20
Q4 20
Q1 21



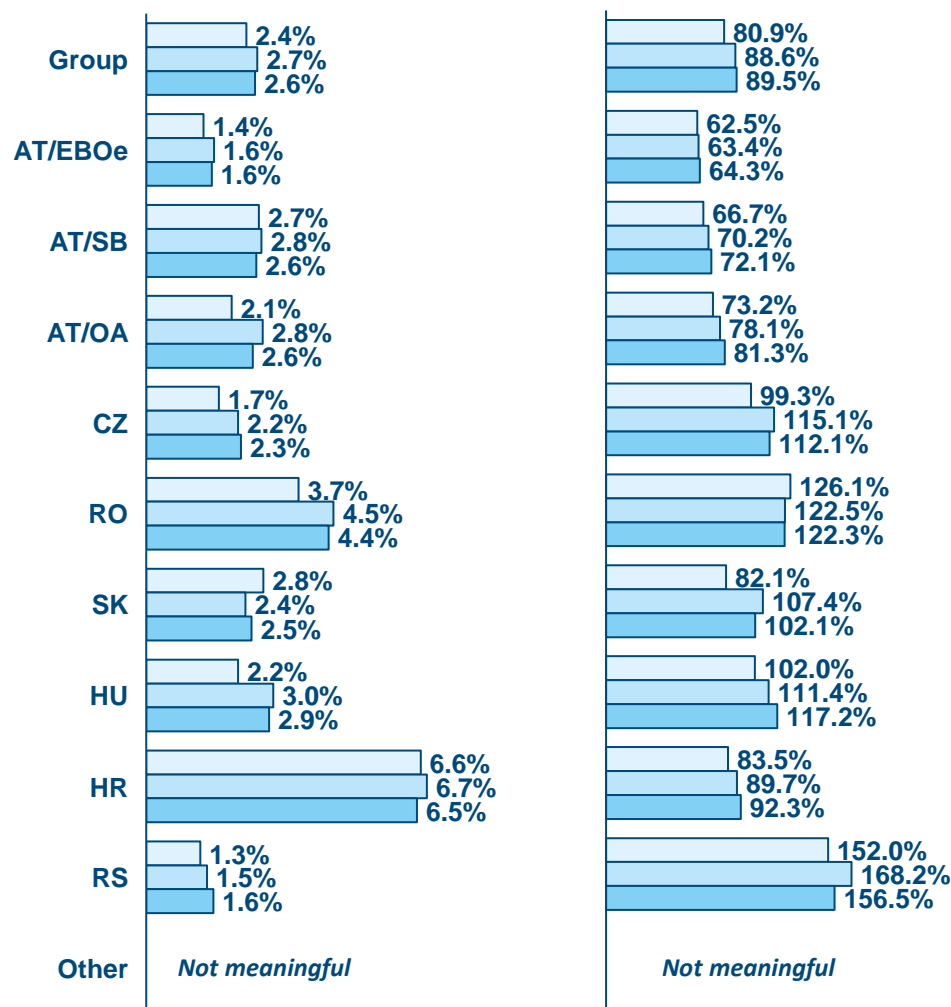
- For the time being credit risk deterioration is not a significant feature of the Covid-19 crisis...
- ...but prudent guidance of **max 65bps** maintained
- Based on ytd performance guidance review dependent on:
 - Vaccination progress
 - Magnitude of economic recovery
 - Effectiveness of government support measures
- Qoq improvement due to incorporation of expected economic effects of Covid-19 policy responses into provisioning throughout 2020, including Q4 20
 - UTP (unlikely to pay) assessments performed in Q4 20
 - State support measures still being in place in Erste Group's core markets
 - Seasonality and recoveries

*) 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 declines again as fallout from Covid-19 so far limited

31/03/20
31/12/20
31/03/21



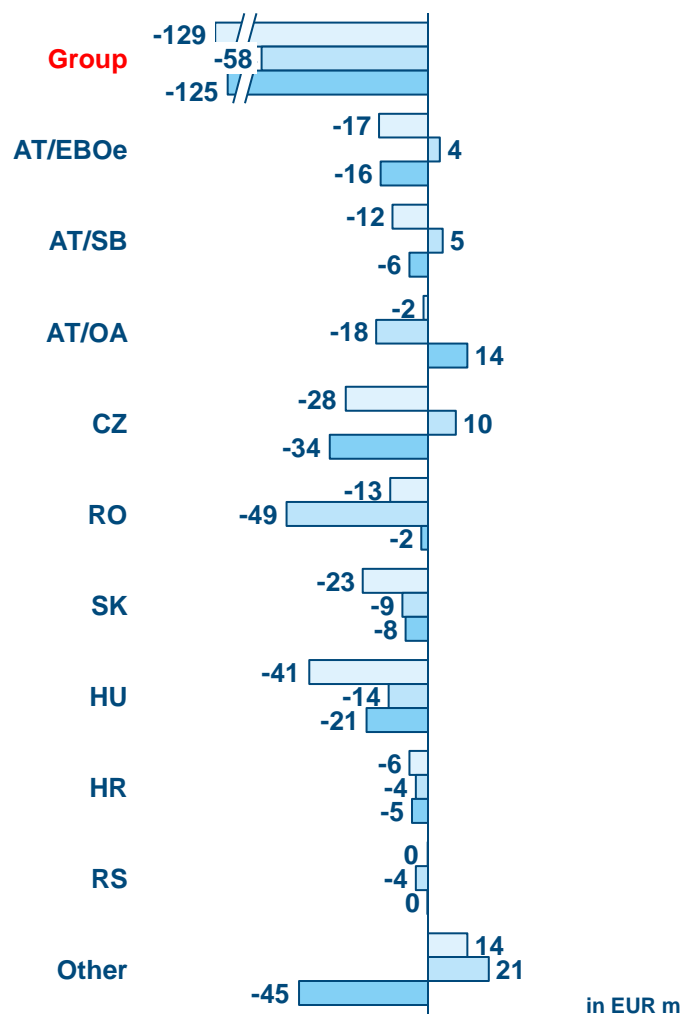
- **NPL ratio improves to 2.6%** and **NPL coverage increases to 89.5%** on lower NPL stock in Q1 21
- **Stable stage 2 ratio** at elevated level of 18.7% with strong coverage of 3.8%
- **Post-moratoria experiences promising so far**
 - No significant increase in hard defaults has been observed yet
 - Further developments will depend on the development of Covid-19 policy responses

Risk provisions by IFRS9 stages

in EUR million	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	CLA	Coverage
						Mar 21	Mar 21
Stage 1	86.5%	81.0%	80.4%	78.4%	78.2%	362	0.3%
Stage 2	10.7%	16.1%	16.7%	18.4%	18.7%	1,216	3.8%
Stage 3	2.2%	2.3%	2.2%	2.5%	2.5%	2,307	54.3%
POCI	0.2%	0.2%	0.2%	0.2%	0.2%	120	32.2%
Subject to IFRS9	99.7%	99.6%	99.6%	99.6%	99.6%	4,004	2.3%
Not subject to IFRS 9	0.3%	0.4%	0.4%	0.4%	0.4%	0	0.0%
Gross customer loans	164,268	167,369	168,276	170,020	171,811	4,004	2.3%

Operating trends: other result – Other result stable yoy

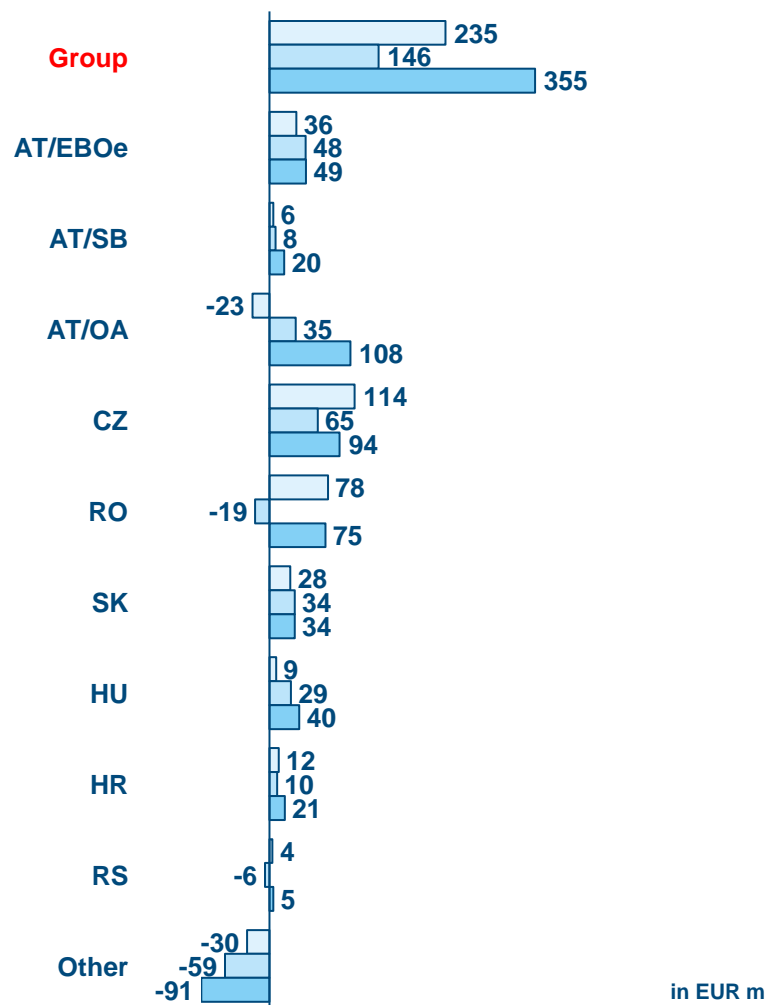
Q1 20
Q4 20
Q1 21



- Other result stable yoy as cancellation of SK banking levy offsets rising resolution funds contributions
- Qoq development attributable to full-year bookings of resolution funds
- Year-on-year segment trends:
 - AT/OA: selling gains of non-current assets
 - HU: extraordinary modification loss booked in Q1 20
- Quarter-on-quarter segment trends:
 - CZ: deterioration of other result mainly due to full-year contribution to resolution fund
 - RO: other result improves on non-recurrence of impairments booked in Q4 20 and selling gains of real estate in Q1 21
 - Other: development mainly driven by resolution fund contributions booked in Holding Corporate Center and lower reimbursements charged by IT service providers

Operating trends: net result – Q1 21 net profit improves on lower risk costs

Q1 20
Q4 20
Q1 21



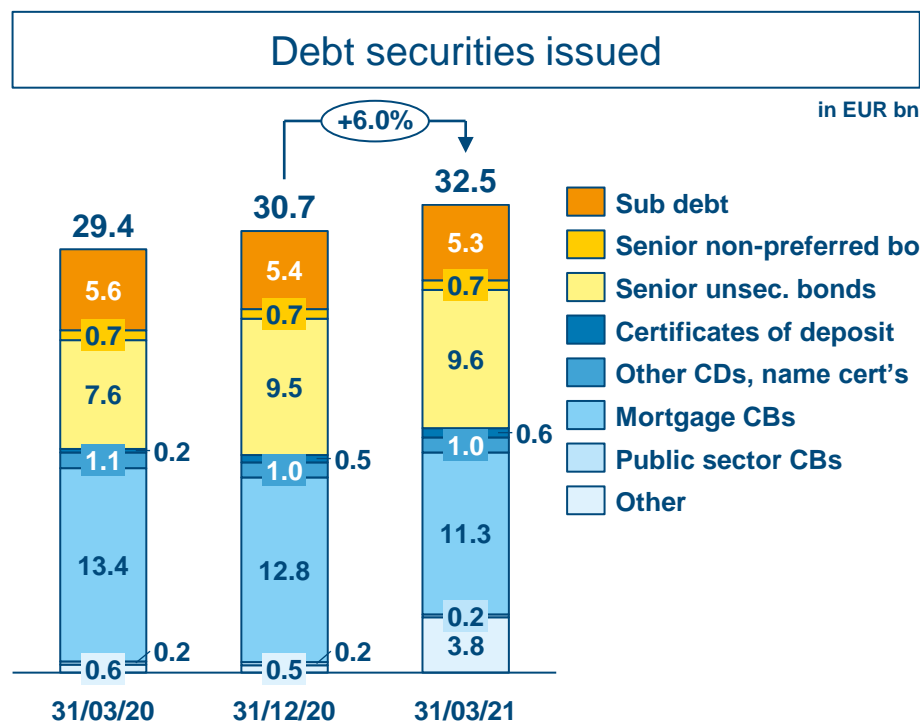
- Yoy profitability up mainly on improved operating performance due to rebound in trading and FV result, supported by lower risk costs
- Qoq performance driven by significantly lower risk provisioning
- Year-on-year segment trends:
 - AT/OA: operating performance, backed by net trading and FV result, reflected in substantially improved net result
 - CZ: net result decreases on lower operating result
 - HU: development driven by better operating performance and better other operating result
- Quarter-on-quarter segment trends:
 - CZ: improvement attributable to lower risk provisions
 - RO: net result rises on declining risk provisions, supported by better other operating result
 - RS: operating performance and lower provisions reflected in improved net result
- Return on equity at 9.6%, following 2.3% in Q4 20, and 6.6% in Q1 20
- Tangible return on equity at 10.6%, following 2.5% in Q4 20, and 7.3% in Q1 20

Presentation topics

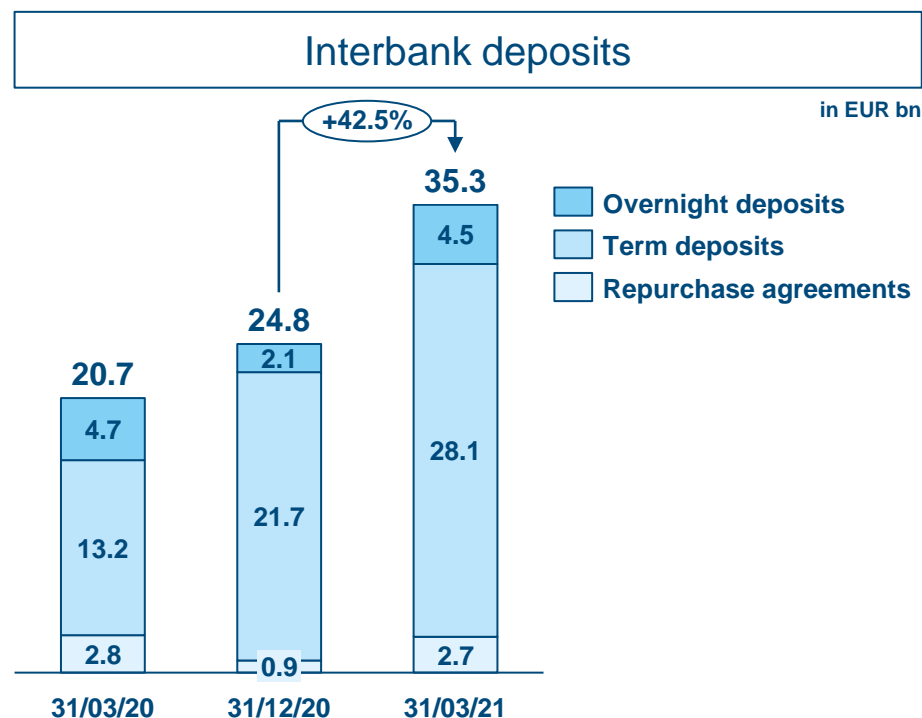
- Macroeconomic update
- Operating trends
 - Volumes
 - Revenues and costs
 - Impairments and asset quality
- Wholesale funding and capital
- Additional information

Wholesale funding and capital: debt vs interbank funding –

Stable wholesale funding reliance, as customer deposits grow strongly



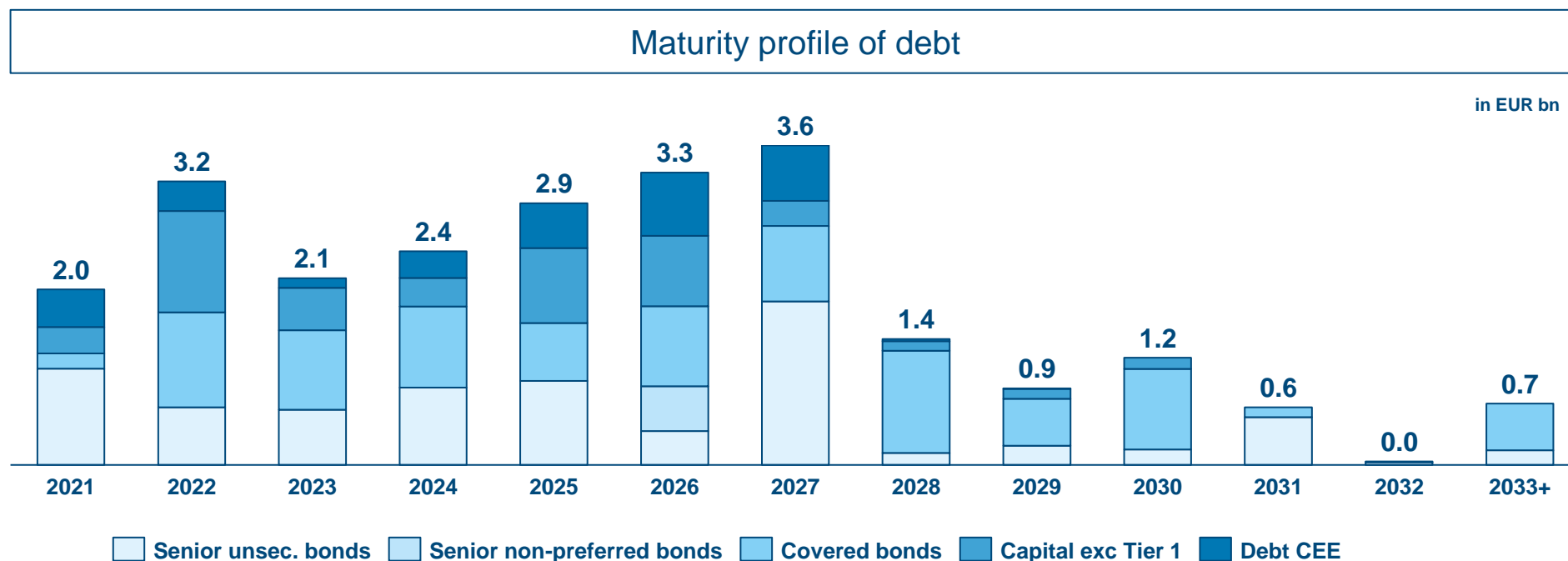
- Increase in debt securities issued exclusively driven by CP business of New York branch, while increased MREL-related issuance leads to rise in stock of senior unsecured bonds



- Significant increase in interbank deposits predominantly in term deposits

Wholesale funding and capital: LT funding –

Stable LT funding needs in 2021 with focus on senior preferred funding

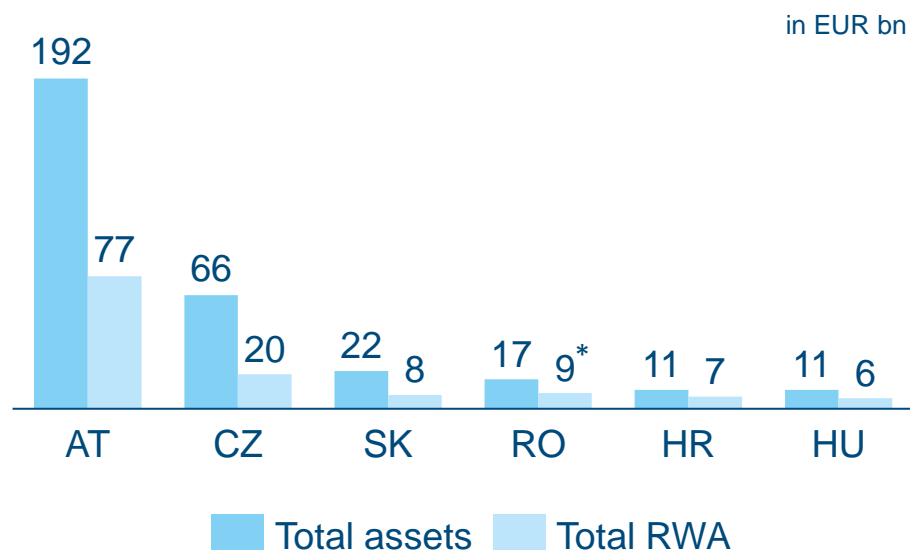


- Erste Group started the year with a EUR 500m senior preferred notes issuance with a 10 year tenor in January; prolongation of the outstanding senior preferred benchmark-curve and priced at favourable MS+55bps
- 2021 funding volume of Erste Group Bank AG comparable to 2020 levels, issuances in late 2020 to be seen as pre-funding
- TLTRO outstanding as of 31 Mar 2021: EUR 18.1bn

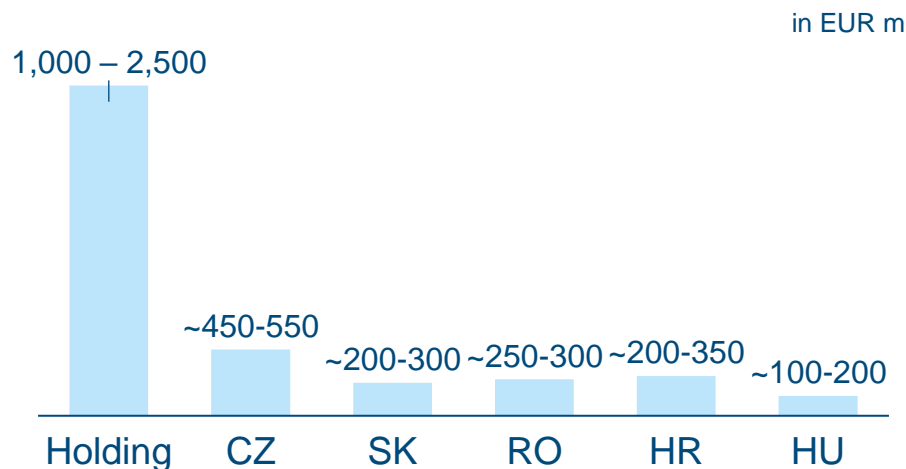
Wholesale funding and capital: MREL update –

Expected total MREL-related issuance volume unchanged

MREL resolution groups (March 2021)



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



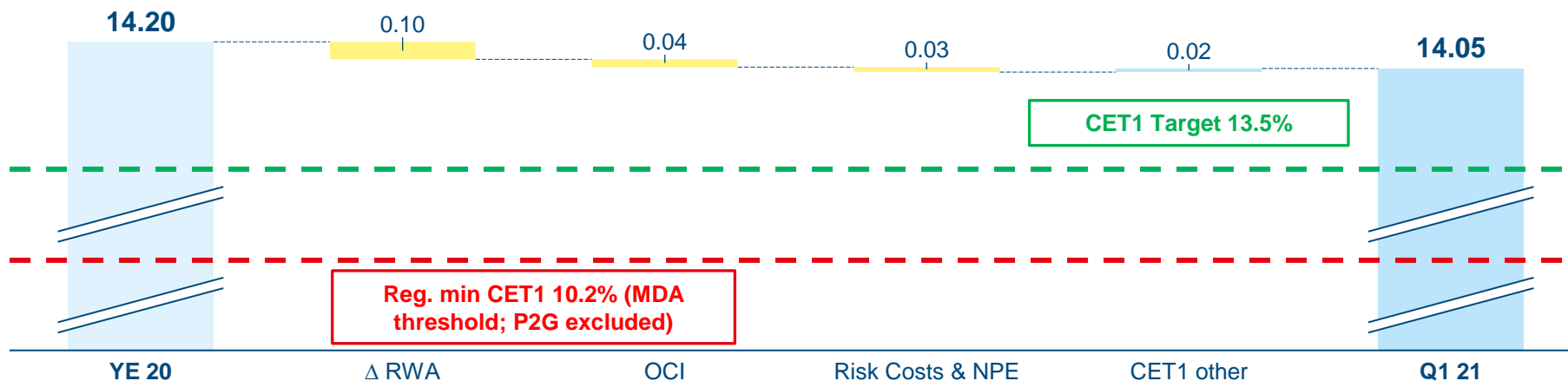
- Under MREL there are 6 MPE resolution groups: 3 (AT, SK, HR) covered by the Single Resolution Board and 3 (CZ, RO, HU) covered by the respective National Resolution Authority
- The Austrian resolution group (parent company, EBOe and savings banks) is not considered a legal entity or reporting unit,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

- CEE issuances will mainly be placed in domestic market and Euro markets
- First NPS issuances by Erste Group Bank AG (in EUR) and BCR (in RON) in 2019 and Slovenská sporiteľňa in Feb 2020
- Erste Bank Croatia issued a EUR PS in Q1 2021 in the domestic market

*) RO RWAs as of YE 2020

Wholesale funding and capital: capital position – Strong fully loaded CET1 ratio of 14.05%

In %



- **Strong Q1 21 CET1 ratio, staying above 13.5% CET1 target**

- OCI positions worsening mainly due to FV changes debt instruments
- Deductions of risk costs in Q1 21 and NPE backstop deduction (-3bps)

- **EUR 1.5 2019 dividend accrual rolled forward into 2020**

- Management board of Erste Group will propose dividend in line with ECB recommendation of EUR 0.5 per share to 2021 AGM for payment in May 2021; additional reserve of EUR 1.0 per share for payment once ECB recommendation is withdrawn; subject to profitability and capital performance

Presentation topics

- Executive summary
- Macroeconomic update
- Business update
- Operating trends
 - Volumes
 - Revenues and costs
 - Impairments and asset quality
- Capital and wholesale funding
- **Additional information**

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

Erste Group footprint



Czech Republic

Customers: 4.5m

Employees: 9,803

Branches: 429

Slovakia

Customers: 2.2m

Employees: 3,753

Branches: 205

Hungary

Customers: 0.9m

Employees: 3,215

Branches: 106

Romania

Customers: 2.9m

Employees: 5,567

Branches: 370

Majority ownership

Austria

Minority ownership

Customers: 3.9m

Employees: 15,922

Branches: 840 (EBOe: 181)

Croatia

Customers : 1.3m

Employees : 3,227

Branches: 138

Serbia

Customers: 0.5m

Employees: 1,207

Branches: 88

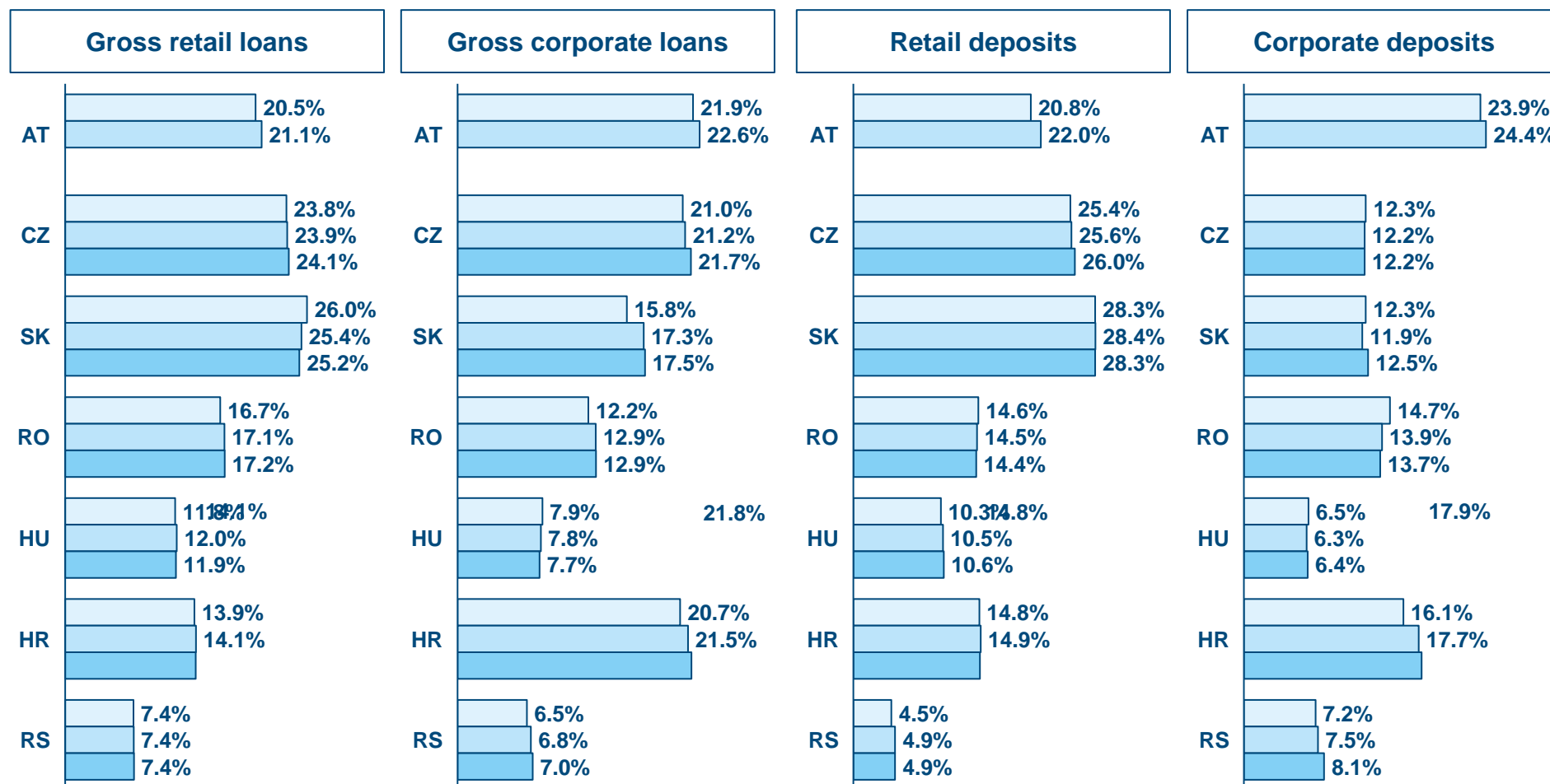
Highlights

- 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: 16.2 million
- Number of employees: 45,411
- Number of branches: 2,176

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

31/03/20
31/12/20
31/03/21



Market shares for Austria are not yet available as of 31/03/2021

Additional information: income statement –

Year-to-date and quarterly view

in EUR million	Year-to-date view			Quarterly view				
	I-3 20	I-3 21	YOY-Δ	Q1 20	Q4 20	Q1 21	YOY-Δ	QOQ-Δ
Net interest income	1,229.0	1,172.1	-4.6%	1,229.0	1,185.6	1,172.1	-4.6%	-1.1%
Interest income	1,391.7	1,208.0	-13.2%	1,391.7	1,225.0	1,208.0	-13.2%	-1.4%
Other similar income	395.1	339.0	-14.2%	395.1	357.9	339.0	-14.2%	-5.3%
Interest expenses	-231.0	-104.4	-54.8%	-231.0	-120.3	-104.4	-54.8%	-13.2%
Other similar expenses	-326.8	-270.6	-17.2%	-326.8	-277.0	-270.6	-17.2%	-2.3%
Net fee and commission income	504.2	540.0	7.1%	504.2	528.5	540.0	7.1%	2.2%
Fee and commission income	604.6	638.2	5.6%	604.6	621.2	638.2	5.6%	2.7%
Fee and commission expenses	-100.4	-98.2	-2.1%	-100.4	-92.7	-98.2	-2.1%	6.0%
Dividend income	1.5	4.8	>100.0%	1.5	4.3	4.8	>100.0%	13.2%
Net trading result	-157.4	9.5	n/a	-157.4	128.6	9.5	n/a	-92.6%
Gains/losses from financial instruments measured at fair value through profit or loss	37.5	56.9	52.0%	37.5	-19.4	56.9	52.0%	n/a
Net result from equity method investments	3.3	1.5	-55.0%	3.3	0.5	1.5	-55.0%	>100.0%
Rental income from investment properties & other operating leases	44.8	43.7	-2.3%	44.8	41.3	43.7	-2.3%	6.0%
Personnel expenses	-630.0	-622.4	-1.2%	-630.0	-618.5	-622.4	-1.2%	0.6%
Other administrative expenses	-344.8	-345.8	0.3%	-344.8	-339.9	-345.8	0.3%	1.7%
Depreciation and amortisation	-136.5	-135.1	-1.0%	-136.5	-138.9	-135.1	-1.0%	-2.8%
Gains/losses from derecognition of financial assets measured at amortised cost	0.4	2.5	>100.0%	0.4	6.6	2.5	>100.0%	-62.6%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-1.7	-0.3	-82.6%	-1.7	0.3	-0.3	-82.6%	n/a
Impairment result from financial instruments	-61.7	-35.7	-42.1%	-61.7	-424.7	-35.7	-42.1%	-91.6%
Other operating result	-127.6	-126.7	-0.7%	-127.6	-64.6	-126.7	-0.7%	96.0%
Levies on banking activities	-49.9	-33.2	-33.4%	-49.9	-17.4	-33.2	-33.4%	91.0%
Pre-tax result from continuing operations	361.3	565.1	56.4%	361.3	289.6	565.1	56.4%	95.1%
Taxes on income	-103.0	-124.3	20.7%	-103.0	-78.3	-124.3	20.7%	58.7%
Net result for the period	258.3	440.8	70.6%	258.3	211.3	440.8	70.6%	>100.0%
Net result attributable to non-controlling interests	23.0	85.7	>100.0%	23.0	65.2	85.7	>100.0%	31.3%
Net result attributable to owners of the parent	235.3	355.1	50.9%	235.3	146.0	355.1	50.9%	>100.0%
Operating income	1,663.0	1,828.6	10.0%	1,663.0	1,869.3	1,828.6	10.0%	-2.2%
Operating expenses	-1,111.2	-1,103.3	-0.7%	-1,111.2	-1,097.3	-1,103.3	-0.7%	0.5%
Operating result	551.7	725.3	31.5%	551.7	771.9	725.3	31.5%	-6.0%

Additional information: group balance sheet – Assets

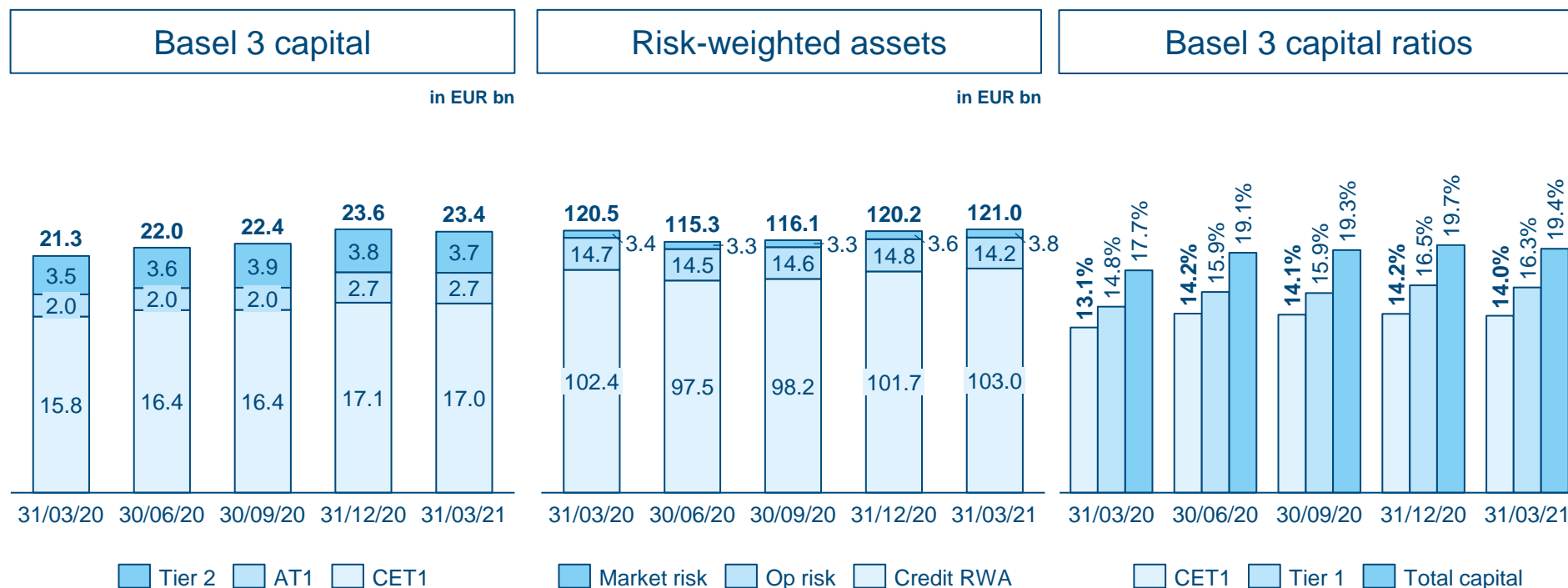
in EUR million	Quarterly data					Change		
	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	23,031	18,433	27,848	35,839	53,954	>100.0%	50.5%	50.5%
Financial assets held for trading	7,706	6,984	6,764	6,356	6,464	-16.1%	1.7%	1.7%
Derivatives	4,034	3,233	3,369	2,954	2,551	-36.8%	-13.6%	-13.6%
Other financial assets held for trading	3,672	3,752	3,394	3,402	3,912	6.5%	15.0%	15.0%
Non-trading financial assets at fair value through profit and loss	3,130	3,122	3,157	3,083	3,096	-1.1%	0.4%	0.4%
Equity instruments	361	374	395	347	325	-10.0%	-6.4%	-6.4%
Debt securities	2,250	2,129	2,124	2,048	2,036	-9.5%	-0.6%	-0.6%
Loans and advances to banks	0	0	0	0	0	n/a	n/a	n/a
Loans and advances to customers	519	619	638	687	735	41.5%	7.0%	7.0%
Financial assets at fair value through other comprehensive income	8,953	8,883	8,578	8,519	8,547	-4.5%	0.3%	0.3%
Equity instruments	139	132	136	130	127	-8.3%	-2.1%	-2.1%
Debt securities	8,815	8,750	8,442	8,389	8,420	-4.5%	0.4%	0.4%
Financial assets at amortised cost	207,133	214,464	212,824	210,940	219,901	6.2%	4.2%	4.2%
Debt securities	27,700	29,298	28,649	29,579	31,009	11.9%	4.8%	4.8%
Loans and advances to banks	24,264	27,418	25,672	21,466	27,477	13.2%	28.0%	28.0%
Loans and advances to customers	155,168	157,749	158,502	159,895	161,414	4.0%	1.0%	1.0%
Finance lease receivables	4,040	4,082	4,118	4,127	4,094	1.3%	-0.8%	-0.8%
Hedge accounting derivatives	226	270	254	205	149	-33.8%	-27.2%	-27.2%
Fair value changes of hedged items in portfolio hedge of interest rate risk	2	5	6	5	1	-53.8%	-82.2%	-82.2%
Property and equipment	2,558	2,526	2,496	2,552	2,526	-1.2%	-1.0%	-1.0%
Investment properties	1,254	1,257	1,245	1,280	1,312	4.6%	2.4%	2.4%
Intangible assets	1,322	1,331	1,331	1,359	1,332	0.8%	-2.0%	-2.0%
Investments in associates and joint ventures	163	166	170	190	192	17.6%	1.0%	1.0%
Current tax assets	80	135	151	175	183	>100.0%	4.9%	4.9%
Deferred tax assets	453	467	454	460	446	-1.5%	-3.1%	-3.1%
Assets held for sale	265	260	209	212	165	-37.7%	-22.0%	-22.0%
Trade and other receivables	1,391	1,287	1,256	1,341	1,596	14.7%	19.0%	19.0%
Other assets	1,191	1,019	1,123	751	1,010	-15.2%	34.6%	34.6%
Total assets	262,898	264,692	271,983	277,394	304,969	16.0%	9.9%	9.9%

Additional information: group balance sheet –

Liabilities and equity

in EUR million	Quarterly data					Change		
	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities held for trading	3,322	2,737	2,845	2,625	2,192	-34.0%	-16.5%	-16.5%
Derivatives	2,945	2,308	2,253	2,037	1,631	-44.6%	-20.0%	-20.0%
Other financial liabilities held for trading	377	429	592	588	561	48.9%	-4.5%	-4.5%
Financial liabilities at fair value through profit or loss	12,591	12,607	12,334	12,091	11,383	-9.6%	-5.9%	-5.9%
Deposits from customers	252	295	279	254	230	-8.8%	-9.6%	-9.6%
Debt securities issued	12,128	12,136	11,878	11,657	10,982	-9.5%	-5.8%	-5.8%
Other financial liabilities	211	177	178	180	172	-18.4%	-4.5%	-4.5%
Financial liabilities at amortised cost	219,988	222,321	229,525	235,125	262,669	19.4%	11.7%	11.7%
Deposits from banks	20,703	21,984	26,433	24,771	35,288	70.4%	42.5%	42.5%
Deposits from customers	181,439	182,376	184,551	190,816	205,144	13.1%	7.5%	7.5%
Debt securities issued	17,285	17,295	17,797	19,020	21,535	24.6%	13.2%	13.2%
Other financial liabilities	560	666	743	518	702	25.4%	35.6%	35.6%
Lease liabilities	520	521	516	560	557	7.2%	-0.4%	-0.4%
Hedge accounting derivatives	207	209	209	189	191	-7.7%	1.4%	1.4%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	-57.9%	-29.6%	-29.6%
Provisions	2,046	2,033	2,008	2,082	2,196	7.3%	5.5%	5.5%
Current tax liabilities	94	62	67	58	68	-28.2%	15.9%	15.9%
Deferred tax liabilities	24	17	31	20	25	3.2%	26.0%	26.0%
Liabilities associated with assets held for sale	7	7	3	1	1	-79.3%	1.7%	1.7%
Other liabilities	3,045	2,978	3,006	2,232	2,914	-4.3%	30.5%	30.5%
Total equity	21,053	21,200	21,438	22,410	22,771	8.2%	1.6%	1.6%
Equity attributable to non-controlling interests	4,875	4,922	5,024	5,073	5,163	5.9%	1.8%	1.8%
Additional equity instruments	1,987	1,987	1,987	2,733	2,733	37.5%	0.0%	0.0%
Equity attributable to owners of the parent	14,190	14,291	14,427	14,604	14,876	4.8%	1.9%	1.9%
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	11,853	11,953	12,090	12,267	12,538	5.8%	2.2%	2.2%
Total liabilities and equity	262,898	264,692	271,983	277,394	304,969	16.0%	9.9%	9.9%

Additional information: capital position – CET1 ratio at a strong 14.0%, phased-in at 14.3%



- CET1 capital declines by EUR 60m ytd:
 - Non-inclusion of Q1 21 interim profit
 - OCI impact and prudential filters: EUR -60m

- Ytd credit RWAs up by EUR 1.3bn on:
 - Business effects: ~ 1.6 EUR bn (growth)
 - Asset quality effect: ~ EUR – 0.4bn (portfolio deterioration offset by collateral value improvements)
- YTD op risk down EUR 0.6bn driven by removal of regulatory add-on

- CET1 ratio declines slightly on rising RWAs
- Pro-forma CET1 ration (including Q1 21 interim profit) at 14.3%
- Medium-term target remains unchanged at 13.5%

Additional information: regulatory capital position/requirement (SREP) – Capital requirements (SREP) for 2021; Erste Group target of 13.5% unchanged

	Erste Group Consolidated					Erste Group Unconsolidated			
	ECB Capital Relief								
	Phased-in	Fully loaded	Measures 1)	Fully loaded		Fully loaded			
	2019	2020	Q1 2021	Q1 2021	YE 2021	2019	2020	Q1 2021	YE 2021
Pillar 1 CET I 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%	4.68%	4.75%	4.63%	4.62%	4.62%
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%	0.18%	0.25%	0.13%	0.12%	0.12%
OSII buffer	2.00%	2.00%	2.00%	2.00%	1.00%	2.00%	2.00%	2.00%	1.00%
Systemic risk buffer	2.00%	2.00%	2.00%	2.00%	1.00%	2.00%	2.00%	2.00%	1.00%
Pillar 2 CET I requirement 3)	1.75%	0.98%	0.98%	0.98%	0.98%	1.75%	0.98%	0.98%	0.98%
Pillar 2 CET I guidance	1.00%	1.00%	1.00%	0.00%	1.00%	0.00%	0.00%	0.00%	0.00%
Regulatory minimum ratios excluding P2G									
CET I requirement	11.16%	10.16%	10.16%	7.66%	10.16%	11.00%	10.11%	10.11%	10.11%
1.50% AT1 Tier I requirement	12.66%	11.99%	11.99%	9.49%	11.99%	12.50%	11.94%	11.94%	11.94%
2.00% T2 Own funds requirement	14.66%	14.43%	14.43%	11.93%	14.43%	14.50%	14.38%	14.37%	14.37%
Regulatory minimum ratios including P2G									
CET I requirement	12.16%	11.16%	11.16%	n.a.	11.16%	11.00%	10.11%	10.11%	10.11%
1.50% AT1 Tier I requirement	12.66%	12.99%	12.99%	n.a.	12.99%	12.50%	11.94%	11.94%	11.94%
2.00% T2 Own funds requirement	14.66%	15.43%	15.43%	n.a.	15.43%	14.50%	14.38%	14.37%	14.37%
Reported CET I ratio as of March 2021			14.28% 4)			22.07% 4)			

- Buffer to MDA restriction as of 31 Mar 21: 411bps
- Available distributable items (ADI) as of 31 Mar 21: EUR 3.10bn (post EUR 0.5 dividend per share and AT1 coupon); based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 5.5bn

1) Following ECB's announcement re. measures in reaction to COVID-19 on 12 March 2020. (MDA restrictions still apply in case of a combined buffer requirement breach).

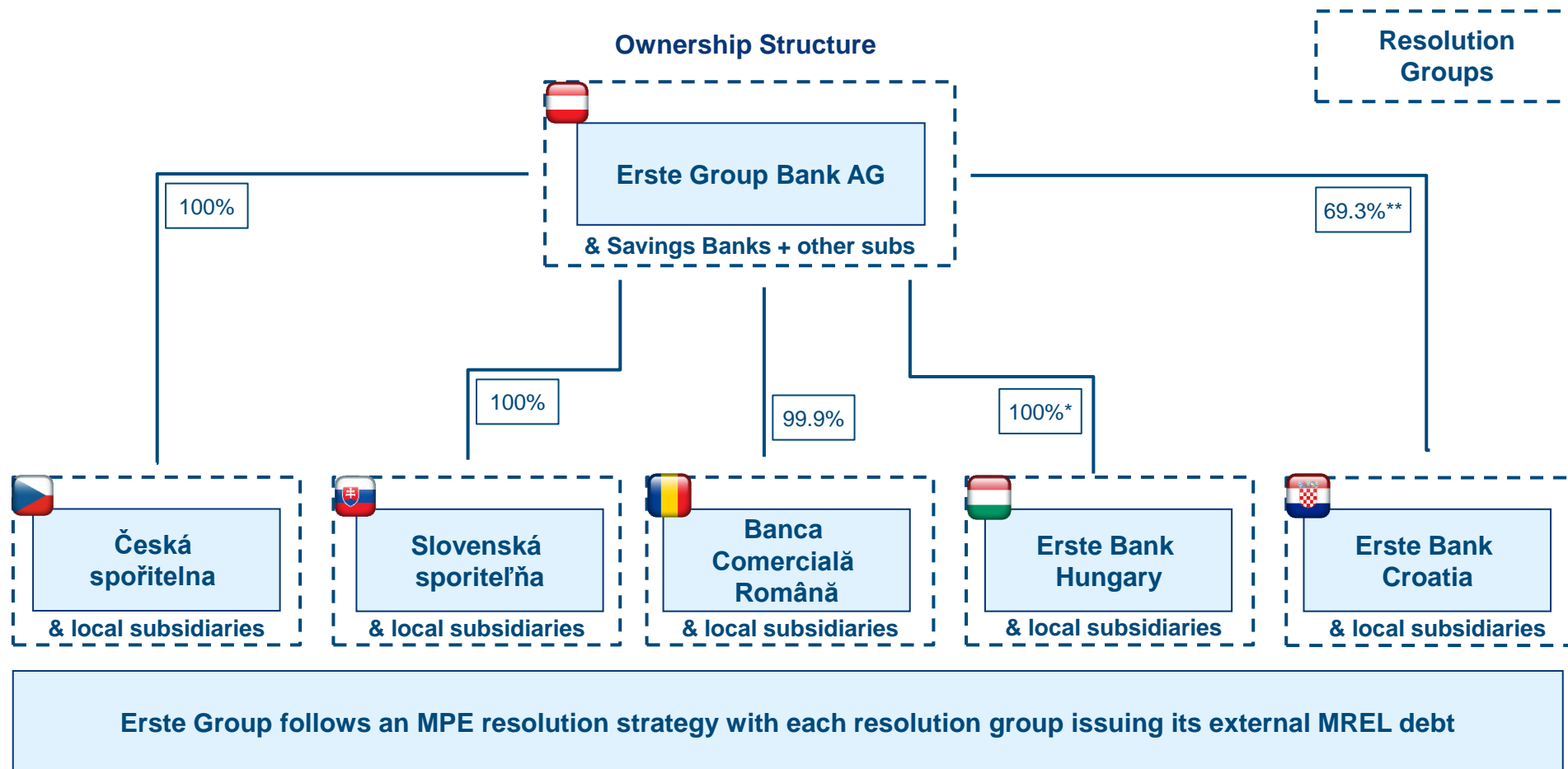
2) Planned values based on Q1 2021 exposure (Q1 21 countercyclical buffer of 0.18% for Erste Group consolidated)

3) As of 12 March 2020 ECB brought forward measures for the use of the P2R re. capital stack (56.25% for CET1 capital and 75% for Tier 1 capital. The overall P2R remained at 1.75% for Erste Group

4) Consolidated capital ratios pursuant to IFRS on phased-in basis. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.

5) Combined buffer requirement: until Q1 2021 higher of OSII and systemic risk buffer; in 2021 OSII and systemic risk buffer are cumulative

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

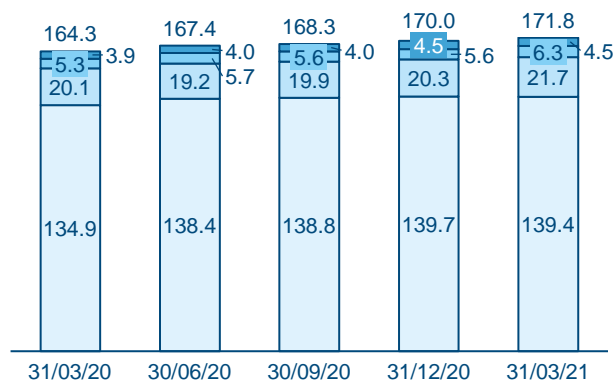


*Erste Bank Hungary: 30% held by Corvinus/Hungarian State and EBRD (15% each) with option agreement to sell stakes to Erste Group Bank AG

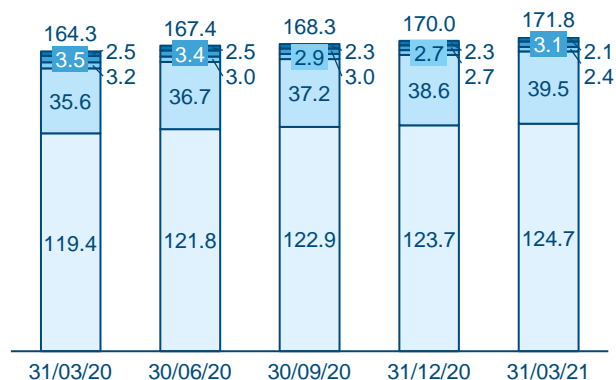
**Erste Bank Croatia: direct stake of 59%; indirect stake through Steiermärkische Sparkasse

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

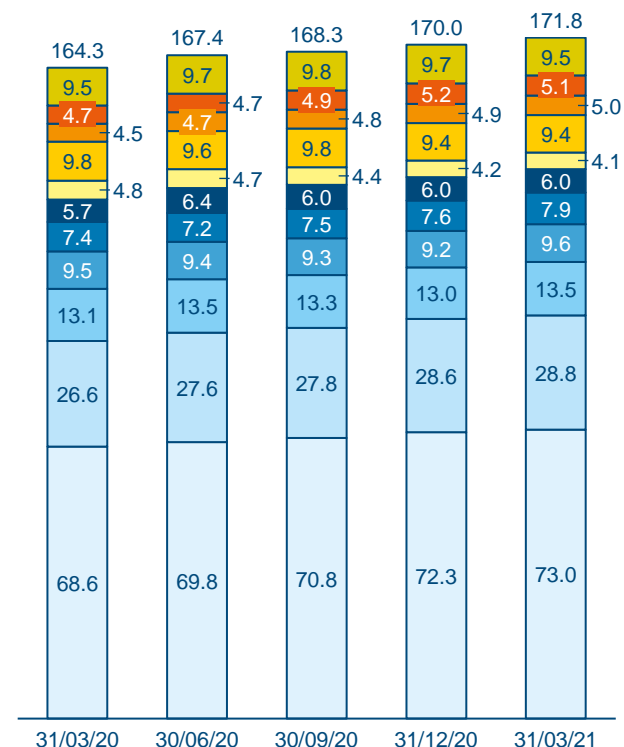
Gross cust. loans by risk category (EUR bn)



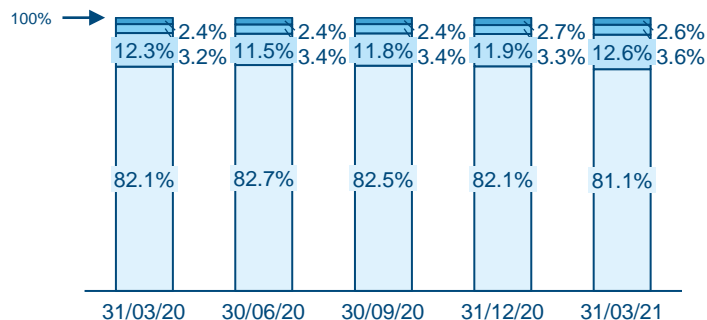
Gross customer loans by currency (EUR bn)



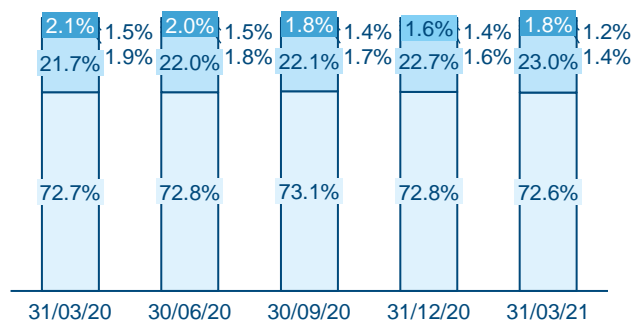
Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)



Gross customer loans by currency (in %)

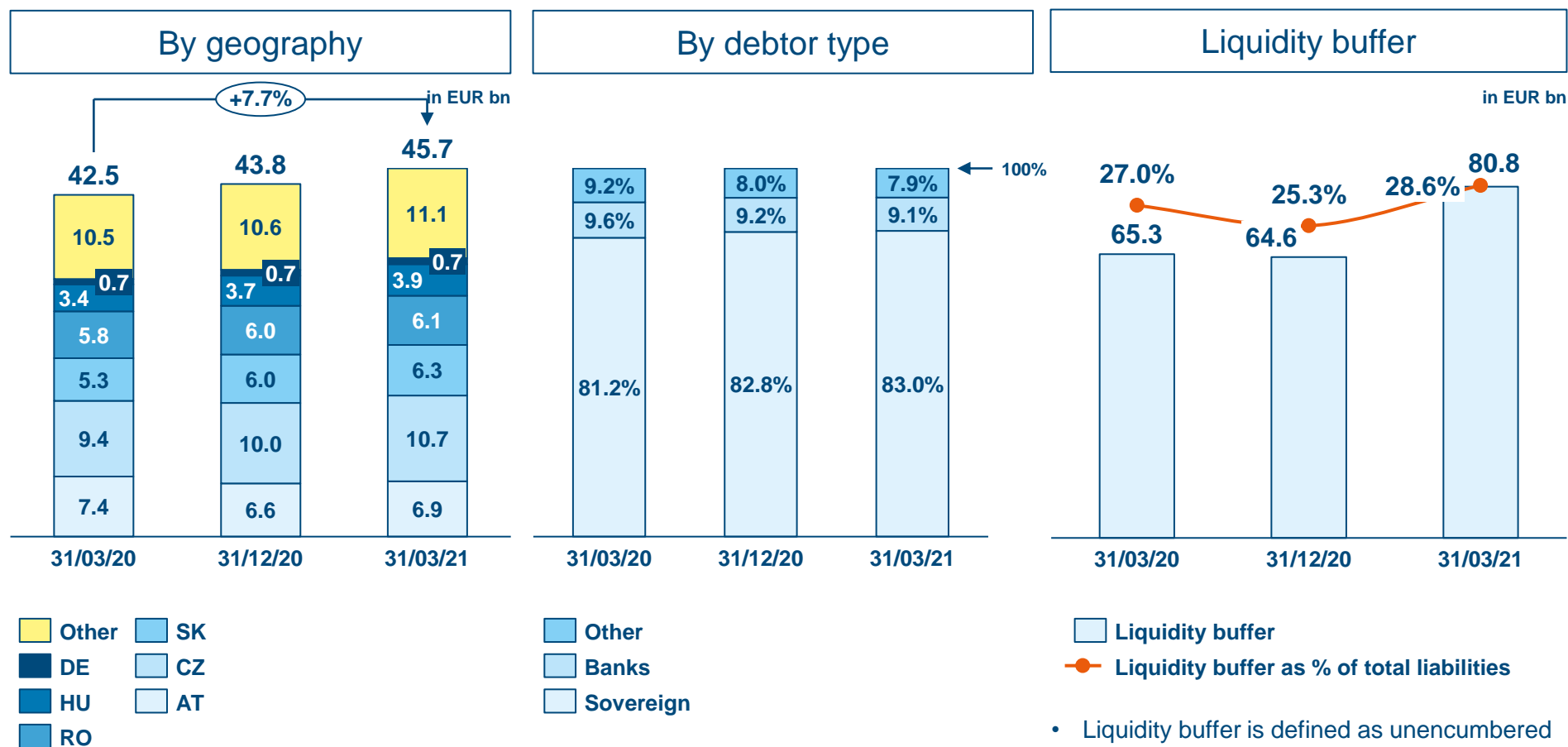


■ Non-performing
■ Substandard
■ Management attention
■ Low risk

■ Other
■ USD
■ CHF
■ CEE-LCY
■ EUR

■ Other
■ Transport & comms
■ Tourism
■ Services
■ Financial inst.
■ Public admin
■ Construction
■ Trade
■ Manufacturing
■ Real estate
■ Households

Additional information: financial and trading assets* – LCR at excellent 194.6%



- 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: 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

- **highlights its social commitment**
- underlines its commitment towards **climate and environmental objectives**
- recognize the **importance of financial institutions** to promote sustainable investments

Strengthen customer
awareness and satisfaction

- 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**

Strengthen Erste Group's
financial position

- **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'



Erste Group's SFF is aligned with:

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



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

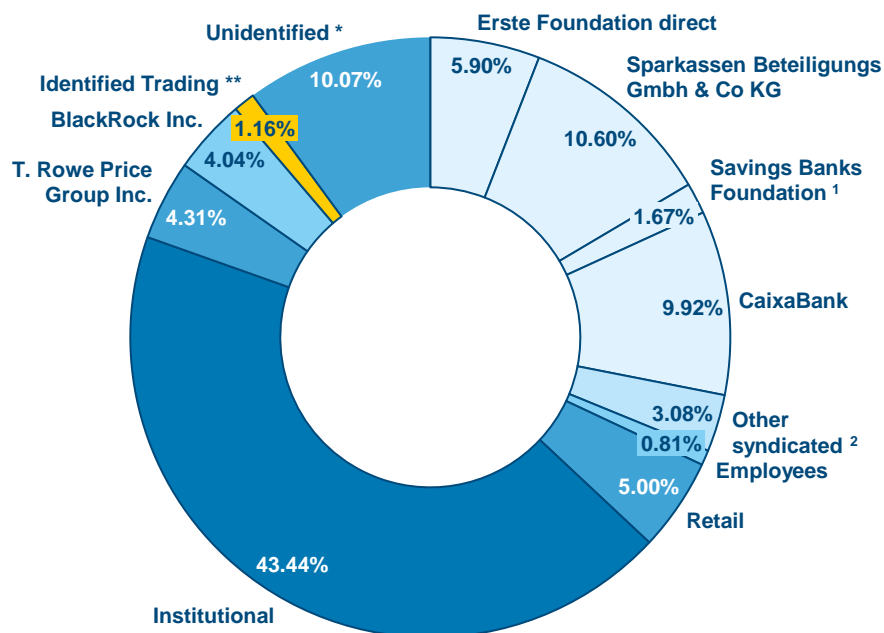


- The issuer shows a **good sustainability performance** against industry peer group on key ESG issues and **has been rated 'PRIME'**.
- The issuer's **formal concept** of Green, Social and Sustainability Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds 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.

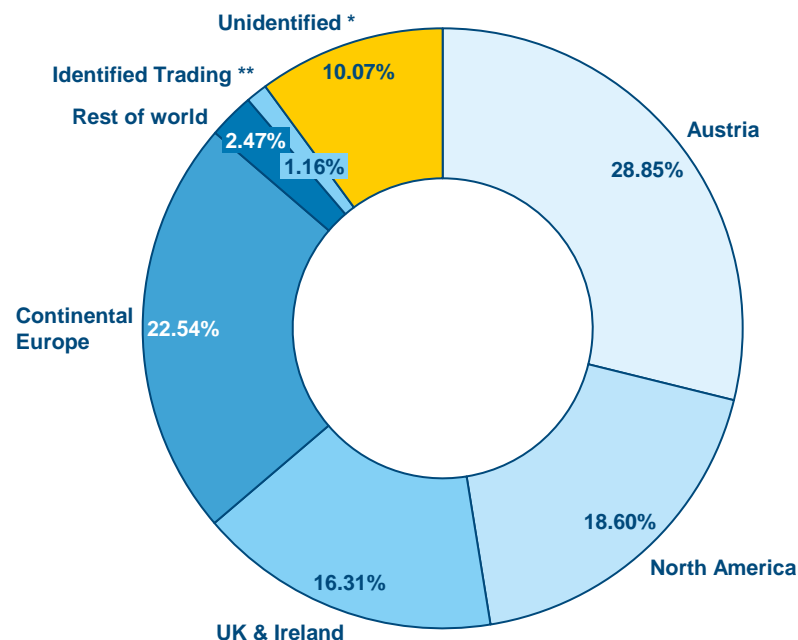
Additional information: shareholder structure –

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

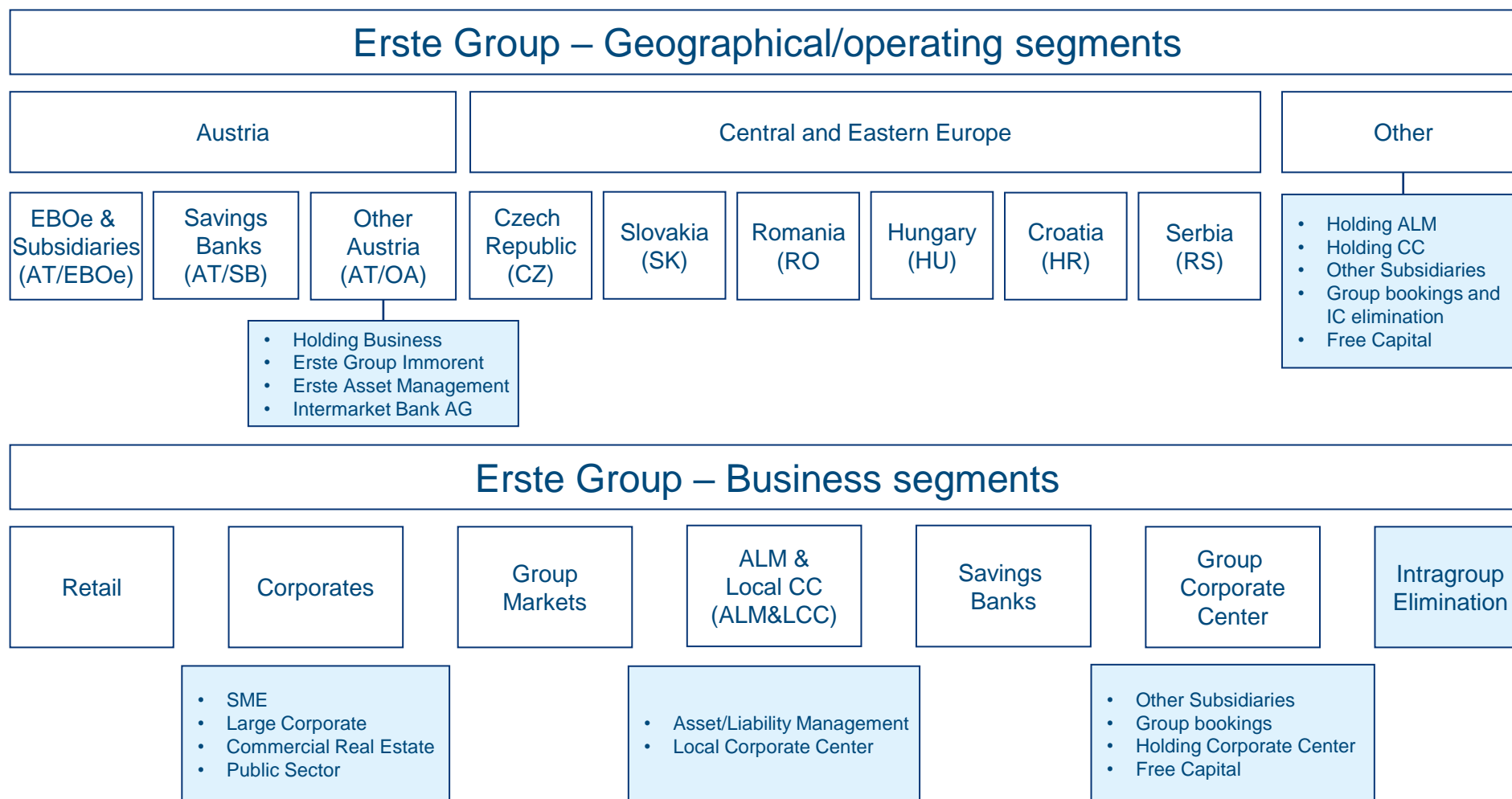
² Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank

* Unidentified institutional and retail investors

** Including Market Makers, Prime Brokerage, Proprietary Trading, Collateral and Stock Lending positions which are visible through custodian banklists

Status as of 28 April 2021

Additional information: segment structure – Geographical/operating and business segment view



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<http://twitter.com/ErsteGroupIR> http://www.slideshare.net/Erste_Group

Erste Group IR App for iPad, iPhone and Android http://www.erstegroup.com/de/Investoren/IR_App

Reuters: **ERST.VI** Bloomberg: **EBS AV**

Datastream: **O:ERS** ISIN: **AT0000652011**

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