

Erste Group debt investor presentation

November 2020

Disclaimer –

Cautionary note regarding forward-looking statements

- THE INFORMATION CONTAINED IN THIS DOCUMENT HAS NOT BEEN INDEPENDENTLY VERIFIED AND NO REPRESENTATION OR WARRANTY EXPRESSED OR IMPLIED IS MADE AS TO, AND NO RELIANCE SHOULD BE PLACED ON, THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THIS INFORMATION OR OPINIONS CONTAINED HEREIN.
- CERTAIN STATEMENTS CONTAINED IN THIS DOCUMENT MAY BE STATEMENTS OF FUTURE EXPECTATIONS AND OTHER FORWARD-LOOKING STATEMENTS THAT ARE BASED ON MANAGEMENT'S CURRENT VIEWS AND ASSUMPTIONS AND INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN SUCH STATEMENTS.
- NONE OF ERSTE GROUP OR ANY OF ITS AFFILIATES, ADVISORS OR REPRESENTATIVES SHALL HAVE ANY LIABILITY WHATSOEVER (IN NEGLIGENCE OR OTHERWISE) FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS DOCUMENT OR ITS CONTENT OR OTHERWISE ARISING IN CONNECTION WITH THIS DOCUMENT.
- THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR ANY SHARES AND NEITHER IT NOR ANY PART OF IT SHALL FORM THE BASIS OF OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER.

Presentation topics –

1

Introduction to Erste Group

2

Update on coronavirus situation

3

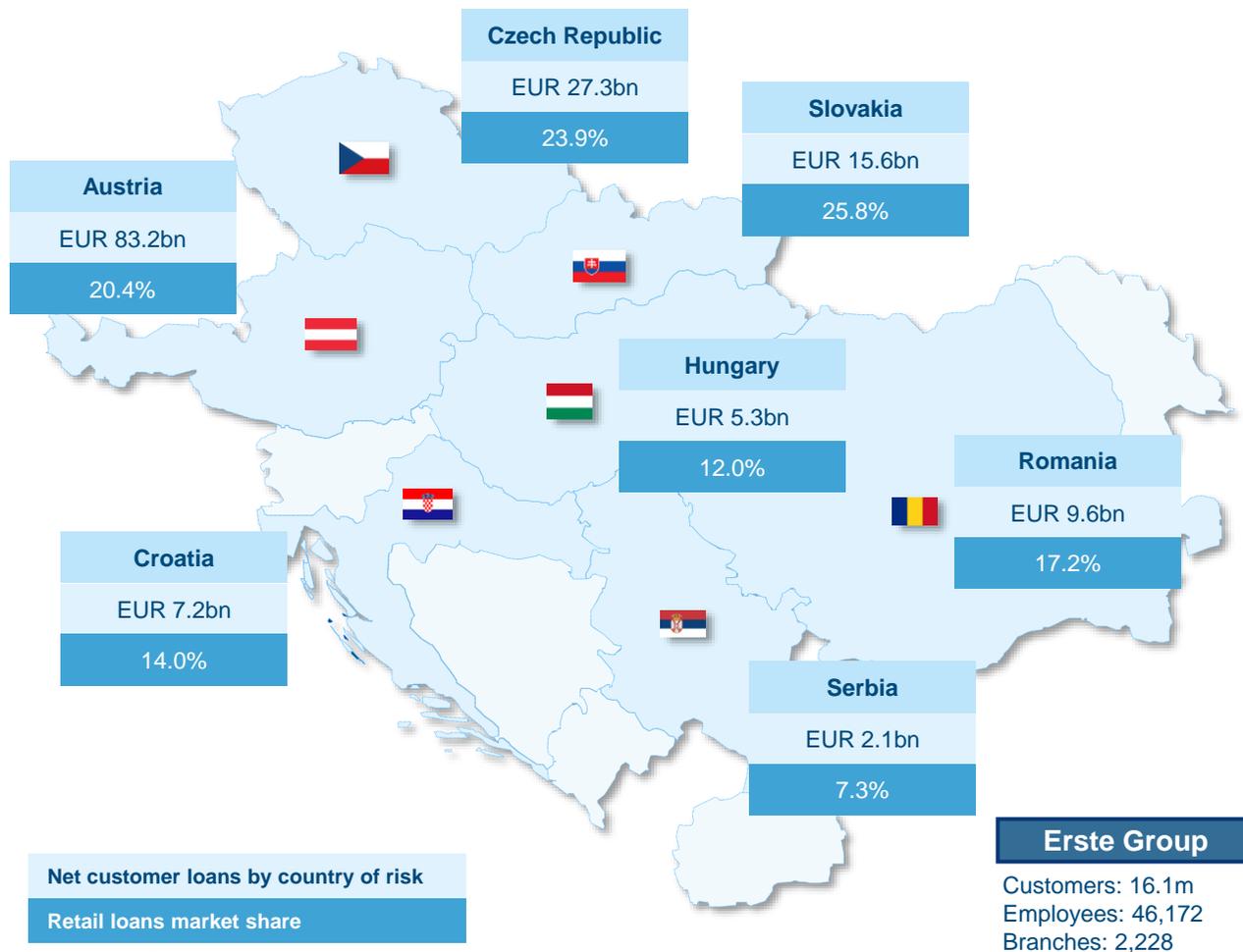
Funding strategy

4

Latest quarterly financials

Erste Group's footprint –

The 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

Net customer loans by country of risk

Retail loans market share

as of Sept 20

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 | 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 RWN* / F1 |

* Rating Watch Negative

Status as of 29 October 2020

ESG ratings, indices and alignment with UN SDGs

ESG Indices and Ratings



Erste Group has been included in the Vienna Stock Exchange's sustainability index since its launch in 2008



FTSE4Good

Included since 2016: The FTSE4Good Index Series measures the performance of companies with strong environmental, social and governance (ESG) practices



Since 2017 included in the Euronext Vigeo Index: Eurozone 120



Included since 2019 in the Bloomberg Gender-Equality Index. **Erste Group is the only Austrian company represented** in this index (as of 2020).



Erste Group was awarded **prime status in ISS ESG ratings** in October 2018.



In March 2020, imug Investment Research **confirmed the rating** for Erste Group at **positive (B)**, mortgage covered bonds are currently rated positive (BB) and raised the public sector covered bonds rating to very positive (A).



Erste Group was **upgraded to AA** in July 2019 and is considered a **leader among approx. 200 companies in the banking industry**.

UN Sustainable Development Goals

In principle, Erste Group supports all SDGs. Given its regional footprint and business model, Erste Group is in fact able to make notable contributions to the achievement of the below-mentioned SDGs:



- Since its foundation 200 years ago, Erste Group's purpose has been to promote and secure prosperity. Erste Group values responsibility, respect and sustainability.
- Financial literacy is key to economic prosperity. Therefore, Erste Group offers a variety of financial literacy trainings.
- Erste Group respects and promotes work-life balance among its employees and also contributes to their good health.
- Diversity and equal opportunity are key elements of Erste Group's human resource strategy.
- For Erste Group social and/or ecological criteria are as important as economic criteria in its investment decision process.
- Erste Group has launched social banking initiatives aiming at the financial inclusion of those parts of the population that are often excluded.
- Erste Group contributes to the cultural and social development of society.
- Erste Group aims at protecting the environment by minimising its ecological footprint, in particular with its consumption of energy and paper.
- Erste Group cooperates with national and international organisations and it promotes corporate volunteering.

Presentation topics –

1

Introduction to Erste Group

2

Update on coronavirus situation

3

Funding strategy

4

Latest quarterly financials

Presentation topics

- Key topics amid Covid 19
 - CEE Covid-19 evolution update
 - Macroeconomic update
 - Business update
 - Operating trends
 - Asset quality and impairments
 - Capital trends and dividends
 - Key takeaways and outlook

CEE Covid-19 evolution update –

Number of positively tested persons rises across CEE, Europe

- Main features of current virus spread in Central and Eastern Europe
 - Coronavirus has gone mainstream, reaching all sections of the population, while proliferation in spring was immaterial in Central and Eastern Europe
 - Testing capacities have multiplied over past weeks and months, resulting in higher detection rate
 - (Relative) mortality continues to decline, while absolute number of deaths attributed to Covid-19 rises
 - Hospital capacities remain intact in most countries, but load factors rise everywhere, albeit from low levels
 - More pragmatic approach instead of full lockdown to protect economies (reducing social interaction, but keeping industry open)
- Summary of government measures in Central and Eastern Europe
 - Austria: partial autumn lockdown widened (retail trade and services closed while production, industry remain open), curfew with defined exemptions, voluntary nationwide testing exercise planned for December
 - Hungary: travel restrictions, increased mask usage, limitation of restaurant opening hours
 - Czechia: re-introduction of temporary state of emergency and measures equivalent to lockdown, but with aim to keep industry open
 - Slovakia: embarking on nationwide testing exercise, selective curfew, school closures
 - Romania: mask usage, social distancing, school closures
 - Croatia: social distancing, smaller event sizes, mask usage
 - Serbia: stricter mask usage, shorter restaurant opening hours, limitation of event sizes

Macroeconomic update (1) – CEE tackles Covid-19 challenge from a position of strength

Economy

- Strong labour markets
 - Unemployment rates at historic lows in most countries at the end of 2019
 - Real wage growth
- Reduced external vulnerabilities
 - Materially improved current account balances in all Erste CEE countries
- Sound government finances
- Manageable public debt
- Low interest rates

Banking markets

- Deposit overhang & excess liquidity on system level in all key markets
- No excesses, rather sustainable asset growth over the past years
- Sustainable growth opportunities

Subsidiary banks

- Fully self-funded business model as opposed to parent company dependency
- Focus on local currency lending
- Historically low NPL ratios
- Strong market shares
- High capital ratios

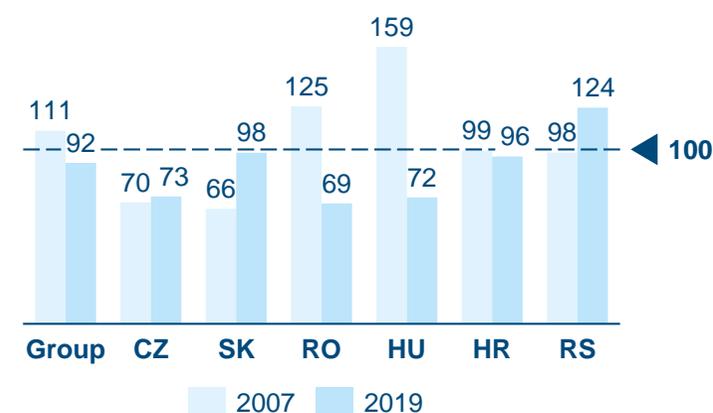
Unemployment rates (in %)



Customer loans/GDP (in %)

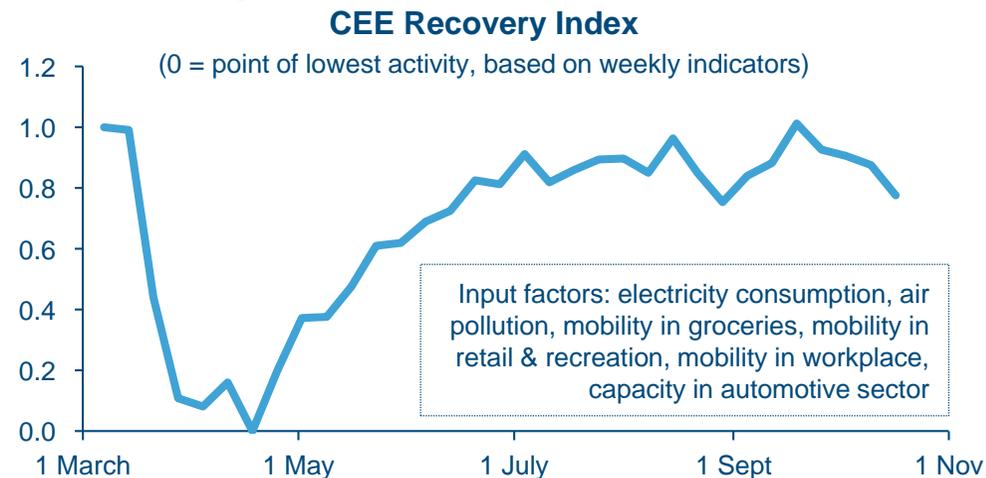


Loan/deposit ratios (in %)



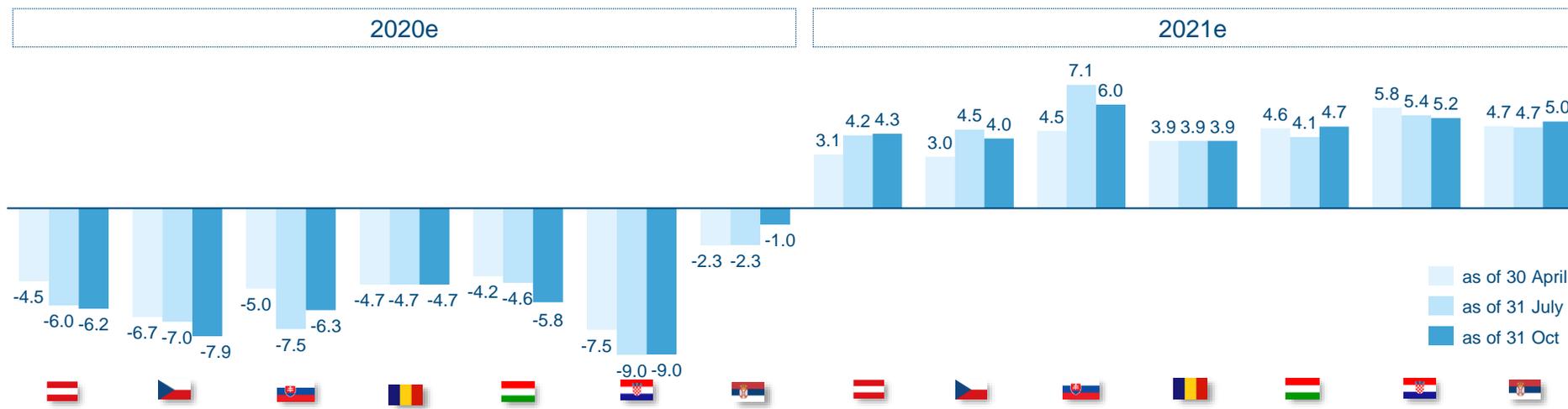
Macroeconomic update (2) – 2020 will see economic slump, partial rebound expected in 2021

- **Real GDP to decline 4%-9% in 2020 in Erste Group's core markets**
 - Both exports and consumption will suffer in 2020
 - Hardest hit industries expected to be tourism, services, transport, and retail trade
 - Q2 expected to be hit hardest followed by Q3 & Q4 recovery
- **Economic activity expected to partially rebound in 2021**
 - Recent government measures will mainly be concentrated on retail & services
 - Production expected to be less impacted
 - In case of broad-based lockdown downward revisions very likely
- **CEE Recovery Index shows the performance of various indicators compared to mid April**
 - Current decline reflects recent government measures as a response to rising new Covid cases



Source. Erste Group Research

Evolution of real GDP forecasts



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

• Diverging demand trends in Q3 20

- Continued strong demand for housing loans; customers see importance of owning real-estate
- Lower demand for consumer loans, reflecting uncertainty among client base
- Deposit volumes continue to increase, customers see Erste as a trusted partner
- Asset management sales volumes affected by a volatile market environment; strategic focus on long term savings plans
- Insurance sales with strong recovery after lockdown in Spring, solid demand from customers

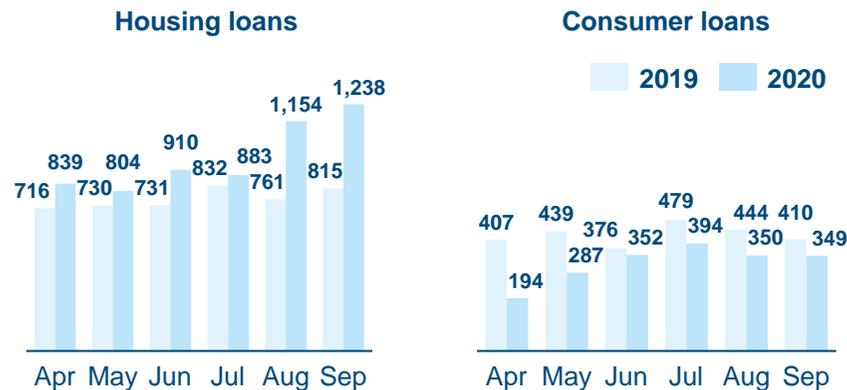
• Customer interactions are changing due to COVID-crisis

- Branch traffic recovered strongly after lockdowns to almost pre Covid-19 levels, however decreases again in October due to the pandemic
- Generally higher digital activity of customers
- Digital sales peaked during lockdowns and in September; customers appreciate digital offering
- Cashless and mobile transactions on the rise

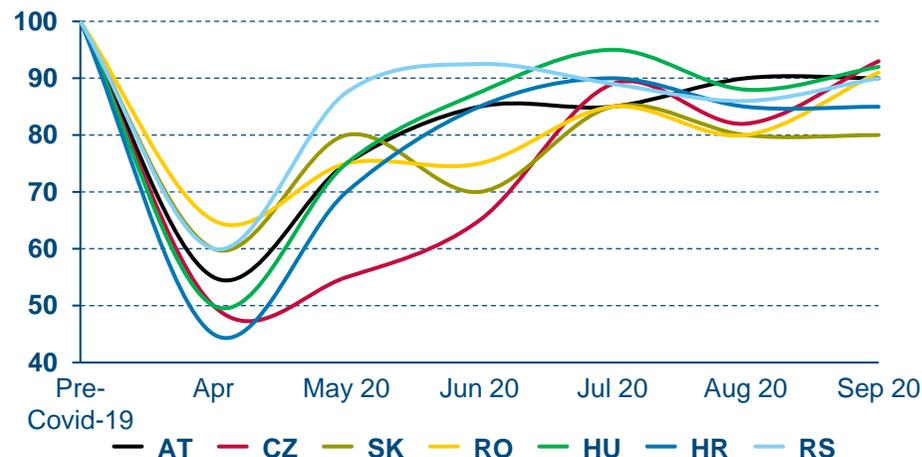
- The Covid-19 crisis proves again that Erste Group fulfills its role as **critical infrastructure**, but even more that advice and support both by Erste advisors and in George is highly relevant to our customers.

Monthly new sales volumes

(2019 vs 2020, in EUR million)



Branch traffic development since Covid-19 (in %)



Business update (2) – Corporates – what’s happening on the ground?

• Clients continue to adjust

- Loan demand is still increasing, but at a slowing pace in Q3
- State guaranteed loan programmes mostly done in Austria; guaranteed volumes by comparison low in CEE
- Large acquisition finance facilities still in preparation, M&A has not picked up yet
- After strong reductions in earnings projections in Q2, we saw a stabilisation in forecasts on the lower level in Q3 at listed Corporates in CEE for 2020 and 2021

• Clients continue to tap capital markets

- 126 mandated transactions ytd with a total issuance volume of EUR 82 bn accompanied by Erste, mostly debt capital markets

• Drawdown behaviour

- Ratio of drawn loan volume to overall loan and guarantee exposure has gone from 67.2% (YE19) to 70.4% (Q3 20)

• Core revenue slightly down

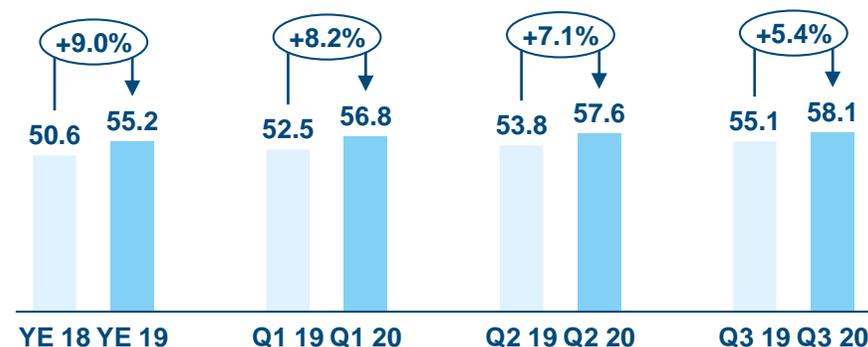
- NII increase yoy despite the negative impact from rate cuts (primarily in CZ hitting liability side), continued margin pressure
- Fees decline yoy (-7.3%) on the back of lower economic activity and negative SEPA regulation impact (primarily in CS and EBC)
- Trading & FV results below 2019, driven by CVA/ DVA valuations

• SME business growth slowed

- The number of active SME clients increases slower in 2020 than in 2019 (low single digit growth rate)
- SME loan volume grew by 3% yoy

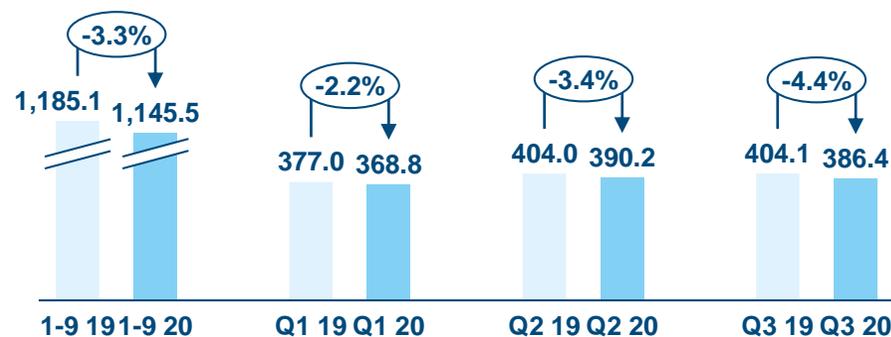
Corporate loan stock development

(gross, business line view, in EUR bn)



Operating income development

(business line view, in EUR m)



Understanding operating trends (1) – Low single-digit underlying net loan growth expected in 2020

- Qoq net loan growth amounted to +0.5% in Q3 (Q2 20: +1.6%)
 - Impact of state-guaranteed loans: approx. EUR +0.8bn
 - Moratoria effect (reduced redemptions): EUR +0.5bn
 - Currency effect: EUR -0.6bn in Q3 20 (ytd ~ EUR -2.0bn)
 - Real business growth: EUR +0.2bn
- Erste Group so far supported more than 1m customers amid evolving Covid-19 situation
 - Stable moratoria participation trends
 - State guaranteed loans continue to be an Austria feature

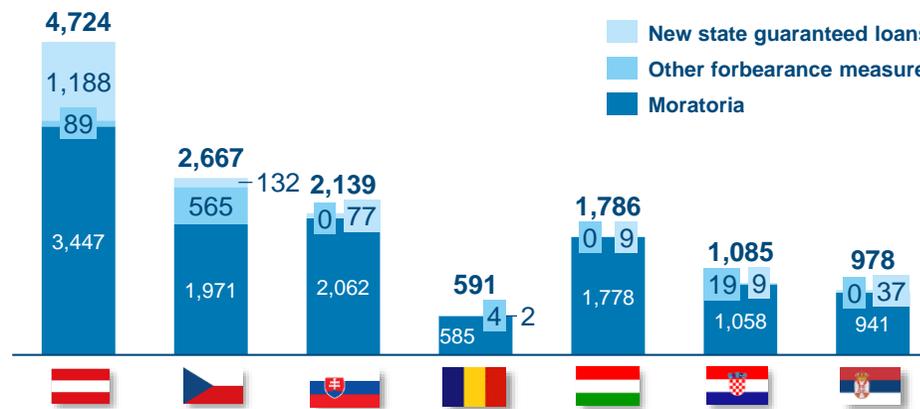
Composition of net loan growth in Q3 20
(in EUR bn)



Volume-based active moratoria participation
(in % of loans to customers)



Active volumes subject to key Covid-19 measures
(as of 30 September, in EUR m)

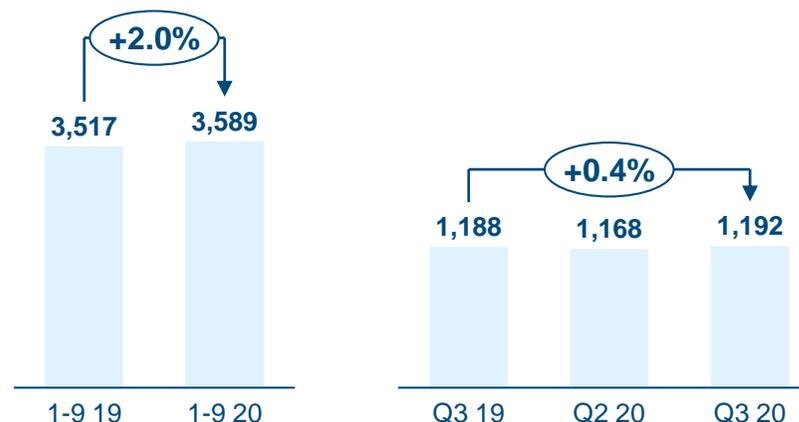


Data source: EBA reporting, internal reports

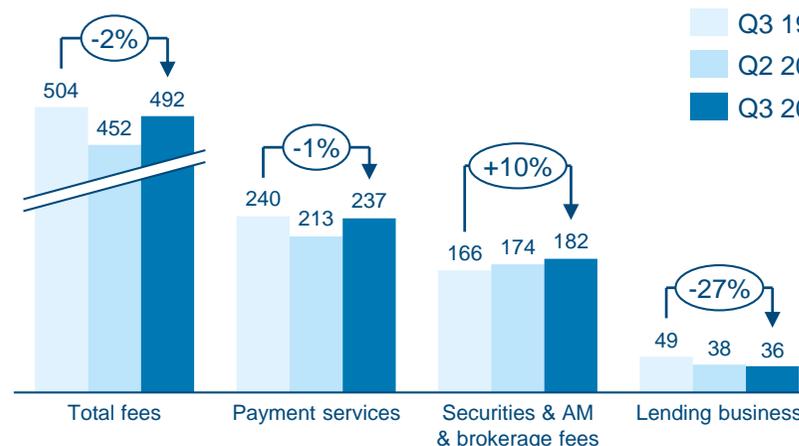
Understanding operating trends (2) – Strong NII and fee performance in Q3 20, while costs were flat

- **NII improved in Q3 20, both qoq and yoy**
 - NII continues to get accrued for moratoria loans, only PV- negative modification losses lead to negative impact on NII (EUR 5.5m in Q3 20 vs EUR 26.1m in Q2 20)
 - Negative impact from rate cuts only partly mitigated by TLTRO3
 - **Expectation is for flattish NII vs 2019**
- **Fees recovered almost to prior year level**, primarily driven by asset management and payment services
 - Yoy decline mainly driven by lending business while payment services fees recovered despite negative SEPA impact (about EUR 6m in Q3 20, EUR 17m ytd); securities and asset management business still grew
 - **Fees are expected to decline in low-single digits in 2020**
- **Trading & FV result** continued to perform well in Q3 20, after recovery in Q2 20 and negative result in Q1 20
- **Operating costs broadly flat yoy and qoq**, as lower other administrative expenses offset minor increases elsewhere
 - Lower advertising/marketing expenses yoy and qoq
 - Lower legal and consulting costs yoy and qoq
 - **Costs set to decline yoy**
- **Cost/income ratio at solid 55.6%** in Q3 20, driven by strong revenue and cost performance

NII development



Fee development

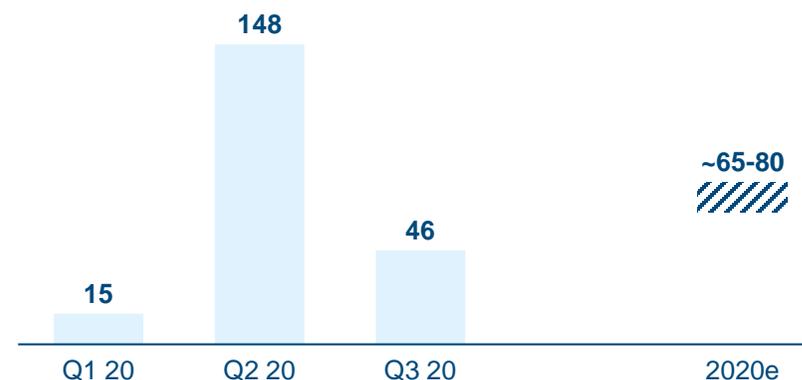


Credit risk –

Risk provisions: heavy-lifting executed in Q2, lower risk costs expected in 2021

- **Total risk provisions of EUR 194.7m or 46bps in Q3 20**
 - September review of macro forecasts did not lead to significant FLI updrift - additional allocation of EUR 5.5m (Q2: EUR 300m)
 - Significant increase in credit risk (SICR) overlays in relation to most Covid-19-affected sectors (cyclical industries, transportation, hotels and leisure), resulted in an expected credit loss (ECL) additional increase of EUR 22.3 m (Q2: EUR 90m)
 - Ordinary course of business risk costs, driven primarily by Covid-19 related negative corporate rating migrations, amounted to approx. EUR 167m
- Provisioning peak for 2020 likely in Q2 20, outlook for 2020 confirmed at 65-80bps
- Improved outlook for 2021, assuming no significant deterioration in macro environment
- **Key IFRS 9 stage migration trends**
 - Stage 2 increased (driven by FLI update as well as SICR overlays described above) from 8.3% at YE19 to 16.7% as of Q3 20
 - Stage 1 declined almost by the same amount to 80.4% in Q3 20
 - Stage 3 was stable at 2.2%, as reflected in the NPL ratio
 - For Q4 20 slight increase in stage 3 expected, due to increased migrations to default after the end of some moratoria
- **Comfortable coverage ratios across the stage spectrum**
 - Stage 1 and Stage 2 coverages slight increase vs YE19, while Stage 3 increased to 58.8% in Q3 20 from 56.6% at YE19
 - In Q4 20 maintenance of strong coverage ratios expected

Risk cost development in 2020e
(baseline scenario, in bps of average gross customer loans)



Risk provisions by IFRS9 stages

| in EUR million | Coverage | | | | CLA | Coverage |
|------------------------------|----------------|----------------|----------------|----------------|--------------|--------------|
| | Dec 19 | Mar 20 | Jun 20 | Sep 20 | Sep 20 | Sep 20 |
| Stage 1 | 88.8% | 86.5% | 81.0% | 80.4% | 341 | 0.3% |
| Stage 2 | 8.3% | 10.7% | 16.1% | 16.7% | 1,124 | 4.0% |
| Stage 3 | 2.3% | 2.2% | 2.3% | 2.2% | 2,200 | 58.8% |
| POCI | 0.3% | 0.2% | 0.2% | 0.2% | 124 | 33.0% |
| Subject to IFRS9 | 99.7% | 99.7% | 99.6% | 99.6% | 3,789 | 2.3% |
| Not subject to IFRS 9 | 0.3% | 0.3% | 0.4% | 0.4% | 0 | 0.0% |
| Gross customer loans | 163,417 | 164,268 | 167,369 | 168,276 | 3,789 | 2.3% |

Credit risk –

Asset quality: NPL ratio stable ytd as NPL coverage continues to build

Development of NPL ratio

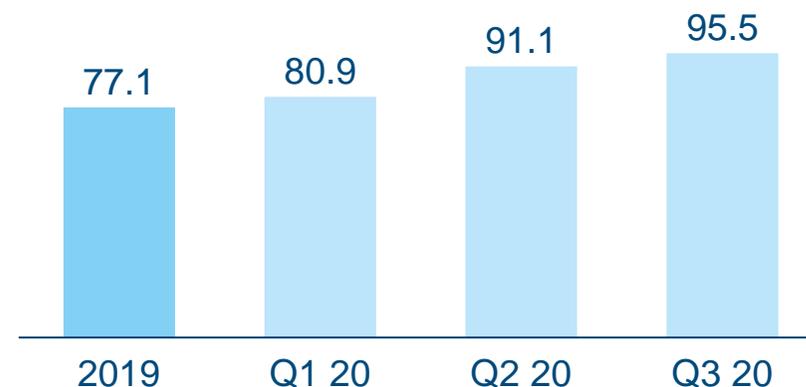
in %



- Stable NPL ratio year-to-date
 - No material rise in defaults (yet) due to multitude of government support measures (moratoria, guarantees, tax breaks, labour market support measures, etc)
- No significant regional divergences

Development of NPL coverage

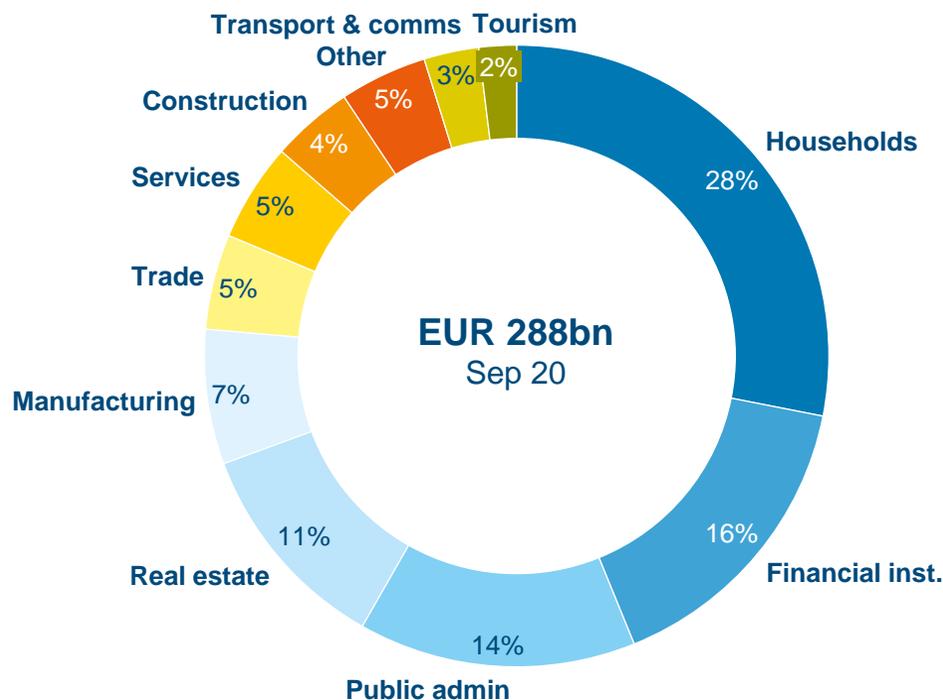
in %



- NPL coverage at multi-year high of 95.5% in Sept 2020 excluding collateral
 - NPL coverage ratio above 100% in CEEs, except Croatia (89%)
 - NPL coverage in Austria also increased; currently at 82%
- Increase in Q3 2020 driven primarily by Stage 2 provisions

Credit risk – Gross credit exposure overview

Gross credit exposure by NACE code



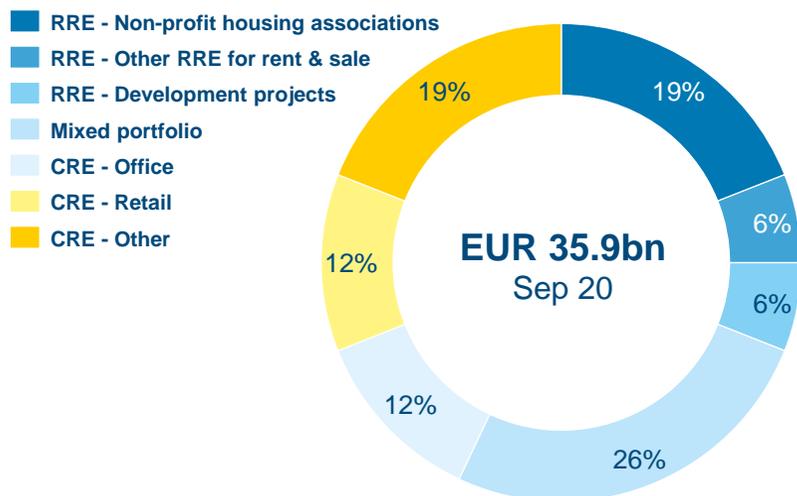
Focus exposures (gross)

| Industry / Category | as of Sep 20 | of which Savings Banks | Comments |
|----------------------------|--------------|------------------------|--|
| Metals | € 3.8bn | € 0.8bn | <ul style="list-style-type: none"> Demand from construction industry compensated partially for lower capacities in automotive; Production has restarted, furlough schemes used to adjust, diversified client & product base |
| Oil & gas | € 2.6bn | € 0.1bn | <ul style="list-style-type: none"> More than half of exposure is with 6 major oil & gas companies in the region; most of them entail large downstream operations |
| Automotive | € 3.6bn | € 0.9bn | <ul style="list-style-type: none"> Car plants in our region are back to operation Car sales in China supported German premium carmakers in Q3, ST benefiting from public support schemes, slow recovery expected in the LT |
| Cyclical consumer products | € 4.3bn | € 1.3bn | <ul style="list-style-type: none"> Mixed picture, DIY and sports retail profited while apparel & fashion is one of the hardest hit; second lock-downs are a threat Booming e-commerce as a mitigator |
| Machinery | € 4.7bn | € 1.6bn | <ul style="list-style-type: none"> Capacity utilization around 20-30% below pre-crisis level; impact varies significantly between sub-sectors due to the high diversity of the industry Stabilization at slightly lower level expected |
| Passenger transportation | € 1.5bn | € 0.1bn | <ul style="list-style-type: none"> Segments with a strong link / dependency on tourism industry are particularly hit, a prolonged period with no return to pre-crisis level in the mid-term to be expected |
| Hotels & leisure | € 8.8bn | € 3.5bn | <ul style="list-style-type: none"> Hotel exposure: € 4.4bn: Summer season in our main regions was better than expected but 2020 will be below previous years Governmental support in our core regions AT and HR |

Credit risk –

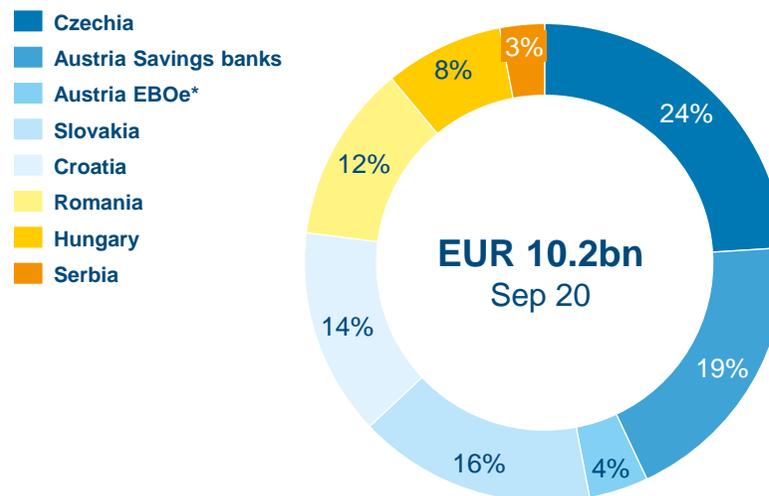
Further details on selected exposures

Snapshot: real estate*



- After the first wave of lockdowns footfall & recoveries in CRE – Retail recovered very fast, hence a second wave expected to have short-term effects only. So far no payment deferrals applied for due to second wave of Covid-19
- Benign outlook for residential portfolio (with non-profit-housing associations AT making up 2/3 of the portfolio)
- Strong **focus (more than 80%) on income producing projects**
- Low risk profile: LTVs ~60%, NPE ratio 1.2% (Q2: 1.3%)
- Exposure focused on capitals and regional centres in CEE markets showing a positive demographic development

Snapshot: consumer loans

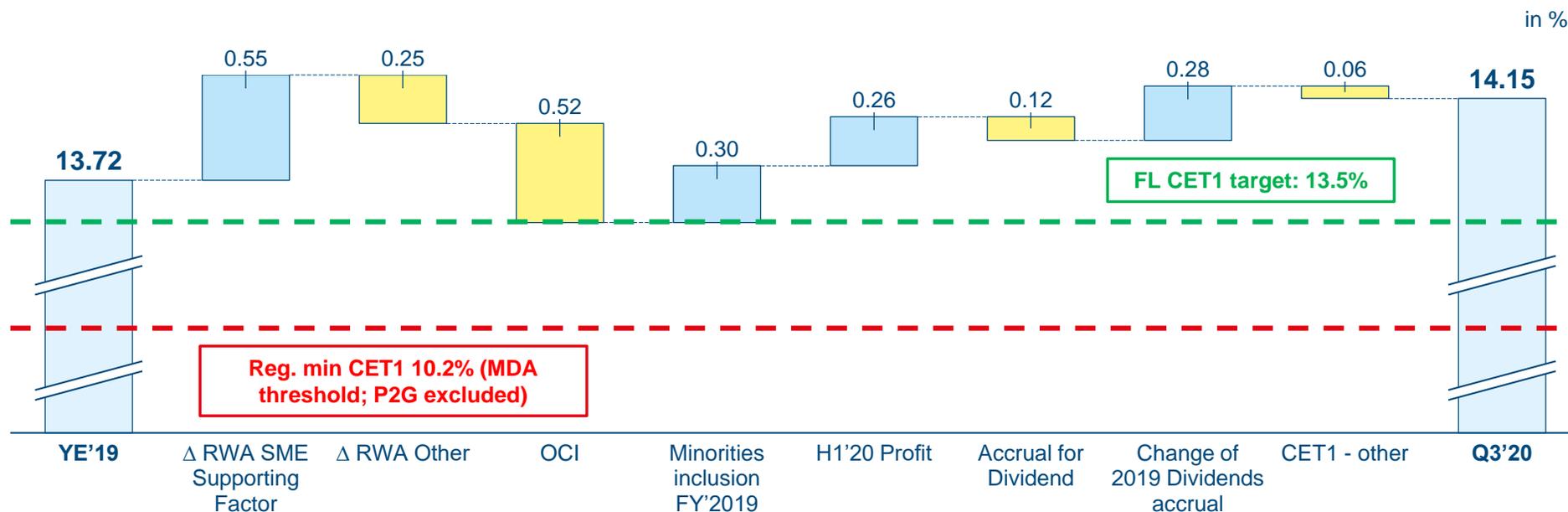


- **Consumer loan exposure represents 13% of the total retail portfolio exposure** of Erste Group
- 30+DPD delinquency rate at 1.13%, and 90+ DPD delinquency rate at 0.47%, both better than in June and a year ago – partially also supported by the moratoria
- First experience with post moratoria repayments show no material deterioration
- Moderate deterioration expected, to be handled by strengthened collection capacities and early preparations (pre-delinquency communication before end of moratoria, collection processes optimization).

*) Business view distribution before risk transfer, includes exposure classified in various NACE categories. Mixed portfolio includes both residential and commercial assets whose rating is based on financial standing of client rather than asset type or value.

Capital position –

Strong fully loaded CET1 ratio of 14.1% with additional cushion



• Main 1-9 20 capital/risk-weighted asset trends

- RWA relief from early implementation of SME Supporting Factor in the amount of EUR 4.5bn
- RWA Other: increase in credit RWA from business growth and market risk (-33bps) balanced with decreases in operational risk and other risks (+8bps)
- OCI positions worsening mainly due to decrease in foreign currency translation (-46bps) and the FV changes of debt and equity instruments (-6bps)
- **Accrual of 2020 dividend EUR 0.32 per share in H1 20 (-12bps); as usual no accrual in Q3 20; final dividend announcement on 26 Feb 2021**

• CET1 cushion amounts to approx. 70bps at 30 Sept 2020

- Combined cushion of Q3 20 interim profit and accrued but unpaid dividend for 2020: approx. 40bps
- Exclusion of YTD 20 minorities profit and deduction of minorities risk costs in the aggregate amount of approx. EUR 350m or 30bps

Conclusion –

Key takeaways and outlook for 2020/21

Q3 20 key takeaways

2020/21 outlook

Operating environment

- After initial Covid-19 shock, adoption of more pragmatic approaches, aiming to keep industry open
- Early warning signs as positive tests start to mount
- Authorities aiming for flexible, regional approaches

- **Real GDP decline of between 4-9%** expected in 2020, Q4 restrictions not yet incorporated
- Non-linear economic recovery in 2021
- CEE-wide concerted fiscal mitigation efforts

Business performance

- **NII and fees recovered well**
- Good performance of trading/FV result
- **Flat costs** due to reduced other admin expenses

- Challenged revenue outlook amid economic downturn, rate cuts & market volatility, **costs to decline in 2020**
- Lower organic growth, protected growth (guarantees) and freezing of good portfolio through moratoria

Credit risk

- Following spike in provisioning in Q2 20, reflecting macro deterioration and vulnerable industries overlays, significantly lower FLI and overlay impact in Q3 20
- Asset quality remains strong, due to lack of defaults

- 2020e risk costs confirmed at approx. 65-80bps (of average gross customer loans)
- **2021e risk charge expected to be below 2020 level**

Capital position

- **Fully loaded CET 1 ratio remained strong at 14.1%**, as 50% of 2019 dividend accrual added back to capital
- Q3 profit not included in capital

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

Profitability

- Profitability improved significantly, resulting in **double-digit return on tangible equity (10.5%)**

- 2020e net result to be meaningfully lower than in 2019
- Management **intends to pay cash dividend both for 2019 and 2020**, subject to business conditions and no regulatory or legal restrictions being in force

Risk factors to guidance

- Longer than expected duration of Covid-19 crisis
- Political or regulatory measures against banks
- Geopolitical, global economic and global health risks
- Economic downturn may put goodwill at risk

Presentation topics –

1

Introduction to Erste Group

2

Update on coronavirus situation

3

Funding strategy

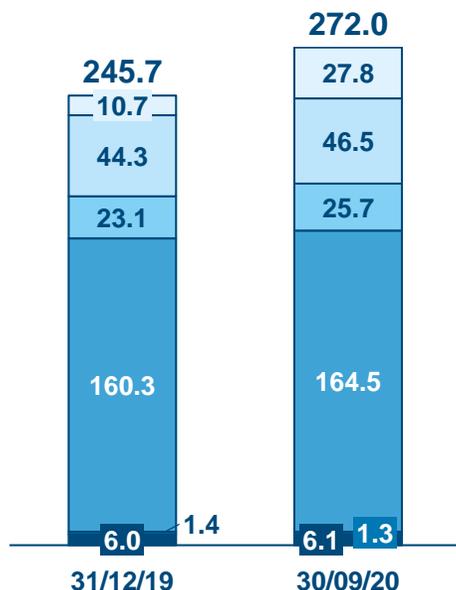
4

Latest quarterly financials

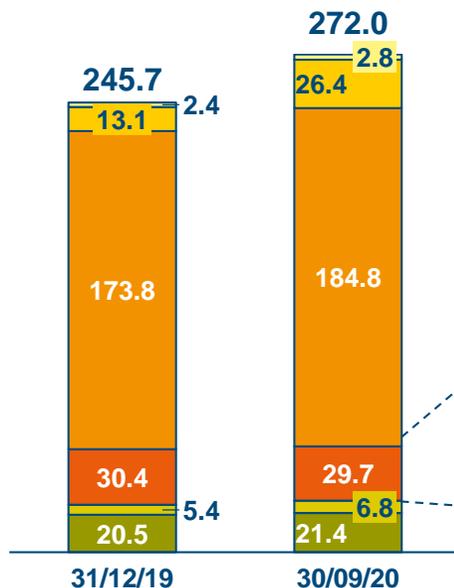
Erste Group's balance sheet structure –

Favourable loan/deposit ratio of 89.0% at Sept 20 (Dec 19: 92.2%)

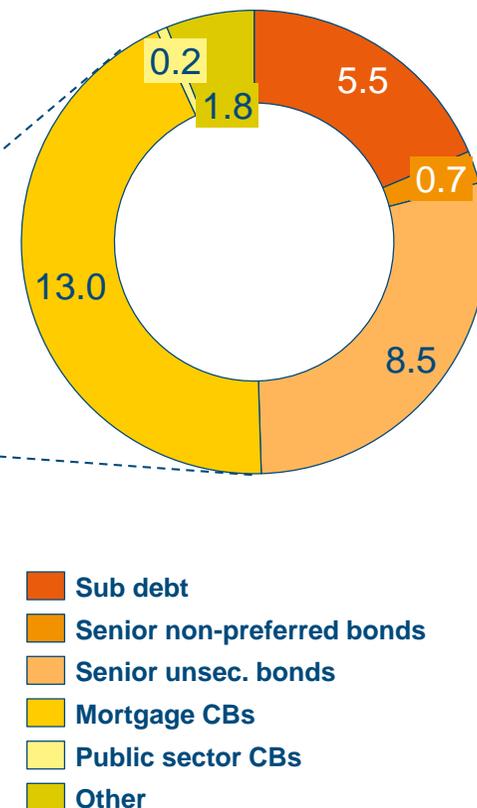
Assets (EUR bn)



Liabilities & equity (EUR bn)



Debt securities (EUR bn)



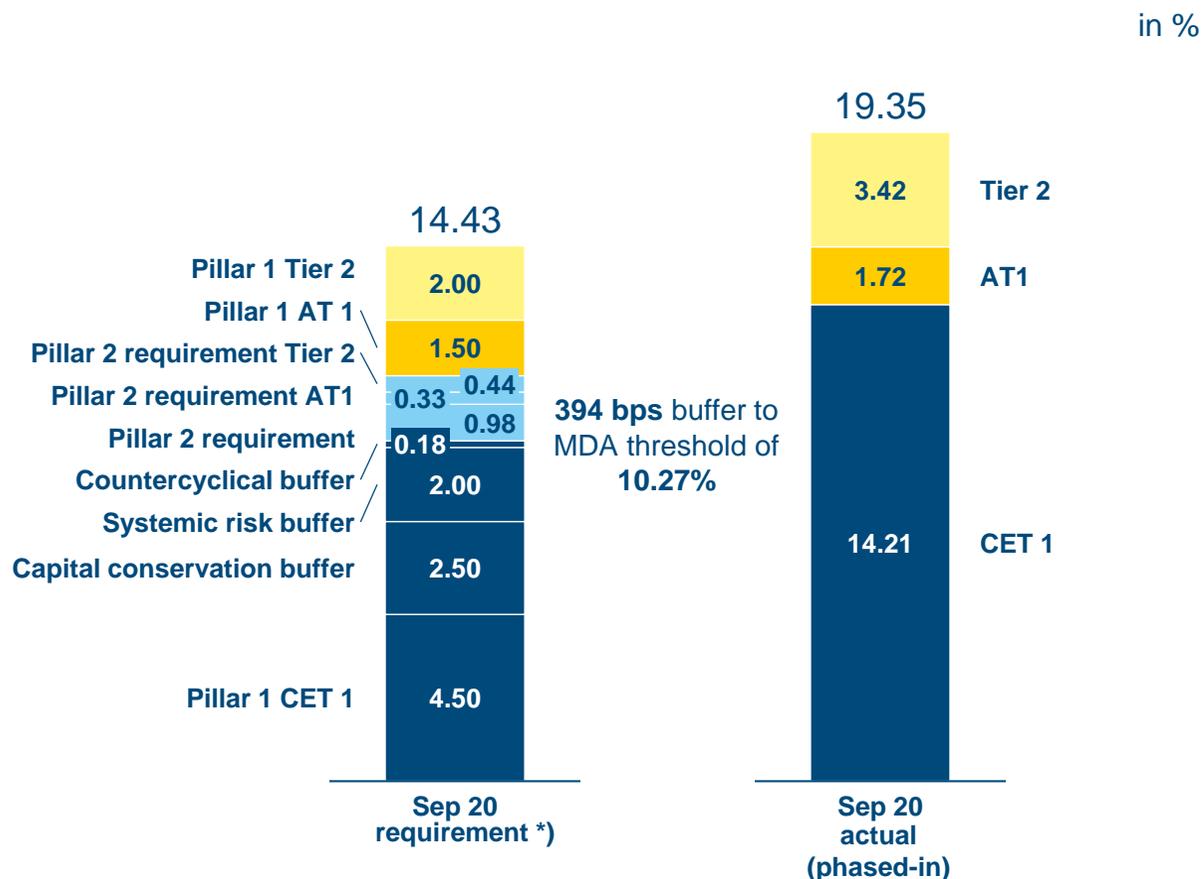
- Cash
- Trading, financial assets
- Loans to banks
- Net loans
- Intangibles
- Miscellaneous assets

- 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

Erste Group's capital position – Erste Group comfortably meets all capital targets

Capital requirements vs actuals as of Sept 2020



Comments on capital

- **Internal CET1 capital target remains at 13.5%**
- **CET1 ratio (final) at 14.1% as of June 20**
 - SME support factor
 - Non-inclusion of Q3 20 interim profit
- **CRDV:** double counting of SRB/OSII buffer; financial market stability board issued a recommendation to set both buffers at 100bps each as of December 2020

*) P2G of 1% not included

As of 12 March 2020 the ECB brought forward measures for the use of 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. The P2R split results in an AT1 shortage of 10bps and is reflected in the MDA threshold.

Erste Group's long-term issuance track record – YTD benchmark-sized issuances

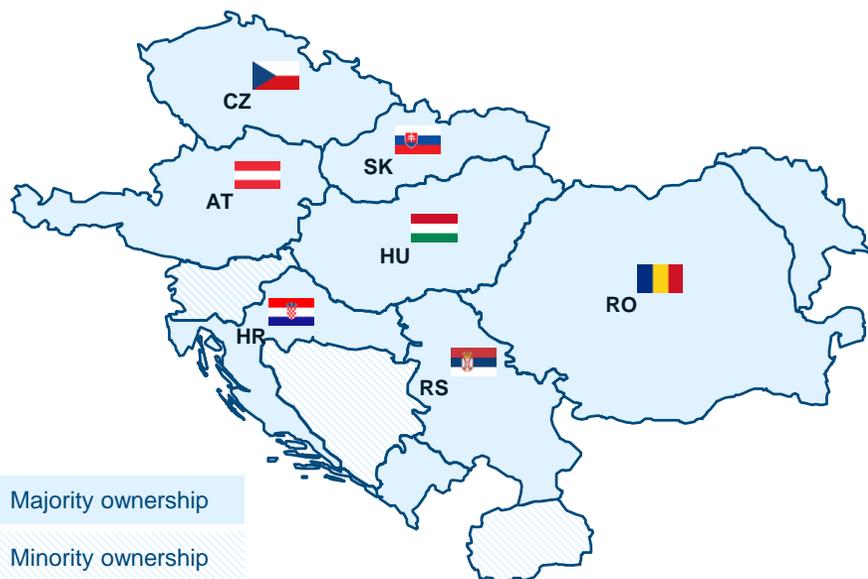
| | | | | | | |
|--|---|--|--|--|---|---|
| <p>November 2020</p>  <p>Erste Group Bank</p> <p>EUR 750,000,000 AT1 perpNC2028</p> <p>Joint Bookrunner</p> | <p>November 2020</p>  <p>Erste Group Bank</p> <p>EUR 750,000,000 8NC7 Senior Preferred</p> <p>Joint Bookrunner</p> | <p>September 2020</p>  <p>Erste Group Bank</p> <p>EUR 500,000,000 5y Senior Preferred</p> <p>Joint Bookrunner</p> | <p>September 2020</p>  <p>Erste Group Bank</p> <p>EUR 500,000,000 11NC6 Tier 2</p> <p>Joint Bookrunner</p> | <p>May 2020</p>  <p>Erste Group Bank</p> <p>EUR 750,000,000 7y Senior Preferred</p> <p>Joint Bookrunner</p> | <p>January 2020</p>  <p>Erste Group Bank</p> <p>EUR 500,000,000 AT1 perpNC2027</p> <p>Joint Bookrunner</p> | <p>January 2020</p>  <p>Erste Group Bank</p> <p>EUR 750,000,000 10y Mortgage covered</p> <p>Joint Bookrunner</p> |
|--|---|--|--|--|---|---|

- Erste Group started into 2020 with two successful issuances in January: a EUR 750m covered bond (at MS+3pbs) followed by a EUR 500m perpNC7.2 AT1 with a 3.375% coupon (the second lowest coupon ever printed for a EUR AT1)
- A EUR 750mn 7y Senior Preferred Note at MS+115bps (i.e. no new issue concession compared to fair value determined before announcement) – executed at the beginning of May - was the third syndicated deal in 2020 and the first one out of Austria after the coronavirus lockdown. The deal attracted 180 investors resulting in an orderbook above EUR 2.25bn at re-offer level
- In September Erste Group issued two transactions: Tier 2 11NC6 EUR 500m at MS+210bps. Thereafter a Senior Preferred 5y Note was issued at MS+52bps with a negative new issue concession of 2/3bps.
- Erste Group continued its pre-funding activities in November by bringing two further transactions to the market:
 - EUR 750mn 8NC7, representing its inaugural callable senior preferred note (eligible-liabilities format) at MS+52bp which is the same level as September's 5y note
 - EUR 750mn perpNC7.4 AT1 with a 4.25% p.a. coupon, now prudently exceeding its pillar 1 and 2 AT1 requirements

Assets and liabilities: LT funding – Targeting MPE approach

Resolution strategy

- Direct presence in 7 geographically connected countries
- Erste Group's setup suggests a multiple point of entry (MPE) resolution strategy
- When determined, MREL needs are likely to be met with a mix of own funds, senior non-preferred and senior preferred instruments



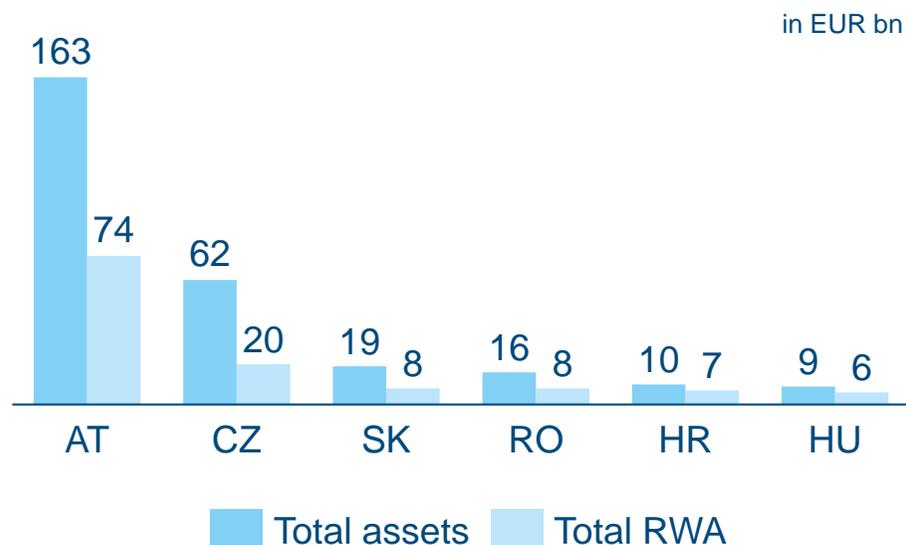
Austrian resolution group

- Major entities within the Austrian resolution group*:
 - Erste Group Bank AG
 - Erste Bank Oesterreich and its subsidiaries
 - All other savings banks of the Haftungsverbund
- Subordination requirement does not seem to be a limiting factor
- Binding MREL targets for the Austrian, Slovak, Romanian, Hungarian and Czech resolution groups have been received; for Croatia the first binding target is expected in 2021
- All CEE resolution groups with a binding decision received in 2020 will receive a transition period until year-end 2023 enabling them to reach their MREL targets gradually

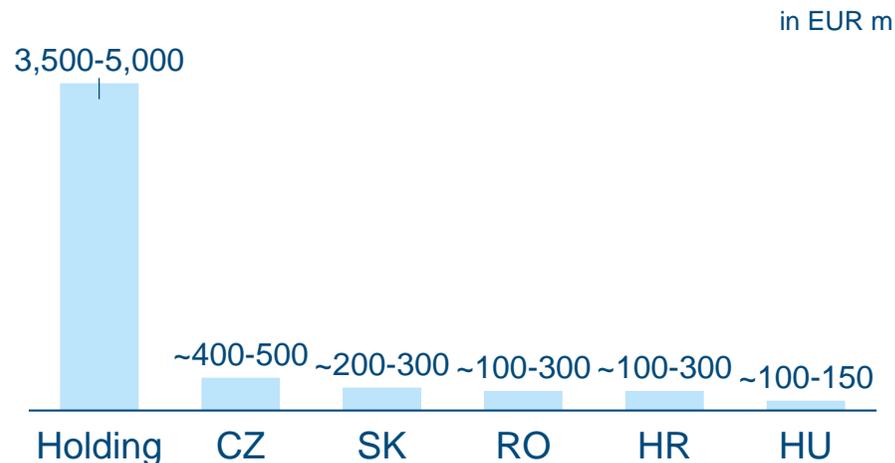
*) Subject to joint decision of resolution authority

Assets and liabilities: LT funding – Expected total MREL-related issuance volume unchanged

MREL resolution groups (June 2020)



Preliminary 5-year issuance plan (avg. p.a.)



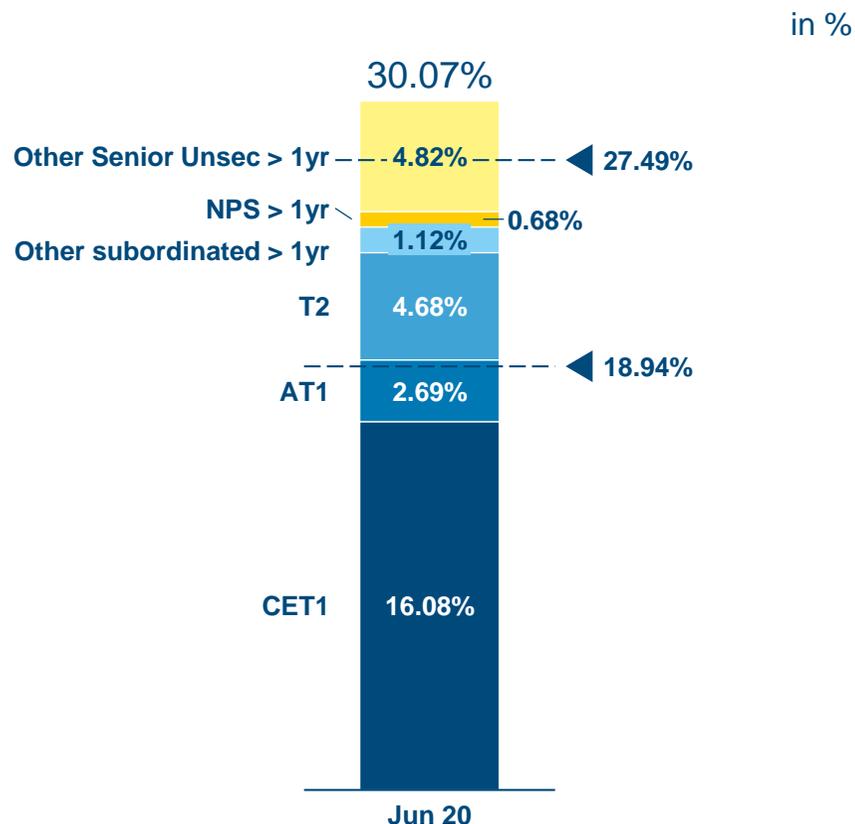
- Under MREL there are 6 resolution groups covered by the Single Resolution Board
- The Austrian resolution group (parent company, EBOe and savings banks) is not considered a legal entity or reporting unit, hence there is neither a statutory reporting nor a capital requirement for the Austrian resolution group

- CEE issuances will mainly be placed in domestic market
- First NPS issuances by Erste Group Bank AG (in EUR) and BCR (in RON) in 2019 and Slovenská sporiteľňa in Feb 2020

Assets and liabilities: MREL for the Austrian resolution group

MREL requirement based on RWA fulfilled

MREL ratio based on TREA (RWA)*



Key take-aways

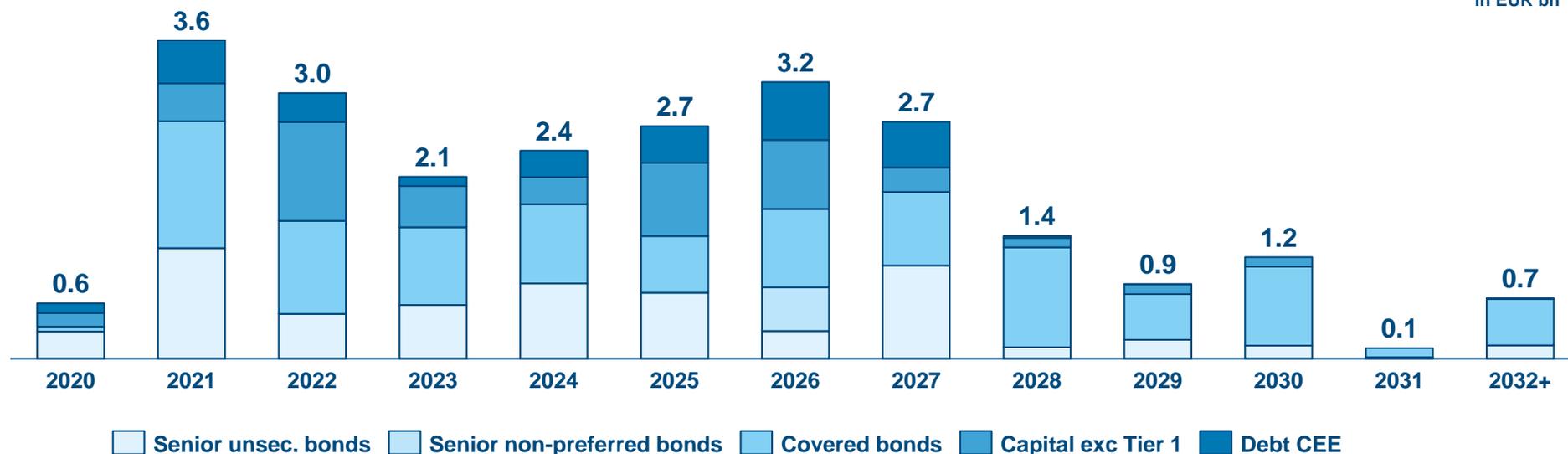
- Erste Group's setup is based on a multiple point of entry (MPE) resolution approach
- In April 2020, Erste Group Bank AG received its MREL requirement calibrated on balance sheet data as of 31 Dec 2017 and based on BRRD1
- Erste Group Bank AG, as the Point of Entry of the Austrian resolution group, 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 June 2020 of approx. EUR 74bn, the current MREL ratio stands at 30.07%, thereof 25.25% being subordinated eligible liabilities. Both ratios are well above the minimum requirements
- A new MREL requirement based on SRB's 2020 MREL policy and BRRD2 is expected in H1 2021
- 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

Assets and liabilities: LT funding – Stable LT funding needs in 2020

Maturity profile of debt as of Sep 2020

in EUR bn



- Beginning of September Erste Group concluded its 2020 funding plan with the issuance of a EUR 500mn 11NC6 T2 at MS+210bp, gathering an orderbook of EUR 2.9bn and pricing through its fair value
- Only two weeks later Erste Group kicked-off its 2021 pre-funding by issuing a EUR 500mn 5y senior preferred note at MS+52bp, attracting EUR 2.7bn orders good at re-offer – again with a negative new issue concession
- 2021 funding volume is expected to be comparable to this year's figures with a clear focus on senior preferred
- TLTRO outstanding as of 30 Sept 2020: EUR 14bn

Presentation topics –

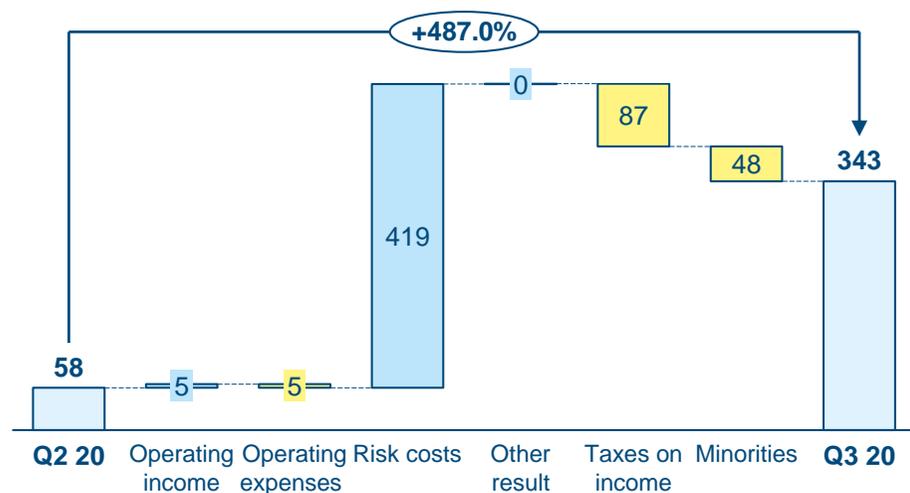
- 1 Introduction to Erste Group
 - 2 Update on coronavirus situation
 - 3 Funding strategy**
 - 4 **Latest quarterly financials**
-

Presentation topics

- Q3 20 presentation
 - Executive summary
 - Business environment
 - Business performance
 - Assets and liabilities
 - Additional information
 - Covid-19 measures update

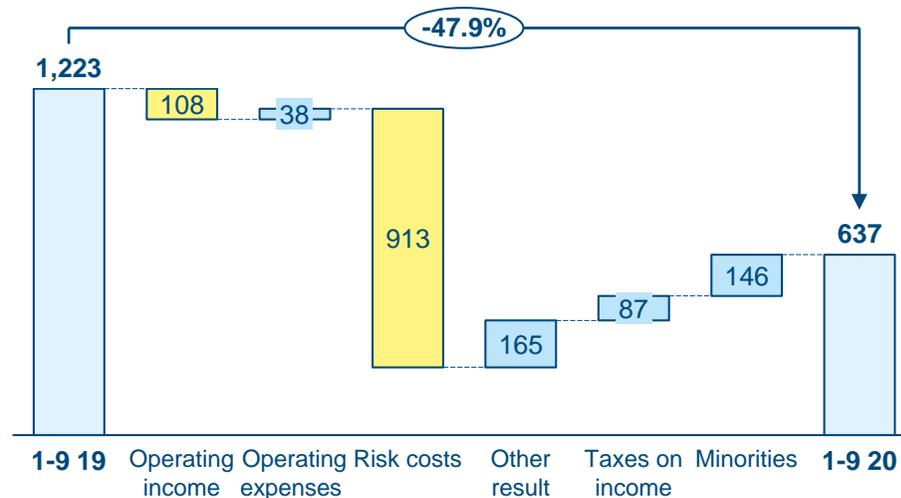
Executive summary – Group income statement performance

QoQ net profit reconciliation (EUR m)



- Q3 20 net result rose to EUR 343.3m on lower risk costs due to Covid-19 induced update of risk parameters in Q2 20
- Improvement in operating income driven by strong performance in fees and better NII; offsetting lower trading/FV result
- Taxes on income reflect better pre-tax result, while higher minorities charge is due to better performance of the savings banks

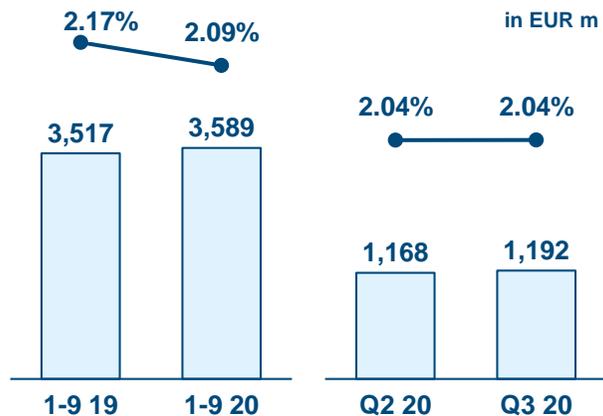
YoY net profit reconciliation (EUR m)



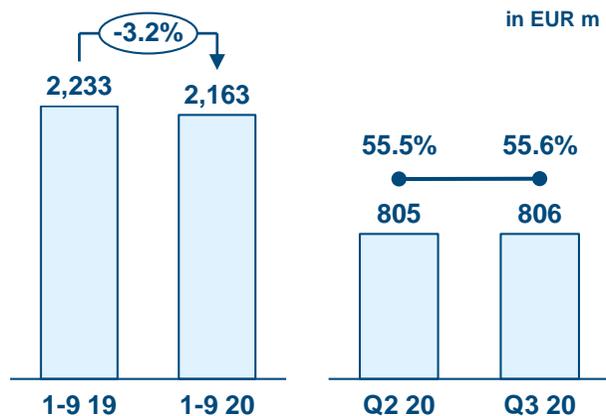
- YoY net profit mainly down on substantial rise in risk costs driven by parameter updates
- Operating income declined mainly on trading/FV result following an exceptional performance in 1-9 19; improving NII (+2.0%) offsets weaker fees (-2.4%), while operating expenses improve slightly
- Other result improves on neg. one-off in RO in 1-9 19

Executive summary – Key income statement data

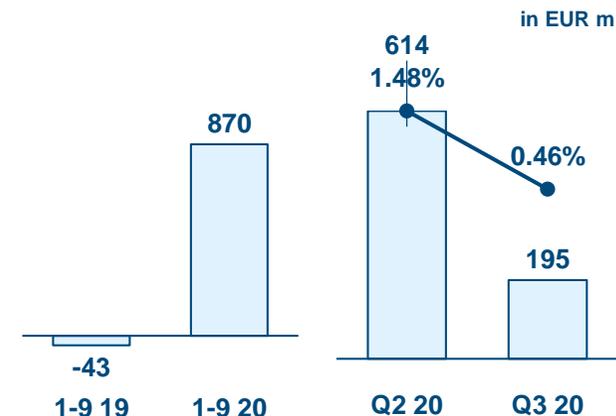
Net interest income & margin



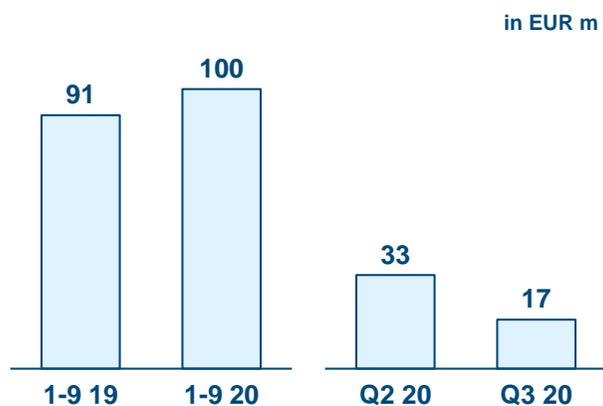
Operating result & cost/income ratio



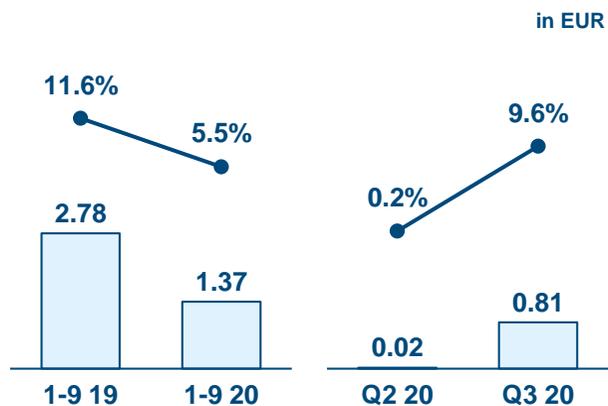
Cost of risk



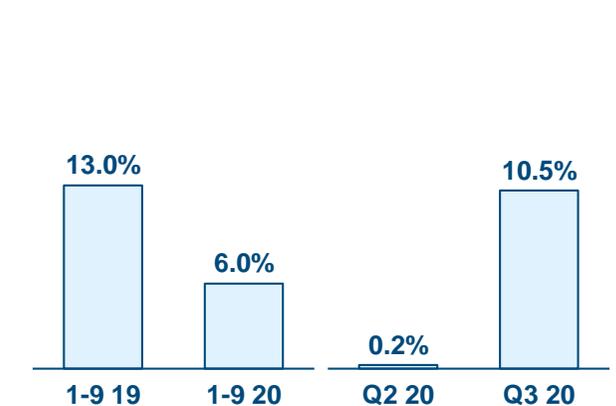
Banking levies



Reported EPS & ROE

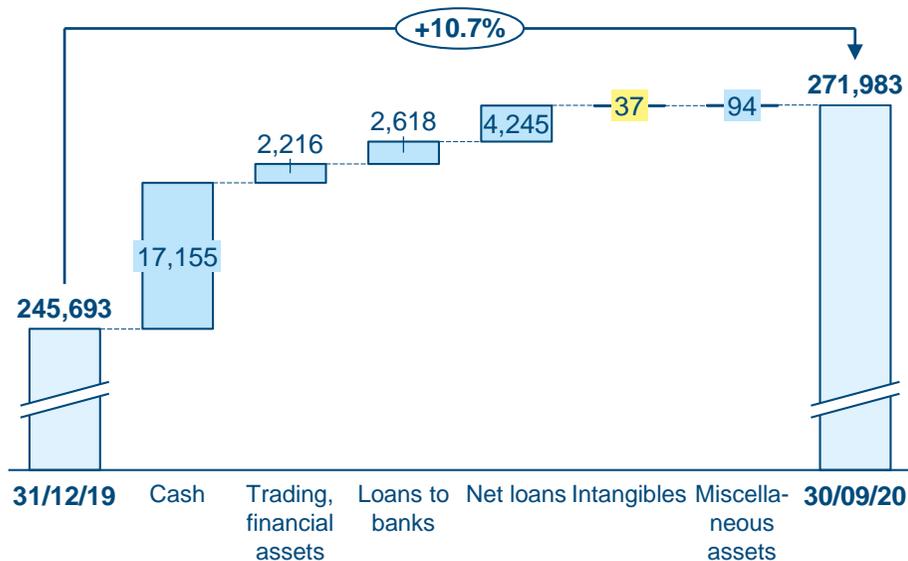


Return on tangible equity



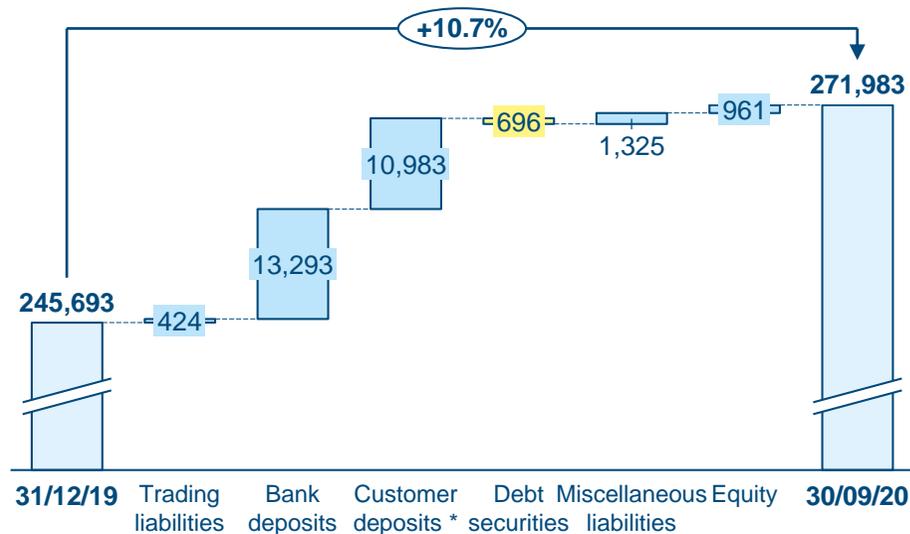
Executive summary – Group balance sheet performance

YTD total asset reconciliation (EUR m)



- Total assets up by 10.7%, mainly driven by a substantial increase in cash (+160.4%); net loans to customers increased by 2.6%
- 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)



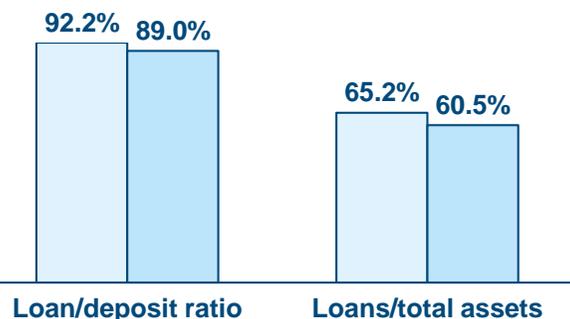
- Total liability growth driven by a continuation of rising bank deposits (+101.2%) and customer deposits (+6.3%)
- Growing customer deposits result in a loan/deposit ratio of 89.0% (YE19: 92.2%)
- Increase in equity attributable to the issuance of AT1 instruments (+EUR 497m) in Q1 20 and an increase in retained earnings (+EUR 341m) in Q3 20

* excl. lease liabilities as of 2020

Executive summary – Key balance sheet data

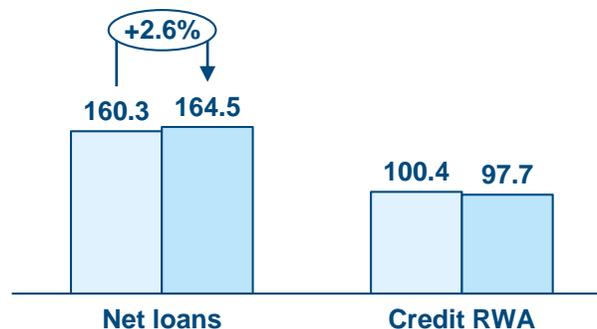
31/12/19
30/09/20

Loan/deposit & loan/TA ratio

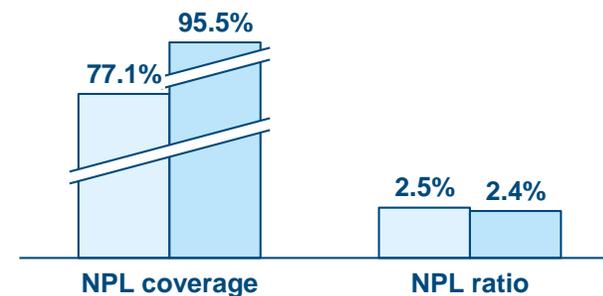


Net loans & credit RWA

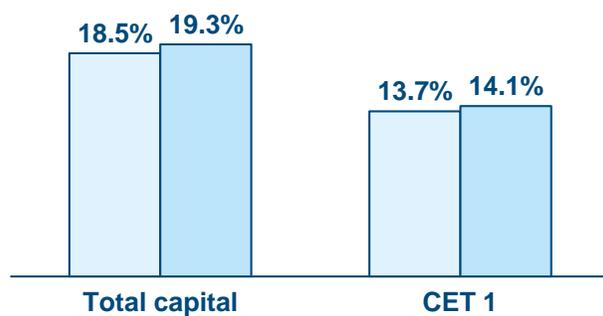
in EUR bn



NPL coverage ratio & NPL ratio

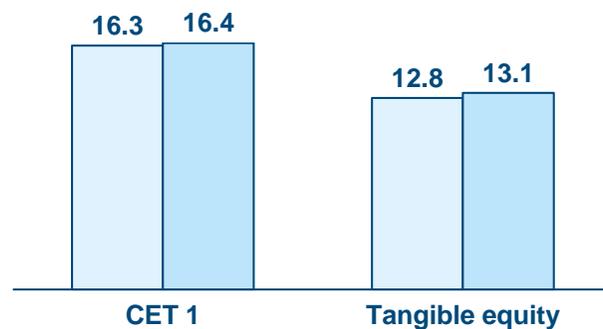


B3FL capital ratios

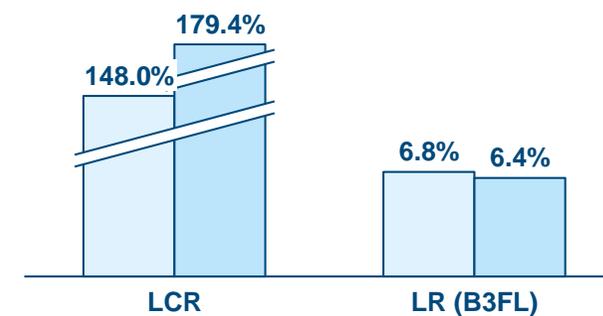


B3FL capital & tangible equity¹

in EUR bn



Liquidity coverage & leverage ratio²



1) Based on shareholders' equity, not total equity

2) Pursuant to Delegated Act

Presentation topics

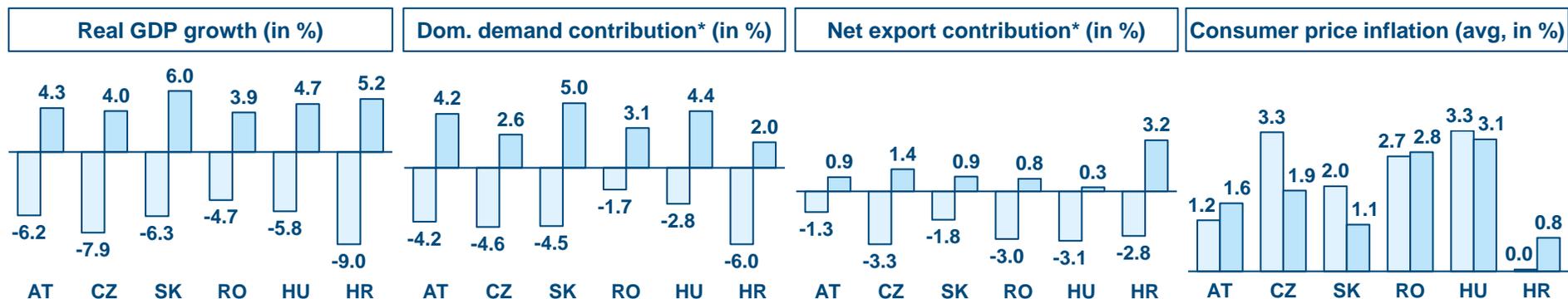
- Addressing the key questions in an uncertain environment
 - CEE Covid-19 evolution update
 - Macroeconomic update
 - Business update
 - Operating trends
 - Asset quality and impairments
 - Capital trends and dividends
 - Key takeaways and outlook

- Q3 20 presentation
 - Executive summary
 - **Business environment**
 - Business performance
 - Assets and liabilities
 - Additional information
 - Covid-19 measures update

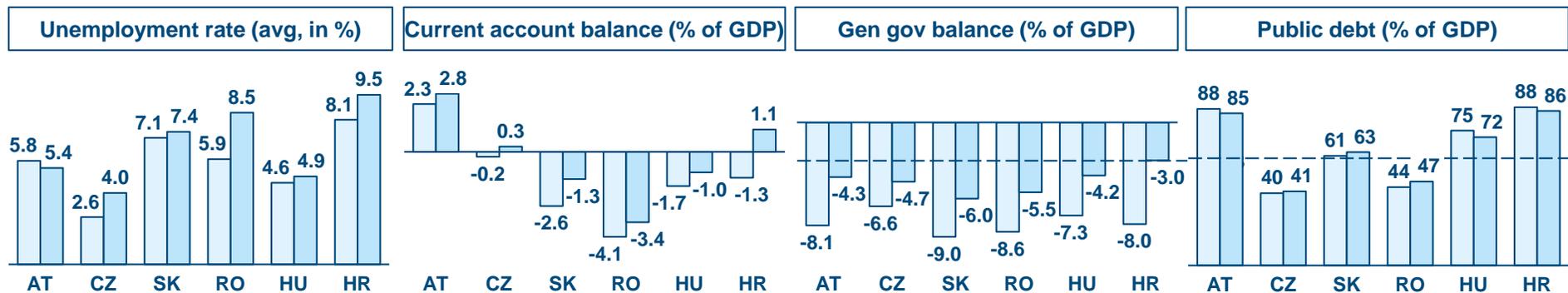
Business environment –

Recession in 2020 due to Coronavirus; partial rebound expected in 2021

2020
2021



- Erste Group's markets to decline by 4-9% in 2020; rebound expected in 2021
 - Both exports and consumption will suffer in 2020; hardest hit industries expected to be tourism, services, transport, and retail trade
 - Real GDP expected to rebound in 2021 as recent government measures will mainly be concentrated on retail & services; production less impacted



- Unemployment rates will increase across the region in 2020
- Lower tax revenues and higher social payments will lead to rising fiscal deficits

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

Business environment – Policy rate cuts in across CEE

▲ 3M Interbank
● 10YR GOV

Austria



- ECB has kept its discount rate at zero & significantly increased quantitative easing as response to Coronavirus

Czech Republic



- National bank has cut the base rate in three steps by 200bps to 0.25% in March & May 2020

Romania



- Central bank cut the key policy rate in three steps by 100bps to 1.50% in March, May & August 2020

Slovakia



- As part of the euro zone ECB rates and actions are applicable in SK

Hungary



- National bank cut the key policy rate in two steps by 30bps to 0.60% in June & July 2020

Croatia



- Croatia joined ERM II in July 2020
- Central bank cut its 1w repo from 0.3% to 0.05% in March 2020

Source: Bloomberg, Reuters for SK 10Y. Annual and quarterly averages.

Business environment –

CEE currencies have weakened versus the euro since Covid-19 outbreak

EUR/CZK



- CZK reached its weakest level in March 2020 since 2014; benchmark rate cut in three steps from 2.25% to 0.25% in March & May 2020

EUR/RON



- RON depreciated significantly and remained close to its all time low in Q3 2020; policy rate cut by 100bps to 1.50% in March, May & August 2020

EUR/HUF



- HUF reached all time low versus the euro and remained relatively weak since then; key policy rate was cut by 30bps to 0.60% in June & July 2020

Source: Bloomberg

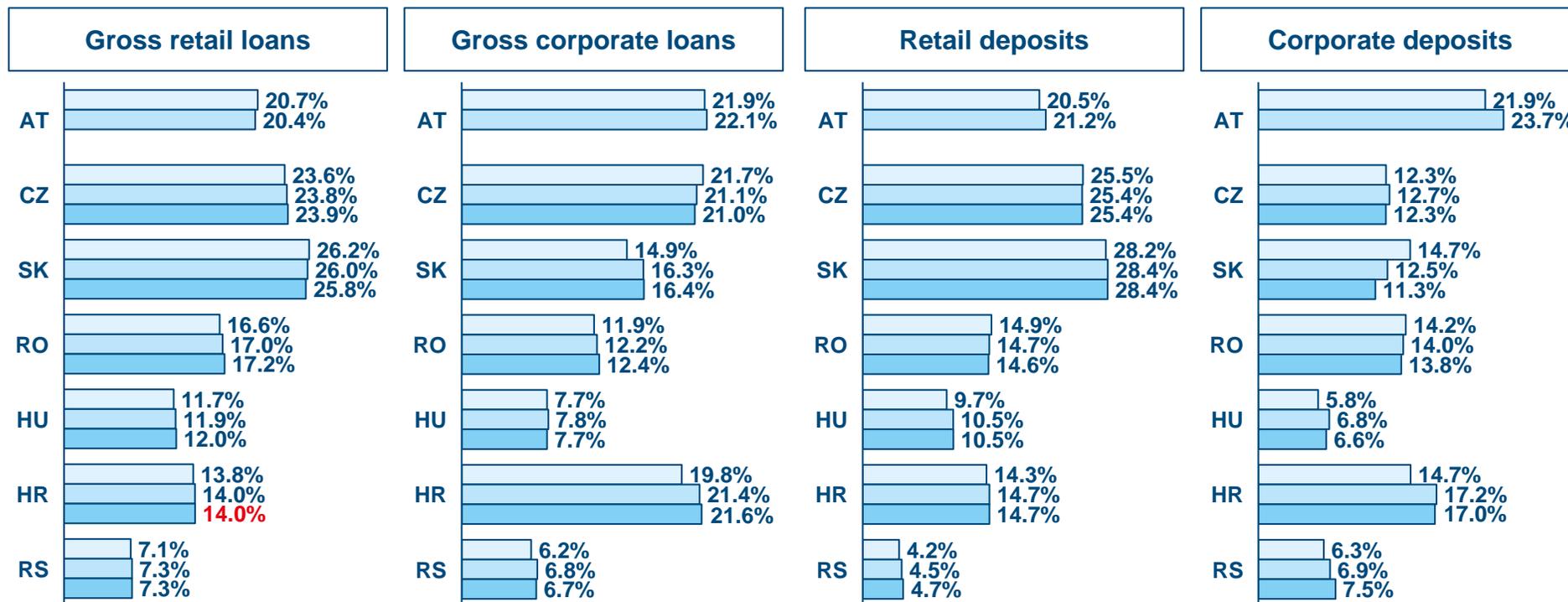
EUR/HRK



- HRK depreciated to its weakest level in April 2020 since 2016; 1w repo was cut to 0.05% in March 2020

Business environment – Stable market shares across the region

30/09/19
30/06/20
30/09/20



- CZ: increasing market share in a growing market
- RO: increasing market shares driven mainly by mortgages
- SK: slightly declining market share caused by aggressive pricing by some of the smaller competitors

- SK: increasing market shares in both Large Corporate and SME segments
- RO: increasing market share mainly in SME segment
- HR: increasing yoy market share driven by strong SME business

- Continued inflows in all markets despite low interest rate environment
- Stable qoq market shares across the region

- Changes mainly due to normal quarterly volatility in corporate business
- SK: declining market share mainly in the large corporate segment due to pricing

* 30/09/2020 market share data for Austria not yet available

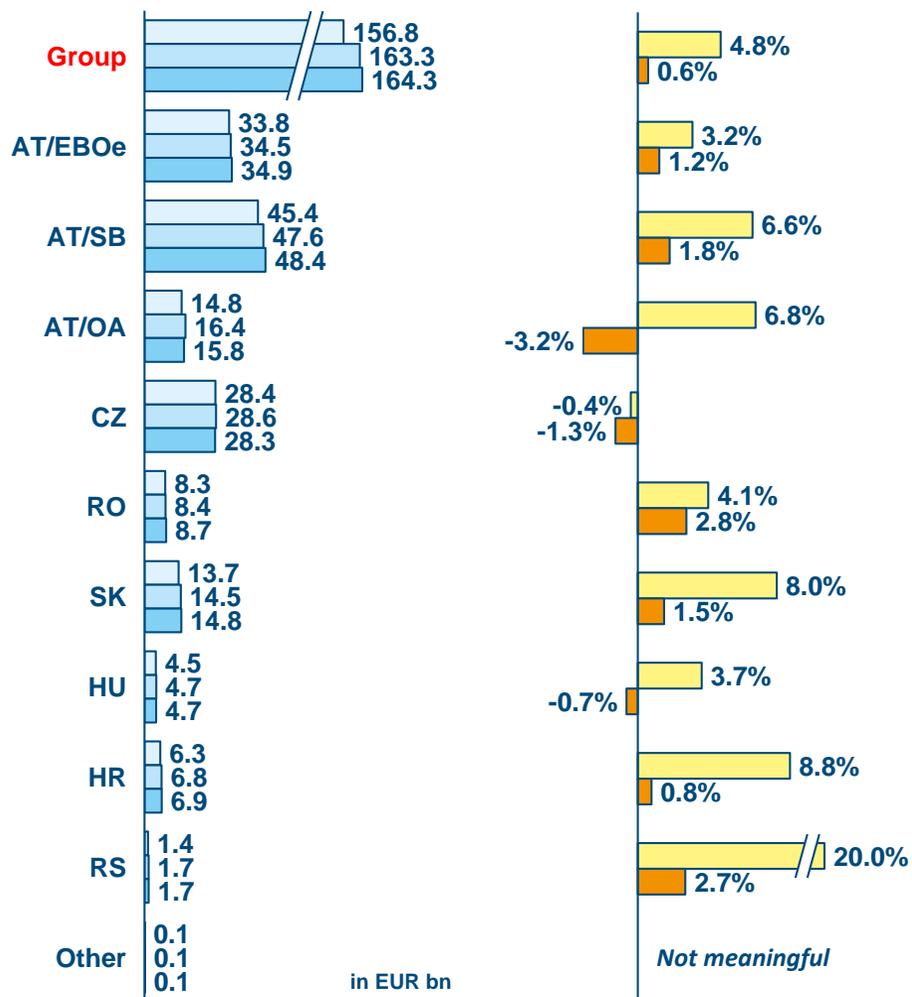
Presentation topics

- Q3 20 presentation
 - Executive summary
 - Business environment
 - **Business performance**
 - Assets and liabilities
 - Additional information
 - Covid-19 measures update

Business performance: performing loan stock & growth –

Performing loans continued to grow, supported by state guarantees

■ YoY ■ 30/09/19
■ QoQ ■ 30/06/20
■ 30/09/20

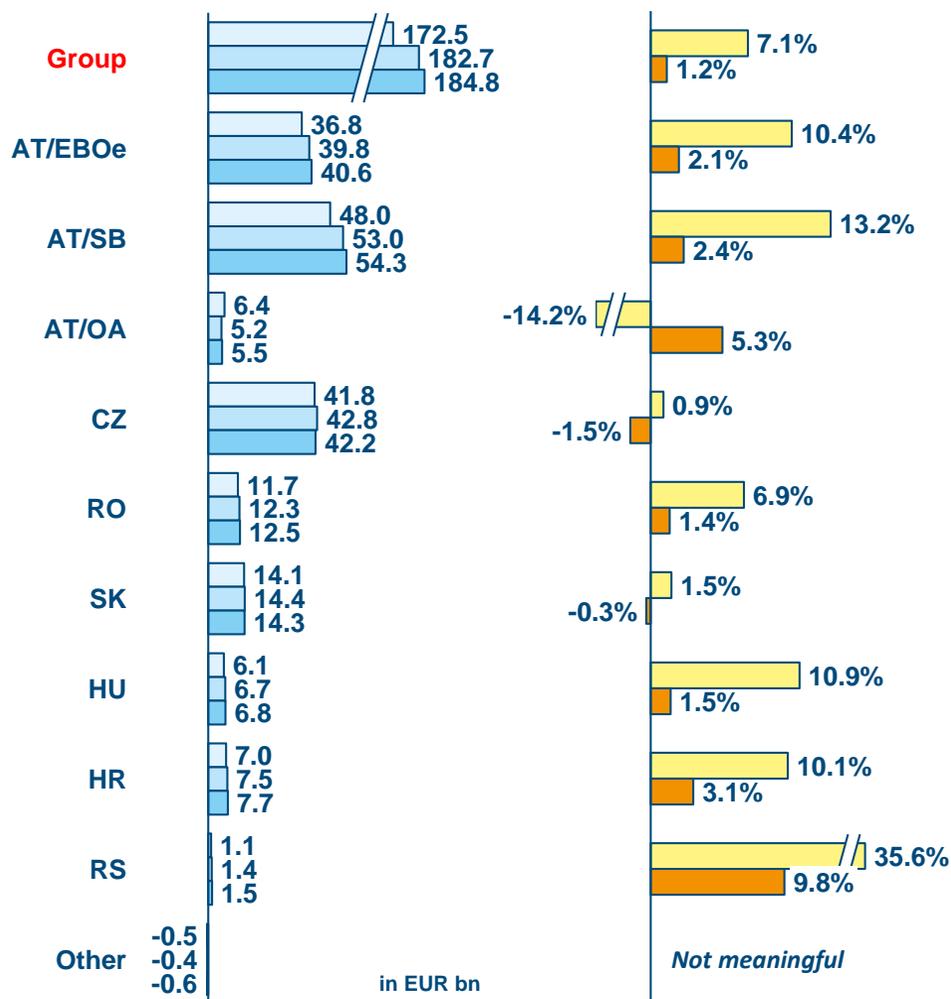


- YoY development more pronounced in Corporates (+5.9%) than in Retail (+2.5%); solid contribution from Savings Banks
- QoQ growth dynamics slowed down both in Retail (+1.0%) and Corporates (+0.3%)
- Year-on-year segment trends:
 - CZ: decline solely due to CZK depreciation; currency-adjusted solid growth of 5.1%
 - SK: strong development in Corporates (+14.0%), mainly in Large Corporates; Retail up by 6.0%
 - HR: growth in Corporates (+13.9%) more pronounced than in Retail (+3.1%)
 - RS: continuation of dynamic growth
- Quarter-on-quarter segment trends:
 - AT/OA: decline mainly driven by lower short-term loans
 - CZ: decline solely due to CZK depreciation; currency-adjusted relatively stable at +0.5%
 - HU: decline owing to HUF depreciation (-2.5%)
 - AT/SB: increase across most savings banks

Business performance: customer deposit stock* & growth –

Deposit build-up continues in Q3 20

■ YoY ■ 30/09/19
■ QoQ ■ 30/06/20
■ 30/09/20



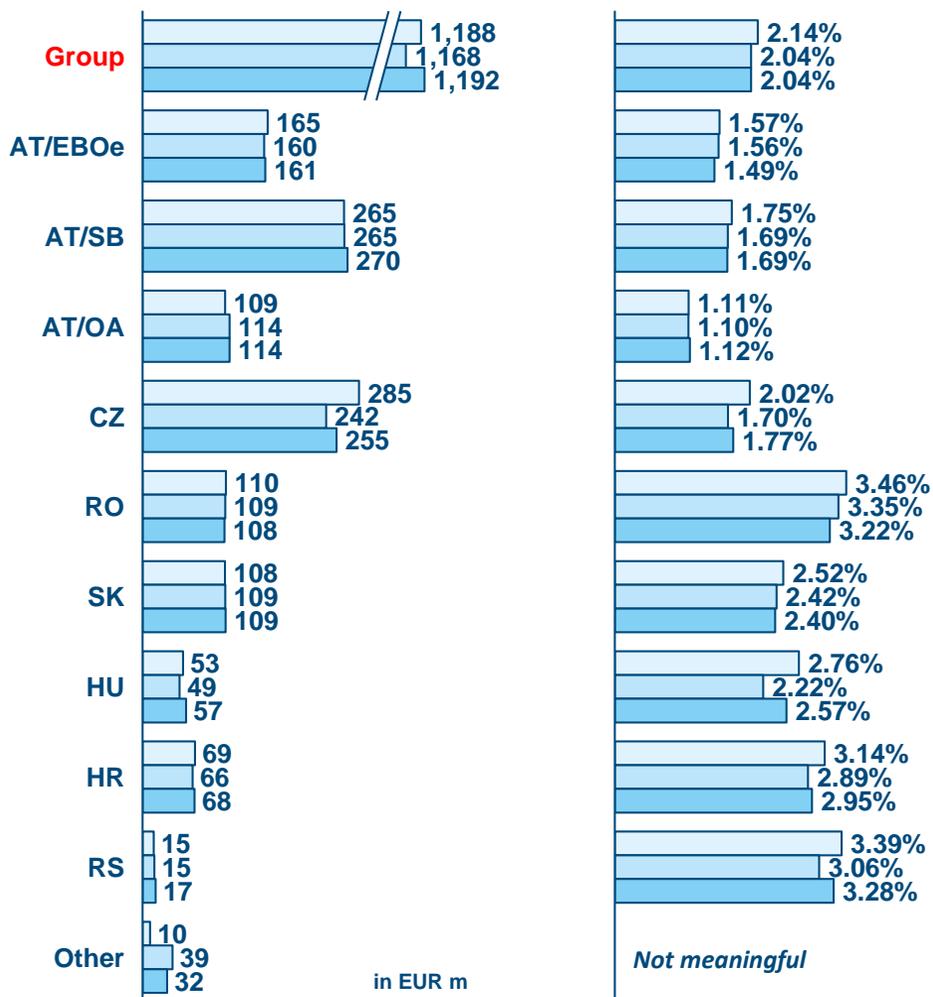
- Continuation of exceptional deposit growth across most geographies despite zero/low interest rate environment as retail and corporate clients park cash in overnight accounts
- Yoy growth in absolute terms mainly driven by savings banks (+EUR 6.3bn) and Retail segment (+EUR 6.1bn); solid contribution from Corporates (+EUR 2.1bn)
- Qoq increase across most geographies
- Year-on-year segment trends:
 - AT/OA: lower customer deposits in foreign branches
 - AT/SB: increase across all savings banks
 - HU: dynamic growth in Corporates (+24.8%) mainly driven by Group Large Corporates, Retail deposits increase by 14.0%
 - RS: exceptional growth in Corporates (+61.8%) and in Retail (+28.2%)
- Quarter-on-quarter segment trends:
 - CZ: decline in Corporate deposits (-13.7%) due to Public Sector, Retail deposits increase slightly by 0.6%
 - SK: reduced deposit inflow from Corporates (-10.3%) mainly driven by Group Large Corporates, Retail deposits increase by 1.2%
 - HR: Continuation of growth both from Corporates (+3.3%) and Retail (+2.4%)

* Excludes lease liabilities as of 2020

Business performance: NII and NIM –

NII increases yoy and qoq

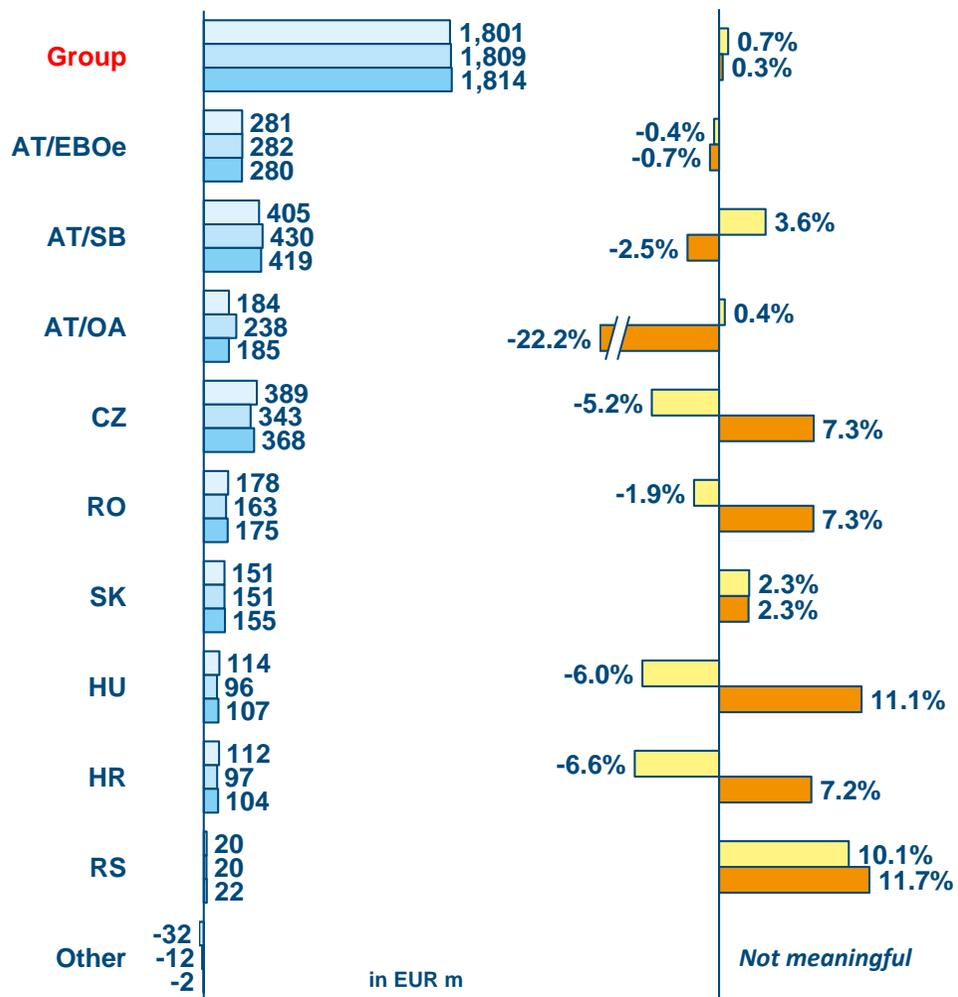
Q3 19
Q2 20
Q3 20



- Yoy NII slightly up as improvements across most geographies, more than offset decline in CZ resulting from rate cuts and CZK depreciation
- Qoq increase across all geographies (except RO), mainly on higher volumes and lower modification losses
- Year-on-year segment trends:
 - CZ: decline in NII mainly driven by lower interest rate environment; FX impact -EUR 8.1m
 - AT/OA: improvements in the corporate business of the Holding driven by higher customer loan volumes
 - AT/EBOe: NII declines mainly on lower result from debt securities
- Quarter-on-quarter segment trends:
 - CZ: improvement in NII on modification loss booked in Q2; FX impact: +EUR 6.4m
 - HU: NII increases on higher volumes and on modification loss booked in Q2
 - AT/SB: improved NII across most savings banks, mainly on higher loan volumes

Business performance: operating income – Stable revenues confirm solid business model

■ YoY ■ Q3 19
■ QoQ ■ Q2 20
■ Q3 20

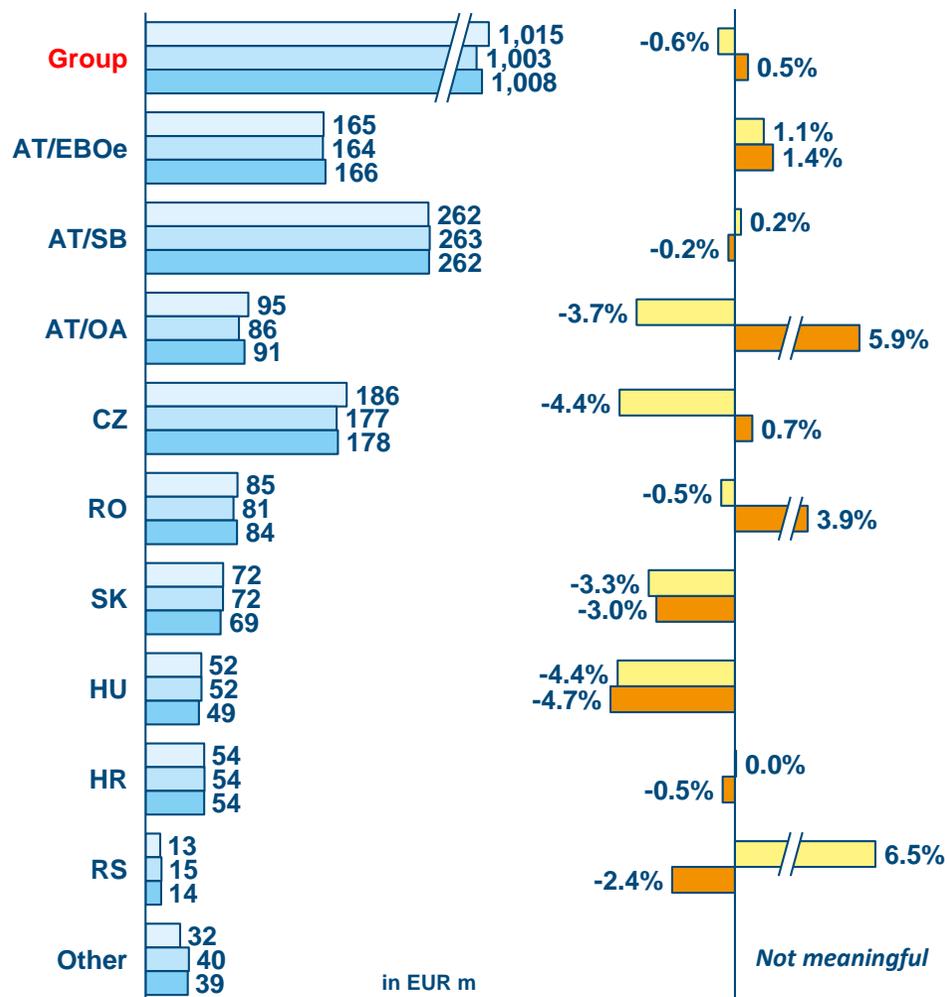


- Yoy development driven by improved trading and FV result and slightly better NII, offsetting minor decline in net fee and commission income (-2.4%)
- Qoq improvement due to strong fee income (+8.6%) and better NII (+2.1%), while net trading and FV decline
- Year-on-year segment trends:
 - CZ: operating income mainly impacted by lower NII, decline in fees due to SEPA regulation
 - HR: decline in fee income as well as in net trading and fair value result
 - HU: lower net trading and FV result weigh on operating income, partially offset by improved NII despite neg. FX impact on higher loan volumes
- Quarter-on-quarter segment trends:
 - AT/OA: Improved net fee income (mainly on lower fee expenses) could not offset lower net trading and FV result on lower valuation results following strong Q2
 - CZ: improvements in all key revenue lines, fee income increases mainly on insurance and card fees
 - HU: Rebound in operating performance driven by NII and fees

Business performance: operating expenses –

Continued cost discipline results in lower expenses yoy

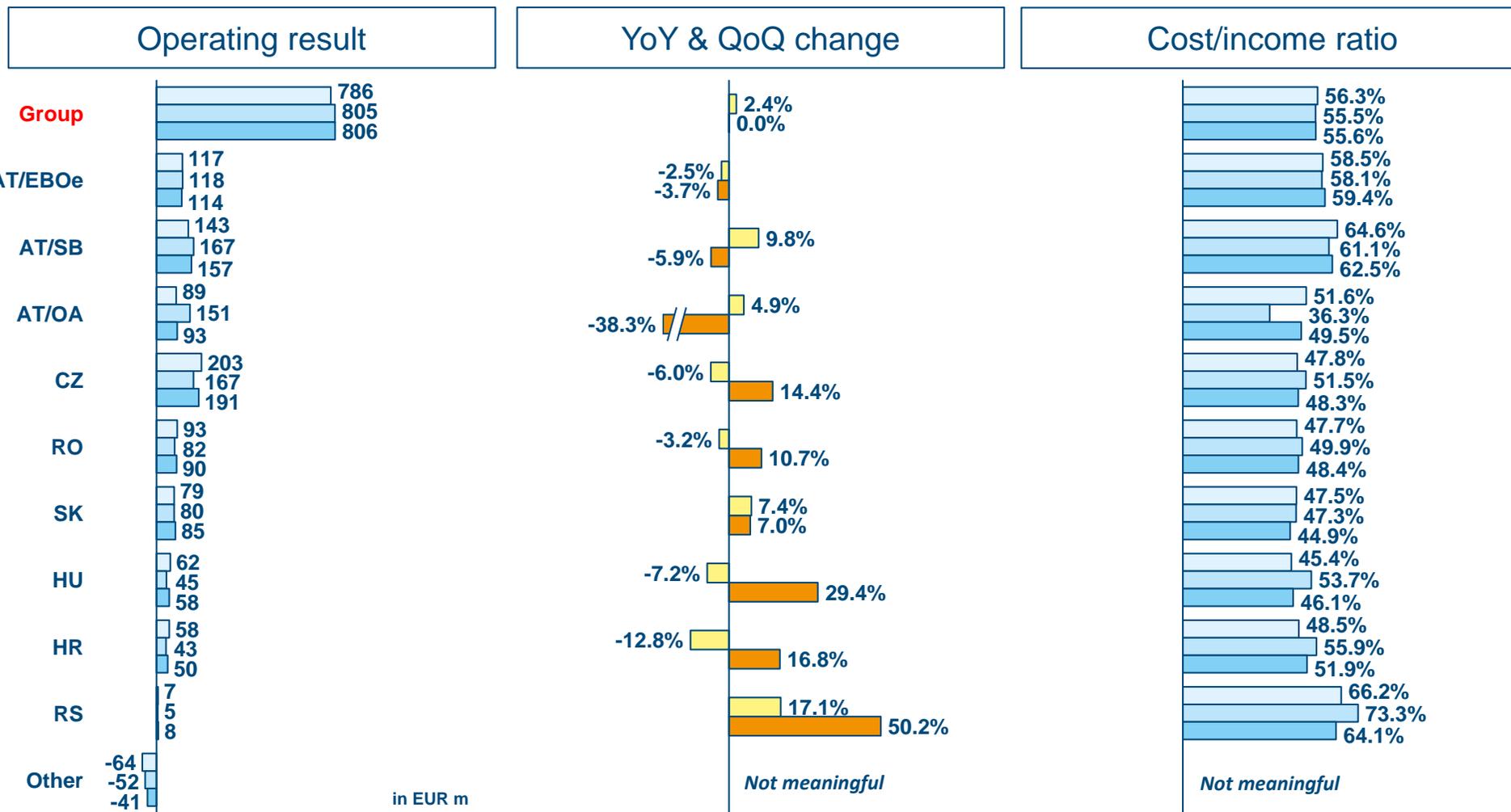
■ YoY ■ Q3 19
■ QoQ ■ Q2 20
■ Q3 20



- Yoy costs continue positive development; higher wages and higher IT expenses offset by lower consulting and marketing expenses
- QoQ minor cost increase mainly due to higher wages and depreciation
- Year-on-year segment trends:
 - CZ: declining operating expenses driven by lower marketing and travel costs, offsetting higher personnel expenses resulting from higher salaries; FX impact: -EUR 5.3m
 - AT/OA: improvement driven by lower personnel and consultancy expenses in the Holding
- Quarter-on-quarter segment trends:
 - RO: operating expenses increase on IT, mainly due to the roll-out of George
 - AT/OA: higher IT (run the bank) costs in the Holding
 - SK: lower marketing and consultancy expenses

Business performance: operating result and CIR – CIR at 55.6% in Q3 20

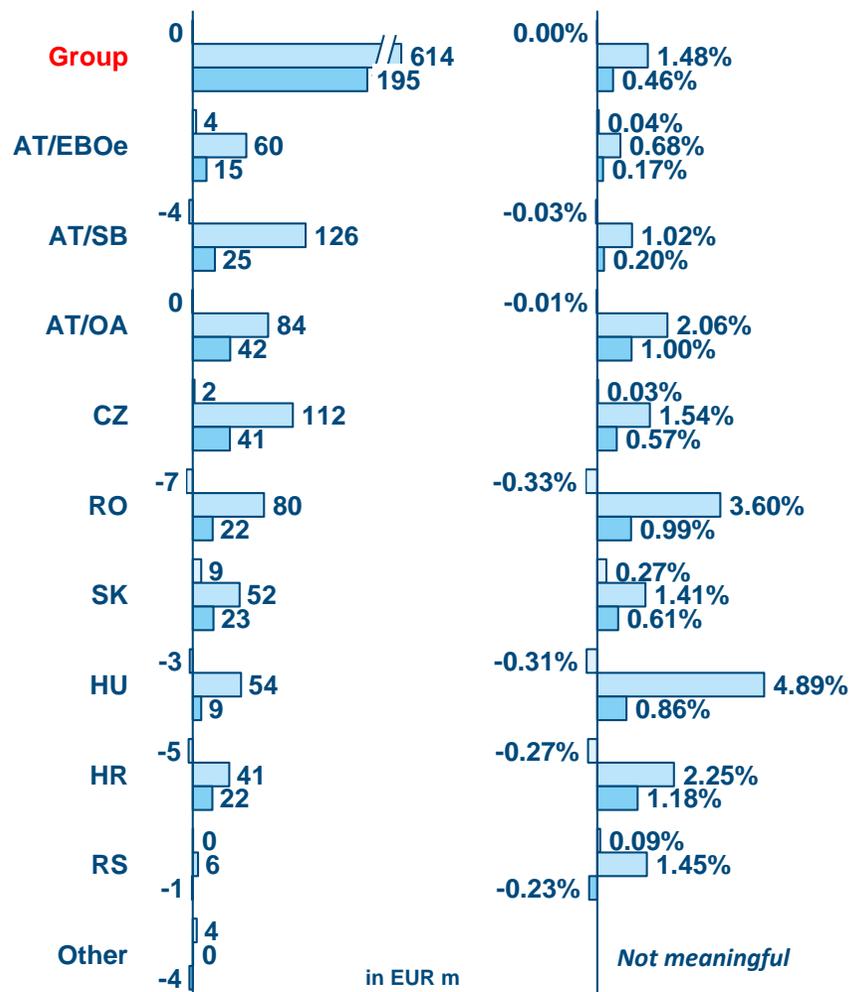
■ YoY ■ Q3 19
■ QoQ ■ Q2 20
■ Q3 20



Business performance: risk costs (abs/rel*) –

Risk cost development in line with guidance

Q3 19
Q2 20
Q3 20



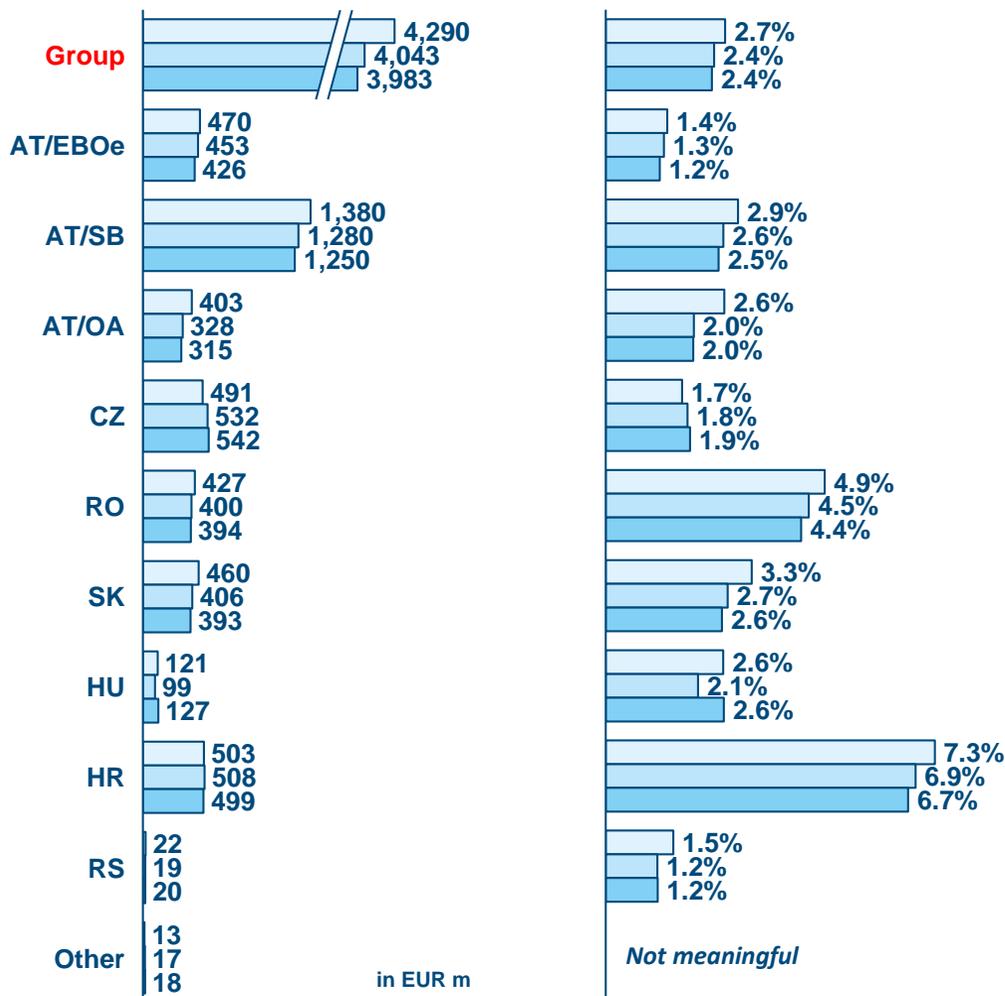
- Yoy higher risk costs due to releases in Q3 19 and Covid-19 related allocations in Q3 20
- Qoq risk cost development driven by updated risk parameters to reflect deteriorated macro outlook following Covid-19 induced crisis, mainly booked in Q2 20 and to a lesser extent in Q3 20
- Ytd risk costs at 70bps
- Year-on-year segment trends:
 - Higher allocations across most geographies (except RS) in the light of Covid-19
- Quarter-on-quarter segment trends:
 - Continued assessment of forward-looking information and stage overlays in Q3 20, together with effects of portfolio migrations. Less significant allocations in Q3 due to stable macro outlook since Q2 20
 - RS: Release of excess allowances

*) 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.

Business performance: non-performing loans and NPL ratio –

NPL ratio stable at 2.4%

30/09/19
30/06/20
30/09/20

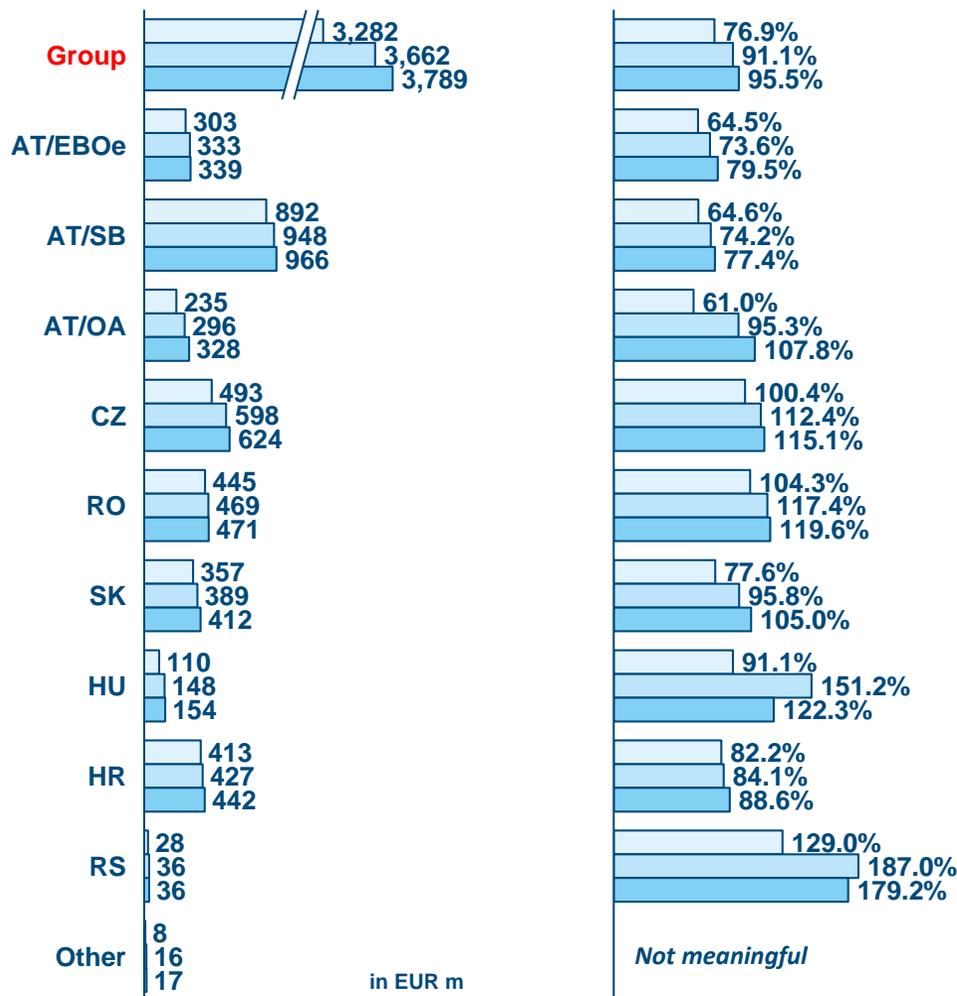


- NPL volume continues to decline and stood at EUR 4.0bn in Q3 20. NPL volume development driven by lower level of gross new inflows due to government support measures in the light of Covid-19
- NPL sales again at low levels at EUR 12.3m in Q3 20 (Q2 20: EUR 10.6m)
 - Retail: EUR 6.8m (Q2 20: EUR 2.3m)
 - Corporates: EUR 5.4m (Q4 19: EUR 8.3m)
 - Q3 20 NPL sales mainly in the Czech Republic

Business performance: allowances for loans and NPL coverage –

NPL coverage rises to multi-year high of 95.5%

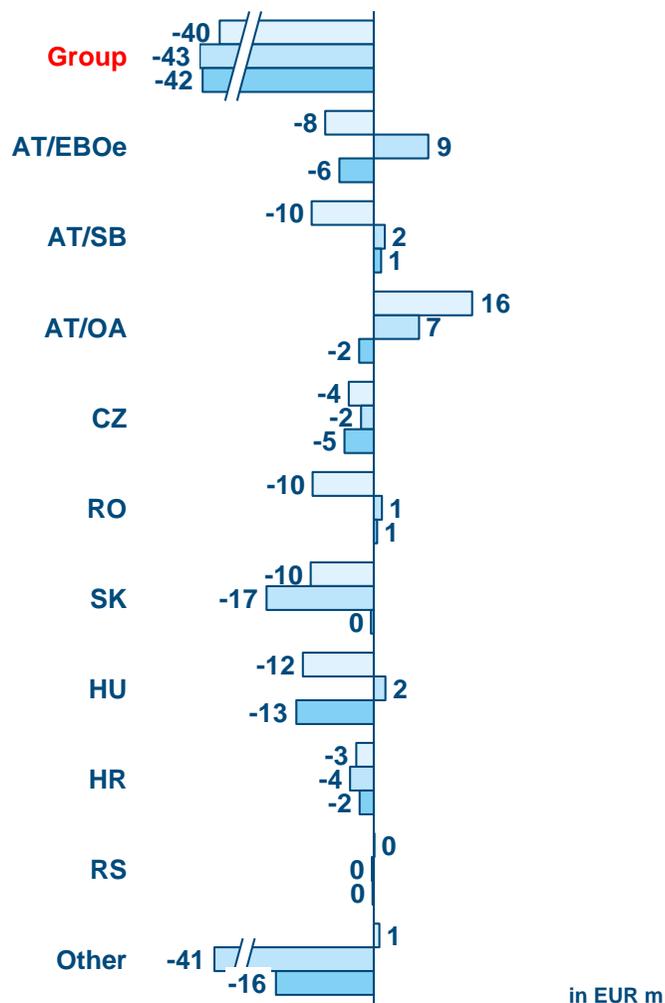
30/09/19
30/06/20
30/09/20



- NPL coverage increases yoy and qoq due to rising allowances
- Year-on-year segment trends:
 - Allocations of allowances in performing portfolio in anticipation of future credit losses resulted in higher NPL coverage across all segments
- Quarter-on-quarter segment trends:
 - AT/EBOe, AT/SB, SK, HR: coverage improvement further driven by slight decrease in NPLs paired with higher loan loss allowances (mostly triggered by the continued transfer of loans to stage 2 as a result of Covid-19 related credit risk overlays and revised forward-looking information due to new macro assumptions)
 - CZ: Increase of loan loss allowances at a faster pace than increase in NPLs resulted in higher NPL coverage
 - HU: NPL coverage remains at a very high level despite default of one corporate customer

Business performance: other result –

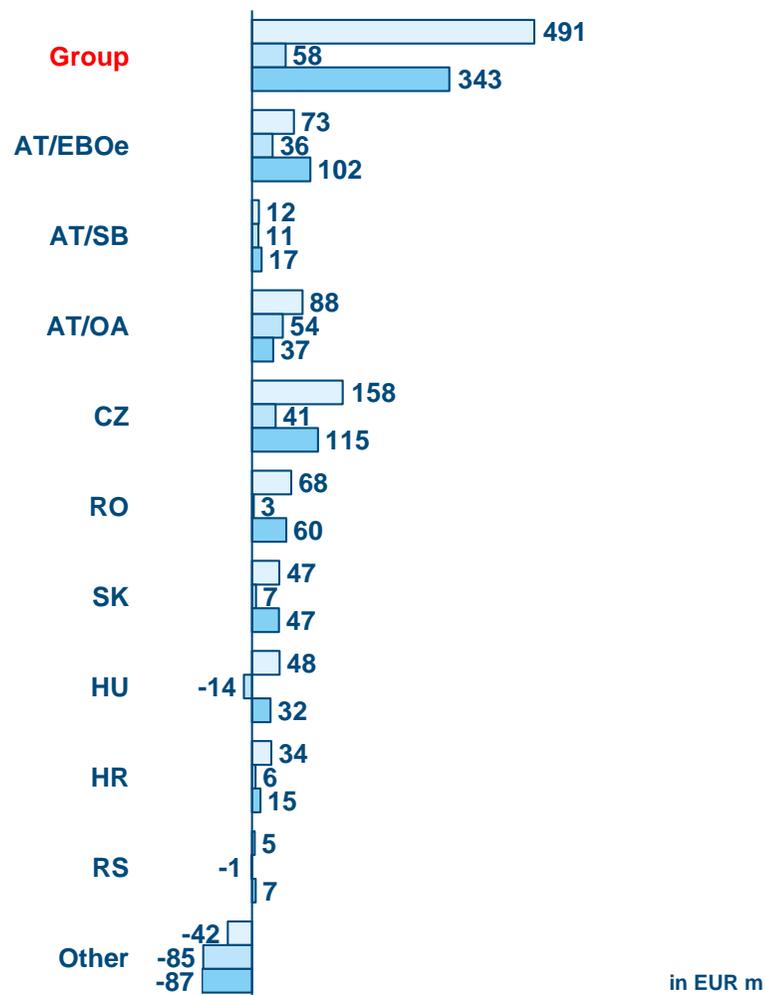
Other result stable in the absence of major one-off effects



- Yoy and qoq other operating result remain relatively stable, minor effects across geographies
- Year-on-year segment trends:
 - AT/SB: other operating result improves on lower expenses related to IT subsidiary (neutral on group level)
 - AT/OA: decline mainly due to non-financial assets selling gains in Q3 19
 - RO: realised gains of other non-financial assets
- Quarter-on-quarter segment trends:
 - AT/EBOe: Q2 20 benefitted from real estate selling gains
 - SK: improvement is due to the expiry of the obligation to pay banking levy

Business performance: net result –

Net profit rebounds qoq after Covid-19 induced rise in risk costs



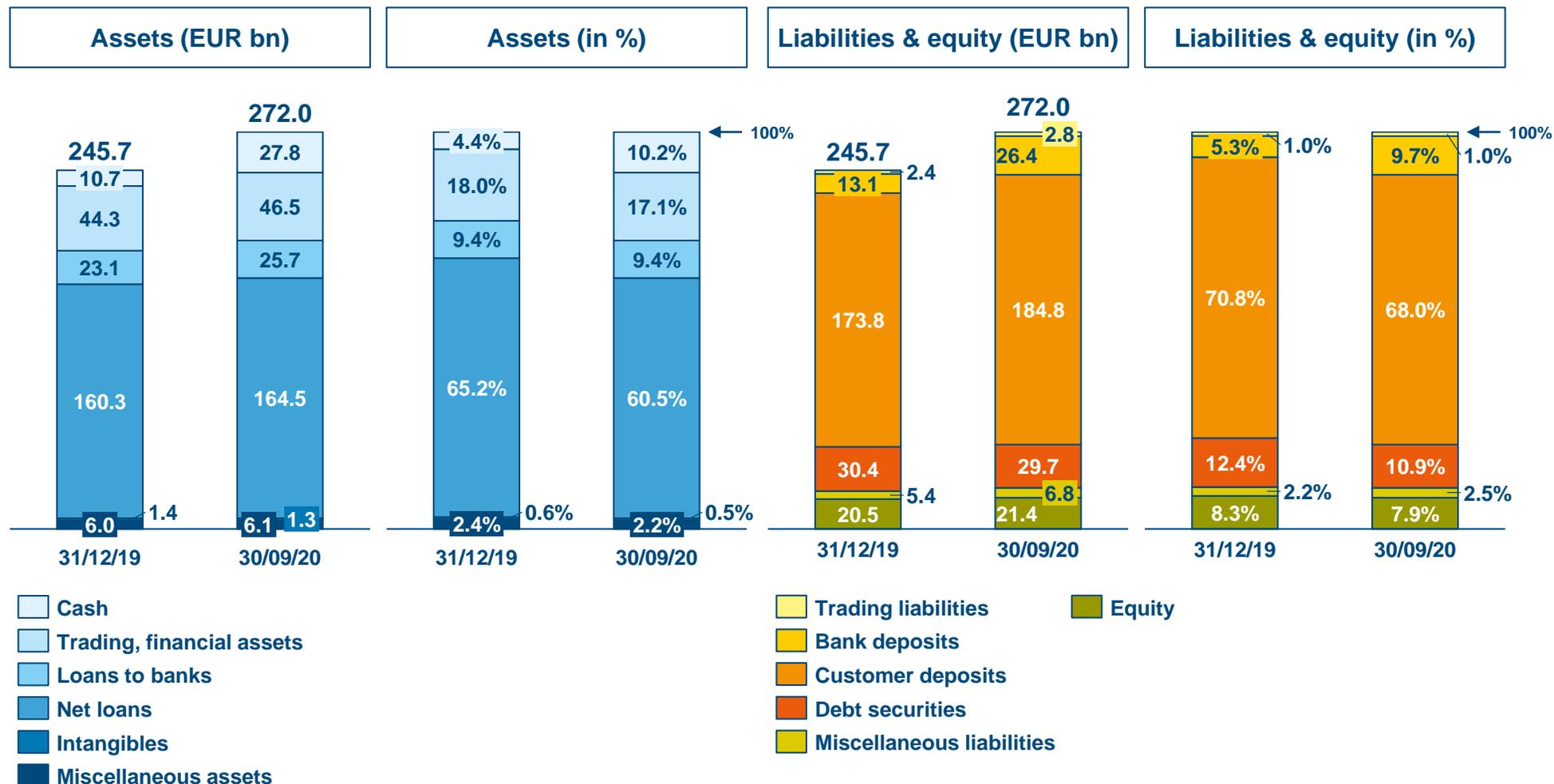
- Yoy profitability hit by Covid-19 induced risk cost development; more than offsetting improved operating result
- Qoq performance driven by lower risk costs, while operating result remained stable
- Year-on-year segment trends:
 - AT/EBOe: net result improves on pos. one-off tax effect due to reclassification within Austrian tax group (neutral on group level)
 - AT/OA: higher risk costs in the Holding business weigh on the profitability
 - CZ: net result adversely affected by higher risk costs and lower operating result
- Quarter-on-quarter segment trends:
 - AT/EBOe: improvement on tax effect (see above) and lower risk costs following stage transfers and forward-looking information parameter update in Q2 20
 - CZ, HU: net result rises on improved operating performance and lower risk costs against the backdrop of stage overlays and forward-looking information parameters in Q2 20
- Return on equity at 9.6%, following 0.2% in Q2 20, and 14.3% in Q3 19
- Tangible return on equity at 10.5%, following 0.2% in Q2 20, and 16.1% in Q3 19

Presentation topics

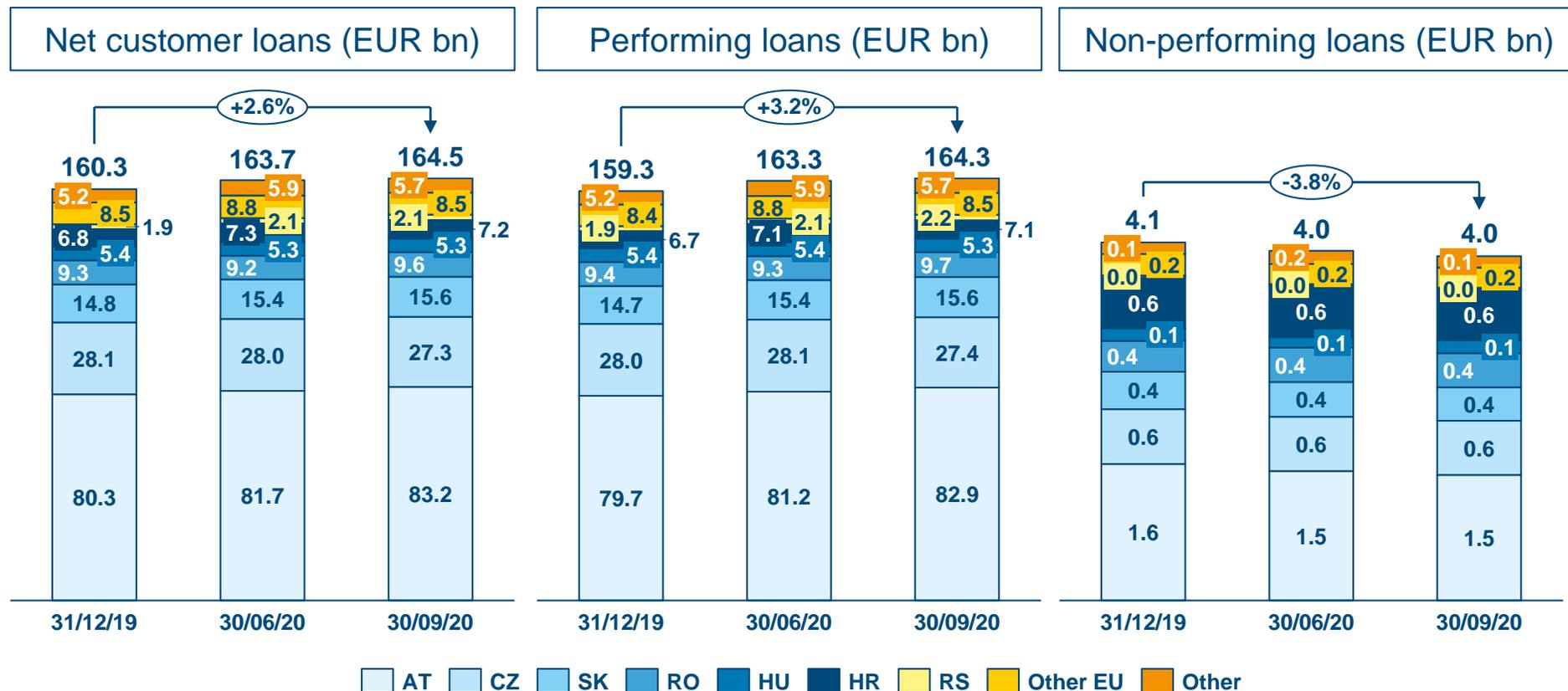
- Q3 20 presentation
 - Executive summary
 - Business environment
 - Business performance
 - **Assets and liabilities**
 - Additional information
 - Covid-19 measures update

Assets and liabilities: YTD overview –

Loan/deposit ratio at 89.0% (Dec 19: 92.2%)

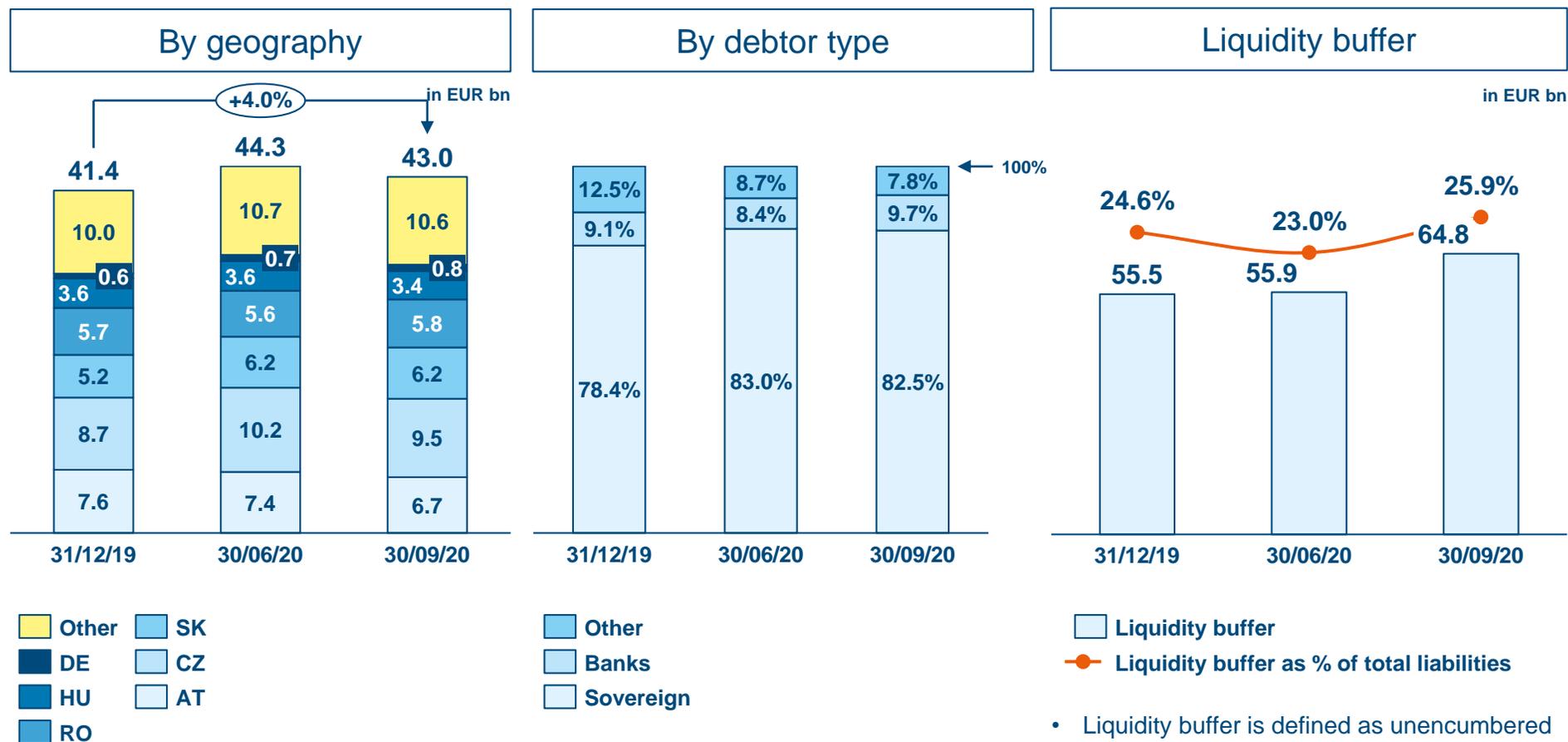


Assets and liabilities: customer loans by country of risk – Net customer loans up 2.6%, NPLs down 3.8% ytd



- Performing loans enjoyed solid growth across most geographies, decline in CZ and HU due to FX depreciation
- Corporates performed better than Retail
- Decline in NPL stock continued

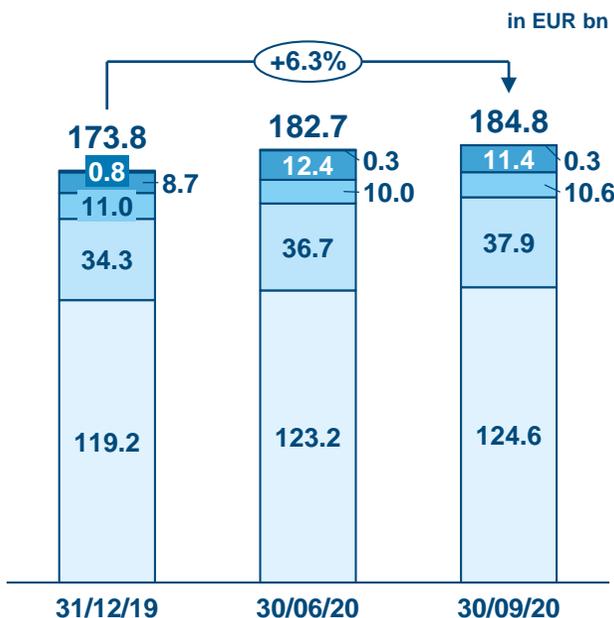
Assets and liabilities: financial and trading assets* – LCR at excellent 179.4%



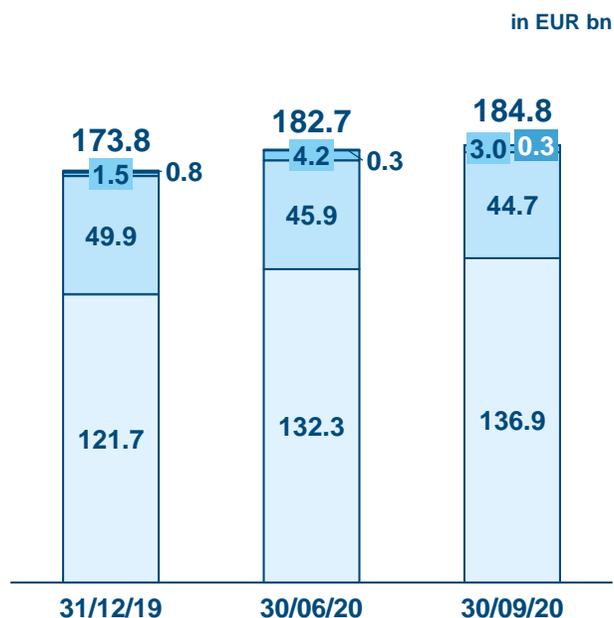
* Excludes derivatives held for trading

Assets and liabilities: customer deposit funding – Customer deposits* up 6.3% ytd, driven by households

By customer type



By product type



Highlights

- Continued deposit inflows driven by Retail segment with strong contribution from Corporate segment (esp. public sector) with highest demand for overnight deposits amid low interest rate environment
- Increasing share of overnight deposits with significantly longer behavioural maturity provides a cost effective funding source

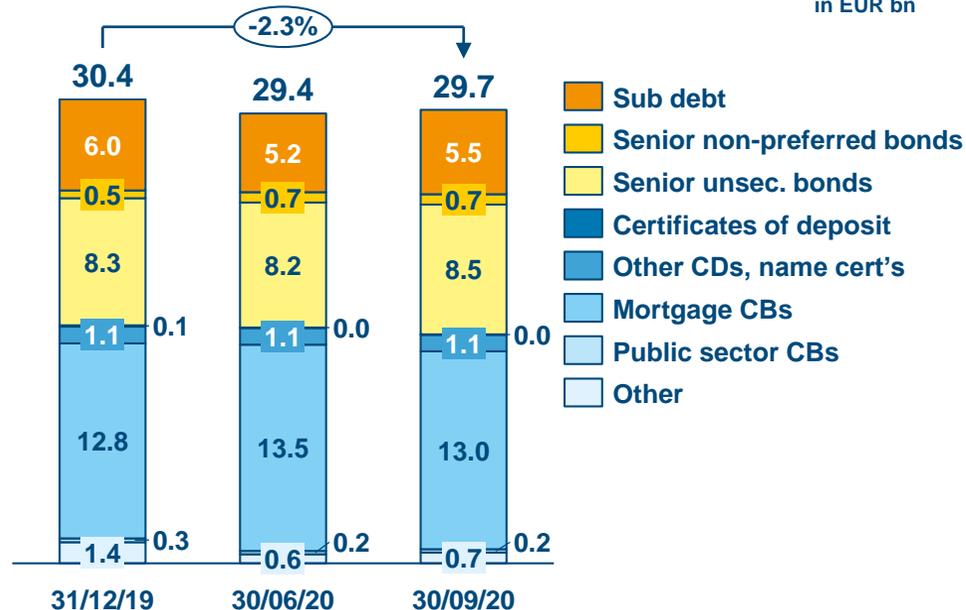


* excludes lease liabilities as of 2020

Assets and liabilities: debt vs interbank funding – Reduced wholesale funding reliance, as customer deposits grow strongly

Debt securities issued

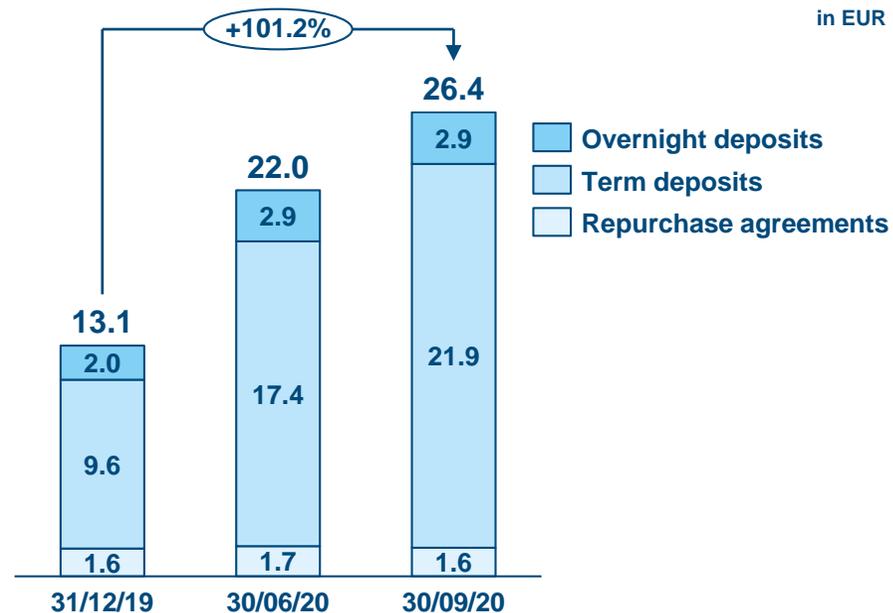
in EUR bn



- Overall, relative stable development; volumes of mortgage covered bonds and senior unsecured bonds have risen ytd

Interbank deposits

in EUR bn

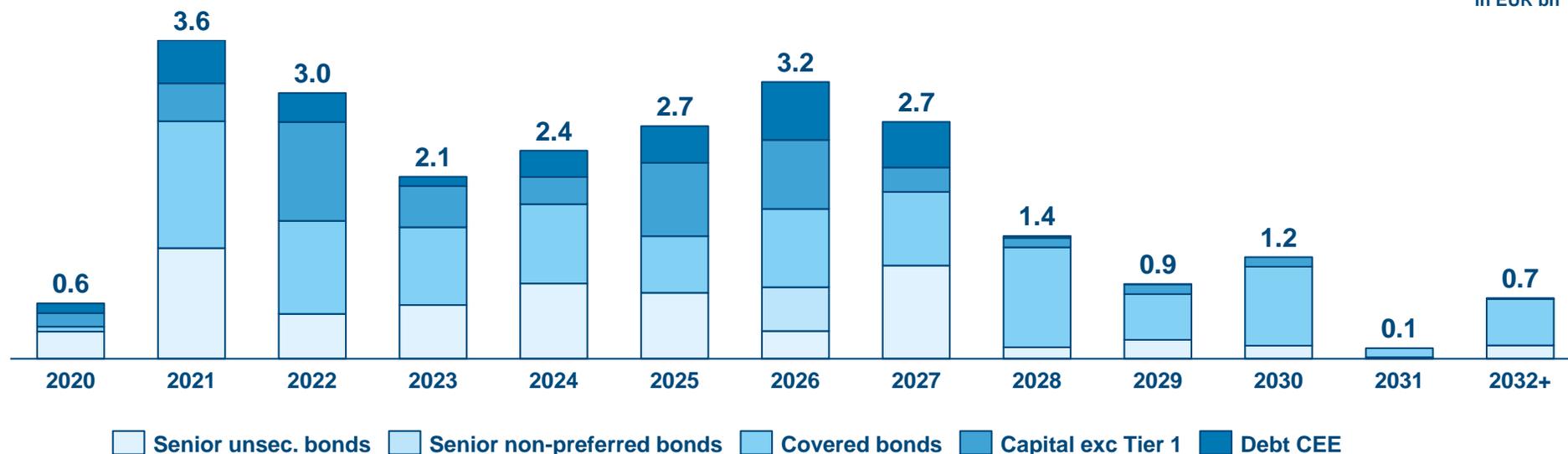


- Significant increase in interbank deposits predominantly in term deposits; mainly driven by TLTRO3

Assets and liabilities: LT funding – Stable LT funding needs in 2020

Maturity profile of debt

in EUR bn

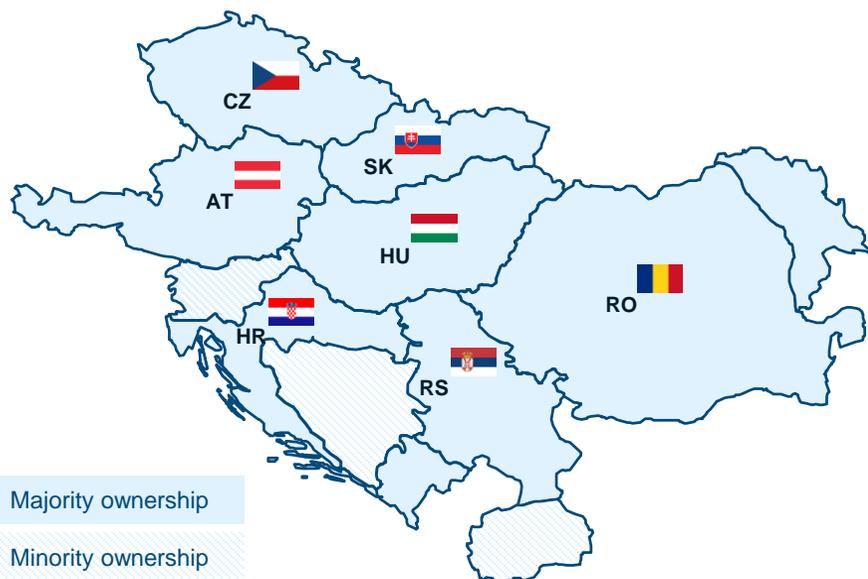


- Beginning of September Erste Group concluded its 2020 funding plan with the issuance of a EUR 500mn 11NC6 T2 at MS+210bp, gathering an orderbook of EUR 2.9bn and pricing through its fair value
- Only two weeks later Erste Group kicked-off its 2021 pre-funding by issuing a EUR 500mn 5y senior preferred note at MS+52bp, attracting EUR 2.7bn orders good at re-offer – again with a negative new issue concession
- 2021 funding volume is expected to be comparable to this year's figures with a clear focus on senior preferred
- TLTRO outstanding as of 30 Sept 2020: EUR 14bn

Assets and liabilities: LT funding – Targeting MPE approach

Resolution strategy

- Direct presence in 7 geographically connected countries
- Erste Group's setup suggests a multiple point of entry (MPE) resolution strategy
- When determined, MREL needs are likely to be met with a mix of own funds, senior non-preferred and senior preferred instruments



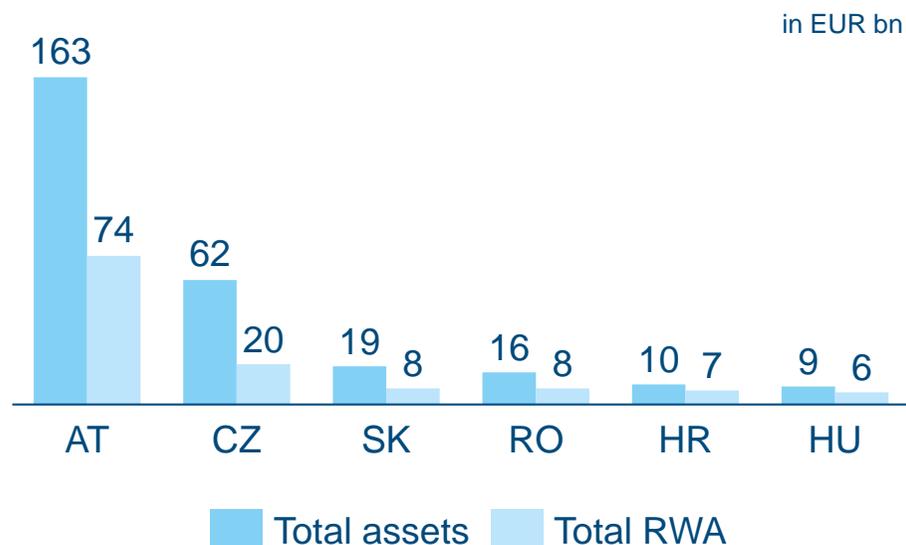
Austrian resolution group

- Major entities within the Austrian resolution group*:
 - Erste Group Bank AG
 - Erste Bank Oesterreich and its subsidiaries
 - All other savings banks of the Haftungsverbund
- Subordination requirement does not seem to be a limiting factor
- Binding MREL targets for the Austrian, Slovak, Romanian, Hungarian and Czech resolution groups have been received; for Croatia the first binding target is expected in 2021
- All CEE resolution groups with a binding decision received in 2020 will receive a transition period until year-end 2023 enabling them to reach their MREL targets gradually

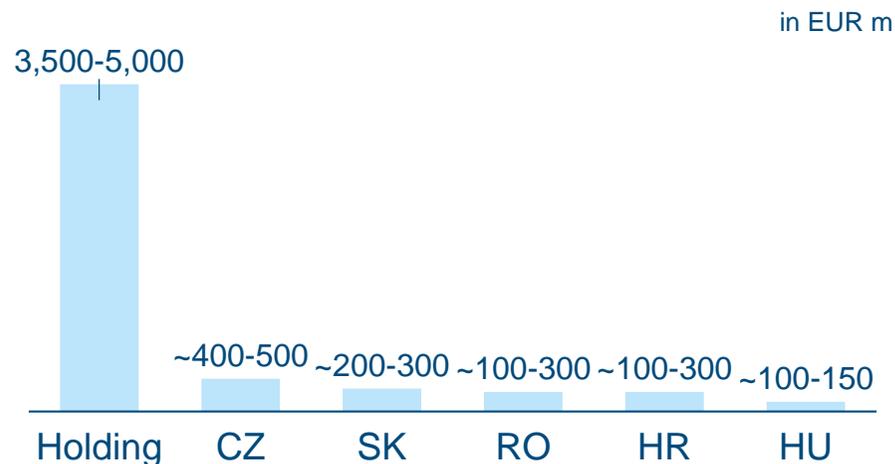
*) Subject to joint decision of resolution authority

Assets and liabilities: LT funding – Expected total MREL-related issuance volume unchanged

MREL resolution groups (June 2020)



Preliminary 5-year issuance plan (avg. p.a.)



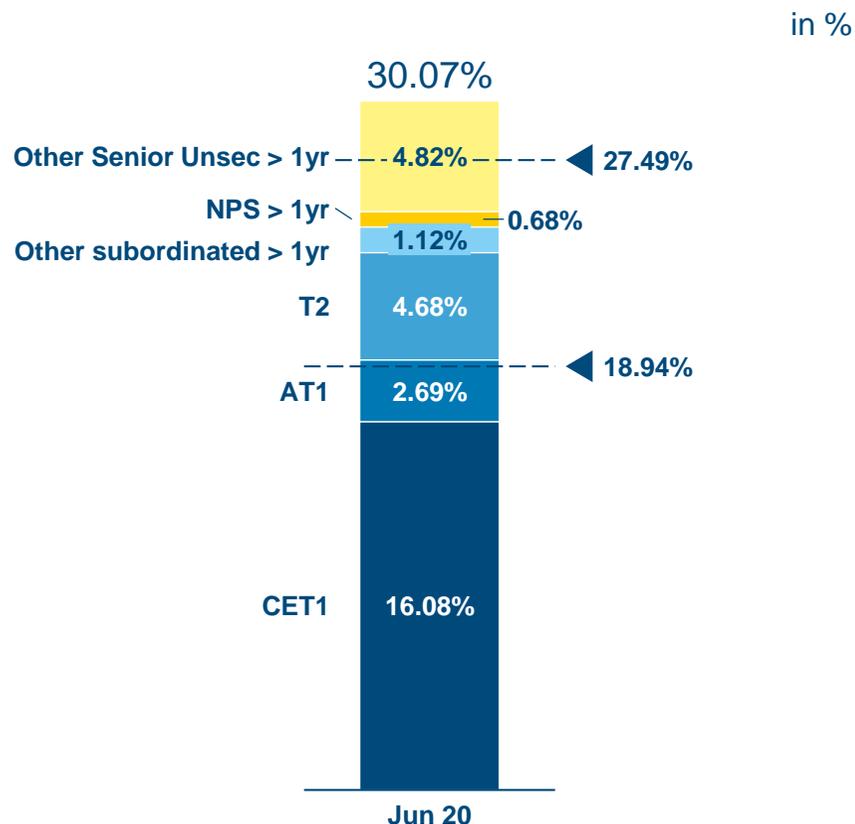
- Under MREL there are 6 resolution groups covered by the Single Resolution Board
- The Austrian resolution group (parent company, EBOe and savings banks) is not considered a legal entity or reporting unit, hence there is neither a statutory reporting nor a capital requirement for the Austrian resolution group

- CEE issuances will mainly be placed in domestic market
- First NPS issuances by Erste Group Bank AG (in EUR) and BCR (in RON) in 2019 and Slovenská sporiteľňa in Feb 2020

Assets and liabilities: MREL for the Austrian resolution group

MREL requirement based on RWA fulfilled

MREL ratio based on TREA (RWA)*



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 June 2020 of approx. EUR 74bn, the current MREL ratio stands at 30.07%, thereof 25.25% being subordinated eligible liabilities. Both ratios are well above the minimum requirements
- A new MREL requirement based on SRB's 2020 MREL policy and BRRD2 is expected in H1 2021
- 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

Assets and liabilities: capital position –

CET1 ratio at a strong 14.1%, phased-in at 14.2%

Basel 3 capital

in EUR bn

Risk-weighted assets

in EUR bn

Basel 3 capital ratios



- CET1 capital improves by EUR 164m ytd mainly on:
 - Retained earnings (50% of 2019 dividend accrued added back to capital): +EUR 347m
 - Minority interest: +EUR 353m
 - OCI and prudential filter impact (mainly on FX impact): -EUR 618m
 - Non-inclusion of Q3 20 interim profit
- AT1 issuance in Q1 20: +EUR 497m

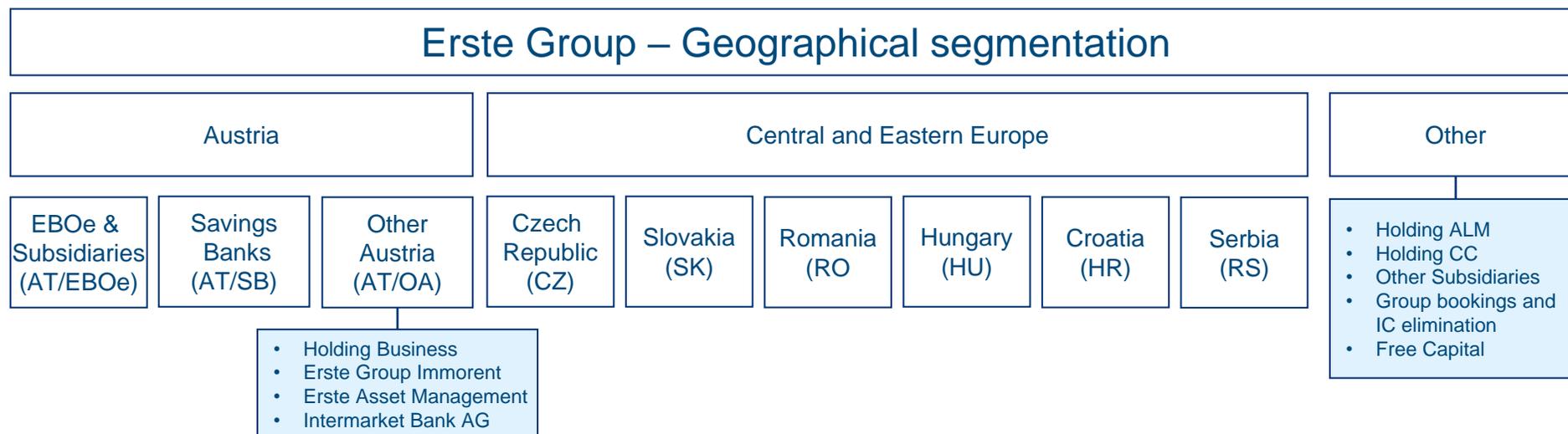
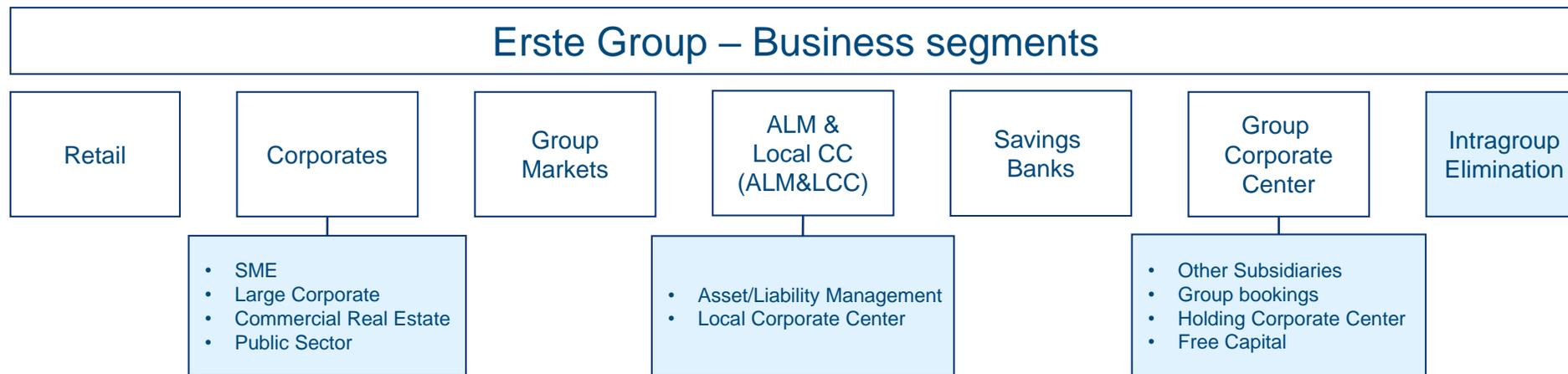
- YTD credit RWA development mainly on:
 - SME support factor: ca. -EUR 4.5bn
 - Business growth: ca. + EUR 4.9bn
 - FX depreciation: ca. -EUR 1.4bn
- Rise in market risk due to increased volatility

- CET1 ratio benefits from SME support factor: +55bps
- FX impact: -30bps
- Dividend accrual for H1 2020 included in capital ratios
- Medium-term target remains unchanged at 13.5%

Presentation topics

- Q3 20 presentation
 - Executive summary
 - Business environment
 - Business performance
 - Assets and liabilities
 - **Additional information**
 - Covid-19 measures update

Additional information: segment structure – Business line and geographic view



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

| in EUR million | Year-to-date view | | | Quarterly view | | | | |
|--|-------------------|----------------|---------------|----------------|--------------|--------------|---------------|-------------------|
| | 1-9 19 | 1-9 20 | YOY-Δ | Q3 19 | Q2 20 | Q3 20 | YOY-Δ | QOQ-Δ |
| Net interest income | 3,517.4 | 3,589.3 | 2.0% | 1,187.7 | 1,167.9 | 1,192.4 | 0.4% | 2.1% |
| Interest income | 4,139.4 | 3,882.9 | -6.2% | 1,397.4 | 1,253.5 | 1,237.7 | -11.4% | -1.3% |
| Other similar income | 1,231.5 | 1,103.9 | -10.4% | 392.0 | 364.2 | 344.6 | -12.1% | -5.4% |
| Interest expenses | -817.8 | -501.0 | -38.7% | -262.9 | -147.9 | -122.1 | -53.5% | -17.4% |
| Other similar expenses | -1,035.7 | -896.6 | -13.4% | -338.8 | -302.0 | -267.8 | -21.0% | -11.3% |
| Net fee and commission income | 1,484.3 | 1,448.3 | -2.4% | 503.9 | 452.5 | 491.6 | -2.4% | 8.6% |
| Fee and commission income | 1,805.8 | 1,733.3 | -4.0% | 616.8 | 541.4 | 587.3 | -4.8% | 8.5% |
| Fee and commission expenses | -321.5 | -285.0 | -11.4% | -113.0 | -88.9 | -95.7 | -15.3% | 7.6% |
| Dividend income | 24.0 | 15.7 | -34.8% | 5.1 | 13.3 | 0.9 | -82.8% | -93.4% |
| Net trading result | 419.3 | 9.0 | -97.9% | 109.2 | 138.2 | 28.2 | -74.2% | -79.6% |
| Gains/losses from financial instruments measured at fair value through profit or loss | -189.4 | 81.4 | n/a | -49.2 | -8.9 | 52.9 | n/a | n/a |
| Net result from equity method investments | 10.1 | 9.9 | -1.6% | 3.1 | 2.6 | 4.0 | 32.4% | 56.3% |
| Rental income from investment properties & other operating leases | 128.4 | 132.3 | 3.0% | 41.5 | 43.5 | 44.0 | 6.1% | 1.3% |
| Personnel expenses | -1,887.2 | -1,902.2 | 0.8% | -631.3 | -635.5 | -636.7 | 0.9% | 0.2% |
| Other administrative expenses | -879.3 | -819.0 | -6.9% | -253.8 | -238.6 | -235.6 | -7.1% | -1.2% |
| Depreciation and amortisation | -394.4 | -402.0 | 1.9% | -129.8 | -129.4 | -136.1 | 4.8% | 5.2% |
| Gains/losses from derecognition of financial assets measured at amortised cost | -0.4 | 0.2 | n/a | -1.3 | -0.1 | -0.1 | -90.6% | 8.9% |
| Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss | 18.0 | -0.7 | n/a | 7.9 | -0.5 | 1.4 | -81.8% | n/a |
| Impairment result from financial instruments | 42.9 | -870.1 | n/a | 0.1 | -613.7 | -194.7 | n/a | -68.3% |
| Other operating result | -397.2 | -213.6 | -46.2% | -46.2 | -42.3 | -43.8 | -5.3% | 3.5% |
| Levies on banking activities | -90.9 | -100.3 | 10.4% | -26.2 | -33.1 | -17.3 | -33.8% | -47.6% |
| Pre-tax result from continuing operations | 1,896.6 | 1,078.4 | -43.1% | 746.8 | 148.8 | 568.3 | -23.9% | >100.0% |
| Taxes on income | -350.9 | -264.2 | -24.7% | -138.2 | -37.3 | -123.9 | -10.3% | >100.0% |
| Net result for the period | 1,545.7 | 814.2 | -47.3% | 608.6 | 111.5 | 444.4 | -27.0% | >100.0% |
| Net result attributable to non-controlling interests | 322.7 | 177.1 | -45.1% | 117.6 | 53.0 | 101.0 | -14.0% | 90.5% |
| Net result attributable to owners of the parent | 1,223.0 | 637.1 | -47.9% | 491.1 | 58.5 | 343.3 | -30.1% | >100.0% |
| Operating income | 5,394.1 | 5,285.8 | -2.0% | 1,801.2 | 1,808.9 | 1,814.0 | 0.7% | 0.3% |
| Operating expenses | -3,160.8 | -3,123.2 | -1.2% | -1,014.9 | -1,003.5 | -1,008.5 | -0.6% | 0.5% |
| Operating result | 2,233.3 | 2,162.7 | -3.2% | 786.4 | 805.4 | 805.5 | 2.4% | 0.0% |

Additional information: group balance sheet – Assets

| in EUR million | Quarterly data | | | | | Change | | |
|--|----------------|----------------|----------------|----------------|----------------|--------------|--------------|-------------|
| | Sep 19 | Dec 19 | Mar 20 | Jun 20 | Sep 20 | YOY-Δ | YTD-Δ | QOQ-Δ |
| Cash and cash balances | 15,638 | 10,693 | 23,031 | 18,433 | 27,848 | 78.1% | >100.0% | 51.1% |
| Financial assets held for trading | 7,215 | 5,760 | 7,706 | 6,984 | 6,764 | -6.3% | 17.4% | -3.2% |
| Derivatives | 3,551 | 2,805 | 4,034 | 3,233 | 3,369 | -5.1% | 20.1% | 4.2% |
| Other financial assets held for trading | 3,664 | 2,954 | 3,672 | 3,752 | 3,394 | -7.4% | 14.9% | -9.5% |
| Non-trading financial assets at fair value through profit and loss | 3,350 | 3,208 | 3,130 | 3,122 | 3,157 | -5.8% | -1.6% | 1.1% |
| Equity instruments | 393 | 390 | 361 | 374 | 395 | 0.6% | 1.2% | 5.5% |
| Debt securities | 2,539 | 2,335 | 2,250 | 2,129 | 2,124 | -16.3% | -9.0% | -0.2% |
| Loans and advances to banks | 0 | 0 | 0 | 0 | 0 | n/a | n/a | n/a |
| Loans and advances to customers | 419 | 483 | 519 | 619 | 638 | 52.4% | 31.9% | 3.0% |
| Financial assets at fair value through other comprehensive income | 8,940 | 9,047 | 8,953 | 8,883 | 8,578 | -4.0% | -5.2% | -3.4% |
| Equity instruments | 312 | 210 | 139 | 132 | 136 | -56.3% | -35.2% | 3.1% |
| Debt securities | 8,629 | 8,836 | 8,815 | 8,750 | 8,442 | -2.2% | -4.5% | -3.5% |
| Financial assets at amortised cost | 204,079 | 204,162 | 207,133 | 214,464 | 212,824 | 4.3% | 4.2% | -0.8% |
| Debt securities | 26,808 | 26,764 | 27,700 | 29,298 | 28,649 | 6.9% | 7.0% | -2.2% |
| Loans and advances to banks | 25,241 | 23,055 | 24,264 | 27,418 | 25,672 | 1.7% | 11.4% | -6.4% |
| Loans and advances to customers | 152,030 | 154,344 | 155,168 | 157,749 | 158,502 | 4.3% | 2.7% | 0.5% |
| Finance lease receivables | 3,987 | 4,034 | 4,040 | 4,082 | 4,118 | 3.3% | 2.1% | 0.9% |
| Hedge accounting derivatives | 182 | 130 | 226 | 270 | 254 | 39.7% | 95.2% | -5.9% |
| Property and equipment | 2,509 | 2,629 | 2,558 | 2,526 | 2,496 | -0.5% | -5.1% | -1.2% |
| Investment properties | 1,226 | 1,266 | 1,254 | 1,257 | 1,245 | 1.5% | -1.7% | -1.0% |
| Intangible assets | 1,491 | 1,368 | 1,322 | 1,331 | 1,331 | -10.7% | -2.7% | 0.0% |
| Investments in associates and joint ventures | 202 | 163 | 163 | 166 | 170 | -15.6% | 4.5% | 2.4% |
| Current tax assets | 80 | 81 | 80 | 135 | 151 | 87.8% | 86.6% | 11.8% |
| Deferred tax assets | 436 | 477 | 453 | 467 | 454 | 4.2% | -4.9% | -2.9% |
| Assets held for sale | 242 | 269 | 265 | 260 | 209 | -13.9% | -22.3% | -19.8% |
| Trade and other receivables | 1,405 | 1,408 | 1,391 | 1,287 | 1,256 | -10.6% | -10.8% | -2.4% |
| Other assets | 1,119 | 1,001 | 1,191 | 1,019 | 1,123 | 0.4% | 12.2% | 10.2% |
| Total assets | 252,101 | 245,693 | 262,898 | 264,692 | 271,983 | 7.9% | 10.7% | 2.8% |

Additional information: group balance sheet – Liabilities and equity

| in EUR million | Quarterly data | | | | | Change | | |
|---|----------------|----------------|----------------|----------------|----------------|-------------|--------------|--------------|
| | Sep 19 | Dec 19 | Mar 20 | Jun 20 | Sep 20 | YOY-Δ | YTD-Δ | QOQ-Δ |
| Financial liabilities held for trading | 2,751 | 2,421 | 3,322 | 2,737 | 2,845 | 3.4% | 17.5% | 4.0% |
| Derivatives | 2,411 | 2,005 | 2,945 | 2,308 | 2,253 | -6.5% | 12.3% | -2.4% |
| Other financial liabilities held for trading | 341 | 416 | 377 | 429 | 592 | 73.9% | 42.5% | 38.0% |
| Financial liabilities at fair value through profit or loss | 14,550 | 13,494 | 12,591 | 12,607 | 12,334 | -15.2% | -8.6% | -2.2% |
| Deposits from customers | 277 | 265 | 252 | 295 | 279 | 0.7% | 5.2% | -5.5% |
| Debt securities issued | 13,754 | 13,011 | 12,128 | 12,136 | 11,878 | -13.6% | -8.7% | -2.1% |
| Other financial liabilities | 520 | 219 | 211 | 177 | 178 | -65.8% | -18.8% | 0.8% |
| Financial liabilities at amortised cost | 208,728 | 204,143 | 219,988 | 222,321 | 229,525 | 10.0% | 12.4% | 3.2% |
| Deposits from banks | 19,936 | 13,141 | 20,703 | 21,984 | 26,433 | 32.6% | >100.0% | 20.2% |
| Deposits from customers | 171,831 | 173,066 | 181,439 | 182,376 | 184,551 | 7.4% | 6.6% | 1.2% |
| Debt securities issued | 16,350 | 17,360 | 17,285 | 17,295 | 17,797 | 8.9% | 2.5% | 2.9% |
| Other financial liabilities | 611 | 576 | 560 | 666 | 743 | 21.7% | 29.0% | 11.5% |
| Lease liabilities | 403 | 515 | 520 | 521 | 516 | 28.1% | 0.2% | -0.9% |
| Hedge accounting derivatives | 291 | 269 | 207 | 209 | 209 | -28.0% | -22.2% | 0.3% |
| Fair value changes of hedged items in portfolio hedge of interest rate risk | 0 | 0 | 0 | 0 | 0 | 25.4% | >100.0% | -20.2% |
| Provisions | 2,001 | 1,919 | 2,046 | 2,033 | 2,008 | 0.4% | 4.7% | -1.2% |
| Current tax liabilities | 89 | 61 | 94 | 62 | 67 | -24.2% | 10.8% | 8.5% |
| Deferred tax liabilities | 24 | 18 | 24 | 17 | 31 | 28.5% | 73.9% | 85.6% |
| Liabilities associated with assets held for sale | 7 | 6 | 7 | 7 | 3 | -65.0% | -59.4% | -66.0% |
| Other liabilities | 3,128 | 2,369 | 3,045 | 2,978 | 3,006 | -3.9% | 26.9% | 0.9% |
| Total equity | 20,130 | 20,477 | 21,053 | 21,200 | 21,438 | 6.5% | 4.7% | 1.1% |
| Equity attributable to non-controlling interests | 4,735 | 4,857 | 4,875 | 4,922 | 5,024 | 6.1% | 3.4% | 2.1% |
| Additional equity instruments | 1,490 | 1,490 | 1,987 | 1,987 | 1,987 | 33.4% | 33.4% | 0.0% |
| Equity attributable to owners of the parent | 13,904 | 14,129 | 14,190 | 14,291 | 14,427 | 3.8% | 2.1% | 1.0% |
| Subscribed capital | 860 | 860 | 860 | 860 | 860 | 0.0% | 0.0% | 0.0% |
| Additional paid-in capital | 1,477 | 1,478 | 1,478 | 1,478 | 1,478 | 0.1% | 0.0% | 0.0% |
| Retained earnings and other reserves | 11,568 | 11,792 | 11,853 | 11,953 | 12,090 | 4.5% | 2.5% | 1.1% |
| Total liabilities and equity | 252,101 | 245,693 | 262,898 | 264,692 | 271,983 | 7.9% | 10.7% | 2.8% |

Additional information: regulatory capital position/requirement (SREP) – Capital requirements (SREP) for 2020; Erste Group target of 13.5% unchanged

- Combined impact of reduced countercyclical buffers results in expected 18 bps at year-end 2020

| | Erste Group Consolidated | | | | | Erste Group Unconsolidated | | | |
|--|--------------------------|---------------|---------------|------------------------|-------------------------|----------------------------|---------------|---------------|---------------|
| | Phased-in | | Fully loaded | ECB Capital Relief | | Phased-in | | Fully loaded | |
| | 2018 | 2019 | Q3 2020 | Measures 1) Q3 2020 | Fully loaded YE 2020 | 2018 | 2019 | Q3 2020 | YE 2020 |
| 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 | 3.19% | 4.91% | 4.68% | 2.18% | 4.68% | 3.07% | 4.75% | 4.63% | 4.63% |
| Capital conservation buffer | 1.88% | 2.50% | 2.50% | 0.00% | 2.50% | 1.88% | 2.50% | 2.50% | 2.50% |
| Countercyclical capital buffer 2) | 0.31% | 0.41% | 0.18% | 0.18% | 0.18% | 0.20% | 0.25% | 0.13% | 0.13% |
| OSII/Systemic risk buffer | 1.00% | 2.00% | 2.00% | 2.00% | 2.00% | 1.00% | 2.00% | 2.00% | 2.00% |
| Pillar 2 CET I requirement 3) | 1.75% | 1.75% | 0.98% | 0.98% | 0.98% | 1.75% | 1.75% | 0.98% | 0.98% |
| Pillar 2 CET I guidance | 1.05% | 1.00% | 1.00% | 0.00% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Regulatory minimum ratios excluding P2G | | | | | | | | | |
| CET I requirement | 9.44% | 11.16% | 10.16% | 7.66% | 10.16% | 9.32% | 11.00% | 10.12% | 10.12% |
| 1.50% AT1 Tier I requirement | 10.94% | 12.66% | 11.99% | 9.49% | 11.99% | 10.82% | 12.50% | 11.95% | 11.95% |
| 2.00% T2 Own funds requirement | 12.94% | 14.66% | 14.43% | 11.93% | 14.43% | 12.82% | 14.50% | 14.38% | 14.38% |
| Regulatory minimum ratios including P2G | | | | | | | | | |
| CET I requirement | 10.49% | 12.16% | 11.16% | n.a. | 11.16% | 9.32% | 11.00% | 10.12% | 10.12% |
| 1.50% AT1 Tier I requirement | 10.94% | 12.66% | 12.99% | n.a. | 12.99% | 10.82% | 12.50% | 11.95% | 11.95% |
| 2.00% T2 Own funds requirement | 12.94% | 14.66% | 15.43% | n.a. | 15.43% | 12.82% | 14.50% | 14.38% | 14.38% |
| Reported CET I ratio as of September 2020 | | | 14.21% | 4) | | | | 21,75% | 5) |

- Buffer to MDA restriction as of 30 Sep: 394bps
- Available distributable items (ADI) as of 30 Sep 20: EUR 2.7bn (post 2019 dividend and AT1 coupon; based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 5.2bn)

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 Q3 2020 exposure (Q3 20 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. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.

5) Unconsolidated CET1 ratio based on Q2 20 figures

Capital position – Erste Group applies regulatory quick fixes conservatively

| Quick Fix | Applied by Erste Group | From | Phased-in/ Fully loaded | Estimated impact on CET1 ratio* | Comment |
|---|---|-----------------------|----------------------------|--------------------------------------|---|
| SME Supporting Factor |  | Q2 20 | Fully loaded | +55 bps | Regulator pulled forward permanent introduction from 2021 to Q2 20 |
| Sovereigns in EU currency (STD approach) |  | Q2 20 | Phased-in | +12 bps | |
| Sovereigns in EU currency (IRB approach) |  | Q4 20 | Phased-in | +15 bps | |
| Software |  | in the course of 2021 | Fully loaded | up to +20-25 bps | Internal analysis currently ongoing and decision on the application will be taken in the course of 2021 |
| Retail loans backed by pensions |  | H1 21 | Fully-loaded | No impact | |
| Leverage ratio and exclusion of central banks |  | Q2 20 | Phased-in | +46 bps on leverage ratio | Erste Group boasts strong leverage ratio (>6%), hence no need for application |
| FVTOCI debt securities |  | Q2 20 | Phased-in | + 1 bp | Immaterial impact, hence no application |
| IFRS9 provisions for expected credit losses (ECL) |  | Q2 20 | Phased-in | Impact calculation not yet available | Erste Group adopted fully loaded IFRS9 approach right from inception in 2019 |

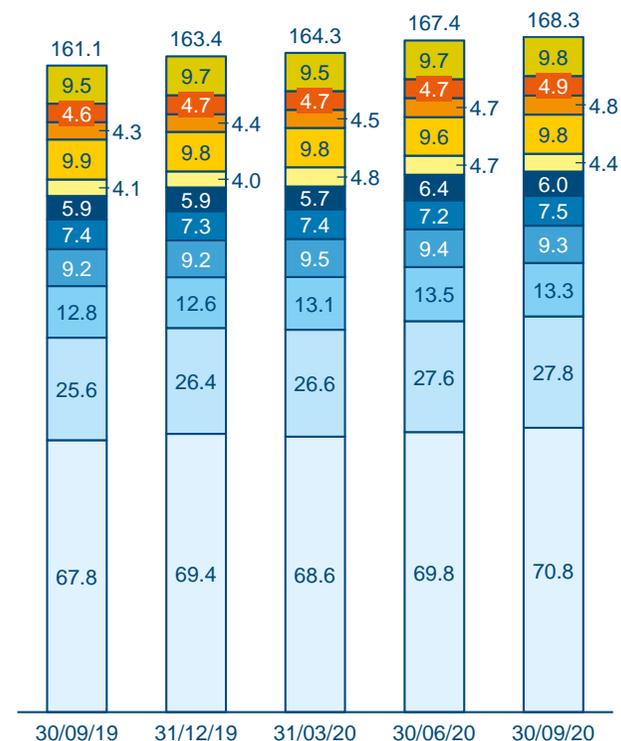
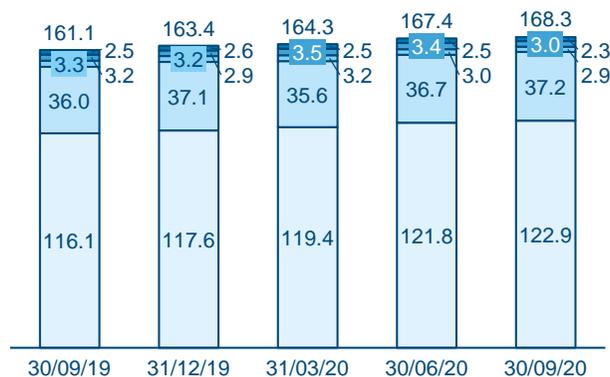
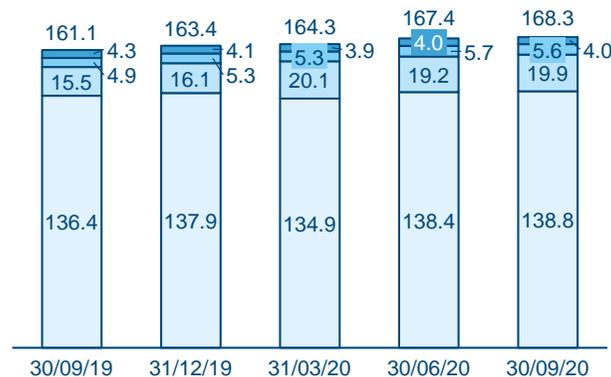
* Impact calculation based on Q3 20 RWA

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

Gross cust. loans by risk category (EUR bn)

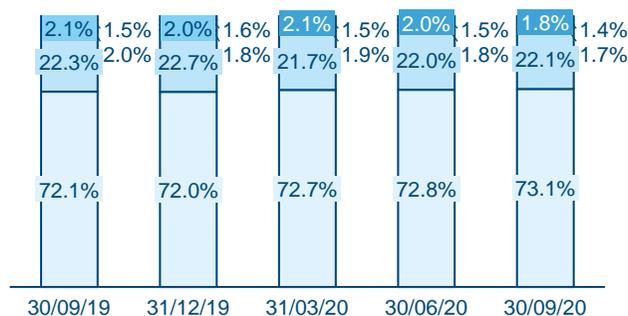
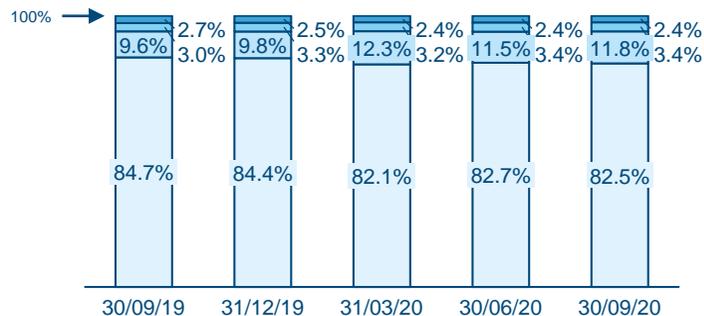
Gross customer loans by currency (EUR bn)

Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)

Gross customer loans by currency (in %)



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

■ Other ■ USD ■ CHF ■ CEE-LCY ■ EUR

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

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

Erste Group footprint



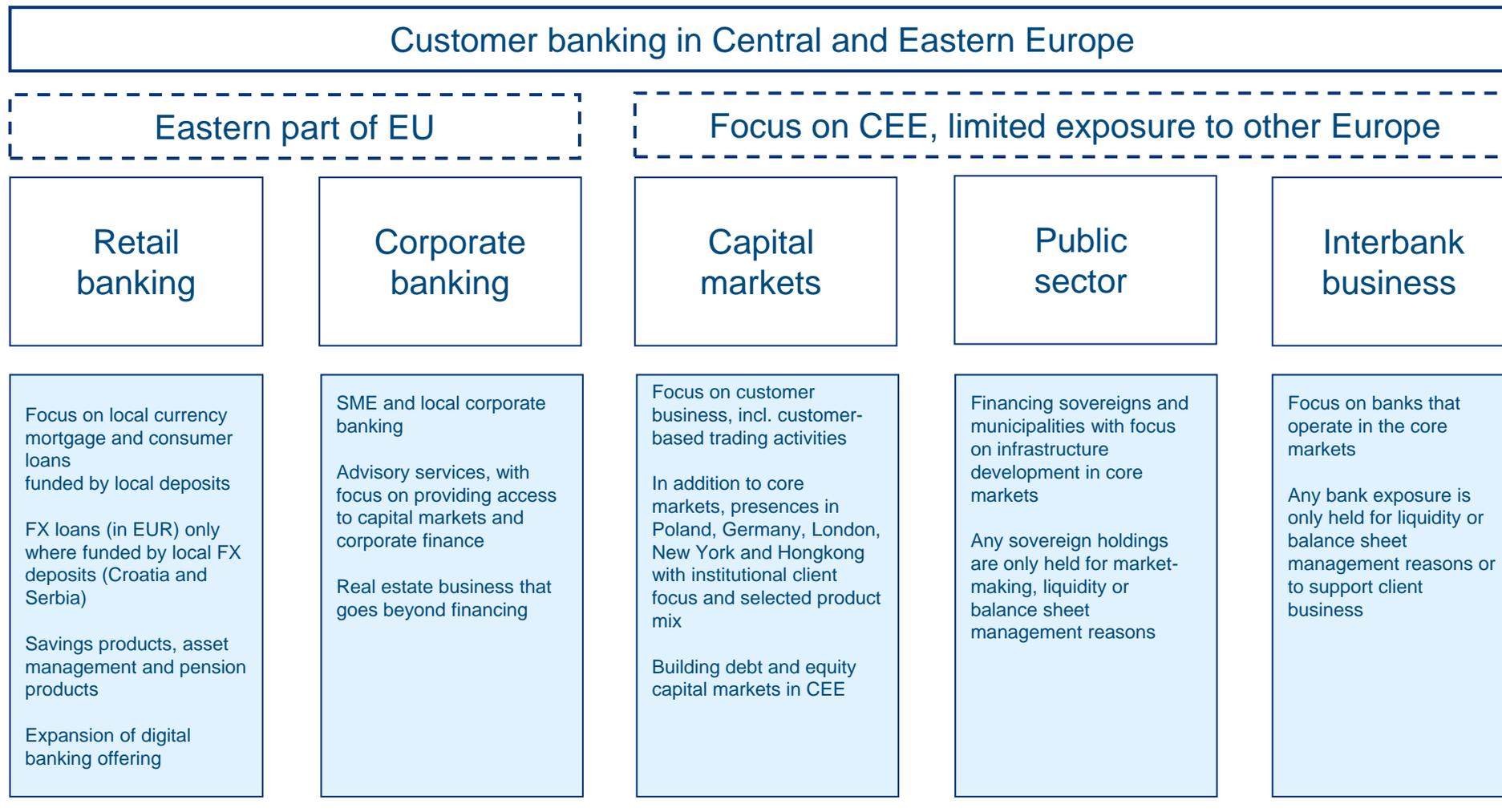
Highlights

- 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

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: strategy –

A real customer need is the reason for all business



Additional information: Erste Group Bank AG as issuer

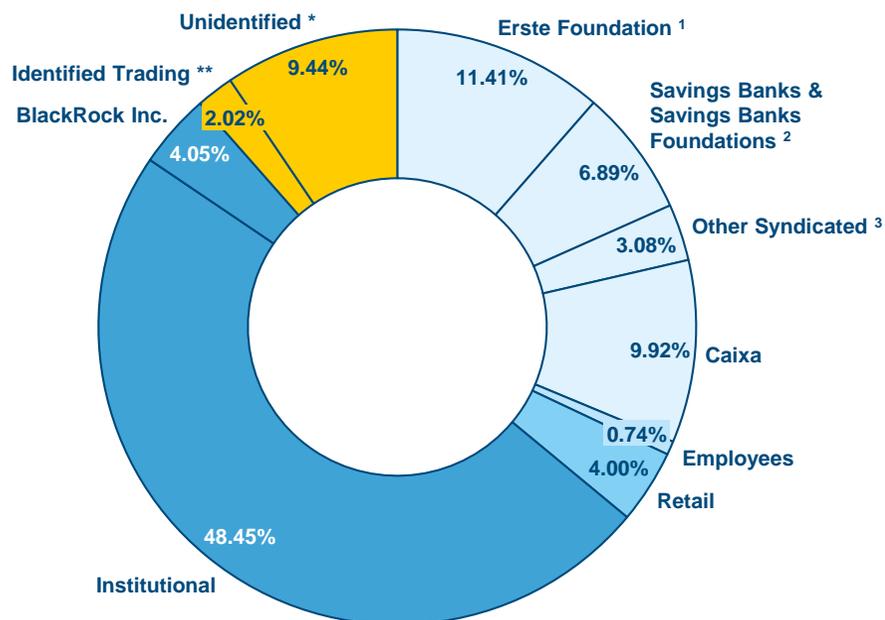
Summary of benchmark issues

| Seniority | ISIN | Coupon | Reset | Maturity / First Call | Term | Currency | Volume in mn |
|--------------------|--------------|--------|-------------------|--------------------------|-----------|----------|-----------------|
| Mortgage Cov. Bond | XS0580561545 | 4.000% | | 20/01/2021 | 10 | EURO | 1,000 |
| Mortgage Cov. Bond | XS0743547183 | 3.500% | | 08/02/2022 | 10 | EURO | 1,000 |
| Mortgage Cov. Bond | XS1346557637 | 0.625% | | 19/01/2023 | 7 | EURO | 750 |
| Mortgage Cov. Bond | XS1845161790 | 0.250% | | 26/06/2024 | 6 | EURO | 750 |
| Mortgage Cov. Bond | XS1181448561 | 0.750% | | 05/02/2025 | 10 | EURO | 500 |
| Mortgage Cov. Bond | XS1807495608 | 0.625% | | 17/04/2026 | 8 | EURO | 750 |
| Mortgage Cov. Bond | XS1550203183 | 0.625% | | 18/01/2027 | 10 | EURO | 750 |
| Mortgage Cov. Bond | XS1750974658 | 0.750% | | 17/01/2028 | 10 | EURO | 1,000 |
| Mortgage Cov. Bond | AT0000A2A6W3 | 0.010% | | 11/09/2029 | 10 | EURO | 500 |
| Mortgage Cov. Bond | AT0000A2CDT6 | 0.100% | | 15/01/2030 | 10 | EURO | 750 |
| Mortgage Cov. 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 |
| 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 |

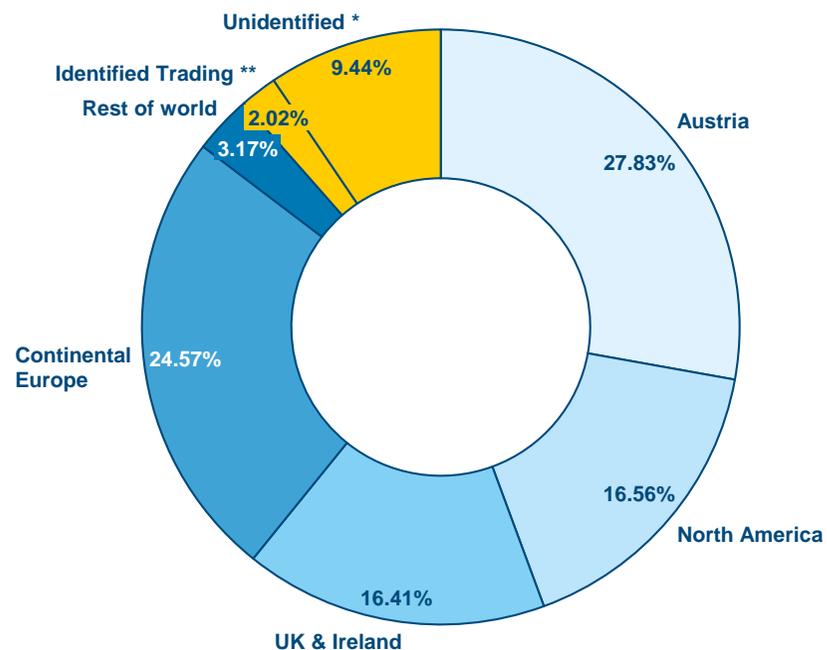
Additional information: shareholder structure –

Total number of shares: 429,800,000

By investor



By region



¹ Economic interest Erste Foundation, including Erste Employees Private Foundation

² Economic interest Savings Banks & Savings Banks Foundations

³ 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 30 September 2020

The monetary policy reaction –

A combination of rate cuts and quantitative easing

Type of measures



- ECB (as part of the euro zone, actions applicable in AT & SK) cut its key rate to 0% in 2016; cut the deposit rate by 10 bps to -0.5% in 2019
- ECB lowered financing costs for banks (TLTRO 3, PELTRO)
- In addition to the EUR 20bn monthly purchases (+120bn by eoy), the ECB introduced the Pandemic Emergency Purchasing Programme in the amount of EUR 1,350bn, providing flexibility for asset purchases over time, issuers and asset classes



- CNB cut its key rate in three steps by 200bps to 0.25% in H1 2020
- QE included in law, but has not yet been launched; only temporary measures expected



- MNB cut its key policy rate in two steps to 0.60% in June & July 2020
- MNB raised the 1-week deposit interest rate by 15bps to 0.75% in September 2020
- MNB confirmed that QE will be extended from the EUR 1.2bn programme



- NBR cut its key rate in three steps by 100bps to 1.50%; narrowed facility corridor to ± 50 bps (from ± 100 bps)
- NBR has purchased RON denominated Romanian government bonds in secondary market



- HNB lowered 1Y and 5Y repo rates to 0.05% and 0.25% respectively
- HNB has introduced QE with a direct bond purchases close to HRK 20bn – approx. 5% of GDP
- CNB secured swap line with ECB in the size of EUR 2bn
- Croatia joined the ERM II on July 10th – central parity set at 7.5345 – ECB took over banking sector supervision from October 2020



- NBS cut the key rate from 2.25% to 1.25% (50bps in 1Q20 and another 50bps in 2Q20); deposit facility rate at 0.75%, lending at 2.75%
- NBS supported liquidity of the banking system through repo and FX swap auctions; typical QE has not been introduced
- NBS might accept corporate bonds as collateral in monetary operations, with possibility of purchases on the secondary market
- NBS offers remuneration of 10+50bps paid on obligatory reserve to lenders who cut lending rates by 50bps in government guarantee scheme

The regulatory reaction – Pragmatism paired with dividend restrictions

Type of measures



- ECB has extended its recommendation for banks not to pay dividend and not to buy back shares until December 2021
- Recalibration of SRB and OSII buffers to 1% will become effective in December 2020
- Financial market Stability Board recommends to leave the countercyclical capital buffer at a rate of 0%



- Gradually reduced countercyclical capital buffer from 1.75% to 0.50%
- Restriction on dividend payment
- Relaxed limits on LTV; dropped limit on DSTI and DTI



- Loosened capital and liquidity requirements by ECB
- NBS reduced countercyclical capital buffer from 1.5% to 1.00% (as of August 2020)
- Recommendation to refrain from dividend payment



- Minimum reserve requirement eliminated
- Restriction on dividend payments extended until January 2021



- Derogations from DTI & LTV limits and maximum tenor allowed for consumer loans amended under public moratorium
- Flexibility regarding temporary usage of liquidity and capital buffers; recommendation against dividend payment
- Loans amended under public and private moratoria will not be treated as forborne



- Reduced mandatory reserve requirement from 12% to 9%
- LCR requirement eased
- Restriction on dividend payments



- Restriction on dividend payments until YE 2020
- Countercyclical buffer kept unchanged at 0%

The political/fiscal reaction – Lockdowns followed by fiscal support measures across CEE

| |  |  |  |  |  |  |  |
|---|---|--|---|---|---|---|---|
| Loan moratoria/payment holidays | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Loan guarantees, bridge loans | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Labour market support (eg short-time work schemes) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Tax incentives (Cuts, holidays, deferrals) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Direct payments | ✓ | ✓ | ✗ | ✗ | ✓ | ✗ | ✓ |
| COVID-19 measures (% of GDP) | 13% | 14% | 7% | 18%* | 5% | 11% | 12% |

* Hungary: COVID-19 data as % of GDP includes Central Bank measures

The political/fiscal reaction –

Details on moratoria

| | Main characteristics | Opt-in / Opt-out | Retail / Corporate | Period | Participation |
|--|---|----------------------------------|--------------------|---|--------------------------|
|  | <ul style="list-style-type: none"> Statutory Interest charged during deferral period & paid after the moratoria | Opt-in | Retail Micro | Extended to 10 months (until January 2021) | Retail: 5% Corp: 2% |
|  | <ul style="list-style-type: none"> Statutory Interest charged during deferral period Rate cap at 2w repo + 8pp | Opt-in | Retail Corp. | 3 to 6 months (until October 2020) | Retail: 6% Corp: 8% |
|  | <ul style="list-style-type: none"> Statutory Interest charged during deferral period & paid after the moratoria | Opt-in | Retail Micro SME | Up to 9 months (up to duration of crisis situation) | Retail: 12% Corp: 19% |
|  | <ul style="list-style-type: none"> Statutory Interest cannot be charged on unpaid interest (monthly instalment cannot increase after moratoria & maturity will be extended) | Opt-out Opt-in for corp in 21 | Retail Corporate | Extended from 9 to 15 months (until June 2021) | Retail: 43% Corp: 30% |
|  | <ul style="list-style-type: none"> Statutory Interest capitalised & paid over the life of the contract (except mortgage for which interest will be accumulated & paid in 5 years) | Opt-in | Retail Corporate | Up to 9 months (until December 2020) | Retail: 4% Corp: 10% |
|  | <ul style="list-style-type: none"> Not statutory; banks encouraged to participate in moratoria Interest rate during deferral period accumulated and paid at the end of loan maturity | Opt-in | Retail Corporate | Up to 6 months; 12 months for tourism (July 21) | Retail: 6% Corp: 21% |
|  | <ul style="list-style-type: none"> Statutory Interest cannot be charged on unpaid interest | Opt-out | Retail Corporate | Expired in June; extended for Aug & Sept 2020 | Retail: 60% Corp: 50% |

* Customer participation in active moratoria at Erste Group subsidiaries as of September 30, 2020; moratoria participation in Austria includes deferrals

The political/fiscal reaction –

Details on loan guarantees

| | Main characteristics | Guarantee | Interest | Period |
|--|---|--|--|---------------|
|  | <ul style="list-style-type: none"> • EUR 18bn programme for loans and guarantees for enterprises, especially SMEs • Bridging loans in case of liquidity shortages | Up to 100% | Subsidised (varies by products) | 2-5 years |
|  | <ul style="list-style-type: none"> • EUR 33bn (COVID I, II, III) subsidised & guaranteed loan programmes • COVID Praha for SMEs in Prague • Other smaller COVID programmes for Sport, Culture, Rent etc. | 80-90% (30% cap at portfolio level) | Subsidised with absolute cap | Up to 3 years |
|  | <ul style="list-style-type: none"> • EUR 2.2bn in two state guarantee schemes (micro & SME, large corporates) | 80-90% | Absolute cap or subsidy of up to 4% | Up to 6 years |
|  | <ul style="list-style-type: none"> • EUR 5.6bn guaranteed loans to enterprises | 80% | 0-2.6% | 3-15 years |
|  | <ul style="list-style-type: none"> • EUR 4bn state guarantee scheme for micro & SME loans | SME 80% Micro 80-90% | Fully subsidised | 3-6 years |
|  | <ul style="list-style-type: none"> • EUR 1.7 bn for loans and guarantees for enterprises, especially SMEs | Up to 80-100% | Varies by product | Up to 5 years |
|  | <ul style="list-style-type: none"> • EUR 2.2bn programme for state guaranteed loans for micro companies and SMEs | 80% (30% cap at portfolio level) | <ul style="list-style-type: none"> • 4% LCY • <3% EUR | Up to 3 years |

Our response to Coronavirus – Erste Group is there for its customers, communities and employees

| | Employees | Retail customers | Corporate customers | Communities |
|--|---|---|---|--|
| | Majority of HQ employees in home office | Branches remaining open & extending online services | Expanding client advisory & transmitting state support | Supporting health care workers, affected people, hospitals |
|  | <ul style="list-style-type: none"> Majority of HQ in home office Psychological support Health insurance benefit | <ul style="list-style-type: none"> Branches remain open George available for moratorium applications | <ul style="list-style-type: none"> Extended credit facilities Online process for moratorium applications | <ul style="list-style-type: none"> Donation to Austrian Red Cross |
|  | <ul style="list-style-type: none"> Majority of HQ in home office Protective equipment 24/7 online doctor | <ul style="list-style-type: none"> Branches remain open Banker on phone/online | <ul style="list-style-type: none"> Extended phone service Free payment terminals | <ul style="list-style-type: none"> Call centres help with tracing contacts |
|  | <ul style="list-style-type: none"> Majority of HQ in home office Special benefits for pregnant, elderly people | <ul style="list-style-type: none"> Branches remain open Mobile ATMs available Special COVID-19 website | <ul style="list-style-type: none"> Postponed repayments (beyond statutory) Extended credit lines | <ul style="list-style-type: none"> Donation to emergency committee Educational webinars |
|  | <ul style="list-style-type: none"> Majority of HQ in home office Transport allowance Psychological support | <ul style="list-style-type: none"> Branches remain open More call centre staff Educational videos | <ul style="list-style-type: none"> Simplified processes Flexible lending and account administration | <ul style="list-style-type: none"> Loan programme and donations to health care workers |
|  | <ul style="list-style-type: none"> Majority of HQ in home office High-risk employees working exclusively from home office | <ul style="list-style-type: none"> Branches remain open Repayment holiday Tripled call centre capacity | <ul style="list-style-type: none"> Repayment holiday Extended revolving credit facilities | <ul style="list-style-type: none"> Donation to health care system & education & NGOs Entrepreneurial education |
|  | <ul style="list-style-type: none"> Majority of HQ in home office Psychological support | <ul style="list-style-type: none"> Standard restructuring measures if needed | <ul style="list-style-type: none"> Normal lending activity Working capital loans Guarantee schemes | <ul style="list-style-type: none"> Donation to hospitals Support for most vulnerable communities |
|  | <ul style="list-style-type: none"> Majority of HQ in home office Paid leave for high risk employees | <ul style="list-style-type: none"> Branches remain open Special authorisation for pension payment | <ul style="list-style-type: none"> Various fee reliefs, eased conditions offered for businesses | <ul style="list-style-type: none"> Healthcare donations Supporting disabled and elderly people |

Investor relations details

- **Erste Group Bank AG, Am Belvedere 1, 1100 Vienna**

E-mail: investor.relations@erstegroup.com

Internet: <http://www.erstegroup.com/investorrelations>
<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**

- **Contacts**

Thomas Sommerauer

Tel: +43 (0)5 0100 17326 e-mail: thomas.sommerauer@erstegroup.com

Peter Makray

Tel: +43 (0)5 0100 16878 e-mail: peter.makray@erstegroup.com

Simone Pilz

Tel: +43 (0)5 0100 13036 e-mail: simone.pilz@erstegroup.com

Gerald Krames

Tel: +43 (0)5 0100 12751 e-mail: gerald.krames@erstegroup.com