Erste Group debt investor presentation

November 2022

On track for ~14% ROTE in 2022 & updating the financial path to 2024

ERSTE Group

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Presentation topics –

1	**Introduction to Erste Group**
2	Summary quarterly update
3	Funding strategy
4	Further information on latest quarterly financials and capital

ERSTE Group

Erste Group's footprint

Customer banking in Austria and the eastern part of the EU

Erste Group footprint

Core markets

Indirect presence

Czech Republic
Customers: 4.5m
Employees: 9,893
Branches: 398

Slovakia
Customers: 2.0m
Employees: 3,601
Branches: 192

Hungary
Customers: 0.9m
Employees: 3,277
Branches: 103

Romania
Customers: 2.8m
Employees: 5,301
Branches: 321

Austria
Customers: 4.0m
Employees: 15,818
Branches: 803 (EBOe: 168)

Croatia
Customers : 1.2m
Employees : 3,313
Branches: 133

Serbia
Customers: 0.5m
Employees: 1,209
Branches: 88

Highlights

- Leading retail and corporate bank in 7 geographically connected countries
- Favourable mix of mature & emerging markets with low penetration rates
- Potential for cross selling and organic growth in CEE
- Number of customers: 15.9 million
- Number of employees: 45,078
- Number of branches: 2,038

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)

Strategy –
A real customer need is the reason for all business

Customer banking in Central and Eastern Europe

Eastern part of EU		Focus on CEE, limited exposure to other Europe		
Retail banking	**Corporate banking**	**Capital markets**	**Public sector**	**Interbank business**
Acting as Prosperity Advisor for the people in our region; the result of our advice is the financial health of our customers Support customers to build up and secure wealth Democratising advice via George Active management of customer journeys to increase profitability and customer satisfaction	SME and local corporate banking Advisory services, with focus on providing access to capital markets and corporate finance Transaction banking services (trade finance, factoring, leasing) Commercial real estate business	Focus on customer business, incl. customer-based trading activities In addition to core markets, presences in Poland, Germany, New York and Hong Kong with institutional client focus and selected product mix Building debt and equity capital markets in CEE	Financing sovereigns and municipalities with focus on infrastructure development in core markets Any sovereign holdings are held for market-making, liquidity or balance sheet management reasons	Focus on banks that operate in the core markets Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

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

Moody's

Macro Profile	
Strong	

\+

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

\+

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

=

BCA Baseline Credit Assessment	**baa1**

\+

Affiliate Support	0

=

Adjusted BCA	**baa1**

\+

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

=

Senior Unsecured Long-Term Outlook / Short-Term

A2 / Stable / P-1

S&P Global Ratings

SACP - Stand-Alone Credit Profile

a

▲

Anchor	bbb+	
Business Position	Strong	+1
Capital & Earnings	Adequate	0
Risk Position	Adequate	0
Funding	Above Average	+1
Liquidity	Strong	

\+

Support	**+1**

▲

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

\+

Additional Factors	0

=

Issuer Credit Rating
Long-Term Outlook / Short-Term

A+ / Stable / A-1

Fitch Ratings

VR - Viability Rating (Individual Rating)

a

SRF - Support Rating Floor

NF (No Floor)

IDR - Issuer Default Rating
Long-Term Outlook / Short-Term

A / Stable / F1

Status as of 17 October 2022

ESG (1) – ESG Compass of Erste Group

Supporting the well-being in our region through socio-environmental objectives

Priority Objectives

Leading Green Transition

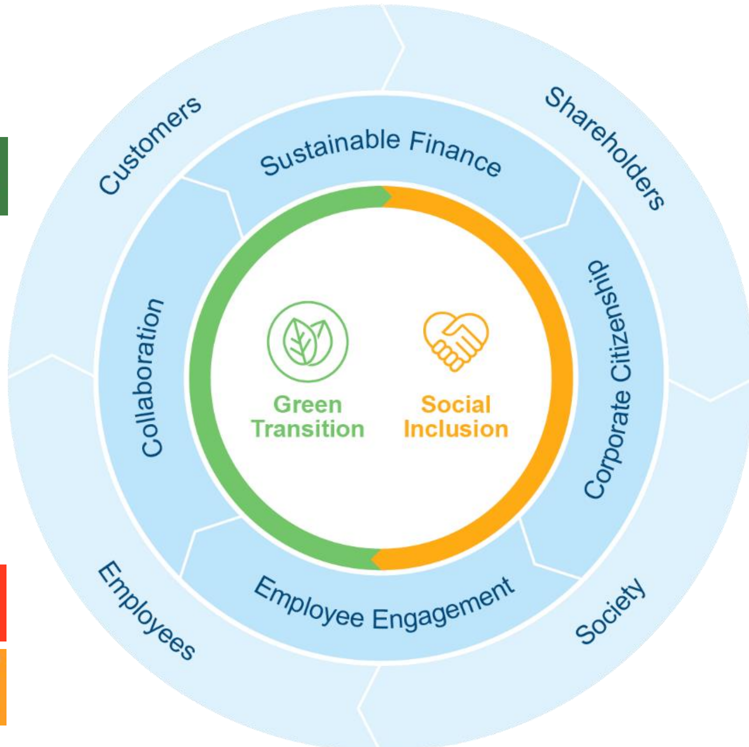
Erste Group strives to be a role model and leading institution to mobilise funds for tackling climate change, clean water preservation and improvement in material efficiency as it is a great chance for the citizens of CEE.

We believe in a just transition for all, and therefore Erste Group helps all its clients to progress.

Nurturing Social Inclusion

Since its foundation, Erste Group has taken an active role in building inclusive societies in the CEE region.

Our efforts in financial inclusion, social banking, financial literacy, affordable housing and gender equality are relevant today, as they were 200 years ago.



Our Promise

Customers
providing prosperity to our clients in an inclusive, secure and sustainable way through our advisory and sustainable finance products.

Employees
shall benefit from our services, disseminating prosperity to all and contributing to the company success through servicing our clients in a sustainable and efficient way.

Shareholders
ensuring adequate and long-term sustainable compensation by an inclusive growth strategy and resilient company values.

Society
increasing well-being of our societies and local communities built on social cohesion and good environmental status.

ESG (2) – main ESG pillars

Sustainability is embedded into the DNA of the organisation

Sustainable Finance

mobilize financial resources and **customer advice** for **social-ecological goals** and support customers on their way to a **sustainable business model**

Working together

actively participate in public initiatives and thus make a positive contribution in our region

Good corporate citizenship

demonstrate strong **social commitment** by adhering to rules and standards that we also expect from our business partners

Employee engagement and social contribution

support employee awareness and **commitment** through training and volunteering opportunities

ESG (3)
ESG targets

25%

green investments by 2026 in our corporate book to be reached

Net-zero portfolio

by 2050 (first set of interim targets to be disclosed in 2023)

Climate neutral

operations by 2023

17 Ecolabel funds

offered to our clients by 2023 to promote investment opportunities

Erste Group through its Social Banking continues to be the **leader in offering financial services** to NGOs, start-ups and individuals in difficult situations.

EUR 1bn

Social Finance loans provided by 2030

200,000

jobs to be created or preserved by 2030 by Social Banking activities

500,000

financial education beneficiaries by 2030

37%

women in B/B-1 positions by 2025

40%

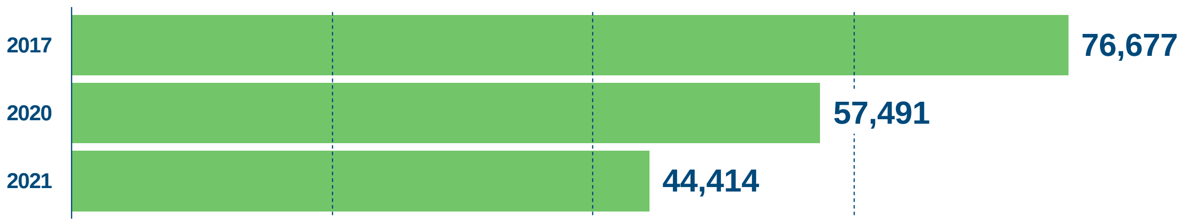
women in B-2/B-3 positions by 2025

ESG (4)
Environment

2021

NET ZERO JOURNEY

Scope 1+2 decrease of emissions (tonnes of CO_2e)
→ **pathway towards climate neutrality** 2023



Scope 3, financed emissions – low intensity & overall emissions (as of Q2 22)
→ basis for our **journey towards net-zero portfolio** by 2050

90

gCO_2e/€ financing
Low emission intensity

14.2

million tonnes of CO_2e
total financed emissions
behind 81% of loan portfolio

GREEN FINANCING

Green bonds arranged and own emissions

- **Arranged: EUR 4.5 bn** (sovereigns & fin. institutions) **+ EUR 2bn corporate customers**
- **Own issuances: EUR 1.2 bn**

ESG assets under management by Erste Asset Management

EUR 15.5 bn

ESG (5)
ESG ratings and indices

RATINGS			2020	2021
	MSCI ESG RATINGS	In 2019, Erste Group Bank AG received a **rating of 'AA'** in the MSCI ESG Ratings assessment.	**AA**	**AA**
	SUSTAINALYTICS a Morningstar company	In 2022, Sustainalytics improved by 3.2 points its assessment of Erste Group and confirmed in **'low risk'** category.	**LOW RISK** 18.9/100	**LOW RISK** 15.3/100
	Corporate ESG Performance Prime ISS ESG	Erste Group is awarded by the ISS ESG research Prime Status since October 2018, with a transparency level - very high and performance score.	**C „Prime"** 50.23	**C „Prime"** 50.79
	imug	In 2019, imug Investment Research upgraded Erste Group in their assessment from "neutral" to "positive".	**B** (positive) 53.14%	**B** (positive) 53.14%

INDICES			2020	2021
	EURONEXT vigeoeiris INDICES	Erste Group is part of the **Euronext Vigeo Index Eurozone 120** since June 2018.	**51/100**	**54/100**
	VÖNIX INDEX MEMBER 22>23	Erste Group is member of Austrian stock market **VÖNIX** sustainability benchmark index since its launch in 2008.	**B**	**B**
	FTSE4Good	Erste Group member since 2016 has been independently rated since 2016 and has met the requirements to become a part of the FTSE4Good Index Series.	–	**3.6**
	Bloomberg Gender-Equality Index 2022	Erste Group Bank AG is the **only Austrian company** that is a **member of the Bloomberg Gender-Equality Index** (member since 2019).	–	–

ERSTE Group

Presentation topics

Presentation topics

- Key priorities and executive summary
- Macroeconomic and business update
- Key takeaways and outlook

Key priorities (1) –
Strategic continuity, 2 key priorities & focus on higher share of wallet

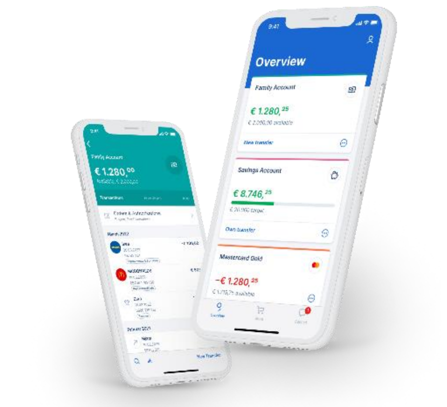
Unchanged geographic focus

- **Excel at capturing existing and newly emerging growth opportunities** in Central and Eastern Europe including Austria
- **Bolt-on acquisitions**, eg Commerzbank in Hungary, intended purchase of Sberbank CZ loan portfolio, **only in existing markets**

Unchanged vertical focus

- **Retail** (private individuals, micros)
- **Corporates & Markets** (SME, large corporates, commercial real estate, financial institutions)
- **Public sector** (municipalities, sovereigns)

Unchanged product focus



- **Full suite of retail products/advisory** (mortgages, savings/investments, current accounts, etc)
- Full service/advisory offering for **corporates**
- Focus on **hybrid digital/physical product and advisory delivery**

Key priority No. 1: **improved data analytics** to better understand clients' needs and help clients build up and secure wealth and hence improve their financial health

Key priority No. 2: significant **expansion of digital offering**: turning George from an interface into a platform allowing for third party service integration

Key priorities (2) –
Updating the financial path to 2024: CIR target upped to ~52% (from 55%)

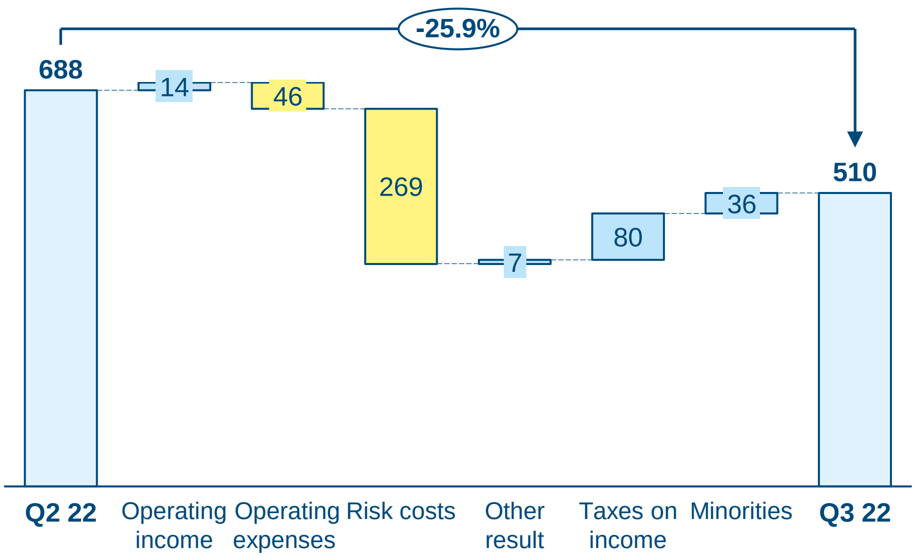
	2022e	2023e	Key drivers
NII	↑ ~20%	↑ ~10%	• Healthy loan growth in 2022 and 2023 • Current euro zone forward rate curve materialises; increased deposit repricing, albeit from low levels
Fees	↑ ~6%	↑ ~5%	• Fees offer a structural growth opportunity (asset management, insurance, payments)
Costs	↑ ~6%	↑ ~7-8%	• Cost updrift to be capped in single digits, despite wage inflation
Risk costs	<20bps	<35bps	• High quality loan book paired with significant management overlays
ROTE	~14%	13-15%	• Strong double-digit ROTE track record since 2015; only exception 2020 (Covid)
Loan growth	>10%	~5%	• Exceptional loan growth in 2022 followed by growth deceleration due to cooling economy and higher interest rates

Key assumptions: significant economic slowdown, but no negative yoy real GDP growth in 2023; beyond impact of potential Czech banking tax of max EUR 100m pa from 2023 to 2025 no further material political or regulatory interventions; no further worsening of geopolitical situation; stabilisation of European energy situation.

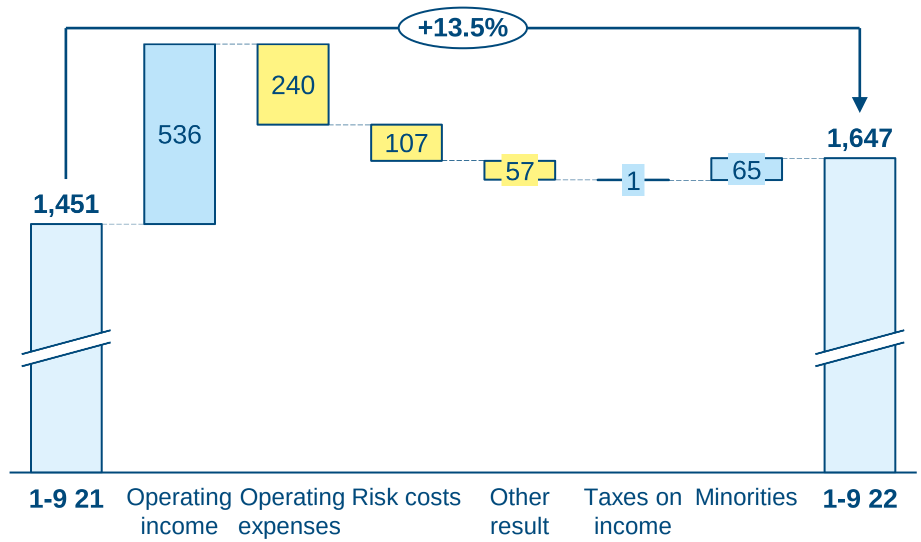
ERSTE Group

Executive summary –
Group income statement performance

QoQ net profit reconciliation (EUR m)



YoY net profit reconciliation (EUR m)

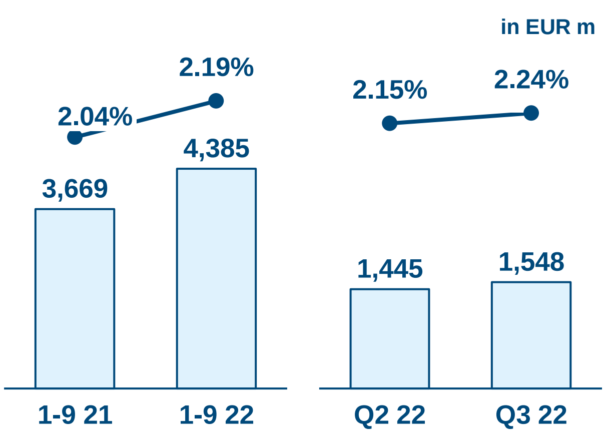


- Qoq net result softens mainly on higher risk costs (review of crisis-related performing expected credit losses), partially offset by lower tax charge and improved minorities contribution
- Operating income characterised by solid NII and better fees, to a large extent offset by weaker trading & FV
- Operating expenses impacted by positive one-off in Q2 22 (reversal of AT Sberbank-related contributions booked in Q1 22)

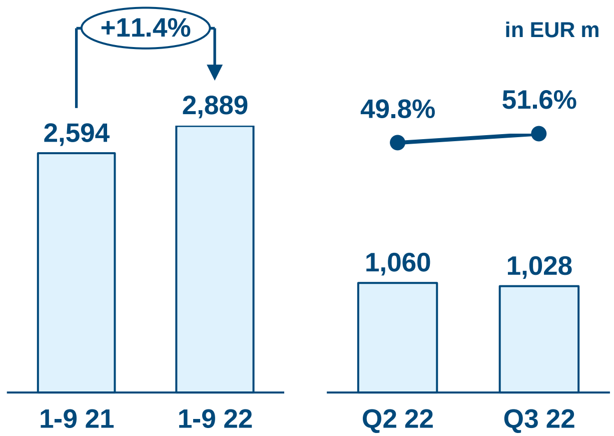
- Yoy net profit growth primarily driven by **substantially higher operating result**, offsetting slightly higher risk costs
- Operating income up on **rate hikes in CEE – NII up by 19.5%**; strong fee performance (double-digit rise in payment services and high-single digit in asset management)
- Costs primarily up due to higher deposit insurance contributions, IT and personnel expenses

Executive summary –
Key income statement data

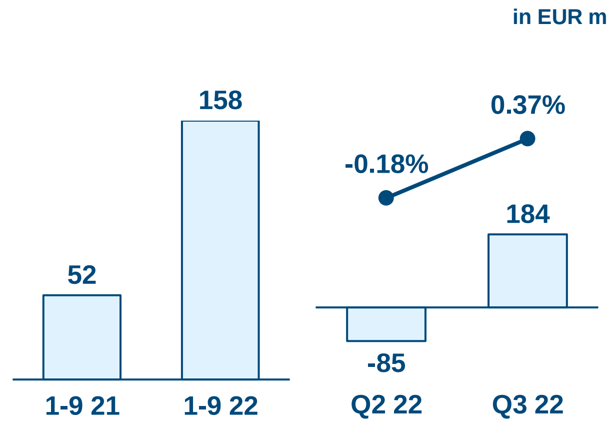
Net interest income & margin



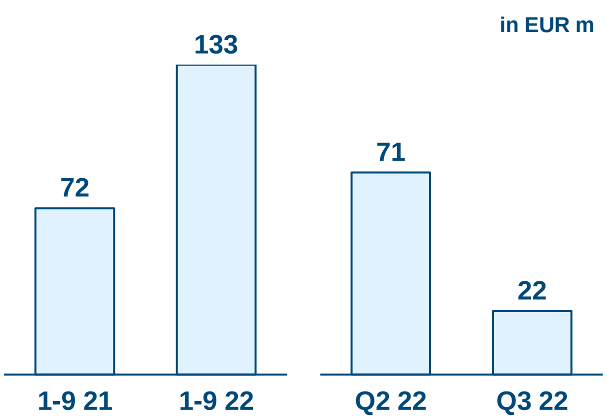
Operating result & cost/income ratio



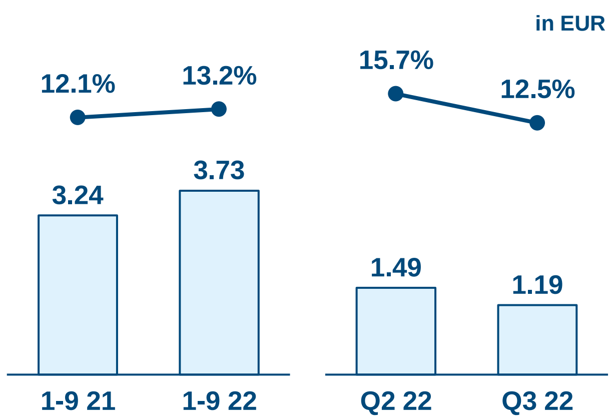
Cost of risk



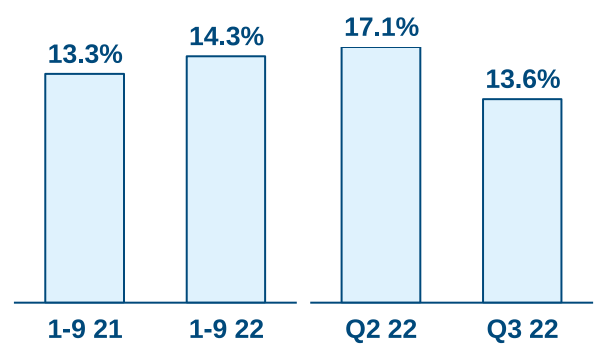
Banking levies



Reported EPS & ROE

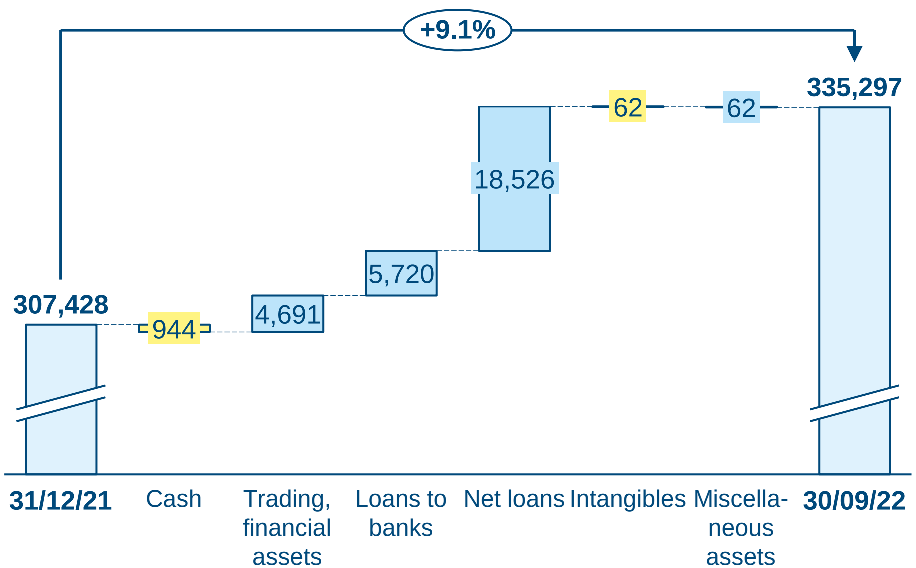


Return on tangible equity

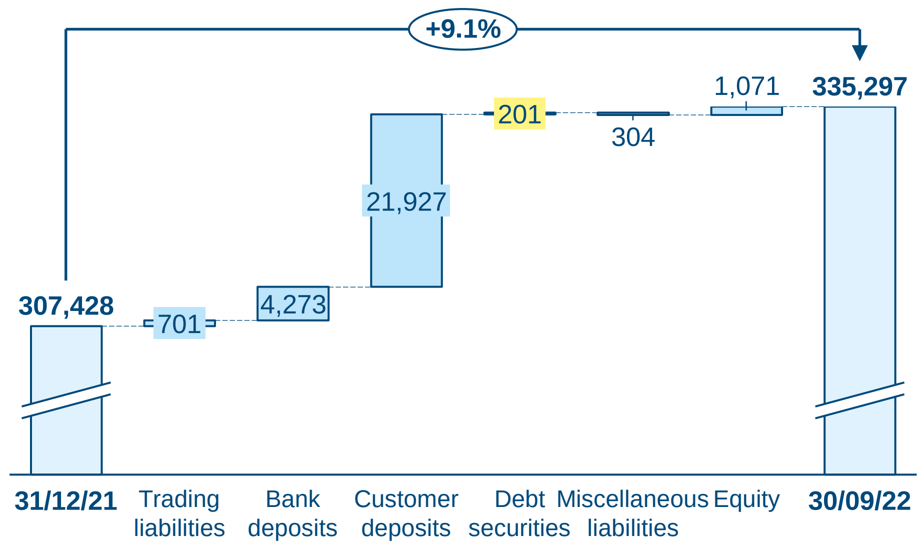


Executive summary –
Group balance sheet performance

YTD total asset reconciliation (EUR m)



YTD equity & total liability reconciliation (EUR m)



- Total assets grew on the back of a **strong rise in net customer loans** (+10.3%), **loans to banks** (+27.2%), and **higher volume of trading and financial assets** (+8.8%)
- Net customer loan growth driven by strong demand from large corporates, Retail growth driven by mortgages particularly in AT, CZ and SK

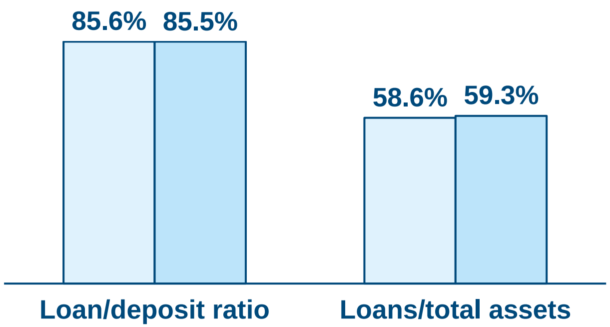
- Total liability growth driven by **rising customer deposits** (+10.4%) and bank deposits (+13.4%)
- **Loan/deposit ratio stable** at **85.5%** (YE 21: 85.6%)
- Increase in equity reflects strong profitability

ERSTE Group

Executive summary –
Key balance sheet data

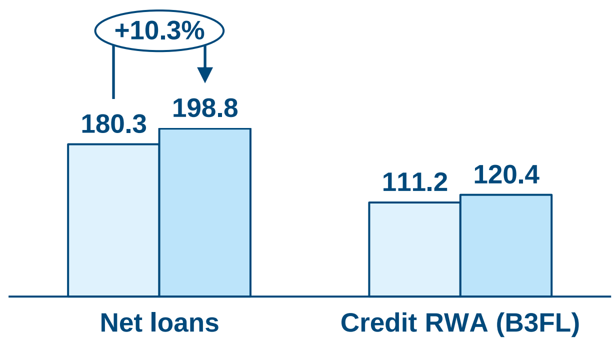
31/12/21
30/09/22

Loan/deposit & loan/TA ratio

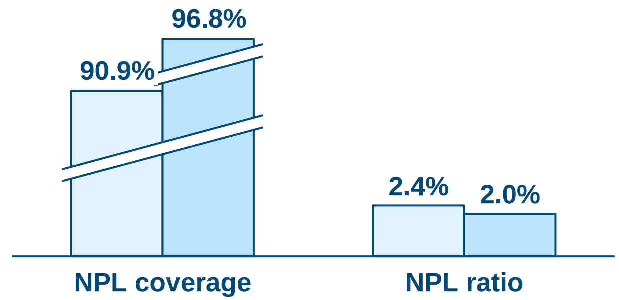


Net loans & credit RWA

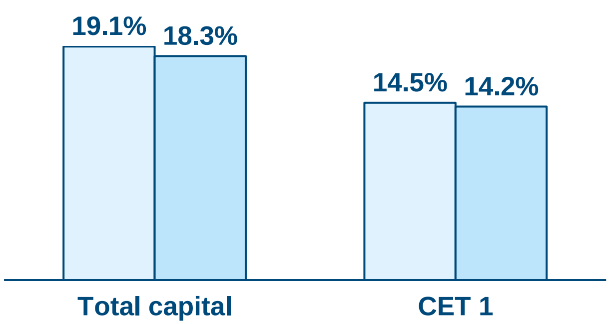
in EUR bn



NPL coverage ratio & NPL ratio

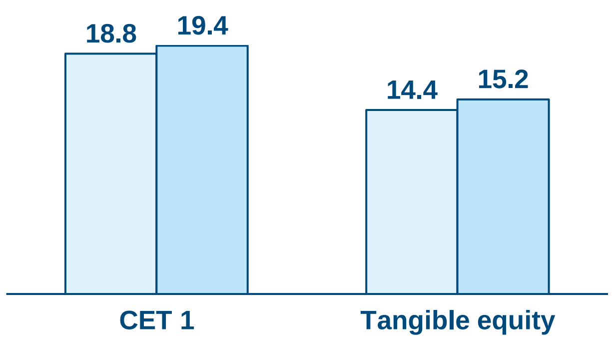


B3FL capital ratios [1]

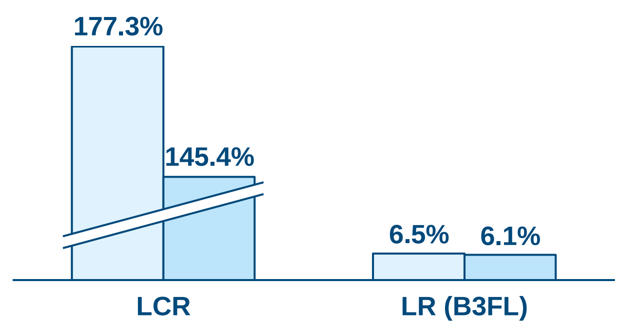


B3FL capital & tangible equity [2]

in EUR bn



Liquidity coverage & leverage ratio [3]



1) Q3 22: pro-forma, incl. Q3 interim profit

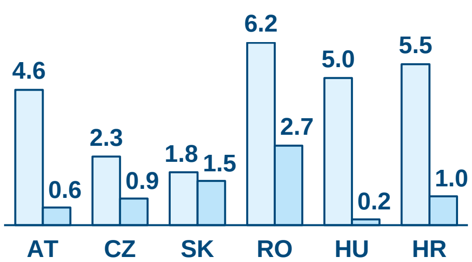
2) Based on shareholders' equity, not total equity

3) Includes central bank exposures

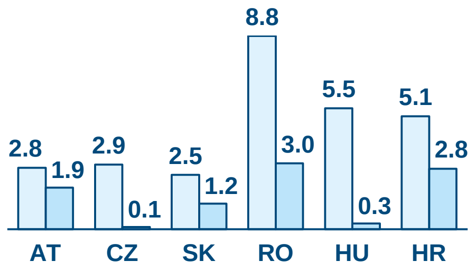
Macroeconomic update –
Better than expected economic growth in 2022, slowing growth in 2023

2022
2023

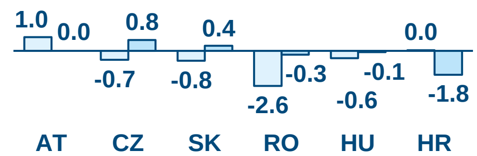
Real GDP growth (in %)



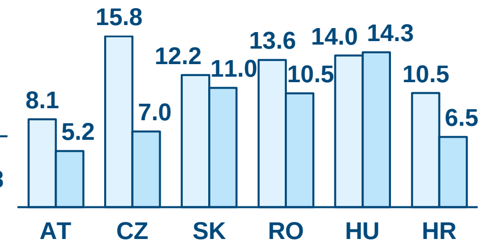
Dom. demand contribution* (in %)



Net export contribution* (in %)

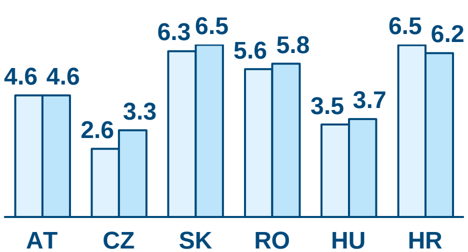


Consumer price inflation (avg, in %)

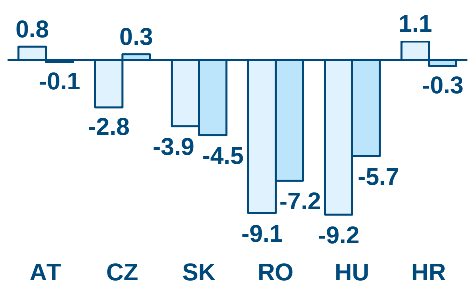


- **Economic performance stronger than expected in 2022, slowing growth forecast for 2023**
  - Based on **better than expected H1 22**, CEE & AT economic growth was repeatedly revised upwards in 2022
- Household consumption and investment activity will be negatively impacted by high inflation
- **Inflation expected in the teens** in CEE in 2022 driven by surging energy and food prices; expected to peak in Q4 2022

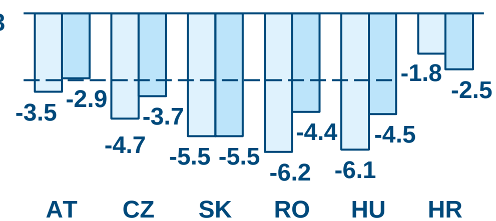
Unemployment rate (avg, in %)



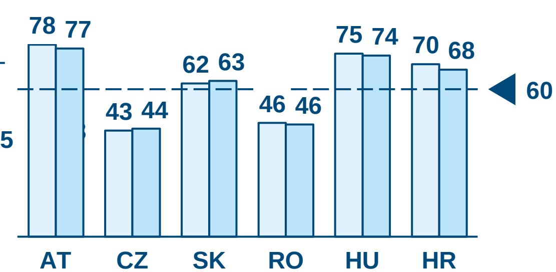
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)



- **Unemployment rates** expected **to stay low in CEE & AT in 2022 & 2023**
- **Higher fiscal spending and weaker current account balances expected** due to government measures addressing inflation and higher energy import prices, respectively; investments into energy security & efficiency, partially financed from the Next Generation EU funds

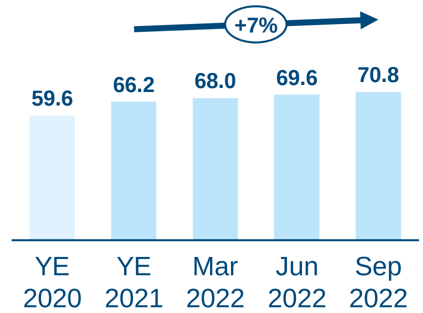
* Contribution to real GDP growth. Domestic demand contribution includes inventory change. Source: Erste Group Research, EU Commission

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

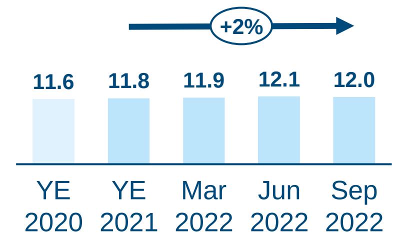
- Strong **increase in interest rates leading to drop in demand for housing loans**, especially in the Czech Republic
- New Euro-denominated mortgages still remain affordable for most of our clients, however **new business in Austria strongly impacted by new FMSA-regulation**
- Mortgage market in Hungary stable due to government interventions
- **Demand for consumer loans continues to be strong**, mainly driven by positive labour market situation and still positive consumer confidence; future outlook heavily depending on macroeconomic development
- **Client deposits** continue to **increase**, especially current account volumes
- **Securities business influenced by volatile markets**; strategic **focus on regular securities saving plans** remains and **proves to be successful**
- Despite slowdown in opening of new securities saving plans, overall number of saving plans and volumes increasing; “portfolio checks” offered for clients facing strong volatility; **positive fee income development** therefore continues in Q3 2022
- **Positive development on payment fees** given higher number of transactions and volumes

Loan portfolio
(incl. savings banks, in EUR billion)

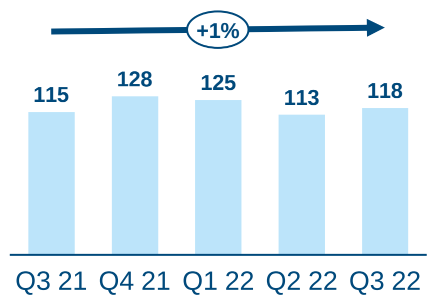
Housing loans



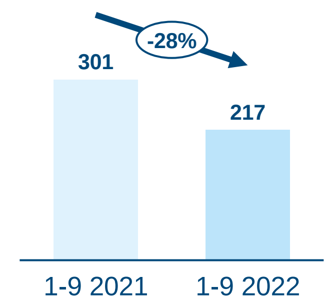
Consumer loans



Development of fee income securities
(excl. savings banks, in EUR million)



Newly opened regular securities savings plans (in thsd pieces)



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

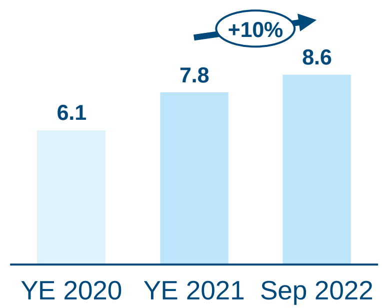
- **Supporting clients given high energy prices and inflation**
  - Campaign for **raising awareness for energy saving and the impact of inflation** on own budgets via George (“What would George do?”)
  - Even though currently no negative impact on risk parameters visible, Erste Group provides **support for clients who could potentially face repayment issues** with their loans

- **Clients going digital**
  - Usage of digital channels continues to increase; more than **8.6 million users onboarded to George** across 6 markets
  - Number of monthly log-ins at an all-time high in September 2022 (>164 million log-ins)
  - “Most popular” digital products: current accounts, debit cards, consumer loans

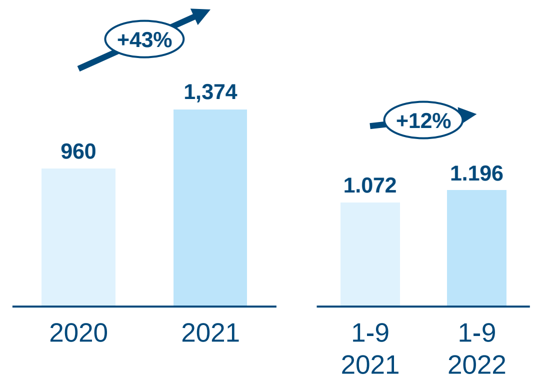
- **Ongoing focus on improving customer experience** results in increasing CXI (Customer experience indicator) values and supports the acquisition of new customers

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

Number of George users
(in million)



Development of digital sales
(in thsd pieces)



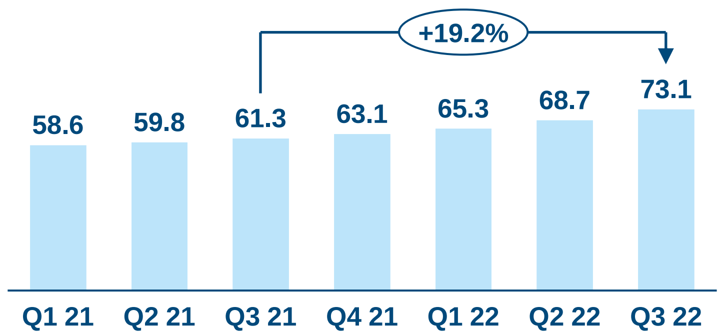
Business update

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

- **Loan demand is boosted by the energy sector**
  - Loan volume grew by almost EUR 10bn since the beginning of the year; highest growth in Austria, Czech Republic, Romania and Slovakia; double-digit growth in all our markets; increase in all business lines especially in working capital financings which almost doubled yoy and in short term facilities; Real Estate demand is cooling off due to increasing interest rates
  - Operating result is driven by significant NII increases mainly from deposits due to the interest rate environment in Czech Republic, Romania and Hungary, additionally supported by loan growth
  - Green investments: we are on track to meet our targets for 2022
- **Group markets business continues very strong performance**
  - Excellent performance in money markets and in rates trading driven by increase in CEE interest rates & higher derivatives opportunities as well as the EUR rate movements
  - A total issuance volume of more than EUR 105bn (+23% yoy) was achieved through 190 mandated transactions (for all C&M segments) despite very challenging capital market conditions
- **Assets under Management have shrunk**
  - Lower Assets under Management given fund redemption and reduced valuations; bond sales are picking up in the Retail segment

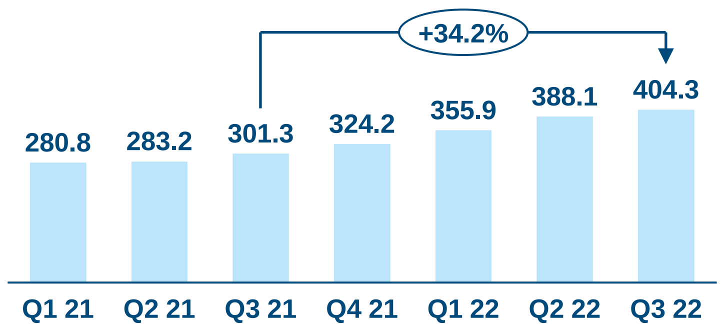
Corporate loan stock development

(gross, business line view, in EUR bn)



Corporate segment operating result development

(business line view, in EUR m)



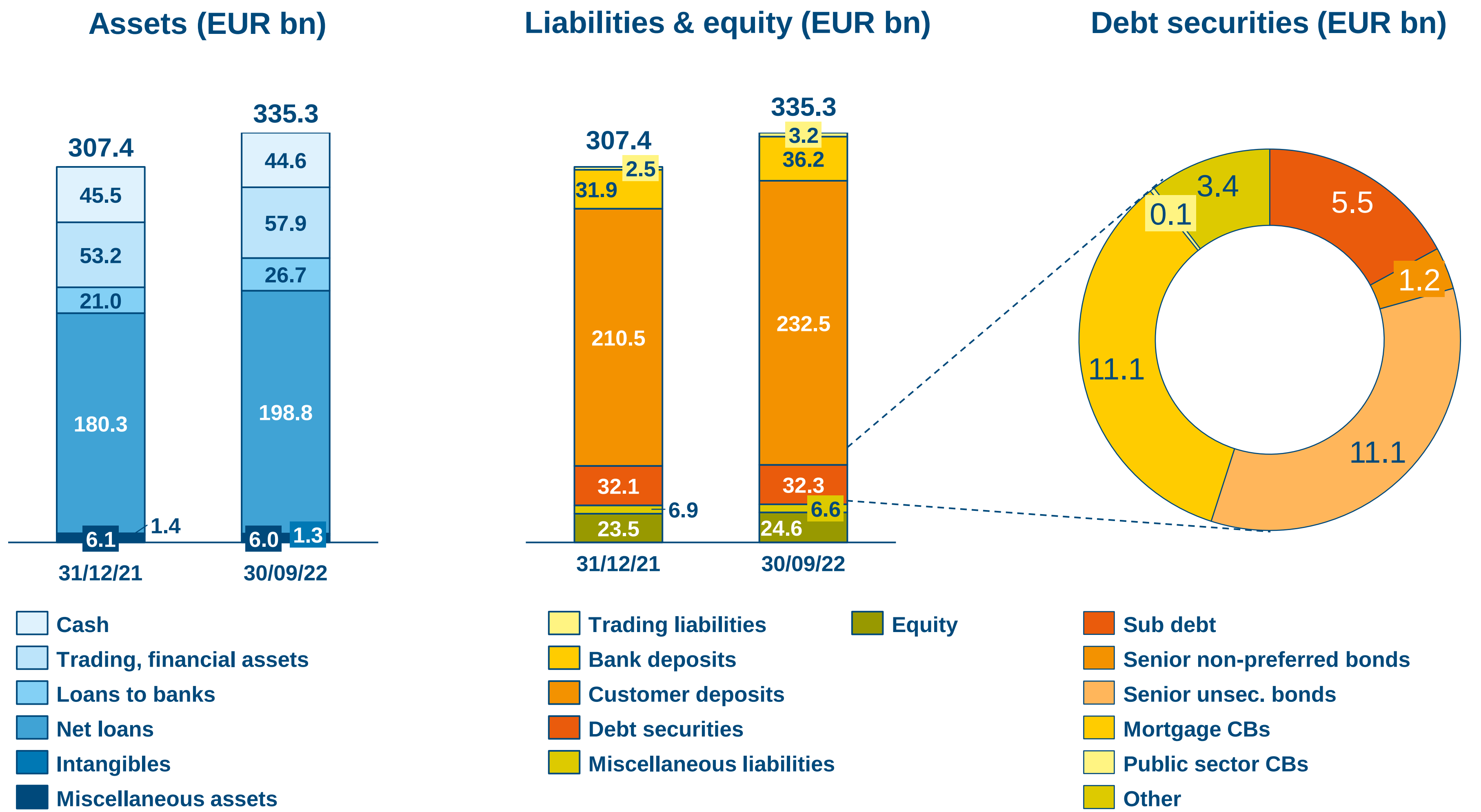
Conclusion –
Key takeaways and outlook for 2022

	Q1-3 22 key takeaways	2022/23 outlook
Operating environment	• **Continued strong business performance** • Loan growth at +10.3% ytd • Deposit growth at +10.4% ytd	• Still strong real GDP growth in 2022, followed by significant slowdown in 2023 • Loan growth to slow from >10% in 2022 to ~5% in 2023
Business performance	• Operating income grew by 9.3% on the back of strong **NII (+19.5%) and fee (+8.3%) growth** • Operating costs up by 7.7% • Operating result: +11.4%, CIR at 53.9%	• NII growth in 2022 ~20% and in 2023 ~10%, ~6% fee growth in 2022 • Positive operating jaws key target for 2022 and 2023: <55% CIR already in 2022; 2024 CIR: ~52%
Credit risk	• More general provisions in line with 2022 guidance to prepare for weaker economic outlook in 2023 • Strong asset quality indicators: NPL ratio at 2.0%, NPL coverage at 96.8%	• Risk charge expected <20bps in 2022, <35bps in 2023 • YE22e NPL ratio likely ~2%, YE23: <3.0%
Capital position & capital return	• **Fully loaded CET 1 ratio (pro-forma) at 14.2%** • Planned FY2022 DPS accrued pro rata in Q3 22	• **FY2022 dividend per share planned at EUR 1.9** • Excess capital buffer earmarked for bolt-on M&A; evaluation of share buyback in spring 2023
Profitability	• **ROTE at 14.3%** • Improved operating performance as key net profit driver	• Targeting **ROTE of ~14% for 2022 and 13-15% for 2023**
Risk factors to guidance	• Political, regulatory, geopolitical, economic, health and competition risks, also non-financial and legal risks • Indirect effects from Russia-Ukraine conflict and/or Covid-19 pandemic, such as prolonged supply chain disruptions, additional shock on energy prices and/or supply, deterioration of investment and consumption appetite • Economic downturn may put goodwill at risk	

ERSTE Group

Presentation topics

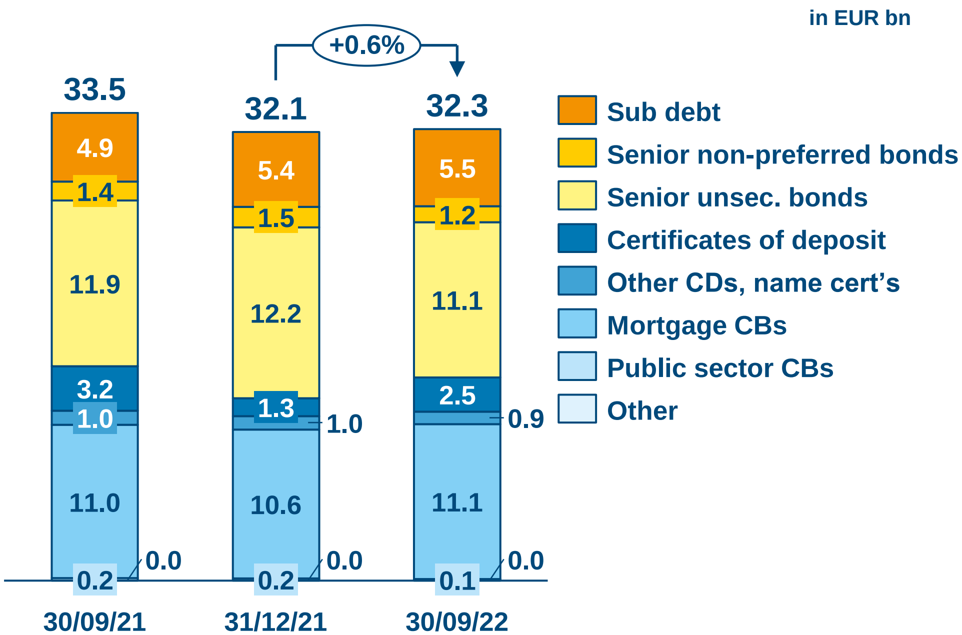
Erste Group's balance sheet structure –
Favourable loan/deposit ratio of 85.5% at Sep 22 (Dec 21: 85.6%)



Wholesale funding and capital: debt vs interbank funding –

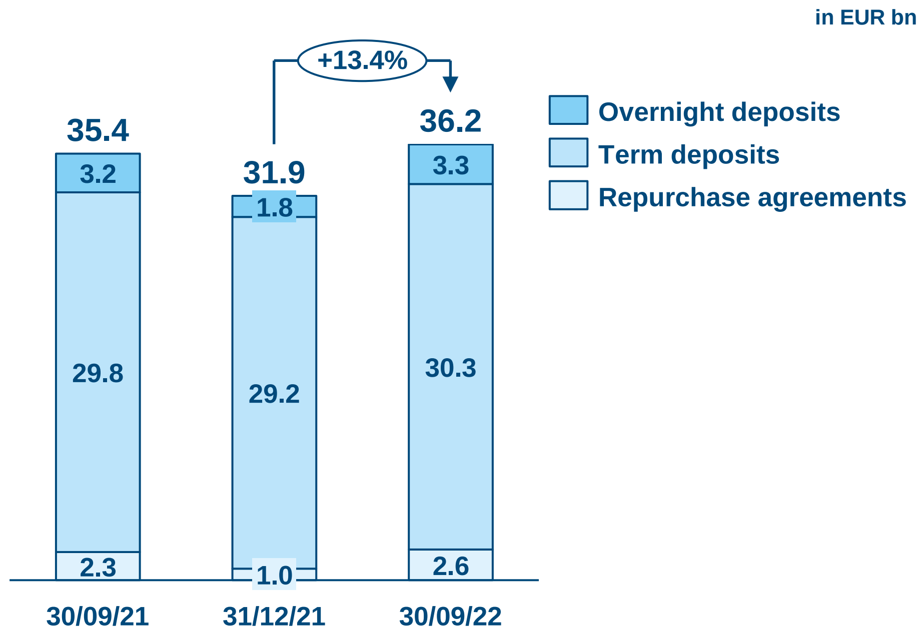
Stable wholesale funding reliance, as customer deposits grow strongly

Debt securities issued



- Increase in CDs attributable to increased business activity in Group Markets business

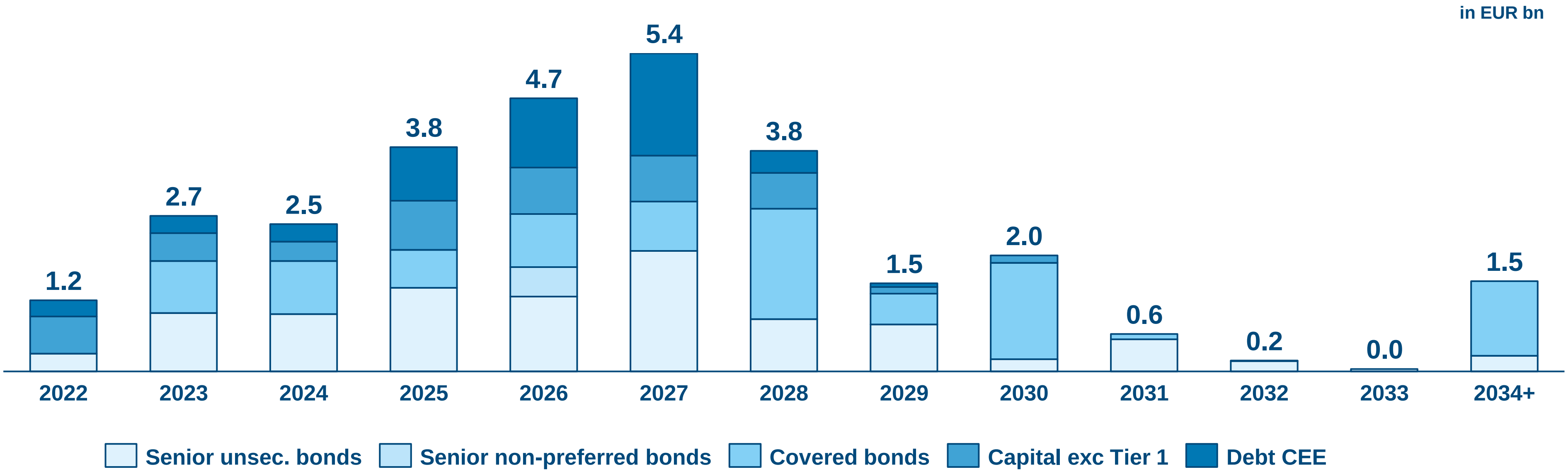
Interbank deposits



- Temporary decline at YE in interbank deposits predominantly driven by balance sheet management

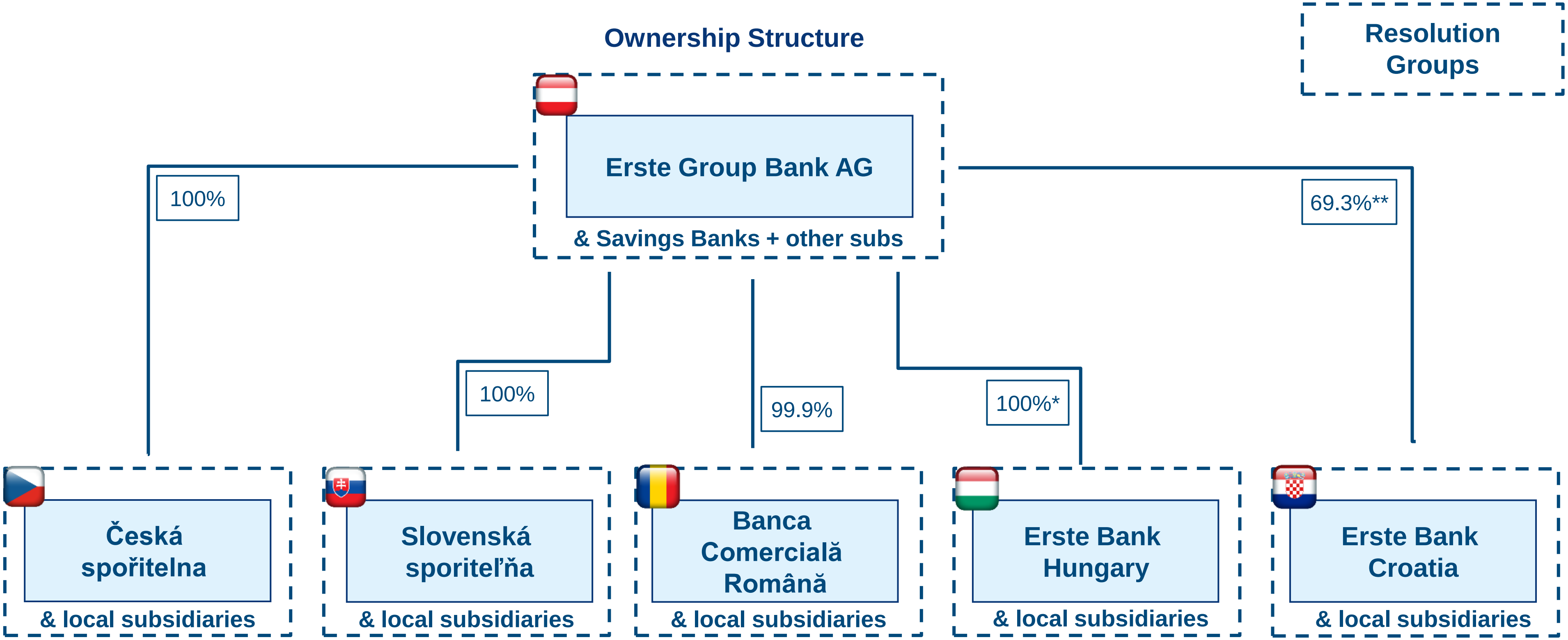
Wholesale funding and capital: LT funding –
2022 funding target fulfilled, 2023 funding volumes expected in similar range

Maturity profile of debt



- Erste Group fulfilled its funding target with a final mortgage covered bond in September 2022, i.e. EUR 750m, 8y at MS+16bps
- Syndicated funding in 2022 amounts to EUR 3.25bn, supplemented by private placements
- Retail demand going strong after yields increased in Q3 22
- 2023’s funding volume comparable to current funding target although the mix of seniorities leans towards MREL-eligible instruments
- 2027 maturity peak attributable to MREL issuances
- TLTRO III: starting gradual repayment of EUR 21.2bn from November 2022

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

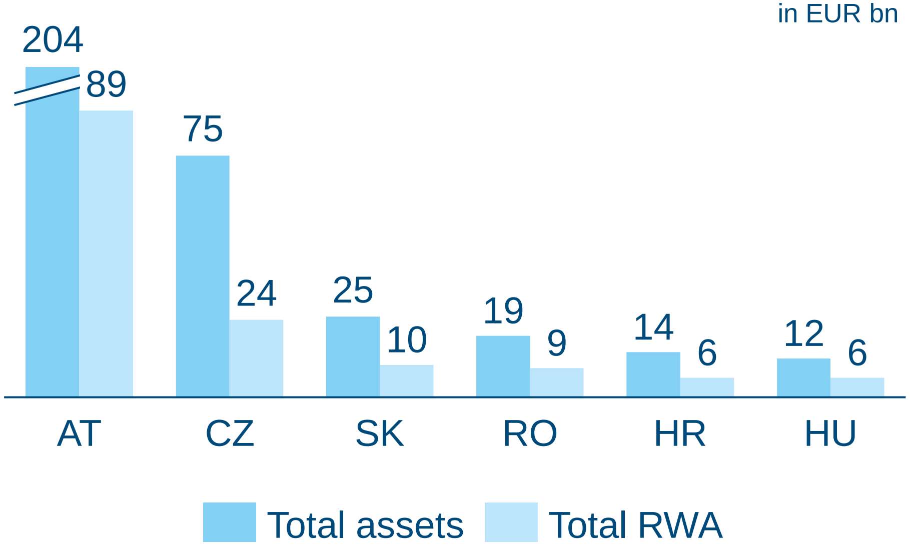


Erste Group follows an MPE resolution strategy with each resolution group issuing its external MREL debt

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

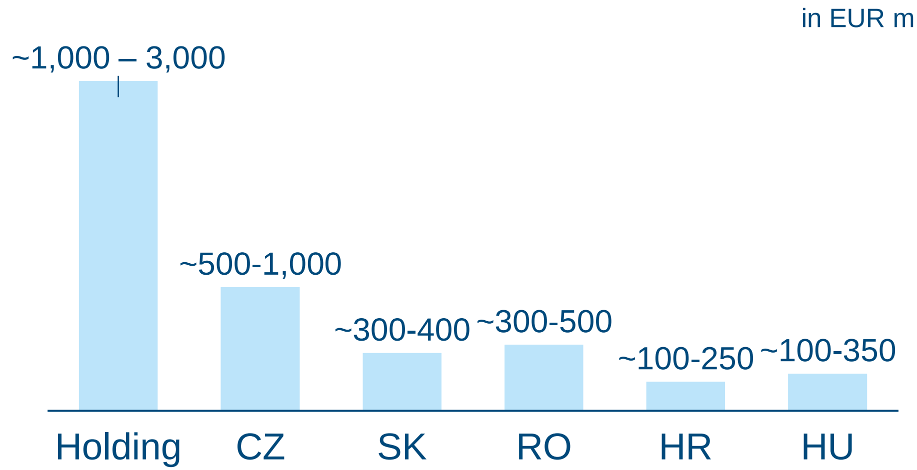
Wholesale funding and capital: MREL update –
MREL issuance comes at an increasing cost

MREL resolution groups (September 2022)



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

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

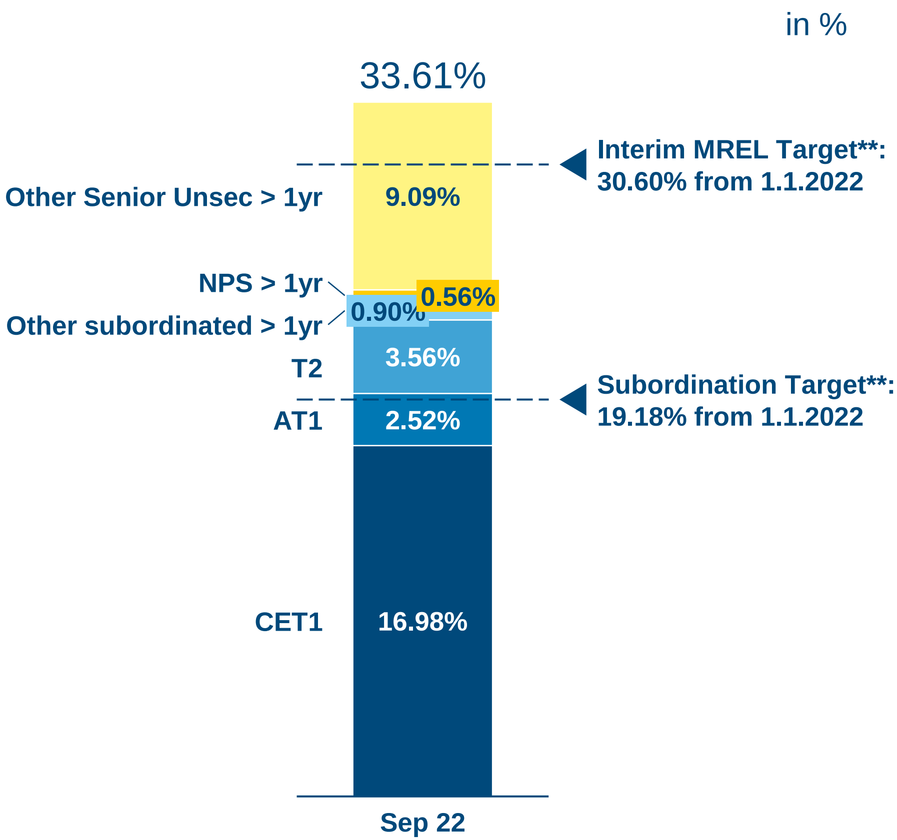


- CEE issuances is mainly placed in domestic market and Euro markets
- MREL-related issuances in 2022:
  - Holding ~EUR 1.5bn PS (thereof one EUR 500m PS benchmark) & EUR 500m Tier 2 bond
  - CZ: CZK 6bn NPS (domestic)
  - SK: EUR 120m (domestic & international)
  - RO: 3 issuances totalling RON 1,387.5 NPS (domestic)
  - HU: EUR 350m PS (international)

Additional information: MREL details

Austrian resolution group: MREL requirement based on RWA fulfilled

MREL capacity based on TREA (RWA)*



* TREA… total risk exposure amount

** Target including the Combined Buffer Requirement (CBR)

Key take-aways

- Erste Group's setup is based on a multiple point of entry (MPE) resolution approach
- In Q2 2022, Erste Group Bank AG received its MREL requirement calibrated on balance sheet data as of 31 Dec 2020
- Erste Group Bank AG, as the Point of Entry of the Austrian resolution group, must comply with a MREL requirement of 30.60% of TREA (incl. CBR) and 9.34% of Leverage Ratio Exposure (LRE). In addition, the subordination requirement is set at 19.18% (incl. CBR) of TREA and 8.43% of LRE respectively.
- Based on the Austrian resolution group's RWAs as of September 2022 of approx. EUR 89.4bn, the current MREL ratio stands at 33.61%, thereof 24.51% being subordinated eligible liabilities.
- As of Q3 2022 the AT resolution group is compliant with both the interim and final MREL and subordination requirements (TREA and LRE-based) to be fulfilled from 1 Jan 2022 and 1 Jan 2024, respectively.
- Potential changes in the MREL requirement will be reflected in Erste Group Bank AG's funding plan as to ensure compliance with MREL & subordination targets

Erste Group's long-term issuance track record ytd –
Tapping 3 seniorities (Covered, Senior & Tier2)

September 2022	June 2022	April 2022	January 2022
Erste Group Bank	Erste Group Bank	Erste Group Bank	Erste Group Bank
EUR 750,000,000 8y Mortgage Covered Bond	EUR 500,000,000 11NC6 T2	EUR 500,000,000 4y Senior Preferred	EUR 750,000,000 6.5y & EUR 750,000,000 15y Mortgage Covered Bond
Joint Bookrunner	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner

- **Q1 22**

After a 2-year absence from the syndicated covered bond market Erste Group started into 2022 with a EUR 1.5bn 6.5y & 15y dual-tranche **mortgage covered bond** (printed at MS-3bp and +5bp)

- **Q2 22**

After FY 2021 results, Erste Group issued a **senior preferred note**:
the EUR 500mn 4y transaction was priced at MS+55bps

End of April Erste Group Bank AG took advantage of an attractive market window and placed a EUR 500mn 11NC6 **Tier2 note** issued at MS+255bp

- **Q3 22**

The week after the September ECB meeting Erste Group issued a EUR 750mn mortgage covered bond. Given the dual tranche at the beginning of the year and the prevailing investor appetite, the 8y segment was a natural fit and resulted in a final landing at MS+16bps

Erste Group Bank AG as issuer
Summary of benchmark issues

Seniority	ISIN	Coupon	Reset	Maturity / First Call	Term	Currency	Volume in mn
Mortgage Covered Bond	XS1346557637	0.625%		19/01/2023	7	EUR	750
Mortgage Covered Bond	XS1845161790	0.250%		26/06/2024	6	EUR	750
Mortgage Covered Bond	XS1181448561	0.750%		05/02/2025	10	EUR	500
Mortgage Covered Bond	XS1807495608	0.625%		17/04/2026	8	EUR	750
Mortgage Covered Bond	XS1550203183	0.625%		18/01/2027	10	EUR	750
Mortgage Covered Bond	XS1750974658	0.750%		17/01/2028	10	EUR	1,000
Mortgage Covered Bond	AT0000A2UXM1	0.100%		12/07/2028	6.5	EUR	750
Mortgage Covered Bond	AT0000A2A6W3	0.010%		11/09/2029	10	EUR	500
Mortgage Covered Bond	AT0000A2CDT6	0.100%		15/01/2030	10	EUR	750
Mortgage Covered Bond	AT0000A306J4	2.500%		19/09/2030	8	EUR	750
Mortgage Covered Bond	AT0000A286W1	0.875%		15/05/2034	15	EUR	500
Mortgage Covered Bond	AT0000A2UXN9	0.500%		12/01/2037	15	EUR	750
Senior Preferred	XS1982725159	0.375%		16/04/2024	5	EUR	500
Senior Preferred	AT0000A2JAF6	0.050%		16/09/2025	5	EUR	500
Senior Preferred	AT0000A2WVQ2	1.500%		07/04/2026	6	EUR	500
Senior Preferred	AT0000A2GH08	0.875%		13/05/2027	7	EUR	750
Senior Preferred	AT0000A2KW37	0.100%	3m Euribor +52bps	16/11/2027	8NC7	EUR	750
Sustainable Senior Preferred	AT0000A2RAA0	0.125%		17/05/2028	7	EUR	500
Senior Preferred	AT0000A2SUH1	0.250%		14/09/2029	8	EUR	500
Senior Preferred	AT0000A2N837	0.250%		27/01/2031	10	EUR	500
Senior Preferred	CH1135555584	0.250%		02/10/2028	7	CHF	500
Senior Non-Pref.	XS2000538343	0.875%		22/05/2026	7	EUR	500
Tier 2	XS2083210729	1.000%	5y ms+130.0bps	10/06/2025	10.5NC5.5	EUR	500
Tier 2	AT0000A2J645	1.625%	5y ms+210.0bps	08/09/2026	11NC6	EUR	500
Tier 2	AT0000A2U543	0.875%	5y ms+110.0bps	15/11/2027	11NC6	EUR	500
Tier 2	AT0000A2YA29	4.000%	5y ms+255.0bps	07/06/2028	11NC6	EUR	500
AT1	XS1597324950	6.500%	5y ms+620.4bps	15/04/2024	perpNC7	EUR	500
AT1	XS1961057780	5.125%	5y ms+485.1bps	15/10/2025	perpNC6.5	EUR	500
AT1	XS2108494837	3.375%	5y ms+343.3bps	15/04/2027	perpNC7.2	EUR	500
AT1	AT0000A2L583	4.250%	5y ms+464.6bps	15/04/2028	perpNC7.4	EUR	750

Cover pools: overview mortgage cover pool
Key characteristics

- Aaa Rating from Moody’s
- Total value of cover pool > EUR 25bn
- First-ranking mortgage loans of mostly Austrian properties
  - 98% Austria and 2% Germany
- Solid mortgage origination via own savings bank network
- Recourse to borrower in default
- No NPLs in the cover pool (NPL is 90 days overdue payment)
- Fix/floating mix: 46% fix and 54% floating rate loans
- Moody‘s performance overview as of 31/03/2022
  - Collateral score: 13.5%
  - OC consistent with current rating: 12.0% (current OC nominal/stressed: 37%/ 48%)
- Quarterly updates on our homepage
  - **www.erstegroup.com** – Investor Relations – Debt Investors
  - **www.pfandbriefforum.at** – Market Players and Reports – Erste Group Bank AG

Overview of mortgage cover pool
Structure as of 30/09/2022

Cover pool	
Cover pool	**in EUR (mn)**
Total value of cover pool in EUR equivalent	**25,794**
thereof loans in EUR	24,800
thereof loans in CHF	994
thereof substitute collateral in EUR equivalent	0
thereof swaps in EUR equivalent	

Pfandbrief	
Issues	**in EUR (mn)**
Total outstanding issues in EUR equivalent	**18,849**
thereof issues in EUR	18,640
thereof issues in CHF	209
Nominal over-collaterisation in %	**36.8%**
Present value over-collaterisation in %	**47.7%**

Overview of mortgage cover pool
Structure as of 30/09/2022

Cover pool	
LTV of cover pool	
Weighted average LTV total (unindexed)	68%
Weighted average LTV total (indexed)	65%

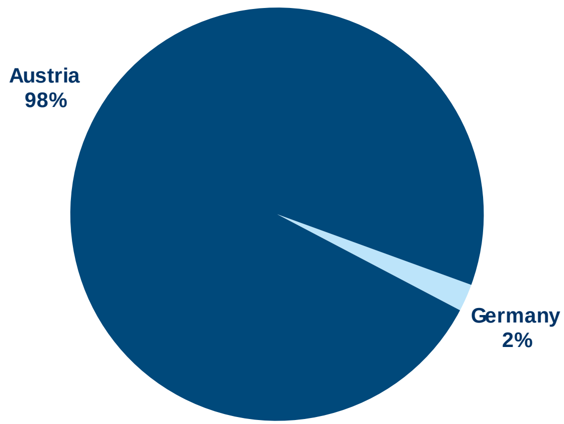
Other cover pool (loans) characteristics	
Residual maturity (in years)	10.1
Number of loans	109,761
Average size of loans (in EUR mn)	0.2
Percentage of 10 largest loans	2.4%
Percentage of bullet loans	12.8%
Percentage of fixed rate loans	46.3%

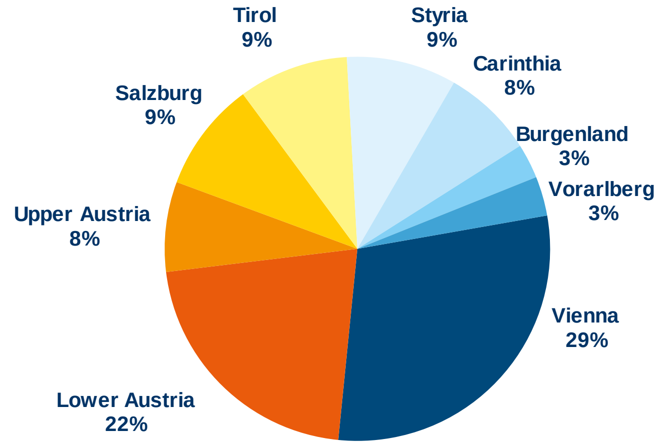
Pfandbrief	
Other issues characteristics:	
Number of issues	105
Average remaining life of issues	5.3
Average size of issues (in EUR mn)	179.5

Overview of mortgage cover pool

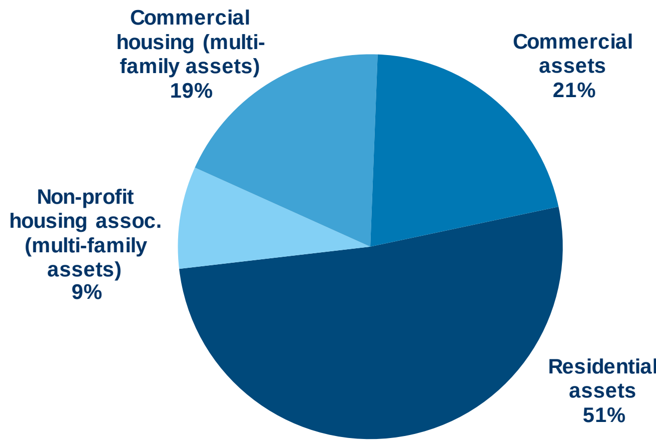
Structure as of 30/09/2022

Break-down by region in %



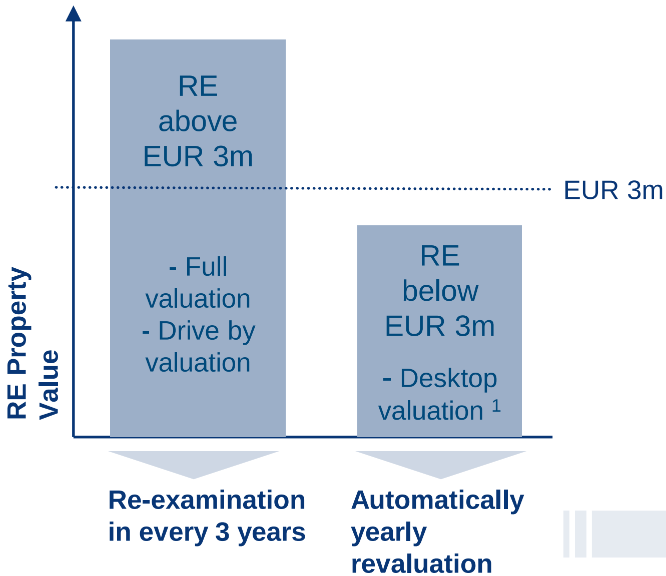


Break-down by property type in %

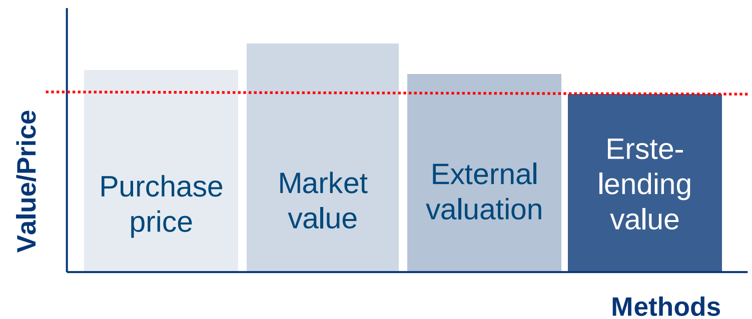


Cover pools: real estate valuation and monitoring

- **Erste Group valuation types**
  - Full valuation, drive by valuation and desktop valuation
- **Valuation methods**
  - For residential and commercial RE properties
  - Valuations only by authorised appraisers



- **Monitoring**
  - Annual review process of residential and commercial real estate property
  - Process is part of the internal risk assessment
  - **Erste Group-lending value approach**
    - **Methodology of a basis of risk point of view**
    - **Lower lending value compared with purchase price or market value**



Both based on Austrian Real Estate Price Index:

published annually by the Austrian National Bank

[1] Valuation made by a specially developed RE valuation-programme for Erste Group taking into consideration the property location, property size, type and characteristics of property, normal and local market conditions, …)

[2] For illustration purposes only; does not reflect real proportions

Cover pools: overview mortgage cover pool –
Multi-family assets – non-profit vs. commercial housing

Non-profit housing

- Non-profit property developer (Gemeinnützige Bauvereinigung)
- Subject to specific law (Wohnungsgemeinnützigkeitsgesetz – WGG)
- Subsidised housing projects
- Commonly known as „Genossenschaftswohnungen“ (cooperative flats – regardless of its corporate structure which can be a cooperative, public or private limited company)
- Profits and usage of profits is restricted (reinvestment in further projects)

Commercial housing

- Private property developer
- Limited access to subsidies
- No guidelines regarding profits

Comparable characteristics for tenants of both forms of housing

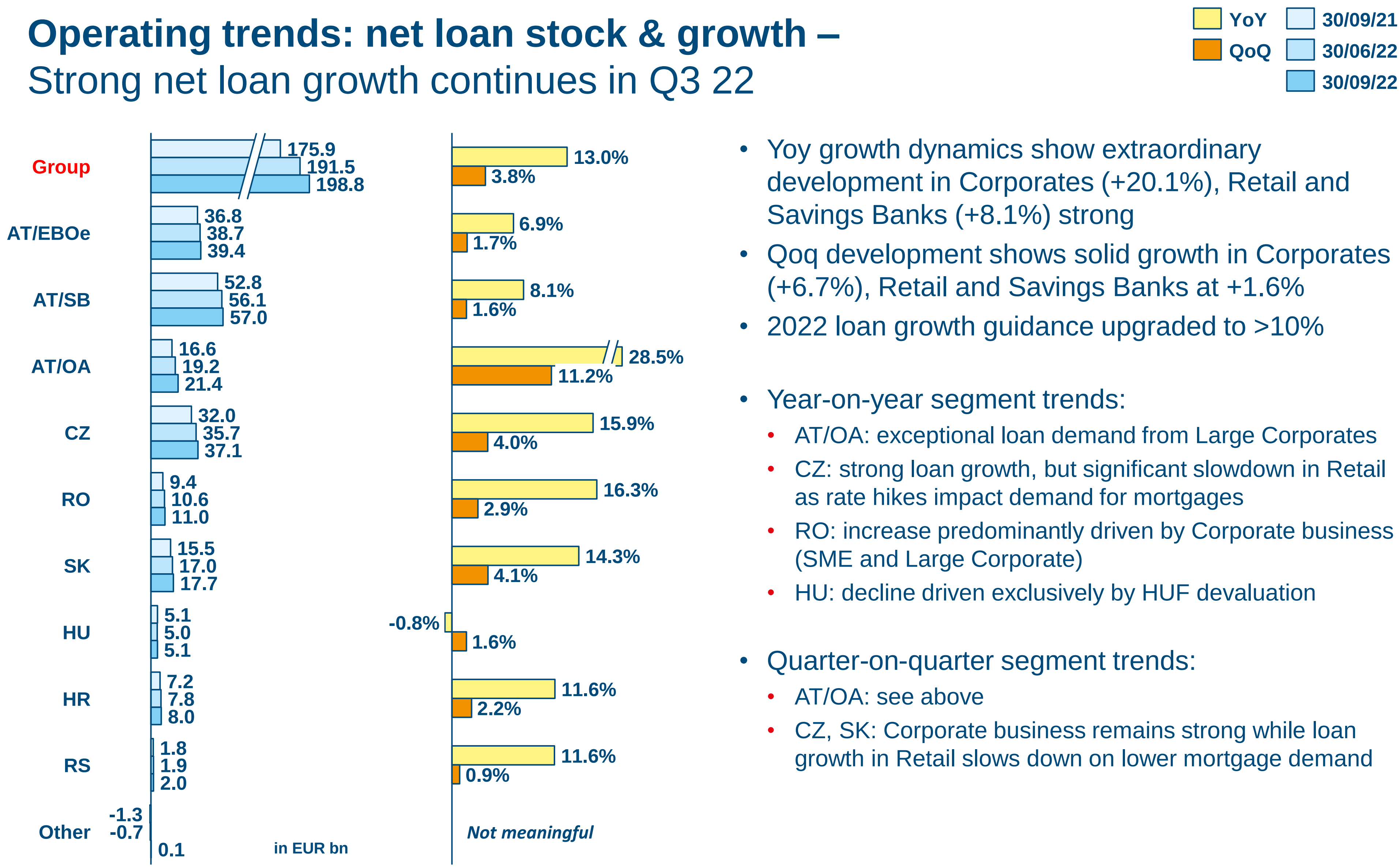
- **Not to be mistaken for social housing** (target group: middle income families)
- Generally combines a down-payment (~20% of development costs) with lower rent
- Typically the tenants are granted a buyout option for their flat after a certain period (normally 10-15 years)
- If the purchase of such a flat is financed by a mortgage loan such loan would be included in residential assets in the „distribution by property type“- pie chart as the property developer is no longer involved

Presentation topics

Presentation topics

- Key priorities and executive summary
- Macroeconomic and business update
- Key takeaways and outlook
- Operating trends
  - Volumes
  - Revenues and costs
  - Impairments and asset quality
- Capital
- Additional information

Operating trends: net loan stock & growth –
Strong net loan growth continues in Q3 22

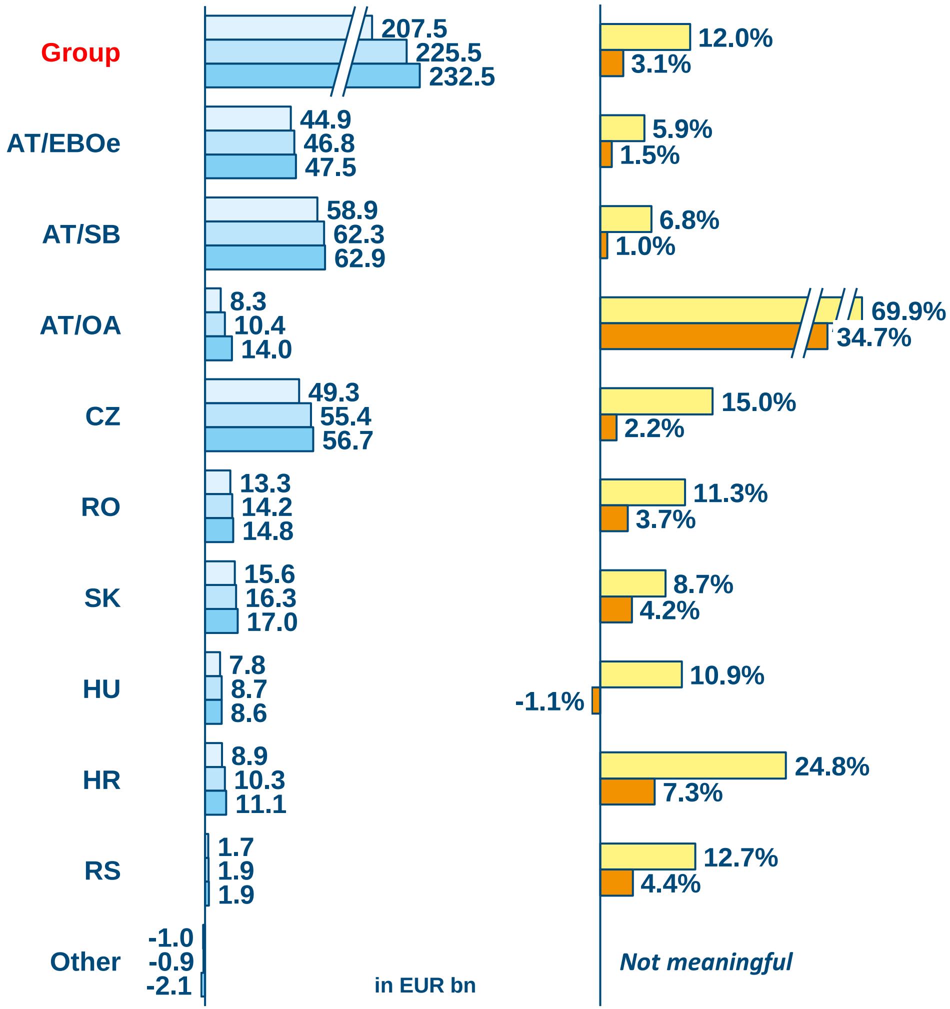


- Yoy growth dynamics show extraordinary development in Corporates (+20.1%), Retail and Savings Banks (+8.1%) strong
- Qoq development shows solid growth in Corporates (+6.7%), Retail and Savings Banks at +1.6%
- 2022 loan growth guidance upgraded to >10%

- Year-on-year segment trends:
  - AT/OA: exceptional loan demand from Large Corporates
  - CZ: strong loan growth, but significant slowdown in Retail as rate hikes impact demand for mortgages
  - RO: increase predominantly driven by Corporate business (SME and Large Corporate)
  - HU: decline driven exclusively by HUF devaluation

- Quarter-on-quarter segment trends:
  - AT/OA: see above
  - CZ, SK: Corporate business remains strong while loan growth in Retail slows down on lower mortgage demand

Operating trends: customer deposit stock & growth – Strong deposit growth, loan/deposit ratio at 85.5%

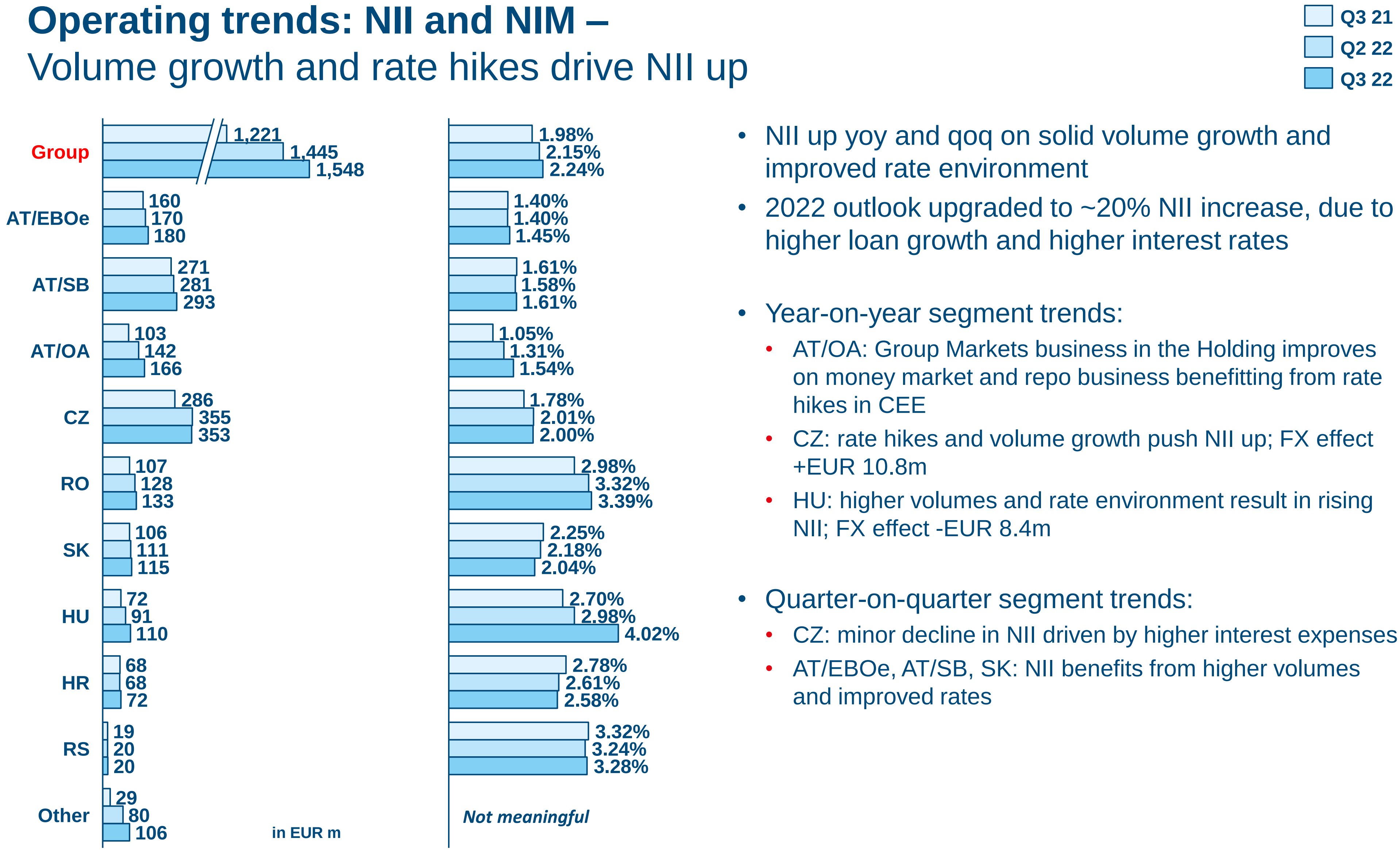


- Yoy growth across all business lines, primarily from Corporates (GLC, PS): + EUR 8.7bn, Group Markets /FI: + EUR 7.6bn; Retail (+ EUR 4.8bn) and Savings Banks (+ EUR 4.0bn) also strong
- Qoq development mainly driven by Group Markets/FI (+ EUR 4.8bn) while Corporates (SME, GLC, PS) contribute + EUR 2.0bn, Retail: + EUR 0.5bn, Savings Banks up 1.0% qoq

- Year-on-year segment trends:
  - AT/OA: exceptional deposit inflow in Group Markets business segment
  - CZ: strong inflow in Corporates (most pronounced in Public Sector and Large Corporate), supported by solid inflows in Retail
  - HR: exceptional deposit inflows, balanced between Corporates (thereof mainly Large Corporate) and Retail

- Quarter-on-quarter segment trends:
  - AT/OA: see above
  - SK: deposit inflows due to Corporates (predominantly Large Corporate) as Retail declines slightly
  - HR: balanced inflows between Retail and Corporate (thereof mainly SME)

Operating trends: NII and NIM –
Volume growth and rate hikes drive NII up



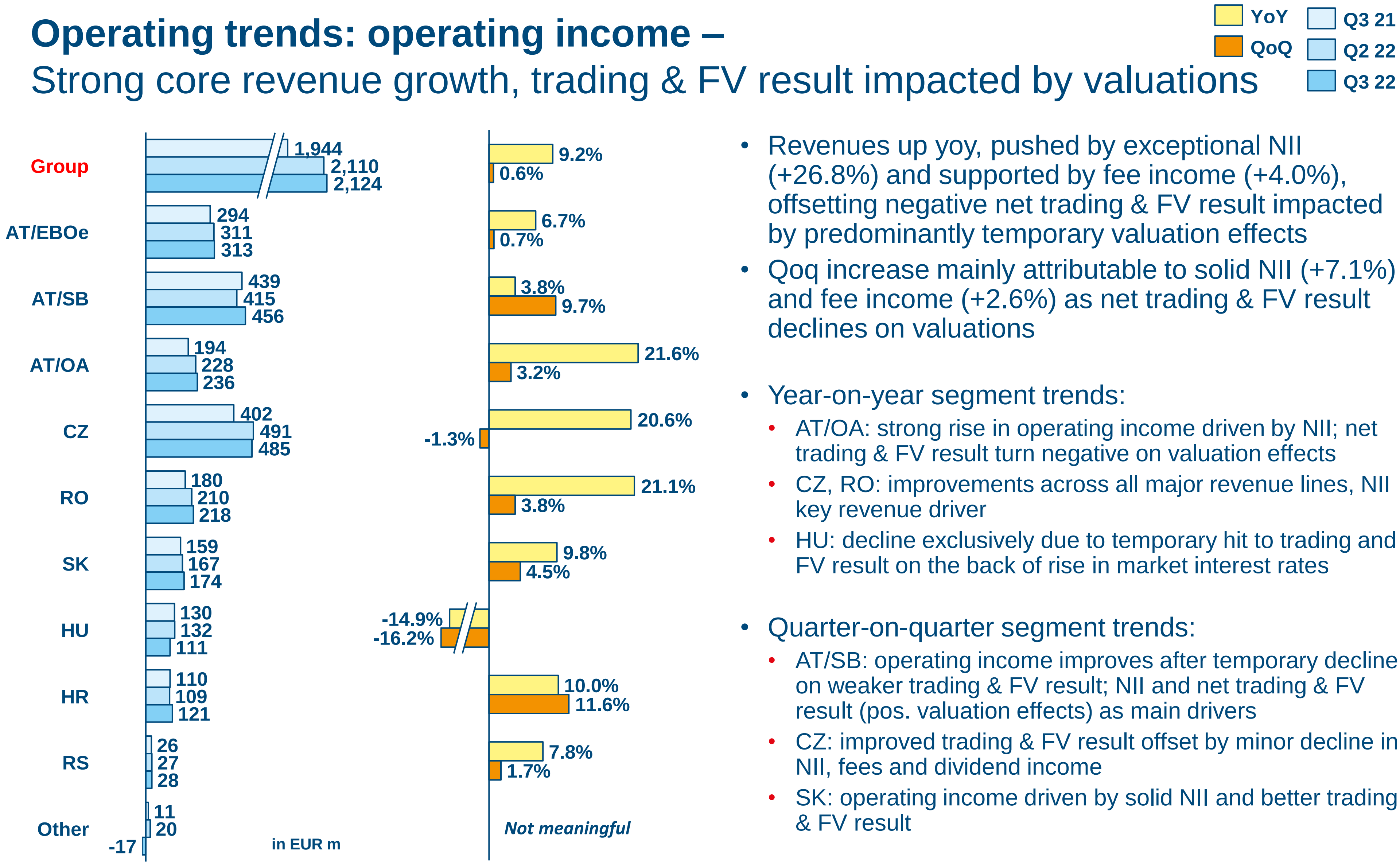
- NII up yoy and qoq on solid volume growth and improved rate environment
- 2022 outlook upgraded to ~20% NII increase, due to higher loan growth and higher interest rates

- Year-on-year segment trends:
  - AT/OA: Group Markets business in the Holding improves on money market and repo business benefitting from rate hikes in CEE
  - CZ: rate hikes and volume growth push NII up; FX effect +EUR 10.8m
  - HU: higher volumes and rate environment result in rising NII; FX effect -EUR 8.4m

- Quarter-on-quarter segment trends:
  - CZ: minor decline in NII driven by higher interest expenses
  - AT/EBOe, AT/SB, SK: NII benefits from higher volumes and improved rates

Operating trends: operating income –

Strong core revenue growth, trading & FV result impacted by valuations

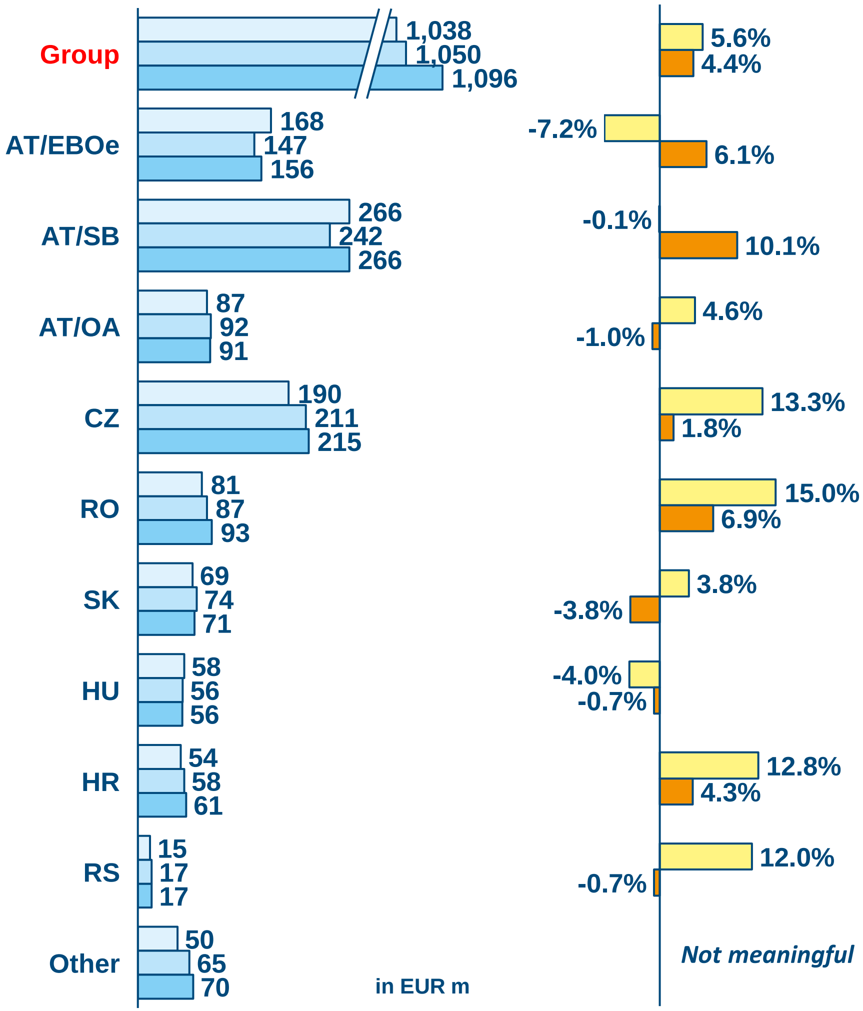


- Revenues up yoy, pushed by exceptional NII (+26.8%) and supported by fee income (+4.0%), offsetting negative net trading & FV result impacted by predominantly temporary valuation effects
- Qoq increase mainly attributable to solid NII (+7.1%) and fee income (+2.6%) as net trading & FV result declines on valuations

- Year-on-year segment trends:
  - AT/OA: strong rise in operating income driven by NII; net trading & FV result turn negative on valuation effects
  - CZ, RO: improvements across all major revenue lines, NII key revenue driver
  - HU: decline exclusively due to temporary hit to trading and FV result on the back of rise in market interest rates

- Quarter-on-quarter segment trends:
  - AT/SB: operating income improves after temporary decline on weaker trading & FV result; NII and net trading & FV result (pos. valuation effects) as main drivers
  - CZ: improved trading & FV result offset by minor decline in NII, fees and dividend income
  - SK: operating income driven by solid NII and better trading & FV result

Operating trends: operating expenses –
Costs normalise in Q3 22, cost inflation in 2022: ~6%



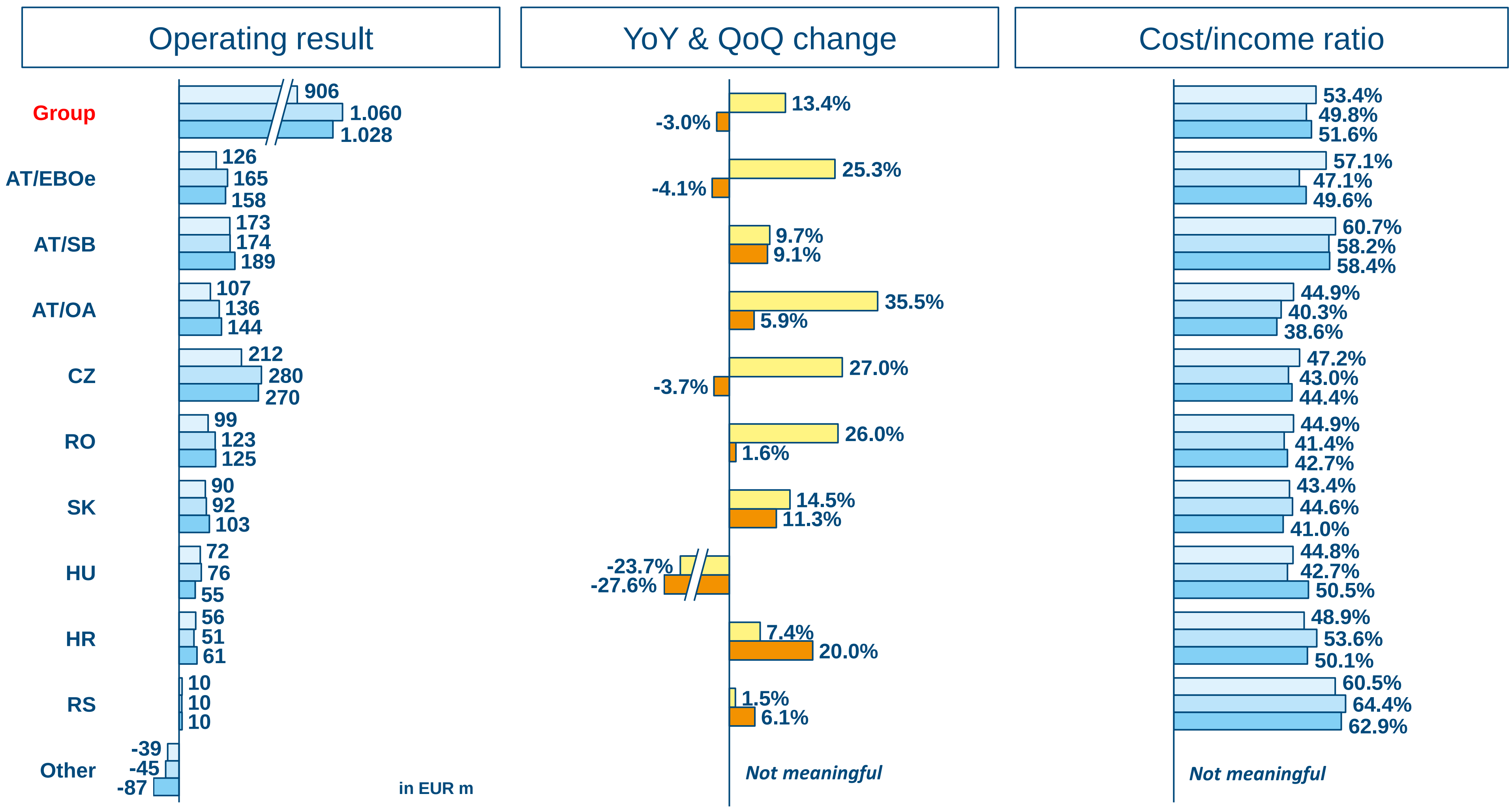
- Yoy development due to higher personnel expenses (+6.3%) and higher administrative expenses (IT and office space)
- Qoq increase on group level exclusively attributable to reversal of extraordinary deposit insurance contributions related to Sberbank Europe in AT in Q2 22 (EUR 46.5m)

- Year-on-year segment trends:
  - AT/EBOe: other administrative expenses down on lower IT costs and lower depreciation charge following the deconsolidation of one non-banking subsidiary
  - CZ: personnel expenses are key driver; FX effect +EUR 7.5m
  - RO: higher personnel and IT expenses
  - HR: higher personnel expenses and other administrative expenses (incl. IT) related to Euro adoption

- Quarter-on-quarter segment trends:
  - AT/EBOe, AT/SB: rise in operating expenses due to reversal of e.o. deposit insurance contributions in Q2 22 (see above)
  - RO: higher personnel and IT expenses
  - SK: Lower other administrative expenses offset increase in personnel expenses

Operating trends: operating result and CIR –
Operating result up 13.4% yoy, CIR at 51.6%

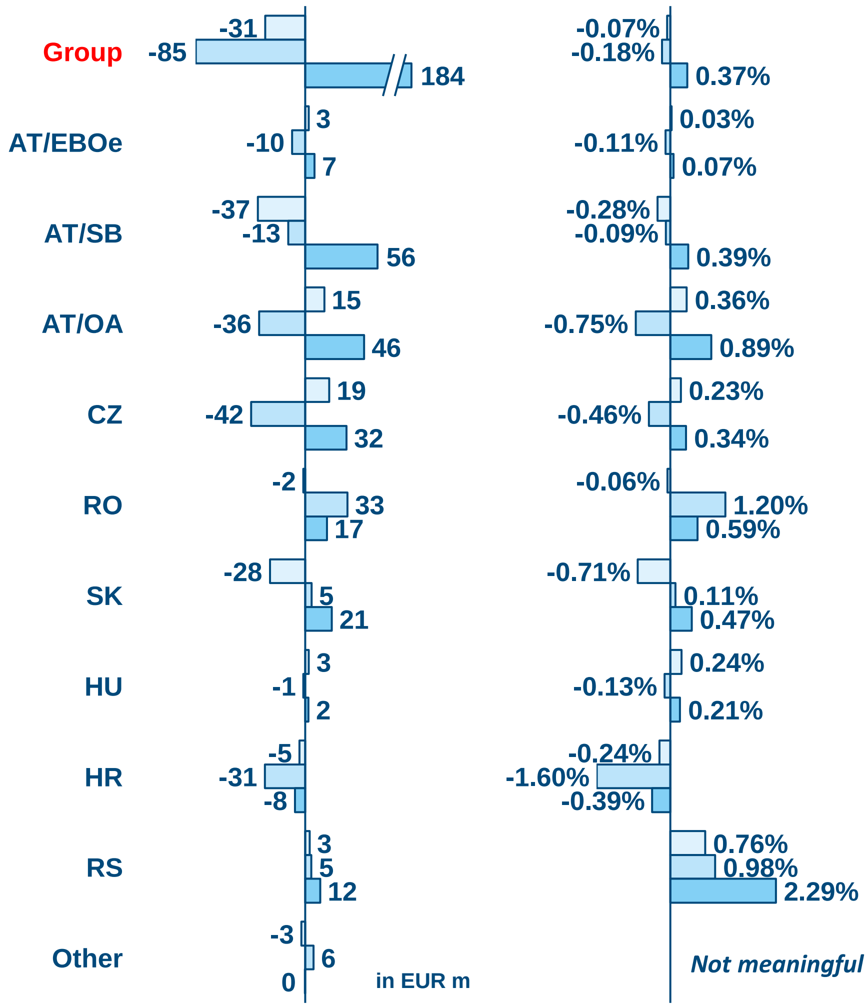
YoY QoQ Q3 21 Q2 22 Q3 22



ERSTE Group

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

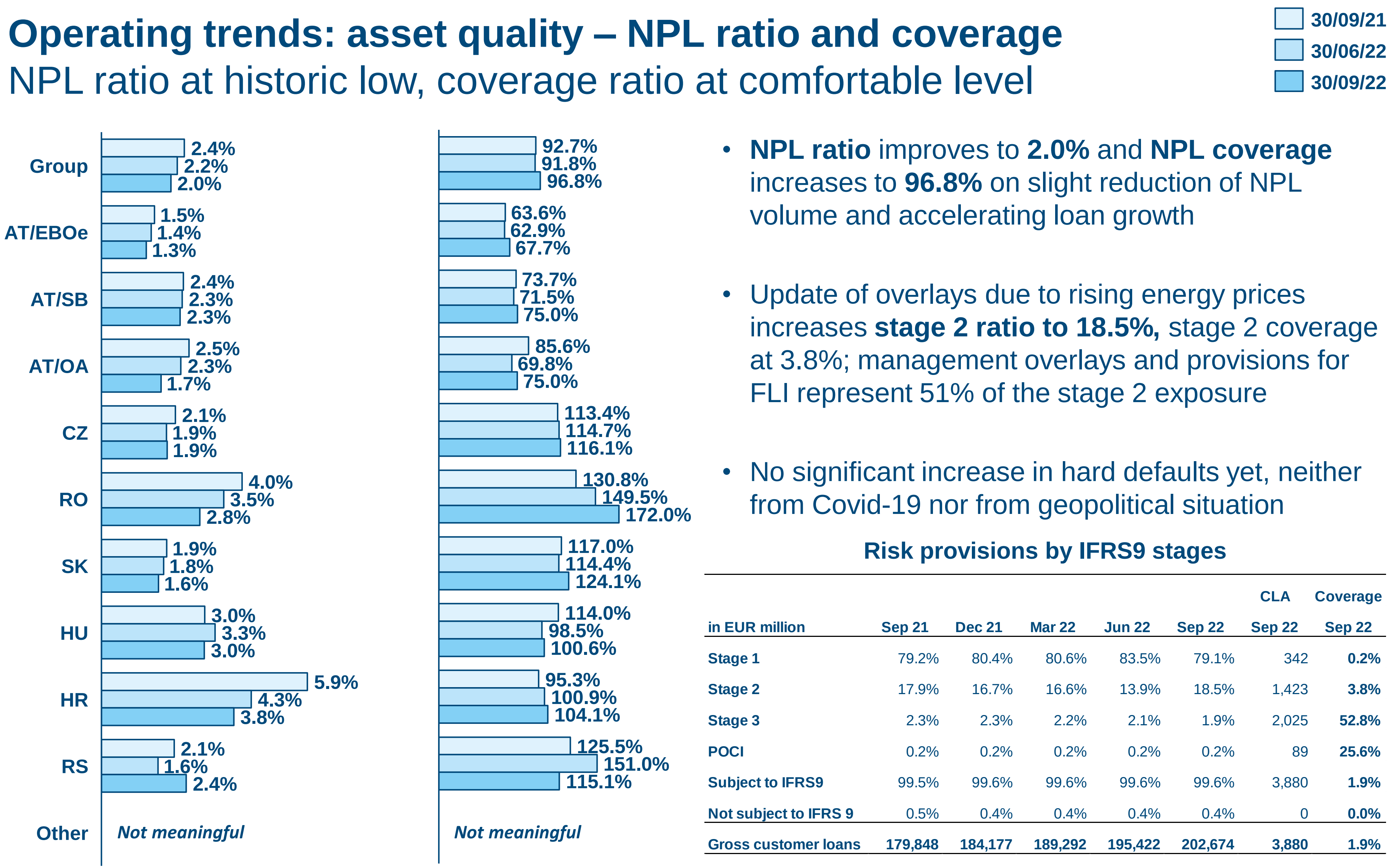
Addressing uncertainty led to net allocation of EUR 184m in Q3 22



- Underlying credit risk performance of retail and corporate customers remained strong in Q3 22; individual downgrades and defaults of corporates, slightly increased inflow of new NPLs in SME
- Q3 22 review of management overlays led to allocation of EUR 147m in industries mostly affected by rising energy prices (energy, metals and chemicals)
- EUR 676m of crisis-related management overlays and FLI provisions available for portfolio and macro deterioration
- Quarter-on-quarter segment trends:
  - All segments: energy-related overlays
  - RO: expected impact of new “energy moratorium” in Q2 22, therefore lower impact in Q3 22
  - HR: releases due to continuous NPL resolution

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

Operating trends: asset quality – NPL ratio and coverage
NPL ratio at historic low, coverage ratio at comfortable level



- **NPL ratio** improves to **2.0%** and **NPL coverage** increases to **96.8%** on slight reduction of NPL volume and accelerating loan growth
- Update of overlays due to rising energy prices increases **stage 2 ratio to 18.5%,** stage 2 coverage at 3.8%; management overlays and provisions for FLI represent 51% of the stage 2 exposure
- No significant increase in hard defaults yet, neither from Covid-19 nor from geopolitical situation

Risk provisions by IFRS9 stages

						CLA	Coverage
in EUR million	**Sep 21**	**Dec 21**	**Mar 22**	**Jun 22**	**Sep 22**	**Sep 22**	**Sep 22**
Stage 1	79.2%	80.4%	80.6%	83.5%	79.1%	342	**0.2%**
Stage 2	17.9%	16.7%	16.6%	13.9%	18.5%	1,423	**3.8%**
Stage 3	2.3%	2.3%	2.2%	2.1%	1.9%	2,025	**52.8%**
POCI	0.2%	0.2%	0.2%	0.2%	0.2%	89	**25.6%**
Subject to IFRS9	99.5%	99.6%	99.6%	99.6%	99.6%	3,880	**1.9%**
Not subject to IFRS 9	0.5%	0.4%	0.4%	0.4%	0.4%	0	**0.0%**
Gross customer loans	**179,848**	**184,177**	**189,292**	**195,422**	**202,674**	**3,880**	**1.9%**

ERSTE Group

Operating trends: industries subject to new management overlays

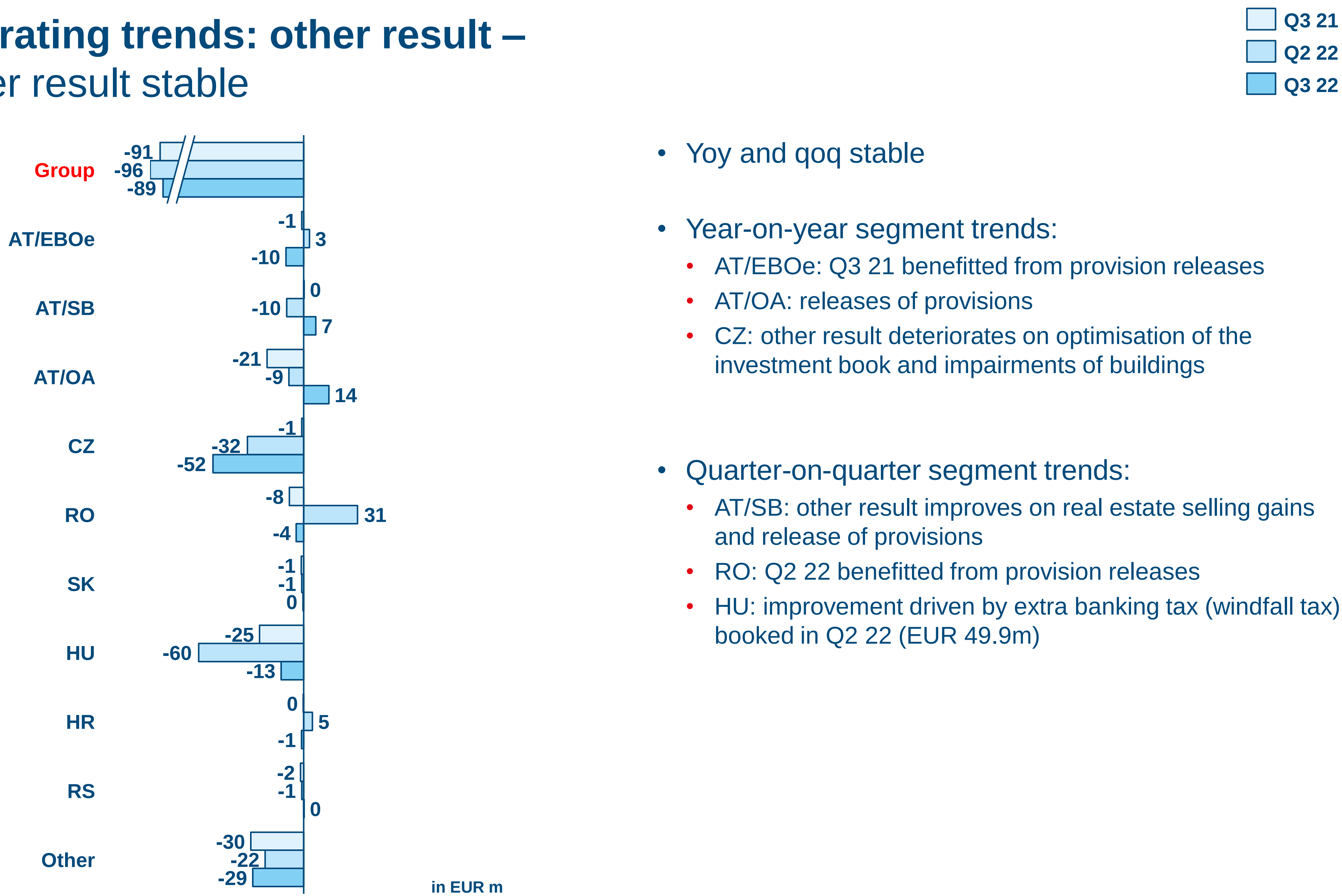
Due to high gas / energy prices

Industry	Exposure	Risk	Mitigation
Metals	EUR 4.5bn	• One of the most energy-intensive industries (eg. in steel-making, gas is used to reach the needed temperature in the process) • Without any gas supply the production would come to a stand-still • Gas can be substituted for oil only in limited applications / technology in the process	• 2021 was a very profitable year for the metals industry • Tight European metals market enabled companies to pass on increased prices to customers • Margins remain robust as contracts were re-negotiated for shorter periods and/or containing energy price surcharges • Some storage facilities being filled and support production for a few months
Chemicals	EUR 3.0bn	• Heavily dependent on gas as a source of energy as well as feedstock	• Due to the overall scarcity of raw materials increased costs could be forwarded to customers • In a no gas scenario it is relevant if a company belongs to critical infrastructure (expected to receive at least certain quantities of gas)

Due to high market volatility and uncertainties

Industry	Exposure	Risk	Mitigation
Energy	EUR 13.7bn	• Very high volatility in energy prices requiring extremely high liquidity • Government intervention (e.g. one-off taxation) • Energy shortages and the need to replace energy sources (potentially at high price)	• Diversification of energy sources and investments into renewables • Strategic hedging and price mechanisms • Detailed portfolio screening showed limited direct dependency on Russian gas as alternative supply routes are sourced already

Operating trends: other result –
Other result stable

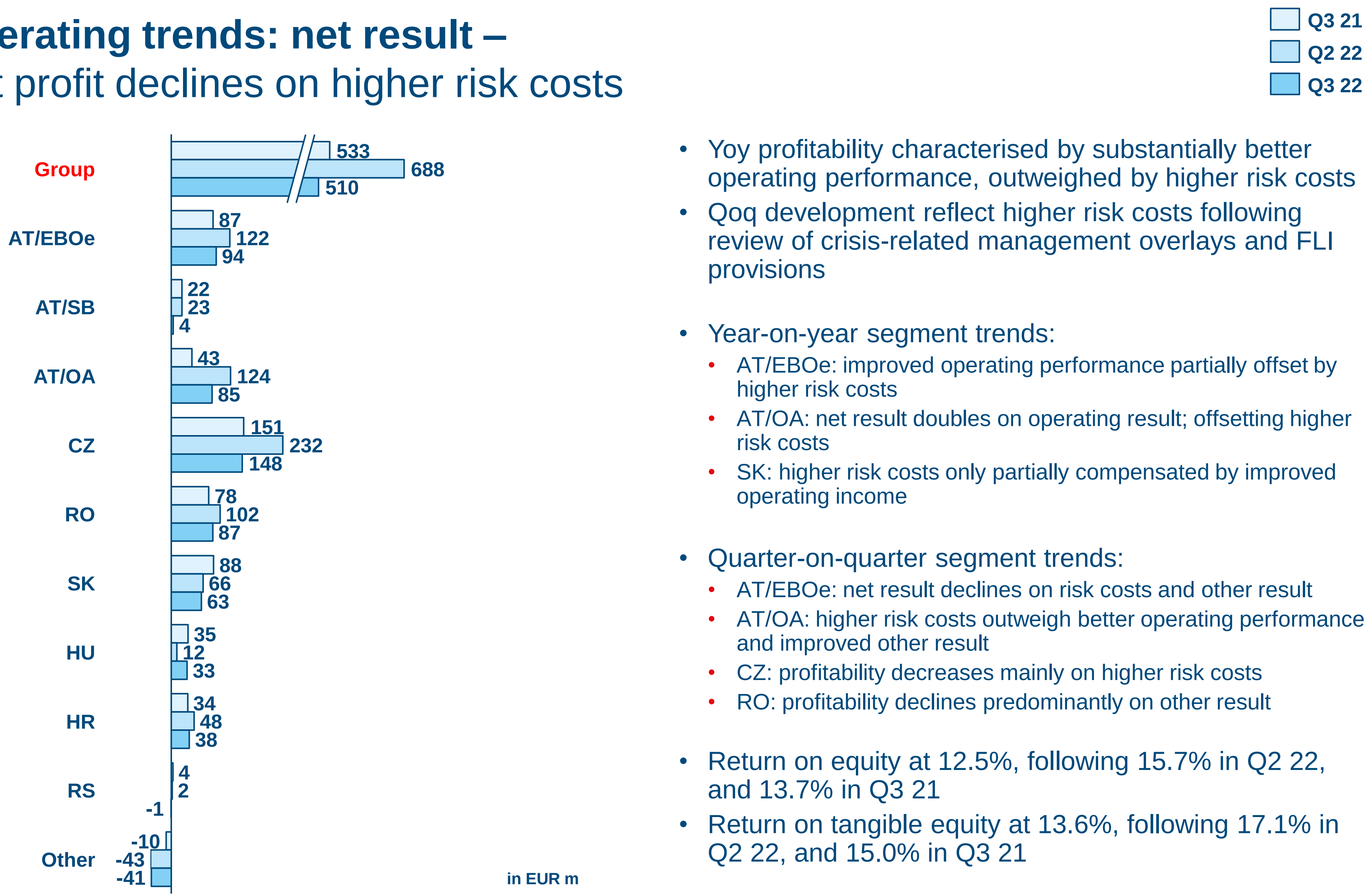


- Yoy and qoq stable

- Year-on-year segment trends:
  - AT/EBOe: Q3 21 benefitted from provision releases
  - AT/OA: releases of provisions
  - CZ: other result deteriorates on optimisation of the investment book and impairments of buildings

- Quarter-on-quarter segment trends:
  - AT/SB: other result improves on real estate selling gains and release of provisions
  - RO: Q2 22 benefitted from provision releases
  - HU: improvement driven by extra banking tax (windfall tax) booked in Q2 22 (EUR 49.9m)

Operating trends: net result –
Net profit declines on higher risk costs



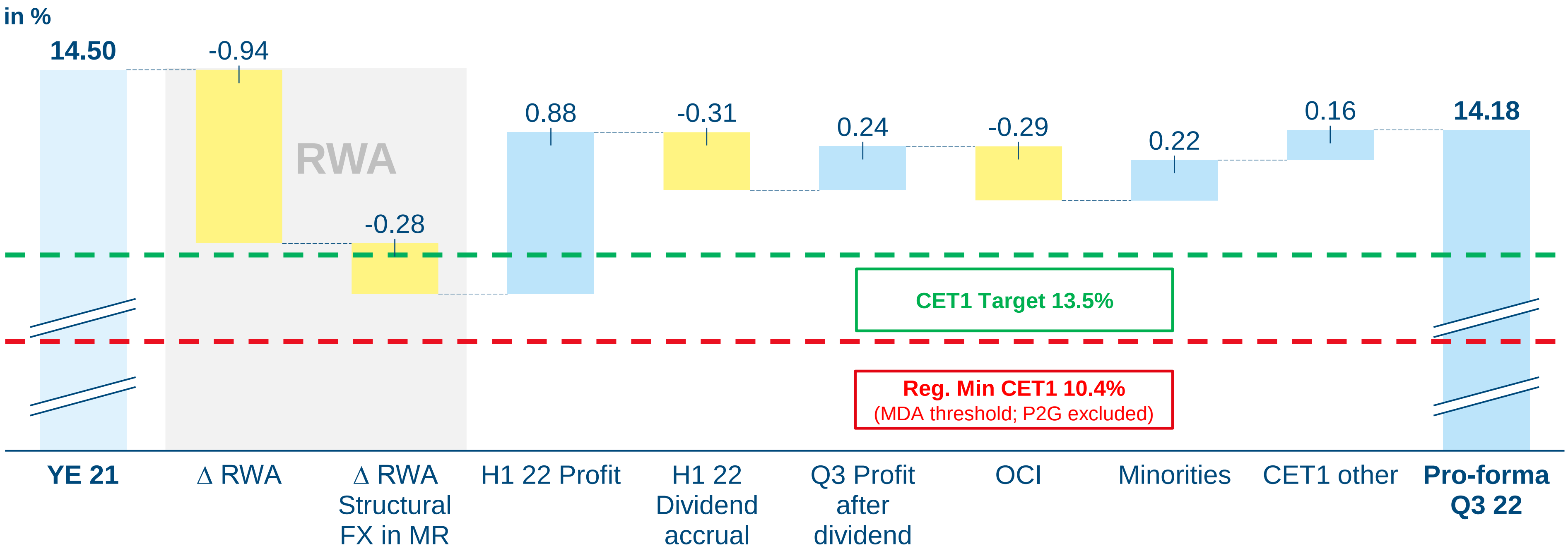
- Yoy profitability characterised by substantially better operating performance, outweighed by higher risk costs
- Qoq development reflect higher risk costs following review of crisis-related management overlays and FLI provisions

- Year-on-year segment trends:
  - AT/EBOe: improved operating performance partially offset by higher risk costs
  - AT/OA: net result doubles on operating result; offsetting higher risk costs
  - SK: higher risk costs only partially compensated by improved operating income

- Quarter-on-quarter segment trends:
  - AT/EBOe: net result declines on risk costs and other result
  - AT/OA: higher risk costs outweigh better operating performance and improved other result
  - CZ: profitability decreases mainly on higher risk costs
  - RO: profitability declines predominantly on other result

- Return on equity at 12.5%, following 15.7% in Q2 22, and 13.7% in Q3 21
- Return on tangible equity at 13.6%, following 17.1% in Q2 22, and 15.0% in Q3 21

Capital: CET1 ratio waterfall –
Fully loaded CET1 (pro forma) at 14.2%



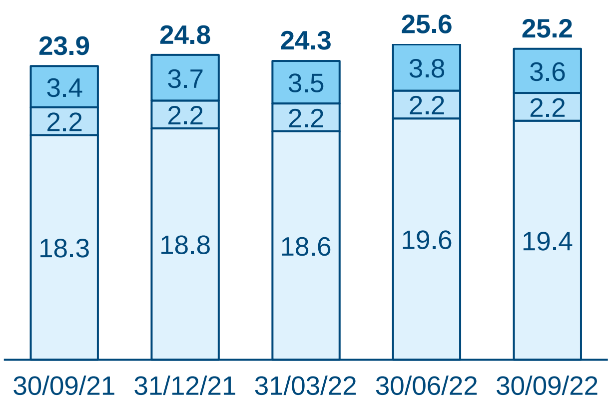
CET1 ratio (pro-forma) at 14.2%:

- **Q3 22 RWA (fully-loaded) at EUR 140.8bn** driven by business growth in credit risk and structural FX in market risk
- **Q3 22 profit (CRR) of EUR 514m** after pro-rata dividend (planned at EUR 1.90 per share for 2022) at EUR 310m
- Deterioration in **OCI** as positive impact from defined benefit obligations (EUR +177m) is more than offset by negative impact from FV changes of debt instruments (EUR -474m) and decline in FX translation (EUR -75m)
- Increase in **minorities** (EUR +283m) mainly driven by profit inclusion of savings banks in H1 22

Capital: capital & RWA –
Risk-weighted assets increase on business effects and market risk

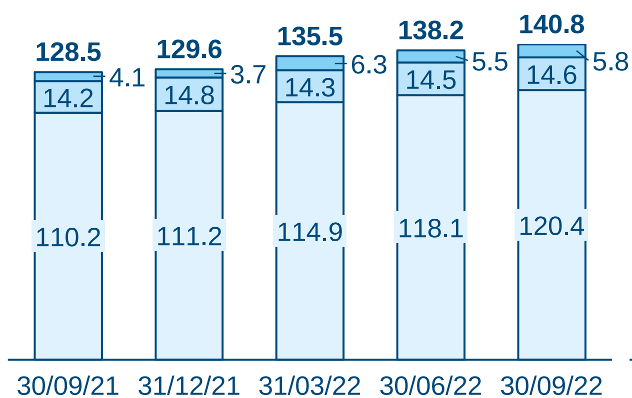
Basel 3 capital

in EUR bn

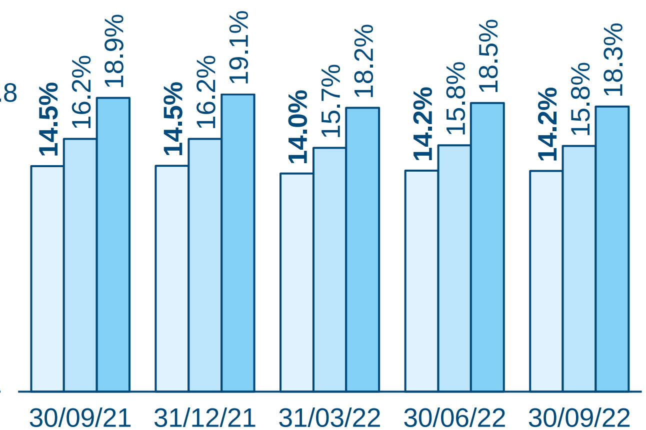


Risk-weighted assets

in EUR bn



Basel 3 capital ratios [1]



- **CET1 capital increases by 3.3% ytd**
  - Interim profit (H1 22): + EUR 731m
  - OCI impact and prudential filters: - EUR 464m
  - Minority interest: + EUR 283m
  - Non-inclusion of Q3 22 interim profit

- **RWAs up by 8.6% ytd**
  - Credit RWA up mainly on business growth (+ EUR 11.7bn), partially offset by portfolio effects (- EUR 3.2bn)
  - Market risk increases on structural FX effect (+ EUR 2.7bn)

- CET1 ratio incl. Q3 interim profit solid at 14.2%
- Pro-rata planned dividend for Q3 22 included in capital ratios
- CET1 medium target remains unchanged at 13.5%

1) Q3 21, Q1 22, Q3 22: pro-forma, incl. interim profit

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

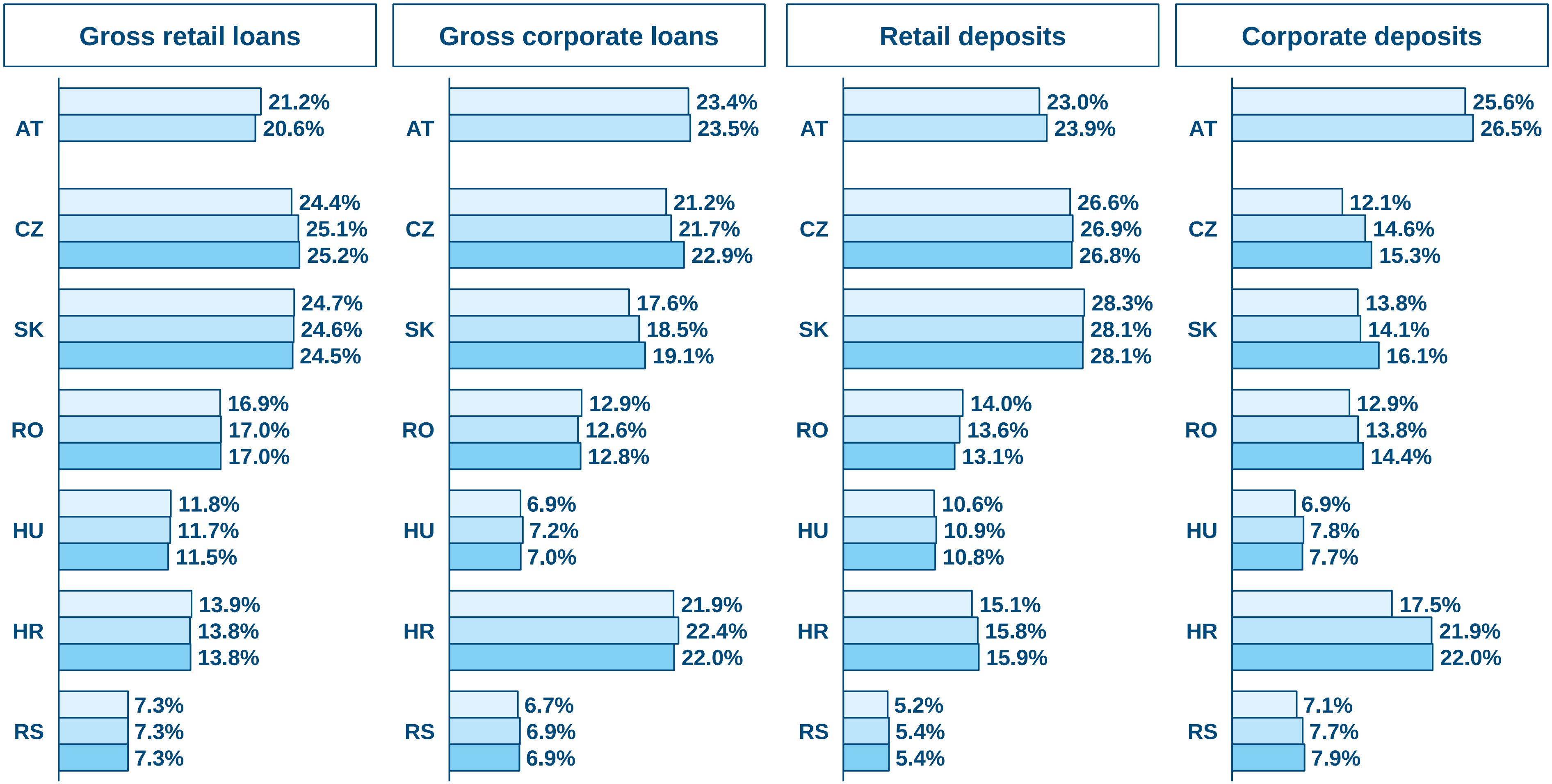
		Erste Group Consolidated					Erste Group Unconsolidated			
					ECB Capital Relief					
		Fully loaded		Fully loaded	Measures 1)	Fully loaded		Fully loaded		
		2020	2021	Q3 2022	Q3 2022	YE 2022	2020	2021	Q3 2022	YE 2022
Pillar 1 CET1 requirement		**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement 5)		**4.68%**	**4.68%**	**4.77%**	**2.27%**	**4.91%**	**4.63%**	**4.62%**	**4.66%**	**4.81%**
Capital conservation buffer		2.50%	2.50%	2.50%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Countercyclical capital buffer 2)		0.18%	0.18%	0.27%	0.27%	0.41%	0.13%	0.12%	0.16%	0.31%
OSII buffer		2.00%	1.00%	1.00%	1.00%	1.00%	2.00%	1.00%	1.00%	1.00%
Systemic risk buffer		2.00%	1.00%	1.00%	1.00%	1.00%	2.00%	1.00%	1.00%	1.00%
Pillar 2 CET1 requirement 3)		**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**
Pillar 2 CET1 guidance		**1.00%**	**1.00%**	**1.00%**	**0.00%**	**1.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Regulatory minimum ratios excluding P2G										
	CET1 requirement	10.16%	10.16%	10.26%	7.76%	10.39%	10.11%	10.10%	10.15%	10.29%
1.50% AT1	Tier 1 requirement	11.99%	11.99%	12.09%	9.59%	12.22%	11.94%	11.93%	11.97%	12.12%
2.00% T2	Own funds requirement	14.43%	14.43%	14.52%	12.02%	14.66%	14.38%	14.37%	14.41%	14.56%
Regulatory minimum ratios including P2G										
	CET1 requirement	11.16%	11.16%	11.26%	n.a.	11.39%	10.11%	10.10%	10.15%	10.29%
1.50% AT1	Tier 1 requirement	12.99%	12.99%	13.09%	n.a.	13.22%	11.94%	11.93%	11.97%	12.12%
2.00% T2	Own funds requirement	15.43%	15.43%	15.52%	n.a.	15.66%	14.38%	14.37%	14.41%	14.56%
Reported CET1 ratio as of September 2022				**14.02%**	**4)**				**23.49% 4)**	

- Buffer to MDA restriction as of 30 September 2022: 354bps
- Available distributable items (ADI) as of 30 September 2022: EUR 4.4bn (post expected dividend); based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 7.0bn

1. Following ECB's announcement related to measures in reaction to COVID-19 on 12 March 2020 and 1 July 2021, the ECB allows banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the Capital Conservation Buffer (CCB). However, MDA restrictions still apply in case of a combined buffer requirement breach.
2. Planned values based on Q3 2022 exposure.
3. As of end of May 2021 Art. 70b (7) ABA applies using the Pillar 2 Requirement (P2R) according to the capital stack which results in the following application: 56.25% for CET1 capital and 75% for Tier 1 capital. The overall P2R remained at 1.75% for Erste Group. Since 2020 the temporary capital relief actions from ECB apply.
4. Consolidated capital ratios pursuant to IFRS on phased-in (PhI) basis. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) as per Q2 2022. ADIs pursuant to UGB.
5. Combined buffer requirement: until Q1 2021 higher of OSII and Systemic risk buffer is considered; YE 2021 OSII and Systemic risk buffer are cumulative

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

30/09/21
30/06/22
30/09/22



Market shares for Austria are not yet available as of 30/09/2022

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

in EUR million	Year-to-date view 1-9 21	1-9 22	YOY-Δ	Quarterly view Q3 21	Q2 22	Q3 22	YOY-Δ	QOQ-Δ
Net interest income	3,669.5	4,385.2	19.5%	1,220.8	1,444.9	1,548.2	26.8%	7.1%
Interest income	3,708.9	5,820.9	56.9%	1,274.8	1,884.9	2,312.8	81.4%	22.7%
Other similar income	1,113.8	1,711.6	53.7%	336.0	552.6	698.1	>100.0%	26.3%
Interest expenses	-337.5	-1,381.9	>100.0%	-124.1	-413.7	-728.1	>100.0%	76.0%
Other similar expenses	-815.8	-1,765.4	>100.0%	-265.9	-578.9	-734.7	>100.0%	26.9%
Net fee and commission income	1,690.4	1,829.9	8.3%	591.4	599.5	615.1	4.0%	2.6%
Fee and commission income	1,993.3	2,161.0	8.4%	699.1	708.8	728.2	4.2%	2.7%
Fee and commission expenses	-302.9	-331.1	9.3%	-107.8	-109.3	-113.2	5.0%	3.5%
Dividend income	28.1	22.9	-18.7%	7.7	17.7	2.8	-64.0%	-84.4%
Net trading result	67.5	-848.5	n/a	24.3	-275.9	-316.0	n/a	14.5%
Gains/losses from financial instruments measured at fair value through profit or loss	133.5	743.3	>100.0%	49.9	277.1	226.5	>100.0%	-18.2%
Net result from equity method investments	10.0	14.3	43.3%	3.8	5.1	6.2	63.0%	21.0%
Rental income from investment properties & other operating leases	136.1	123.6	-9.2%	46.5	42.1	41.3	-11.0%	-1.7%
Personnel expenses	-1,881.3	-1,967.2	4.6%	-632.4	-663.9	-672.5	6.3%	1.3%
Other administrative expenses	-846.6	-1,003.4	18.5%	-265.3	-249.6	-285.7	7.7%	14.4%
Depreciation and amortisation	-413.2	-410.7	-0.6%	-140.3	-136.6	-137.7	-1.9%	0.8%
Gains/losses from derecognition of financial assets measured at amortised cost	1.8	-47.3	n/a	-1.4	-29.9	-16.5	>100.0%	-45.0%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-18.8	-23.2	23.5%	-18.2	0.1	-25.2	38.5%	n/a
Impairment result from financial instruments	-51.6	-158.3	>100.0%	31.3	85.1	-184.3	n/a	n/a
Other operating result	-243.3	-246.5	1.3%	-70.9	-66.5	-47.3	-33.4%	-28.9%
Levies on banking activities	-71.6	-133.2	86.1%	-19.4	-70.7	-22.3	15.1%	-68.4%
Pre-tax result from continuing operations	**2,282.1**	**2,414.1**	**5.8%**	**847.0**	**1,049.2**	**754.9**	**-10.9%**	**-28.0%**
Taxes on income	-433.6	-434.5	0.2%	-146.3	-199.7	-119.3	-18.4%	-40.2%
Net result for the period	**1,848.5**	**1,979.6**	**7.1%**	**700.7**	**849.5**	**635.6**	**-9.3%**	**-25.2%**
Net result attributable to non-controlling interests	397.2	332.6	-16.3%	167.3	161.3	125.6	-25.0%	-22.2%
Net result attributable to owners of the parent	**1,451.4**	**1,647.0**	**13.5%**	**533.4**	**688.2**	**510.0**	**-4.4%**	**-25.9%**
Operating income	5,735.0	6,270.7	9.3%	1,944.3	2,110.4	2,124.0	9.2%	0.6%
Operating expenses	-3,141.0	-3,381.3	7.7%	-1,038.0	-1,050.1	-1,096.0	5.6%	4.4%
Operating result	**2,594.0**	**2,889.4**	**11.4%**	**906.3**	**1,060.3**	**1,028.1**	**13.4%**	**-3.0%**

Additional information: group balance sheet – Assets

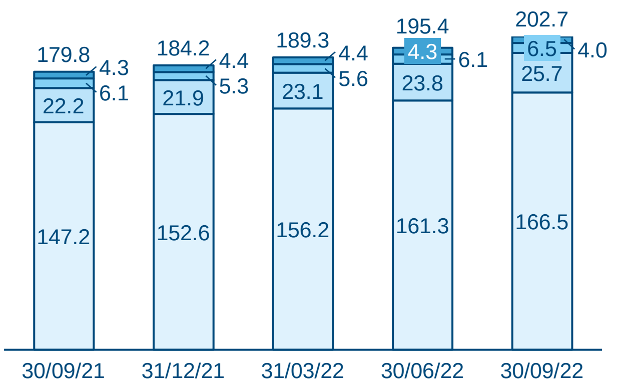
in EUR million	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	YOY-Δ	YTD-Δ	QOQ-Δ
	Quarterly data					Change		
Cash and cash balances	47,125	45,495	46,225	42,818	44,552	-5.5%	-2.1%	4.0%
Financial assets held for trading	6,244	6,473	6,823	6,110	5,375	-13.9%	-17.0%	-12.0%
Derivatives	2,269	2,263	2,172	1,934	1,982	-12.7%	-12.4%	2.5%
Other financial assets held for trading	3,975	4,210	4,651	4,177	3,394	-14.6%	-19.4%	-18.7%
Non-trading financial assets at fair value through profit and loss	3,105	3,124	3,079	2,916	2,791	-10.1%	-10.7%	-4.3%
Equity instruments	316	332	359	349	367	16.2%	10.7%	5.4%
Debt securities	1,953	1,975	1,910	1,778	1,660	-15.0%	-16.0%	-6.6%
Loans and advances to banks	21	10	0	0	0	-100.0%	-100.0%	n/a
Loans and advances to customers	**815**	**808**	**809**	**790**	**764**	**-6.3%**	**-5.5%**	**-3.3%**
Financial assets at fair value through other comprehensive income	9,074	8,881	9,226	9,104	9,247	1.9%	4.1%	1.6%
Equity instruments	114	132	127	120	121	5.8%	-8.8%	0.3%
Debt securities	8,960	8,749	9,100	8,984	9,126	1.8%	4.3%	1.6%
Financial assets at amortised cost	230,488	229,641	246,276	251,855	259,311	12.5%	12.9%	3.0%
Debt securities	33,651	35,551	37,506	39,219	41,253	22.6%	16.0%	5.2%
Loans and advances to banks	27,728	20,991	30,825	28,704	26,721	-3.6%	27.3%	-6.9%
Loans and advances to customers	**169,109**	**173,099**	**177,945**	**183,932**	**191,337**	**13.1%**	**10.5%**	**4.0%**
Finance lease receivables	4,208	4,209	4,196	4,274	4,345	3.3%	3.2%	1.7%
Hedge accounting derivatives	94	79	62	59	99	5.1%	25.7%	67.0%
Fair value changes of hedged items in portfolio hedge of interest rate risk	-2	-4	-15	-26	-38	>100.0%	>100.0%	42.6%
Property and equipment	2,539	2,645	2,549	2,578	2,542	0.1%	-3.9%	-1.4%
Investment properties	1,367	1,344	1,341	1,350	1,377	0.7%	2.4%	2.0%
Intangible assets	1,326	1,362	1,337	1,315	1,300	-2.0%	-4.6%	-1.1%
Investments in associates and joint ventures	196	211	215	219	223	13.8%	5.8%	1.8%
Current tax assets	147	135	133	118	114	-22.1%	-15.3%	-3.2%
Deferred tax assets	439	562	573	544	582	32.6%	3.6%	7.0%
Assets held for sale	129	73	65	63	59	-54.5%	-19.4%	-5.9%
Trade and other receivables	1,797	2,152	2,342	2,547	2,349	30.7%	9.1%	-7.8%
Other assets	962	1,045	1,183	1,248	1,069	11.2%	2.4%	-14.3%
Total assets	**309,240**	**307,428**	**325,610**	**327,093**	**335,297**	**8.4%**	**9.1%**	**2.5%**

Additional information: group balance sheet –
Liabilities and equity

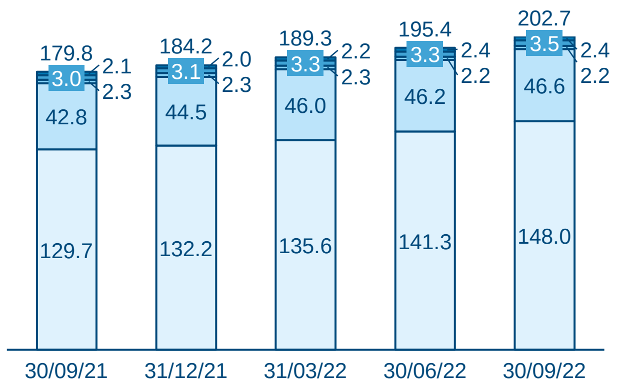
in EUR million	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	YOY-Δ	YTD-Δ	QOQ-Δ
	Quarterly data					Change		
Financial liabilities held for trading	2,193	2,474	2,917	3,005	3,175	44.8%	28.3%	5.6%
Derivatives	1,364	1,624	1,988	1,989	2,540	86.3%	56.4%	27.7%
Other financial liabilities held for trading	829	850	928	1,017	634	-23.5%	-25.3%	-37.6%
Financial liabilities at fair value through profit or loss	10,281	10,464	10,153	9,832	10,031	-2.4%	-4.1%	2.0%
Deposits from customers	**130**	**495**	**940**	**1,159**	**1,323**	**>100.0%**	**>100.0%**	**14.1%**
Debt securities issued	9,971	9,778	9,013	8,478	8,547	-14.3%	-12.6%	0.8%
Other financial liabilities	180	191	201	195	162	-9.7%	-15.1%	-17.1%
Financial liabilities at amortised cost	267,069	265,415	282,065	284,730	291,880	9.3%	10.0%	2.5%
Deposits from banks	35,387	31,886	34,781	36,665	36,158	2.2%	13.4%	-1.4%
Deposits from customers	**207,376**	**210,029**	**221,443**	**224,356**	**231,128**	**11.5%**	**10.0%**	**3.0%**
Debt securities issued	23,534	22,352	24,971	22,748	23,785	1.1%	6.4%	4.6%
Other financial liabilities	772	1,149	870	960	810	4.9%	-29.6%	-15.7%
Lease liabilities	582	588	606	653	653	12.1%	11.0%	-0.1%
Hedge accounting derivatives	230	309	319	358	380	65.2%	22.8%	6.1%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	-99.9%	0.0%	0.0%
Provisions	2,053	1,986	2,087	1,741	1,696	-17.4%	-14.6%	-2.6%
Current tax liabilities	87	144	153	92	114	30.5%	-20.6%	24.2%
Deferred tax liabilities	26	19	29	23	24	-7.1%	27.8%	3.9%
Liabilities associated with assets held for sale	1	0	0	0	0	-100.0%	n/a	n/a
Other liabilities	2,765	2,516	3,213	2,772	2,760	-0.2%	9.7%	-0.4%
Total equity	**23,954**	**23,513**	**24,068**	**23,886**	**24,584**	**2.6%**	**4.6%**	**2.9%**
Equity attributable to non-controlling interests	5,453	5,516	5,546	5,610	5,827	6.9%	5.6%	3.9%
Additional equity instruments	2,732	2,236	2,236	2,236	2,236	-18.2%	0.0%	0.0%
Equity attributable to owners of the parent	15,769	15,761	16,286	16,041	16,521	4.8%	4.8%	3.0%
Subscribed capital	860	860	860	860	860	0.0%	0.0%	0.0%
Additional paid-in capital	1,478	1,478	1,478	1,478	1,478	0.0%	0.0%	0.0%
Retained earnings and other reserves	13,432	13,424	13,948	13,703	14,183	5.6%	5.7%	3.5%
Total liabilities and equity	**309,240**	**307,428**	**325,610**	**327,093**	**335,297**	**8.4%**	**9.1%**	**2.5%**

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

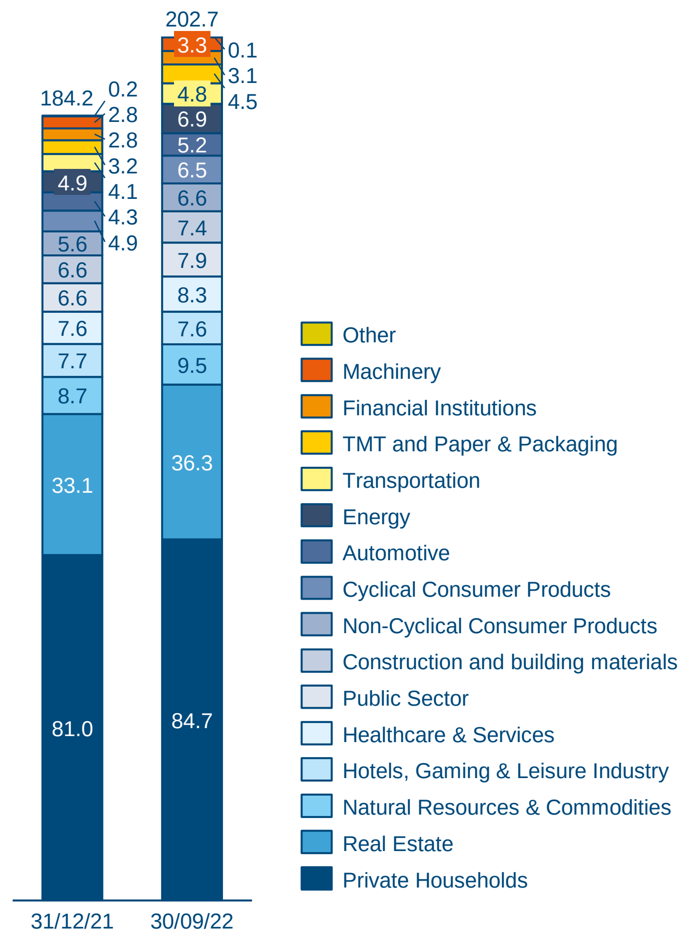
Gross cust. loans by risk category (EUR bn)



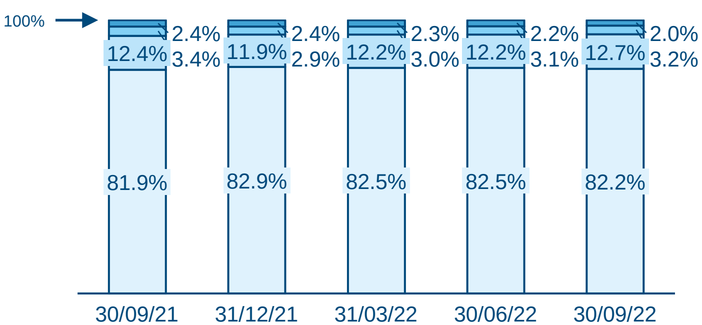
Gross customer loans by currency (EUR bn)



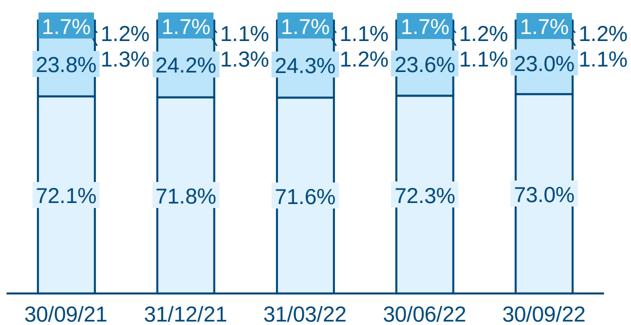
Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)



Gross customer loans by currency (in %)

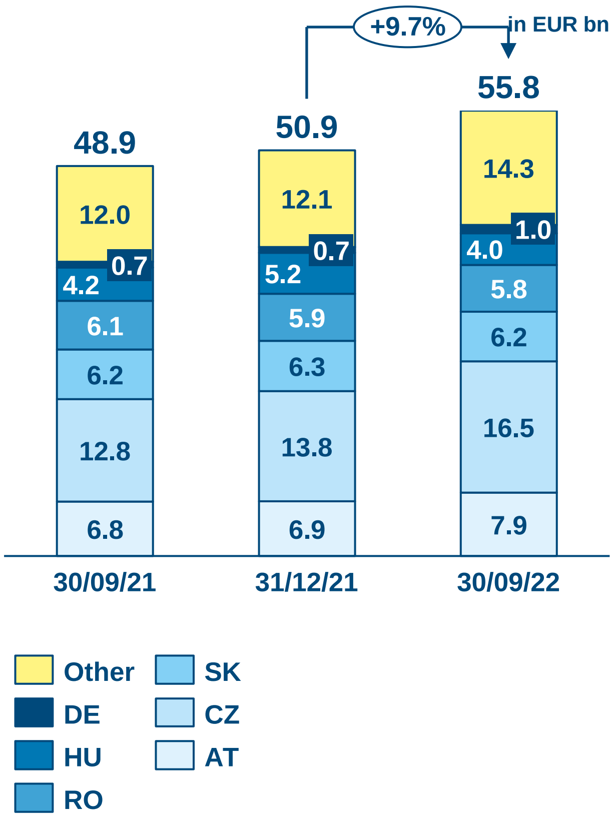


ERSTE Group

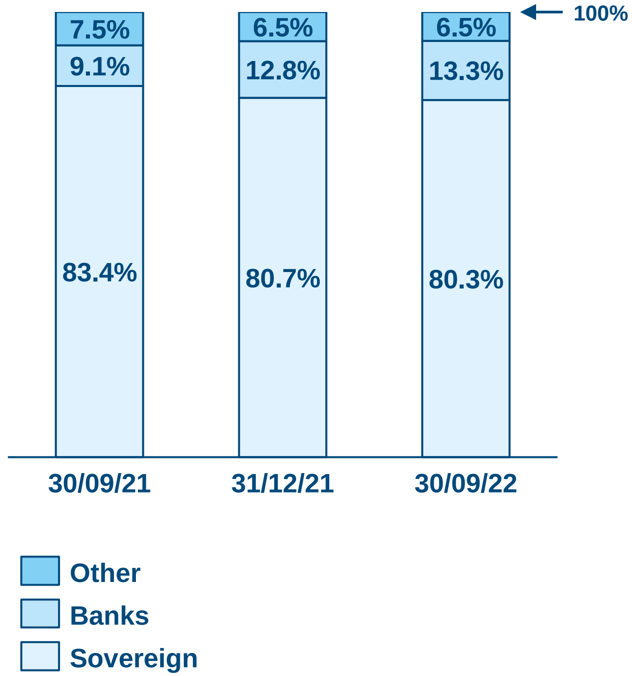
Additional information: financial and trading assets* –

LCR at excellent 145.4%

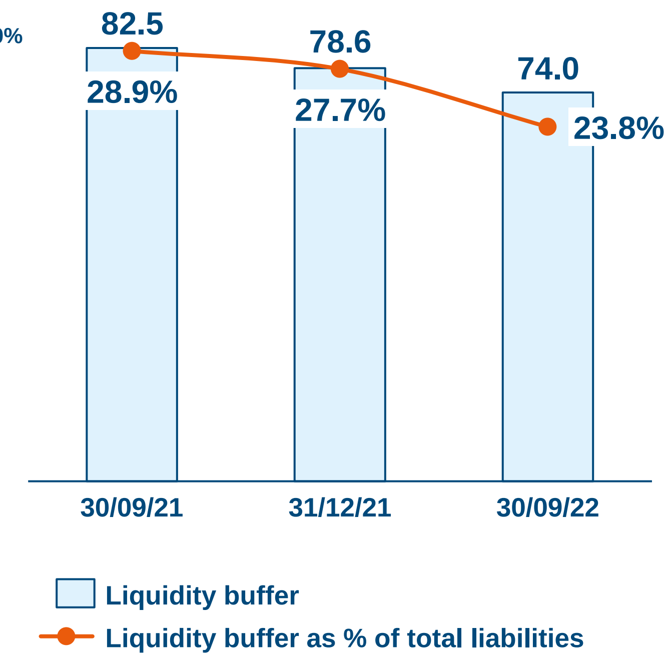
By geography



By debtor type



Liquidity buffer



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

* Excludes derivatives held for trading

ERSTE Group

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

Erste Group – Geographical/operating segments

- **Austria**
  - EBOe & Subsidiaries (AT/EBOe)
  - Savings Banks (AT/SB)
  - Other Austria (AT/OA)
    - Holding Business
    - Erste Group Immorent
    - Erste Asset Management
    - Intermarket Bank AG
- **Central and Eastern Europe**
  - Czech Republic (CZ)
  - Slovakia (SK)
  - Romania (RO
  - Hungary (HU)
  - Croatia (HR)
  - Serbia (RS)
- **Other**
  - Holding ALM
  - Holding CC
  - Other Subsidiaries
  - Group bookings and IC elimination
  - Free Capital

Erste Group – Business segments

- Retail
- Corporates
  - SME
  - Large Corporate
  - Commercial Real Estate
  - Public Sector
- Group Markets
- ALM & Local CC (ALM&LCC)
  - Asset/Liability Management
  - Local Corporate Center
- Savings Banks
- Group Corporate Center
  - Other Subsidiaries
  - Group bookings
  - Holding Corporate Center
  - Free Capital
- Intragroup Elimination

ERSTE Group

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

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

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

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

1 Use of proceeds

Eligible Green portfolios include

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

Eligible Social portfolios include

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

2 Project evaluation and selection

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

3 Management of proceeds

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

4 Reporting

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

Erste Group's SFF is aligned with:

The Social Bond Principles

EU TAXONOMY
FINAL REPORT

The Green Bond Principles

SUSTAINABLE DEVELOPMENT GOALS

The Sustainability Bond Guidelines

Additional information: Second party opinion

ISS ESG verified sustainable finance framework

Summary of Second Party Opinion

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

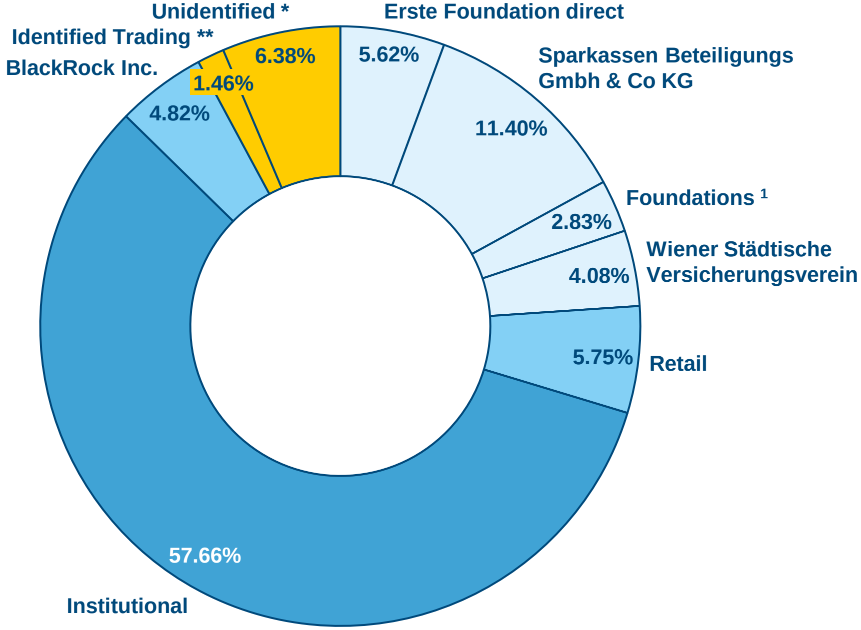
TRANSPARENCY LEVEL

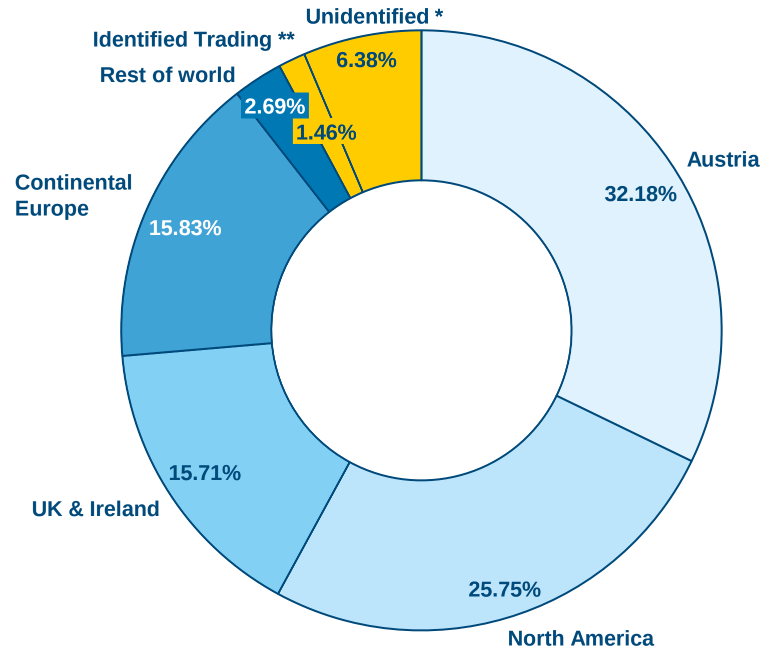
VERY HIGH

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

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

By investor	By region





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

Status as of 31 October 2022

Investor relations details

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  http://twitter.com/ErsteGroupIR **http://www.slideshare.net/Erste_Group**

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

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

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

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