Erste Group debt investor presentation

September 2021

ERSTE Group

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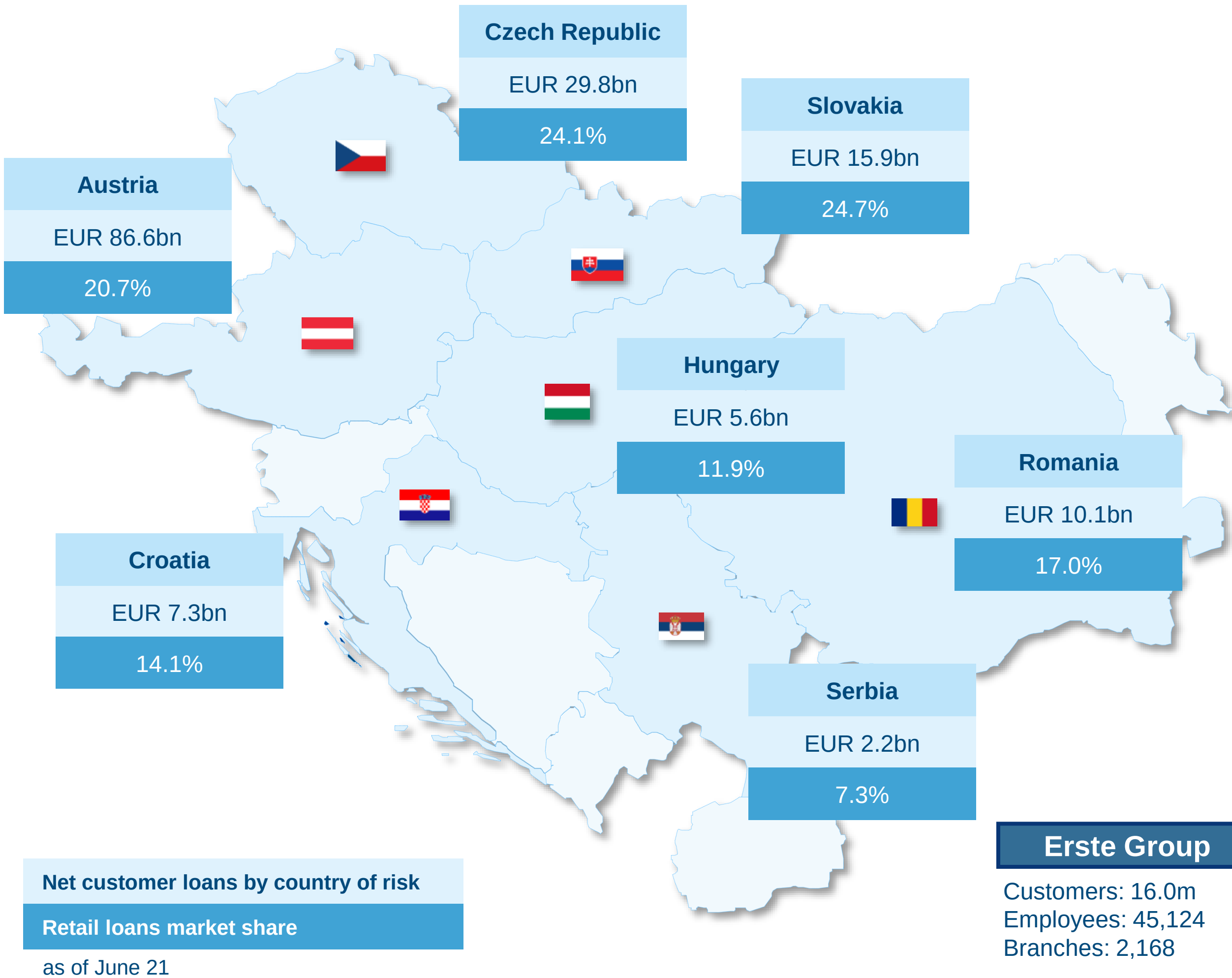
Presentation topics –

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

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



Erste Group

Customers: 16.0m
Employees: 45,124
Branches: 2,168

- Successful purpose driven business strategy: founded to create and safeguard prosperity
- Strong local banks with solid market positions in 7 core markets in CEE
- Favourable mix of mature and emerging markets with low penetration rates and high organic growth potential
- Dedicated omni-channel business model supported by cross-border digital platform George
- Strategy based on 3 pillars: efficiency, digital transformation and growth

Additional information: 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**
Focus on local currency mortgage and consumer loans funded by local deposits FX loans (in EUR) only where funded by local FX deposits (Croatia and Serbia) Savings products, asset management and pension products Expansion of digital banking offering	SME and local corporate banking Advisory services, with focus on providing access to capital markets and corporate finance Transaction banking services (trade finance, factoring, leasing) Commercial real estate business	Focus on customer business, incl. customer-based trading activities In addition to core markets, presences in Poland, Germany, New York and Hongkong with institutional client focus and selected product mix Building debt and equity capital markets in CEE	Financing sovereigns and municipalities with focus on infrastructure development in core markets Any sovereign holdings are only held for market-making, liquidity or balance sheet management reasons	Focus on banks that operate in the core markets Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

Additional information: 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

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; confirmed in March 2021.

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

In March 2021, Erste Group was **upgraded** to be at **low risk** status in March 2021 supported by strong management of material ESG issues.

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.

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

Moody's

Macro Profile	
Strong	

+

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

+

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

=

BCA Baseline Credit Assessment	**baa1**

+

Affiliate Support	0

=

Adjusted BCA	**baa1**

+

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

=

Senior Unsecured Long-Term Outlook / Short-Term

A2 Stable / P-1

S&P Global Ratings

SACP - Stand-Alone Credit Profile

a

▲

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

+

Support	**0**

▲

ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

+

Additional Factors	0

=

Issuer Credit Rating Long-Term Outlook / Short-Term

A Stable / A-1

FitchRatings

VR - Viability Rating (Individual Rating)

a-

SRF - Support Rating Floor

NF (No Floor)

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

A Negative / F1

Status as of 1 December 2020

Presentation topics

Presentation topics

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

Key developments –
Setting the frame for the presentation

- **CEE macro recovery is in full swing, expected 2021 real GDP growth upgraded to 3-7%**
  - Opening up of economies as vaccination rates advance
  - Economic growth in CEE & Austria has outperformed expectations so far this year
  - First rate hikes delivered in Czech Republic (June) and Hungary (June and July), further tightening expected
  - Improved loan growth guidance for 2021: **mid-single digit with upside**

- **Fee performance goes from strength to strength**
  - Strong recovery in payment services fees under way
  - Asset management fees continue to make strong growth contribution
  - Guidance upgrade to **high-single digit** growth in 2021

- **Benign credit risk environment results in markedly improved 2021 risk cost guidance**
  - Risk cost guidance revised to max 30bps in 2021, following 10bps in H1 21
  - NPL ratio estimated at max 3% at year-end 2021

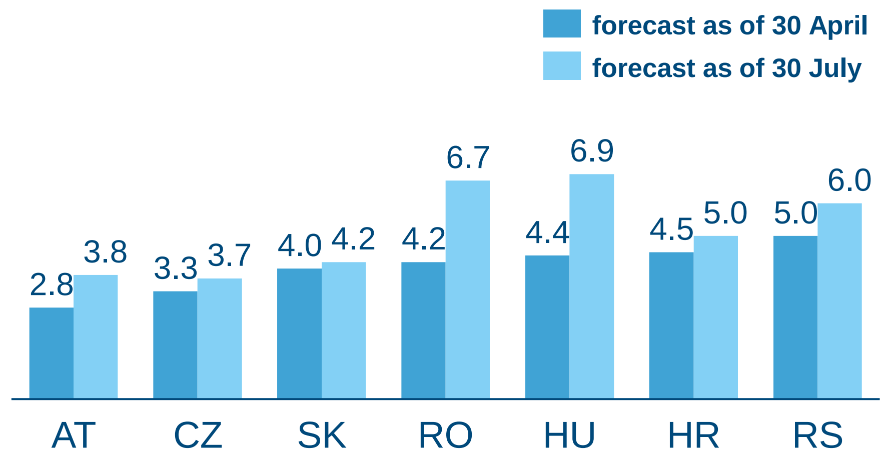
- **Further outlook upgrades**
  - NII expected slightly up in 2021, operating result with solid positive operating jaws and net profit set to improve significantly, return to double-digit ROTE

- **Erste Group returns to progressive dividend policy**
  - Payout 2021: EUR 1.0 per share additional payment following ECB lifting its dividend restriction; subject to EGM approval in Q4 21
  - Payout 2022: Erste Group targets EUR 1.6 DPS for business year 2021

Macroeconomic update –
CEE recovery stronger than previously expected, first rate hikes in CZ & HU

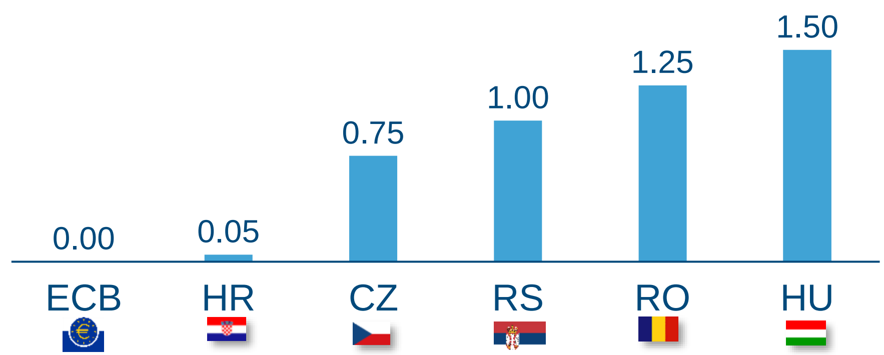
- **CEE economies have switched to higher gear**
  - Q1 2021 real GDP growth outperformed expectations in CEE & AT
  - Successful vaccination drive paved the way for easing restrictions
  - Industrial sentiment has remained favourable in CEE
  - EU Multi-Annual Financial Framework and Next Generation funds to further support recovery and growth
  - CZ: private consumption to benefit from income tax cut & tight labour market
  - HU: significant public investments expected from H2 2021
  - HR: economic recovery significantly depends on tourism
- **Interest rate tightening cycle has started in CEE**
  - Strong economic recovery and elevated inflation led to higher rate expectations
    - CEE economies have proved their resilience and experienced quick recovery
    - Inflation has risen due to mismatch between supply and demand following re-opening of economies; expected to significantly ease in H1 2022
  - First rate hikes delivered in Czech Republic (June & August) and Hungary (June, July & August); both are committed to further tightening
    - CZ: 1.25% expected by end 21; 2.00% by end 22
    - HU: 2.10% expected by end 21; no further hikes in 22
    - RO: first rate hike expected in Q4 2021 to 1.50%, 2.00% by end 22

Real GDP expectations for 2021 (in %)



Key interest rates (in %)

(as of 8 September)

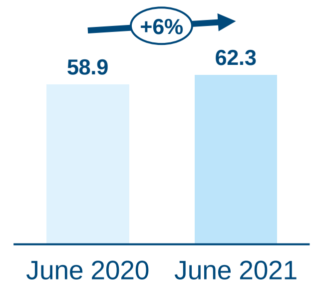


Business update –
Retail – what‘s happening on the ground? (1)

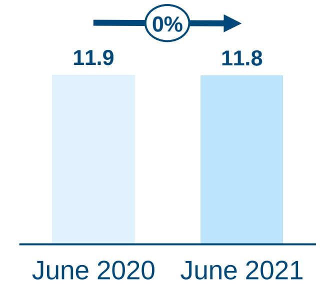
- Strong **demand for housing loans**, continues in Q2 2021; re-financing as one of the key drivers in CEE
- **Demand for consumer loans has started to recover,** but remains below 2019 levels, still reflecting uncertainty among specific segments of the client base
- **Deposit volumes** continue to **increase**, customers see Erste Group as a trusted partner
- **High demand for securities products**, proving strategic focus on building up wealth
  - Substantial increase in fee income from securities driven by AT, CZ, HU – investment funds volumes and number of transactions growing
  - Long term securities saving plans in focus
    - Increase of opened securities saving plans strongly supported by new digital solutions
    - Annualised investment volume regular savings: > EUR 1 bn
- **Demand** from customers **for insurance solutions growing** given increased awareness for financial protection (e.g. because of natural disasters in our region)

Loan portfolio
(in EUR billion)

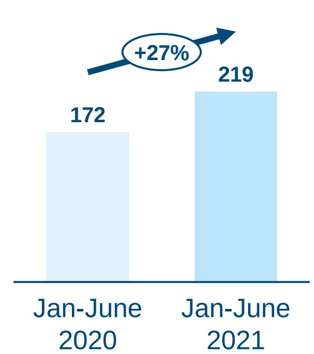
Housing loans



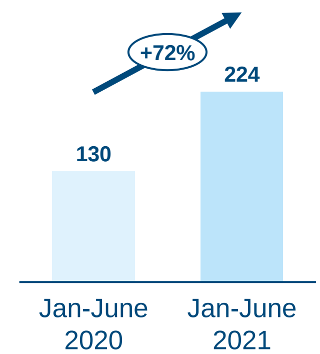
Consumer loans



Development of fee income securities (in EUR million)



Newly opened regular securities saving plans (in thsd pieces)



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

- **Branch operations** back to “normal”, client traffic slightly below pre-crisis levels

- **Clients going digital**:
  - More than **7 million George users** across 6 markets
  - Digital sales continue to increase; current accounts, consumer loans and term deposits as “most popular” digital products

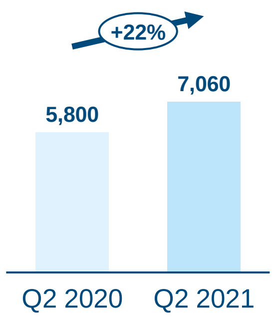
- **Offering for securities and insurance products** further extended, additional “green products” under development:
  - Offering of **sustainable investment solutions** broadened (e.g. Erste Green Invest, Erste Fair Invest)
  - Offering of **green mortgages** being prepared for selected markets
  - **George insurance hub** set up in cooperation with Vienna Insurance Group in Prague, delivering digital Bancassurance solutions for Erste Group

- Erste’s **advice and support**, both by its advisors and in George, proves to be **highly relevant to customers**

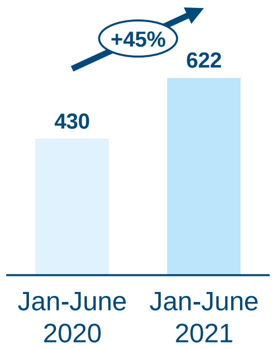
- **Customer experience** indicators therefore continue to show a **positive development**, outperforming the main competitors and supporting the acquisition of new clients

- Erste to **continue strengthening advisory proposition and digital offering** via George

Number of George users
(2020 vs 2021, in thsd)



Development of digital sales
(2020 vs 2021, in thsd pieces)



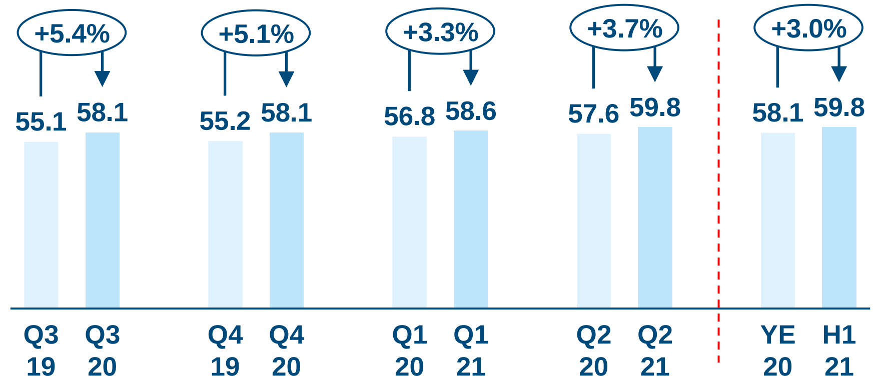
Business update

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

- **Recovery continues**
  - Loan demand mostly driven by large corporates and real estate clients; SME picking up again
  - Early repayments of wholesale loans visible
  - NII pressure partially compensated by increasing arrangement, payment and lending fees
- **Strong rebound in capital markets business**
  - 120 mandated transactions (for all C&M customer segments) with a total issuance volume of EUR 62bn accompanied by Erste Group (+8% yoy)
  - Net trading result improving; good performance in securities fees due to significant origination in equity as well as in debt capital markets
- **Asset management sales are up again**
  - Assets under management stood at EUR 73bn at the end of H1 21; up by EUR 1.7bn since end of March
- **ESG related business grows**
  - Debut ESG linked bond of Erste Group very successful (EUR 500mn benchmark issue for green and social finance purposes)
  - Customer demand for advisory services (related to loan and capital markets business) is very high, in both corporate (incl. real estate) and FI segments

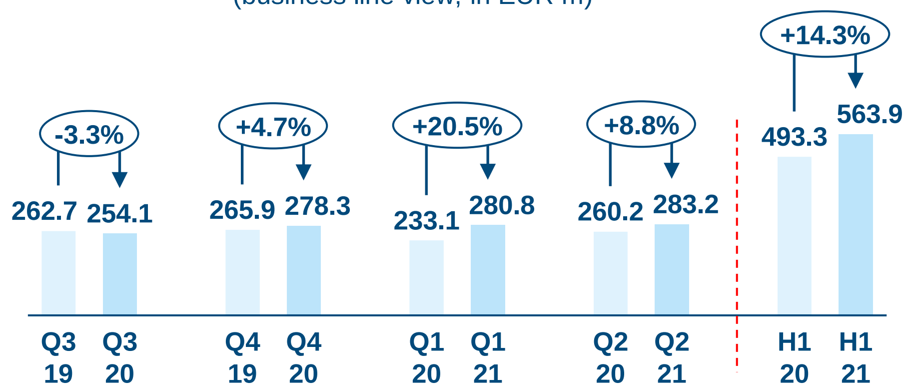
Corporate loan stock development

(gross, business line view, in EUR bn)



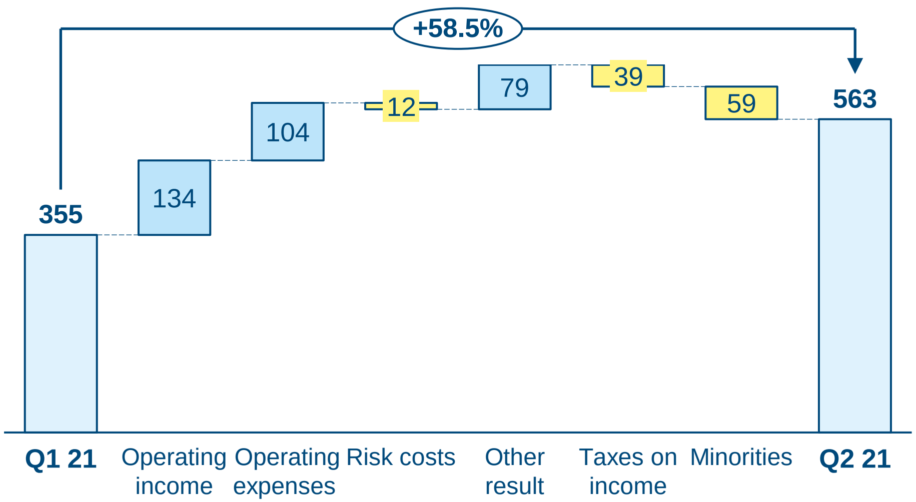
Corporate segment operating results development

(business line view, in EUR m)

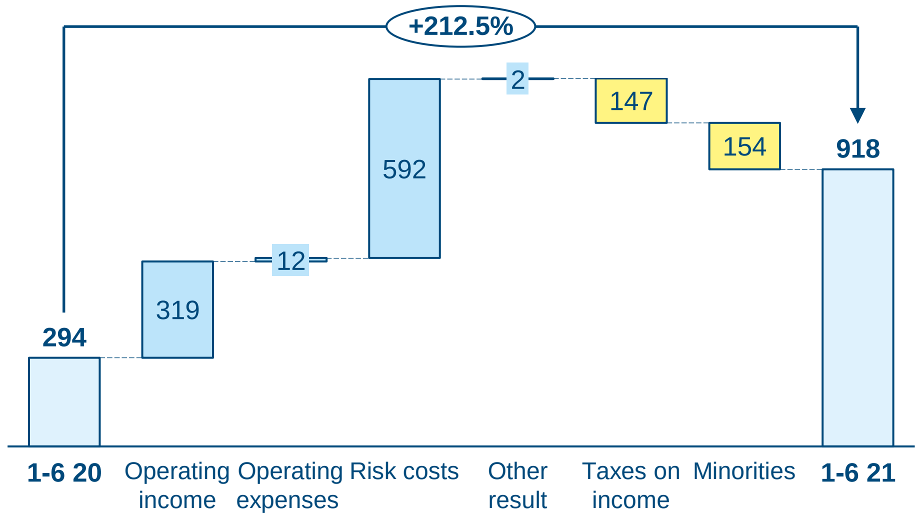


Executive summary –
Group income statement performance

QoQ net profit reconciliation (EUR m)



YoY net profit reconciliation (EUR m)

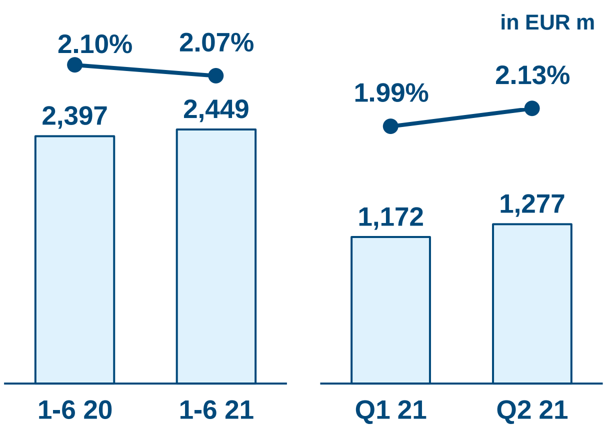


- Q2 21 net result advanced to EUR 562.9m mainly on exceptional operating performance
- Rising operating income driven by NII (TLTRO III one-off booking of EUR 92.4m) and **another record fee quarter**
- Operating expenses and other result improve mainly on seasonal bookings (deposit insurance; resolution fund contributions and the HU banking levy) in Q1

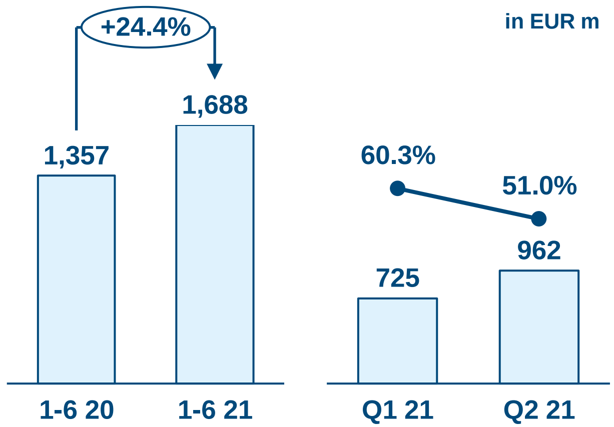
- Yoy net profit growth primarily driven by lower risk costs and substantially higher operating income, offset higher tax charge and minorities
- **Operating performance** driven by improvements in all core income lines
- Higher minorities charge due to improved profitability at savings banks

Executive summary –
Key income statement data

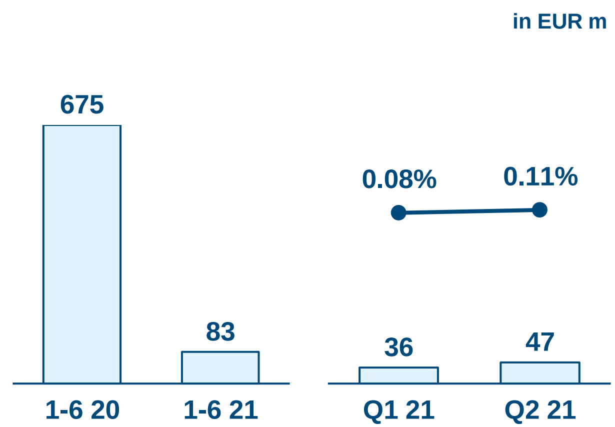
Net interest income & margin



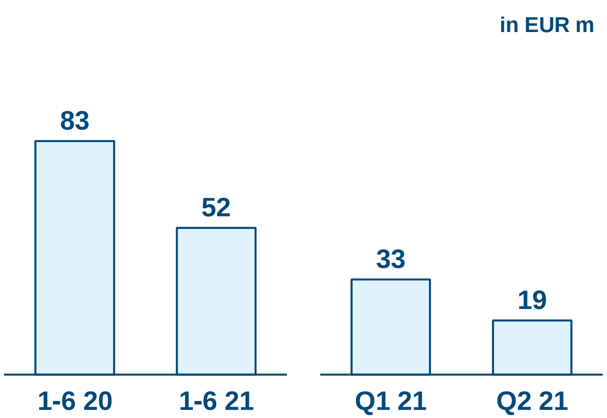
Operating result & cost/income ratio



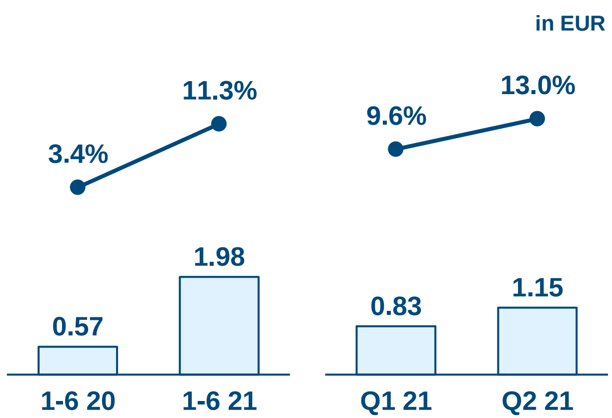
Cost of risk



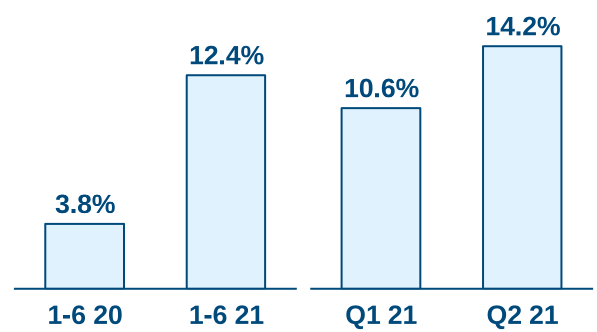
Banking levies



Reported EPS & ROE

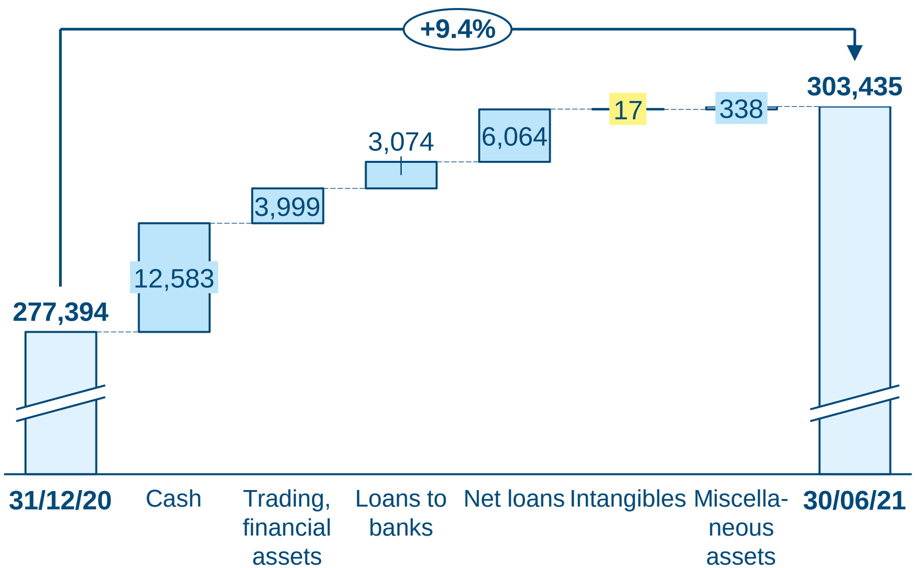


Return on tangible equity

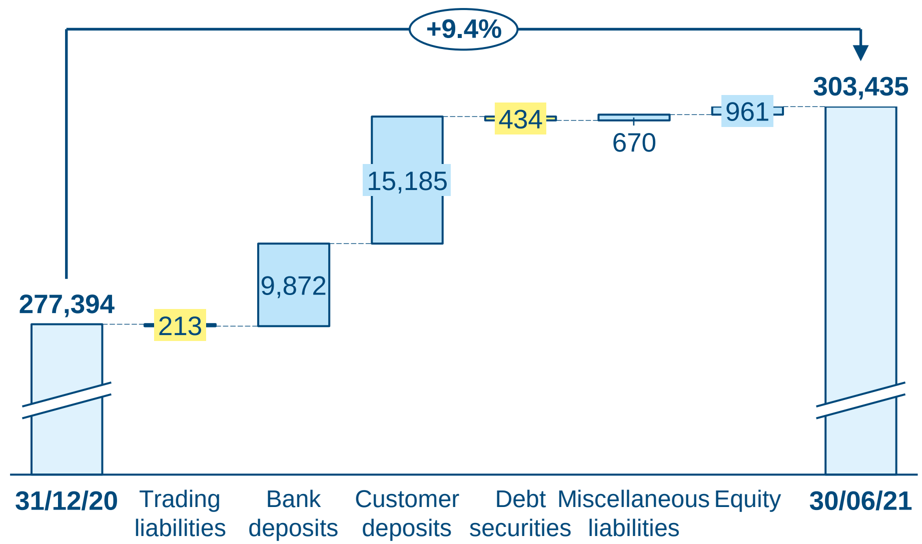


Executive summary –
Group balance sheet performance

YTD total asset reconciliation (EUR m)



YTD equity & total liability reconciliation (EUR m)



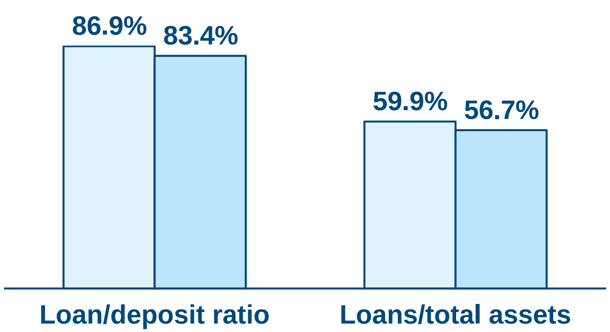
- Total assets up by 9.4%, mainly driven by a substantial increase in cash (+35.1%); net loans to customers increased by 3.7%
- Increase in the liquidity surplus (cash position) mainly driven by TLTRO III uptake and client deposit inflows

- Total liability growth driven by a continuation of rising bank deposits (+39.9%) and customer deposits (+7.9%)
- Growing customer deposits result in a loan/deposit ratio of 83.4% (YE 20: 86.9%)
- Increase in equity reflects rising net result

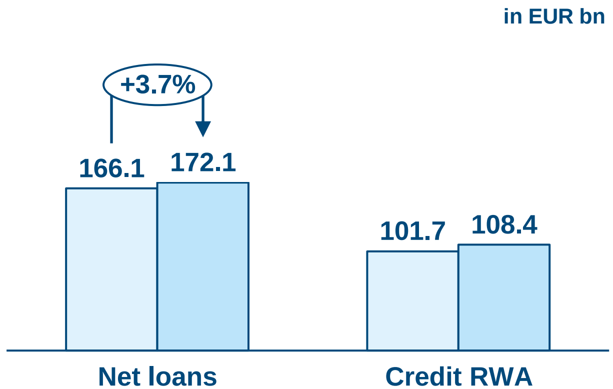
Executive summary –
Key balance sheet data

31/12/20
30/06/21

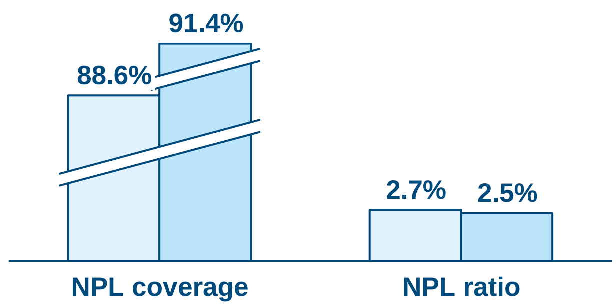
Loan/deposit & loan/TA ratio



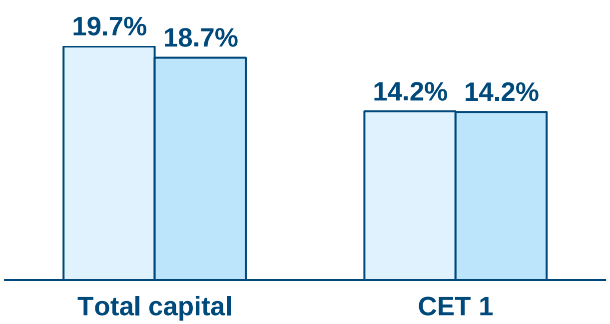
Net loans & credit RWA



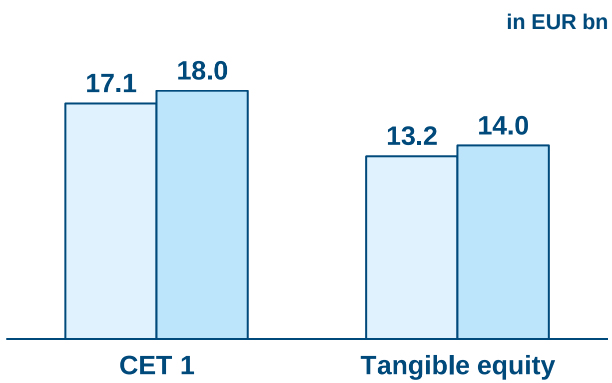
NPL coverage ratio & NPL ratio



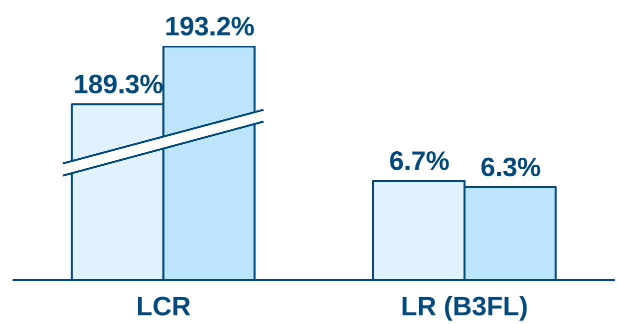
B3FL capital ratios



B3FL capital & tangible equity[1]



Liquidity coverage & leverage ratio[2]



1) Based on shareholders' equity, not total equity

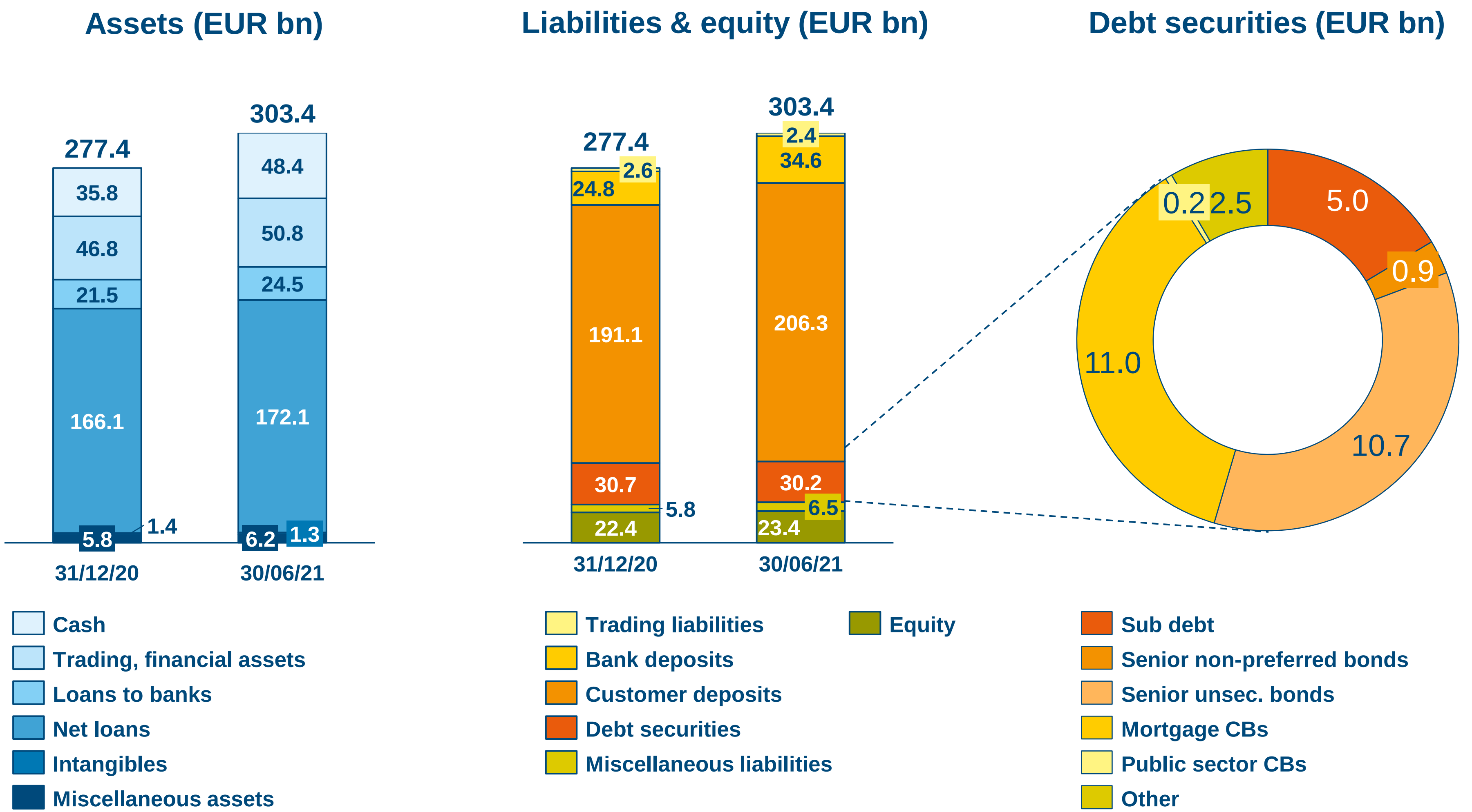
2) Includes central bank exposures

Conclusion –
Key takeaways and outlook for 2021

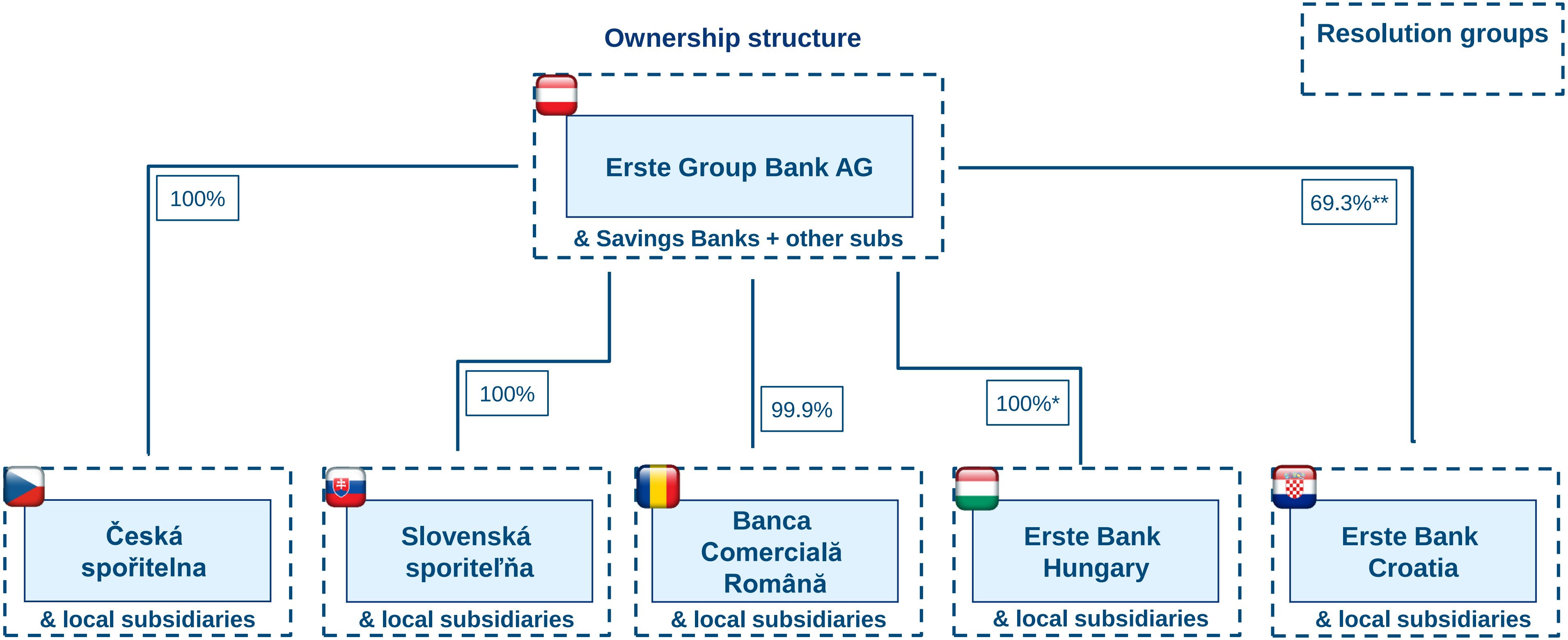
	Q2 21 key takeaways	2021 outlook
Operating environment	• **Macro recovery on track in CEE, forecasts upgraded significantly in Q2 21** • Loan growth accelerated at +3.7% ytd • Deposit growth decelerated markedly in Q2 21	• **Real GDP to rise ~3-7% in 2021** in Erste Group's markets • Loan growth in mid single digits with upside
Business performance	• **Strong fee performance** driven by asset management and payment services • NII supported by TLTRO III booking • Sound cost development	• **Operating result with solid positive operating jaws**
Credit risk	• Benign risk environment results in low risk costs • Strong asset quality indicators: NPL ratio at 2.5%, NPL coverage at 91.4%	• **2021e risk charge expected to be max 30 bps of gross customer loans** • 2021e NPL ratio expected at max 3%
Capital position & capital return	• **Fully loaded CET 1 ratio remained solid** at **14.2%** • EUR 0.8 DPS accrued in H1 21	• EUR 1/share catch-up dividend in Q4, following ECB lifting dividend restriction; subject to EGM approval • **EUR 1.6 DPS target for business year 2021**
Profitability	• **ROTE again hit double-digit level: 14.2%** as improved operating performance and low risk costs were key net profit drivers	• 2021e net result to be significantly higher than in 2020 • **Return to double-digit ROTE expected for 2021**
Risk factors to guidance		• Political, regulatory, geopolitical, economic, health and competition risks, also nonfinancial and legal risks • Elevated level of uncertainty due to Covid-19 crisis • Economic downturn may put goodwill at risk

Presentation topics

Erste Group's balance sheet structure –
Favourable loan/deposit ratio of 83.4% at Jun 21 (Dec 20: 89.6%)



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



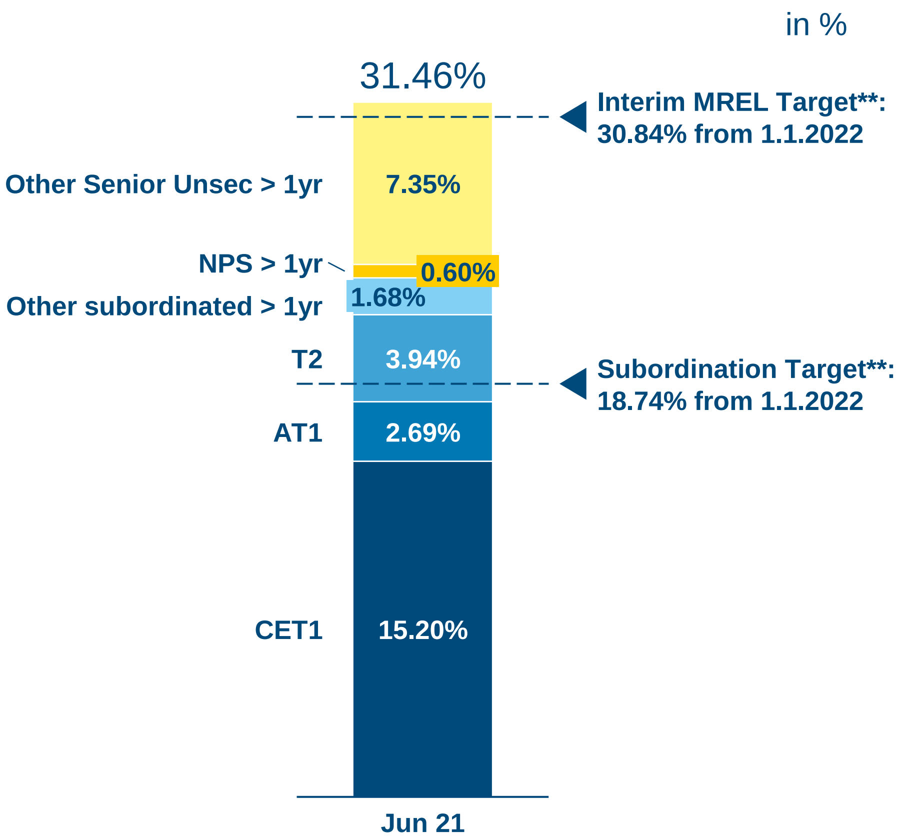
Erste Group follows an MPE resolution strategy with each resolution group issuing its external MREL debt

*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

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 2021, Erste Group Bank AG received its MREL requirement calibrated on balance sheet data as of 31 Dec 2019 and based on BRRD2
- Erste Group Bank AG, as the Point of Entry of the Austrian resolution group, must comply with a MREL requirement of 30.84% of TREA (incl. CBR) and 9.92% of Leverage Ratio Exposure (LRE). In addition, the subordination requirement is set at 18.74% (incl. CBR) of TREA and 8.60% of LRE respectively.
- Based on the Austrian resolution group's RWAs as of June 2021 of approx. EUR 83.4bn, the current MREL ratio stands at 31.46%, thereof 24.10% being subordinated eligible liabilities.
- As of Q2 2021 the AT resolution group would be compliant with the interim MREL and subordination requirements (TREA and LRE-based) to be fulfilled from 1 Jan 2022.
- Potential changes in the MREL requirement will be reflected in Erste Group Bank AG's funding plan as to ensure compliance with MREL & subordination targets

Erste Group's long-term issuance track record –
Most recent transactions including pre-funding activities

September 2021	May 2021	January 2021	November 2020	November 2020
Erste Group Bank	Erste Group Bank	Erste Group Bank	Erste Group Bank	Erste Group Bank
EUR 500,000,000 8y Senior Preferred	**EUR 500,000,000 7y Sustainable Senior Preferred**	**EUR 500,000,000 10y Senior Preferred**	**EUR 750,000,000 AT1 perpNC2028**	**EUR 750,000,000 8NC7 Senior Preferred**
Joint Bookrunner	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner	Joint Bookrunner

- Erste Group started into 2021 with a successful EUR 500mn **senior preferred note** (bullet format) in January; deal was printed at MS+55bp with a minimal new issue concession of 2bps
- After Q1 2021 results, Erste Group announced its **inaugural sustainable senior preferred note**:
  The EUR 500mn 7y transaction was priced at MS+35bps – inside the spotted fair value – translating into a 2bps "greenium".
- In September 2021 Erste Group decided to return to the senior preferred market with a EUR 500mn 8y note priced at MS+45bp

Pre-funding activities in November 2020:

- EUR 750mn 8NC7, the inaugural callable senior preferred note (eligible-liabilities format) at MS+52bp thus at the same level as September's 5y note
- EUR 750mn perpNC7.4 AT1 with a 4.25% p.a. coupon resulted in Erste Group's prudently exceeding Pillar 1 and 2 AT1 requirements

Additional information: Erste Group Bank AG as issuer

Summary of benchmark issues

Seniority	ISIN	Coupon	Reset	Maturity / First Call	Term	Currency	Volume in mn
Mortgage Covered Bond	XS0743547183	3.500%		08/02/2022	10	EURO	1,000
Mortgage Covered Bond	XS1346557637	0.625%		19/01/2023	7	EURO	750
Mortgage Covered Bond	XS1845161790	0.250%		26/06/2024	6	EURO	750
Mortgage Covered Bond	XS1181448561	0.750%		05/02/2025	10	EURO	500
Mortgage Covered Bond	XS1807495608	0.625%		17/04/2026	8	EURO	750
Mortgage Covered Bond	XS1550203183	0.625%		18/01/2027	10	EURO	750
Mortgage Covered Bond	XS1750974658	0.750%		17/01/2028	10	EURO	1,000
Mortgage Covered Bond	AT0000A2A6W3	0.010%		11/09/2029	10	EURO	500
Mortgage Covered Bond	AT0000A2CDT6	0.100%		15/01/2030	10	EURO	750
Mortgage Covered Bond	AT0000A286W1	0.875%		15/05/2034	15	EURO	500
Senior Preferred	XS1982725159	0.375%		16/04/2024	5	EURO	500
Senior Preferred	AT0000A2JAF6	0.050%		16/09/2025	5	EURO	500
Senior Preferred	AT0000A2GH08	0.875%		13/05/2027	7	EURO	750
Senior Preferred	AT0000A2KW37	0.100%	3m Euribor +52bps	16/11/2027	8NC7	EURO	750
Sustainable Senior Preferred	AT0000A2RAA0	0.125%		17/05/2028	7	EURO	500
Senior Preferred	AT0000A2SUH1	0.250%		14/09/2029	8	EURO	500
Senior Preferred	AT0000A2N837	0.250%		27/01/2031	10	EURO	500
Senior Non-Pref.	XS2000538343	0.875%		22/05/2026	7	EURO	500
Tier 2	XS0840062979	7.125%		08/10/2022	10	EURO	302
Tier 2	XS2083210729	1.000%	5y ms+130.0bps	10/06/2025	10.5NC5.5	EURO	500
Tier 2	AT0000A2J645	1.625%	5y ms+210.0bps	08/09/2026	11NC6	EURO	500
AT1	XS1597324950	6.500%	5y ms+620.4bps	15/04/2024	perpNC7	EURO	500
AT1	XS1961057780	5.125%	5y ms+485.1bps	15/10/2025	perpNC6.5	EURO	500
AT1	XS2108494837	3.375%	5y ms+343.3bps	15/04/2027	perpNC7.2	EURO	500
AT1	AT0000A2L583	4.250%	5y ms+464.6bps	15/04/2028	perpNC7.4	EURO	750

Presentation topics

ERSTE Group

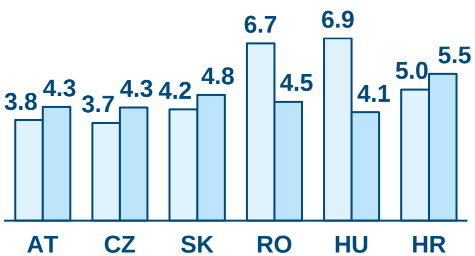
Presentation topics

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

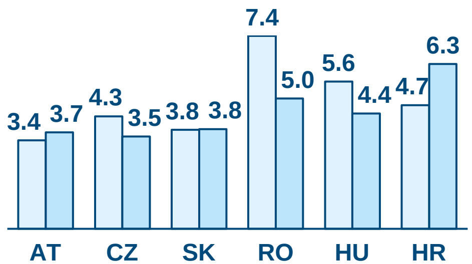
Macroeconomic update –
Significant economic rebound expected in 2021 & 2022

2021
2022

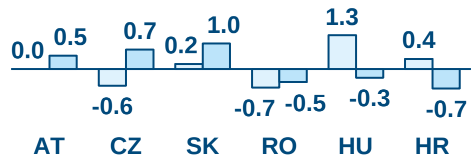
Real GDP growth (in %)



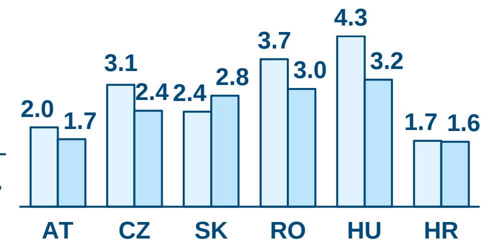
Dom. demand contribution* (in %)



Net export contribution* (in %)

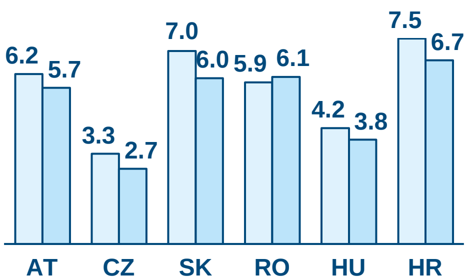


Consumer price inflation (avg, in %)

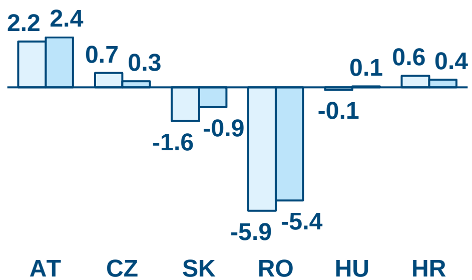


- Based on better than expected Q1 2021 economic performance growth expectations have been upgraded in all CEE countries & Austria
- Recovery has been mostly driven by industrial output, exports of goods and government consumption
- Household consumption expected to significantly recover in coming quarters

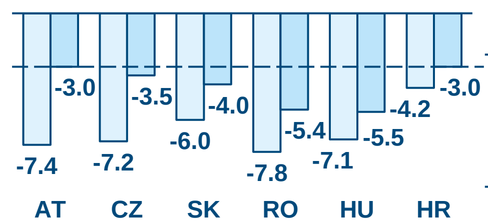
Unemployment rate (avg, in %)



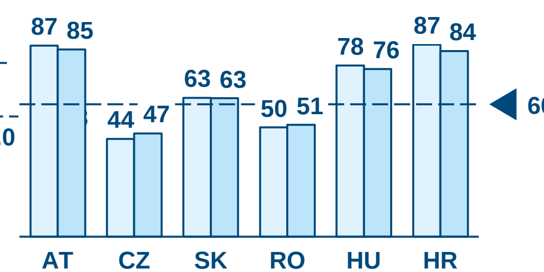
Current account balance (% of GDP)



Gen gov balance (% of GDP)



Public debt (% of GDP)



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

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

Presentation topics

- Macroeconomic update
- Operating trends
  - Volumes
  - Revenues and costs
  - Impairments and asset quality
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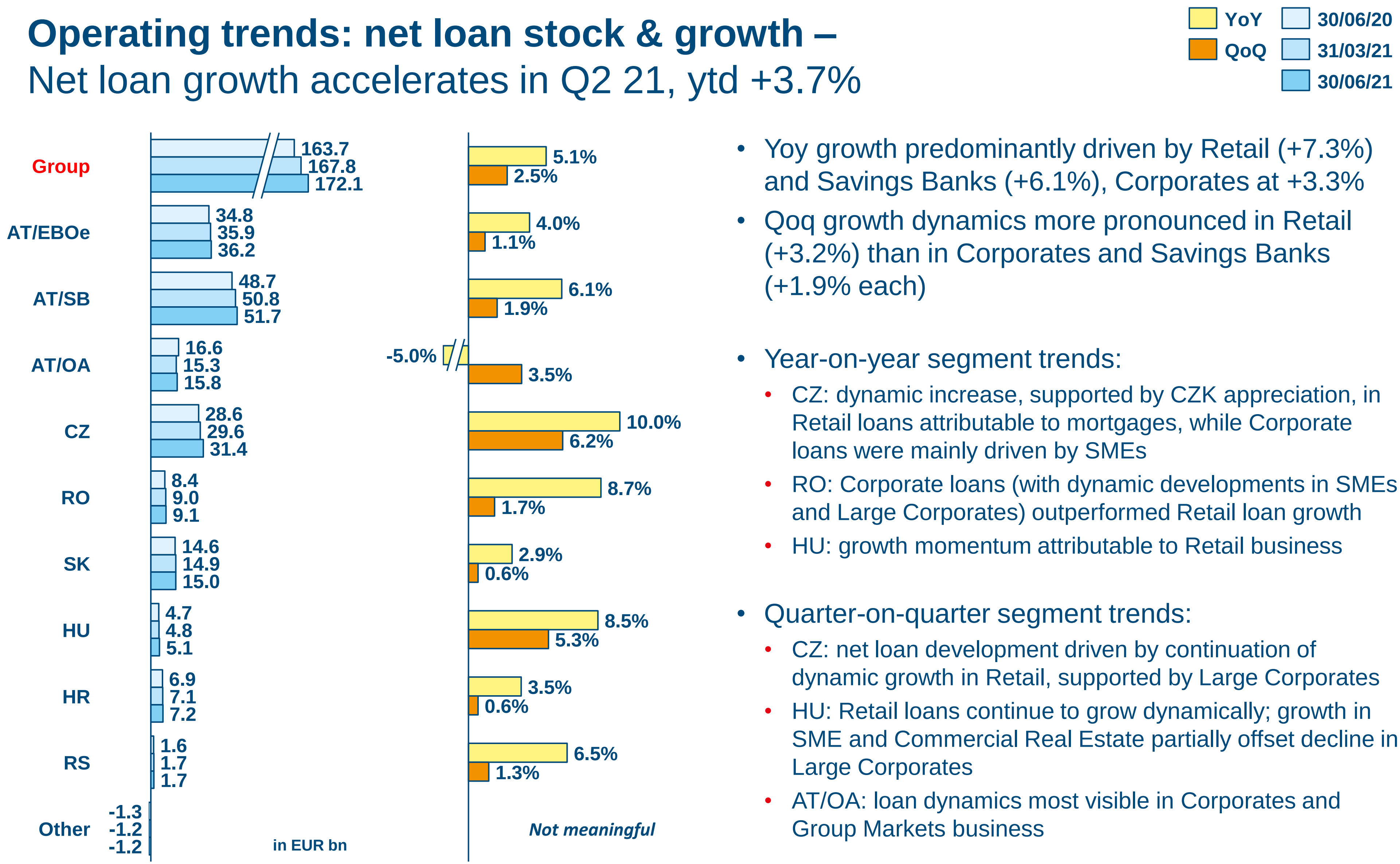
Operating trends: net loan stock & growth –
Net loan growth accelerates in Q2 21, ytd +3.7%



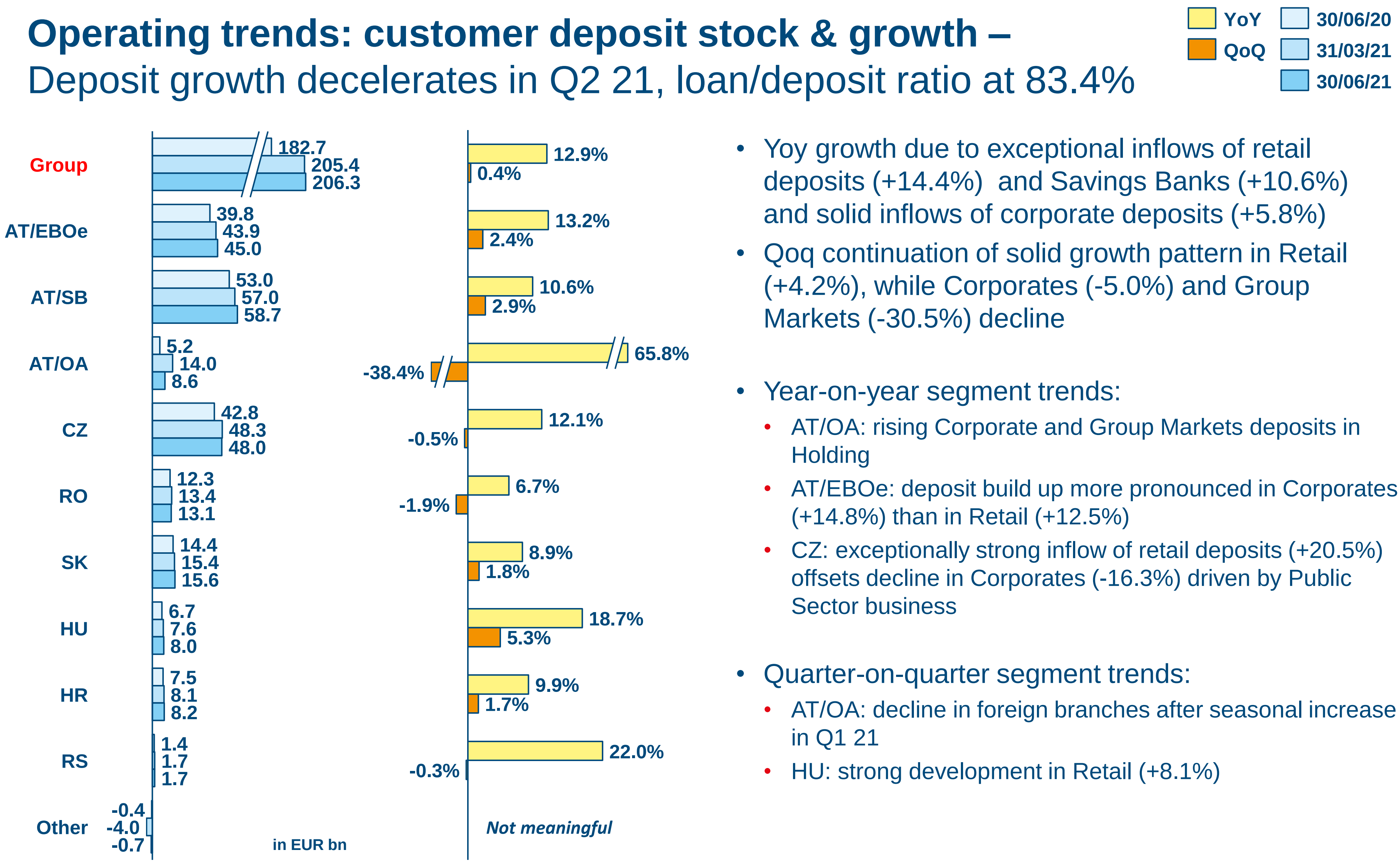
- Yoy growth predominantly driven by Retail (+7.3%) and Savings Banks (+6.1%), Corporates at +3.3%
- Qoq growth dynamics more pronounced in Retail (+3.2%) than in Corporates and Savings Banks (+1.9% each)

- Year-on-year segment trends:
  - CZ: dynamic increase, supported by CZK appreciation, in Retail loans attributable to mortgages, while Corporate loans were mainly driven by SMEs
  - RO: Corporate loans (with dynamic developments in SMEs and Large Corporates) outperformed Retail loan growth
  - HU: growth momentum attributable to Retail business

- Quarter-on-quarter segment trends:
  - CZ: net loan development driven by continuation of dynamic growth in Retail, supported by Large Corporates
  - HU: Retail loans continue to grow dynamically; growth in SME and Commercial Real Estate partially offset decline in Large Corporates
  - AT/OA: loan dynamics most visible in Corporates and Group Markets business

ERSTE Group

Operating trends: customer deposit stock & growth –
Deposit growth decelerates in Q2 21, loan/deposit ratio at 83.4%



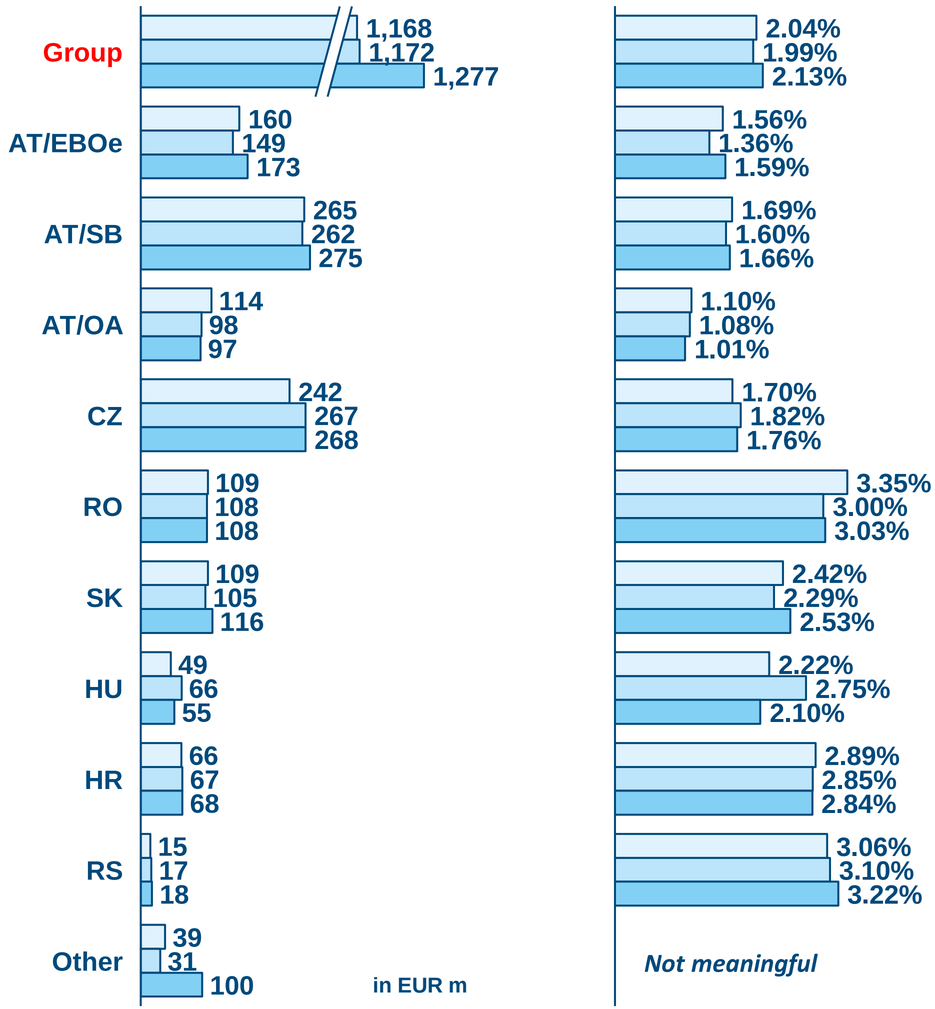
- Yoy growth due to exceptional inflows of retail deposits (+14.4%) and Savings Banks (+10.6%) and solid inflows of corporate deposits (+5.8%)
- Qoq continuation of solid growth pattern in Retail (+4.2%), while Corporates (-5.0%) and Group Markets (-30.5%) decline

- Year-on-year segment trends:
  - AT/OA: rising Corporate and Group Markets deposits in Holding
  - AT/EBOe: deposit build up more pronounced in Corporates (+14.8%) than in Retail (+12.5%)
  - CZ: exceptionally strong inflow of retail deposits (+20.5%) offsets decline in Corporates (-16.3%) driven by Public Sector business

- Quarter-on-quarter segment trends:
  - AT/OA: decline in foreign branches after seasonal increase in Q1 21
  - HU: strong development in Retail (+8.1%)

Operating trends: NII and NIM –
NII advances, mainly driven by TLTRO III booking

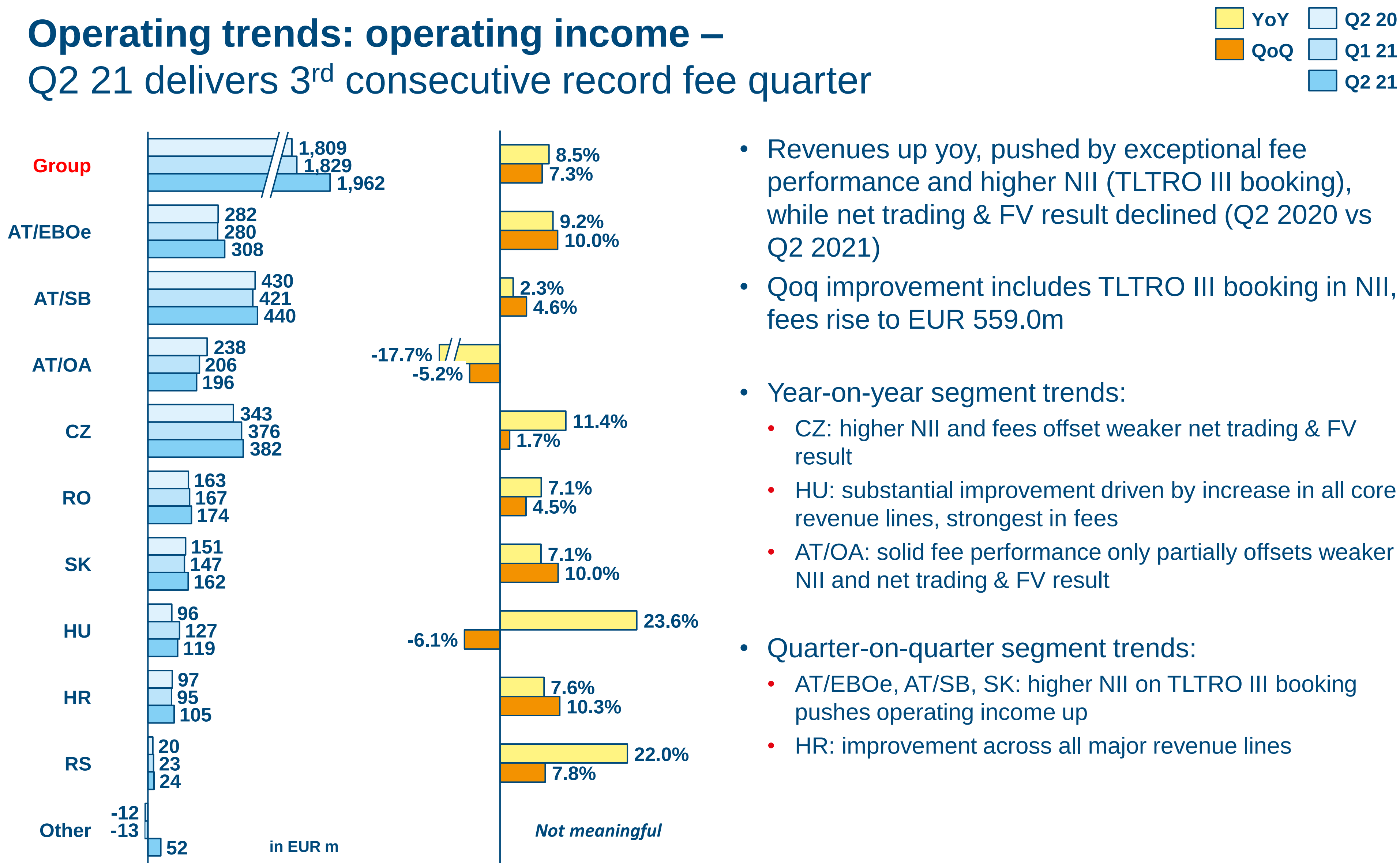
Q2 20
Q1 21
Q2 21



- NII up yoy and qoq mainly attributable to TLTRO III booking in AT and SK
- Year-on-year segment trends:
  - AT/EBOe, AT/SB: TLTRO III booking; loan growth partially offsetting margin pressure
  - AT/OA: NII decreases on declining margins, most notably in foreign branches and Holding money market portfolio
  - CZ: higher volumes in retail housing loans; FX effect of EUR 14.6m
- Quarter-on-quarter segment trends:
  - AT/EBOe, AT/SB, SK: significant improvement mainly driven by TLTRO III booking
  - HU: decline in NII attributable to higher interest expense related to intercompany loan
  - Other: improvement in Holding ALM due to TLTRO III booking

ERSTE Group

Operating trends: operating income –
Q2 21 delivers 3rd consecutive record fee quarter

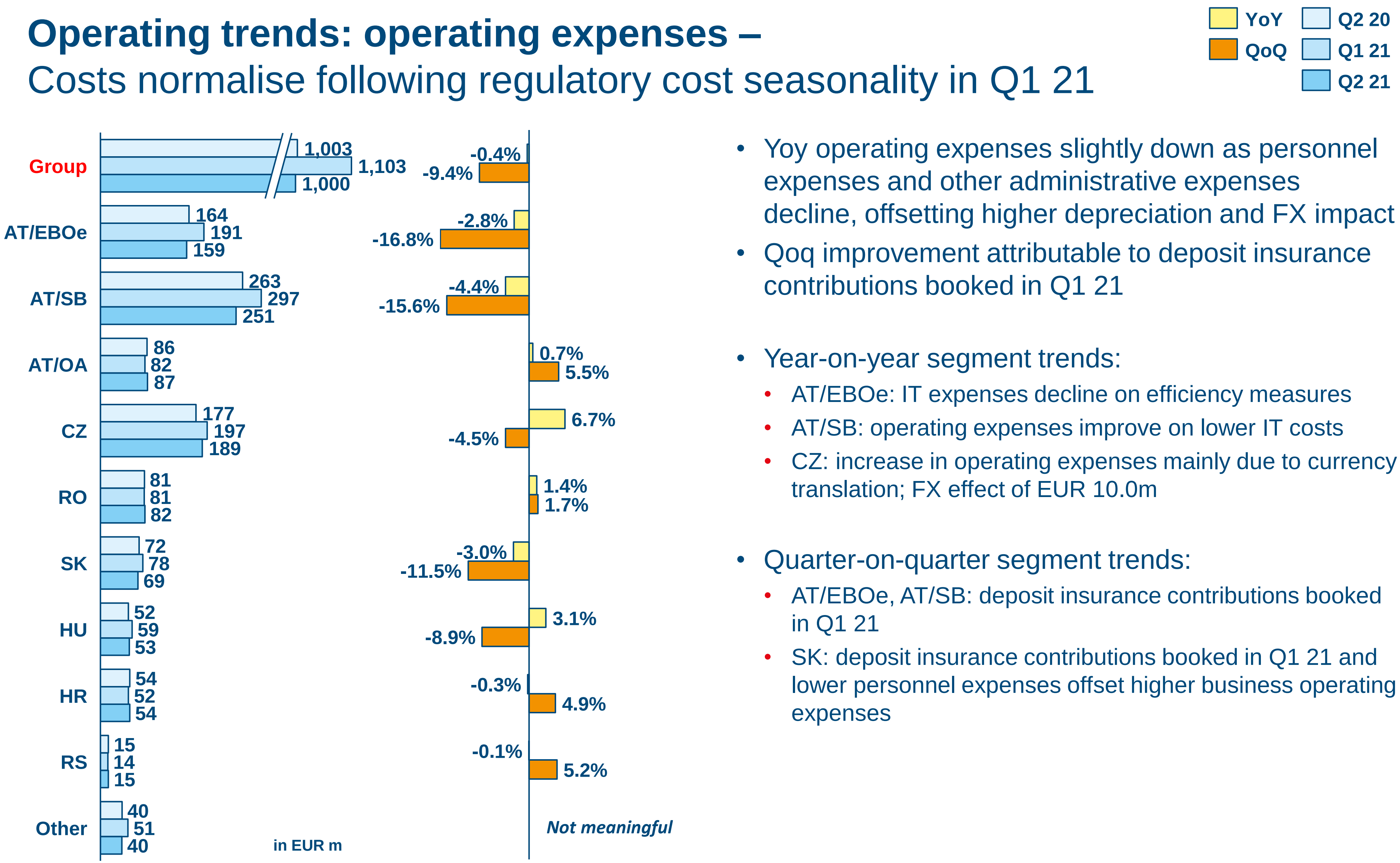


- Revenues up yoy, pushed by exceptional fee performance and higher NII (TLTRO III booking), while net trading & FV result declined (Q2 2020 vs Q2 2021)
- Qoq improvement includes TLTRO III booking in NII, fees rise to EUR 559.0m

- Year-on-year segment trends:
  - CZ: higher NII and fees offset weaker net trading & FV result
  - HU: substantial improvement driven by increase in all core revenue lines, strongest in fees
  - AT/OA: solid fee performance only partially offsets weaker NII and net trading & FV result

- Quarter-on-quarter segment trends:
  - AT/EBOe, AT/SB, SK: higher NII on TLTRO III booking pushes operating income up
  - HR: improvement across all major revenue lines

Operating trends: operating expenses –
Costs normalise following regulatory cost seasonality in Q1 21

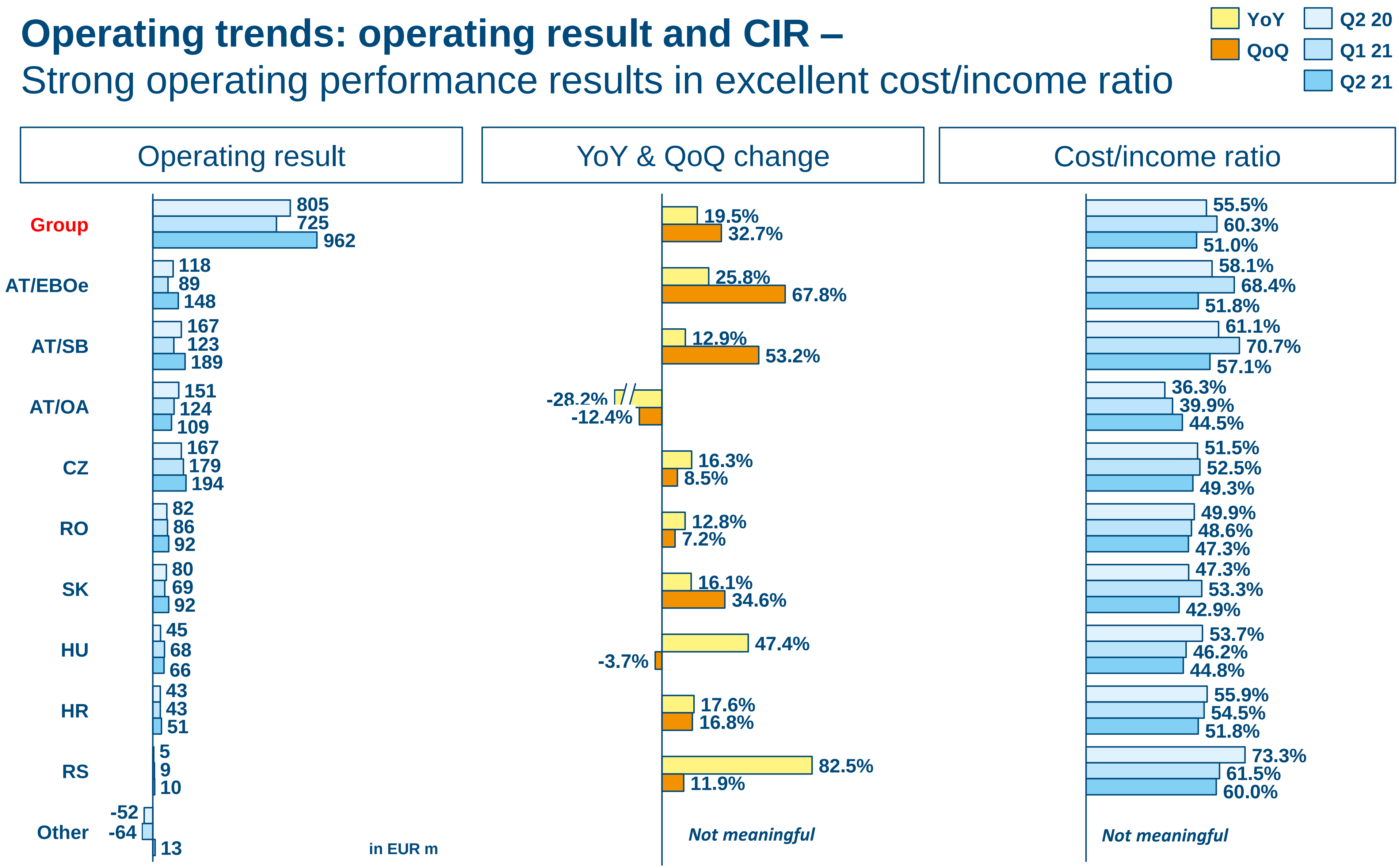


- Yoy operating expenses slightly down as personnel expenses and other administrative expenses decline, offsetting higher depreciation and FX impact
- Qoq improvement attributable to deposit insurance contributions booked in Q1 21

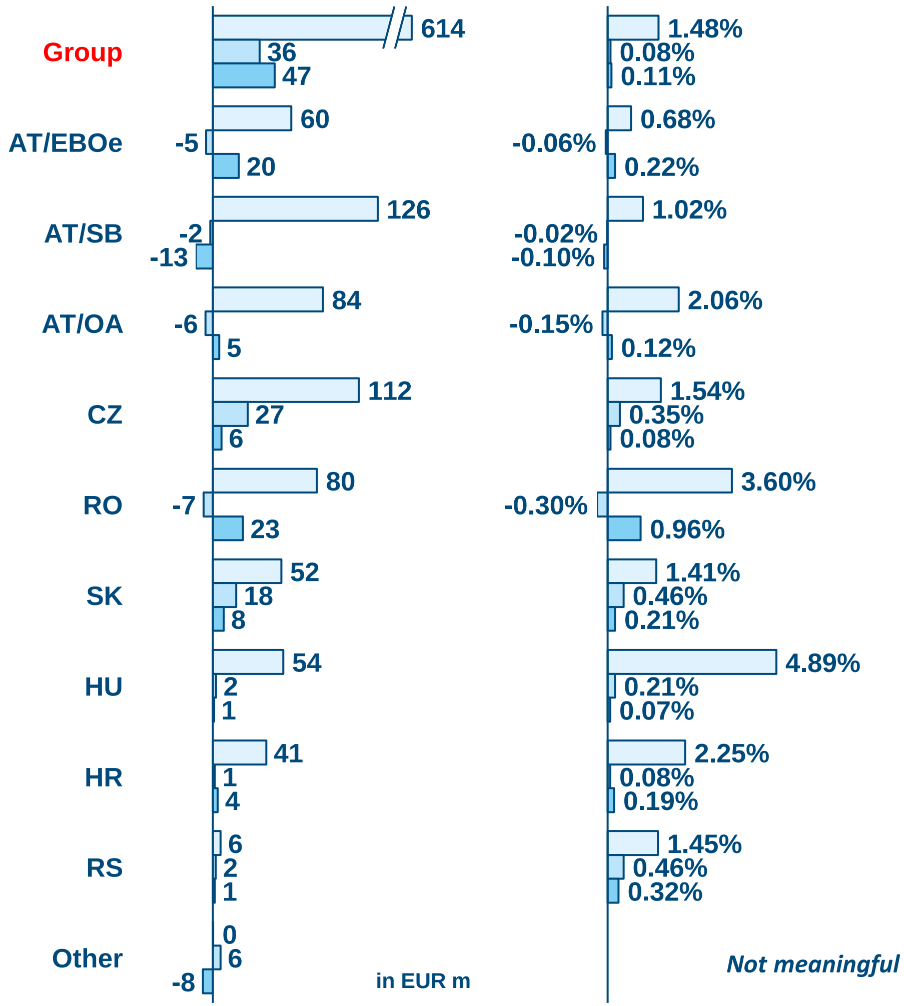
- Year-on-year segment trends:
  - AT/EBOe: IT expenses decline on efficiency measures
  - AT/SB: operating expenses improve on lower IT costs
  - CZ: increase in operating expenses mainly due to currency translation; FX effect of EUR 10.0m

- Quarter-on-quarter segment trends:
  - AT/EBOe, AT/SB: deposit insurance contributions booked in Q1 21
  - SK: deposit insurance contributions booked in Q1 21 and lower personnel expenses offset higher business operating expenses

Operating trends: operating result and CIR –
Strong operating performance results in excellent cost/income ratio



Operating trends: risk costs (abs/rel*) –
Benign risk environment leads to significant guidance upgrade



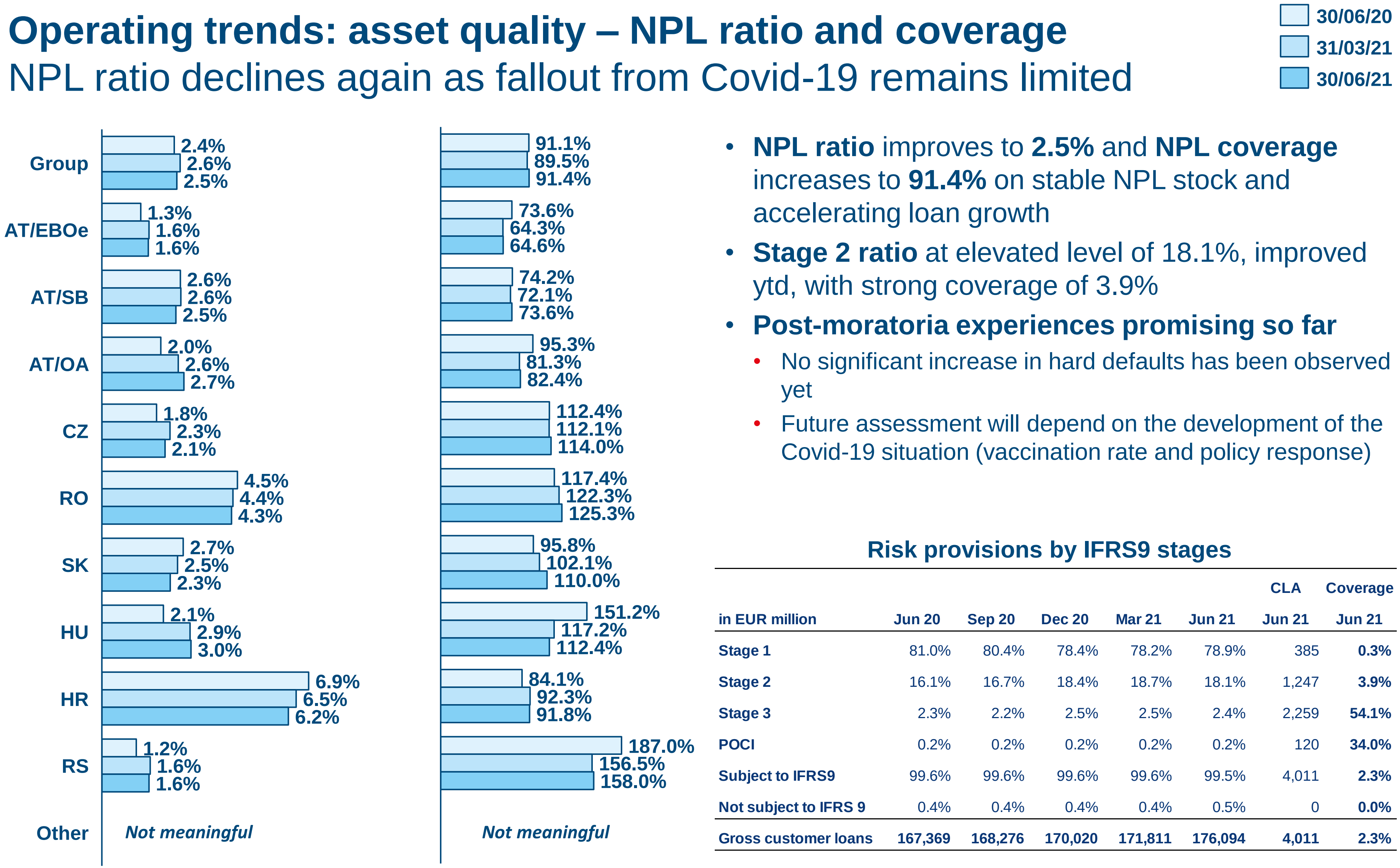
- Risk guidance upgraded to **max 30bps** due to good portfolio performance across the Group after phasing-out of moratoria and revision of NPL inflow assumptions for 2021
- NPL ratio expected at max 3% at year-end 2021
- No macro overlays update yet due to the still prevailing level of uncertainty related to the development of the Covid-19 situation; review planned for H2 21

- Quarter-on-quarter segment trends:
  - AT/EBOe: risk costs primarily driven by single case identification and assessment
  - RO: increased portfolio provisions mainly due to method effects

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

Operating trends: asset quality – NPL ratio and coverage

NPL ratio declines again as fallout from Covid-19 remains limited

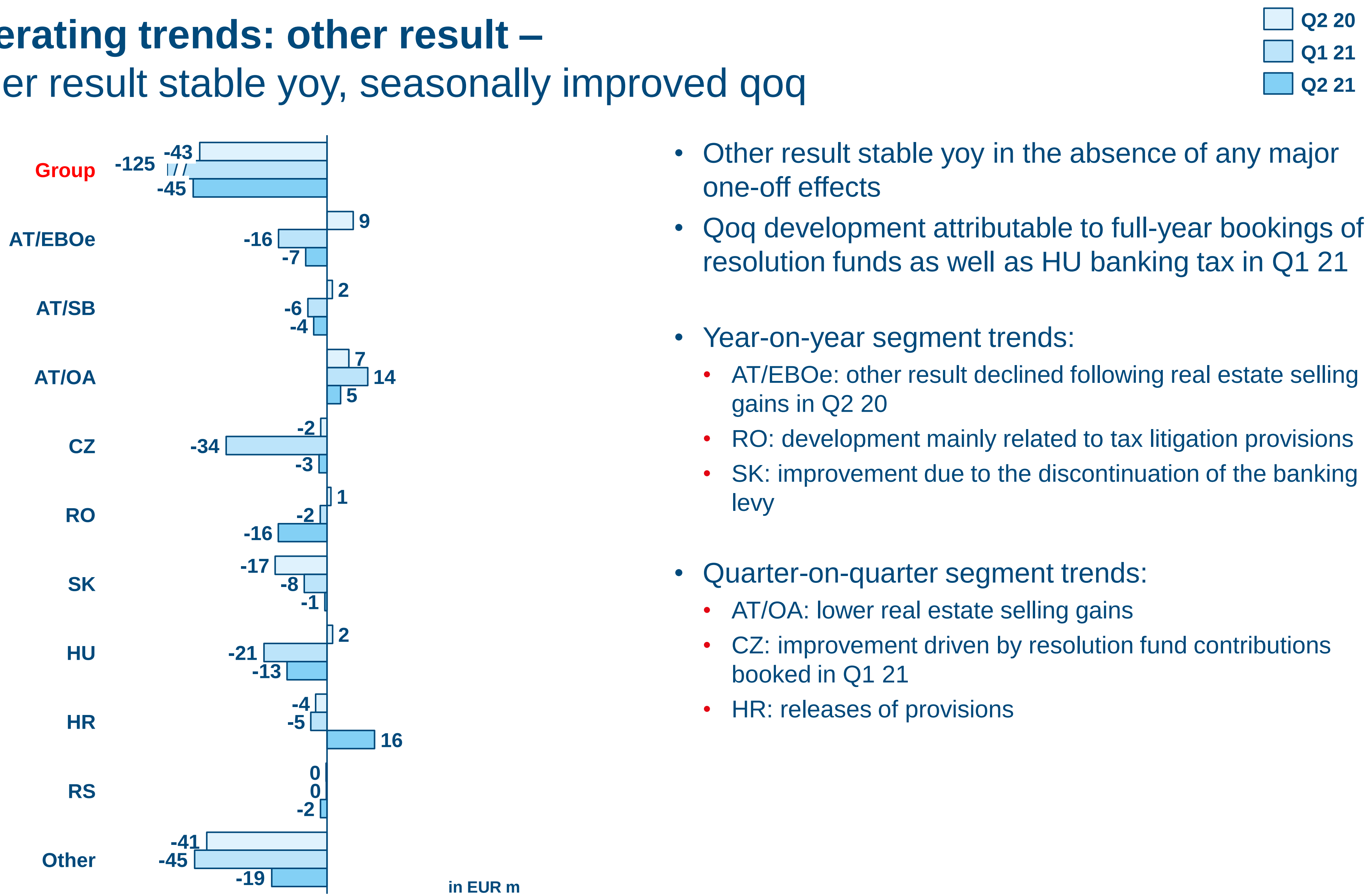


- **NPL ratio** improves to **2.5%** and **NPL coverage** increases to **91.4%** on stable NPL stock and accelerating loan growth
- **Stage 2 ratio** at elevated level of 18.1%, improved ytd, with strong coverage of 3.9%
- **Post-moratoria experiences promising so far**
  - No significant increase in hard defaults has been observed yet
  - Future assessment will depend on the development of the Covid-19 situation (vaccination rate and policy response)

Risk provisions by IFRS9 stages

						CLA	Coverage
in EUR million	**Jun 20**	**Sep 20**	**Dec 20**	**Mar 21**	**Jun 21**	**Jun 21**	**Jun 21**
Stage 1	81.0%	80.4%	78.4%	78.2%	78.9%	385	**0.3%**
Stage 2	16.1%	16.7%	18.4%	18.7%	18.1%	1,247	**3.9%**
Stage 3	2.3%	2.2%	2.5%	2.5%	2.4%	2,259	**54.1%**
POCI	0.2%	0.2%	0.2%	0.2%	0.2%	120	**34.0%**
Subject to IFRS9	99.6%	99.6%	99.6%	99.6%	99.5%	4,011	**2.3%**
Not subject to IFRS 9	0.4%	0.4%	0.4%	0.4%	0.5%	0	**0.0%**
Gross customer loans	**167,369**	**168,276**	**170,020**	**171,811**	**176,094**	**4,011**	**2.3%**

Operating trends: other result –
Other result stable yoy, seasonally improved qoq

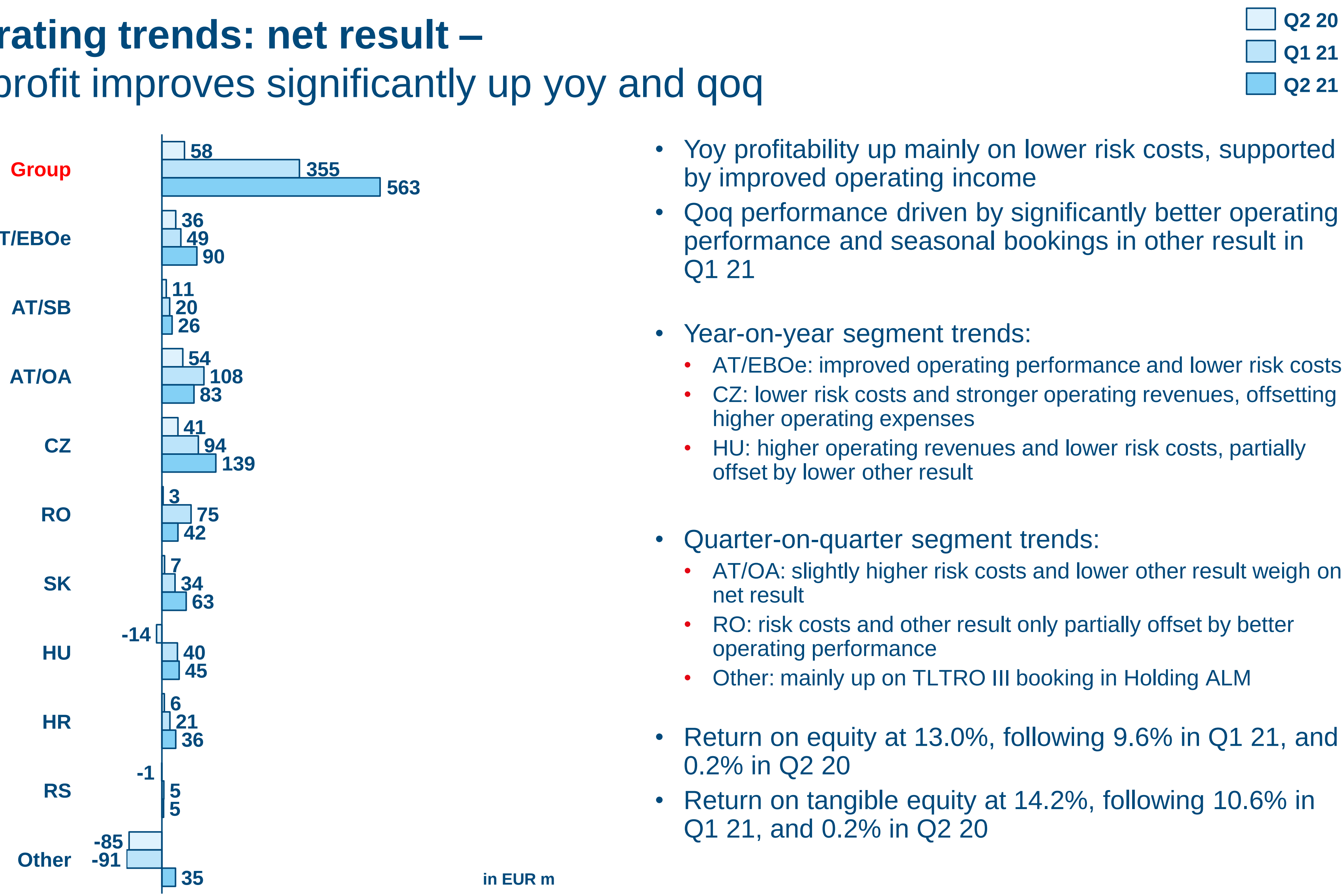


- Other result stable yoy in the absence of any major one-off effects
- Qoq development attributable to full-year bookings of resolution funds as well as HU banking tax in Q1 21

- Year-on-year segment trends:
  - AT/EBOe: other result declined following real estate selling gains in Q2 20
  - RO: development mainly related to tax litigation provisions
  - SK: improvement due to the discontinuation of the banking levy

- Quarter-on-quarter segment trends:
  - AT/OA: lower real estate selling gains
  - CZ: improvement driven by resolution fund contributions booked in Q1 21
  - HR: releases of provisions

Operating trends: net result –
Net profit improves significantly up yoy and qoq



- Yoy profitability up mainly on lower risk costs, supported by improved operating income
- Qoq performance driven by significantly better operating performance and seasonal bookings in other result in Q1 21

- Year-on-year segment trends:
  - AT/EBOe: improved operating performance and lower risk costs
  - CZ: lower risk costs and stronger operating revenues, offsetting higher operating expenses
  - HU: higher operating revenues and lower risk costs, partially offset by lower other result

- Quarter-on-quarter segment trends:
  - AT/OA: slightly higher risk costs and lower other result weigh on net result
  - RO: risk costs and other result only partially offset by better operating performance
  - Other: mainly up on TLTRO III booking in Holding ALM

- Return on equity at 13.0%, following 9.6% in Q1 21, and 0.2% in Q2 20
- Return on tangible equity at 14.2%, following 10.6% in Q1 21, and 0.2% in Q2 20

Presentation topics

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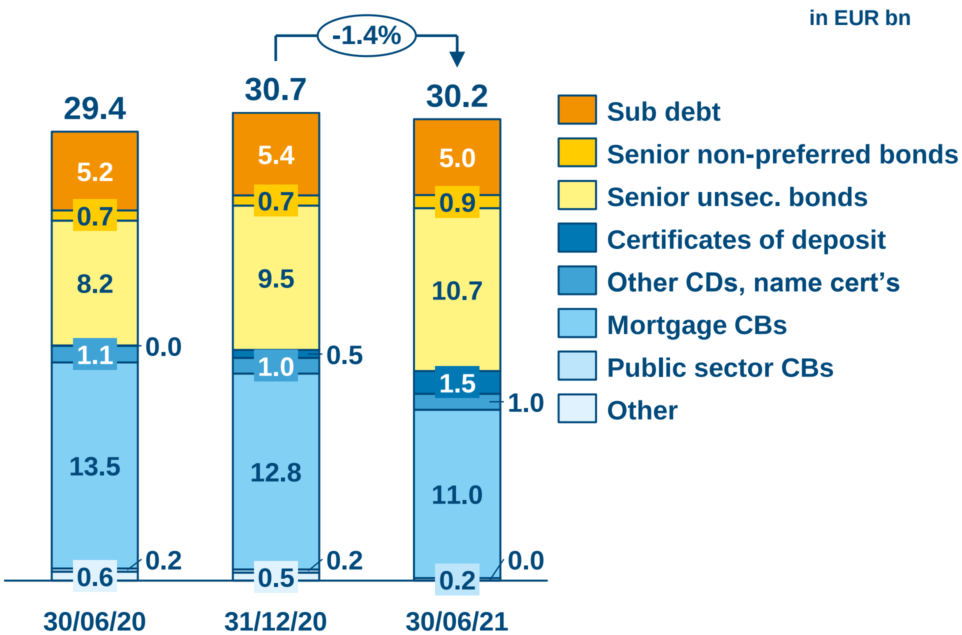
  - Impairments and asset quality
- Wholesale funding and capital
- Additional information

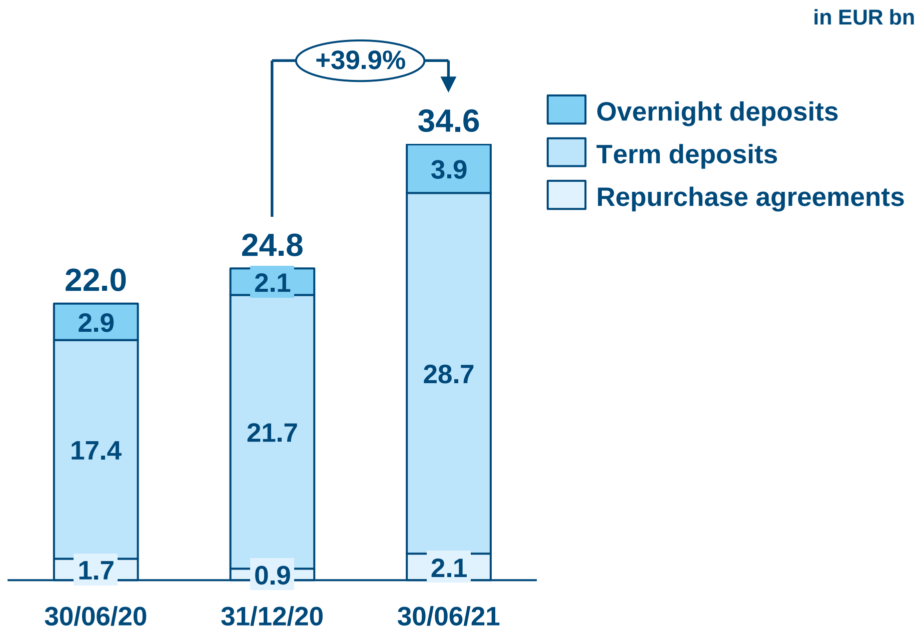
Wholesale funding and capital: debt vs interbank funding –
Stable wholesale funding reliance, as customer deposits grow strongly

Debt securities issued



- Increased MREL-related issuance leads to rise in stock of senior unsecured bonds

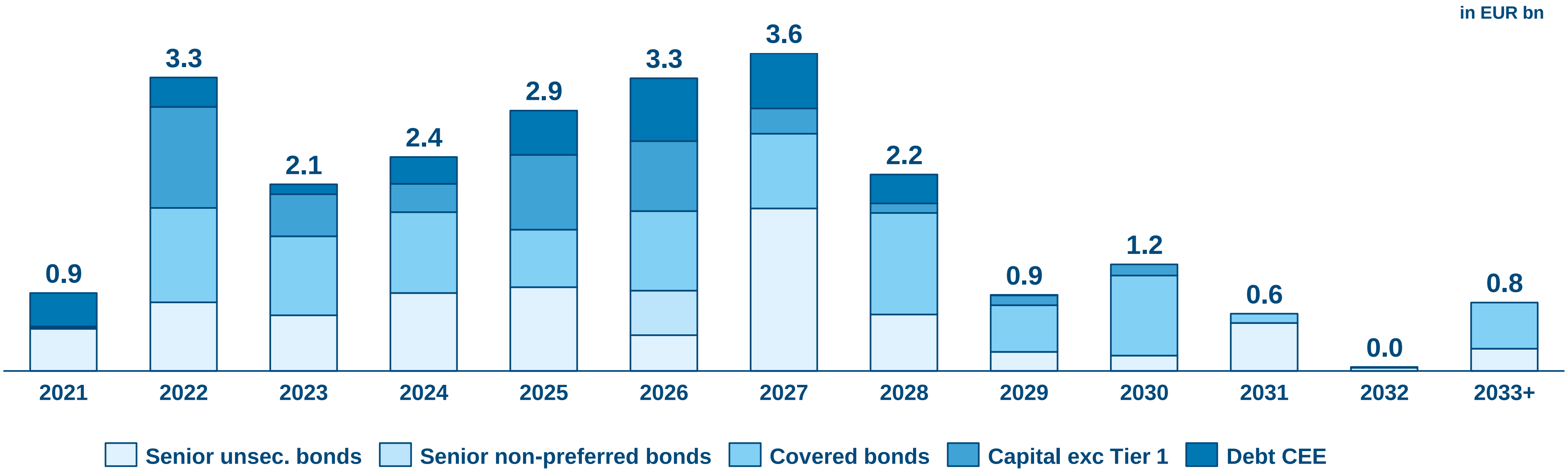
Interbank deposits



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

Wholesale funding and capital: LT funding –
Stable LT funding needs in 2021 with focus on senior preferred funding

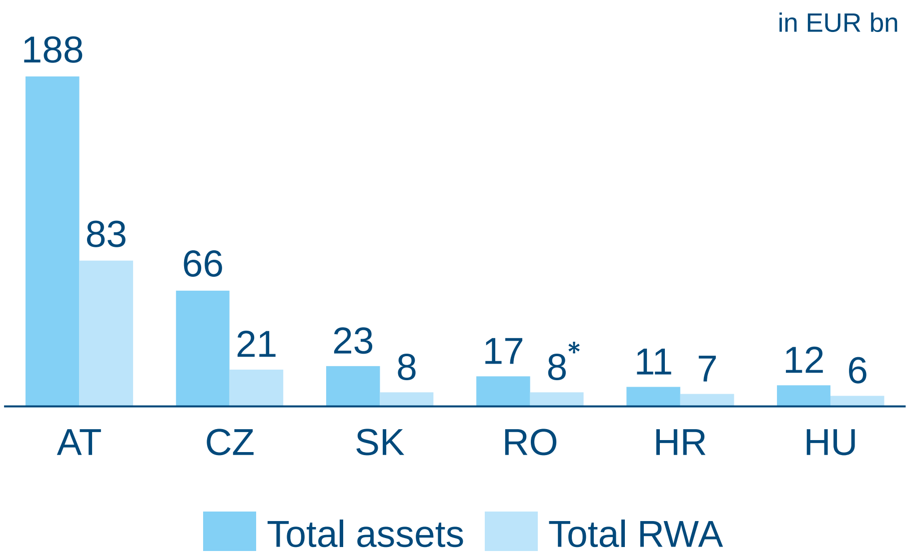
Maturity profile of debt



- Erste Group started the year with a EUR 500m senior preferred notes issuance with a 10 year tenor in January; prolongation of the outstanding senior preferred benchmark-curve and priced at favourable MS+55bps
- In May, Erste Group issued its first sustainability bond. The 7yr EUR 500m preferred senior note came at MS+35bps
- TLTRO III outstanding as of 30 June 2021: EUR 19.8bn

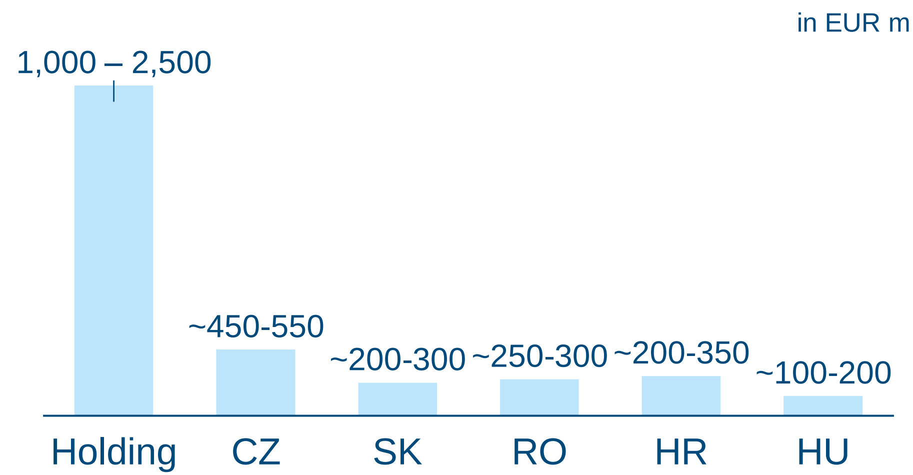
Wholesale funding and capital: MREL update –
MREL-related issuance progresses as planned

MREL resolution groups (June 2021)



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

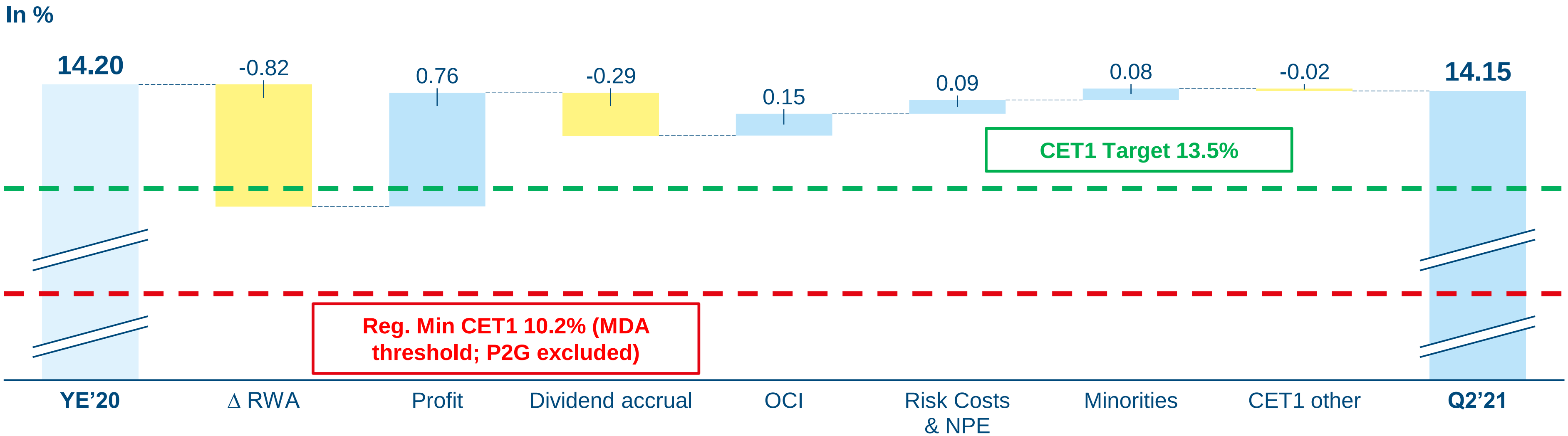
Preliminary 3 year MREL issuance plan (avg. p.a.)



- CEE issuances will mainly be placed in domestic market and Euro markets
- BCR issued its second NPS in May, RON 1bn 7NC6
- Erste Bank Croatia issued its first international placed benchmark: a 7NC6 EUR 400m preferred senior note
- SLSP issued a EUR 100m 7yr PS green bond

*) RO RWAs as of Q1 2021

Wholesale funding and capital: CET1 waterfall –
Strong fully loaded CET1 ratio of 14.15%

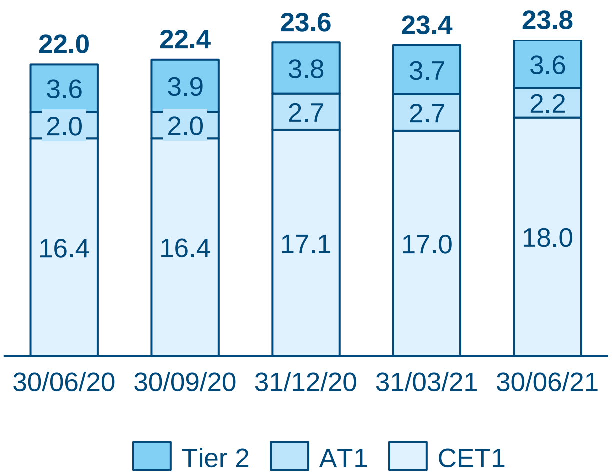


- **Solid Q2 21 CET1 ratio**
  - Half-year profit of EUR 914m (CRR scope) included, EUR 0.8 per share accrued in H1 21
  - Positive OCI development mainly driven by improvement in FX translation (EUR +199m)
  - Increase in minorities (EUR +92m) driven by consideration of remaining YE'20 profit from minorities
- **Erste Group returns to progressive dividend policy**
  - Payout 2021: EUR 1.0 per share additional payment following ECB lifting its dividend restriction; subject to EGM approval in Q4 21
  - Payout 2022: Erste Group targets EUR 1.6 DPS for business year 2021

Wholesale funding and capital: capital & RWA –
RWA increase driven by method effect, AT1 decline due to ECB call approval

Basel 3 capital

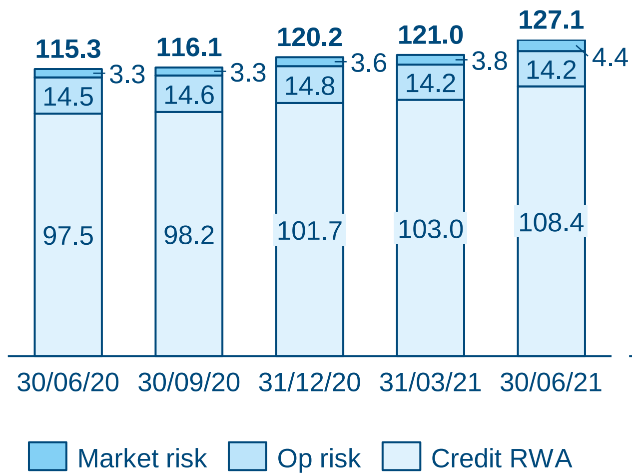
in EUR bn



- AT1 declines by EUR 500m following ECB's approval to call XS1425367494 AT1 instrument
  - Final management decision on calling expected for 17 August 2021 and to be announced then

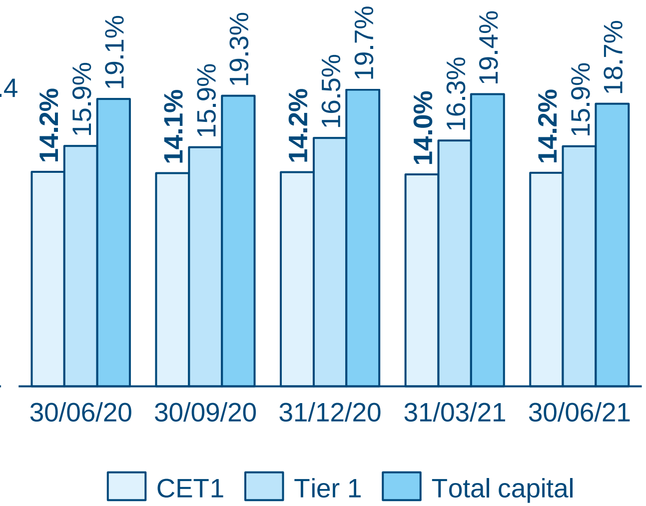
Risk-weighted assets

in EUR bn



- Ytd credit RWAs up by EUR 6.7bn on:
  - Business effects: ~ 4.7 EUR bn (growth)
  - Method and regulatory effect: ~ EUR 2.6bn (new LGD model in Retail and CRR2 effects)
  - Asset quality effects: ~ EUR -1.3bn
- Ytd op risk down EUR 0.6bn driven by removal of regulatory add-on

Basel 3 capital ratios



- CET1 ratio at solid 14.2%
- Planned dividend for H1 21 included in capital ratios
- Medium-term target remains unchanged at 13.5%

Presentation topics

- Executive summary
- Macroeconomic update
- Business update
- Operating trends
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Additional information: footprint –
Customer banking in Austria and the eastern part of the EU

Erste Group footprint

Core markets

Indirect presence

Czech Republic
- Customers: 4.5m
- Employees: 9,701
- Branches: 425

Slovakia
- Customers: 2.1m
- Employees: 3,715
- Branches: 205

Hungary
- Customers: 0.9m
- Employees: 3,221
- Branches: 106

Romania
- Customers: 2.9m
- Employees: 5,503
- Branches: 370

Austria
- Customers: 3.8m
- Employees: 15,842
- Branches: 836 (EBOe: 181)

Croatia
- Customers : 1.3m
- Employees : 3,255
- Branches: 137

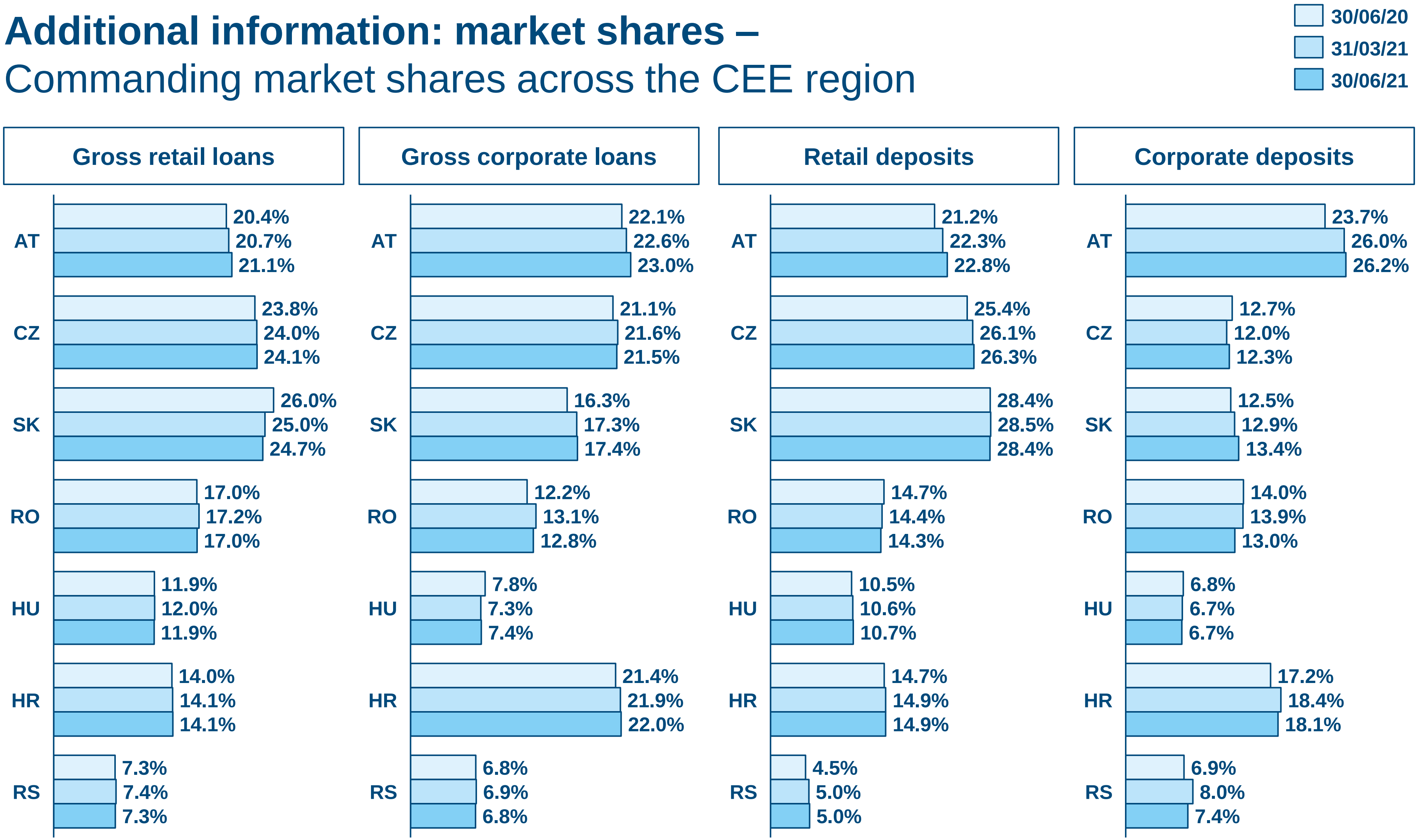
Serbia
- Customers: 0.5m
- Employees: 1,207
- Branches: 89

Highlights

- Leading retail and corporate bank in 7 geographically connected countries
- Favourable mix of mature & emerging markets with low penetration rates
- Potential for cross selling and organic growth in CEE
- Number of customers: 16.0 million
- Number of employees: 45,124
- Number of branches: 2,168

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

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



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

	Year-to-date view			Quarterly view				
in EUR million	**1-6 20**	**1-6 21**	**YOY-Δ**	**Q2 20**	**Q1 21**	**Q2 21**	**YOY-Δ**	**QOQ-Δ**
Net interest income	2,396.9	2,448.7	2.2%	1,167.9	1,172.1	1,276.5	9.3%	8.9%
Interest income	2,645.2	2,434.1	-8.0%	1,253.5	1,208.0	1,226.1	-2.2%	1.5%
Other similar income	759.3	777.8	2.4%	364.2	339.0	438.8	20.5%	29.4%
Interest expenses	-378.8	-213.4	-43.7%	-147.9	-104.4	-109.0	-26.3%	4.5%
Other similar expenses	-628.8	-549.9	-12.5%	-302.0	-270.6	-279.3	-7.5%	3.2%
Net fee and commission income	956.7	1,099.0	14.9%	452.5	540.0	559.0	23.6%	3.5%
Fee and commission income	1,146.0	1,294.1	12.9%	541.4	638.2	655.9	21.2%	2.8%
Fee and commission expenses	-189.3	-195.1	3.1%	-88.9	-98.2	-96.9	8.9%	-1.4%
Dividend income	14.8	20.5	38.3%	13.3	4.8	15.6	17.8%	>100.0%
Net trading result	-19.2	43.1	n/a	138.2	9.5	33.6	-75.6%	>100.0%
Gains/losses from financial instruments measured at fair value through profit or loss	28.5	83.6	>100.0%	-8.9	56.9	26.7	n/a	-53.2%
Net result from equity method investments	5.9	6.2	5.0%	2.6	1.5	4.7	81.3%	>100.0%
Rental income from investment properties & other operating leases	88.3	89.6	1.6%	43.5	43.7	45.9	5.6%	4.9%
Personnel expenses	-1,265.5	-1,248.9	-1.3%	-635.5	-622.4	-626.5	-1.4%	0.7%
Other administrative expenses	-583.3	-581.3	-0.4%	-238.6	-345.8	-235.5	-1.3%	-31.9%
Depreciation and amortisation	-265.9	-272.8	2.6%	-129.4	-135.1	-137.8	6.5%	2.0%
Gains/losses from derecognition of financial assets measured at amortised cost	0.3	3.3	>100.0%	-0.1	2.5	0.8	n/a	-68.0%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	-2.1	-0.6	-72.7%	-0.5	-0.3	-0.3	-39.7%	4.6%
Impairment result from financial instruments	-675.4	-82.9	-87.7%	-613.7	-35.7	-47.2	-92.3%	32.3%
Other operating result	-169.9	-172.4	1.5%	-42.3	-126.7	-45.6	7.9%	-64.0%
Levies on banking activities	-83.0	-52.2	-37.1%	-33.1	-33.2	-19.0	-42.7%	-42.9%
Pre-tax result from continuing operations	**510.1**	**1,435.1**	**>100.0%**	**148.8**	**565.1**	**870.1**	**>100.0%**	**54.0%**
Taxes on income	-140.3	-287.3	>100.0%	-37.3	-124.3	-163.0	>100.0%	31.1%
Net result for the period	**369.8**	**1,147.8**	**>100.0%**	**111.5**	**440.8**	**707.0**	**>100.0%**	**60.4%**
Net result attributable to non-controlling interests	76.1	229.8	>100.0%	53.0	85.7	144.2	>100.0%	68.3%
Net result attributable to owners of the parent	**293.8**	**918.0**	**>100.0%**	**58.5**	**355.1**	**562.9**	**>100.0%**	**58.5%**
Operating income	3,471.9	3,790.7	9.2%	1,808.9	1,828.6	1,962.1	8.5%	7.3%
Operating expenses	-2,114.7	-2,103.0	-0.6%	-1,003.5	-1,103.3	-999.7	-0.4%	-9.4%
Operating result	**1,357.2**	**1,687.7**	**24.4%**	**805.4**	**725.3**	**962.4**	**19.5%**	**32.7%**

Additional information: group balance sheet – Assets

in EUR million	Quarterly data					Change		
	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	YOY-Δ	YTD-Δ	QOQ-Δ
Cash and cash balances	18,433	27,848	35,839	53,954	48,421	>100.0%	35.1%	-10.3%
Financial assets held for trading	6,984	6,764	6,356	6,464	6,088	-12.8%	-4.2%	-5.8%
Derivatives	3,233	3,369	2,954	2,551	2,146	-33.6%	-27.4%	-15.9%
Other financial assets held for trading	3,752	3,394	3,402	3,912	3,942	5.1%	15.9%	0.8%
Non-trading financial assets at fair value through profit and loss	3,122	3,157	3,083	3,096	3,154	1.0%	2.3%	1.9%
Equity instruments	374	395	347	325	309	-17.4%	-11.0%	-5.0%
Debt securities	2,129	2,124	2,048	2,036	1,999	-6.1%	-2.4%	-1.8%
Loans and advances to banks	0	0	0	0	19	n/a	n/a	n/a
Loans and advances to customers	**619**	**638**	**687**	**735**	**827**	**33.7%**	**20.4%**	**12.6%**
Financial assets at fair value through other comprehensive income	8,883	8,578	8,519	8,547	9,181	3.4%	7.8%	7.4%
Equity instruments	132	136	130	127	109	-17.2%	-15.7%	-13.9%
Debt securities	8,750	8,442	8,389	8,420	9,072	3.7%	8.1%	7.7%
Financial assets at amortised cost	214,464	212,824	210,940	219,901	223,072	4.0%	5.8%	1.4%
Debt securities	29,298	28,649	29,579	31,009	33,272	13.6%	12.5%	7.3%
Loans and advances to banks	27,418	25,672	21,466	27,477	24,522	-10.6%	14.2%	-10.8%
Loans and advances to customers	**157,749**	**158,502**	**159,895**	**161,414**	**165,279**	**4.8%**	**3.4%**	**2.4%**
Finance lease receivables	4,082	4,118	4,127	4,094	4,167	2.1%	1.0%	1.8%
Hedge accounting derivatives	270	254	205	149	131	-51.5%	-36.1%	-12.3%
Fair value changes of hedged items in portfolio hedge of interest rate risk	5	6	5	1	0	n/a	n/a	n/a
Property and equipment	2,526	2,496	2,552	2,526	2,545	0.7%	-0.3%	0.8%
Investment properties	1,257	1,245	1,280	1,312	1,370	9.0%	7.0%	4.4%
Intangible assets	1,331	1,331	1,359	1,332	1,342	0.9%	-1.2%	0.8%
Investments in associates and joint ventures	166	170	190	192	195	17.4%	2.7%	1.7%
Current tax assets	135	151	175	183	171	26.8%	-2.2%	-6.8%
Deferred tax assets	467	454	460	446	427	-8.6%	-7.3%	-4.3%
Assets held for sale	260	209	212	165	141	-45.6%	-33.2%	-14.4%
Trade and other receivables	1,287	1,256	1,341	1,596	1,841	43.1%	37.3%	15.4%
Other assets	1,019	1,123	751	1,010	1,188	16.6%	58.3%	17.6%
Total assets	**264,692**	**271,983**	**277,394**	**304,969**	**303,435**	**14.6%**	**9.4%**	**-0.5%**

Additional information: group balance sheet –
Liabilities and equity

in EUR million	Quarterly data					Change		
	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities held for trading	2,737	2,845	2,625	2,192	2,412	-11.9%	-8.1%	10.0%
Derivatives	2,308	2,253	2,037	1,631	1,392	-39.7%	-31.7%	-14.7%
Other financial liabilities held for trading	429	592	588	561	1,021	>100.0%	73.7%	81.9%
Financial liabilities at fair value through profit or loss	12,607	12,334	12,091	11,383	10,448	-17.1%	-13.6%	-8.2%
Deposits from customers	**295**	**279**	**254**	**230**	**136**	**-53.9%**	**-46.5%**	**-40.8%**
Debt securities issued	12,136	11,878	11,657	10,982	10,136	-16.5%	-13.0%	-7.7%
Other financial liabilities	177	178	180	172	176	0.0%	-2.2%	2.5%
Financial liabilities at amortised cost	222,321	229,525	235,125	262,669	261,691	17.7%	11.3%	-0.4%
Deposits from banks	21,984	26,433	24,771	35,288	34,643	57.6%	39.9%	-1.8%
Deposits from customers	**182,376**	**184,551**	**190,816**	**205,144**	**206,120**	**13.0%**	**8.0%**	**0.5%**
Debt securities issued	17,295	17,797	19,020	21,535	20,107	16.3%	5.7%	-6.6%
Other financial liabilities	666	743	518	702	820	23.1%	58.4%	16.8%
Lease liabilities	521	516	560	557	594	14.0%	6.0%	6.5%
Hedge accounting derivatives	209	209	189	191	170	-18.6%	-9.9%	-11.1%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	-73.9%	-58.8%	-41.4%
Provisions	2,033	2,008	2,082	2,196	2,055	1.1%	-1.3%	-6.4%
Current tax liabilities	62	67	58	68	65	4.4%	10.5%	-4.7%
Deferred tax liabilities	17	31	20	25	28	64.2%	37.4%	9.1%
Liabilities associated with assets held for sale	7	3	1	1	1	-89.3%	-43.7%	-44.6%
Other liabilities	2,978	3,006	2,232	2,914	2,602	-12.6%	16.6%	-10.7%
Total equity	**21,200**	**21,438**	**22,410**	**22,771**	**23,371**	**10.2%**	**4.3%**	**2.6%**
Equity attributable to non-controlling interests	4,922	5,024	5,073	5,163	5,282	7.3%	4.1%	2.3%
Additional equity instruments	1,987	1,987	2,733	2,733	2,733	37.5%	0.0%	0.0%
Equity attributable to owners of the parent	14,291	14,427	14,604	14,876	15,355	7.5%	5.1%	3.2%
Subscribed capital	860	860	860	860	860	0.0%	0.0%	0.0%
Additional paid-in capital	1,478	1,478	1,478	1,478	1,478	0.0%	0.0%	0.0%
Retained earnings and other reserves	11,953	12,090	12,267	12,538	13,018	8.9%	6.1%	3.8%
Total liabilities and equity	**264,692**	**271,983**	**277,394**	**304,969**	**303,435**	**14.6%**	**9.4%**	**-0.5%**

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

	Erste Group Consolidated					Erste Group Unconsolidated			
	Phased-in		Fully loaded	ECB Capital Relief Measures 1)	Fully loaded	Fully loaded			
	2019	2020	Q2 2021	Q2 2021	YE 2021	2019	2020	Q2 2021	YE 2021
Pillar 1 CET1 requirement	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement 5)	**4.91%**	**4.68%**	**4.67%**	**2.17%**	**4.67%**	**4.75%**	**4.63%**	**4.63%**	**4.63%**
Capital conservation buffer	2.50%	2.50%	2.50%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Countercyclical capital buffer 2)	0.45%	0.18%	0.17%	0.17%	0.17%	0.25%	0.13%	0.13%	0.13%
OSII buffer	2.00%	2.00%	1.00%	1.00%	1.00%	2.00%	2.00%	1.00%	1.00%
Systemic risk buffer	2.00%	2.00%	1.00%	1.00%	1.00%	2.00%	2.00%	1.00%	1.00%
Pillar 2 CET1 requirement 3)	**1.75%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**1.75%**	**0.98%**	**0.98%**	**0.98%**
Pillar 2 CET1 guidance	**1.00%**	**1.00%**	**1.00%**	**0.00%**	**1.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Regulatory minimum ratios excluding P2G									
CET1 requirement	11.16%	10.16%	10.16%	7.66%	10.16%	11.00%	10.11%	10.12%	10.12%
1.50% AT1 Tier 1 requirement	12.66%	11.99%	11.99%	9.49%	11.99%	12.50%	11.94%	11.94%	11.94%
2.00% T2 Own funds requirement	14.66%	14.43%	14.42%	11.92%	14.42%	14.50%	14.38%	14.38%	14.38%
Regulatory minimum ratios including P2G									
CET1 requirement	12.16%	11.16%	11.16%	n.a.	11.16%	11.00%	10.11%	10.12%	10.12%
1.50% AT1 Tier 1 requirement	12.66%	12.99%	12.99%	n.a.	12.99%	12.50%	11.94%	11.94%	11.94%
2.00% T2 Own funds requirement	14.66%	15.43%	15.42%	n.a.	15.42%	14.50%	14.38%	14.38%	14.38%
Reported CET1 ratio as of June 2021			**14.40%**	**4)**				**22.43% 4)**	

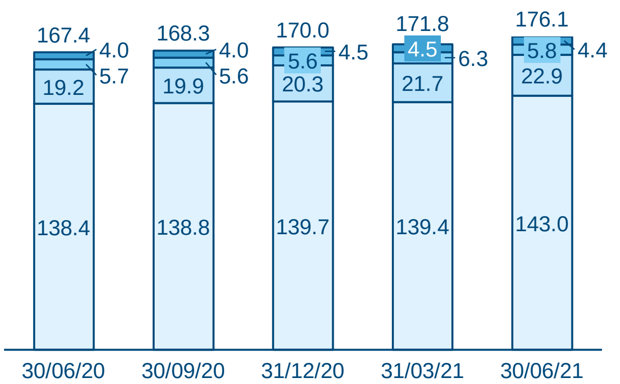
- Buffer to MDA restriction as of 30 June 21: 421bps
- Available distributable items (ADI) as of 30 June 21: EUR 3.2n (post AT1 coupon);
  based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 5.6bn

1) Following ECB's announcement re. measures in reaction to COVID-19 on 12 March 2020 and 1 July 2021, 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 Q2 2021 exposure (Q2 21 countercyclical buffer of 0.17% for Erste Group consolidated)
3) As of end of May 2021 Art. 70b (7) ABA applies using the Pillar 2 Requirement (P2R) according to the capital stack which results in the following application: 56.25% for CET1 capital and 75% for Tier 1 capital. The overall P2R remained at 1.75% for Erste Group. In 2020, the temporary capital relief actions from ECB (published on 12 March 2020) applied.
4) Consolidated capital ratios pursuant to IFRS on phased-in basis. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB.
5) Combined buffer requirement: until Q1 2021 higher of OSII and systemic risk buffer; Q2 2021 and YE 2021 OSII and systemic risk buffer are cumulative

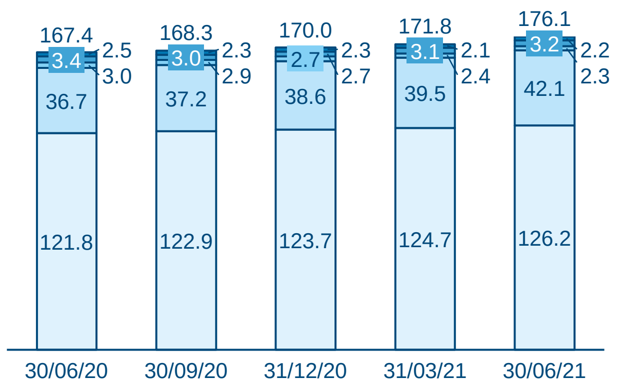
Additional information: gross customer loans –

By risk category, by currency, by industry

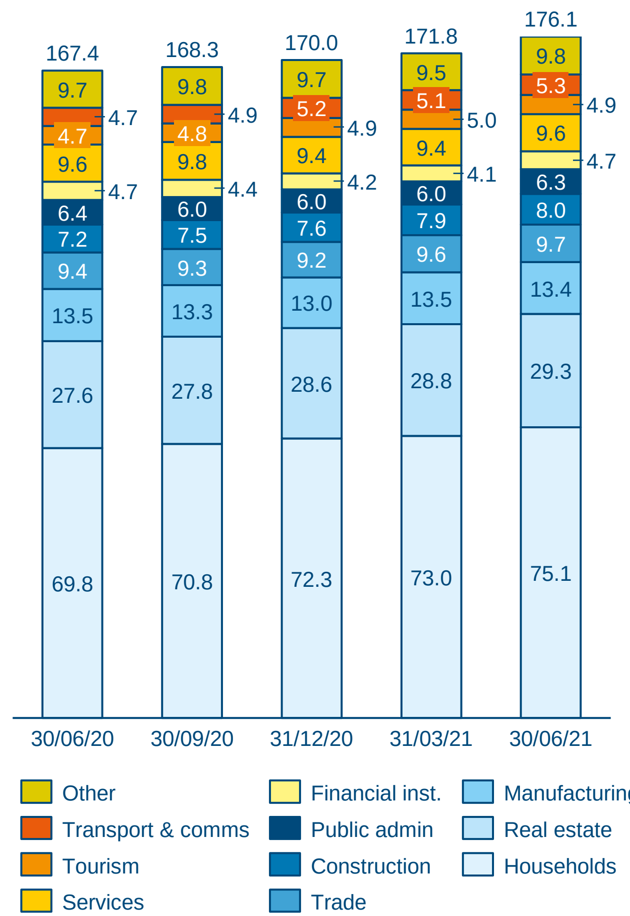
Gross cust. loans by risk category (EUR bn)



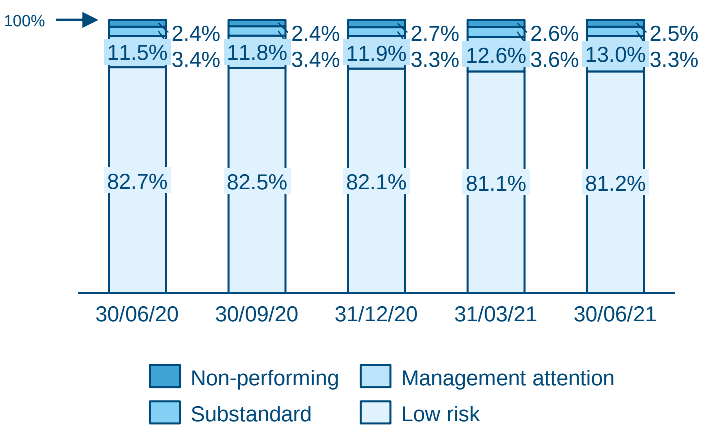
Gross customer loans by currency (EUR bn)



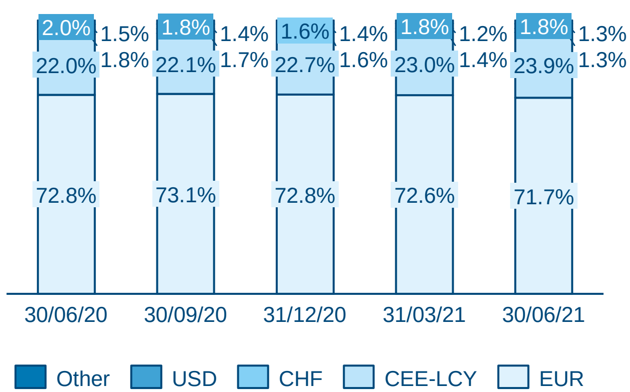
Gross customer loans by industry (EUR bn)



Gross customer loans by risk category (in %)

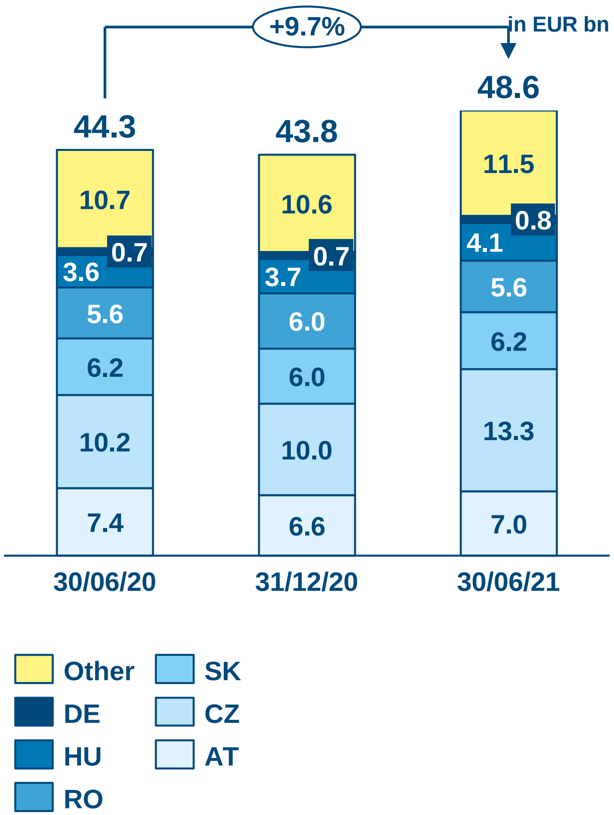


Gross customer loans by currency (in %)

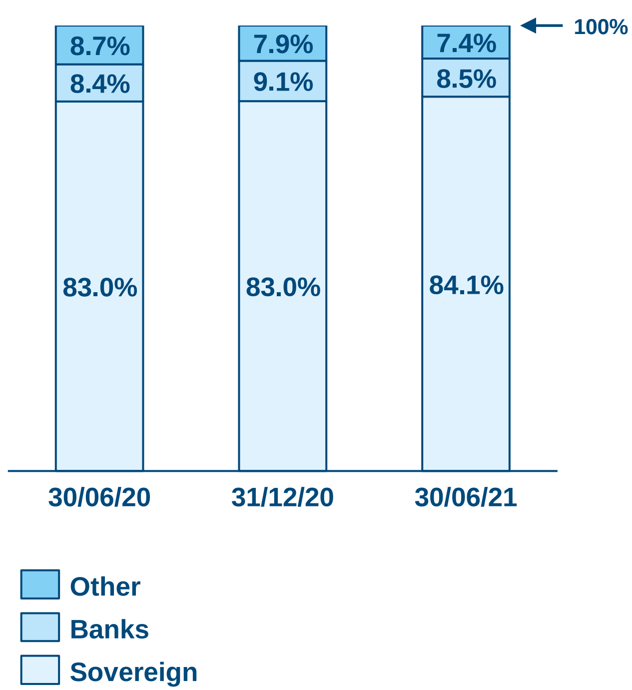


Additional information: financial and trading assets* –
LCR at excellent 193.2%

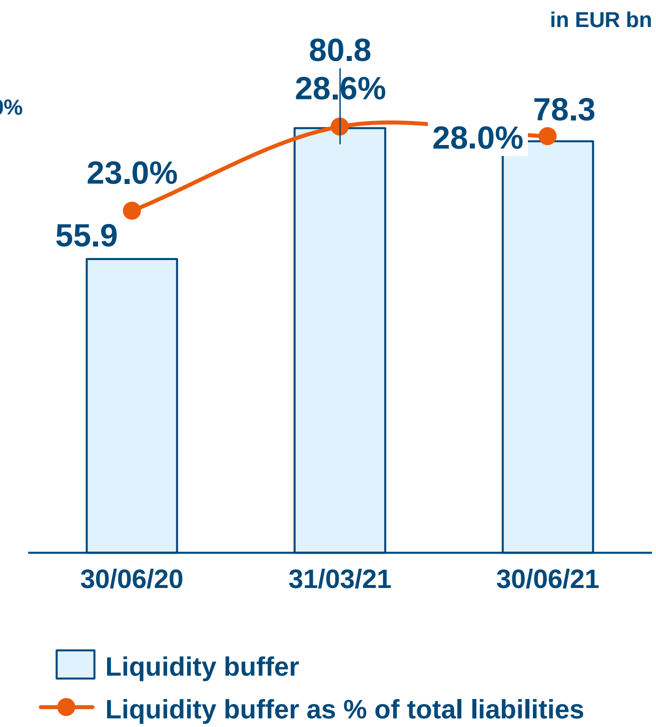
By geography



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: 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

Enhance Erste Group’s sustainability commitment

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

Strengthen customer awareness and satisfaction

- contributes to **sustainability awareness** of our **customers**
- helps to **increase investor dialogue and engagement on ESG topics**
- contributes to **the credibility of sustainability in the CEE** region

Strengthen Erste Group's financial position

- **Fosters long-term investor relationships**
- enhances our competence in **important future market**
- **diversifies our funding profile** with new instruments

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

1 Use of proceeds

Eligible Green portfolios include

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

Eligible Social portfolios include

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

2 Project evaluation and selection

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

3 Management of proceeds

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

4 Reporting

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

Erste Group's SFF is aligned with:

The Social Bond Principles

EU TAXONOMY FINAL REPORT

The Green Bond Principles

SUSTAINABLE DEVELOPMENT GOALS

The Sustainability Bond Guidelines

Additional information: Second party opinion

ISS ESG verified sustainable finance framework

Summary of Second Party Opinion

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

TRANSPARENCY LEVEL

VERY HIGH

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainable Finance Framework

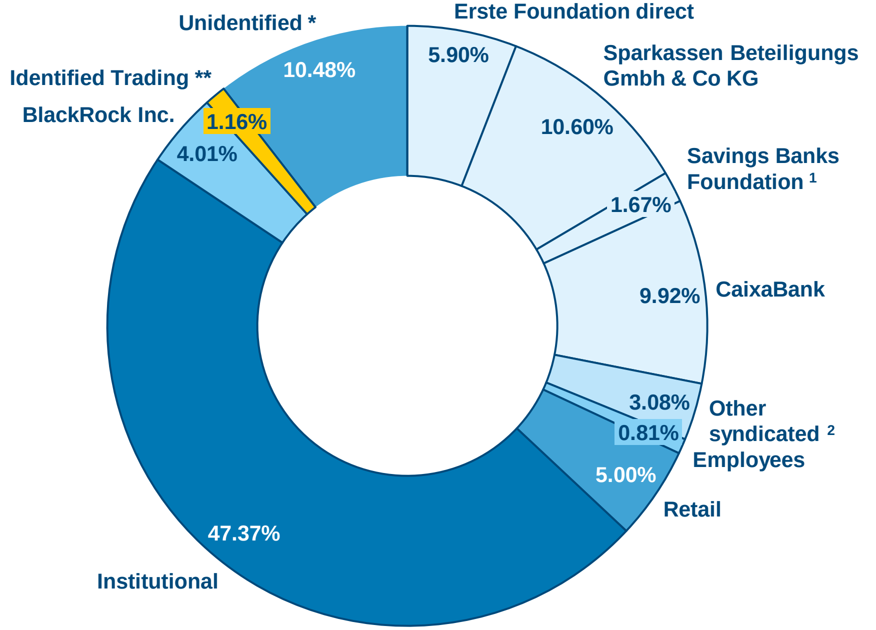
Erste Group
3 May 2021

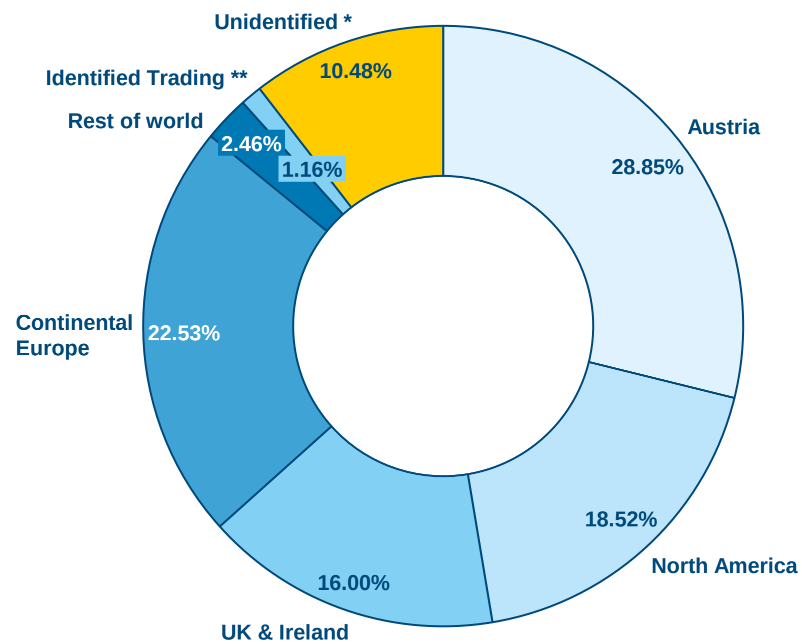
ISS ESG

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

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

By investor	By region





[1] Syndicated Savings Banks Foundations, own holdings of Savings Banks, Erste Employees Private Foundation
[2] Other parties to the shareholder agreement of Erste Foundation, Savings Banks and CaixaBank
* Unidentified institutional and retail investors
** Including Market Makers, Prime Brokerage, Proprietary Trading, Collateral and Stock Lending positions which are visible through custodian banklists

Status as of 1 July 2021

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

Investor relations details

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

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