

ERSTE&STEIERMÄRKISCHE GROUP
Croatia
Investor Presentation
HY 2024

August 2024

Cautionary Note Regarding Forward-Looking Statements

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Summary

Republic of Croatia

- Fully integrated EU member - European Union (since 2013), Euro area (since 2023), Schengen zone (since 2023)
- Sovereign ratings at BBB+ (S&P and Fitch) and Baa2 (Moody's), with all three agencies keeping the outlook at positive
- GDP increased 3.6% y/y in 1H24 – outlook for the remainder of the year remains sound, with FY24 growth figure expected at 3.4% mark

Erste Group

- Founded in 1819 as the first Austrian savings bank, Erste Group went public in 1997 with a strategy to expand its retail business into CEE
- Erste Group has grown to one of the largest financial services providers in the Eastern part of EU in terms of clients and total assets
- Number of customers close to 16mn in Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia
- Erste Group strives to be the leading retail and corporate bank in the eastern part of the European Union, including Austria

Croatian Banking Market

- Profitability of the sector improved in 1Q24 – ROE went into double-digit region (18.1%), while ROA edged up to 2.1%
- Loan growth dynamics shaped by increasing retail segment, especially consumer credit, and stable portfolio in corporate segment
- Deposit side in 1H24 affected by MoF retail targeted issuance and Retail deposits decrease
- Banking sector remains well capitalized with capital adequacy remaining at ample 23.3% at 1Q24

ERSTE&STEIERMÄRKISCHE BANK d.d. („Erste Bank Croatia”; „EBC”)

- EBC is the third largest bank in Croatia in terms of total assets, total loans, total deposits as well as distribution network
- Current rating from Fitch stands at A- with stable outlook – highest rated financial institution in Croatia
- Net profit growth in 1H24, owing to better operating result amid favorable economic environment
- Positive effects coming from stronger income growth, both net interest income and net commission income. Cost/income ratio decreasing, as income growth more than offsets cost pressures related to inflation environment

Erste Group | EBC at Glance

Republic of Croatia

Croatian Banking Market

Erste Bank Croatia

Funding

ESG

Additional Information

Erste Group's footprint – leading retail and corporate bank in 7 geographically connected countries

Erste Group's footprint

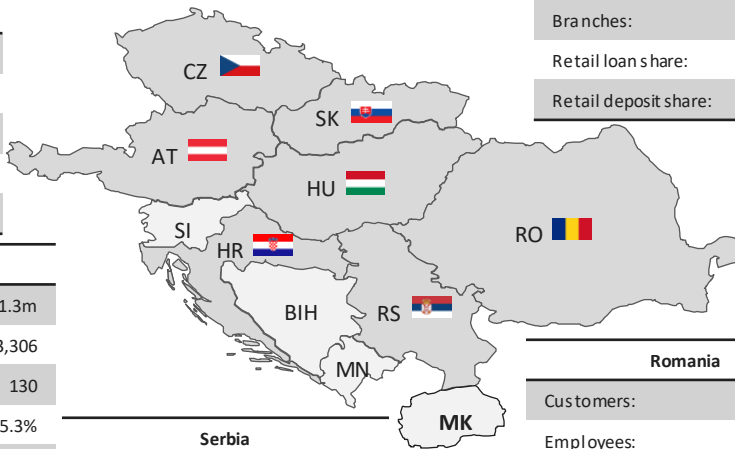
Czech Republic		Slovakia		Hungary	
Customers:	4.6m	Customers:	1.9m	Customers:	1.0m
Employees:	9,574	Employees:	3,491	Employees:	3,333
Branches:	356	Branches:	167	Branches:	98
Retail loan share:	26.7%	Retail loan share:	24.5%	Retail loan share:	11.6%
Retail deposit share:	24.3%	Retail deposit share:	27.0%	Retail deposit share:	10.3%

Austria	
Customers:	4.2m
Employees:	16,354
Branches:	754
Retail loan share:	21.4%
Retail deposit share:	24.1%

Croatia	
Customers:	1.3m
Employees:	3,306
Branches:	130
Retail loan share:	15.3%
Retail deposit share:	14.7%

Serbia	
Customers:	0.5m
Employees:	1,275
Branches:	88
Retail loan share:	7.0%
Retail deposit share:	5.7%

Romania	
Customers:	2.8m
Employees:	5,225
Branches:	318
Retail loan share:	17.0%
Retail deposit share:	12.6%



Preliminary key information as of 1H24

Total assets	EUR 344bn
Net profit	1,630m
NPL coverage	80.6%
NPL ratio	2.4%
CET 1 ratio*	15.5%
Total capital ratio*	19.6%
Loan/deposit ratio	87.9%
Credit ratings**	A+ (stable)
	A2 (stable)
	A (stable)

* Basel 3, fully loaded

** S&P | Moody's | Fitch; as of June, 2024

Core markets

Indirect presence

Market shares for Austria are as of March 2024

Third bank in Croatia with best customer experience among peers

About Erste&Steiermarkische Group

- Established as Riječka banka d.d. in 1954; in Erste Group ownership since 2003
- Universal bank with nation-wide presence and balanced approach towards both retail and corporate business
- Strong market position in retail segment with ambition to further expand, especially in the housing segment
- Significant position in SME segment with ambition to become overall leader in corporate segment via increasing presence in large segment
- Strategic orientation towards keeping the innovator image on the market as digital services are concerned
- #1 bank in customer experience *
- Best rated entity in 2023 in Croatia with 'A-' rating from Fitch

* According to Customer Experience Index 2023 FY Croatia

Key Information

EBC Group	HY 2024
Total assets	EUR 14.8 bn
Net profit	EUR 130.8 mn
NPL coverage	107.4%
NPL ratio	2.7%
CET 1 ratio	19.5%
Total capital ratio	19.9%
Loan/deposit ratio	87.6%
ROE	15.9%
CIR	47.3%

Source: Unaudited Consolidated Financial Statements for HY 2024

HY 2024	EBC Group	EBC Bank
# of customers	1.3m	1.0m
Branches	130	111
ATMs	739	675

Strategy to become a Financial Health Company set on three key pillars

<h1>1</h1> <h3>Excellent client relationship</h3> 	<h1>2</h1> <h3>Sustainable operational profitability</h3> 	<h1>3</h1> <h3>Operational excellence</h3> 
<p>INCREASE share of wallet aligned with our Financial Health Indicators</p>	<p>INCREASE market position and be the leader in the Green transition</p>	<p>INVEST in our data & digital capabilities front to back (F2B)</p>
<p>MAINTAIN our position as the BEST-IN-CLASS customer experience and the best brand</p>	<p>OUTPERFORM MARKET development growth in both retail and corporate</p>	<p>DIGITALIZATION and automation of core processes, continue with modernization of IT</p>
<p>BUILD long term client relationship by providing PERSONALIZED ADVICE and right solutions</p>	<p>FEE GROWTH fueled by Bancassurance as well as Asset Mgmt.</p>	<p>Become DATA DRIVEN bank by improving data utilization and create value added insights from clients</p>
<p>GEORGE as a UNIQUE client interface and enable ensuring financial health</p>	<p>Support transition to ENVIRONMENTALLY sustainable economies</p>	<p>ENSURE optimal cost to income structure</p>

Erste Group | EBC at Glance

Republic of Croatia

Croatian Banking Market

Erste Bank Croatia

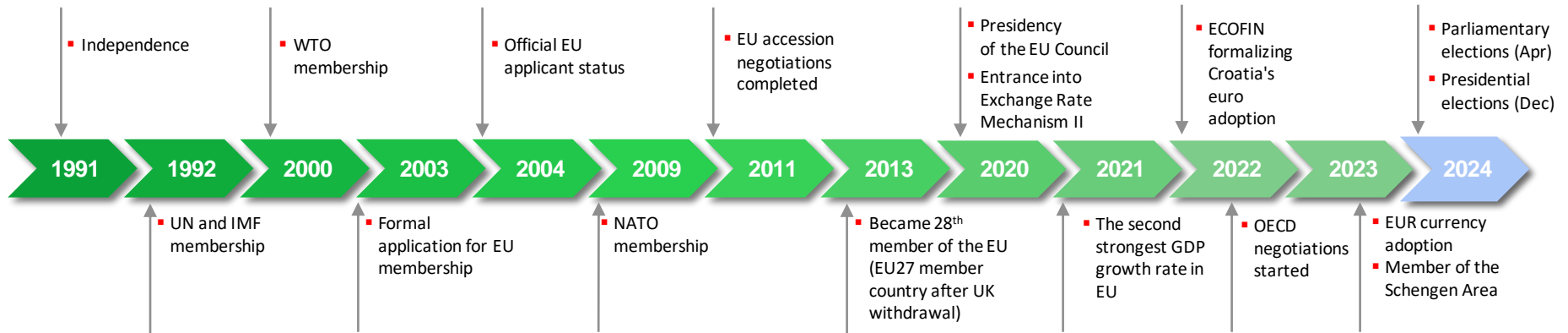
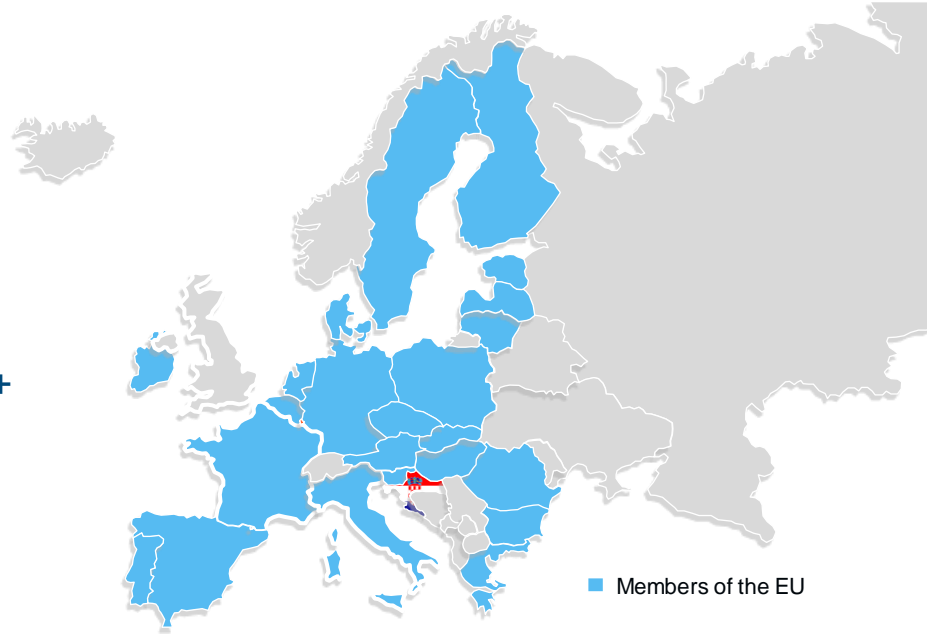
Funding

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Additional Information

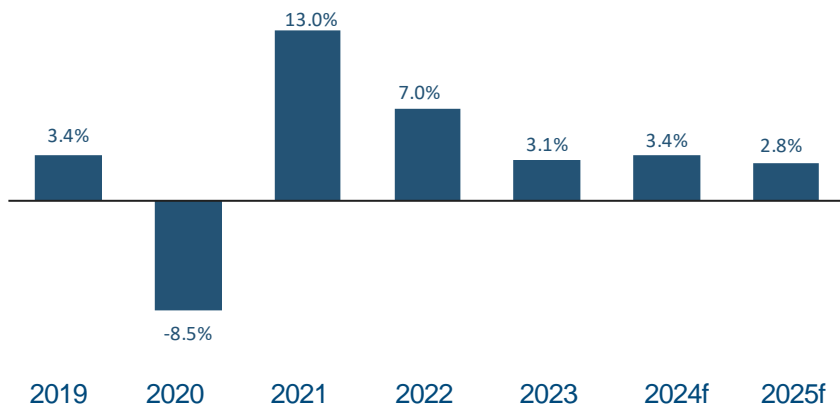
Key Figures

- Area:** 56,594 km² (land); 31,067 km² (sea)
- Population:** Approx. 3.9million
- GDP per capita:** Approx. €19,858 in 2023
- Credit ratings:** Moody's: Baa2 (positive) / S&P: BBB+ (positive) / Fitch: BBB+ (positive)
- Capital:** Zagreb



Macroeconomic Development

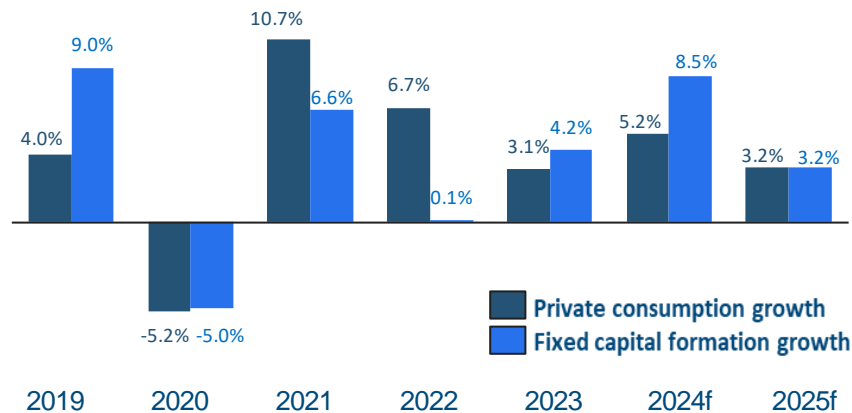
Real GDP growth (%)



Source: Statistical Office, EBCResearch

- Economic momentum remained strong in 1H24 with as GDP grew 3.9% y/y and 3.3% y/y in 1Q and 2Q respectively
- Detailed structure revealed strong domestic demand footprint as private consumption expanded by 6% y/y in 1H24. Investments were on strong footing in 1H24 growing almost 12% y/y, highest pace since 1H21. On the other hand, developments in external trade weighed on the headline figure. Exports in 1H24 showed decline (-1.6% y/y), driven by the negative services performance, but likely not reflecting tourism developments, yet other services performance. Imports brought a 3.7% y/y increase, showing strong increase in both goods and services and being shaped by strong domestic demand

Components of GDP

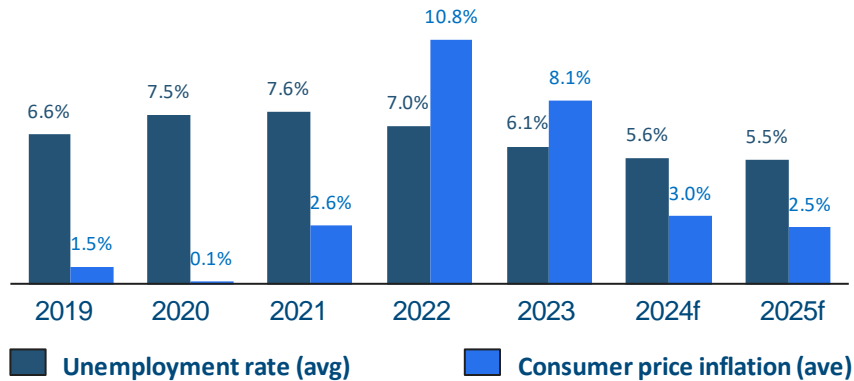


Source: Statistical Office, EBCResearch

- Looking ahead, we see domestic demand remaining growth backbone. Private consumption is looking to keep an overall supportive tone (albeit somewhat slower), owing to ongoing strong labor market factors, resilient consumer sentiment, and vivid consumer credit. While investments surprised positively during 1H24, we see it remaining in decent shape owing to the economic outlook, supportive sector sentiment, and interest rate outlook. As external demand goes, tourism remains under the spotlight, while we expect further gradual normalization on the goods side, like the one seen in 1H24. Our growth call for FY24 remains at 3.4%, with somewhat more pronounced downside risks, yet very modest ones at the moment

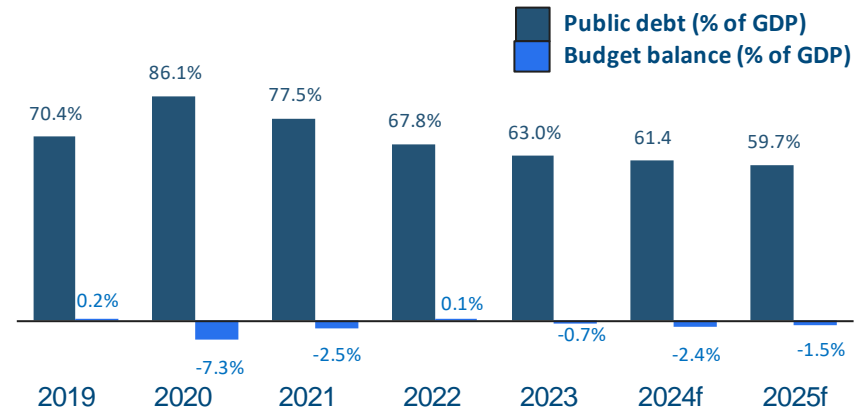
Macroeconomic Development (Cont'd)

Unemployment and inflation (%)



Source: Statistical Office, EBC Research

Public debt and government balance



Source: Statistical Office, ECB Research

- Favorable labor market conditions remain present, with unemployment rate remaining on low levels and real wages showing double-digit growth
- 2Q24 inflation developments brought largely anticipated inflation moderation, where supply-side factors eased (most notably on energy and food items), while demand side pressures remained present. However, latest figure for July (2.3% y/y) revealed that price growth moderation continues, but at much lower pace going into 3Q24. Outlook envisages similar footprint ahead, as we see supply-side factors remaining largely in check and demand-side pressure continuing to reflect double-digit wage growth and robust sentiment, suggesting average FY24 CPI around 3% mark

- Croatia delivered solid fiscal print also in 2023, as budget deficit landed at 0.7% of GDP, while public debt level declined to 63% of GDP mark. Budget draft for 2024 is envisaging some election-cycle drive loosening and budget gap around 2.5% of GDP
- On the financing side, MoF has been active in recent period, where following another round of retail targeted T-bill issuance (EUR 1.025bn, out of which EUR 0.83bn went to retail investors), in July it placed bonds worth EUR 2bn on the local market. Issuance was split between 3Y (EUR 750mn – where retail investors took 158mn – priced at 3.3%) and 10Y (EUR 1.25bn, priced at 3.6%) tenor. This put YTD placements at EUR 3.5bn (out of EUR 4.5bn planned), suggesting likely one more issue in 4Q24

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Republic of Croatia

Croatian Banking Market

Erste Bank Croatia

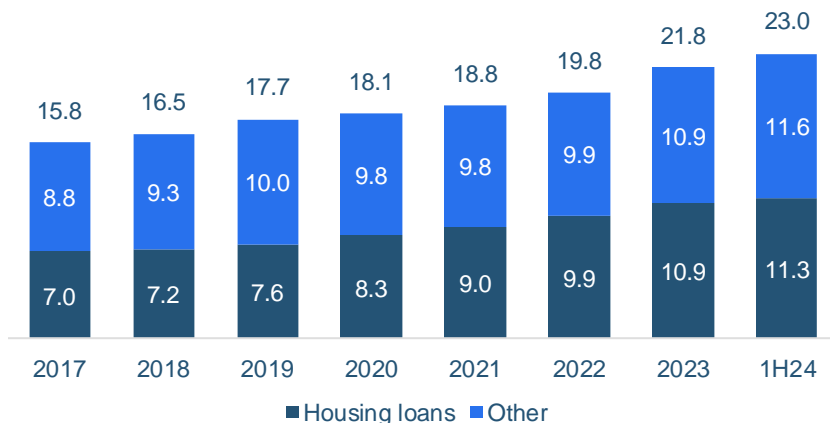
Funding

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Additional Information

Outstanding Retail Loans and Debt of Households

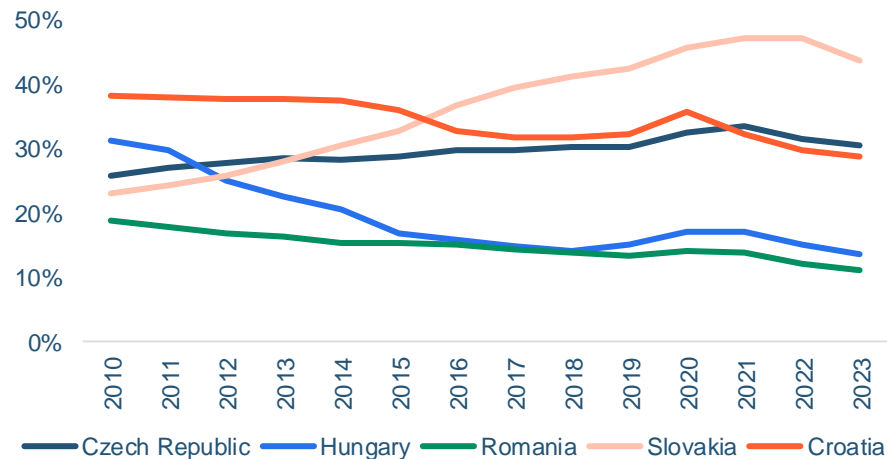
Development of retail loans (EUR bn)



Source: CNB

- Retail loans dynamics picked-up in post-corona period, with loans to households' growth accelerating to 9.9% y/y in 2023 (vs. 5.4% y/y increase in 2022). 1H24 confirmed strong pace with 5.6% being added in the period. Housing credit maintained steady growth pattern, while consumer credit shifted into higher gear and reversing to extent convergence trend between consumer and housing market volume from recent years
- Housing kept steady growth momentum also in 1H24, adding 4.1% YTD and growing 9.8% y/y
- Cash loans showed further acceleration being up 7.2% YTD and growing 12% y/y

Retail loans to GDP

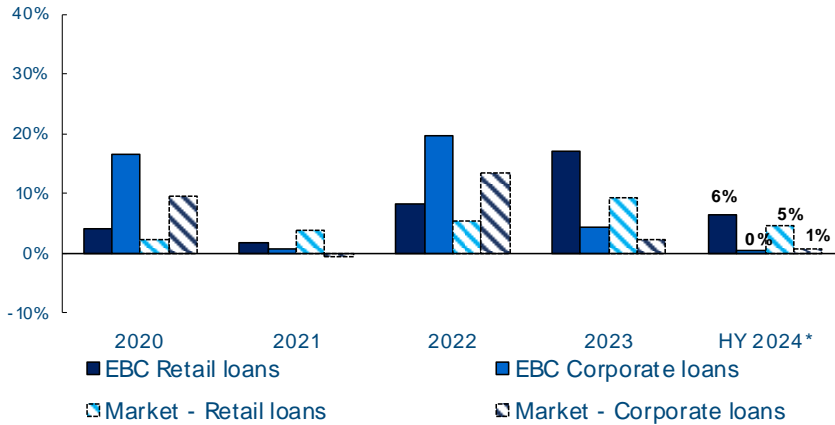


Source: Erste Group Research

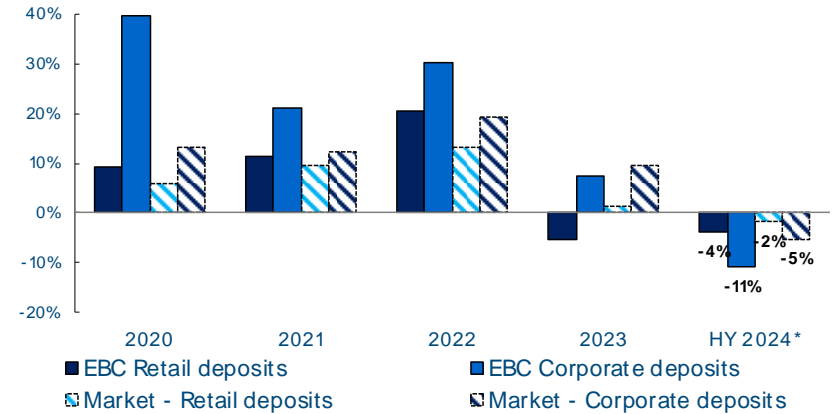
- Croatia's households traditionally are showing relatively high penetration rates in the CEE region, though with changing trend as some of the peers caught up
- Overall relative deleveraging in recent year has been driven by the weaker credit activity – increase in 2020 and then reversal in 2021 onwards has been to large extent driven by the GDP developments, to lesser extent by the credit activity itself. Despite solid credit growth rates in 2022 and 2023, deleveraging trend continued as nominal GDP remained in higher gear

Loans and Deposits development

Retail and corporate/public gross loans (YTD change)



Retail and corporate deposits (YTD change)



Source: CNB, Internal data

Source: CNB, Internal data

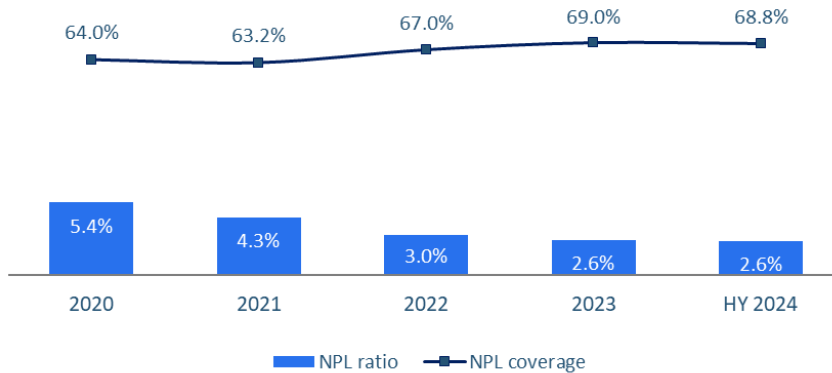
- Loan side displayed divergent trends as retail segment delivered additional acceleration mostly owing to improving consumer credit dynamics. Corporate segment, after strong 2022, showed some moderation reflecting increasing interest rate environment in 2023. Volume stagnation in corporate segment during 1H24 reflecting public sector loan decline
- EBC continued to outperform in retail segment with both consumer and housing credit delivering support, while corporate segment performed slightly below the market

- After euro adoption one-off, deposit side saw some normalization during 2023 as deposit growth, especially in retail segment, decelerated considerably. Growth momentum has been also influenced by retail targeted MoF public debt issuance that weighed on the deposit base. EBC slightly underperformed the market during 2023 owing to some one-offs in large corporate and private banking segment and own senior preferred bond issuance
- 1H24 developments are reflecting seasonal trajectory, while retail segment remained burdened by the ongoing retail-target MoF public debt issuance

* HY 2024 – latest actual figures for 05/2024
Parent bank level

NPL Rates and Profitability of the Banking Sector

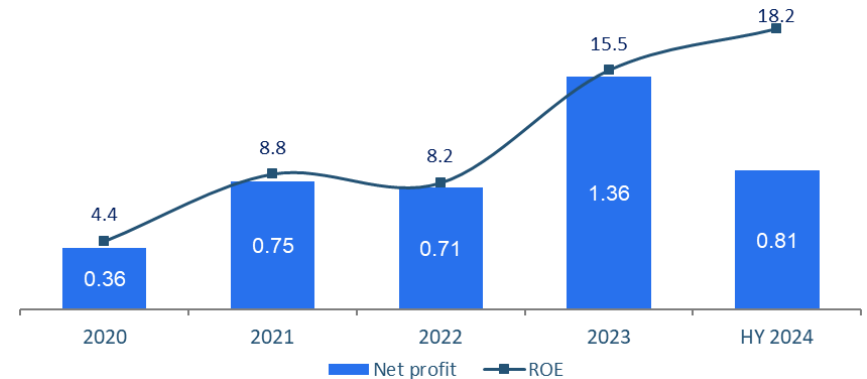
NPL ratio and NPL coverage



Source: CNB

- In recent years total level of non-performing loans has been on downward trajectory, with NPL ratio stable at 2.6% during 2023 and HY 24
- NPL share of household loan portfolio, further decreased to 4.0% (down from 4.2% at YE 2023)
- The share of NPLs in the non-financial corporate sector kept declining to 4.6% (5.1% at YE 2023), as a result of loans increase

Profitability of the sector (EUR bn / %)

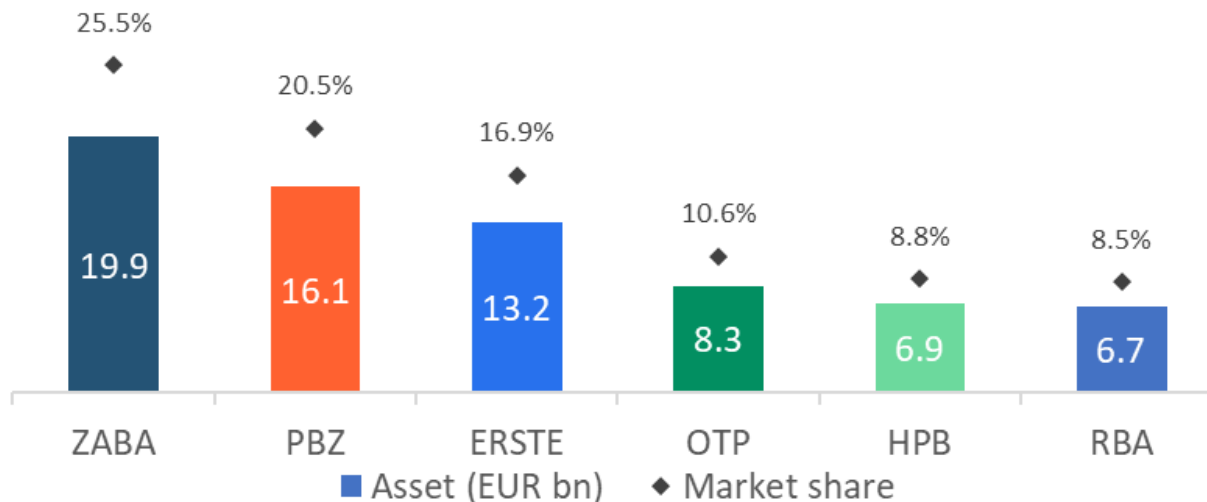


Source: CNB

- Following post-pandemic normalization in 2021/2022, profitability of the banking sector further improved in 2023 with both profits and ROE almost doubling. ROE increased to 15.5% reflecting growing net interest income (supported by growing loan portfolio and rate environment) and ongoing benevolent risk cost developments
- 1Q24 brought visible increase of profitability with ROE increasing to 18.1%. Capitalization levels remained high at 23.3%, close to total capital ratio from 2023 at 23.61%
- Profitability in 2022 was influenced by one-off windfall profit tax

Main Players on Croatian Banking Market

Total assets (EUR bn) and asset market shares HY 2024



Source: CNB, Parent bank level

- As the 3rd bank in terms of assets, and loans to customers, EBC has established a strong market position
- During 2023 the bank has further increased loan market share with positive trend prolonging into HY24
- The long-term growth has been driven by both retail and corporate segment
- On the deposit side, EBC hold equally strong position firmly holding 3rd position on the market
- Retail customer deposits market share declined during 2023 reflecting stronger outflows related to retail targeted bond issuance compared to market

ZABA – Zagrebačka banka – member of UniCredit Group

PBZ – Privredna banka Zagreb - member of Intesa Sanpaolo Group

RBA – Raiffeisen Bank

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Republic of Croatia

Croatian Banking Market

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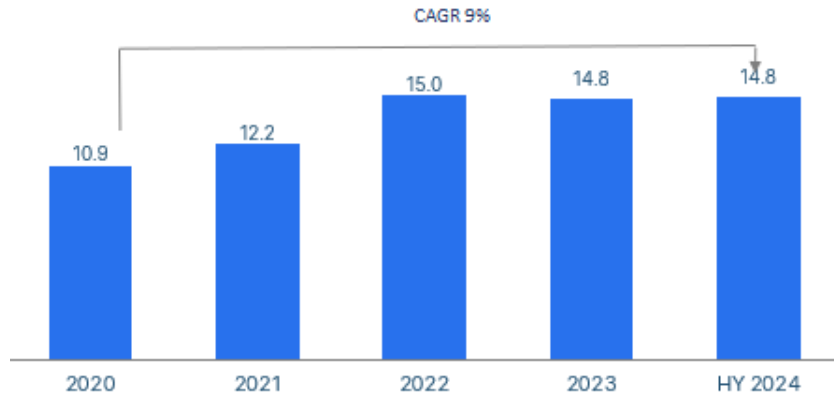
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Historical Performance of EBC Group

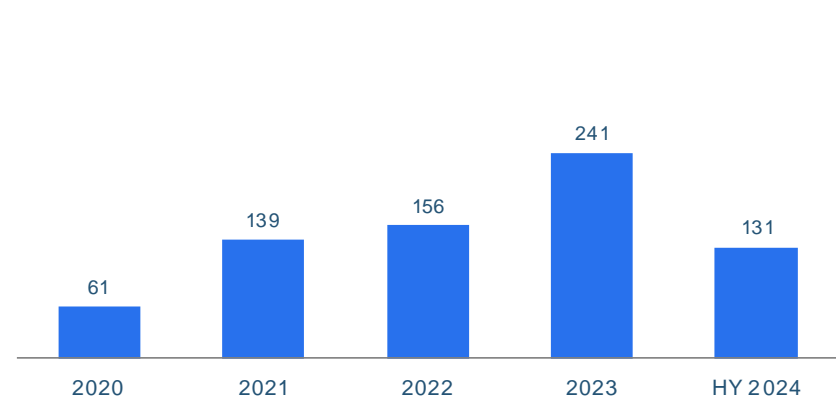
Total assets (EUR bn)



Source: Audited Consolidated Financial Statements, Unaudited Consolidated Financial Statements for HY 2024

- The EBC Group total assets have been continuously growing in the last 3 years. Flattish trend in 1H24 reflecting deposits outflows
- Compound growth is mostly driven by increasing loan portfolio in retail and corporate segments
- In 2022 the loan demand was mostly driven by households (especially housing loans), SME and large corporate segment (including government) and additionally supported by significant increase of liquid assets
- Surplus liquidity grew as result of strong deposit growth in 2022 (due to EURO adoption and client base growth), while in 2023 excess liquidity showed decrease owing to loan growth outpacing deposit performance. Trend remained present also during 1H24.

Net profit (EUR mn)



Source: Audited Consolidated Financial Statements, Unaudited Consolidated Financial Statements for HY 2024

- Net profit was lower in 2020 caused by the COVID-19 pandemic, which resulted with high levels of risk cost
- In 2021 strong recovery with lower risk cost supported by good tourist season and positive one-off impact on other operating result
- In 2022 result is better than 2021, under the influence of lower risk cost. Income increased and costs also followed the same trend. One-off windfall tax weighed on the profitability in 2022
- In 2023 growth is driven by higher income (NII due to volumes and market rates and NCI due to increased fees, while FX related income declined after EURO introduction), while costs are also reflecting inflation pressures.
- HY24 showing stable YoY growth on income side, partly offset by increasing costs

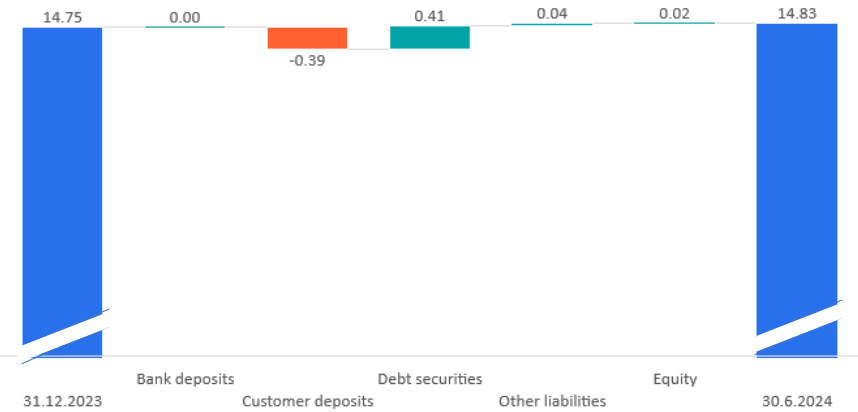
Balance Sheet Performance of EBC Group

Total assets development in HY 2024 (EUR bn)



Source: Unaudited Consolidated Financial Statements for HY 2024

Total liabilities development in HY 2024 (EUR bn)



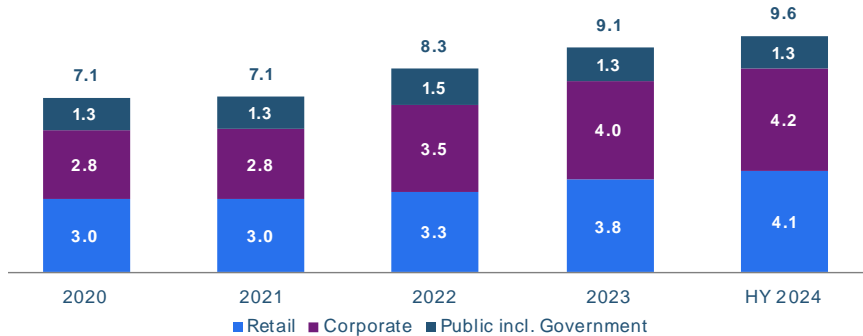
Source: Unaudited Consolidated Financial Statements for HY 2024

- Total assets in 1H24 on stable level compared to YE 23
- Healthy customer loan growth (above 5% YTD) has been largely driven by solid growth of housing & consumer loans, while corporate volume growth has been affected by repayments in the public sector
- Excess liquidity decreased due to customer deposits outflows, related also to retail-targeted MoF debt issuance

- Deposit growth trend moderated significantly in 2023 allowing for 2% growth of customer deposit base. This continued in 1H24, reflecting additional issuance of MoF debt to retail clients
- EBC issued EUR 0.4bn preferred senior green bond in 1H24

Balance Sheet Performance of EBC Group

Net customer loans* (EUR bn)

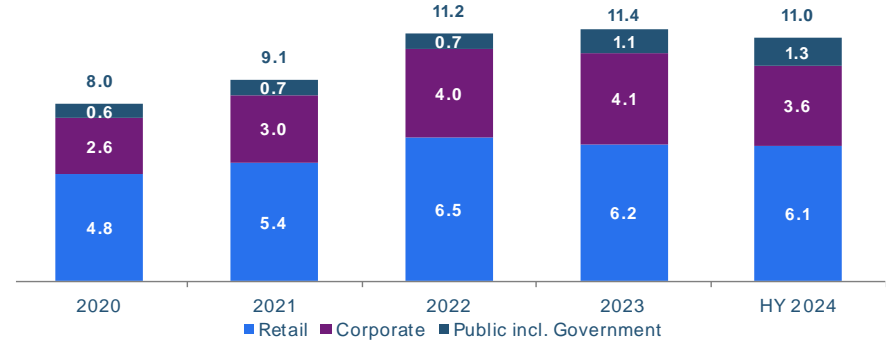


Source: Audited Consolidated Financial Statements, Unaudited Consolidated Financial Statements for HY 2024

- Growth of corporate loans continued in 2023 although, in line with expectations, at a somewhat slower pace than in 2022. Large segment contributed more to the growth; moderating trend was present in the SME segment while the public sector was marked with certain repayments
- Retail in 2023 grew substantially above-market in both housing & consumer loan segments
- 1H24 growth driven mostly by retail segment, especially consumer credit

Net Customer Loans* - Loans and advances to customers at amortized cost, Trade and other receivables, Finance lease receivables to customers
Business Line allocation is based on IFRS sectorization

Customer deposits (EUR bn)

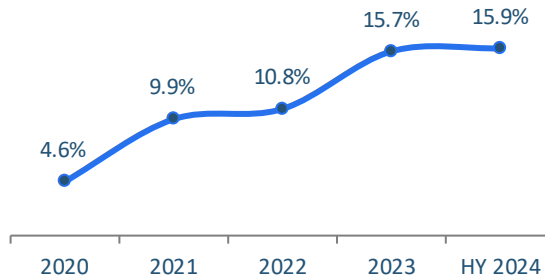


Source: Audited Consolidated Financial Statements, Unaudited Consolidated Financial Statements for HY 2024

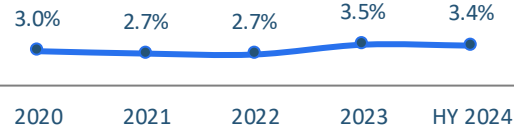
- 2023 performance shaped by government issuance of retail-targeted bond, few big-ticket outflows in large corporate and private banking segment and own issuance of senior preferred bond. Strong tourism performance and economic momentum remained positive underlying factor
- 1H24 continuing with slightly downward trend in retail segment due to additional retail-targeted issuance; corporate segment displayed traditional seasonal trajectory

Key Financial Ratios of EBC Group

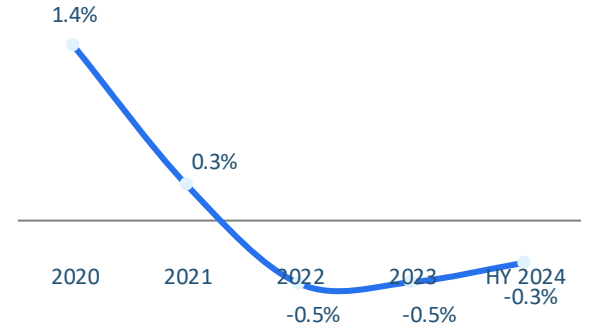
Return On Equity (ROE)



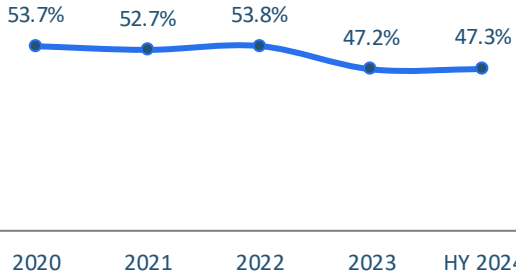
Net interest margin (NIM)



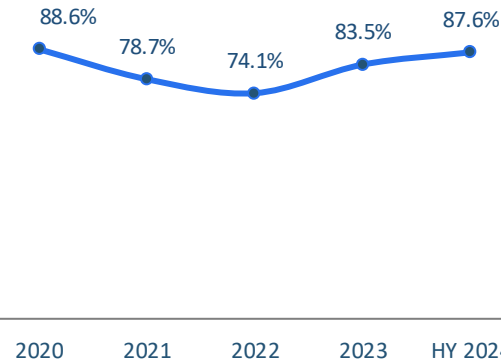
Risk cost ratio



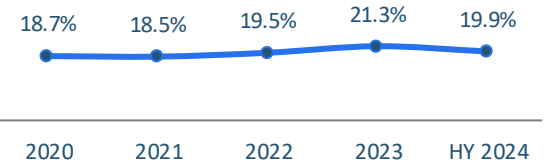
Cost income ratio



Net loan/deposit ratio



Total capital ratio



Source: Internal calculation based on Unaudited Consolidated Financial Statements for HY 2024
 NIM, ROE and Risk cost ratio are calculated based on simple average of two period balance sheet positions.

Operating result and Risk cost

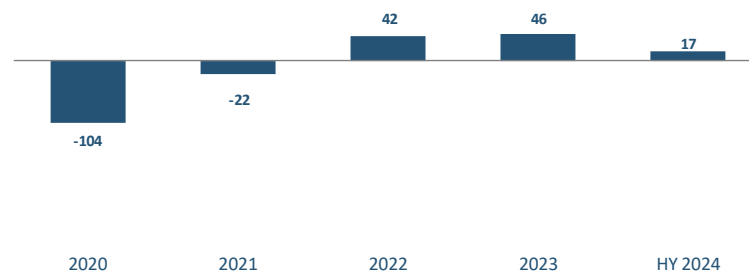
Operating result development (EUR mn)



Source: Audited Consolidated Financial Statements, Unaudited Consolidated Financial Statements for HY 2024

- Operating result increasing y/y – boosted especially by strong NII growth. Expenses were moving in the similar direction, though at lower pace driven by increased wage-inflation and overall inflation pressures

Risk cost development (EUR mn)



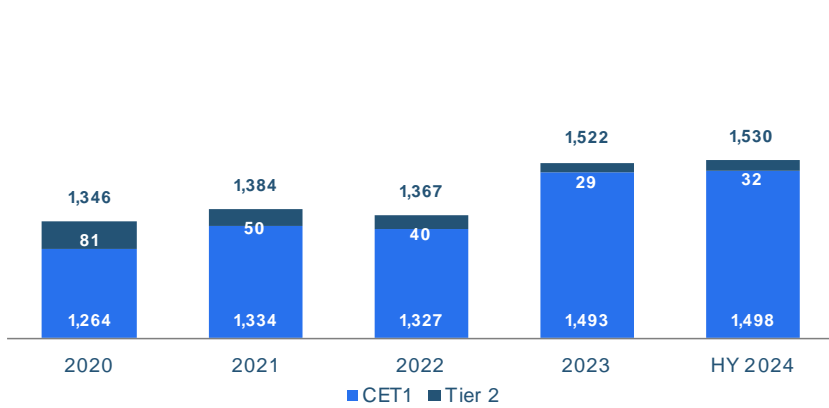
Source: Audited Consolidated Financial Statements, Unaudited Consolidated Financial Statements for HY 2024

- Continued trend of overall better portfolio performance recorded in both retail and corporate segments.
- Risk cost for HY24 is under the influence of certain rating upgrades and collections, while new defaults are on higher level compared to previous year. Additionally, risk cost was driven by methodological changes

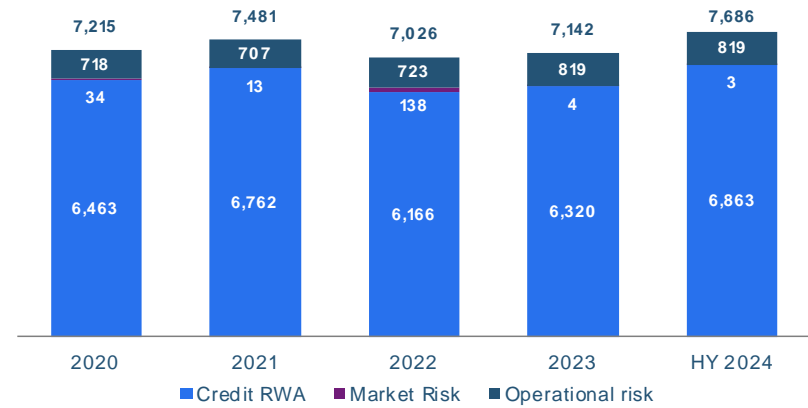
Operating income: Net interest income, Net fee and commission income, Dividend income, Net trading and fair value result, Gains/losses from financial instruments measured at fair value through profit or loss, Net result from equity method investments, Rental income from investment properties & other operating leases
 Operating expenses: Personnel expenses, Other administrative expenses, Depreciation and amortisation

Capital Position

Basel 3 Capital (fully loaded, EUR mn)

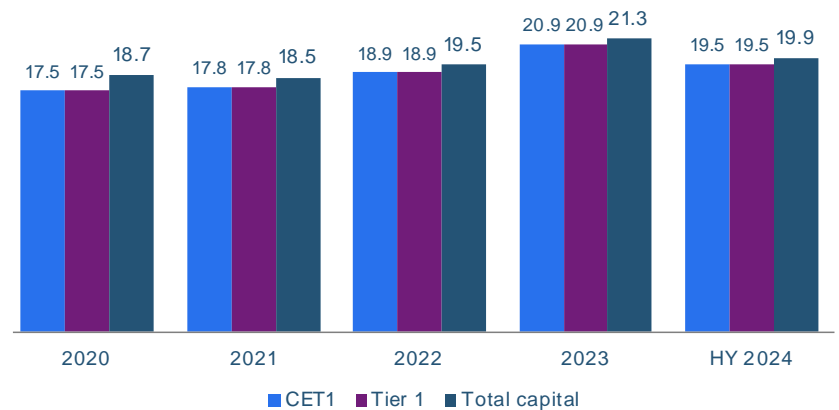


Risk-weighted Assets (fully loaded, EUR mn)



- Capital position has remained strong and well above minimum requirements with CET1 of 19.5% at HY24 and total capital ratio of 19.9%
- Own funds improved by positive development of net profit.
- Total risk exposure amount increase is driven mainly by asset size growth at Bank level as well as increase in asset size of subsidiaries Erste Leasing and EB Podgorica

Basel 3 Capital Ratios in % (fully loaded)



Source: Disclosure requirements for the EBC Group

*Credit RWA includes risk exposure for credit valuation adjustment

Erste Group | EBC at Glance

Republic of Croatia

Croatian Banking Market

Erste Bank Croatia

Funding

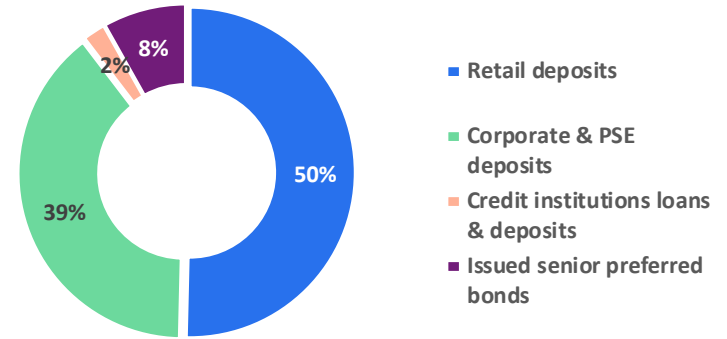
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Additional Information

Funding structure & issuance plans

- EBC's most significant source of funding are retail & corporate deposits, amounting to 89% of total funding
- Demand deposits make up 73% of Retail deposits and 66% of Corporate deposits
- EBC's funding also includes issued senior preferred bonds and funding from supranational banks, owners and other financial institutions
- Outstanding amount of senior preferred bonds as of 30 June 2024 amounts to EUR 935mn

EBC funding structure - 30 June 2024

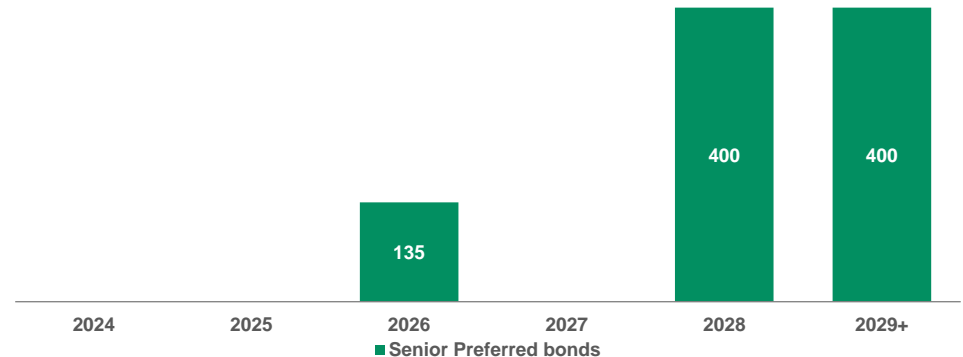


Source: Internal data

MREL issuance plan (by year-end 2024)

- In January 2024, EBC successfully issued its first green senior preferred bond in the amount EUR 400mn in the international market, with 5NC4 tenor and a fixed interest rate of 4.9%
- The final book stood in excess of EUR 2.9bn, which allowed a re-offer at MS+220bps and represents the largest CEE orderbook in senior space ever collected
- Additional issuances till the year end to be considered in line with the business development

Maturity profile



Source: Internal data

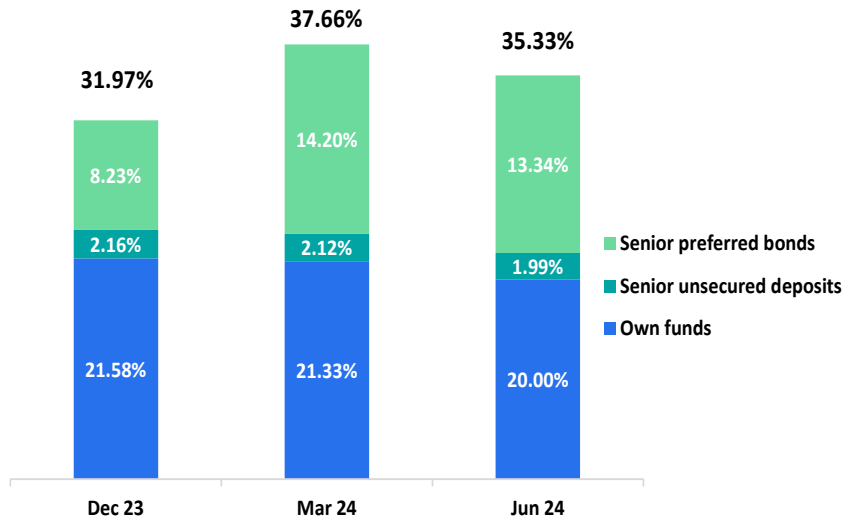
MREL requirements fulfilled on 30 June 2024

Croatian Resolution Group

Entities within the Croatian resolution group:

- Erste&Steiermärkische Bank (EBC)
- Erste&Steiermärkische S-Leasing
- Erste Card Club

MREL capacity based on TREA



Key take-aways

- Multiple point of entry (MPE) resolution strategy
- In May 2024, EBC received its MREL requirement, calibrated on 31 Dec 2022 balance sheet data, from the Single Resolution Board
- EBC, as the resolution entity of the Croatian resolution group, must comply with the MREL requirement of 24.37% of TREA (excl. CBR) and 5.99% of LRE
- As of 30 June 2024, the CBR of the Croatian Resolution Group was 7.46% of TREA so total MREL requirement was 31.83% of TREA
- Based on the Croatian resolution group's TREA as of 30 June 2024 of EUR 7.09bn, the MREL ratio was 35.33% of TREA and 16.79% of LRE
- As of 30 June 2024, EBC was compliant with the fully-loaded MREL requirements (TREA and LRE-based) to be fulfilled from May 2024
- Increase in MREL capacity in 1Q24 was mainly due to issuance of senior preferred bond in the amount EUR 400mn while slight decrease in 2Q24 is due to growth of TREA
- Potential changes in the MREL requirement will be reflected EBC's funding plan as to ensure compliance with MREL targets
- No subordination requirement was set for Croatian resolution group

MREL - Minimum Requirements for Own Funds and Eligible Liabilities
 TREA - Total Risk Exposure Amount
 CBR - Combined Buffer Requirement
 LRE - Leverage Ratio Exposure

Erste Group | EBC at Glance

Republic of Croatia

Croatian Banking Market

Erste Bank Croatia

Funding

ESG

Additional Information

Why is ESG important to us?

- **Prosperity can not be secured without sound environment, inclusive society and strong institutions.**
- **Environmental and social responsibility is important to our clients.**
- **It is a source of inspiration to our employees.**
- **It is key in the value-set of our shareholders and institutional investors.**

It is a very natural fit to our inclusive driven strategy.



What are our main strategic pillars

- We want to **reduce inequalities** providing equal opportunities to everybody
- Creating diversity:
 - gender
 - age
 - disability



- New ways of working, creating the **work life balance**
- Offering different **fringe benefits** to our employees
- As we care about our employees' **well-being** we introduced **employee engagement**



- EBC actively supports various initiatives and projects that contribute to the development and improvement of the **society**
- Provide **financial literacy**
- Sustainability report**












We trust in sustainability!



- Net zero emissions by 2050** at the latest - EGB joined the UN-convened Net-Zero Banking Alliance
- Decarbonization** of the portfolio and operations

- One of the **leading banks in financing green investments**
- Support clients **ESG transformation**
- Social partner** in ESG community activities (focus on municipalities)

- One of the **leading banks in green mortgage** lending
- Implementation of products and services which raise awareness and reduce **CO2 emissions**
- Social banking** service and proactive care for **vulnerable clients**

Operational footprint - Status

Buildings



85% of green electricity consumption in 2022



Heating and electricity are at 75% from renewable energy



We installed PV and produce 70 MWh/Year and by the end of 2030 we plan to produce 700 MWh/Year

Mobility



e-Car sharing offered to all employees for business trips



Public Transport ticket supported by the company



Low carbon travel policy implementation (flights, accommodation)

In 2023 the **Co2 emissions Scope 1&2** was **1.586 tCo2e**. In addition to the emission reduction measures already taken, all remaining operational emissions including Scope 3 were **compensated by purchasing CO₂ Gold Standard certificates** with a maximum vintage of 4 years on the Voluntary Carbon Market. The project supported by our investment includes low-emission drinking water treatment. The projects were carefully selected with the involvement of both external experts in this field and the relevant internal stakeholders.

Erste Group's Sustainable Finance Framework - Overview

EBC follows the 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)

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

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'

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:



Erste Group's Sustainable Finance Framework – Use of proceed





EBC follows the Group's Sustainable Finance Framework



Green Category	Definition	Eligibility Criteria	UN SDG	EU Environmental Objective
Green Buildings (Residential)	Loans and/or investments to finance new or existing residential buildings	<ul style="list-style-type: none"> Buildings that are within the top 15% energy efficient buildings in the respective country Buildings that have undergone refurbishments resulting in an increase in energy of efficiency of at least 30% against a baseline performance of the building before renovation (When using EPC labels, at least two label steps increase in energy performance certificate compared to original built quality) New Buildings that comply with Nearly Zero Energy Buildings requirements defined in relevant country building legislation* 	  	Environmental Objective (1): Climate Change Mitigation
Green Buildings (Commercial)	Loans and/or investments to finance new or existing commercial buildings	<ul style="list-style-type: none"> Buildings that are within the top 15% energy efficient buildings in the respective country Buildings that have undergone refurbishments resulting in an increase in energy of efficiency of at least 30% against a baseline performance of the building before the renovation Where applicable, minimum certification of BREEAM 'Very Good', LEED 'Gold' or any other equivalent certification 	  	Environmental Objective (1): Climate Change Mitigation
Renewable Energy	Loans and/or investments to finance or refinance generation and transmission of energy from renewable sources and manufacturing of the related equipment	<ul style="list-style-type: none"> Onshore and offshore wind energy Solar (Photovoltaic) Small scale hydro power (<20 MW) and refurbishment (or refinancing) of existing large-scale hydro (>20 MW) Geothermal energy with life cycle assessment emissions $\leq 100\text{g CO}_2\text{e/kWh}$ 	 	Environmental Objective (1): Climate Change Mitigation

*Within its Sustainable Finance Reporting, Erste Group intends to report on the % of New Buildings complying with the EU Taxonomy NZEB – 20% criteria, where applicable (for assets located in geographies where NZEB has been defined in terms correspondent Building Regulation)

Erste Group enjoys top notch ESG rating credentials

		2022	2023
	Erste Group maintains rating of AA in the MSCI ESG Ratings assessment.	AA (5.9)	AA (5.5)
	Erste Group's assessment by Sustainalytics in the low risk category was confirmed.	Low Risk 15.3 / 100	Low Risk 16.4 / 100
	Erste Group kept the Prime Status by ISS ESG, with a "very high" transparency level awarded.	C "Prime" 50.00	C "Prime" 52.25
	Second time reporting resulted in good B rating .	B	B

Erste Group | EBC at Glance

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Additional Information

EBC Group Balance sheet

in EUR mn	12/2023	06/2024	YoY
Cash and cash balances	2.354	1.604	-751
Financial assets held for trading	23	23	0
Non-trading financial assets at fair value through profit or loss	7	8	1
Financial assets at fair value through other comprehensive income	1.093	982	-111
Financial assets at amortised cost	10.357	11.185	828
Debt securities	1.803	1.943	139
Loans and advances to banks	68	367	299
Loans and advances to customers	8.486	8.876	390
Finance lease receivables	483	560	77
Property and equipment	161	162	1
Investment properties	2	3	1
Intangible assets	19	18	-1
Investments in subsidiaries, joint ventures and associates	9	10	1
Current tax assets	2	1	-1
Deferred tax assets	40	40	-1
Assets held for sale	0	0	0
Trade and other receivables	170	192	22
Other assets	30	38	8
Total assets	14.752	14.826	74

in EUR mn	12/2023	06/2024	YoY
Financial liabilities held for trading	21	21	1
Financial liabilities measured at amortised cost	12.841	12.899	58
Deposits from banks	784	787	3
Deposits from customers	11.382	10.993	-388
Debt securities issued	537	943	407
Other financial liabilities	138	176	37
Lease liabilities	14	13	-1
Provisions	75	75	0
Current tax liabilities	19	16	-3
Deferred tax liabilities	0	0	0
Liabilities associated with assets held for sale	0	0	0
Other liabilities	108	111	3
Equity attributable to owners of the parent	1.643	1.658	15
Equity attributable to non-controlling interests	31	32	1
Total liabilities and equity	14.752	14.826	74

EBC Group Profit and Loss Statement

in EUR mn	06/2023	06/2024	YoY
Net interest income	192	213	21,6
Interest income	231	300	69,0
Interest expense	-39	-87	-47,5
Net fee and commission income	57	64	6,4
Fee and commission income	78	86	7,8
Fee and commission expenses	-20	-22	-1,4
Dividend income	0	0	0,0
Net trading and fair value result	8	8	-0,1
Gains/losses from financial instruments measured at fair value through profit or loss	0	1	0,1
Net result from equity method investments	1	1	0,0
Rental income from investment properties & other operating leases	4	4	0,0
Personnel expenses	-61	-66	-4,6
Other administrative expenses	-48	-56	-8,3
Depreciation and amortisation	-16	-15	0,3
Impairment result from financial instruments	22	17	-5,3
Other operating result	-1	-2	-1,6
Pre-tax profit from continuing operations	159	167	8,5
Income tax	-28	-35	-7,0
Net result for the period	131	132	1,5
Net result attributable to non-controlling interests	-2	-1	0,7
Net result attributable to owners of the parent	129	131	2,3
Operating income	262	290	28,0
Operating expense	-125	-137	-12,5
Operating result	137	153	15,4

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