Founded in 1819 as the first Austrian savings bank, Erste Group went public in 1997 with a strategy to expand its retail business into Central and Eastern Europe (CEE). Since then, Erste Group has grown through numerous acquisitions and organic growth to one of the largest financial services providers in the Eastern part of EU in terms of clients and total assets:

AS PER THE FIRST SIX MONTHS OF 2020, ERSTE GROUP HAD:

- 16.1 MILLION CUSTOMERS
- 47,500 EMPLOYEES
- 2,318 BRANCHES IN 7 COUNTRIES
- EUR 265 BILLION TOTAL ASSETS
- EUR 1.26 BILLION OPERATING RESULT
- EUR 21.2 BILLION TOTAL EQUITY
- 14.2 % CET 1 RATIO (FINAL)
- EUR 294 MILLION NET PROFIT

**STRATEGY**

**EASTERN PART OF EU**

**CORPORATE BANKING**

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

FX loans only in EUR for clients with EUR income (or equivalent) and where funded by local FX deposits (HR and RS)

Savings products, asset management, and pension products

Expansion of digital banking offering

**RETAIL BANKING**

Large, local corporate and SME banking

Advisory services, with focus on providing access to capital markets and corporate finance

Real estate business that goes beyond financing

**CAPITAL MARKETS**

Focus on customer business, including customer-based trading activities

In addition to core markets, presence in Poland, Germany, London, New York, and Hong Kong with institutional client focus and selected product mix

Building debt and equity capital markets in CEE

**PUBLIC SECTOR**

Financing sovereigns and municipalities with focus on infrastructure development in core markets

Any sovereign holdings are only held for market making, liquidity or balance sheet management reasons or to support client business

**INTERBANK BUSINESS**

Focus on banks that operate in the core markets

Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

**FOCUS ON CEE, LIMITED EXPOSURE TO OTHER EUROPE**

**EXTENSIVE PRESENCE IN CEE**

**LISTINGS AND INDEX REPRESENTATION**

<table>
<thead>
<tr>
<th>LISTINGS</th>
<th>INDEX</th>
<th>WEIGHTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vienna Stock Exchange</td>
<td>ATX</td>
<td>20.0 %</td>
</tr>
<tr>
<td>Prague Stock Exchange</td>
<td>PX</td>
<td>19.3 %</td>
</tr>
<tr>
<td>Bucharest Stock exchange</td>
<td>BET-BK</td>
<td>7.0 %</td>
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</table>

**RATINGS**

<table>
<thead>
<tr>
<th>S&amp;P</th>
<th>Fitch</th>
<th>Moody’s</th>
</tr>
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<tbody>
<tr>
<td>A</td>
<td>A</td>
<td>A2</td>
</tr>
<tr>
<td>A-1</td>
<td>F1</td>
<td>P-1</td>
</tr>
</tbody>
</table>

* Rating Watch Negative

**SHAREHOLDER STRUCTURE**

<table>
<thead>
<tr>
<th>SHAREHOLDER</th>
<th>ECONOMIC OR INVESTMENT INTEREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erste Group</td>
<td>own economic interest</td>
</tr>
<tr>
<td>Erste Foundation</td>
<td>founding economic interest</td>
</tr>
<tr>
<td>Savings Banks &amp; Savings Banks Foundations</td>
<td>founding economic interest</td>
</tr>
<tr>
<td>Other Syndicated</td>
<td>institutional and retail investors international</td>
</tr>
<tr>
<td>Institutional and Retail Investors</td>
<td>institutional and retail investors international</td>
</tr>
<tr>
<td><strong>Total number of shares</strong>: 429,800,000</td>
<td><strong>Free float</strong>: 68.76 %</td>
</tr>
</tbody>
</table>

**MANAGEMENT BOARD**

- Bernd Spalt, CEO
- Stefan Dörfler, CFO
- Alexandra Habeler-Drabek, CRO
- Peter Bosek, Retail Banking
- Ingo Bleier, Corporates & Capital Markets
- David O’Mahony, Chief Operations Officer
- Ara Abrahamyan, Chief Digital Transformation Office
CEO STATEMENT

“...we expect to see positive quarter-on-quarter growth rates in the second half of the year. The rebound is particularly visible in the retail sector, while industry has been recovering at a slower pace. All in all, CEE economies have been gradually improving and have closed most of the gap compared to their pre-pandemic level of...”

Bernd Spalt, CEO of Erste Group Bank AG

OUTLOOK 2020

Operating environment
• COVID-19 lockdowns redefine macro outlook
• Real GDP decline of between 4-9% expected in 2020, followed by recovery in 2021
• CEE-wide concerted fiscal mitigation efforts

Business performance
• Challenged revenue outlook amid economic downturn, rate cuts, expenses to benefit
• Lower organic growth, protected growth (guarantees) and freezing of good portfolio through moratoria

Credit risk
• Significant increase in risk costs expected in 2020
• Aim to frontload as much in 2020 as justifiable
• Significant cushion in case of worse than expected downturn, rate cuts; expenses to benefit
• Management intends to pay dividends both for 2019 and 2020, subject to business conditions and to regulatory approval

Risk factors to guidance
• Longer than expected duration of COVID-19 crisis
• Higher than expected credit quality deterioration
• Longer than expected period of lower interest margins
• Longer than expected period of lower interest margins
• Economic downturn may put goodwill at risk

Given the robust underlying result, solid capitalization and profitable business model, customers can continue to rely on Erste as a strong partner even in these unprecedented times.”

CENTRAL AND EASTERN EUROPE

MACROECONOMIC OUTLOOK FROM ERSTE RESEARCH

REAL GDP GROWTH (%)

<table>
<thead>
<tr>
<th>HR</th>
<th>CZ</th>
<th>HU</th>
<th>PL</th>
<th>RO</th>
<th>RS</th>
<th>SK</th>
<th>SI</th>
<th>CEEB</th>
<th>AT</th>
<th>EZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.7</td>
<td>3.2</td>
<td>5.1</td>
<td>5.1</td>
<td>4.4</td>
<td>4.4</td>
<td>3.9</td>
<td>4.1</td>
<td>4.4</td>
<td>2.4</td>
</tr>
<tr>
<td>2019</td>
<td>2.9</td>
<td>2.3</td>
<td>4.1</td>
<td>4.1</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
<td>3.7</td>
<td>1.6</td>
</tr>
<tr>
<td>2020f</td>
<td>-9.0</td>
<td>-7.0</td>
<td>-4.6</td>
<td>-3.7</td>
<td>-4.7</td>
<td>-3.7</td>
<td>-7.5</td>
<td>-7.7</td>
<td>-5.1</td>
<td>-6.0</td>
</tr>
<tr>
<td>2021f</td>
<td>5.4</td>
<td>4.5</td>
<td>4.1</td>
<td>3.6</td>
<td>3.9</td>
<td>4.7</td>
<td>7.1</td>
<td>4.0</td>
<td>4.2</td>
<td>4.2</td>
</tr>
</tbody>
</table>

CET1 ratio remained at a historically low level of 2.4 percent, we vigilantly planned ahead to already take into account the expected deterioration in asset quality as far as possible at this point in time. We set aside risk provisions of 675 million euros in the first six months of the year. This led our net profit for the period to decline to 294 million euros.

Deposit growth was again strong at more than five percent, reflecting the trust that customers place in us. Loan volumes rose over two percent, boosted by government measures such as loan moratoria and guaranteed loans. The clearest sign of our strong positioning: a record high capitalization, visible in our CET1 ratio of 14.2 percent, far above the regulatory minimum requirement.

Given the robust underlying result, solid capitalization and profitable business model, customers can continue to rely on Erste as a strong partner even in these unprecedented times.”

Bernd Spalt, CEO of Erste Group Bank AG

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press@erstegroup.com

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@ErsteGroup

WATCH OUR VIDEOS ON YOUTUBE
Official Channel: Erste Group Bank AG

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www.erstegroup.com/newsroom

Did you know that...

...Prague and Bratislava belong to the Top-10 wealthiest regions in the EU?

...Romania is one of the most vibrant tech & innovation hubs in CEE, with 80,000 active developers?

...Budapest is the most popular location for film shooting in continental Europe?

...the GDP of the CEE region has overtaken that of Spain and is catching up to the EU’s “Big Four”?