Q2 2023 results presentation

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Strong bottom line paves way for increased capital return

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ERSTE Group

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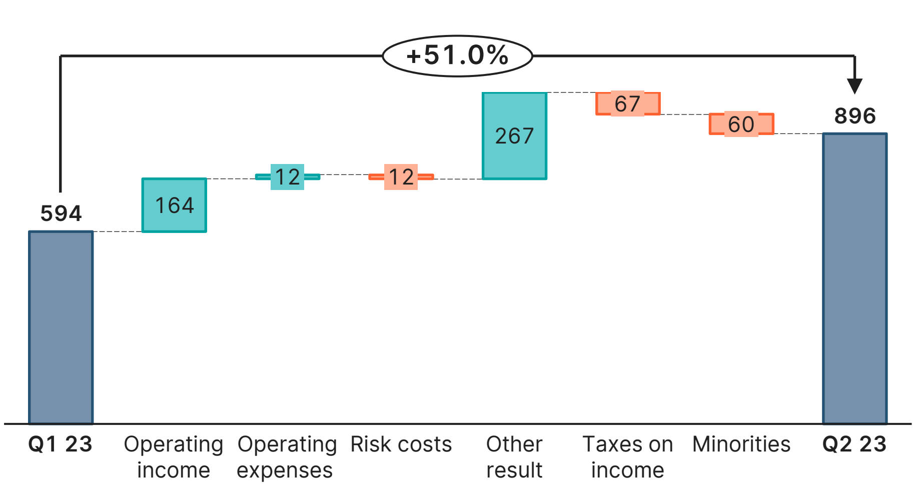
Revenue growth and net releases of risk costs drive net profit

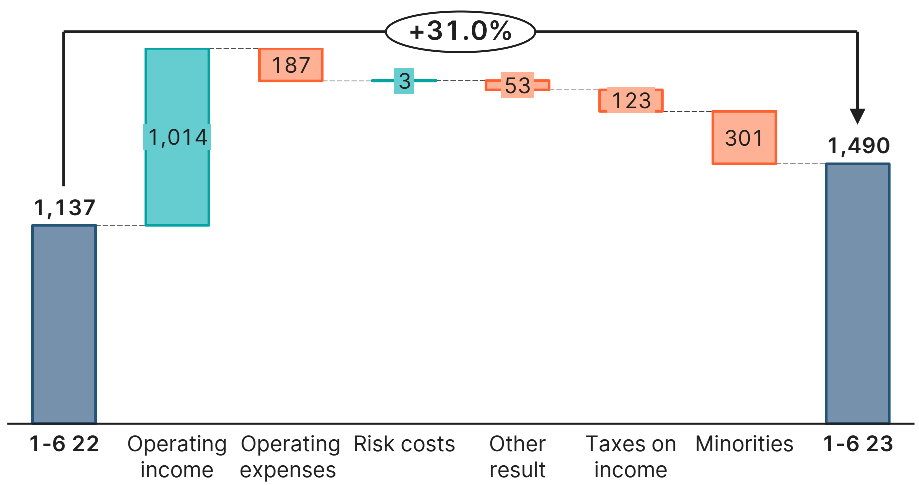
QoQ net profit development

in EUR m



YTD net profit development

in EUR m



Continued strong revenue trends in Q2 23

- NII sets another quarterly record (up by 1.3%)
- Net trading & FV result rises mainly on better valuations

Strongly improved other result

- Q1 23 impacted by full-year charges, plus: reversal of some resolution fund charges and banking tax in HU

NII remained key revenue driver in H1 23, up 25.5%

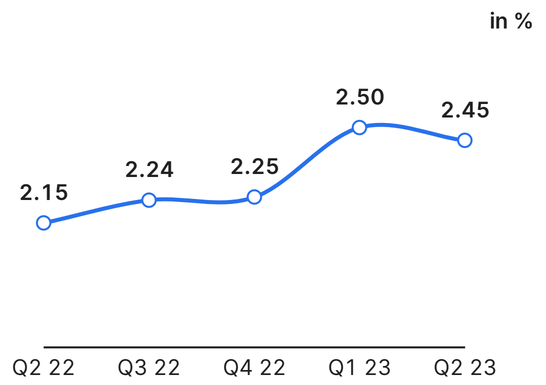
- Trading and FV result also made a strong positive contribution supported by improved valuations

Cost inflation in line with expectations

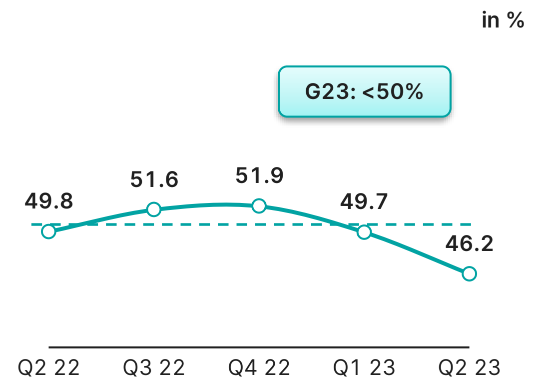
Strong risk performance supported profitability

2023 guidance upgraded again

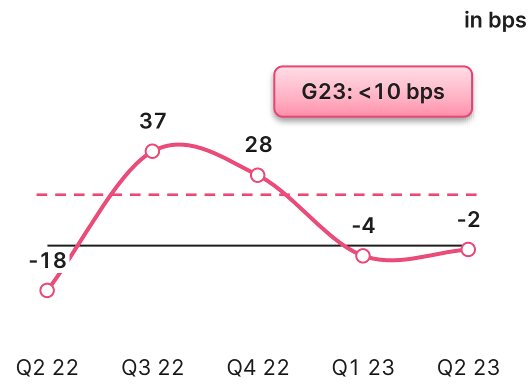
Net interest margin



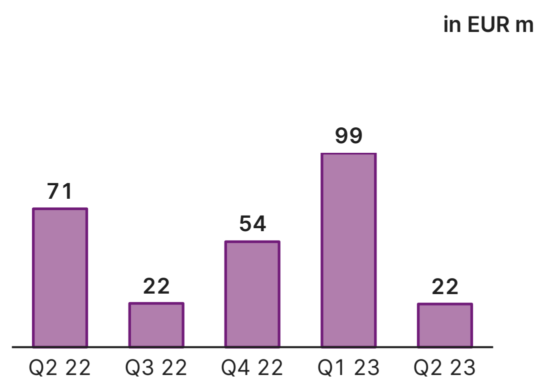
Cost/income ratio



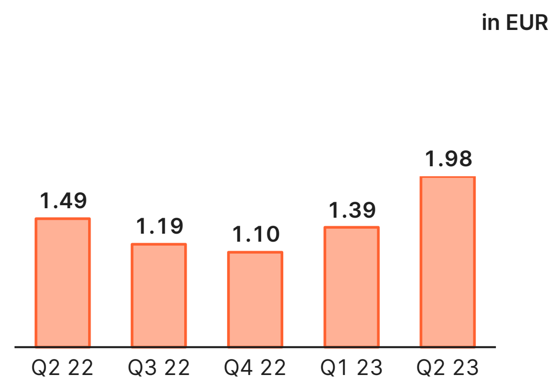
Risk cost ratio



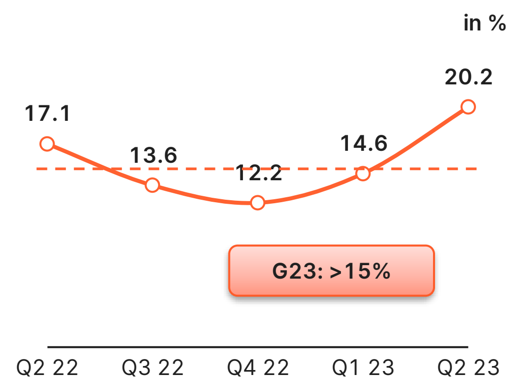
Banking levies



Earnings per share

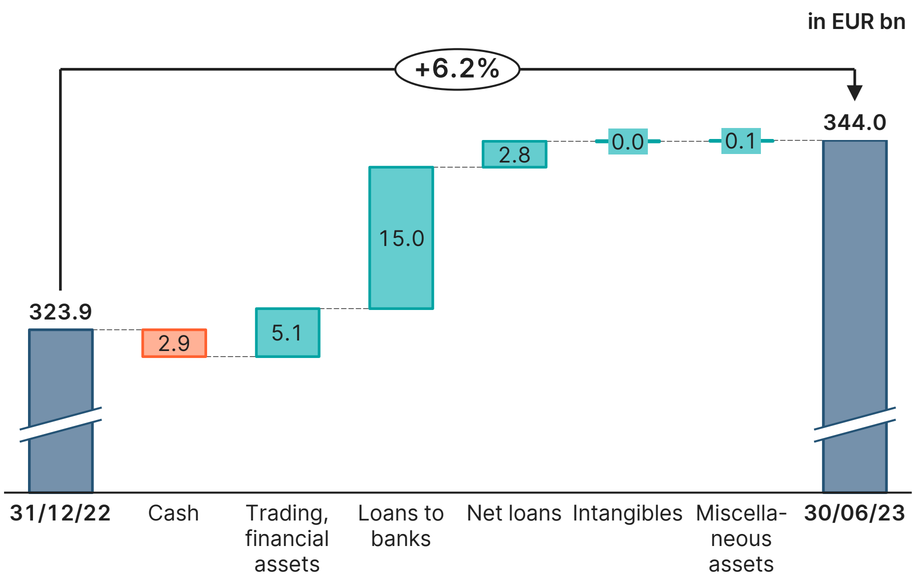


Return on tangible equity



Loan growth edges up again, deposit inflows drive liabilities

YTD total asset development



YTD equity & total liability development

Loan growth supported by Retail, Corporates, M&A and FX

- Retail and Corporates showed signs of slow recovery, partly offset by weaker demand for short-term loans by public sector entities
- Integration of Sberbank CZ loan portfolio of EUR 1.3bn supportive

Rise in interbank lending due to higher deposit inflows

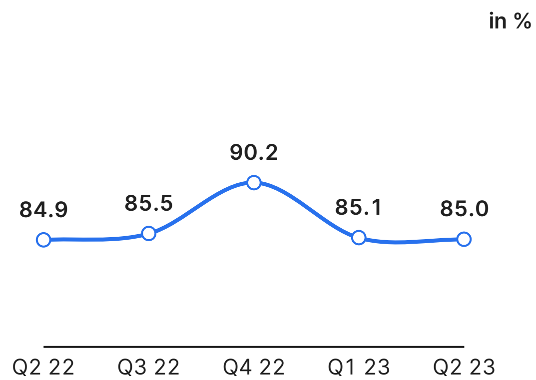
Customer deposits grow strongly

- Mainly driven by volatile portion of deposits (large corporates, financial institutions)
- Core deposits (Retail, SME, Savings Banks) broadly stable ytd despite inflation and investment alternatives

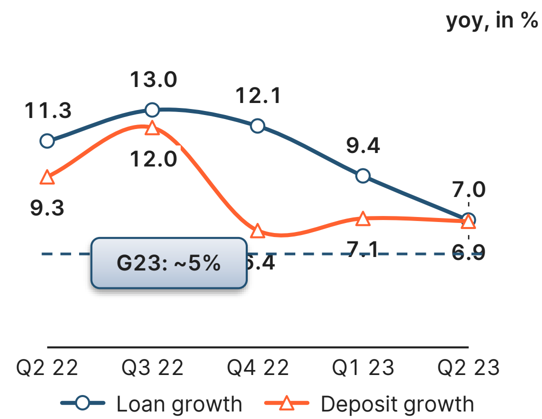
Senior unsecured and covered bonds issuance drive increase in debt securities

Balance sheet metrics strong across the board

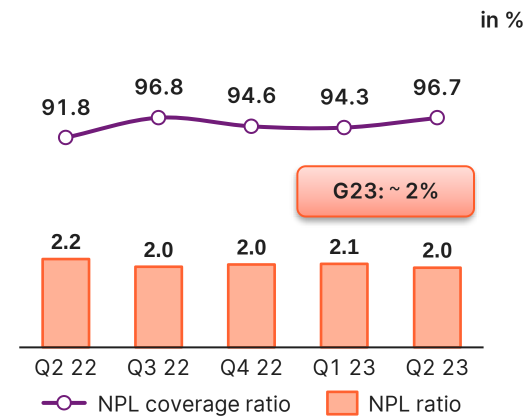
Loan/deposit ratio



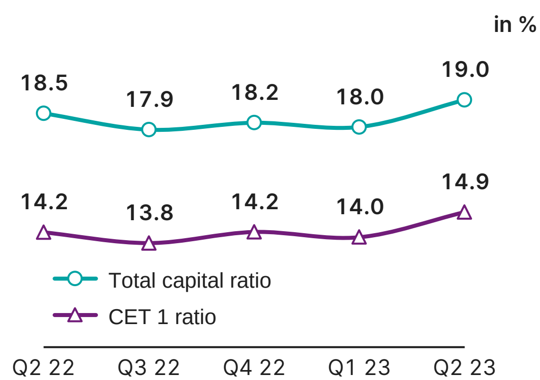
Loan & deposit growth



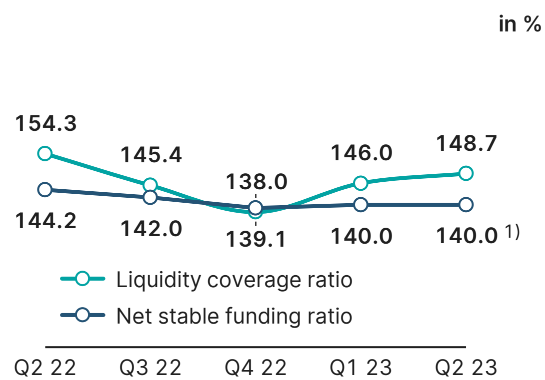
Asset quality



Capital ratios (final)

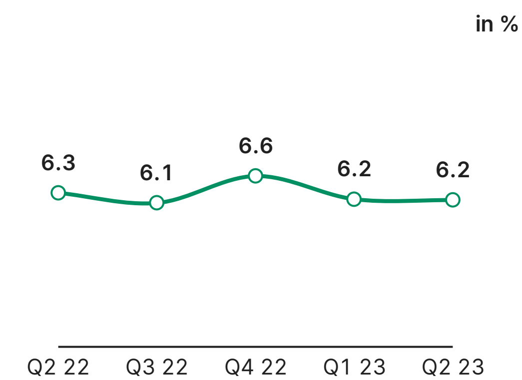


Liquidity ratios



1) Expected NSFR for Q2 23.

Leverage ratio



EXECUTIVE SUMMARY

MACROECONOMIC AND BUSINESS UPDATE

OPERATING TRENDS

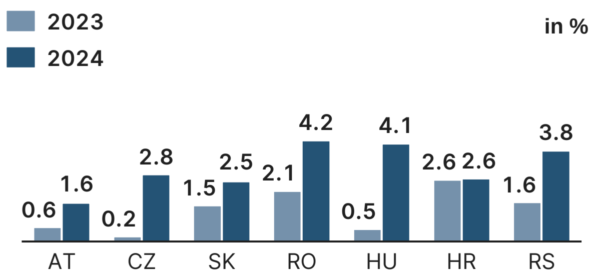
WHOLESALE FUNDING AND CAPITAL

FINANCIAL OUTLOOK

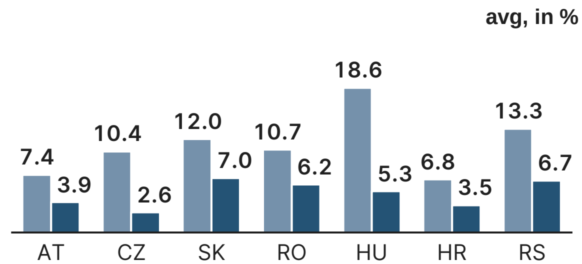
APPENDIX

Slower growth in 2023, growth acceleration in 2024

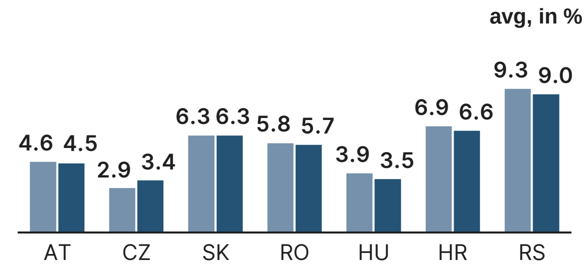
Real GDP growth



Consumer price inflation



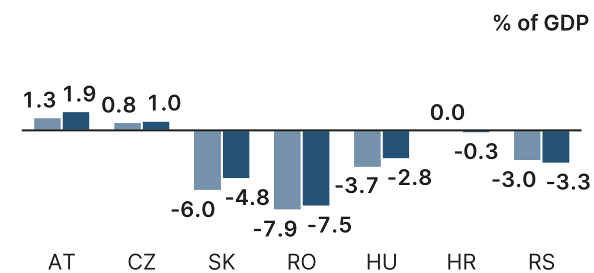
Unemployment rate



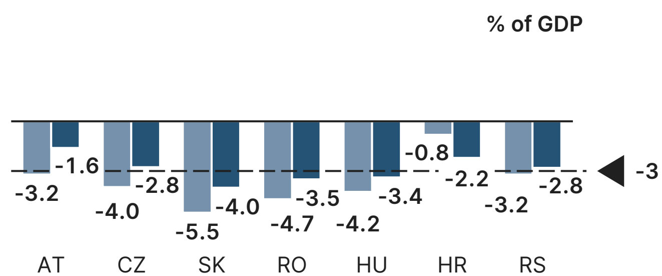
Lower household consumption to impact economic growth in 2023; rebound expected in 2024

Declining inflation expected toward year-end 2023, supported by lower energy prices

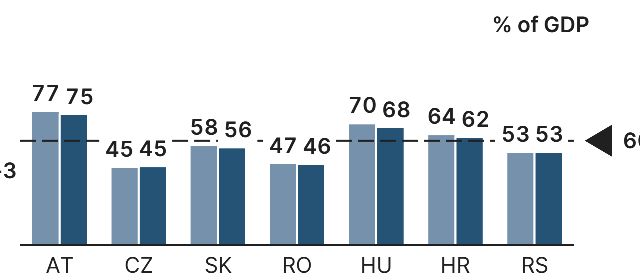
Current account balance



General government balance



Public debt



Labour markets expected to remain strong across CEE & AT

Fiscal and current account balances set to improve on the back of lower energy prices

* Source: Erste Group Research.

Retail loan demand slowly picking up again

Slightly growing loan book amid economic slowdown

- **Housing loan demand** stabilising at low levels; **increasing demand in certain countries (CZ, HR) and for renovation loans** to improve energy efficiency
- **New business volumes** for **consumer loans** reach **best level since Q2 22**
- Risk profile of the retail loan portfolio remains excellent

Retail customer deposits broadly stable ytd, slightly up qoq

- **NII growth** mostly **liability-driven** on the back of euro zone interest rate hikes

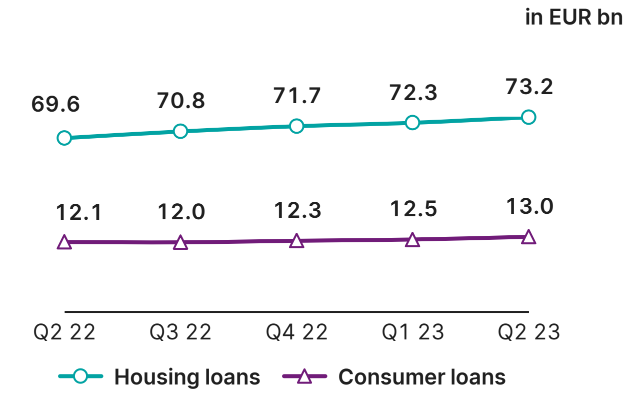
Stock of securities savings plans increased further in Q2 23

- **New sales of savings plans strengthened**
- Shift from investment funds to bonds in one-off investments due to higher yield environment

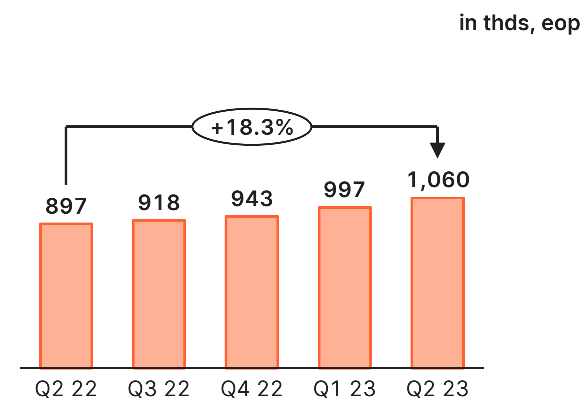
George is a growth story

- Steady transformation into digital channels; increase in number of sales
- **9.2 million users onboarded** to George across 6 markets
- **Assisted digital sales** models in 4 markets: CZ, HR, RO, SK
- **Increasing** share of **digital sales**

Housing and consumer loans



Securities savings plans



Mixed corporate volume trends, strong Markets deal flow

Solid deposit inflows, flat loan stock

- Financing of large corporates as well as small and medium enterprises mostly flat during 2023, with focus on quality assets and sustainable projects
- New real estate projects rare in residential portfolio, office business focused on energy efficiency in new buildings, refurbishments/renovations
- **Key revenue growth driver is NII**, mainly benefitting from deposit inflows in Large Corporates

Group Markets already ahead of strong 2022

- Financial Institutions business and corporate sales doing well
- Capital markets origination thrives with 148 issuance mandates by Q2 2024 (+13% over Q2 2022) with EUR 94 bn volume (+15%)
- Lead position on biggest CEE IPO in 2023 ytd

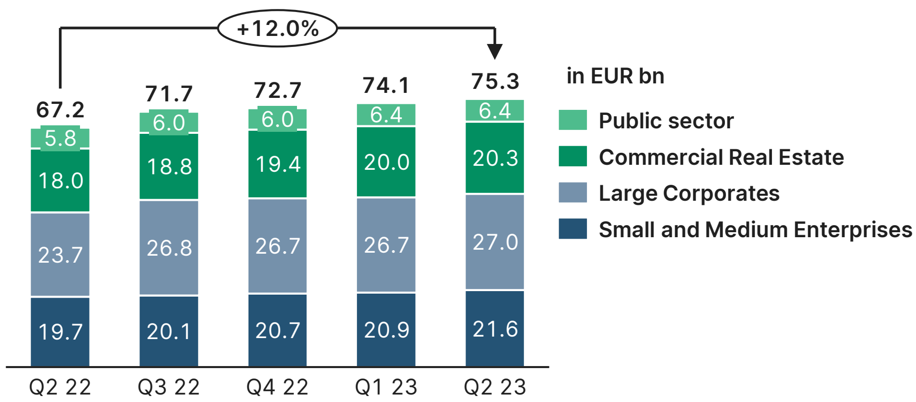
Discretional portfolio management drives Asset Management

- Bestselling funds: Maturity Funds and Responsible ("Green") Products
- Stable inflows from retail and institutional clients; AuM stand at EUR 74.5bn (+7% from beginning of the year)

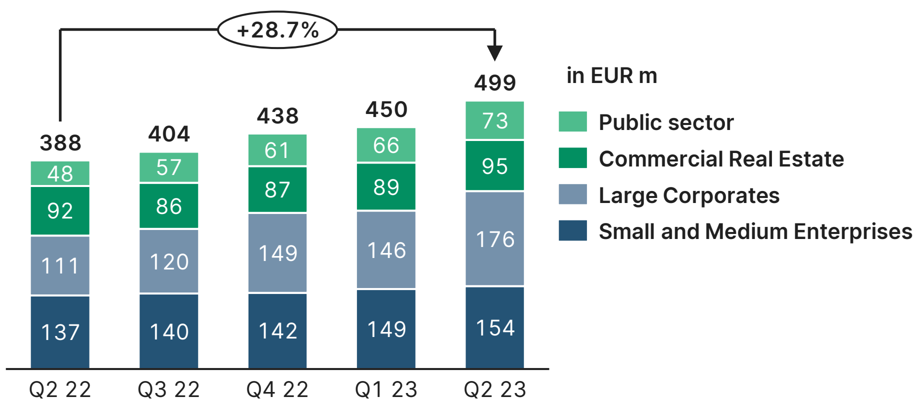
George Business

- In Austria over 9,000 business customers with over 47k users onboarded in George Business
- Positive first feedback on the platform
- Rollout in RO launched with 'friends and family' users

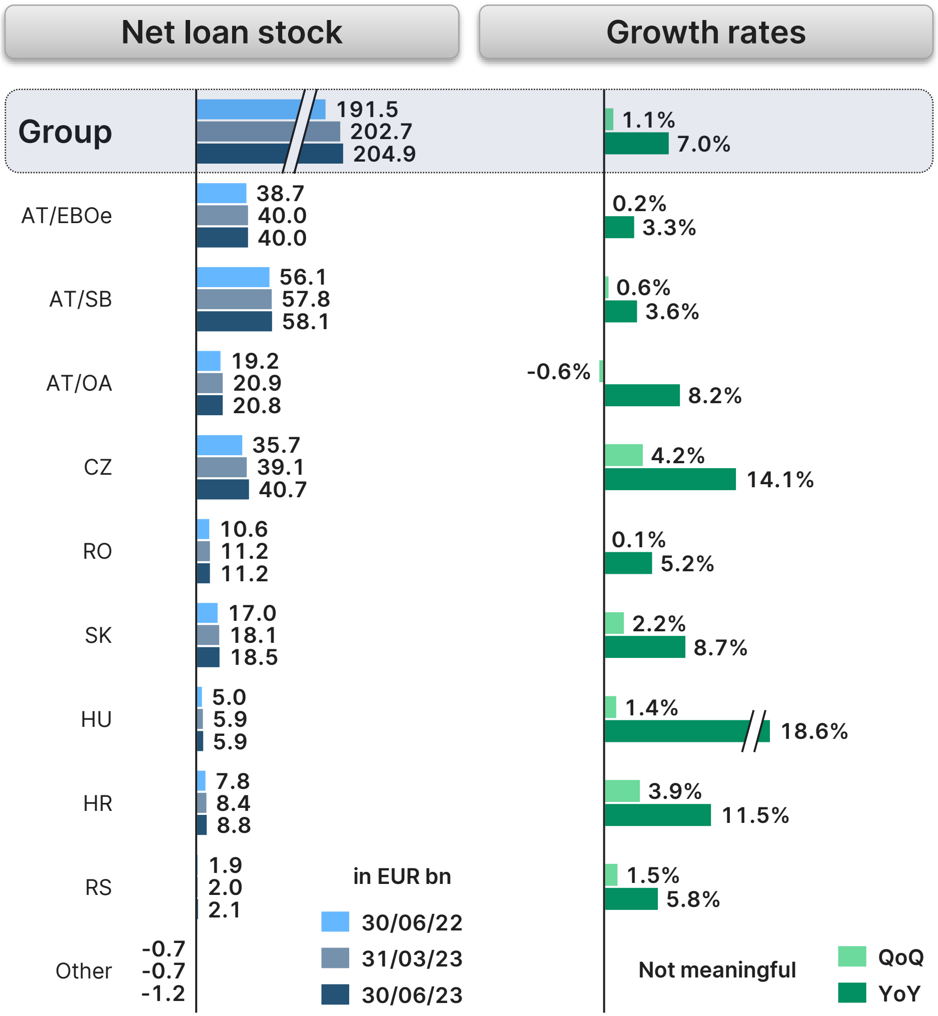
Net loan stock of Corporate segment



Operating result of Corporate segment



Loan demand in slow recovery mode



Net loan growth driven by Retail and Corporates

- Retail loans grew by 2.8% year-to-date (+ EUR 2.0bn)
- Corporate loans up 3.5% year-to-date (+EUR 2.6bn), but down from exceptional 2022 levels
- Integration of CZ Sberbank loan portfolio contributed EUR 1.3bn to growth, of which EUR 1.1bn in Retail and EUR 0.2bn in Corporates
- FX impact also positive at EUR 1.0bn ytd, mainly in CZ (+EUR 0.6bn ytd) and HU (+EUR 0.4bn ytd)

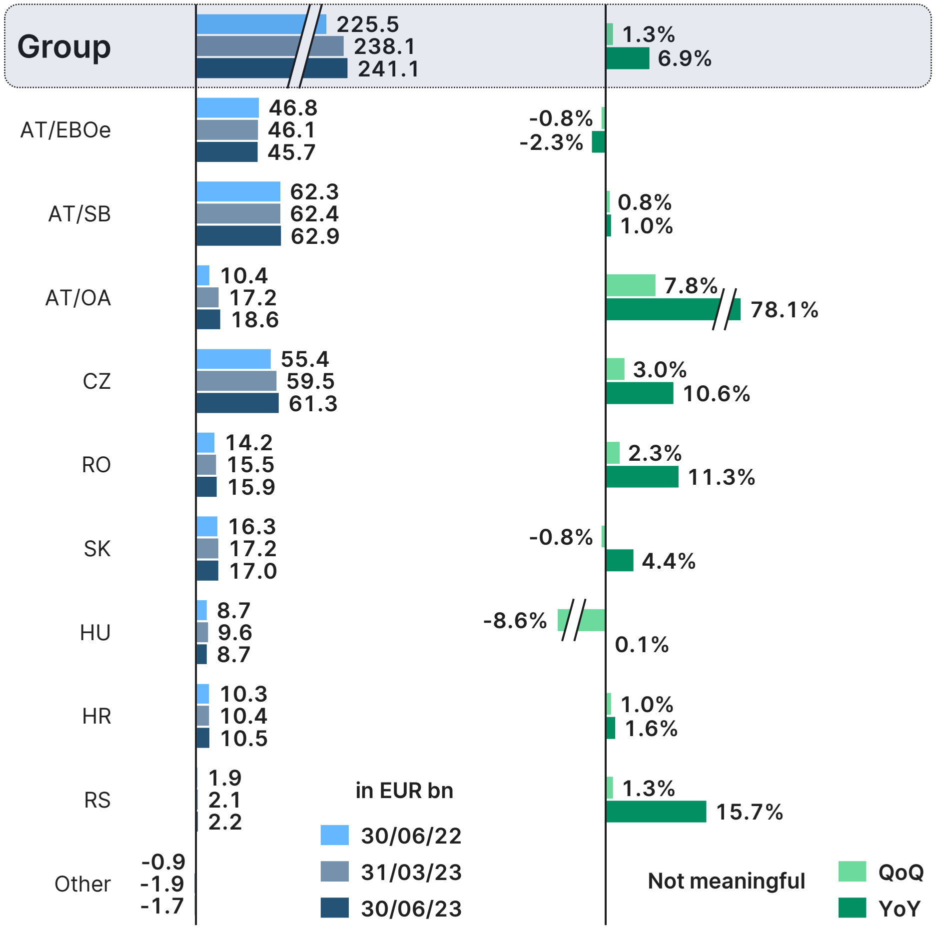
2023 loan growth guidance confirmed at ~5%

Q2 23 loan growth drivers

- CZ: qoq rise exclusively attributable to first-time consolidation of Sberbank business
- SK: continuing solid qoq & yoy growth trends across all segments
- HR: good qoq & yoy growth trends in the wake of euro zone entry

Expanding deposit base underscores funding strength

Customer deposits | **Growth rates**

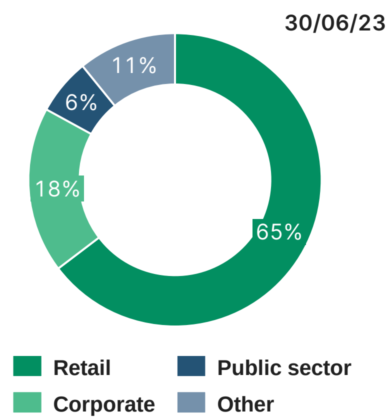


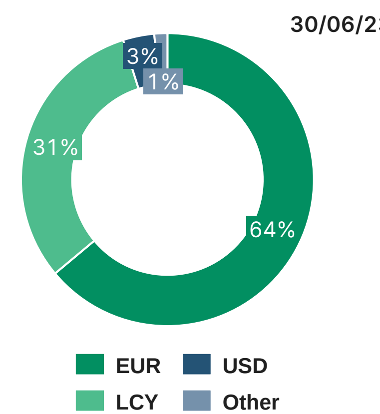
Erste Group's favourable deposit mix is a key competitive advantage – overweight retail, sight, EUR deposits

Key Q2 23 deposit drivers

- **Core deposits** (Retail, SME & Savings Banks) **slightly up** qoq, despite customers still facing inflationary pressures
- **Share of retail sight deposits** (of Retail) remains **high at 57.6%** (Q1 23: 58.4%, Q2 22: 61.6%), despite customers gradually diversifying into term and savings deposits
- CZ: qoq large corporate inflows, higher financial institutions inflows
- AT/OA: qoq increase in financial institutions business

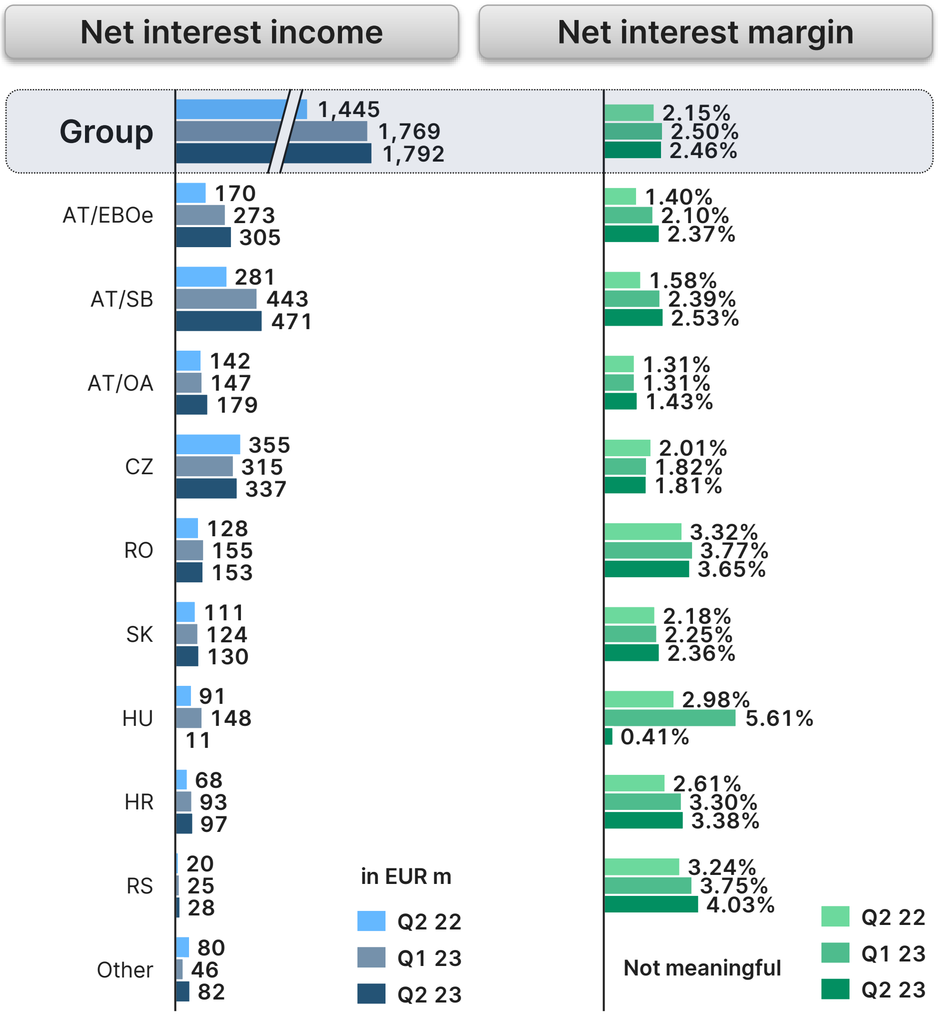
Deposits by clients * | **Deposits by currency**





*) Split by customer groups, not segments; Retail includes Savings Banks and their retail associated client groups; may contain rounding differences

NII momentum remains healthy, guidance upgraded



NII grows 24.0% yoy, up 1.3% qoq, driven by higher interest rate

2023 NII growth guidance upgraded to ~+20%

– Supported by strong euro zone rate hike cycle, growing loan book and only moderately rising deposit pass-through

Key NII drivers in Q2 23

– AT/EBOe and AT/SB: variable loan repricing and moderately rising deposit pass-through were main growth drivers

– AT/OA: positive performance supported by one-offs in the order of approx. EUR 40m, most significant of which was a prepayment fee of EUR 19.8m following successful restructuring

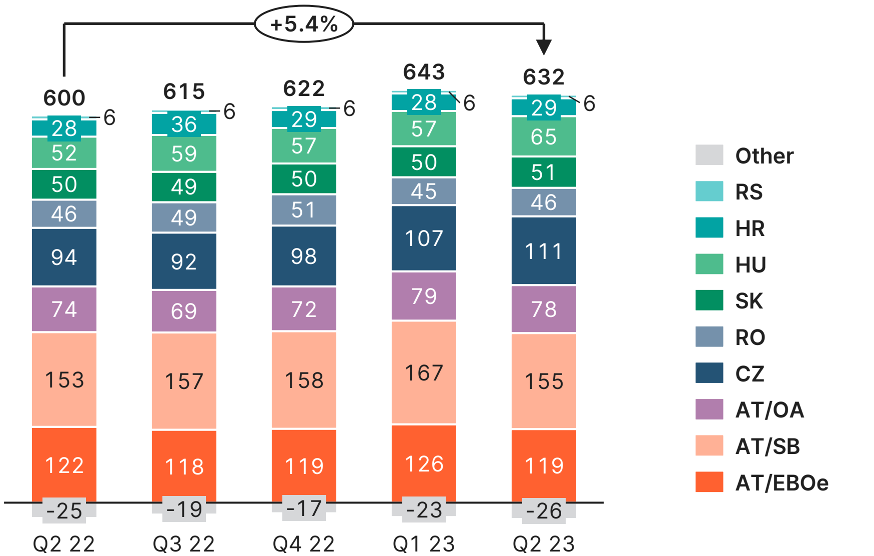
– CZ: NII supported by positive effect of EUR 18.5m from **first time consolidation of Sberbank portfolio**, approximately half of which is recurring

– HU: decline primarily attributable to **P&L neutral shift** in the amount of EUR -108.4m from net trading result to NII; impact on consolidated NII limited to EUR -40.1m, fully offset by positive effect in consolidated net trading result; plus, **extraordinary modification losses** for extension of interest rate caps of EUR 17.2m

Robust fee performance continues

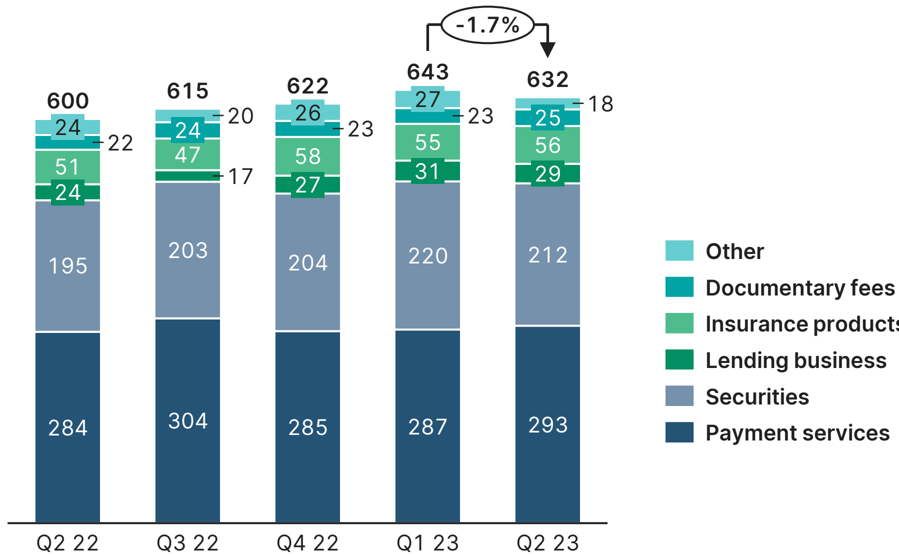
Net fee income by segment

in EUR m



Net fee income by fee type

in EUR m



Key fee drivers in Q2 23

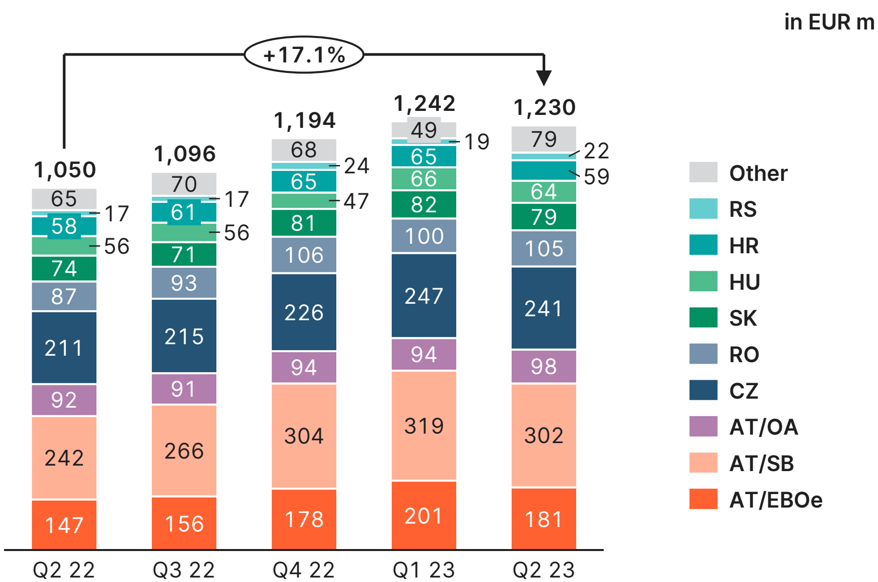
- Payment and securities fees remain strongest contributor
- Continued positive contribution from insurance brokerage fees

Overall fee performance very satisfactory in light of economic slowdown

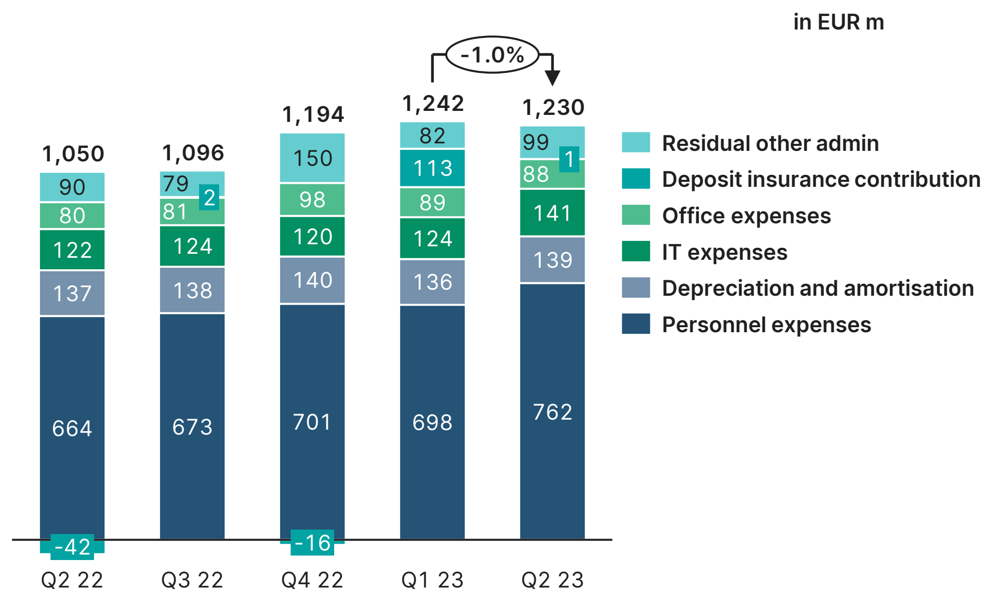
Fee income remains a key long-term structural growth opportunity

Cost inflation driven by staff expenses, in line with expectations

Operating expenses by segment



Operating expenses by type



Key cost drivers in Q2 23

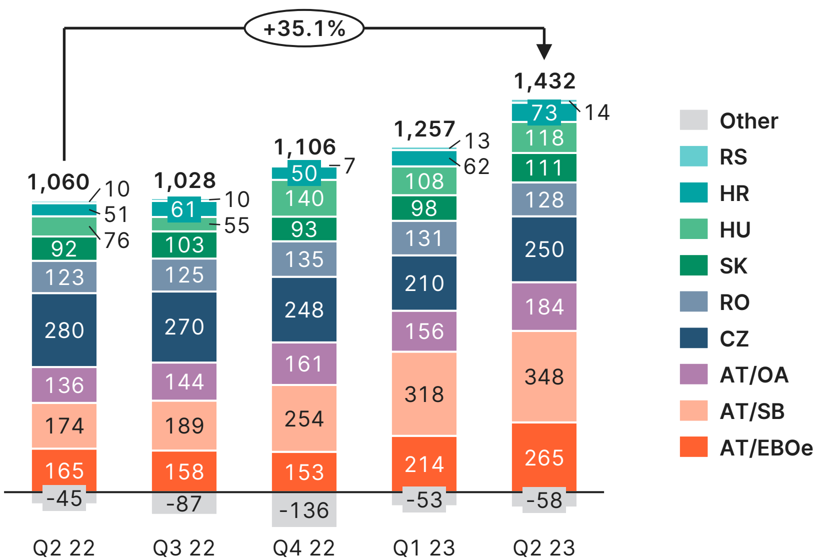
- Personnel expenses in line with expectations, reflecting higher wage settlements in all geographies
- Cost performance supported by booking of full-year deposit insurance contributions in Q1

QoQ rising personnel expenses reflect higher salaries, in particular in AT

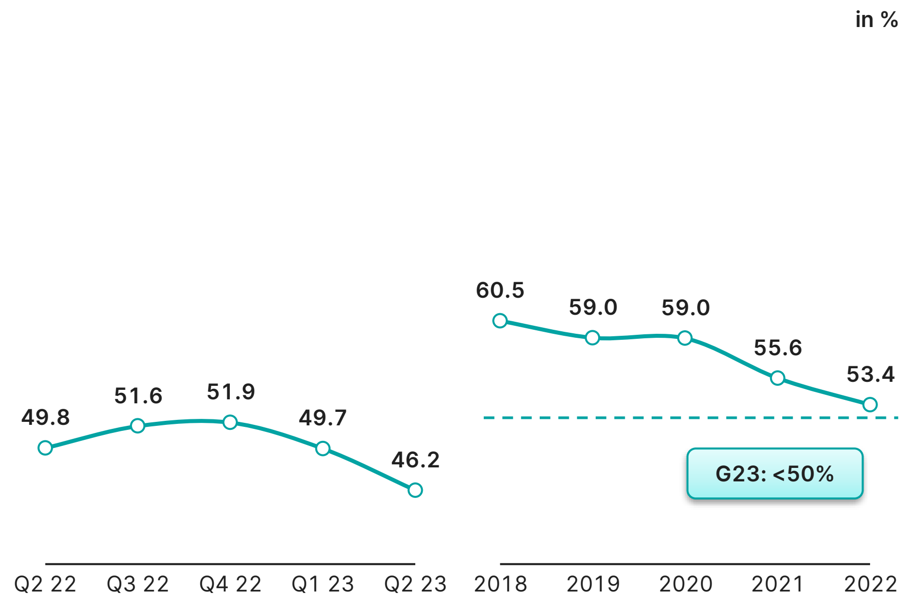
YoY cost increase inflated by reversal of extra deposit insurance contributions in Q2 22, originally booked in Q1 22

Cost/income ratio target upgraded to <50% for 2023

Operating result



Cost/income ratio



Key operating result drivers in Q2 23

- Operating result hits new quarterly high as net interest income posts quarterly record
- ... supported by solid net fee income and improved trading & FV results on valuation effects

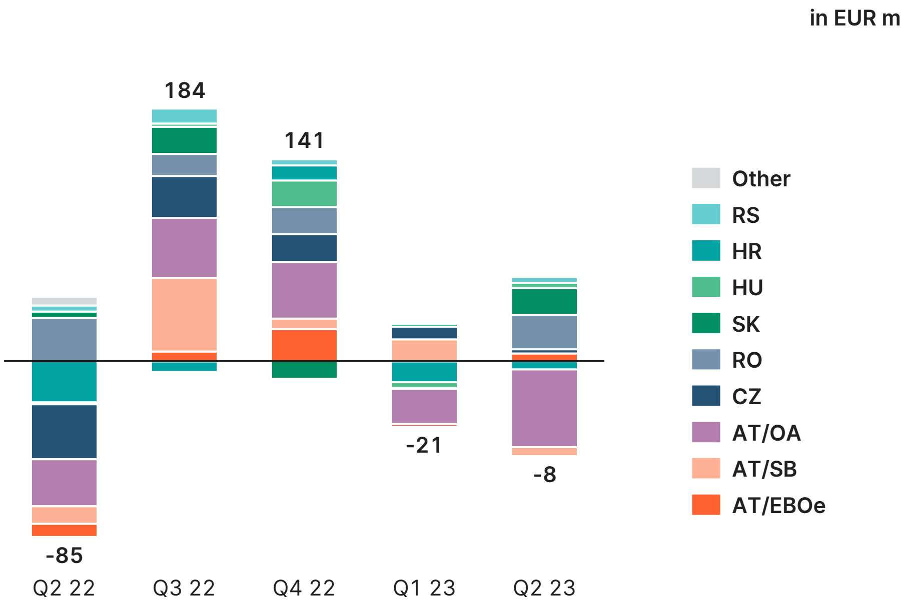
Q2 23 saw continuing revenue momentum paired with...

... underlying cost updrift in line with expectations

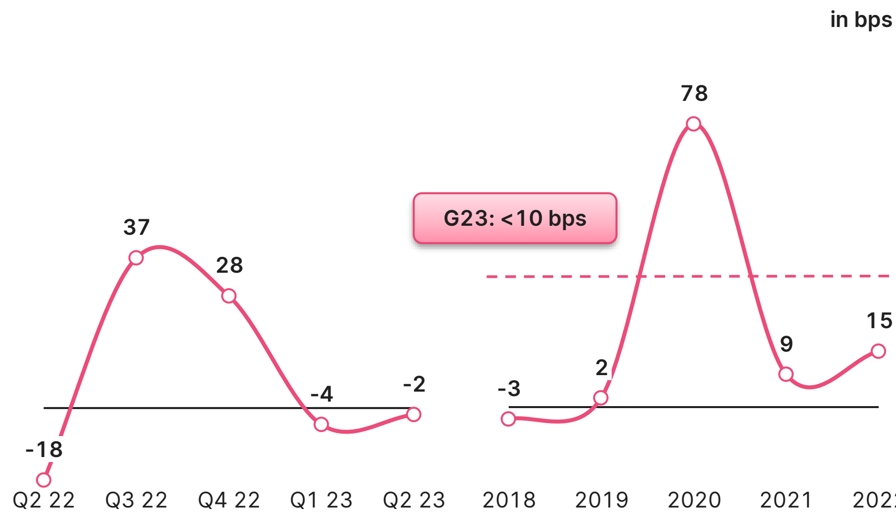
Targeting 2023 cost/income ratio of <50%

Another quarter of net releases triggers further guidance upgrade

Risk costs by segment *



Risk cost ratio *



*) A positive (absolute) figure denotes a net allocation, a negative figure denotes a net release. The risk cost ratio is calculated as annualised quarterly impairment result of financial instruments over average gross customer loans.

Key risk costs drivers in Q2 23

- **Net release** due to lower allocations for loans and ongoing recoveries
- **Main drivers**: rating upgrades, recoveries and continued low level of new defaults, particularly in AT/Other Austria, while SK and RO saw minor allocations due to corporate rating downgrades and model updates, respectively

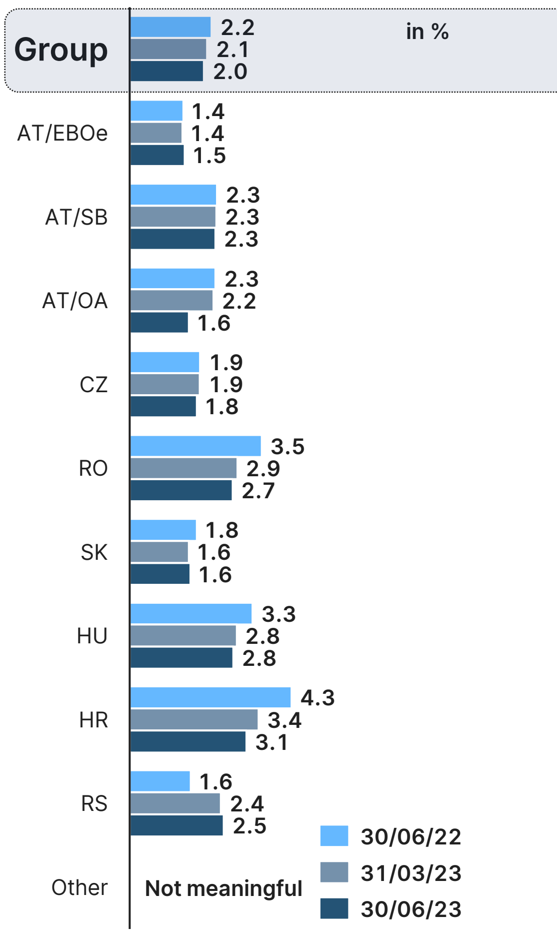
Underlying credit risk performance remains strong

Broadly unchanged EUR ~900m of portfolio overlays and FLI provisions available for portfolio/macro deterioration

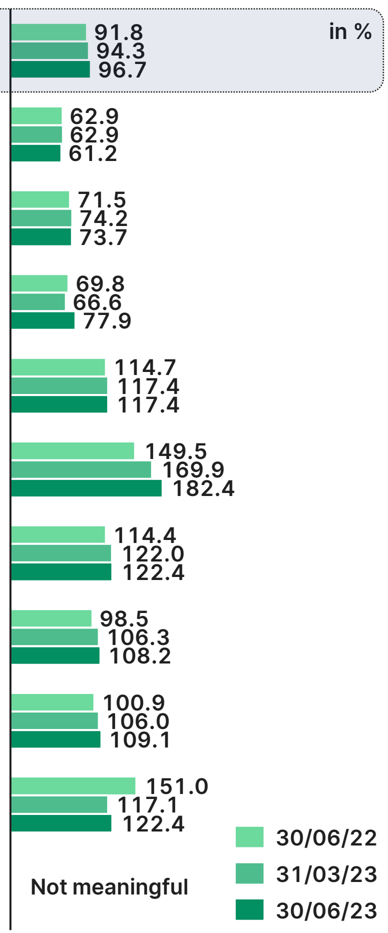
2023 guidance upgraded to <10 bps, from <25 bps

Asset quality improves again

NPL ratio



NPL coverage ratio



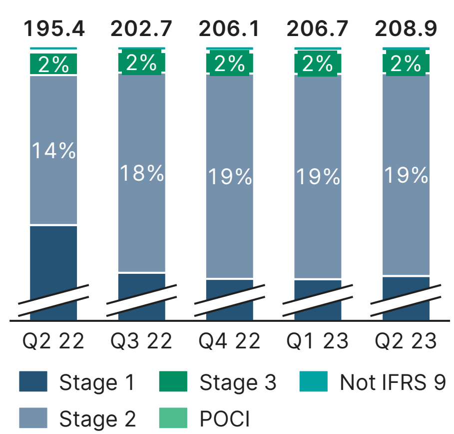
NPL ratio improves to historic best (<2%)

- No significant increase in hard defaults due to geopolitical crisis and economic slowdown
- NPL volume declines slightly on corporate upgrades
- NPL/stage 3 coverage remains strong

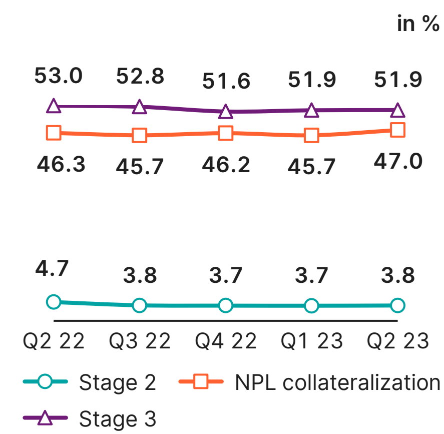
No FLI update or change in management overlays in Q2 23

- Stable qoq share of stage 2 loans, yoy increase driven primarily by management overlays
- Majority of stage 2 loans results from portfolio overlays and FLI updates

Gross loans by stages

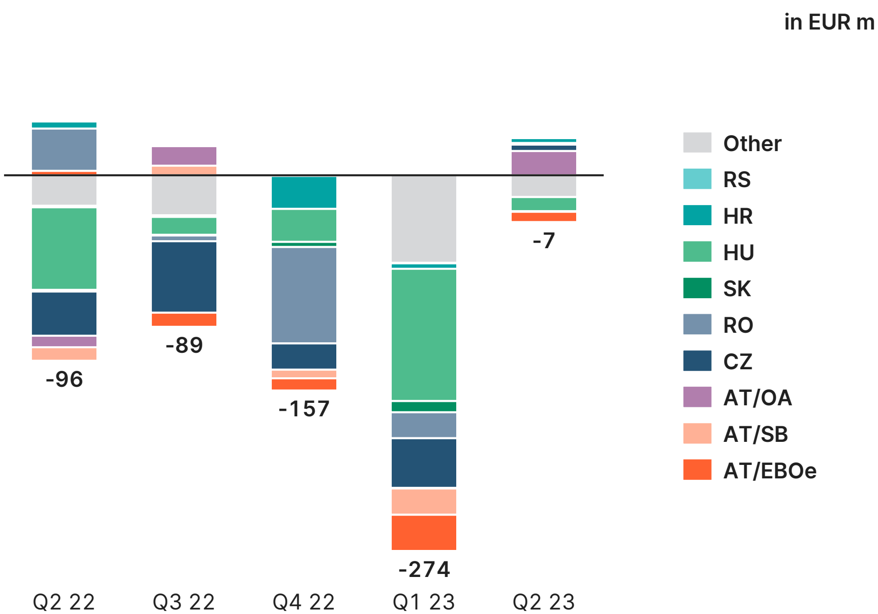


IFRS 9 stage coverage

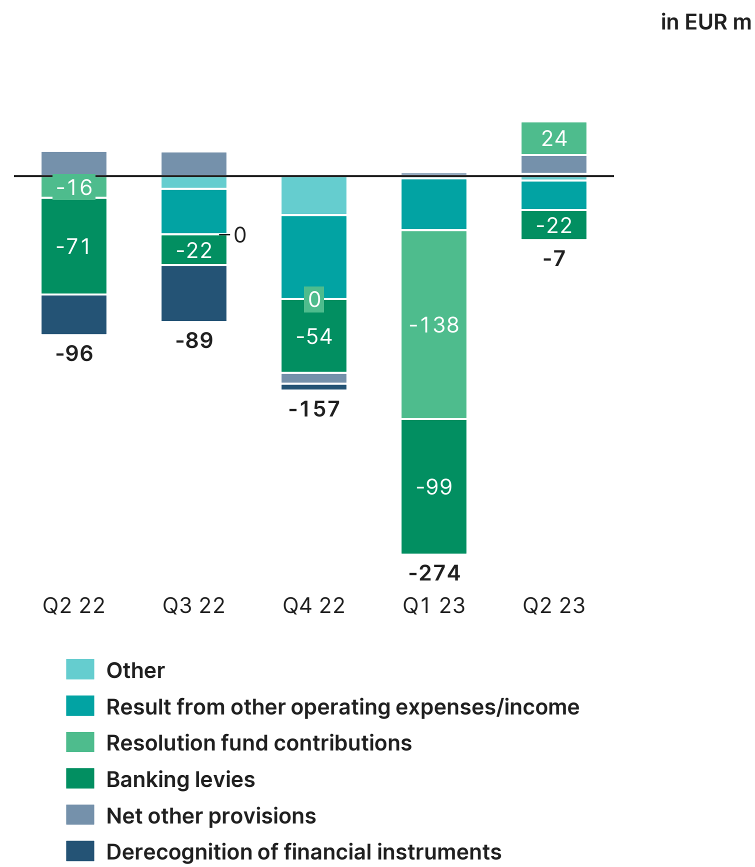


Strong other result contributes to profitability

Other result by segment



Other result by accounting categories

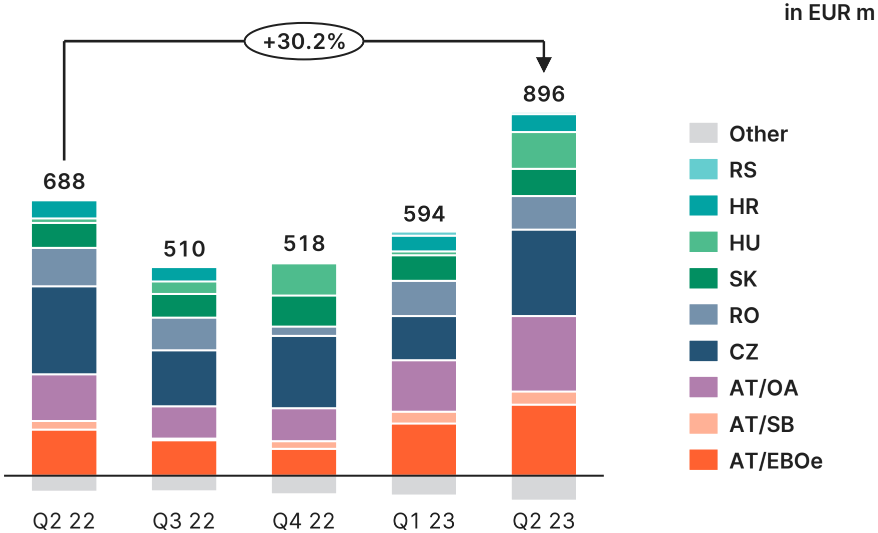


Key other result drivers in Q2 23

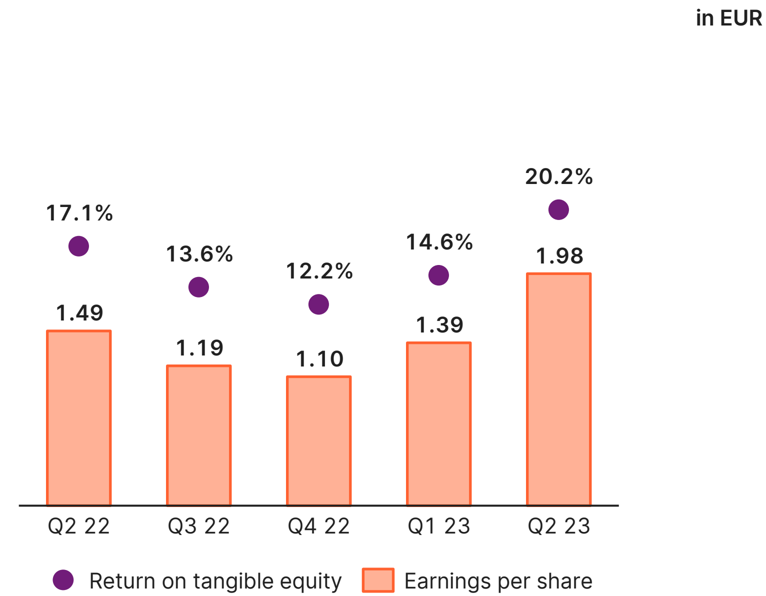
- Partial reversal (EUR 24.4m) of full-year resolution fund contributions booked in Q1 23 (across all segments)
- HU: reduced banking tax charge led to EUR 6.4m reduction of amount booked in Q1 23
- AT/OA: real estate selling gains

2023 ROTE guidance upgraded to >15%

Net result by segment



EPS & ROTE



Key net profit drivers in Q2 23

- Strong operating result driven by top line growth
- Further net release of risk costs
- Strong other result by historic standards

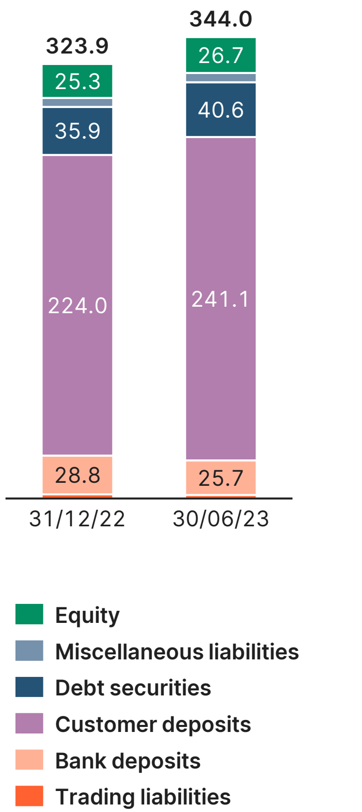
Erste Group continues track record of earning premium on cost of capital

Erste Group targets ROTE of >15% in 2023

Stable wholesale funding as customer deposits grow strongly

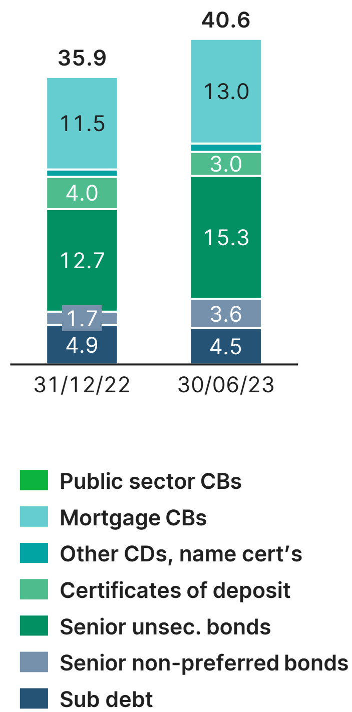
Liabilities and equity

in EUR bn



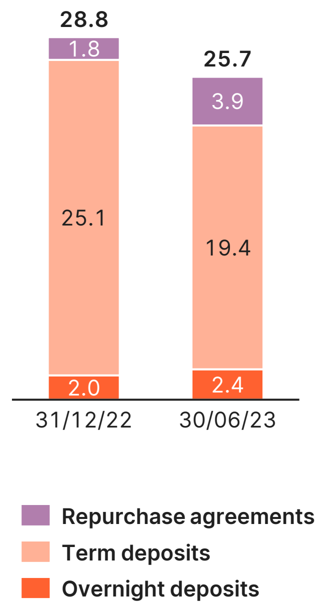
Debt securities

in EUR bn



Interbank deposits

in EUR bn



Comments

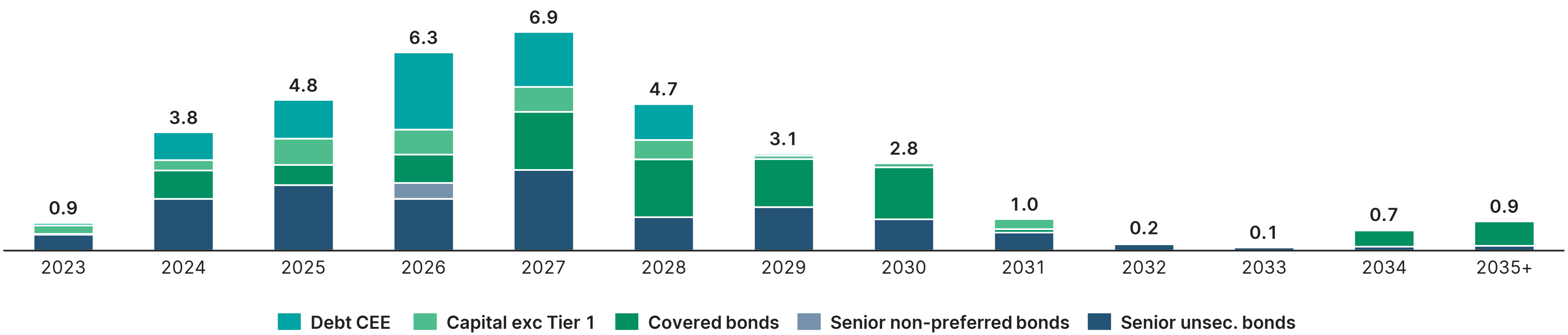
Higher customer deposit volumes mainly driven by non-core institutional deposits

MREL compliance and long-term liquidity needs drive the increase in issued debt securities volumes

Decline in interbank deposits driven by TLTRO

Stable LT funding needs in 2023

Maturity profile of debt



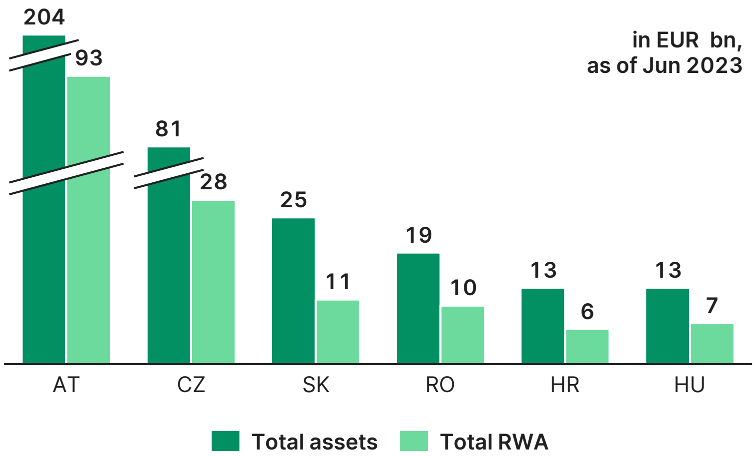
YTD funding activities well progressed, budgeted volumes nearly fulfilled

- In 2023, 2 mortgage covered bonds issued, EUR 1bn each
- 2 senior preferred issuances this year; EUR 750m green senior preferred bond and a EUR 500m senior preferred bond
- Private placements contributed strongly to the senior preferred segment and is expected to fill the remaining MREL needs in H2 2023

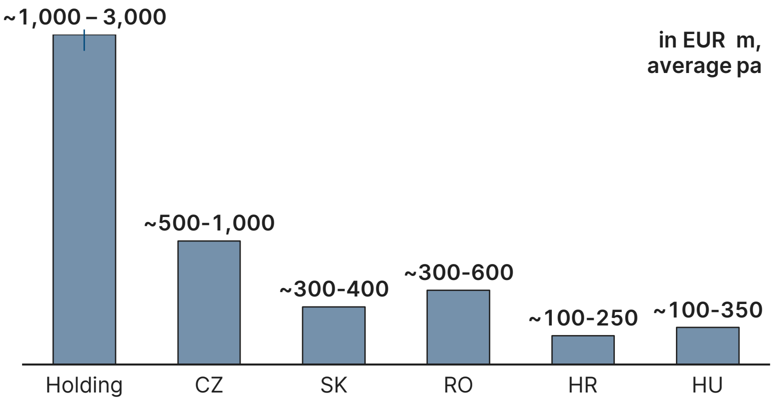
TLTRO III: Outstanding amount of EUR 10.0bn as of Q2 2023 (reducing to EUR 6.8bn at year-end 2023)

MREL issuance update

MPE resolution groups



3-year MREL issuance plan



Multiple point of entry (MPE) resolution strategy

– 6 MPE resolution groups
– 3 (AT, SK, HR) covered by the Single Resolution Board
– 3 (CZ, RO, HU) covered by the respective National Resolution Authority

Features of the Austrian resolution group

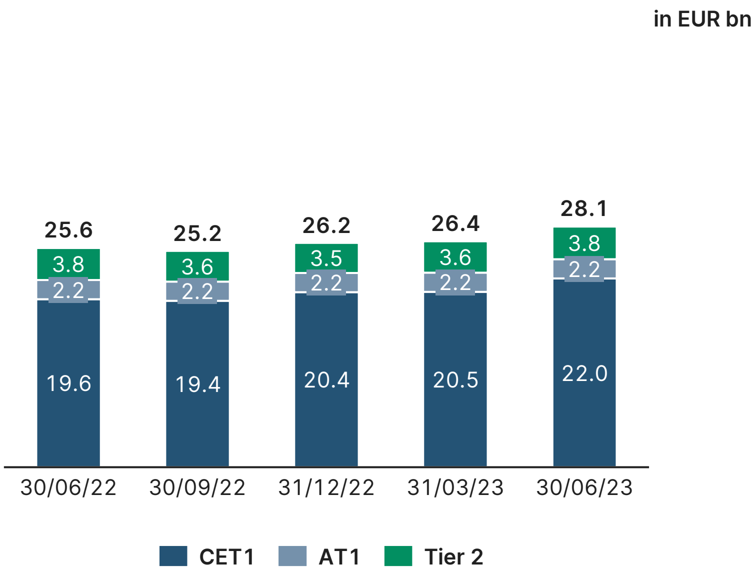
– Covers parent company (holding), EBOe and savings banks
– Not considered a legal entity or reporting unit, hence there is neither a statutory reporting nor a capital requirement

More than EUR 3.4bn MREL-related CEE issuances placed in domestic and euro markets in 2022 & 2023

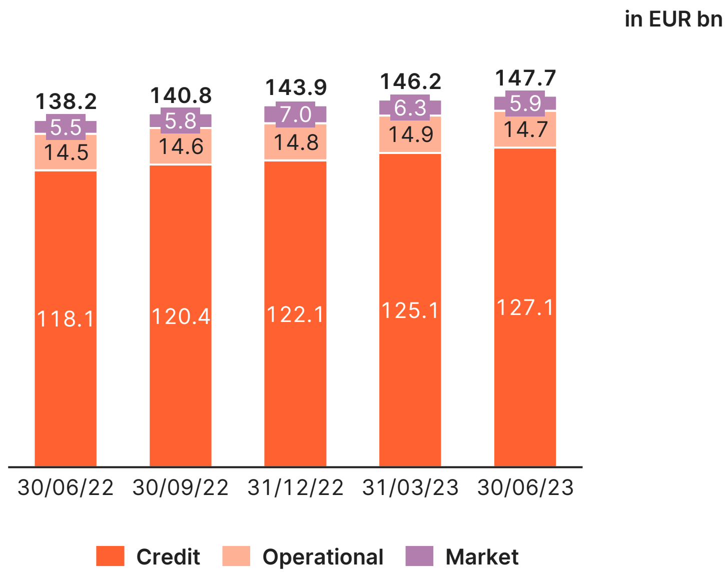
– Holding: ~EUR 5bn PS (thereof latest EUR 500m PS benchmark in Q2 23)
– CZ: ~EUR 1.25bn, thereof CZK 6bn NPS (domestic) and two EUR 500m NPS (international in Q4 22 and Q2 23)
– SK: ~EUR 570m PS (several domestic & international issues)
– RO: ~EUR 1bn, thereof three RON 1,387.5m NPS (domestic) and one EUR 700m NPS benchmark (Q2 23)
– HU: ~EUR 500m PS, thereof EUR 350m PS (international issue)
– HR: ~EUR 90m PS (domestic issue, Q2 23)

RWAs mainly up on increased exposure

Basel 3 capital



Risk-weighted assets



CET 1 capital up by 8.1% ytd

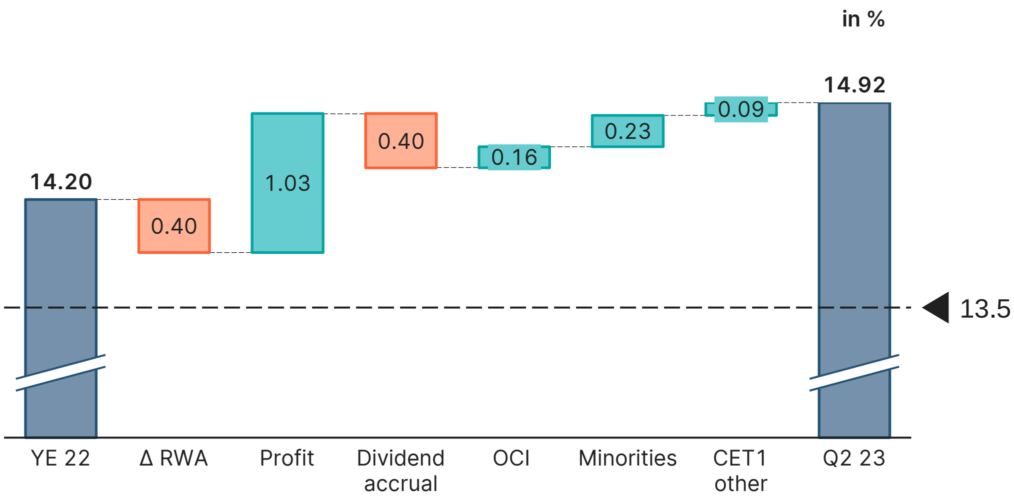
- Inclusion of H1 23 interim profit: +EUR 909m
- Minority interest: +EUR 337m
- OCI impact and prudential filters: +EUR 243m

RWAs up on exposure growth

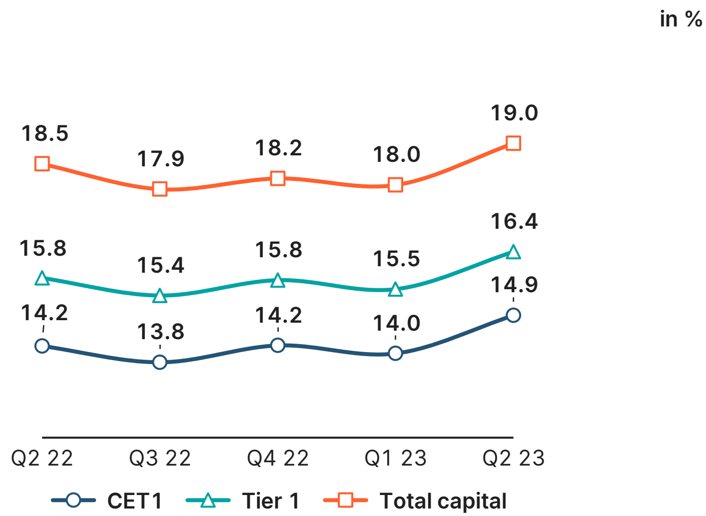
- Key ytd credit RWA drivers: +EUR 5.3bn on business effects (mainly corporate business growth, including +EUR 0.7bn for Sberbank CZ acquisition); +EUR 0.4bn due to FX, +EUR 0.9bn from regulatory effects; partially offset by –EUR 2.0bn from improved portfolio
- Market risk RWA down ytd by EUR 1.1bn on internal model effects

Strong capital levels underpin enhanced capital return

CET 1 ratio development



Basel 3 capital ratios (final)



2023 dividend targeted at EUR 2.7 per share, ECB decision on share buyback application likely within weeks

- Total RWA (B3FL) at EUR 147.7bn driven by business growth (credit risk)
- H1 23 profit (CRR scope) of EUR 1,489m and pro-rata dividend deduction of EUR 1.35 per share
- Improvement in OCI mainly attributable to pos. impact from FX translations (+EUR 174m) and FV changes of debt instruments (+EUR 83m)
- Goal to buy back shares in the amount of up to EUR 300m or approx. 2% of shares outstanding (at current market price) in 2023

Another upgrade of 2023 guidance

Variable	Previous guidance	New guidance	Key assumptions/additional comments
Real GDP	> 0%	> 0%	Unchanged economic outlook
Loans	~ +5%	~ +5%	Guidance confirmed as loan demand is slowly recovering
NII	~ +15%	**~ +20%**	**Significant euro zone rate hikes drive guidance upgrade**
Fees	~ +5%	~ +5%	Fee outlook supported by price adjustments
Costs	~ +9%	~ +9%	Inflationary pressures partially mitigated by **efficiency measures**
CIR	~ 51%	**< 50%**	Improved operating performance drives upgrade
Risk costs	< 25 bps	**< 10 bps**	Improved outlook on the back of strong risk perfromance, strong labour markets
ROTE	13-15%	**> 15%**	Upgrade reflects strong profitability
Dividend	-	**€2.7**	Planned dividend for FY2023; unchanged dividend policy with **payout ratio targeted at 40-50%**
CET1 ratio	> 13.5%	> 13.5%	**Excess capital** defined as capital portion **above 14.0%**

Risk factors to guidance

- Political, regulatory, geopolitical, economic, health and competition risks, also non-financial and legal risks
- Indirect effects from Russia-Ukraine conflict, such as prolonged supply chain disruptions, additional shock on energy prices and/or supply, deterioration of investment and consumption appetite
- Economic downturn may put goodwill at risk

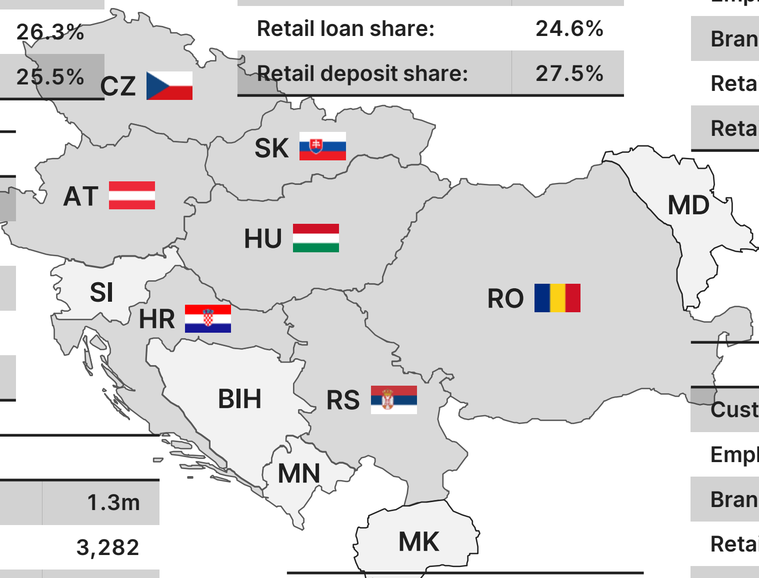
Banking leadership in Central and Eastern Europe (1)

Czech Republic	
Customers:	4.5m
Employees:	9,992
Branches:	389
Retail loan share:	26.3%
Retail deposit share:	25.5%

Slovakia	
Customers:	2.0m
Employees:	3,566
Branches:	187
Retail loan share:	24.6%
Retail deposit share:	27.5%

Hungary	
Customers:	1.0m
Employees:	3,328
Branches:	100
Retail loan share:	11.6%
Retail deposit share:	10.1%

Austria	
Customers:	4.1m
Employees:	15,996
Branches:	787
Retail loan share:	21.2%
Retail deposit share:	24.1%



Croatia	
Customers:	1.3m
Employees:	3,282
Branches:	131
Retail loan share:	14.5%
Retail deposit share:	15.2%

Serbia	
Customers:	0.5m
Employees:	1,298
Branches:	87
Retail loan share:	7.1%
Retail deposit share:	5.6%

Romania	
Customers:	2.8m
Employees:	5,505
Branches:	324
Retail loan share:	16.7%
Retail deposit share:	12.6%

Erste Group	
Customers:	16.0m
Employees:	45,667
Branches:	2,005
Leading retail and corporate bank in 7 geographically connected core markets	
Favourable mix of mature & emerging markets with low penetration rates	
Potential for cross selling and organic growth in CEE	

Core markets

Indirect presence

Market shares for Austria are as of March 2023

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

Banking leadership in Central and Eastern Europe (2)

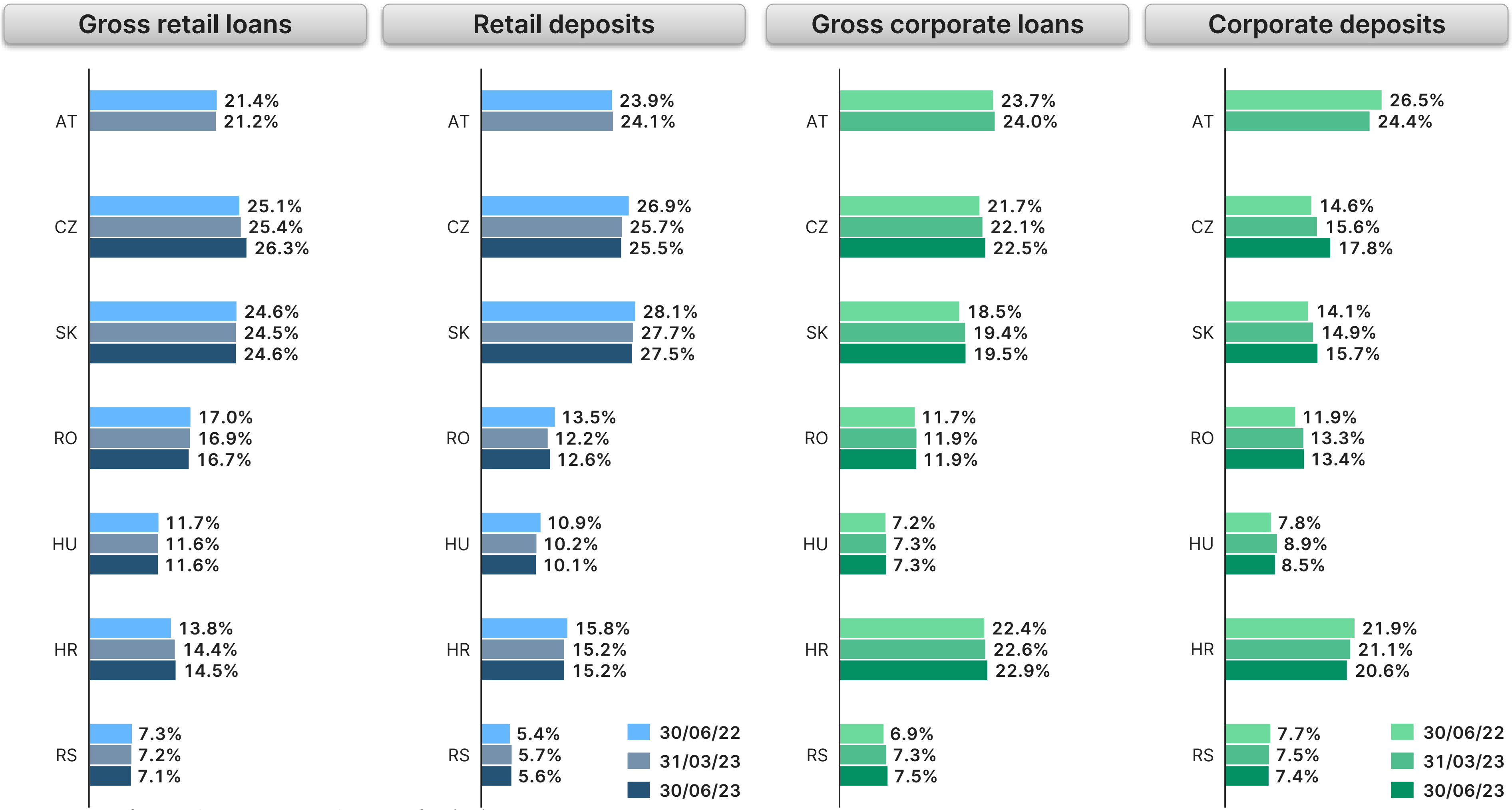
Eastern part of EU		Focus on CEE, limited exposure to other Europe		
Retail banking	**Corporate banking**	**Capital markets**	**Public sector**	**Interbank business**
Acting as Financial Health Advisor for the people in our region Support customers to build up and secure wealth Active management of customer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

FINANCIAL HEALTH – Bringing advice to all customers to improve their financial health

Priorities in digitalisation

- **Invest in data analytics** to **scale deep client understanding** across all client segments and beyond pure banking
- **Innovate George** for our client franchise and enrich with 3rd party products and services

Commanding market shares across the CEE region



Market shares for Austria are not yet available as of 30/06/2023

Strong track record of profitability

	Year-to-date view			Quarterly view				
in EUR million	**1-6 22**	**1-6 23**	**YOY-Δ**	**Q2 22**	**Q1 23**	**Q2 23**	**YOY-Δ**	**QOQ-Δ**
Net interest income	2,837.0	3,561.1	25.5%	1,444.9	1,769.0	1,792.2	24.0%	1.3%
Interest income	3,508.1	7,153.3	>100.0%	1,884.9	3,388.2	3,765.1	99.8%	11.1%
Other similar income	1,013.5	2,230.3	>100.0%	552.6	1,068.2	1,162.1	>100.0%	8.8%
Interest expenses	-653.9	-3,124.2	>100.0%	-413.7	-1,412.1	-1,712.1	>100.0%	21.2%
Other similar expenses	-1,030.7	-2,698.3	>100.0%	-578.9	-1,275.4	-1,423.0	>100.0%	11.6%
Net fee and commission income	1,214.9	1,274.7	4.9%	599.5	642.7	631.9	5.4%	-1.7%
Fee and commission income	1,432.8	1,500.2	4.7%	708.8	746.5	753.7	6.3%	1.0%
Fee and commission expenses	-217.9	-225.6	3.5%	-109.3	-103.8	-121.7	11.4%	17.2%
Dividend income	20.1	23.4	16.1%	17.7	6.3	17.1	-3.3%	>100.0%
Net trading result	-532.5	270.4	n/a	-275.9	116.7	153.7	n/a	31.7%
Gains/losses from financial instruments measured at fair value through profit or loss	516.8	-63.8	n/a	277.1	-81.4	17.6	-93.6%	n/a
Net result from equity method investments	8.1	13.1	62.0%	5.1	4.6	8.5	67.3%	84.9%
Rental income from investment properties & other operating leases	82.3	82.3	0.0%	42.1	40.9	41.4	-1.6%	1.1%
Personnel expenses	-1,294.7	-1,459.1	12.7%	-663.9	-697.5	-761.6	14.7%	9.2%
Other administrative expenses	-717.7	-738.2	2.9%	-249.6	-408.6	-329.6	32.0%	-19.3%
Depreciation and amortisation	-273.0	-274.9	0.7%	-136.6	-135.9	-139.0	1.8%	2.3%
Gains/losses from derecognition of financial assets measured at amortised cost	-30.8	-1.0	-96.7%	-29.9	-0.9	-0.1	-99.6%	-86.2%
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	2.0	2.8	41.4%	0.1	1.1	1.7	>100.0%	62.0%
Impairment result from financial instruments	26.0	28.9	11.3%	85.1	20.7	8.3	-90.3%	-60.0%
Other operating result	-199.2	-283.1	42.1%	-66.5	-274.3	-8.8	-86.8%	-96.8%
Levies on banking activities	-110.9	-121.1	9.2%	-70.7	-99.1	-22.0	-68.9%	-77.8%
Pre-tax result from continuing operations	**1,659.2**	**2,436.5**	**46.8%**	**1,049.2**	**1,003.2**	**1,433.4**	**36.6%**	**42.9%**
Taxes on income	-315.2	-438.6	39.1%	-199.7	-185.6	-253.0	26.7%	36.3%
Net result for the period	**1,344.0**	**1,998.0**	**48.7%**	**849.5**	**817.6**	**1,180.4**	**39.0%**	**44.4%**
Net result attributable to non-controlling interests	207.0	508.1	>100.0%	161.3	224.0	284.1	76.1%	26.9%
Net result attributable to owners of the parent	**1,137.0**	**1,489.9**	**31.0%**	**688.2**	**593.6**	**896.3**	**30.2%**	**51.0%**
Operating income	4,146.7	5,161.1	24.5%	2,110.4	2,498.7	2,662.4	26.2%	6.6%
Operating expenses	-2,285.4	-2,472.2	8.2%	-1,050.1	-1,242.0	-1,230.2	17.1%	-1.0%
Operating result	**1,861.3**	**2,688.9**	**44.5%**	**1,060.3**	**1,256.7**	**1,432.3**	**35.1%**	**14.0%**

Strong balance sheet dominated by customer loans

	Quarterly data					Change		
in EUR million	**Jun 22**	**Sep 22**	**Dec 22**	**Mar 23**	**Jun 23**	**YOY-Δ**	**YTD-Δ**	**QOQ-Δ**
Cash and cash balances	42,818	44,552	35,685	43,305	32,810	-23.4%	-8.1%	-24.2%
Financial assets held for trading	6,110	5,375	7,766	6,472	8,076	32.2%	4.0%	24.8%
Derivatives	1,934	1,982	1,719	1,668	1,306	-32.5%	-24.0%	-21.7%
Other financial assets held for trading	4,177	3,394	6,047	4,803	6,770	62.1%	12.0%	40.9%
Non-trading financial assets at fair value through profit and loss	2,916	2,791	2,735	2,870	2,902	-0.5%	6.1%	1.1%
Equity instruments	349	367	347	366	381	9.2%	9.8%	4.0%
Debt securities	1,778	1,660	1,549	1,633	1,584	-10.9%	2.2%	-3.0%
Loans and advances to banks	0	0	0	0	0	n/a	n/a	n/a
Loans and advances to customers	**790**	**764**	**839**	**870**	**938**	**18.8%**	**11.8%**	**7.8%**
Financial assets at fair value through other comprehensive income	9,104	9,247	9,560	9,811	10,087	10.8%	5.5%	2.8%
Equity instruments	120	121	99	99	96	-20.2%	-3.3%	-2.8%
Debt securities	8,984	9,126	9,460	9,712	9,991	11.2%	5.6%	2.9%
Financial assets at amortised cost	251,855	259,311	253,360	265,455	274,936	9.2%	8.5%	3.6%
Debt securities	39,219	41,253	40,612	43,401	44,819	14.3%	10.4%	3.3%
Loans and advances to banks	28,704	26,721	18,435	27,299	33,454	16.5%	81.5%	22.5%
Loans and advances to customers	**183,932**	**191,337**	**194,313**	**194,755**	**196,663**	**6.9%**	**1.2%**	**1.0%**
Finance lease receivables	4,274	4,345	4,553	4,640	4,790	12.1%	5.2%	3.2%
Hedge accounting derivatives	59	99	159	218	226	>100.0%	42.3%	3.7%
Fair value changes of hedged items in portfolio hedge of interest rate risk	-26	-38	-38	-35	-35	32.5%	-7.4%	-1.0%
Property and equipment	2,578	2,542	2,618	2,671	2,665	3.4%	1.8%	-0.2%
Investment properties	1,350	1,377	1,372	1,391	1,408	4.3%	2.6%	1.2%
Intangible assets	1,315	1,300	1,347	1,335	1,328	1.0%	-1.4%	-0.5%
Investments in associates and joint ventures	219	223	209	217	225	2.6%	7.8%	3.7%
Current tax assets	118	114	109	105	115	-2.8%	5.5%	9.3%
Deferred tax assets	544	582	629	582	516	-5.1%	-17.9%	-11.2%
Assets held for sale	63	59	167	175	163	>100.0%	-2.5%	-6.7%
Trade and other receivables	2,547	2,349	2,404	2,402	2,489	-2.3%	3.6%	3.6%
Other assets	1,248	1,069	1,232	1,308	1,290	3.3%	4.8%	-1.4%
Total assets	**327,093**	**335,297**	**323,865**	**342,921**	**343,993**	**5.2%**	**6.2%**	**0.3%**

Liabilities dominated by retail deposits

in EUR million	Quarterly data					Change		
	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	YOY-Δ	YTD-Δ	QOQ-Δ
Financial liabilities held for trading	3,005	3,175	3,264	3,139	2,788	-7.2%	-14.6%	-11.2%
Derivatives	1,989	2,540	2,626	2,505	2,070	4.1%	-21.2%	-17.4%
Other financial liabilities held for trading	1,017	634	637	635	718	-29.4%	12.7%	13.1%
Financial liabilities at fair value through profit or loss	9,832	10,031	10,814	11,227	11,223	14.1%	3.8%	0.0%
Deposits from customers	**1,159**	**1,323**	**1,353**	**1,384**	**1,201**	**3.7%**	**-11.2%**	**-13.2%**
Debt securities issued	8,478	8,547	9,310	9,708	9,890	16.7%	6.2%	1.9%
Other financial liabilities	195	162	151	135	132	-32.7%	-13.0%	-2.3%
Financial liabilities at amortised cost	284,730	291,880	278,932	295,892	297,334	4.4%	6.6%	0.5%
Deposits from banks	36,665	36,158	28,821	29,876	25,669	-30.0%	-10.9%	-14.1%
Deposits from customers	**224,356**	**231,128**	**222,620**	**236,690**	**239,881**	**6.9%**	**7.8%**	**1.3%**
Debt securities issued	22,748	23,785	26,593	28,538	30,756	35.2%	15.7%	7.8%
Other financial liabilities	960	810	899	787	1,027	7.0%	14.3%	30.5%
Lease liabilities	653	653	662	699	703	7.6%	6.2%	0.5%
Hedge accounting derivatives	358	380	372	365	322	-10.1%	-13.6%	-11.8%
Fair value changes of hedged items in portfolio hedge of interest rate risk	0	0	0	0	0	0.0%	0.0%	0.0%
Provisions	1,741	1,696	1,676	1,857	1,702	-2.2%	1.6%	-8.3%
Current tax liabilities	92	114	127	163	171	86.2%	34.2%	5.0%
Deferred tax liabilities	23	24	16	19	3	-88.5%	-82.9%	-85.8%
Liabilities associated with assets held for sale	0	0	115	112	104	n/a	-9.5%	-6.8%
Other liabilities	2,772	2,760	2,581	2,966	2,909	4.9%	12.7%	-1.9%
Total equity	**23,886**	**24,584**	**25,305**	**26,483**	**26,735**	**11.9%**	**5.7%**	**1.0%**
Equity attributable to non-controlling interests	5,610	5,827	5,957	6,188	6,424	14.5%	7.8%	3.8%
Additional equity instruments	2,236	2,236	2,236	2,236	2,236	0.0%	0.0%	0.0%
Equity attributable to owners of the parent	16,041	16,521	17,111	18,059	18,074	12.7%	5.6%	0.1%
Subscribed capital	860	860	860	860	860	0.0%	0.0%	0.0%
Additional paid-in capital	1,478	1,478	1,478	1,478	1,478	0.0%	0.0%	0.0%
Retained earnings and other reserves	13,703	14,183	14,774	15,721	15,737	14.8%	6.5%	0.1%
Total liabilities and equity	**327,093**	**335,297**	**323,865**	**342,921**	**343,993**	**5.2%**	**6.2%**	**0.3%**

Capital requirements for 2023 slightly up on higher buffers

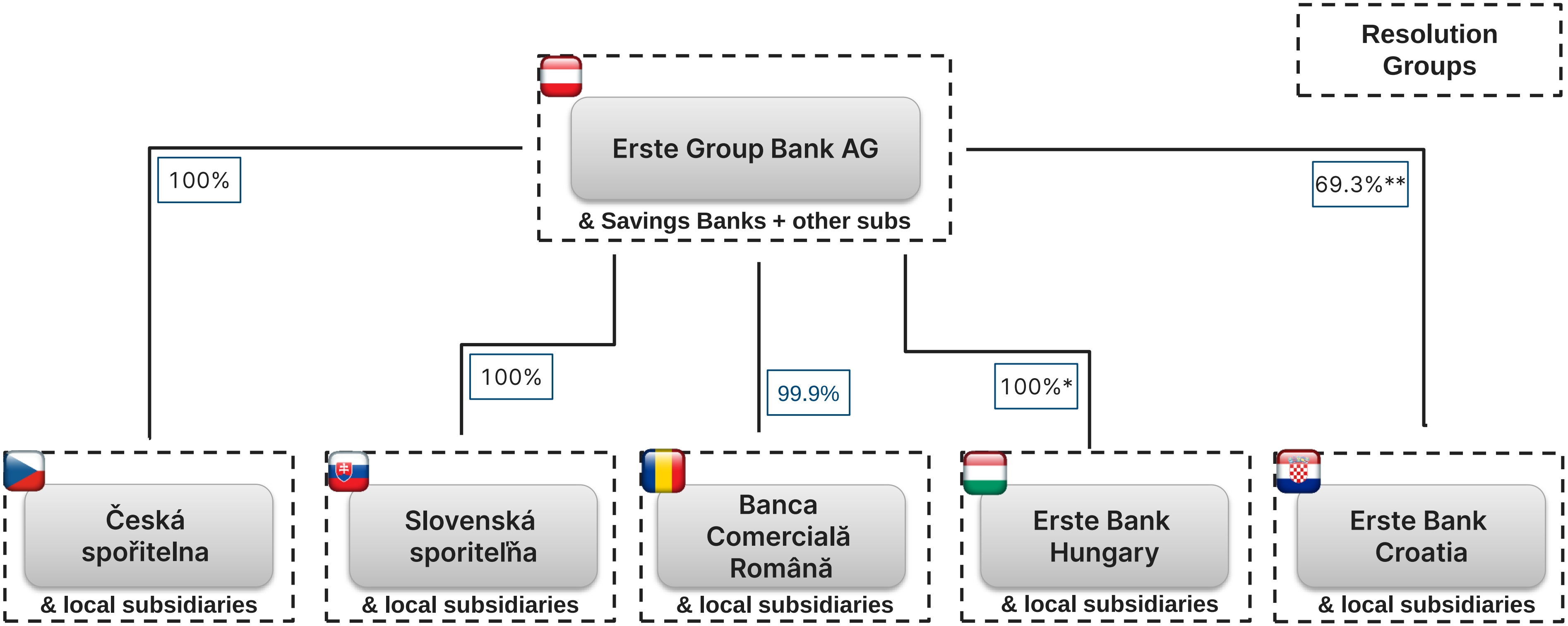
		Erste Group Consolidated				Erste Group Unconsolidated			
			Fully loaded				Fully loaded		
		2021	2022	Q2 2023	YE 2023	2021	2022	Q2 2023	YE 2023
Pillar 1 CET1 requirement		**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**	**4.50%**
Combined buffer requirement		**4.68%**	**4.91%**	**5.45%**	**5.51%**	**4.62%**	**4.78%**	**5.20%**	**5.34%**
Capital conservation buffer (CCB)		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Countercyclical capital buffer (CCyB) 1)		0.18%	0.41%	0.70%	0.76%	0.12%	0.28%	0.45%	0.59%
OSII buffer		1.00%	1.00%	1.25%	1.25%	1.00%	1.00%	1.75%	1.75%
Systemic risk buffer (SRB)		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.50%	0.50%
Pillar 2 CET1 requirement (P2R) 2)		**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**	**0.98%**
Pillar 2 CET1 guidance (P2G)		**1.00%**	**1.00%**	**1.00%**	**1.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Regulatory minimum ratios excluding P2G									
	CET1 requirement	10.16%	10.40%	10.93%	11.00%	10.10%	10.27%	10.68%	10.82%
1.50% AT1	Tier 1 requirement	11.99%	12.23%	12.76%	12.83%	11.93%	12.10%	12.51%	12.65%
2.00% T2	Own funds requirement	14.43%	14.66%	15.20%	15.26%	14.37%	14.53%	14.95%	15.09%
Regulatory minimum ratios including P2G									
	CET1 requirement	11.16%	11.40%	11.93%	12.00%	10.10%	10.27%	10.68%	10.82%
1.50% AT1	Tier 1 requirement	12.99%	13.23%	13.76%	13.83%	11.93%	12.10%	12.51%	12.65%
2.00% T2	Own funds requirement	15.43%	15.66%	16.20%	16.26%	14.37%	14.53%	14.95%	15.09%
Reported CET1 ratio as of June 2023				**15.01%**				**21.88% 3)**	

Buffer to MDA restriction as of 30 June 2023: 378bps

Available distributable items (ADI) as of 30 June 2023: EUR 4.8bn (post expected dividend); based on CRR II, which allows additional own funds components to be included, ADIs are at EUR 7.5bn

1. Planned values based on Q2 23 exposure.
2. As of end of May 2021 Art. 70b (7) ABA applies using P2R according to the capital stack: 56.25% for CET1 capital and 75% for Tier 1 capital. The overall P2R remained at 1.75% for Erste Group.
3. Consolidated capital ratios pursuant to IFRS on phased-in basis. Unconsolidated capital ratios pursuant to IFRS as of Q1 2023. ADIs pursuant to Austrian Commercial Code (UGB) .

MREL compliance at point of entry level (bail-in)

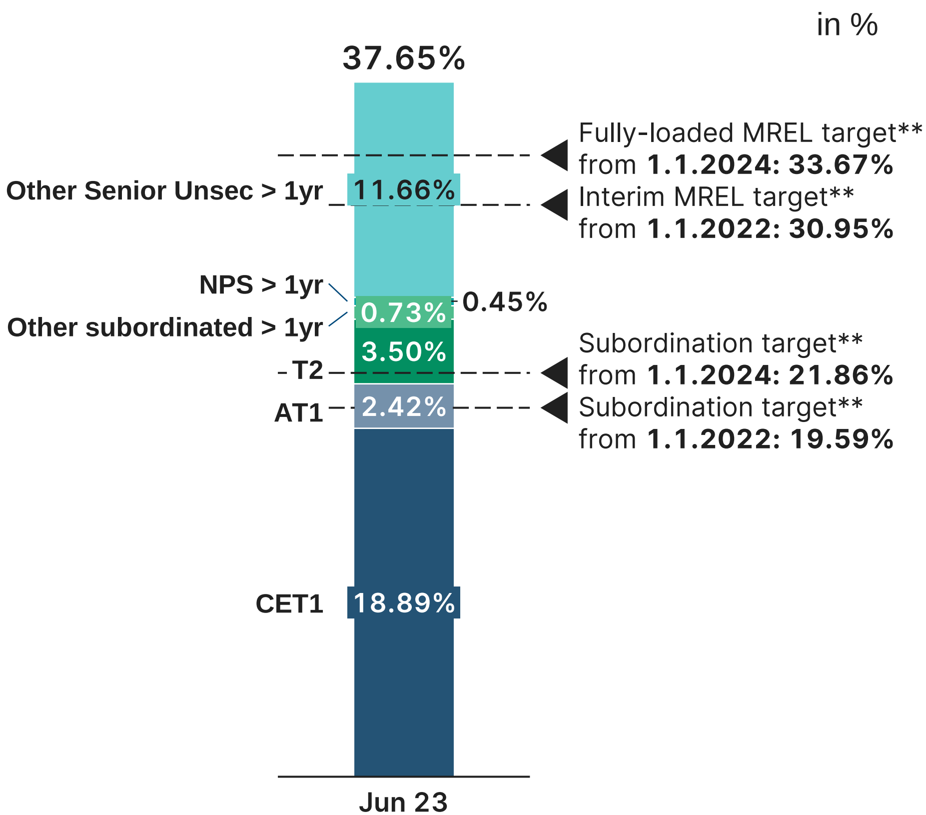


Erste Group follows an MPE resolution strategy with each resolution group issuing its external MREL debt

* 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

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 adopted multiple point of entry (MPE) resolution approach

– In Q2 23, Erste Group Bank AG received its MREL requirement calibrated on 31 Dec 2021 balance sheet data

– From 1.1.2024, Erste Group Bank AG, as the resolution entity of the Austrian resolution group, must comply with a MREL requirement of 28.69% of TREA (excl. CBR) and 9.49% of Leverage Ratio Exposure (LRE). In addition, the subordination requirement is set at 16.88% (excl. CBR) of TREA and 8.81% of LRE respectively.

– As of Q2 2023 the Combined Buffer Requirement (CBR) of the Austrian Resolution Group was 4.98% of TREA.

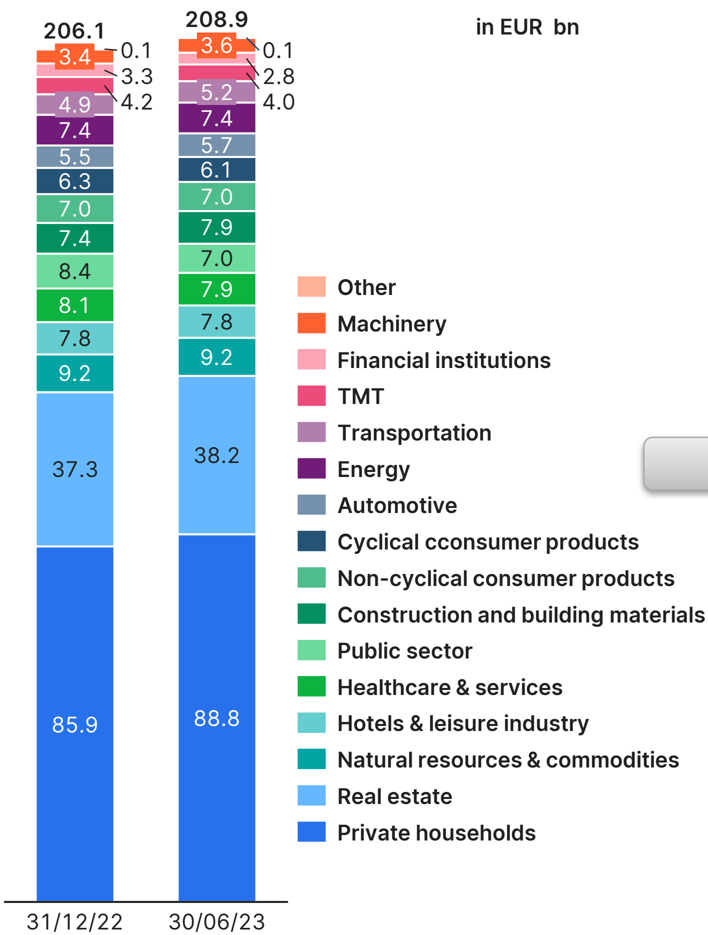
– Based on the Austrian resolution group's RWAs as of June 2023 of approx. EUR 92.6bn, the current MREL ratio stands at 37.65%, thereof 25.99% being subordinated eligible liabilities.

As of Q2 23 the AT resolution group is compliant with both the interim and final MREL and subordination requirements (TREA and LRE-based) to be fulfilled from 1 Jan 2022 and 1 Jan 2024, respectively.

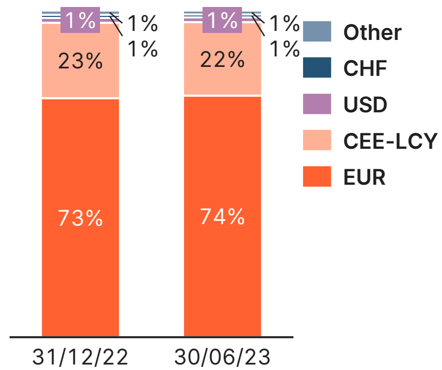
– Potential changes in the MREL requirement will be reflected in Erste Group Bank AG's funding plan as to ensure compliance with MREL & subordination targets

Erste Group benefits from a highly diversified loan book

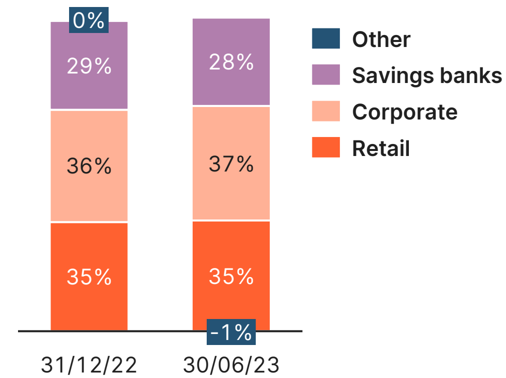
Gross customer loans by industry



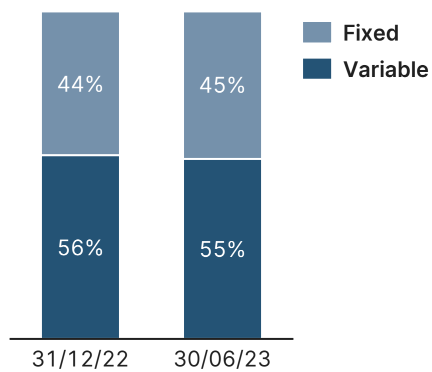
By currency



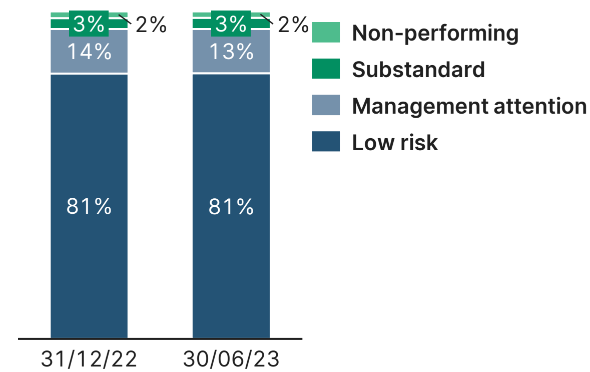
By business segment



By interest rate



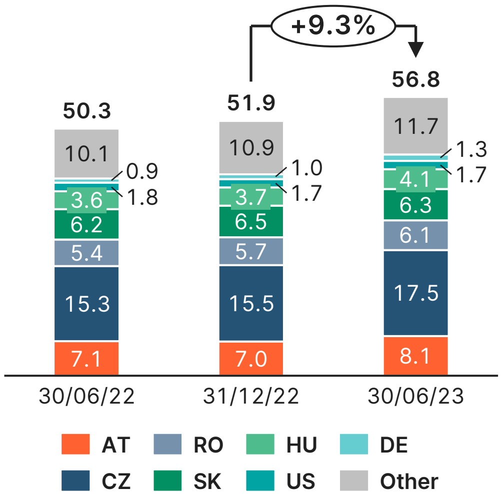
By risk category



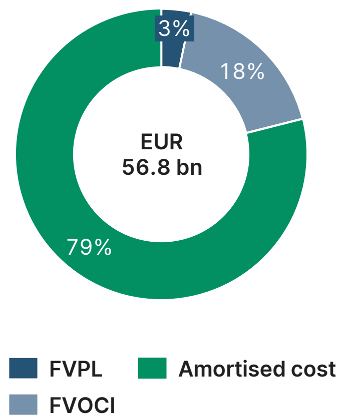
Financial asset portfolio creates strong net interest income tailwinds

Financial assets – geographic view

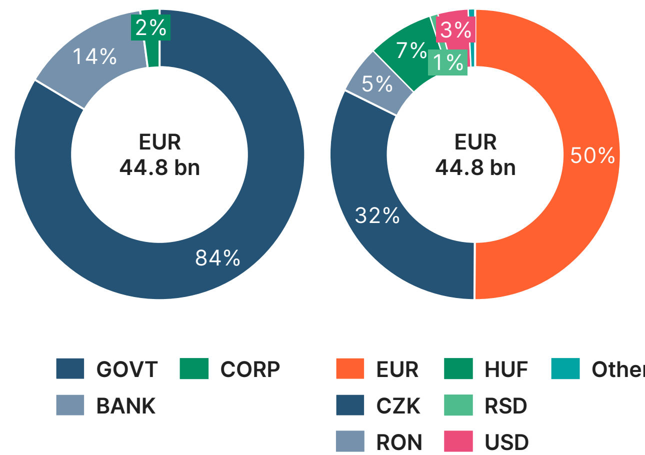
in EUR bn



Financial assets – accounting view



AC by issuer and currency



Financial assets are geographically well-diversified

- Main rationale is maintenance of strong levels of highly liquid assets
- Focus on Erste Group core markets
- Largest exposure is to Czech sovereign

Amortised cost portfolio as at Q2 23

- Amounts to EUR 44.8bn or 79% of total financial assets, +10.4% ytd
- Portfolio duration: 4.5 years
- Portfolio yield: 2.4%

- Rolling maturities are re-invested at higher yields
- Focus on euro driven by investments in core markets (AT, SK) as well as other euro zone exposures
- Focus on strong ratings: ~76% A or higher, ~22% BBB

Erste Group supports the well-being in the CEE region

Priority objectives

Leading Green Transition

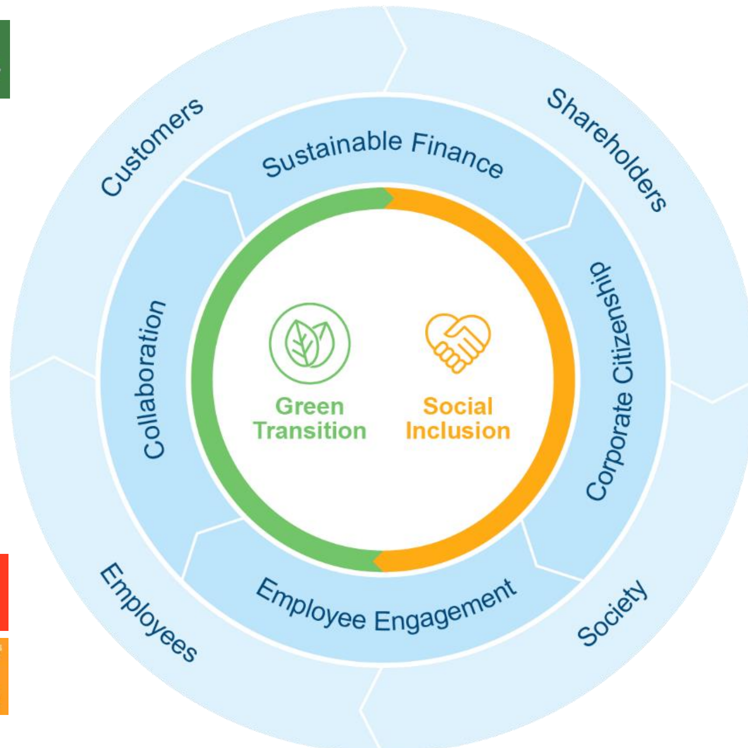
Erste Group strives to be a role model and leading institution to mobilise funds for tackling climate change, clean water preservation and improvement in material efficiency as it is a great chance for the citizens of CEE.

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

Nurturing Social Inclusion

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

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



Our promise

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

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

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

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

Sustainability is embedded into the DNA of Erste Group

Sustainable Finance

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

Working together

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

Good corporate citizenship

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

Employee engagement and social contribution

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

Erste Group has set itself ambitious ESG targets

25%
green investments by 2026 in our corporate book to be reached

15%
green housing mortgages by 2027

Net-zero portfolio
by 2050

90%
low carbon electricity by 2050

Climate neutral
operations by 2023

17 Ecolabel funds
offered to our clients by 2023 to promote investment opportunities

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

EUR 1bn
Social Finance loans provided by 2030

200,000
jobs to be created or preserved by 2030 by Social Banking activities

500,000
financial education beneficiaries by 2030

15,000
affordable housing units by 2030

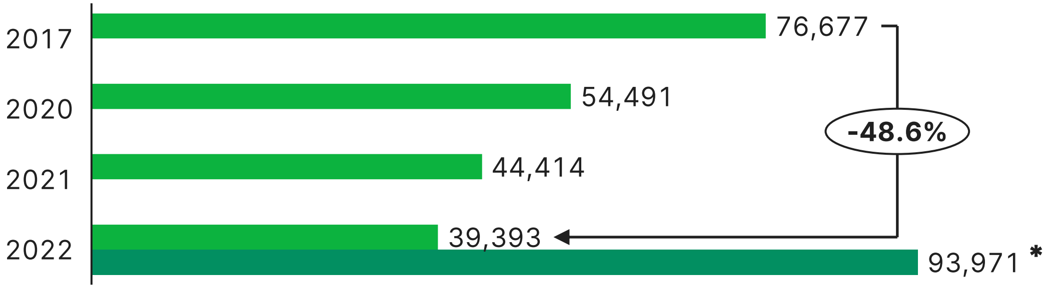
37%
women in B/B-1 positions by 2025

40%
women in B-2/B-3 positions by 2025

Environment

Net zero operations

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



* First time calculation including operational Scope 3 emissions

Green Investments

New corporate financing of environmental objectives

Committed amount (total), June 23	in EUR m
Construction and real estate	760.7
Renewable energy	98.5
Transportation	58.5
Other Corporate	57.5
Total	**975.2**

Scope 3, financed emissions, covering EUR 182bn exposure – low intensity & overall emissions (as of Q2 23)

→ basis for our **journey towards net-zero portfolio** by 2050

145

gCO_2e/€ financing low emission intensity

15.2

million tonnes of CO_2e total financed emissions Scope 1 and 2

11.1

million tonnes of CO_2e total financed emissions Scope 3

Net-zero target setting to move towards 1.5 degree climate scenarios

Portfolio decarbonization interim targets 2030

Portfolio selection	Metric	Baseline 2022	Target	Reduction	Volume covered (Q2 23)*
Housing mortgages	$kgCO_2e/m^2$	53.3	30.5	-43%	EUR 49.7bn
Commercial real estate	$kgCO_2e/m^2$	50.9	25.7	-50%	EUR 21.1bn
Electricity production	$kgCO_2e/MWh$	421.4	215.6	-49%	EUR 2.8bn
Heat & steam production	thd tCo_2e	1,382	801	-42%	EUR 0.2bn

Reducing the ecological impact of our banking operations – targets for 2023 and beyond

Indicator	Metric	Year	Target
Reduction of total Scope 1 and 2 emissions	tCO_2	2030	-80%
Increase share of green electricity	% of green electricity	2023	90%
Extend share of electric car fleet	% of e-cars (total car fleet)	2025	25%

*) excl. savings banks; they will be included as of Q1 24

The EU members states' updated National Energy & Climate Plans (NECP) in acc. with the Green Deal will allow us to update our target setting for all sectors to be in line with 1.5° scenarios

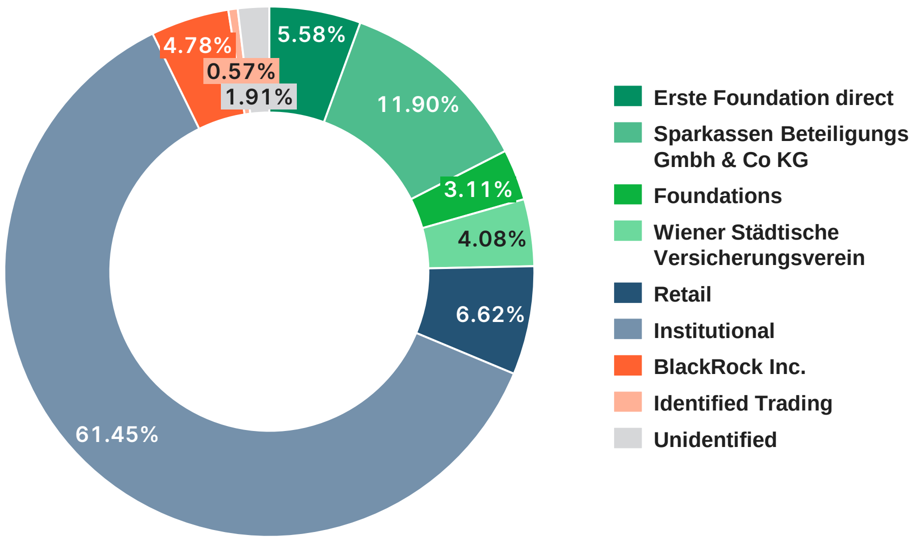
Erste Group has strong ESG ratings

		2022	2023
MSCI ESG RATINGS	Erste Group maintains **rating of AA** in the MSCI ESG Ratings assessment	**AA** (5.9)	**AA** (5.5)
SUSTAINALYTICS a Morningstar company	In 2022, Erste Group improved its assessment by Sustainalytics by 3.6 points, **low risk** category confirmed	**Low Risk** 15.3 / 100	**Low Risk** 14.5 / 100
Corporate ESG Performance Prime RATED BY ISS ESG	Erste Group kept the Prime Status by ISS ESG, with a **"very high" transparency level** awarded	**C "Prime"** 50.00	**- ***
CDP DISCLOSURE INSIGHT ACTION	First time reporting resulted in good **B rating**, strong improvement potential for 2023 on the basis of Net Zero targets	**B**	**- ***
imug SUSTAINABILITY RATING	In 2019, imug Investment Research upgraded Erste Group from neutral to **positive**	**B (positive) 53.14%**	**B (positive) 53.14%**

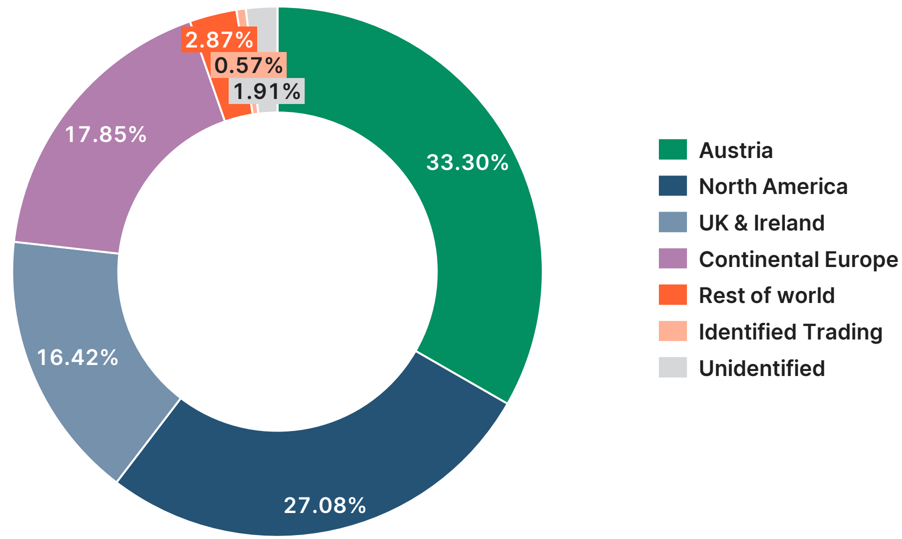
* 2023 update pending

Erste Group benefits from strong and well-diversified shareholder base

By investor



By region



Notes to shareholder structure

- **Foundations** include Erste Employees Private Foundation, Syndicated Savings Banks Foundations, own holdings of Savings Banks
- **Identified Trading** includes market makers, prime brokerage, proprietary trading, collateral and stock lending positions which are visible through custodian bank lists
- **Unidentified** include unidentified institutional and retail investors
- The shareholder structure may contain rounding differences

Status as of 27 July 2023

Erste Group Bank AG boasts strong issuer ratings

Moody's

Weighted Macro Profile	
Strong	
+	
Financial Profile	
Asset Risk	baa1
Capital	baa1
Profitability	baa3
Funding Structure	a2
Liquid Resources	baa1
+	
Qualitative Factors	
Business Diversification	0
Opacity and Complexity	0
Corporate Behaviour	0
=	
BCA Baseline Credit Assessment	**baa1**
+	
Affiliate Support	0
=	
Adjusted BCA	**baa1**
+	
LGF Loss Given Failure	+ 2
Government Support	+1
=	

Senior Unsecured
Long-Term Outlook / Short-Term
A1 / Stable / P-1

S&P Global Ratings

SACP - Stand-Alone Credit Profile		
a		
▲		
Anchor	bbb+	
Business position	Strong	+1
Capital and earnings	Adequate	0
Risk position	Adequate	0
Funding	Above Average	+1
Liquidity	Strong	
CRA adjustment		0

+

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

+

Additional Factors	**0**

=

Issuer Credit Rating
Long-Term Outlook / Short-Term
A+ / Stable / A-1

Fitch Ratings

VR - Viability Rating
(Individual Rating)
a

SRF - Support Rating Floor
NF (No Floor)

IDR - Issuer Default Rating
Long-Term Outlook / Short-Term
A / Stable / F1

Status as of 21 July 2023

Geographical/operating and business segment view

Erste Group – Geographical/operating segments

Austria

- EBOe & Subsidiaries (AT/EBOe)
- Savings Banks (AT/SB)
- Other Austria (AT/OA)
  - Holding Business
  - Erste Group Immorent
  - Erste Asset Management
  - Intermarket Bank AG

Central and Eastern Europe

- Czech Republic (CZ)
- Slovakia (SK)
- Romania (RO
- Hungary (HU)
- Croatia (HR)
- Serbia (RS)

Other

- Holding ALM
- Holding CC
- Other Subsidiaries
- Group bookings and IC elimination
- Free Capital

Erste Group – Business segments

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

Erste Group IR contact details

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