

Profile

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:

ONE OF THE LEADING FINANCIAL SERVICE PROVIDERS IN THE EASTERN PART OF EU

AMONG THE TOP 3 BANKS IN ITS LARGEST CORE MARKETS

INNOVATION LEADER IN RETAIL BANKING IN AUSTRIA

In the first three quarters of 2023, Erste Group had:

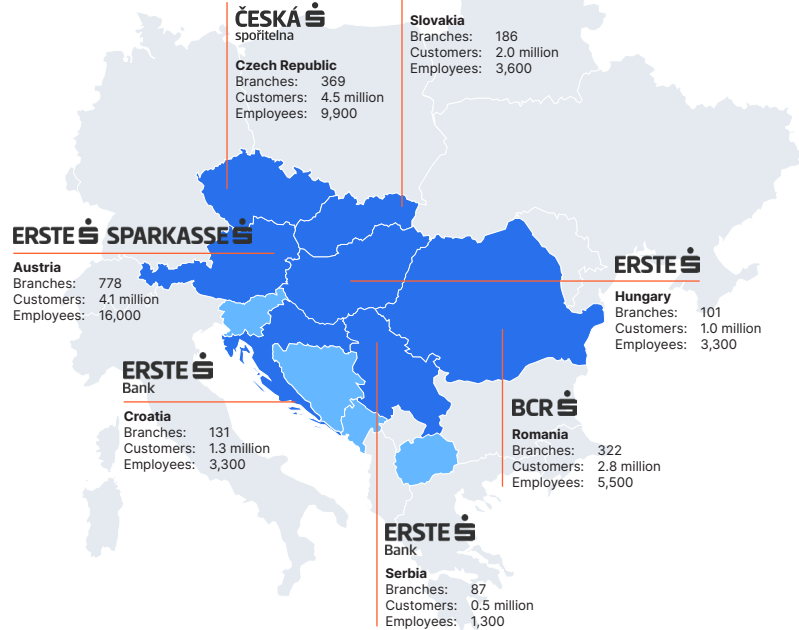
- ca. **16 million** customers
- **46,000** employees
- **1,974** branches in 7 countries
- EUR **337 billion** total assets
- EUR **2.31 billion** net profit
- EUR **4.18 billion** operating result
- EUR **27.7 billion** total equity
- **15 %** CET1 ratio (fully loaded, pro forma)

Strategy

Customer banking in Central and Eastern Europe

Eastern part of the 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 local corporate banking. Advisory services, with focus on providing access to capital markets and corporate finance. Transaction banking services (trade finance, factoring, leasing). Commercial real estate business.	Focus on customer business, including customer-based trading activities. In addition to core markets, presence 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.

Extensive presence in CEE



Listings and index representation 31.12.2022

LISTINGS	INDEX	WEIGHTING
Vienna Stock Exchange	ATX	20.5 %
Prague Stock Exchange	PX	20.8 %
Bucharest Stock exchange	BET-BK	7.8 %

- Public trading via a level I ADR programme in the U.S.
- MSCI Standard Index
- EURO STOXX Banks Index
- FTSEurofirst 300 Index

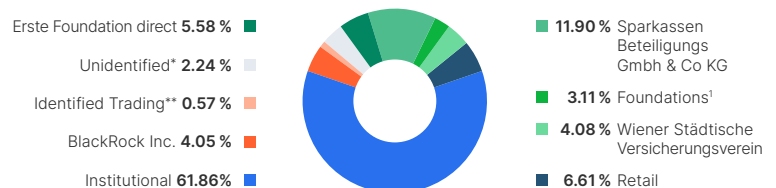
Ratings 11.07.2023

	LONG-TERM	SHORT-TERM	OUTLOOK
S&P	A+	A-1	Stable
Fitch	A	F1	Stable
Moody's	A1	P-1	Stable

Management board

- | | |
|---|---|
| Willi Cernko , CEO and CRetO
Stefan Dörfler , CFO
Alexandra Habeler-Drabek , CRO | Ingo Bleier , Chief Corporates and Markets Officer
David O'Mahony , Chief Operations Officer
Maurizio Poletto , Chief Platform Officer |
|---|---|

Shareholder structure 26.10.2023



¹ Foundations include Erste Employees Private Foundation, Syndicated Savings Banks Foundations, own holdings of Savings Banks
^{*} Unidentified include unidentified institutional and retail investors
^{**} Identified Trading includes market makers, prime brokerage, proprietary trading, collateral and stock lending positions which are visible through custodian bank lists

Total number of shares 429,800,000	Free float 75.33 %
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Current financial outlook 2023

OPERATING ENVIRONMENT

- No year-on-year decline in real GDP in 2023
- Loan growth of around 5% in 2023

BUSINESS PERFORMANCE

- In 2023, NII growth of above 20% and fee growth of more than 5%
- Cost/income ratio of under 50%

CREDIT RISK

- Risk costs expected below 10 bps in 2023

DIVIDEND

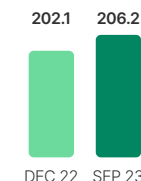
- FY2023 dividend per share of EUR 2.70 planned
- Unchanged dividend policy going forward with payout ratio targeted at 40-50%

PROFITABILITY

- ROTE of above 15% targeted for 2023

RISK FACTORS TO GUIDANCE

- Political, regulatory, geopolitical, economic, health and competition risks, also non-financial and legal risks
- Indirect effects from international (military) conflicts, such as the Russia/Ukraine war or in the mid-east region, 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



Loans & Advances to Customers in EUR BN



Deposits from Customers in EUR BN



Operating Result in EUR BN



Cost/Income Ratio in %

Central and Eastern Europe

Real GDP Growth (%)

Source: Erste Group Research (30.11.2023)

	HR	CZ	HU	PL	RO	RS	SK	SI	CEE8	AT	EZ
2022	6.3	2.4	4.6	4.9	4.6	2.3	1.8	2.5	4.1	4.8	3.5
2023e	2.2	-0.4	-0.6	0.2	2.1	2.4	1.1	1.3	0.6	-0.1	0.5
2024e	2.4	1.8	3.2	2.3	3.3	3.3	2.0	2.2	2.5	1.0	0.9

Statements



"The overall economic framework has deteriorated significantly during the course of the year. Nevertheless, we were able to increase our loan volumes during the past nine months. The quality of our loan portfolio remains excellent and the proportion of non-performing loans is historically low at around two percent across our markets. Our strong capitalization, good risk performance and continued cost discipline ensure that we will successfully meet the challenges and make use of the opportunities that lie ahead of us."

Willi Cernko, **CEO of Erste Group**



"We are reporting a strong operating result for the first nine months of the year. That is attributable to an increased lending volume at higher interest rates. At the same time, we were able to achieve significant growth in net fee and commission income in line with our strategic targets."

Stefan Dörfler, **CFO of Erste Group**

We are on the path to net zero



MEMBERSHIPS

- Net-Zero Banking Alliance (NZBA)
- Green Consumption Pledge
- Financial Initiative of the UN Environmental Program
- PCAF (Partnership for Carbon Accounting Financials)

ESG: a key objective

Economic success paired with environmental and social well-being

Our aspiration ...

We believe in a stronger, healthier and more prosperous society in the Central and Eastern European region.

As a member of the Net-Zero Banking Alliance

We will be leading the transition within CEE Tackling climate change: green finance and the transition to net zero.

We will reach climate neutral operations by 2023

We are committed to source more than 90%+ of our electricity from low emission sources by 2023.

Commitments

Erste Group commits to the UNEP FI Principles for Responsible Banking.

To find out more about our ESG effort

erstegroup.com/en/about-us/sustainability-esg