

## Erste Group Update – 2021 EU - Wide Stress Test Results

Erste Group Bank AG (Erste Group) was subject to the 2021 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the European Central Bank (ECB) and the European Systemic Risk Board (ESRB).

Erste Group notes the announcements made today by the EBA on the EU-wide stress test and fully acknowledges the outcomes of this exercise.

The 2021 EU-wide stress test does not contain a pass fail threshold and instead is designed to be used as an important source of information for the purposes of the supervisory review and evaluation process. The results will assist competent authorities in assessing Erste Group's ability to meet applicable prudential requirements under stressed scenarios.

The adverse stress test scenario was set by the ECB/ESRB and covers a three-year time horizon (2021-2023). The stress test has been carried out applying a static balance sheet assumption as of December 2020 and therefore does not take into account future business strategies and management actions. It is not a forecast of Erste Group's profits.

The adverse scenario was based on a prolonged COVID-19 scenario in a 'lower for longer' interest rate environment, in which negative confidence shocks would prolong the economic contraction.

The application of the adverse scenario resulted in a fully loaded CET 1 ratio of 10.2% (year-end 2023) in the case of Erste Group versus actual fully loaded starting point of 14.2% at the end of 2020. In total, the stress-induced change of fully loaded CET1 ratio amounted to -401 bps comparing to a change of -450bps in the 2018 EBA stress test.

It should be noted that the COVID related outlook has improved significantly compared to the start of the exercise, indicating increasing significance of the baseline scenario where Erste Group's fully loaded CET 1 ratio is reaching 15.4% in the final scenario year.

Erste Group published strong Q2 21 and H1 21 results today. More details are available under: <https://www.erstegroup.com/en/investors/reports/financial-reports>

More details about the scenarios applied in the EU-wide stress tests and the results achieved by the participating banks are available on the website of the EBA: <https://www.eba.europa.eu/risk-analysis-and-data/eu-wide-stress-testing>

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