

## **Disclosure Package for Overseas Incorporated Authorised Institutions**

(information disclosed complies with the requirements as stated in the Banking  
(Disclosure) Rules issued by the Hong Kong Monetary Authority)

(If there is any conflict between the English and Chinese version, the former shall prevail.)

# Financial Information Disclosure Statement

Dec 2020

## Section A - Branch Information

### I. Profit and Loss Information

	Dec 2020 HK\$'000	Dec 2019 HK\$'000
(i) Interest income	436,383	585,226
(ii) Interest expense	(233,490)	(408,059)
(iii) Other operating income	-	-
- Gain less losses arising from dealing in foreign currencies	(813)	127
- Gain less losses on securities held for dealing purposes	107,994	93,227
- Gains less losses from other dealing activities	(121,567)	(66,199)
- Fee commission income	81	10,042
- Fee commission expenses	(3,421)	(4,321)
- Others	8,235	(2,157)
(iv) Operating expenses	(63,193)	(68,267)
- Staff	(43,394)	(43,878)
- Premises	(7,921)	(7,950)
- Others	(11,878)	(16,440)
(v) Impairment losses and impairment allowances	(469)	831
(vi) Gains less losses from disposal of tangible fixed assets	-	-
(vii) Profit before taxation	<u>129,740</u>	<u>140,450</u>
(viii) Taxation charge	<u>(11,440)</u>	<u>(20,901)</u>
(ix) Profit after taxation	<u><u>118,300</u></u>	<u><u>119,549</u></u>

## II. Balance sheet data

	Dec 2020 HK\$'000	Jun 2020 HK\$'000
<b>Assets</b>		
(i) Cash and short term funds	4,722	2,679
(ii) Placements with banks and other financial institutions maturing between one and twelve months	1,898,157	2,253,799
(iii) Amounts due from overseas offices of the institution	12,220,744	12,928,318
(iv) Trade bills	-	-
(v) Certificate of deposit held	1,314,579	2,726,828
(vi) Securities measured at fair value through profit & loss	6,879,379	6,597,246
- Held for trading	1,187,518	1,450,310
(vii) Advances and other accounts	60,629	196,873
(viii) Held to Maturity Securities	5,850,195	5,438,215
(ix) Other investments	-	-
(x) Fixed assets	3,505	192,123
(xi) Total assets	<u>28,231,909</u>	<u>30,336,081</u>
<b>Liabilities</b>		
(i) Deposits and balances of banks and other financial institutions	2,738,407	769,373
(ii) Customer deposits	-	-
- demand deposits and current accounts	-	-
- savings deposits	-	-
- time, call and notice deposits	-	-
(iii) Amount due to overseas offices of the institution	25,108,960	29,241,577
(iv) Certificate of deposit issued	-	-
(v) Issued debt securities	-	-
(vi) Other accounts	353,670	286,620
(vii) Provisions	30,873	38,511
(viii) Total liabilities	<u>28,231,909</u>	<u>30,336,081</u>

### III. Additional balance sheet information

Dec 2020  
HK\$'000

Jun 2020  
HK\$'000

(i) Advances and other accounts		
- Advances to customers	-	-
- Advances to banks and other financial institutions	295,787	116,254
- Accrued interest and other accounts	475	83,455
Total advances and other accounts	296,262	199,708
- Impairment allowances for impaired assets	-	-
- collective impairment allowances	-	2,836
- individual impairment allowances	-	-
(ii) Impaired loans		
The amount of advances to customers on which interest is being placed in suspense or on which interest accrual has ceased	-	-
Amount of individual impairment allowances in respect of such advances	-	-
% of such advances to total advances to customers	0.0%	0.0%
(iii) The breakdown of the gross amount of advances to customers by industry sectors which are considered to be significant to the institution	-	-
<u>Loans for use in Hong Kong</u>		
Industrial, commercial and financial		
- property development	-	-
- property investment	-	-
- financial concerns	-	-
- wholesale and retail trade	-	-
- manufacturing	-	-
- transport and transport equipment	-	-
- electricity, gas and telecommunications	-	-
- others	-	-
- individuals	-	-
<u>Trade finance</u>		
<u>Loans for use outside Hong Kong</u>		
Industrial, commercial and financial		
- property development	-	-
- property investment	-	-
- financial concerns	-	-
- wholesale and retail trade	-	-
- manufacturing	-	-
- transport and transport equipment	-	-
- electricity, gas and telecommunications	-	-
- others	-	-
- individuals	-	-

(iv) The breakdown of the gross amount of advances to customers by countries to the institution according to the location of the counterparties.

- Australia	-	-
of which the gross amount of impaired or overdue loans	-	-
- Brunei	-	-
of which the gross amount of impaired or overdue loans	-	-
- China	-	-
of which the gross amount of impaired or overdue loans	-	-
- Hong Kong	-	-
of which the gross amount of impaired or overdue loans	-	-
- India	-	-
of which the gross amount of impaired or overdue loans	-	-
- Indonesia	-	-
of which the gross amount of impaired or overdue loans	-	-
- Mauritius	-	-
of which the gross amount of impaired or overdue loans	-	-
- Philippines	-	-
of which the gross amount of impaired or overdue loans	-	-
- Thailand	-	-
of which the gross amount of impaired or overdue loans	-	-

(v) Loans and advances covered by collateral or other securities	-	-
(vi) Debt Securities		
- Certificate of deposits held	1,314,579	2,726,828
- Securities measured at fair value through profit & loss	6,879,379	6,598,709
- Held to Maturity Securities	5,850,195	5,438,215
Total	14,044,152	14,763,752
- Impairment allowances for impaired assets	2,197,018	-
- collective impairment allowances	2,197,018	-
- individual impairment allowances	-	-
(vii) Impaired debt securities		
The amount of debt securities on which interest is being placed in suspense or on which interest accrual has ceased	-	-
Amount of individual impairment allowances in respect of such securities	-	-
% of such debt securities to total debt securities	15.6%	0.0%
(viii) The breakdown of the gross amount of debt securities by industry sectors which are considered to be significant to the institution		
<u>Debt Securities for use in Hong Kong</u>		
Industrial, commercial and financial		
- property development	-	-
- property investment	-	-
- financial concerns	2,938,579	3,587,998
- wholesale and retail trade	-	-
- manufacturing	-	-
- transport and transport equipment	-	-
- electricity, gas and telecommunications	-	-
- others	-	-
- individuals	-	-
<u>Debt securities for use outside Hong Kong</u>		
Industrial, commercial and financial		
- property development	-	-
- property investment	-	-
- financial concerns	10,510,504	10,645,761
- wholesale and retail trade	-	-
- manufacturing	-	-
- transport and transport equipment	-	-

- electricity, gas and telecommunications	-	-
- others	595,070	529,992
- individuals	-	-
(ix) The breakdown of the gross amount of debt securities by countries to the institution according to the location of the counterparties.		
- Australia	1,624,198	1,805,168
of which the gross amount of overdue debt securities	-	-
- British Virgin Islands	-	-
of which the gross amount of overdue debt securities	-	-
- Cayman Islands	253,965	240,257
of which the gross amount of overdue debt securities	-	-
- China	602,037	573,731
of which the gross amount of overdue debt securities	-	-
- Germany	49,795	-
of which the gross amount of overdue debt securities	-	-
- Hong Kong	49,795	3,587,998
of which the gross amount of overdue debt securities	-	-
- India	39,210	38,751
of which the gross amount of overdue debt securities	-	-
- Indonesia	614,451	550,796
of which the gross amount of overdue debt securities	-	-
- Japan	199,492	430,284
of which the gross amount of overdue debt securities	-	-
- Malaysia	1,022,026	845,140
of which the gross amount of overdue debt securities	-	-
- Mauritius	-	-
of which the gross amount of overdue debt securities	-	-
- New Zealand	717,313	676,624
of which the gross amount of overdue debt securities	-	-
- Philippines	738,613	696,093
of which the gross amount of overdue debt securities	-	-
- Republic of Ireland	-	-
of which the gross amount of overdue debt securities	-	-
- Singapore	412,112	463,176
of which the gross amount of overdue debt securities	-	-
- South Korea	2,081,399	2,370,564
of which the gross amount of overdue debt securities	-	-
- Thailand	450,582	450,549
of which the gross amount of overdue debt securities	-	-
- United Kingdom	881,071	767,516
of which the gross amount of overdue debt securities	-	-
- United States of America	207,374	341,798

of which the gross amount of overdue debt securities	-	-
- United Arab Emirates	318,863	4,644
of which the gross amount of overdue debt securities	-	-
- Vietnam	-	-
of which the gross amount of overdue debt securities	-	-



## (x) Currency risk including exposures arising from structural positions

Equivalent in millions of HK\$	Dec 2020				
	USD	AUD	CNY	EUR	NZD
Spot assets	15,381	1,318	-	9,999	-
Spot liabilities	(17,297)	(1,317)	-	(10,027)	-
Forward purchases	4,143	-	-	1,323	-
Forward sales	(4,143)	-	-	(1,323)	-
Net options position	-	-	-	-	-
Net long (short) position	(1,916)	1	-	(28)	-
Net structural position	-	-	-	-	-

## Jun 2020

Equivalent in millions of HK\$	Jun 2020				
	USD	AUD	CNY	EUR	NZD
Spot assets	14,011	1,001	-	14,221	-
Spot liabilities	(14,201)	(1,000)	-	(14,223)	-
Forward purchases	4,591	-	-	999	-
Forward sales	(4,591)	-	-	(999)	-
Net options position	-	-	-	-	-
Net long (short) position	(190)	1	-	(2)	-
Net structural position	3	-	-	-	3

Dec 2020	Jun 2020
HK\$'000	HK\$'000

(xi) Amount of repossessed assets

-	-
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(xii) Cross border claims by type of counterparty and by countries or geographical area are classified by the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when cross-border claims are guaranteed by a party in an area which is different from that of the counterparty

	Banks & other financial inst.	Public sector entities	Others
Dec 2020			
1. Asia Pacific (excluding Hong Kong)	8,737	1,202	-
of which AUSTRALIA	1,608	-	-
of which CHINA	733	-	-
of which INDIA	40	-	-
of which INDONESIA	164	918	-
of which JAPAN	200	-	-
of which MALAYSIA	1,025	-	-
of which NEW ZEALAND	721	-	-
of which PHILIPPINES	618	285	-
of which SINGAPORE	366	-	-
of which SOUTH KOREA	2,198	-	-
of which TAIWAN	407	-	-
of which VIETNAM	35	-	-
of which Others	623	-	-
2. North & South America	208	-	-
3. Middle East & Africa	436	-	-
4. Europe	14,255	-	-
5. Caribbean	257	-	-
	Banks & other financial inst.	Public sector entities	Others
As at Jun 2020			
1. Asia Pacific (excluding Hong Kong)	15,710	537	-
of which AUSTRALIA	1,947	-	-
of which CHINA	5,035	-	-
of which INDIA	810	-	-
of which INDONESIA	163	406	-
of which JAPAN	513	-	-
of which MALAYSIA	848	-	-
of which NEW ZEALAND	1,262	-	-
of which PHILIPPINES	570	130	-
of which SINGAPORE	254	-	-
of which SOUTH KOREA	2,425	-	-
of which TAIWAN	384	-	-
of which THAILAND	1,435	-	-
of which VIETNAM	62	-	-
of which Others	1	-	-
2. North & South America	2	-	-
3. Middle East & Africa	4	-	-
4. Europe	294	-	-
5. Caribbean	-	-	-

IV. Off-balance sheet exposures	Dec 2020 HK\$'000	Jun 2020 HK\$'000
(i) <u>Contingent liabilities and commitments</u>		
- Direct credit substitutes	-	-
- Transaction-related contingencies	-	-
- Trade-related contingencies	-	-
- Note issuance and revolving underwriting facilities	-	-
- Other commitments	-	-
- Others (including forward asset purchases, amounts owing on partly paid shares and securities, forward deposits placed, asset sales or other transactions with recourse )	-	20,778,970
(ii) <u>Derivatives</u>		
- Exchange rate contracts	-	-
(excluding forward foreign exchange contracts arising from swap deposit arrangements)		
of which the aggregate replacement costs:		
with bilateral netting arrangements	-	-
without bilateral netting arrangements	-	-
- Interest rate contracts	5,429,889	5,589,707
of which the aggregate replacement costs:		
with bilateral netting arrangements	228,446	183,497
without bilateral netting arrangements	229,304	183,497
- Others	-	-
of which the aggregate replacement costs:		
with bilateral netting arrangements	-	-
without bilateral netting arrangements	-	-

#### V. Liquidity

(i) Average liquidity maintenance ratio (LMR) Half Year	Dec 2020 75.6%	Jun 2020 80.9%	Dec 2019 63.9%
Quarter	Oct - Dec 2020 69.7%	Jul - Sep 2020 70.6%	Apr - Jun 2020 87.9%
	Jan - Mar 2020 74.0%		
	Oct - Dec 2019 66.1%		

- (ii) Governance of Liquidity Risk  
The liquidity risk management of Erste Group Bank AG Hong Kong Branch is aligned to the Group's liquidity risk management approach and policies. The goal of the Liquidity Management Process is to ensure the fulfillment of all ongoing obligations in business environments that range from normal course of business to stressed conditions. Erste Group has a three tiered structure for managing liquidity.

##### Group ALCO

The Group ALCO, whose members comprise all Holding board members, has primary responsibility for (1) the liquidity risk management framework defined in the rulebook and (2) yearly approval of the Group Liquidity Risk Management Rulebook (LRMR), the Holding Liquidity Risk Manual (HLRM) as well as the Holding's Contingency Funding Plan and the Group Liquidity Strategy Paper. Group ALCO is the highest decision making committee for all aspects of Group Liquidity Risk Management and meets at least monthly. During periods of market disruption and crisis determination, the Group ALCO is also responsible for approving liquidity enhancing actions as proposed by Group ALM or the Group OLC in order to improve the group's liquidity situation.

##### Group - OLC

Group OLC meets on a bi-weekly basis to discuss and deal with liquidity related topics. It analyses the Group's liquidity situation in the context of the current and future market outlook, decides on liquidity issues and reports directly to the Group ALCO. The Chairman of the Group OLC is the primary contact person for Group entities in respect to liquidity related issues. In a severe crisis situation, Group OLC shall meet at least on a weekly basis.

##### Local Liquidity Committee - LLC

Each local entity that has a liquidity management process has a LLC. All concepts and strategies concerning the Group wide liquidity risk management process remain valid at a local level. However, the LLC has responsibility for setting any additional local liquidity limits and for supervising the adherence of the group wide liquidity policy and limits. Any actions done locally shall be reported to the Group OLC (e.g. via the minutes of the LLC). The Hong Kong Branch LLC ["HKLLC"] is comprised of senior Branch Management and meets at least monthly [or more often as liquidity conditions dictate] with minutes of meetings being distributed to Group-OLC.

- (iii) Funding Strategy  
Hong Kong Branch's funding requirements are satisfied by inter-bank and intergroup borrowings and currency swap transactions within a strategy that complements Group objectives. The strategy is focused on developing stable sources of lowest cost liquidity from Asia Pacific counterparties sufficient to satisfy the Branch's ongoing funding needs plus a prudential buffer and to supplement overall Group funding.
- (iv) Liquidity Risk Mitigation  
Hong Kong Branch operates within Group policies and limits which minimize liquidity risk. Actual and projected cash flows are closely monitored and the liquidity maintenance ratio (LMR) is calculated on a daily basis in accordance with the banking ordinance. A LMR well above the minimum required ratio is maintained. The Branch seeks to diversify its sources of funding and holds a portfolio of highly marketable securities that can be liquidated if required.
- (v) Stress Testing  
Erste Group conducts regularly stress testing to ensure sufficient liquidity for the both the Group and Hong Kong Branch under various adverse scenarios. The results of the stress tests are reported to ALCO.
- (vi) Contingency Plans  
Hong Kong Branch's contingency funding plan is contained in the local Liquidity Policy and provides operational guidelines for liquidity and funding in scenarios that range from normal course of business to periods of idiosyncratic and market crisis or a combination of both. Both the policy and the plan are reviewed annually and are in line with Group policies. The plan prescribes possible courses of action and defined roles and responsibilities to address emergencies. The Branch's head office is also available as a source of funding in times of stress.

(vii) Maturity Profile of Balance Sheet as at 31-Dec-20

HKD	Next day	7DAY		1MTH		3MTH		6MTH		01YR		Over 1 Year and balancing amount
		NDAY	2 days to 7 days	8 days to 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Total within 1 year				
<b>LIABILITIES/ASSETS</b>												
<b>LIABILITY ITEMS</b>												
- Due to authorised institutions	22,940,534,082.7	6,513,255,069.0	8,117,936,084.1	1,503,882,258.6	-	-	-	-	-	-	39,075,607,494.4	307,464,947.5
- Other liabilities	4,232,257,364.4	841,439,642.5	243,263,651.3	1,474,303,916.9	245,653,599.2	245,653,599.2	245,653,599.2	245,653,599.2	245,653,599.2	245,653,599.2	7,282,571,773.6	(736,895,902.9)
- Total on-balance sheet liabilities	27,172,791,447.1	7,354,694,711.5	8,361,199,735.4	2,978,186,175.5	245,653,599.2	245,653,599.2	245,653,599.2	245,653,599.2	245,653,599.2	245,653,599.2	46,358,179,268.0	(429,430,955.4)
- Total off-balance sheet liabilities	-	-	345,389,565.7	16,875,806.9	382,181,731.0	1,406,945,773.1	2,151,392,876.7	3,270,255,378.3				
<b>ASSET ITEMS</b>												
- Cash	243.4	-	(0.0)	-	-	-	-	-	-	-	243.4	-
- Government bills, notes & bonds	-	-	-	242,416,178.5	-	-	-	-	-	-	242,416,178.5	274,001,476.7
- Due from authorised institutions	20,524,741,768.9	3,149,086,799.3	4,776,734,605.7	1,894,397,720.6	26,876,051.3	194,714,085.4	30,566,551,031.0	0.0				
- Negotiable certificate of deposits and other negotiable debt instruments	-	209,639,090.2	1,008,758,823.3	1,363,432,296.8	2,331,585,624.7	2,976,495,967.5	7,889,911,802.5	6,809,843,906.7				
- Other assets	489,812.2	1,526,818.1	83,464,040.2	8,816,969.7	9,412,470.0	8,088,906.6	111,799,016.7	34,230,193.9				
Total on-balance sheet assets	20,525,231,581.1	3,360,252,707.5	5,868,957,712.5	3,509,063,165.5	2,367,874,146.0	3,179,298,959.5	38,810,678,272.1	7,118,075,577.2				
Total off-balance sheet assets	-	-	349,979,306.5	17,027,437.9	388,132,885.5	1,418,274,270.7	2,173,413,900.6	3,301,143,762.5				
Contractual Maturity Mismatch	6,647,559,865.97	3,994,442,004.01	2,487,652,282.05	531,028,620.98	2,128,171,701.28	- 2,944,973,857.78	7,525,479,971.99	- 7,578,394,916.72				
Cumulative contractual maturity mismatch	6,647,559,865.97	10,642,001,869.98	13,129,654,152.03	12,598,625,531.05	10,470,453,829.77	7,525,479,971.99	15,050,959,943.98	7,472,565,027.26				

**VI. Remuneration**

Hong Kong branch adopts remuneration policy and practices in line with Erste Group AG's policies. Please refer to the Group's annual report for details of the Board Compensation, Remuneration and People Performance Management and key characteristics of the Remuneration System.

**International Claims**

Country / Jurisdiction			Non-bank private sector		Others	Total
	Banks	Official Sector	Non-bank financial institutions	Non -Financial private sector		
Total liabilities and claims as at 31 Dec 2020						
Country/Jurisdiction						
Developed countries	17,332,788	0	148,453	0	0	17,481,241
of which AUSTRIA	12,218,174	0	0	0	0	12,218,174
of which Australia	1,630,830	0	0	0	0	1,630,830
of which United Kingdom	856,493	0	148,453	0	0	1,004,947
Offshore centres	3,872,796	0	0	0	0	3,872,796
of which Hong Kong SAR	3,030,764	0	0	0	0	3,030,764
of which SINGAPORE	412,976	0	0	0	0	412,976
of which CAYMAN ISLANDS	257,415	0	0	0	0	257,415
Developing Europe	9,248	0	0	0	0	9,248
of which Romania	9,248	0	0	0	0	9,248
Developing Latin America and Caribbean	0	0	0	0	0	0
Developing Africa and Middle East	435,617	0	0	0	0	435,617
of which UNITED ARAB EMIRATES	435,617	0	0	0	0	435,617
Developing Asia and Pacific	5,818,617	1,202,472	0	0	0	7,021,089
of which SOUTH KOREA	2,282,081	0	0	0	0	2,282,081
of which INDONESIA	163,979	917,763	0	0	0	1,081,741
of which Malaysia	1,025,239	0	0	0	0	1,025,239
International Organisations	0	0	0	0	0	0
of which						
Unallocated by country	0	0	0	0	0	0
of which						

Country / Jurisdiction			Non-bank private sector		Others	Total
	Banks	Official Sector	Non-bank financial institutions	Non -Financial private sector		
Total liabilities and claims as at 31 Dec 2019						
Country/Jurisdiction						
Developed countries	13,518,726	0	0	0		13,518,726
of which AUSTRIA	8,482,325	0	0	0		8,482,325
of which Australia	2,095,628	0	0	0		2,095,628
of which United Kingdom	1,040,659	0	0	0		1,040,659
Offshore centres	4,918,288	200	0	0		4,918,488
of which Hong Kong SAR	3,806,224	200	0	0		3,806,424
of which SINGAPORE	764,008	0	0	0		764,008
of which CAYMAN ISLANDS	244,854	0	0	0		244,854
Developing Europe	19,898	0	0	0		19,898
of which Croatia	12,784	0	0	0		12,784
of which Serbia	5,865	0	0	0		5,865
of which CZECH REPUBLIC	847	0	0	0		847
Developing Latin America and Caribbean	19,243	0	0	0		19,243
of which CHILE	17,554	0	0	0		17,554
of which MEXICO	1,690	0	0	0		1,690
Developing Africa and Middle East	717,397	0	0	0		717,397
of which UNITED ARAB EMIRATES	717,397	0	0	0		717,397
Developing Asia and Pacific	5,411,550	647,175	0	179,974		6,238,699
of which SOUTH KOREA	2,038,741	0	0	0		2,038,741
of which Malaysia	976,042	0	0	179,974		1,156,016
of which CHINA	790,474	0	0	0		790,474
International Organisations	0	0	0	0		0
of which						
Unallocated by country	0	0	0	0		0
of which						

**VIII. Mainland Activities**

31-Dec-20

Types of Counterparties	On- balance sheet exposure HKD 000's	Off- balance sheet exposure HKD 000's	Total HKD 000's
Exposures to non-bank counterparties	-	-	-

## Section B - Bank Information (consolidated basis)

### I. Group structure

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.

- The number of customers has increased to approx. 16.1 million in Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia.
- Erste Group's key business is the retail business, covering the entire spectrum from lending, deposit and investment products to current accounts and credit cards.
- Besides the traditional strength in serving private individuals, Erste Group's core activities include advisory services and support for corporate clients in financing, investment and access to international capital markets, public sector funding and interbank market operations.

#### Erste Bank - lead bank of the Austrian savings bank sector

As the oldest Austrian savings bank, Erste Bank has taken a leadership role in unifying the Austrian savings bank sector and has developed a pioneering partnership with over 61 savings bank partners. Nearly all of the savings banks now offer the same products to their customers, with Erste Bank playing a key role in product origination. They also co-operate in their marketing and Erste Bank acts as their consultant in asset/liability management and provides back-office services.

#### Strong position in Central and Eastern Europe

- > Ceska Sporitelna has 4.5m customers, 25.4% of retail deposits and 446 branches making it the number 1 retail bank in the Czech Republic.
- > Slovenska Sporitelna has 2.2m customers, 28.4% of retail deposits and 216 branches making it the number 1 retail bank in Slovakia.
- > Erste Bank - Hungary has 0.9m customers, 10.5% of retail deposits and 108 branches making it the number 2 retail bank in Hungary.
- > Erste Bank - Croatia has 1.3m customers, 14.7% of retail deposits and 141 branches making it the number 3 retail bank in Croatia.
- > Banca Comerciala Romana S.A. has approx 2.9m customers, 14.6% of retail deposits and 371 branches. It is Romania's leading retail bank.

### II. Notes to the consolidated data from the Erste Bank Group

All financial data presented below is extracted from the Group's published Results as at December 2020. The accounts are prepared in accordance with International Financial Reporting Standards. All figures are in HKD millions.

Due to different accounting terminologies and classifications used in Austria and Hong Kong, some of the disclosure of financial information recommended by the Hong Kong Monetary Authority cannot be fully matched or achieved.

The base currency used in the Group consolidated accounts is in Euros (EUR). The exchange conversion rates from EUR to HKD equivalent as at 31 December 2020, 30 June 2020 and 31 December 2019 are EUR1 = 9.5142, EUR1 = HKD8.6884 and EUR1 = HKD8.7238.

### III. Capital and capital adequacy

#### Own Funds according to Basel 3

Erste Group as a group of credit institutions is subject to the EU directive 575/2013 (CRR) and must comply with the capital requirements set out therein.

The items of own funds as disclosed below are also used for internal capital management purposes. Erste Group fulfilled the capital requirements.

#### Capital structure according to the EU regulation 575/2013 (CRR)

in HKD million	Article pursuant to CRR	Dec-19 Phased-in	Jun-20 Phased-in	Dec-20 Phased-in
<b>Common equity tier 1 capital (CET1)</b>	<b>50</b>	141,783	142,473	162,281
<b>Additional tier 1 capital (AT1)</b>		13,060	17,318	26,054

<b>Tier 2 capital (T2)</b>	<b>71</b>	<b>36,740</b>	<b>31,282</b>	<b>36,611</b>
<b>Total own funds</b>	<b>4 (1) (118) and 72</b>	<b>191,582</b>	<b>191,073</b>	<b>224,946</b>
<b>Capital requirement</b>	<b>92 (3), 95, 96, 98</b>	<b>82,426</b>	<b>79,819</b>	<b>89,818</b>
<b>CET1 capital ratio</b>	<b>92 (2) (a)</b>	<b>13.8%</b>	<b>14.3%</b>	<b>14.5%</b>
<b>Tier 1 capital ratio</b>	<b>92 (2) (b)</b>	<b>15.0%</b>	<b>16.0%</b>	<b>16.8%</b>
<b>Total capital ratio</b>	<b>92 (2) (c)</b>	<b>18.6%</b>	<b>19.2%</b>	<b>20.0%</b>

The capital structure table above is based on EBA's final draft for implementing technical standards on disclosure for own funds published in the Official Journal of the European Union on 20 December 2013. Positions not relevant for Erste Group are not shown. Changes are possible due to final Regulatory Technical Standards (RTS), that are not yet available. Further details can be found at [www.erstegroup.com](http://www.erstegroup.com).

#### IV. Other financial information

	Dec-19	Jun-20	Dec-20
- Shareholders Equity	178,640	184,197	213,216
- Total Assets	2,143,375	2,299,750	2,639,179
- Total Liabilities	1,964,735	2,115,552	2,425,963
- Loans and Receivables to Customers	1,398,160	1,422,608	1,579,837
- Deposits from Customers	1,516,598	1,587,114	1,817,882
- Pre Tax Profit	20,324	4,432	13,016

#### V. Chief executive's declaration of compliance

I certify that the information disclosed complies with the requirements as stated in the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority and is not false or misleading.



Oliver Hoffmann

Chief Executive

March 26, 2021