

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

Jun 2020

Section A - Branch Information

I. Profit and Loss Information

| | Jun 2020 HK\$'000 | Jun 2019 HK\$'000 |
|---|-----------------------|----------------------|
| (i) Interest income | 228,416 | 316,802 |
| (ii) Interest expense | (115,344) | (228,940) |
| (iii) Other operating income | - | - |
| - Gain less losses arising from dealing in foreign currencies | 53 | 59 |
| - Gain less losses on securities held for dealing purposes | 69,826 | 75,841 |
| - Gains less losses from other dealing activities | (159,273) | (59,946) |
| - Fee commission income | 4,416 | 5,225 |
| - Fee commission expenses | (1,520) | (2,717) |
| - Others | - | 383 |
| (iv) Operating expenses | (28,877) | (33,078) |
| - Staff | (19,859) | (21,201) |
| - Premises | (3,965) | (3,996) |
| - Others | (5,054) | (7,881) |
| (v) Impairment losses and impairment allowances | 178 | (27) |
| (vi) Gains less losses from disposal of tangible fixed assets | - | - |
| (vii) Profit before taxation | <u>(2,125)</u> | <u>73,602</u> |
| (viii) Taxation charge | <u>(3,021)</u> | <u>(11,853)</u> |
| (ix) Profit after taxation | <u><u>(5,146)</u></u> | <u><u>61,749</u></u> |

II. Balance sheet data

| | Jun 2020 HK\$'000 | Dec 2019 HK\$'000 |
|---|----------------------|----------------------|
| Assets | | |
| (i) Cash and short term funds | 2,679 | 4,283 |
| (ii) Placements with banks and other financial institutions maturing between one and twelve months | 2,253,799 | 2,252,116 |
| (iii) Amounts due from overseas offices of the institution | 12,928,318 | 8,472,798 |
| (iv) Trade bills | - | - |
| (v) Certificate of deposit held | 2,726,828 | 1,900,314 |
| (vi) Securities measured at fair value through profit & loss | 6,597,246 | 6,836,800 |
| - Held for trading | 1,450,310 | 1,718,062 |
| (vii) Advances and other accounts | 196,873 | 343,033 |
| (viii) Held to Maturity Securities | 5,438,214.849 | 5,618,574 |
| (ix) Other investments | - | - |
| (x) Fixed assets | 192,123 | 122,519 |
| (xi) Total assets | <u>30,336,081</u> | <u>25,550,437</u> |
| Liabilities | | |
| (i) Deposits and balances of banks and other financial institutions | 769,373 | 5,404,608 |
| (ii) Customer deposits | - | - |
| - demand deposits and current accounts | - | - |
| - savings deposits | - | - |
| - time, call and notice deposits | - | - |
| (iii) Amount due to overseas offices of the institution | 29,241,577 | 19,840,212 |
| (iv) Certificate of deposit issued | - | - |
| (v) Issued debt securities | - | - |
| (vi) Other accounts | 286,620 | 272,927 |
| (vii) Provisions | 38,511 | 32,689 |
| (viii) Total liabilities | <u>30,336,081</u> | <u>25,550,437</u> |

III. Additional balance sheet information

Jun 2020
HK\$'000

Dec 2019
HK\$'000

| | | |
|--|---------|---------|
| (i) Advances and other accounts | | |
| - Advances to customers | - | - |
| - Advances to banks and other financial institutions | 116,254 | 233,581 |
| - Accrued interest and other accounts | 83,455 | 112,493 |
| Total advances and other accounts | 199,708 | 346,074 |
| - Impairment allowances for impaired assets | - | - |
| - collective impairment allowances | 2,836 | 3,041 |
| - 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 | 2,726,828 | 1,900,314 |
| - Securities measured at fair value through profit & loss | 6,598,709 | 6,836,800 |
| - Held to Maturity Securities | <u>5,438,215</u> | <u>5,618,574</u> |
| Total | 14,763,752 | 14,355,689 |
| - Impairment allowances for impaired assets | - | - |
| - collective impairment allowances | - | - |
| - 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 | 0.0% | 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 | 3,587,998 | 3,676,468 |
| - 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 | 10,645,761 | 10,044,342 |
| - wholesale and retail trade | - | - |
| - manufacturing | - | - |
| - transport and transport equipment | - | - |

| | | |
|---|---------|---------|
| - electricity, gas and telecommunications | - | - |
| - others | 529,992 | 634,878 |
| - individuals | - | - |

(ix) The breakdown of the gross amount of debt securities by countries to the institution according to the location of the counterparties.

| | | |
|--|-----------|-----------|
| - Australia | 1,805,168 | 2,032,983 |
| of which the gross amount of overdue debt securities | - | - |
| - British Virgin Islands | - | - |
| of which the gross amount of overdue debt securities | - | - |
| - Cayman Islands | 240,257 | 241,367 |
| of which the gross amount of overdue debt securities | - | - |
| - China | 573,731 | 446,983 |
| of which the gross amount of overdue debt securities | - | - |
| - Germany | - | - |
| of which the gross amount of overdue debt securities | - | - |
| - Hong Kong | 3,587,998 | 3,676,468 |
| of which the gross amount of overdue debt securities | - | - |
| - India | 38,751 | 77,860 |
| of which the gross amount of overdue debt securities | - | - |
| - Indonesia | 550,796 | 514,194 |
| of which the gross amount of overdue debt securities | - | - |
| - Japan | 430,284 | 58,430 |
| of which the gross amount of overdue debt securities | - | - |
| - Malaysia | 845,140 | 1,149,304 |
| of which the gross amount of overdue debt securities | - | - |
| - Mauritius | - | - |
| of which the gross amount of overdue debt securities | - | - |
| - New Zealand | 676,624 | 528,770 |
| of which the gross amount of overdue debt securities | - | - |
| - Philippines | 696,093 | 455,482 |
| of which the gross amount of overdue debt securities | - | - |
| - Republic of Ireland | - | - |
| of which the gross amount of overdue debt securities | - | - |
| - Singapore | 463,176 | 396,707 |
| of which the gross amount of overdue debt securities | - | - |
| - South Korea | 2,370,564 | 1,900,388 |
| of which the gross amount of overdue debt securities | - | - |
| - Thailand | 450,549 | 429,235 |
| of which the gross amount of overdue debt securities | - | - |
| - United Kingdom | 767,516 | 739,634 |
| of which the gross amount of overdue debt securities | - | - |
| - United States of America | 341,798 | 309,986 |

| | | |
|--|-------|---------|
| of which the gross amount of overdue debt securities | - | - |
| - United Arab Emirates | 4,644 | 480,918 |
| of which the gross amount of overdue debt securities | - | - |
| - Vietnam | - | 233,581 |
| of which the gross amount of overdue debt securities | - | - |

(x) Currency risk including exposures arising from structural positions

| | Jun 2020 | | | | | | |
|--------------------------------|----------|---------|-----|----------|-----|-----|--|
| | USD | AUD | CNY | EUR | NZD | CAD | |
| Equivalent in millions of HK\$ | | | | | | | |
| 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 2019

| | Dec 2019 | | | | | | |
|--------------------------------|----------|---------|------|---------|-----|-------|--|
| | USD | AUD | CNY | EUR | NZD | CAD | |
| Equivalent in millions of HK\$ | | | | | | | |
| Spot assets | 13,388 | 1,459 | 11 | 9,943 | - | 598 | |
| Spot liabilities | (13,515) | (1,434) | (10) | (9,963) | - | (597) | |
| Forward purchases | 4,709 | - | 8 | 1,056 | - | - | |
| Forward sales | (4,679) | (25) | (8) | (1,056) | - | - | |
| Net options position | - | - | - | - | - | - | |
| Net long (short) position | (97) | - | 1 | (20) | - | 1 | |
| Net structural position | 3 | - | - | - | - | - | |

| | |
|----------|----------|
| Jun 2020 | Dec 2019 |
| HK\$'000 | HK\$'000 |

(xi) Amount of repossessed assets

| | |
|---|---|
| - | - |
|---|---|

(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

| Jun 2020 | Banks & other financial inst. | Public sector entities | Others |
|---------------------------------------|----------------------------------|---------------------------|--------|
| 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 | - | - | - |

| As at Dec 2019 | Banks & other financial inst. | Public sector entities | Others |
|---------------------------------------|----------------------------------|---------------------------|--------|
| 1. Asia Pacific (excluding Hong Kong) | 14,847 | 647 | 180 |
| of which AUSTRALIA | 1,537 | - | - |
| of which CHINA | 4,999 | - | - |
| of which INDIA | 1,381 | - | - |
| of which INDONESIA | 248 | 407 | - |
| of which JAPAN | 430 | - | - |
| of which MALAYSIA | 976 | - | 180 |
| of which NEW ZEALAND | 990 | - | - |
| of which PHILIPPINES | 460 | - | - |
| of which SINGAPORE | 206 | - | - |
| of which SOUTH KOREA | 1,790 | - | - |
| of which TAIWAN | 450 | - | - |
| of which THAILAND | 1,341 | - | - |
| of which VIETNAM | 37 | 240 | - |
| of which Others | 1 | - | - |

| | | | |
|--------------------------|-----|---|---|
| 2. North & South America | 23 | - | - |
| 3. Middle East & Africa | - | - | - |
| 4. Europe | 268 | - | - |
| 5. Caribbean | - | - | - |

IV. Off-balance sheet exposures

Jun 2020
HK\$'000

Dec 2019
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 | 2,158,852 |
| (ii) | <u>Derivatives</u> | | |
| | - Exchange rate contracts | - | 34,832 |
| | (excluding forward foreign exchange contracts arising from swap deposit arrangements) | | |
| | of which the aggregate replacement costs: | - | 1,042 |
| | with bilateral netting arrangements | - | - |
| | without bilateral netting arrangements | - | 1,042 |
| | - Interest rate contracts | 5,589,707 | 5,725,114 |
| | of which the aggregate replacement costs: | 183,497 | 93,352 |
| | with bilateral netting arrangements | - | - |
| | without bilateral netting arrangements | 183,497 | 93,352 |
| | - Others | - | - |
| | of which the aggregate replacement costs: | - | - |
| | with bilateral netting arrangements | - | - |
| | without bilateral netting arrangements | - | - |

V. Liquidity

| | | | | |
|------|---|-----------------------|-----------------------|-----------------------|
| (i) | Average liquidity maintenance ratio (LMR) | Jun 2020 | Dec 2019 | Jun 2019 |
| | Half Year | <u>80.9%</u> | <u>63.9%</u> | <u>61.4%</u> |
| | Quarter | <u>Apr - Jun 2020</u> | <u>Jan - Mar 2020</u> | <u>Oct - Dec 2019</u> |
| | | 87.9% | 74.0% | 66.1% |
| | | <u>Apr - Jun 2019</u> | | <u>Jul - Sep 2019</u> |
| | | 65.0% | | 66.6% |
| (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 30 June 2020

| HKD Million | MATURITY | | | | | | | | | |
|--|-------------------|-------------------|-------------------|---------------------|----------------------|--------------------|---------------------|----------------------------------|--|--|
| | Next day | 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 | Over 1 Year and balancing amount | | |
| LIABILITY ITEMS | | | | | | | | | | |
| - Due to authorised institutions | 21,750,606,722.4 | 657,530,208.0 | 2,590,093,609.5 | 5,012,719,420.3 | - | - | 30,010,949,960.1 | - | | |
| - Other liabilities | 46,571.1 | (1,074,983.5) | 20,260,472.3 | 17,379,019.2 | 11,798,974.1 | 293,052.5 | 48,703,105.6 | 281,574,373.7 | | |
| Total on-balance sheet liabilities | 21,750,653,293.5 | 656,455,224.4 | 2,610,354,081.8 | 5,030,098,439.4 | 11,798,974.1 | 293,052.5 | 30,059,653,065.8 | 281,574,373.7 | | |
| Total off-balance sheet liabilities | 28,845,685,411.4 | 734,540,404.9 | 103,553,995.6 | 14,336,459.3 | 26,287,137.0 | 5,115,476.5 | 29,729,518,884.7 | - | | |
| ASSET ITEMS | | | | | | | | | | |
| - Cash | 10,000.0 | | | | | | 10,000.0 | - | | |
| - Government bills, notes & bonds | 529,992,403.1 | | | | | | 529,992,403.1 | - | | |
| - Due from authorised institutions | 9,882,232,641.1 | 174,643,787.5 | 2,325,065,191.3 | 2,603,735,378.7 | 74,297,705.3 | 124,811,587.1 | 15,184,786,291.0 | 116,253,513.0 | | |
| - Negotiable certificate of deposits and other negotiable debt instruments | 12,896,959,965.8 | - | - | 119,636,609.8 | 139,276,949.5 | 77,502,342.0 | 13,233,375,867.1 | 998,920,710.9 | | |
| - Other assets | 55,673.9 | 4,254,274.8 | 33,204,388.1 | 24,703,865.4 | 14,144,058.4 | 424,327.7 | 76,786,588.2 | 198,791,668.1 | | |
| Total on-balance sheet assets | 23,309,250,683.8 | 178,898,062.3 | 2,358,269,579.5 | 2,748,075,853.8 | 227,718,713.2 | 202,738,256.7 | 29,024,951,149.4 | 1,313,965,892.1 | | |
| Total off-balance sheet | 29,721,322,794.1 | 734,787,307.9 | 6,137,872.6 | 27,547,912.5 | 32,190,837.2 | 5,690,840.3 | 30,527,677,564.5 | - | | |
| Contractual Maturity Mismatch | (2,434,234,773.0) | 477,310,259.1 | 349,500,625.4 | 2,268,811,132.4 | (221,823,439.3) | (203,020,567.9) | 236,543,236.6 | (1,032,391,518.4) | | |
| Cumulative contractual maturity mismatch | (2,434,234,773.0) | (1,956,924,514.0) | (1,607,423,888.6) | 661,387,243.8 | 439,563,804.5 | 236,543,236.6 | 473,086,473.1 | (559,305,045.2) | | |

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.

VII. 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 30 Jun 2020 | | | | | | |
| Country/Jurisdiction | | | | | | |
| Developed countries | 19,062,254 | 0 | 0 | 0 | | 19,062,254 |
| of which AUSTRIA | 12,934,284 | 0 | 0 | 0 | | 12,934,284 |
| of which Australia | 1,920,126 | 0 | 0 | 0 | | 1,920,126 |
| of which LUXEMBOURG | 1,141,104 | 0 | 0 | 0 | | 1,141,104 |
| Offshore centres | 4,881,147 | 182 | 0 | 0 | | 4,881,328 |
| of which Hong Kong SAR | 3,853,409 | 182 | 0 | 0 | | 3,853,591 |
| of which SINGAPORE | 681,427 | 0 | 0 | 0 | | 681,427 |
| of which CAYMAN ISLANDS | 243,729 | 0 | 0 | 0 | | 243,729 |
| Developing Europe | 16,360 | 0 | 0 | 0 | | 16,360 |
| of which Romania | 10,986 | 0 | 0 | 0 | | 10,986 |
| of which Croatia | 3,215 | 0 | 0 | 0 | | 3,215 |
| of which CZECH REPUBLIC | 1,082 | 0 | 0 | 0 | | 1,082 |
| Developing Latin America and Caribbean | 0 | 0 | 0 | 0 | | 0 |
| | | | | | | |
| | | | | | | |
| Developing Africa and Middle East | 124,964 | 0 | 0 | 0 | | 124,964 |
| of which UNITED ARAB EMIRATES | 121,074 | 0 | 0 | 0 | | 121,074 |
| of which ISRAEL | 3,890 | 0 | 0 | 0 | | 3,890 |
| | | | | | | |
| Developing Asia and Pacific | 5,529,082 | 536,589 | 0 | 3 | | 6,065,674 |
| of which SOUTH KOREA | 2,378,230 | 0 | 0 | 0 | | 2,378,230 |
| of which Malaysia | 848,046 | 0 | 0 | 3 | | 848,050 |
| of which CHINA | 752,133 | 0 | 0 | 0 | | 752,133 |
| International Organisations | 0 | 0 | 0 | 0 | | 0 |
| of which | | | | | | |
| Unallocated by country | 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

30-Jun-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 (GEE). 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 4.6m customers, 25.3% of retail deposits and 471 branches making it the number 1 retail bank in the Czech Republic.
- > Slovenska Sporitelna has 2.2m customers, 28.2% of retail deposits and 229 branches making it the number 1 retail bank in Slovakia.
- > Erste Bank - Hungary has 0.9m customers, 10.3% of retail deposits and 110 branches making it the number 2 retail bank in Hungary.
- > Erste Bank - Croatia has 1.3m customers, 14.5% of retail deposits and 144 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 430 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 June 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 30 June 2020, 31 December 2019 and 28 June 2019 are EUR1 = HKD8.6884, EUR1 = HKD8.7238 and EUR1 = HKD8.8931.

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 | Jun-19 Phased-in | Dec-19 Phased-in | Jun-20 Phased-in |
|--|-------------------------|---------------------|---------------------|---------------------|
| Common equity tier 1 capital (CET1) | 50 | 143,037 | 141,783 | 142,473 |
| Additional tier 1 capital (AT1) | | 13,311 | 13,060 | 17,318 |

| | | | | |
|-----------------------------|---------------------------|----------------|----------------|----------------|
| Tier 2 capital (T2) | 71 | 37,416 | 36,740 | 31,282 |
| Total own funds | 4 (1) (118) and 72 | 193,764 | 191,582 | 191,073 |
| Capital requirement | 92 (3), 95, 96, 98 | 84,192 | 82,426 | 79,819 |
| CET1 capital ratio | 92 (2) (a) | 13.6% | 13.8% | 14.3% |
| Tier 1 capital ratio | 92 (2) (b) | 14.9% | 15.0% | 16.0% |
| Total capital ratio | 92 (2) (c) | 18.4% | 18.6% | 19.2% |

The capital structure table above is based on EBA's final draft for implementing technical standards on disclosure for own

IV. Other financial information

| | Jun-19 | Dec-19 | Jun-20 |
|--------------------------------------|---------------|---------------|---------------|
| - Shareholders Equity | 174,740 | 178,640 | 184,197 |
| - Total Assets | 2,207,809 | 2,143,375 | 2,299,750 |
| - Total Liabilities | 2,033,069 | 1,964,735 | 2,115,552 |
| - Loans and Receivables to Customers | 1,381,372 | 1,398,160 | 1,422,608 |
| - Deposits from Customers | 1,508,874 | 1,516,598 | 1,587,114 |
| | Jun-19 | Dec-19 | Jun-20 |
| - Pre Tax Profit | 10,225 | 20,324 | 4,432 |

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



Oliver Hoffmann
Chief Executive
September 4, 2020