

Erste Group Bank AG
Hong Kong Branch

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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 2022

Section A - Branch Information

I. Profit and Loss Information

	Jun 2022 HK\$'000	Jun 2021 HK\$'000
(i) Interest income	257,515	134,183
(ii) Interest expense	(160,052)	(56,431)
(iii) Other operating income	-	-
- Gain less losses arising from dealing in foreign currencies	(2,678)	(499)
- Gain less losses on securities held for dealing purposes	(161,007)	(47,442)
- Gains less losses from other dealing activities	111,764	49,188
- Fee commission income	171	276
- Fee commission expenses	(2,118)	(1,867)
- Others	4,644	5,187
(iv) Operating expenses	(30,584)	(29,042)
- Staff	(21,739)	(20,707)
- Premises	(2,737)	(3,377)
- Others	(6,108)	(4,958)
(v) Impairment losses and impairment allowances	(906)	(86)
(vi) Gains less losses from disposal of tangible fixed assets	-	-
(vii) Profit before taxation	<u>16,750</u>	<u>53,468</u>
(viii) Taxation charge	<u>(3,533)</u>	<u>(8,541)</u>
(ix) Profit after taxation	<u><u>13,217</u></u>	<u><u>44,927</u></u>

II. Balance sheet data

	Jun 2022 HK\$'000	Dec 2021 HK\$'000
Assets		
(i) Cash and short term funds	1,746	4,314
(ii) Placements with banks and other financial institutions maturing between one and twelve months	1,893,547	1,746,088
(iii) Amounts due from overseas offices of the institution	20,559,049	8,809,342
(iv) Trade bills	-	-
(v) Certificate of deposit held	1,701,812	2,363,809
(vi) Securities measured at fair value through profit & loss	7,846,310	6,831,817
- Held for trading	4,643,902	2,659,527
(vii) Advances and other accounts	135,179	75,369
(viii) Held to Maturity Securities	10,610,883	7,908,268
(ix) Other investments	-	-
(x) Fixed assets	4,988	7,267
(xi) Total assets	<u>42,753,513</u>	<u>27,746,273</u>
Liabilities		
(i) Deposits and balances of banks and other financial institutions	9,042,603	10,031,146
(ii) Customer deposits	-	-
- demand deposits and current accounts	-	-
- savings deposits	-	-
- time, call and notice deposits	-	-
(iii) Amount due to overseas offices of the institution	29,726,430	17,474,926
(iv) Certificate of deposit issued	-	-
(v) Issued debt securities	-	-
(vi) Other accounts	3,969,955	210,359
(vii) Provisions	14,526	29,842
(viii) Total liabilities	<u>42,753,513</u>	<u>27,746,273</u>

III. Additional balance sheet information

	Jun 2022 HK\$'000	Dec 2021 HK\$'000
(i) Advances and other accounts		
- Advances to customers	-	-
- Advances to banks and other financial institutions	22,454,342	10,559,743
- Accrued interest and other accounts	13,674	12,409
Total advances and other accounts	22,468,016	10,572,152
- Impairment allowances for impaired assets	-	-
- collective impairment allowances	1,916	1,848
- 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	1,701,812	2,363,809
- Securities measured at fair value through profit & loss	7,846,310	6,831,817
- Held to Maturity Securities	10,610,883	7,908,268
Total	20,159,005	17,103,893
- Impairment allowances for impaired assets	3,652	2,946
- collective impairment allowances	3,652	2,946
- 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	4,290,685	4,909,033
- 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	14,868,459	11,480,620
- wholesale and retail trade	-	-
- manufacturing	-	-
- transport and transport equipment	-	-
- electricity, gas and telecommunications	-	-
- others	999,860	714,241
- individuals	-	-

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

- Australia	3,174,206	1,216,469
of which the gross amount of overdue debt securities	-	-
- British Virgin Islands	-	-
of which the gross amount of overdue debt securities	-	-
- Cayman Islands	446,871	363,846
of which the gross amount of overdue debt securities	-	-
- China	287,698	160,553
of which the gross amount of overdue debt securities	-	-
- Germany	-	46,167
of which the gross amount of overdue debt securities	-	-
- Hong Kong	-	46,167
of which the gross amount of overdue debt securities	-	-
- India	-	-
of which the gross amount of overdue debt securities	-	-
- Indonesia	1,247,300	1,097,788
of which the gross amount of overdue debt securities	-	-
- Japan	456,313	117,173
of which the gross amount of overdue debt securities	-	-
- Malaysia	1,495,521	1,522,459
of which the gross amount of overdue debt securities	-	-
- Mauritius	-	-
of which the gross amount of overdue debt securities	-	-
- New Zealand	1,053,998	881,319
of which the gross amount of overdue debt securities	-	-
- Philippines	778,437	638,581
of which the gross amount of overdue debt securities	-	-
- Republic of Ireland	-	-
of which the gross amount of overdue debt securities	-	-
- Singapore	839,380	789,099
of which the gross amount of overdue debt securities	-	-
- South Korea	3,292,102	2,752,670
of which the gross amount of overdue debt securities	-	-
- Thailand	579,641	492,196
of which the gross amount of overdue debt securities	-	-
- United Kingdom	960,445	716,387
of which the gross amount of overdue debt securities	-	-
- United States of America	62,087	15,702
of which the gross amount of overdue debt securities	-	-
- United Arab Emirates	266,172	250,925
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

	Jun 2022							Dec 2021						
	USD	AUD	CNY	EUR	GBP	JPY		USD	AUD	CNY	EUR	GBP	JPY	
Equivalent in millions of HK\$														
Spot assets	26,928	2,752	644	5,802	-	-		21,125	524	2,019	3,673	-	34	
Spot liabilities	(26,989)	(2,740)	(644)	(5,778)	-	-		(21,185)	(517)	(2,019)	(3,647)	-	(34)	
Forward purchases	12,316	-	-	1,011	-	-		3,270	-	-	792	-	-	
Forward sales	(12,316)	-	-	(1,011)	-	-		(3,270)	-	-	(792)	-	-	
Net options position	-	-	-	-	-	-		-	-	-	-	-	-	
Net long (short) position	(61)	12	-	24	-	-		(60)	7	-	26	-	-	
Net structural position	-	-	-	-	-	-		-	-	-	-	-	-	
Equivalent in millions of HK\$														
Spot assets	21,125	524	2,019	3,673	-	-		21,125	524	2,019	3,673	-	34	
Spot liabilities	(21,185)	(517)	(2,019)	(3,647)	-	-		(21,185)	(517)	(2,019)	(3,647)	-	(34)	
Forward purchases	3,270	-	-	792	-	-		3,270	-	-	792	-	-	
Forward sales	(3,270)	-	-	(792)	-	-		(3,270)	-	-	(792)	-	-	
Net options position	-	-	-	-	-	-		-	-	-	-	-	-	
Net long (short) position	(60)	7	-	26	-	-		(60)	7	-	26	-	-	
Net structural position	-	-	-	-	-	-		-	-	-	-	-	-	
Amount of reprocessed assets	-	Dec 2021						-	Dec 2021					
	Jun 2022	HK\$'000						Jun 2022	Dec 2021					
	HK\$'000	HK\$'000						HK\$'000	HK\$'000					
	-	-						-	-					

(xi) Amount of reprocessed 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 2022	Banks & other financial inst.	Public sector entities	Others
1. Asia Pacific (excluding Hong Kong)	13,234	2,015	-
of which AUSTRALIA	3,184	-	-
of which CHINA	252	73	-
of which INDIA	-	-	-
of which INDONESIA	552	1,419	-
of which JAPAN	605	-	-
of which MALAYSIA	1,704	-	-
of which NEW ZEALAND	1,060	-	-
of which PHILIPPINES	535	523	-
of which SINGAPORE	889	-	-
of which SOUTH KOREA	3,304	-	-
of which TAIWAN	-	-	-
of which VIETNAM	560	-	-
of which Others	590	-	-
2. North & South America	62	-	-
3. Middle East & Africa	268	-	-
4. Europe	22,839	-	-
5. Caribbean	453	-	-
As at Dec 2021	Banks & other financial inst.	Public sector entities	Others
1. Asia Pacific (excluding Hong Kong)	10,306	1,443	-
of which AUSTRALIA	1,220	-	-
of which CHINA	317	-	-
of which INDIA	-	-	-
of which INDONESIA	561	1,100	-
of which JAPAN	250	-	-
of which MALAYSIA	1,746	-	-
of which NEW ZEALAND	886	-	-
of which PHILIPPINES	476	342	-
of which SINGAPORE	790	-	-
of which SOUTH KOREA	2,760	-	-
of which TAIWAN	-	-	-
of which THAILAND	-	-	-
of which VIETNAM	579	-	-
of which Others	721	-	-
2. North & South America	16	-	-
3. Middle East & Africa	251	-	-
4. Europe	10,862	-	-
5. Caribbean	369	-	-

IV. Off-balance sheet exposures

	Jun 2022 HK\$'000	Dec 2021 HK\$'000
(i) <u>Contingent liabilities and commitments</u>		
- Direct credit substitutes	-	4,372,346
- 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.)	-	-
(ii) <u>Derivatives</u>		
- Exchange rate contracts	1,961	-
(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	13,304,724	4,032,165
of which the aggregate replacement costs:		
with bilateral netting arrangements	(24,200)	105,694
without bilateral netting arrangements	-	-
- 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		<u>Jun 2022</u> 82.9%	<u>Dec 2021</u> 91.2%	<u>Jun 2021</u> 66.5%
Quarter				
	<u>Apr - Jun 2022</u> 84.7%	<u>Jan - Mar 2022</u> 81.2%	<u>Oct - Dec 2021</u> 90.1%	<u>Jul - Sep 2021</u> 92.3%
	<u>Apr - Jun 2021</u> 74.1%			

(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 a 30-Jun-22

HKD 000's	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						
LIABILITIES/ASSETS														
LIABILITY ITEMS														
- Due to authorised institutions	10,743,230	12,501,331	8,614,461	815,826	40,746	74,609	32,790,205	3,052,285						
- Other liabilities	0	4,933,439	1,968,679	46,609	47,559	46,760	7,043,047	-132,023						
- Total on-balance sheet liabilities	10,743,230	17,434,770	10,583,140	862,436	88,306	121,369	39,833,252	2,920,262						
- Total off-balance sheet liabilities	1,961	0	2,477,397	7,748,595	331,149	633,760	11,192,863	2,107,601						
ASSET ITEMS														
- Cash	0	0	0	0	0	0	0	0						
- Government bills, notes & bonds	0	0	0	0	36,503	414,760	451,263	350,440						
- Due from authorised institutions	5,184,159	7,382,530	6,359,126	3,195,591	289,686	43,250	22,454,342	0						
- Negotiable certificate of deposits and other negotiable debt instruments	0	163,219	1,600,208	2,600,271	2,477,381	2,299,342	9,140,421	10,216,880						
- Other assets	6,713	2,153	54,341	11,284	6,126	7,532	88,149	52,124						
Total on-balance sheet assets	5,190,872	7,547,902	8,013,676	5,807,146	2,809,696	2,764,884	32,134,175	10,619,444						
Total off-balance sheet assets	-1,962	0	2,479,728	7,753,057	331,844	635,783	11,198,449	2,132,390						
Contractual Maturity Mismatch	5,556,282	9,886,868	2,567,133	-4,949,172	-2,722,084	-2,645,538	7,693,490	-7,723,972						
Cumulative contractual maturity mismatch	5,556,282	15,443,150	18,010,283	13,061,111	10,339,028	7,693,490	15,386,980	7,663,008						

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 2022						
Country/Jurisdiction						
Developed countries	27,525,515	0	207,767	0	0	27,733,282
of which AUSTRIA	20,574,798	0	0	0	0	20,574,798
of which Australia	3,184,366	0	0	0	0	3,184,366
of which United Kingdom	1,101,382	0	156,217	0	0	1,257,599
Offshore centres	5,861,222	0	0	0	0	5,861,222
of which Hong Kong SAR	4,519,553	0	0	0	0	4,519,553
of which SINGAPORE	888,929	0	0	0	0	888,929
of which CAYMAN ISLANDS	452,740	0	0	0	0	452,740
Developing Europe	16,769	0	0	0	0	16,769
of which POLAND	7,169	0	0	0	0	7,169
of which Romania	6,540	0	0	0	0	6,540
of which HUNGARY	3,061	0	0	0	0	3,061
Developing Latin America and Caribbean	0	0	0	0	0	0
Developing Africa and Middle East	267,637	0	0	0	0	267,637
of which UNITED ARAB EMIRATES	267,637	0	0	0	0	267,637
Developing Asia and Pacific	7,782,078	2,015,090	36,095	0	0	9,833,264
of which SOUTH KOREA	3,303,635	0	0	0	0	3,303,635
of which INDONESIA	551,647	1,418,533	0	0	0	1,970,180
of which Malaysia	1,704,142	0	0	0	0	1,704,142
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 2021						
Country/Jurisdiction						
Developed countries	13,138,740	0	44,633	0	0	13,183,373
of which AUSTRIA	8,817,814	0	0	0	0	8,817,814
of which Australia	1,220,439	0	0	0	0	1,220,439
of which United Kingdom	841,417	0	44,633	0	0	886,050
Offshore centres	6,360,021	0	0	0	0	6,360,021
of which Hong Kong SAR	5,051,316	0	0	0	0	5,051,316
of which SINGAPORE	789,841	0	0	0	0	789,841
of which CAYMAN ISLANDS	368,866	0	0	0	0	368,866
Developing Europe	51,429	0	0	0	0	51,429
of which Croatia	29,620	0	0	0	0	29,620
of which Serbia	15,401	0	0	0	0	15,401
of which CZECH REPUBLIC	6,408	0	0	0	0	6,408
Developing Latin America and Caribbean	0	0	0	0	0	0
of which CHILE						
of which MEXICO						
Developing Africa and Middle East	251,281	0	0	0	0	251,281
of which UNITED ARAB EMIRATES	251,281	0	0	0	0	251,281
Developing Asia and Pacific	7,136,283	1,442,566	30,223	0	0	8,609,072
of which SOUTH KOREA	2,759,529	0	0	0	0	2,759,529
of which Malaysia	1,716,007	0	30,223	0	0	1,746,230
of which CHINA	560,723	1,100,210	0	0	0	1,660,933
International Organisations	0	0	0	0	0	0
of which						
Unallocated by country	0	0	0	0	0	0
of which						

VIII. Mainland Activities

30-Jun-22

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.

Strong position in Central and Eastern Europe

> Ceska Sporitelna has 4.5m customers, 26.8% of retail deposits and 418 branches making it the number 1 retail bank in the Czech Republic.

> Slovenska Sporitelna has 2.1m customers, 28.3% of retail deposits and 200 branches making it the number 1 retail bank in Slovakia.

> Erste Bank - Hungary has 0.9m customers, 10.7% of retail deposits and 105 branches making it the number 2 retail bank in Hungary.

> Erste Bank - Croatia has 1.3m customers, 15.1% of retail deposits and 135 branches making it the number 3 retail bank in Croatia.

> Banca Comerciala Romana S.A. has approx 2.9m customers, 13.9% of retail deposits and 326 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 2022. 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 2022, 31 December 2021 and 30 June 2021 are EUR1 = HKD8.1493, EUR1 = HKD8.8333 and EUR1 = HKD9.2293.

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-21 Phased-in	Dec-21 Phased-in	Jun-22 Phased-in
Common equity tier 1 capital (CET1)	50	165,998	166,098	159,763
Additional tier 1 capital (AT1)		20,688	19,798	18,268
Tier 2 capital (T2)	71	33,053	33,243	30,823
Total own funds	4 (1) (118) and 72	219,739	219,139	208,854
Capital requirement	92 (3), 95, 96, 98	92,244	90,063	88,439
CET1 capital ratio	92 (2) (a)	14.4%	14.8%	14.5%
Tier 1 capital ratio	92 (2) (b)	16.2%	16.5%	16.1%
Total capital ratio	92 (2) (c)	19.1%	19.5%	18.9%

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.

IV. Other financial information

	Jun-21	Dec-21	Jun-22
- Shareholders Equity	215,696	207,701	194,657
- Total Assets	2,800,492	2,715,605	2,665,582
- Total Liabilities	2,584,796	2,507,904	2,470,925
- Loans and Receivables to Customers	1,588,494	1,592,362	1,560,942
- Deposits from Customers	1,903,597	1,859,617	1,837,791
	Jun-21	Dec-21	Jun-22
- Pre Tax Profit	13,245	25,911	13,522

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
August 22, 2022