



Erste Group Bank AG

Resolution Plan

Reduced Plan

As of December 2024

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") requires certain financial institutions that conduct business in the United States ("U.S.") to file resolution plans with U.S. regulators. Section 165(d) has been implemented through regulations of the Board of Governors of the Federal Reserve System ("FRB") and the Federal Deposit Insurance Corporation ("FDIC") that require a foreign-based Covered Company to provide information about its entities and activities in the U.S., including the process by which those entities and activities would be resolved in the event of the company's material distress or failure.

The Resolution Plan Rule requires that certain information be included in a Public Section of the resolution plan. Erste Group Bank AG ("EGB") submits this Public Section in compliance with applicable law and regulation.¹

1. Introduction and Overview

EGB is a banking group focused on retail and corporate customers in Austria and Central and Eastern Europe ("CEE"). EGB offers its customers a broad range of services that, depending on the particular market, includes deposit and current account products, mortgage and consumer finance, investment and working capital finance, private banking, investment banking, asset management, project finance, international trade finance, trading, leasing and factoring.

EGB is among the leading banking groups in Austria, the Czech Republic, Romania and Slovakia by assets, total loans and total deposits, and has significant operations in Hungary, Croatia and Serbia. It serves approximately 16.6 million customers across Austria and its core CEE markets.

As of December 31, 2024, EGB had EUR 354 billion in total assets and EUR 30.8 billion in total equity. For the year end December 31, 2024, EGB recorded a net profit of EUR 3.13 billion.

EGB operates as the parent company and is the sole company of EGB listed on a stock exchange in the European Economic Area (EEA).

EGB had 45,700 employees (full-time equivalent) worldwide as of December 31, 2024.

EGB pursues a proven and balanced business model focused on providing banking services on a sustainable basis to private individuals, businesses and the public sector in Austria and the Eastern part of the European Union ("E.U."), including countries expected to join the European Union.

EGB believes that the sustainability of its business model is further reflected in its ability to fund customer loans entirely by customer deposits, with most of the customer deposits being retail deposits. EGB's loan-to-deposit-ratio (loans and advances to customers as a percentage of customer deposits) amounted to 90.2% (loans and advances to customers of EUR 218.1 billion as a percentage of customer deposits of EUR 241.7 billion) as of December 31, 2024.

Under the current regulations, the public section of a reduced plan should include the following sections, to the extent material to understanding EGB:

- (i) The names of material entities;
- (ii) A description of core business lines;
- (iii) The identities of principal officers; and

¹ 12 CFR 243.11(c)(3).

- (iv) A description, at a high level, of the covered company's resolution strategy, referencing the applicable resolution regimes for its material entities.

The four sections mentioned above are elaborated upon in greater detail below:

- (i) The names of material entities;

EGB consists of Erste Group Bank AG, together with its subsidiaries and participations, including Ceska sporitelna a.s. in the Czech Republic, Banca Comerciala Romana S.A. in Romania, Slovenska sporitelna, a.s. in Slovakia, Erste Bank Hungary Zrt. in Hungary, Erste Bank Croatia in Croatia, Banka Sparkasse d.d. in Slovenia, in Austria Erste Bank der Oesterreichen Sparkassen Ag, Sparkasse Oberoesterreich Bank Ag and Steiermaerkische Bank und Sparkassen Aktiengesellschaft, and Bausparkasse der oesterreichischen Sparkassen Aktiengesellschaft.

- (ii) A description of core business lines;

EGB is engaged in the following core business lines:



Please see the following link for additional information on EGB:
[Financial Reports | Erste Group Bank AG](#)

- (iii) The identities of principal officers;

EGB's Managing Board consists of

- Peter Bosek, CEO and Chief Retail Officer
- Ingo Bleier, Chief Corporates and Markets Officer
- Stefan Dörfler, Chief Financial Officer
- Alexandra Habeler-Drabek, Chief Risk Officer
- Maurizio Poletto, Chief Platform Officer and COO

Further information regarding EGB's Managing and Supervisory Boards may be found at the following link: <https://www.erstegroup.com/en/news-media/erstegroup-at-a-glance>

(iv) A description, at a high level, of the covered company's resolution strategy, referencing the applicable resolution regimes for its material entities.

EGB's recovery and resolution plans are discussed beginning on page 300 of the 2024 annual report (Financial Reports | Erste Group Bank AG).

In response to the initiative from the G20 and EU level to foster crisis prevention and establish recovery and resolution plans for systemically important financial institutions, the Austrian Financial Market Authority ("FMA") and Austrian National Bank ("OeNB") issued supervisory guidance requiring recovery plans from systemically important Austrian banks in 2012 which were further detailed during 2013. In January 2013, the European Banking Authority ("EBA") identified EGB as one of 39 European cross-border institutions that had to submit recovery plans to their local regulators by year-end 2013.

In addition, the Austrian bank intervention and restructuring law in force in 2014 set out requirements for recovery and resolution planning for Austrian Banks, including EGB, defining the requirements to develop recovery and resolution plans for the parent institutions, the banking group and significant subsidiaries until July 2014 (for recovery plans) and year end 2014 (for resolution plans).

In order to comply with these regulatory and legal requirements, in 2013 EGB established the "Recovery and Resolution Planning Unit" which is responsible for developing and coordinating the group wide roll out of recovery plans. In 2024, the unit merged with the Group Capital Management department into one department called Group Capital, Recovery and Resolution Management under Group Balance Sheet Management. EGB has filed a first Group Resolution Plan with the FMA in December 2014. FMA acting as Austrian resolution authority has acknowledged the first Group Resolution Plan submitted in December 2014.

As of January 1, 2015 the Austrian Banking Recovery and Resolution Law ("BaSAG") has entered into force transposing the EU Bank Recovery and Resolution Directive ("BRRD") and replacing the earlier Austrian bank intervention and restructuring law. Under BaSAG, the resolution authority shall draw up a resolution plan providing for the resolution actions which the resolution authority may take where the institution meets the conditions for resolution. The resolution authority may require EGB to assist it in the drawing up and updating of the plans. A dedicated unit within FMA has been designated as the Austrian resolution authority.

Ultimate decision power in resolution matters for EGB resides with the Single Resolution Board (SRB). Under the EU Regulation No 806/2014 establishing the Single Resolution Mechanism (SRM Regulation), centralized power of resolution for banks directly supervised by the ECB has been entrusted to the SRB. EGB collaborates with the resolution authorities SRB and FMA for the purpose of drawing up resolution plans and EGB has responded to all respective requests addressed to it.

The Single Resolution Board adopted the group resolution plan and resolvability assessment, by means of joint decisions for Erste Group Bank AG (RC/JD/2020/30, RC/JD/2020/31, RC/JD/2020/32, RC/JD/2020/33) on 30/04/2021.

For all the resolution groups, the preferred resolution strategy is based on the bail-in tool. The execution steps for each resolution in the BU are documented in separate bail-in playbooks for each resolution group. The following variant strategies have been identified for AT Resolution Group: Sale of business (share deal) and the bridge bank tool.

EGB collaborates with the resolution authorities in the drawing up of resolution plans based on BaSAG and EU Regulation No 806/2014 establishing the Single Resolution Mechanism (SRM Regulation). Based on a joint decision taken in the Resolution College, EGB in April 2020 received notification of the preferred Multiple Point of Entry (MPE) resolution strategy on cross-country level, but a Single Point of Entry (SPE) resolution strategy within each country. This results with a MPE in Austria, the Czech Republic, Croatia, Hungary, Romania and Slovakia.

On 9th of April 2024 in the JD SRB/EES/2023RPC/124 a MREL requirement was set for the first time for Banka Sparkasse d.d., for which the public interest assessment ("PIA") was deemed positive for the first time in the 2023 resolution planning cycle. Given the positive PIA assessment, Banka Sparkasse d.d. is set as the Point of Entry for the newly defined Resolution Group Slovenia, following the logic of the per country MPE resolution strategy of Erste Group.

2. U.S. Operations

EGB's U.S. operations consist of its New York Branch ("NYB"), a federally-licensed branch of a foreign bank supervised by the Office of the Comptroller of the Currency ("OCC"), and its wholly owned nonbanking subsidiary, Erste Finance (Delaware) LLC ("EFD"). NYB and EFD are collectively referred to as EGB's "U.S. Operations."

NYB engages in wholesale banking via a narrow spectrum of commercial banking and funding activities with wholesale customers as well as EGB. Commercial lending activities are conducted only by the NYB and consist exclusively of purchases of broadly syndicated commercial and industrial loans to primarily U.S. borrowers.

Funding activities within the NYB are comprised of liquidity and interest rate risk management with funding sourced from wholesale liquidity providers. The NYB also maintains an account with the Federal Reserve Bank of New York ("FRBNY") which permits it to borrow U.S. dollar funding against pledged collateral. The NYB is also permitted to deposit excess reserves at FRBNY to earn the prevailing interest rate on excess reserves. Funding is also sourced through the issuance of CP through EFD, which is managed by NYB personnel. EFD was established for the purpose of issuing commercial paper under section 4(a)(2) of the Securities Act of 1933. EFD provides U.S. Dollar funding to EGB through the issuance of short-term commercial paper ("CP") which is guaranteed by EGB. EFD does not engage in Lending activity.

As of December 31, 2024, EGB had consolidated assets of approximately EUR 354 billion, of which \$2.8 billion were in NYB and \$2.1 billion were in EFD. The U.S. Operations' assets were less than 1% of EG's consolidated assets. Accordingly, EGB does not have material entities or critical operations located in the U.S.