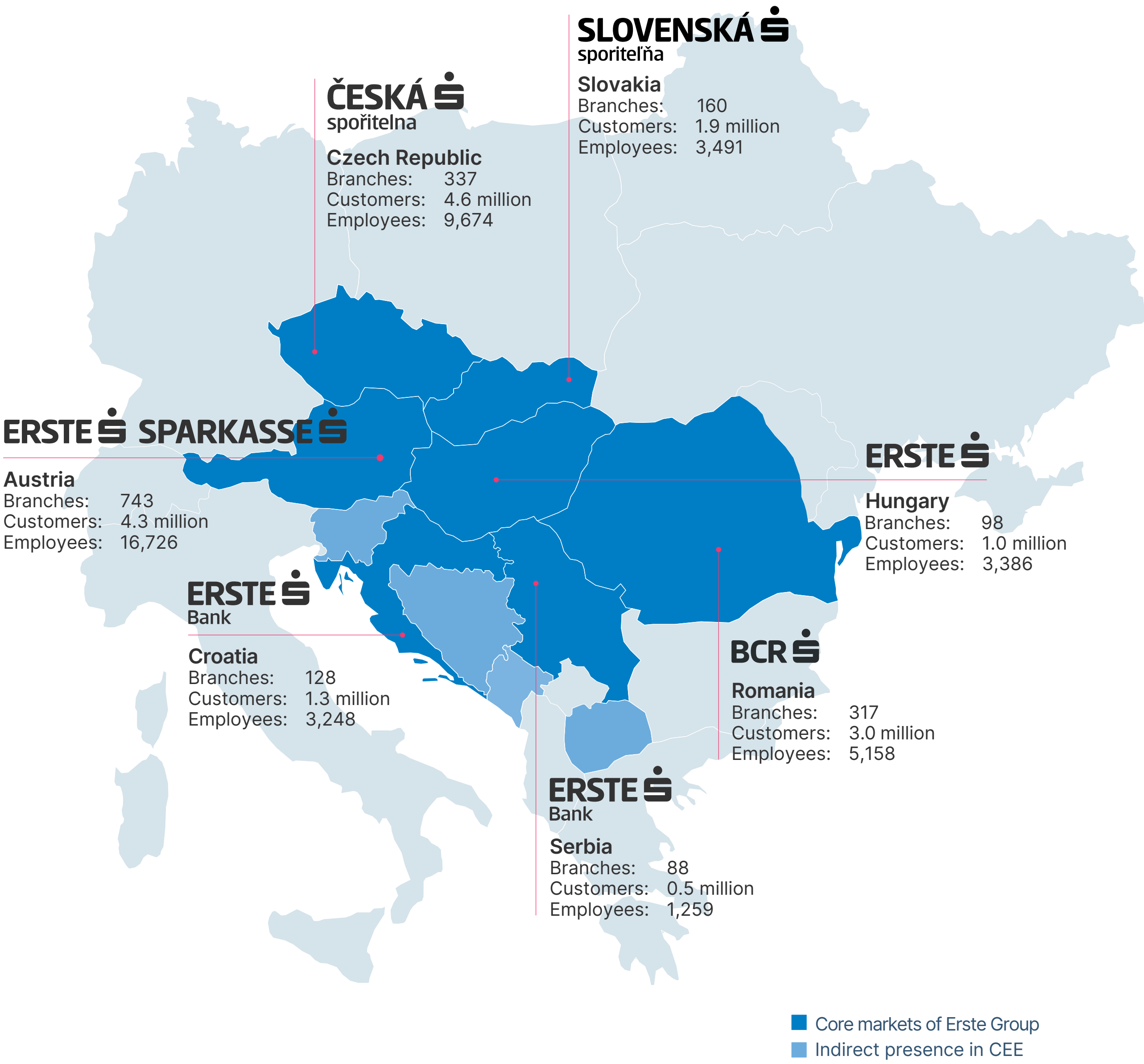
Annual Report 2024

Extensive presence in Central and Eastern Europe



Key financial and operating data

Income statement (in EUR million)	2020	2021	2022	2023	2024
Net interest income	4,774.8	4,975.7	5,950.6	7,227.9	7,528.3
Net fee and commission income	1,976.8	2,303.7	2,452.4	2,639.6	2,937.6
Net trading result and gains/losses from financial instruments at FVPL	199.5	231.8	-47.3	448.6	437.1
Operating income	7,155.1	7,742.0	8,570.6	10,551.6	11,178.5
Operating expenses	-4,220.5	-4,306.5	-4,574.9	-5,019.6	-5,278.9
Operating result	2,934.6	3,435.5	3,995.8	5,532.0	5,899.6
Impairment result from financial instruments	-1,294.8	-158.8	-299.5	-127.8	-397.0
Other operating result	-278.3	-310.5	-398.5	-467.9	-414.3
Pre-tax result from continuing operations	1,368.0	2,933.4	3,222.4	4,794.8	4,997.3
Net result attributable to owners of the parent	**783.1**	**1,923.4**	**2,164.7**	**2,997.6**	**3,125.3**

Net interest margin (on average interest-bearing assets)	2.08%	2.05%	2.21%	2.50%	2.46%
Cost/income ratio	59.0%	55.6%	53.4%	47.6%	47.2%
Provisioning ratio (on average gross customer loans)	0.78%	0.09%	0.15%	0.06%	0.18%
Tax rate	25.0%	17.9%	17.3%	18.2%	21.1%
Return on tangible equity	5.1%	12.7%	13.8%	17.2%	16.3%
Earnings per share (in EUR)	1.57	4.17	4.83	6.80	7.20

Balance sheet (in EUR million)	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24
Cash and cash balances	35,839	45,495	35,685	36,685	25,129
Trading, financial assets	46,849	53,211	59,833	63,690	75,781
Loans and advances to banks	21,466	21,001	18,435	21,432	26,972
Loans and advances to customers	166,050	180,268	202,109	207,828	218,067
Intangible assets	1,359	1,362	1,347	1,313	1,382
Miscellaneous assets	5,830	6,090	6,456	6,206	6,405
Total assets	**277,394**	**307,428**	**323,865**	**337,155**	**353,736**
Financial liabilities held for trading	2,625	2,474	3,264	2,304	1,821
Deposits from banks	24,771	31,886	28,821	22,911	21,261
Deposits from customers	191,070	210,523	223,973	232,815	241,651
Debt securities issued	30,676	32,130	35,904	43,759	51,889
Miscellaneous liabilities	5,840	6,902	6,599	6,864	6,346
Total equity	22,410	23,513	25,305	28,502	30,767
Total liabilities and equity	**277,394**	**307,428**	**323,865**	**337,155**	**353,736**

Loan/deposit ratio	86.9%	85.6%	90.2%	89.3%	90.2%
NPL ratio	2.7%	2.4%	2.0%	2.3%	2.6%
NPL coverage ratio (based on AC loans, ex collateral)	88.6%	90.9%	94.6%	85.1%	72.5%
Texas ratio	20.3%	18.3%	16.4%	16.6%	18.4%
Total own funds (CRR final, in EUR million)	23,643	24,758	26,184	29,094	30,943
CET1 capital ratio (CRR final)	14.2%	14.5%	14.2%	15.7%	15.1%
Total capital ratio (CRR final)	19.7%	19.1%	18.2%	19.9%	19.5%

About the share	2020	2021	2022	2023	2024
Shares outstanding at the end of the period	429,800,000	429,800,000	429,800,000	429,800,000	410,514,384
Weighted average number of outstanding shares	426,324,725	426,246,662	427,019,261	425,951,928	415,854,514
Market capitalisation (in EUR billion)	10.7	17.8	12.9	15.8	24.5
High (in EUR)	35.6	41.95	44.98	37.23	59.66
Low (in EUR)	15.34	24.80	21.66	28.19	36.46
Closing price (in EUR)	24.94	41.35	29.90	36.73	59.66
Price/earnings ratio	16.0	10.0	6.2	5.4	8.2
Dividend per share (in EUR)	1.50	1.60	1.90	2.70	3.00
Payout ratio	96.4%	38.7%	39.6%	40.0%	41.2%
Dividend yield	6.0%	3.9%	6.4%	7.4%	5.0%
Book value per share (in EUR)	34.0	36.7	39.8	44.8	49.8
Price/book ratio	0.7	1.1	0.8	0.8	1.2

Additional information	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24
Employees (full-time equivalents)	45,690	44,596	45,485	45,723	45,717
Branches	2,193	2,091	2,029	1,948	1,871
Customers (in million)	16.1	16.1	16.1	16.2	16.6

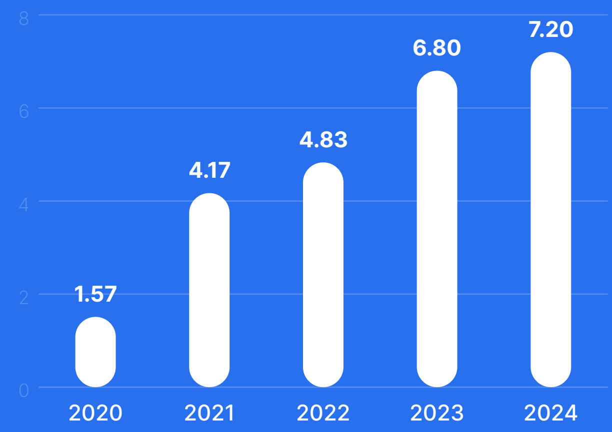
CRR: Capital Requirements Regulation

Shares outstanding include Erste Group shares held by savings banks that are members of the Haftungsverbund (cross-guarantee system).

Financial data

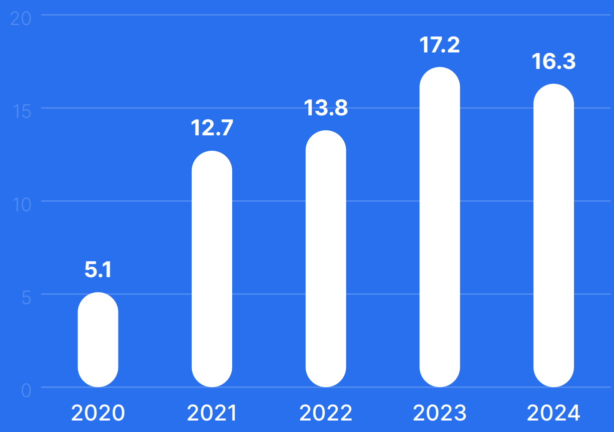
Earnings per share

in €



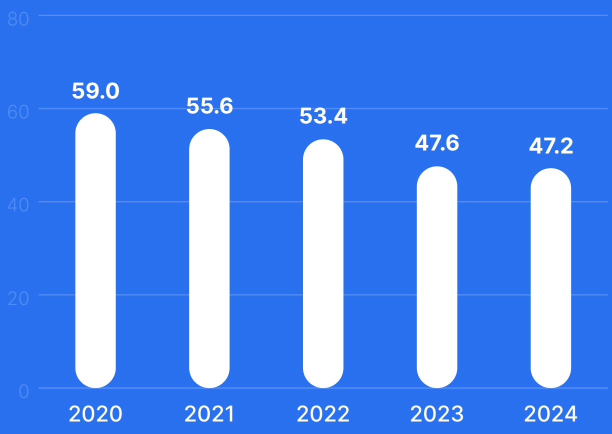
Return on tangible equity, ROTE

in %



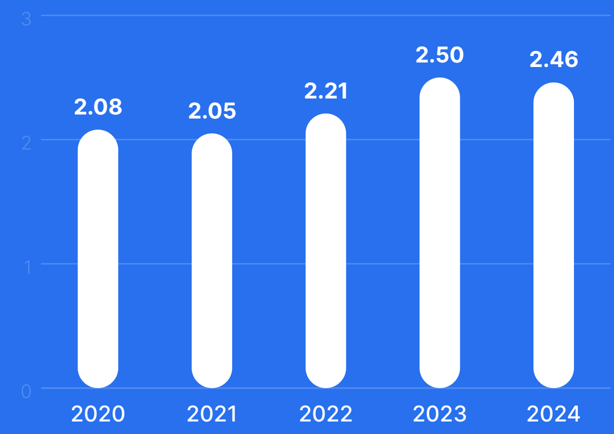
Cost/income ratio

in %



Net interest margin

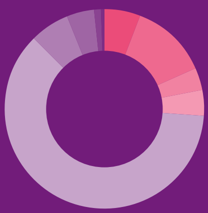
in %



Shareholder structure

as of 31 December 2024

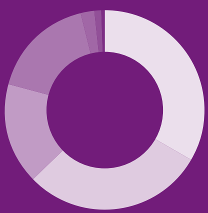
By investors



5.94%	ERSTE Foundation direct
12.54%	Sparkassen Beteiligungs GmbH & Co KG
3.47%	Foundations [1]
4.27%	Wiener Städtische Versicherungsverein

61.68%	Institutional investors
6.34%	Retail investors
4.60%	BlackRock, Inc.
0.93%	Unidentified [2]
0.23%	Identified trading [3]

By region



33.51%	Austria
29.48%	North America
16.59%	UK & Ireland
16.96%	Continental Europe

2.30%	Rest of world
0.93%	Unidentified [2]
0.23%	Identified trading [3]

Financial calendar

2025

30 April	Results for the first quarter 2025
11 May	Record date Annual General Meeting
21 May	Annual General Meeting in Vienna
26 May	Ex-dividend day
27 May	Record date dividend
28 May	Dividend payment
1 August	Half-year financial report 2025
31 October	Results for the first three quarters 2025

The financial calendar is subject to change. The latest updated version is available on Erste Group's website (www.erstegroup.com/investorrelations).

Ratings

as of 31 December 2024

Fitch	
Long-term	A
Short-term	F1
Outlook	Stable

Moody´s	
Long-term	A1
Short-term	P-1
Outlook	Stable

Standard & Poor´s	
Long-term	A+
Short-term	A-1
Outlook	Positive

[1] Incl. Erste employees private foundation, syndicated savings banks foundations, own holdings of savings banks
[2] Unidentified institutional and retail investors
[3] Incl. market makers, prime brokerage, proprietary trading, collateral and stock lending positions which are visible through custodian banks.

Non-financial data

New corporate sustainable financing
in 2024

	in € million
Construction and Real Estate	3,514
Renewable Energy	917
Transportation	320
Other Corporate	564
Total	**5,315**

ESG Ratings & Indices
as of 31 December 2024

MSCI	**AA**
Sustainalytics	**Low Risk**
ISS ESG	**C „Prime“**
Vönix	**B+**

Social Banking
2017 – 2024

€ 713 million Social Banking financing provided

90,000 Financial education participants

Highlights

Sustainable profitability
_ Net result of EUR 3,125.3 million
_ Local banks in all core markets are profitable
_ Dividend of EUR 3.0 per share proposed to AGM

Sound operating performance
_ Operating revenues increase by 5.9%
_ Inflation drives operating expenses up by 5.2%
_ Cost/income ratio improves to 47.2%

Customer business on growth path
_ Net customer loans grow by 4.9% to EUR 218.1 billion
_ Customer deposits increase by 3.8% to EUR 241.7 billion
_ Favourable loan-to-deposit ratio at 90.2%

Sound asset quality
_ NPL ratio at moderate 2.6%, excellent performance in CEE
_ NPL provision coverage at 72.5%
_ Risk costs of 18 basis points (on average gross customer loans)

Favourable capitalisation
_ CET1 ratio (CRR final) at 15.1%, including EUR 700 million planned share buyback
_ Capital significantly above regulatory requirements and internal target

Excellent funding and liquidity position
_ Strong retail deposit base in all core countries as key trust indicator and competitive advantage
_ All local banks successfully placed MREL-related issuances

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(CONSOLIDATED) CORPORATE GOVERNANCE REPORT

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Editorial deadline: 28 February 2025, unless stated otherwise

Management board

Stefan Dörfler, Peter Bosek, Alexandra Habeler-Drabek, Maurizio Poletto, Ingo Bleier (f.l.t.r.)

Letter from the CEO

Dear shareholders,

I am pleased to present to you, for the first time, the annual result of Erste Group along with the outlook for the current year. 2024 was a very successful year for us. With a net profit of EUR 3,125 million, we posted an excellent result. We have achieved all of the goals we had revised upwards in the course of the year. Erste Group's proven business model and the focus on our seven core markets enabled us to generate organic lending growth of nearly 5%. The inflow of customer deposits also remained steady, most importantly from retail customers and SMEs. Our capital base continues to be strong, thus offering us strategic scope for capital allocation. Going forward, the first priority remains growth in our region, i.e. lending to retail customers and businesses.

Before going into the details of our economic performance, let me briefly outline the economic environment.

A year marked by subdued growth

Our region saw a moderate recovery of the economy, yet economic performance was a mixed bag. Austria failed to meet expectations and registered a mild recession for the second year in a row. In our CEE core markets, 2024 GDP growth rates ranged between 0.5% in Hungary and 3.9% in Serbia, supported mainly by household consumption. Labour markets remained robust despite the weakness of the economy.

Inflation declined across all core markets and is now in the low to medium single digits, which has led to rate cuts in all markets. In 2024, the European Central Bank lowered its policy rate in four steps from 4.00% to 3.00%. Most of the CEE central banks likewise eased their monetary policies further. The central banks of Hungary and the Czech Republic had already started trimming their policy rates in the final quarter of 2023, while the central banks of Serbia and Romania followed suit only in the second and fourth quarters of 2024, respectively.

Excellent operating result

What was the effect of these fundamentals on our result? The two most important income components again posted growth: net interest income rose by 4.2% to EUR 7.5 billion and thus far beyond what had been forecast at the beginning of 2024. While all CEE markets registered growth – in Romania, Hungary, Czech Republic and Serbia, i.e. the markets outside the euro zone, even at double-digit rates – net interest income in Austria was down. It is worth noting that we were able to keep the net interest margin nearly stable in the face of falling market interest rates. At the same time, net fee and commission income hit a record high at EUR 2.9 billion. The 11.3% rise is all the more remarkable as the baseline had already been elevated due to strong growth seen in previous years. Growth was achieved in all core markets, with particularly strong performance in payment services and asset management. Overall, operating income came in at EUR 11.2 billion, almost 6% higher than in the previous year. Operating expenses increased by around 5% to EUR 5.3 billion, in line with expectations. Inflationary pressure had an impact on collective salary negotiations, most importantly in Austria. Personnel expenses were up at EUR 3.2 billion. The block of regulatory costs typical of a bank (payments to resolution funds and deposit insurance systems as well as banking and transaction taxes) amounted to some EUR 450 million in 2024. The strong operating result was reflected in a cost/income ratio of 47.2%, which is excellent for our business model.

Risk costs remain at a low level

Asset quality was, overall, very good again in 2024, particularly in the retail customer business, due last but not least to low unemployment rates. Remarkably, the CEE core markets outperformed Austria for the first time. The NPL ratio rose moderately to 2.6% at year-end. Overall, (net) allocations to provisions amounted to EUR 397 million in 2024, which equals a provisioning ratio of 18 basis points of average gross customer loans. In addition to solid asset quality, another positive contribution came from the release of provisions for credit risks driven by updated forward-looking economic indicators (FLIs) and stage overlays.

Healthy organic loan growth

After a slow start in the first months of the year, demand for loans rose markedly towards the end of the year. Overall, net customer loan volume increased by 4.9% to EUR 218.1 billion. Growth momentum was seen across the entire region, most notably in Austria, Czech Republic, Romania and Slovakia. Particularly noteworthy was the budding recovery of the mortgage business in the Czech Republic and at Erste Bank Oesterreich. Corporate lending was likewise more dynamic in the fourth quarter than in the first nine months of 2024.

Solid deposit base, low reliance on money and capital market funding

Deposit inflow continued, with customer deposits up by nearly 4%. The strongest deposit growth, at a rate of 5.2%, was seen in the retail and SME business and from customers of savings banks. Because of our business model and solid market positions in our core markets, Erste Group has a very large proportion (nearly 80%) of these highly granular customer deposits. The central banks' rate cuts, moreover, slowed down the shift from demand deposits to term deposits. At the end of December 2024, the loan-to-deposit ratio stood at 90.2%.

Similarly successful were funding activities in the capital markets. Not only the parent company but also a number of local subsidiaries in CEE countries issued benchmark bonds in various asset classes and placed these issues both locally and internationally.

Solid capitalisation and dividend proposal

Erste Group's strong capitalisation is another point that I wish to highlight once again. Erste Group's strong capital base and sustainable profitability are the preconditions for the bank's future growth and ability to pay dividends and expand our scope of action. At 15.1% as of the end of December 2024, the common equity tier 1 ratio (final) was again substantially above the regulatory minimum requirement and our target of 14%.

For the 2024 fiscal year, the management board will propose a dividend of EUR 3.0 per share at the annual general meeting in line with our policy of distributing between 40 to 50% of net profit after the deduction of AT1 dividends. In addition, after the successful completion of the second share buyback programme with a volume of EUR 500 million at year-end 2024, Erste Group is seeking to launch another such programme with a volume of EUR 700 million (subject to regulatory approval). Both the dividend and the share buyback programme were considered in calculating the common equity tier 1 ratio.

Sustainability and profitability are no contradiction

Sustainability aspects have always been integral components of the strategy of Erste Group, which is firmly embedded in the real economy. Where sustainability is concerned, the priorities defined are based on the conviction that the green transition and social inclusion may have a positive impact on the long-term prosperity of our region.

In 2024, Erste Group Bank AG integrated the sustainability statement into the management report. This report uses the European Sustainability Reporting Standards (ESRS) as a framework along with the requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy). For further information on goals, emission reduction pathways and sustainability initiatives of Erste Group, as well as a variety of ESG metrics, please refer to the management letter and our website.

Outlook for 2025

In the current fiscal year of 2025, we expect solid loan growth of about 5% on the back of a moderate acceleration of economic growth, supported by both the retail and the corporate business. This should help to keep net interest income stable.

Net fee and commission income is projected to continue its positive trend and increase by about 5%. Assuming a rise in operating expenses (including expenses for strategic initiatives) by about 5%, we expect that we will be able to achieve a cost/income ratio of less than 50%. Given the stable environment, most notably in the CEE markets, we expect risk costs of approximately 25 basis points in 2025. This should yield a continued solid return on tangible equity (ROTE) of around 15%.

Proven business model & strategic initiatives

Working with my management team, I have been leading Erste Group, one of the largest financial institutions in Central and Eastern Europe, since July 2024. The focus of our employees in all of the seven core markets – Austria, Czechia, Slovakia, Romania, Hungary, Croatia and Serbia – has always been on the purpose of the business, which has remained unchanged since its foundation in 1819: creating and spreading prosperity. To ensure that our business model will remain relevant and successful in the future, we are working on strategic initiatives. Our focus is on the continuing development of our brand identity, a wide range of topics relating to digitalisation and the commitment to consider M&A transactions in our region to complement organic growth.

Talking about digitalisation: across the group, nearly eleven million customers were using our digital platform George as of year-end 2024. The number of digital transactions has been rising steadily. By now, more than half of all retail business products are already distributed digitally. Supported by technology, we are planning to offer our customers broader access to financial advice than has ever been feasible in the past. Progress is likewise being made in increasing efficiency through digitalisation, i.e. by automating transactions and processes and using digital data analysis.

It is of special importance to me to thank the employees of Erste Group for their personal commitment. Our joint efforts and dedication to strategic initiatives provide an excellent basis for further strengthening and expanding Erste Group's position in the CEE region.

Peter Bosek mp

Supervisory board

Friedrich Rödler (Chairman) and the members of the supervisory board in alphabetical order: Christine Catasta, Henrietta Egerth-Stadlhuber, Alois Flatz, Martin Grießer, Markus Haag, Regina Haberhauer, Jakob Hofstädter, Marion Khüny, Elisabeth Krainer-Senger-Weiss, Caroline Kuhnert, Mariana Kühnel, Barbara Pichler, Friedrich Santner, Michael Schuster, Walter Schuster, Christiane Tusek, Karin Zeisel

Report of the supervisory board

Dear shareholders,

Erste Group posted a strong Group result for the 2024 fiscal year, which was underpinned by successful risk and cost management as well as robust performance in all core markets. This is all the more encouraging as an upturn in economic activity appears to be still some way off, most notably in Austria. In line with Erste Group's dividend policy, it is proposed that the annual general meeting approve a dividend of EUR 3.00 per share for the 2024 fiscal year.

Erste Group has been making further progress on its path towards digitalisation. The digital platform George has been developed further to provide additional (service) offerings and functions designed to optimise interaction with customers. We want our customers to be able to look after their financial health even more effectively, either independently or with support from Erste Group employees, particularly when it is about providing for the future. For some, it is just a buzz phrase, but for us, it is an obligation: focusing on customer needs.

Erste Group owes its strong position, last but not least, to a proven strategy. This does not mean coming to a standstill, though. In the years ahead, it will be crucial to venture into new territory to meet customer expectations and needs even more effectively while also further enhancing the strengths of Erste Group. A modern digital banking experience will doubtless be essential in the future for the bank to be perceived as relevant also by the younger generation. New strategic initiatives ensure that Erste Group is able to exploit the benefits of novel technologies and artificial intelligence. The difference will still be made by competent, dedicated and emphatic staff who strive to gain our customers' trust by dealing with them personally. You may also rest assured that in our activities we will also consider social and ecological aspects.

The solid capital base enabled Erste Group to launch another share buyback programme with a volume of EUR 500 million, which was successfully completed in November 2024. Overall, 10,398,524 shares were purchased and cancelled. In its third year, the employee share programme "WeShare by Erste Group" enjoyed a high level of acceptance in 2024, with 35,000 participants across the Group. In total, employees received approximately 1.2 million shares of Erste Group Bank AG. This increased the share of voting rights of Erste Mitarbeiterbeteiligung Privatstiftung in Erste Group Bank AG by 0.29% to currently around 1.59%.

2024 saw changes on the management board. As already announced in the previous year's report of the supervisory board, Willi Cernko resigned from his management board mandate early, as of 30 June 2024. As of 1 July 2024, Peter Bosek assumed the position of chairman of the management board. The other members of the management board were Ingo Bleier, Chief Corporates and Markets Officer, Stefan Dörfler, Chief Financial Officer, Alexandra Habeler-Drabek, Chief Risk Officer and Maurizio Poletto, Chief Platform Officer. As of 1 July 2024, Maurizio Poletto also took on the duties of David O'Mahony as Chief Operating Officer following the latter's departure from the management board as of 30 June 2024.

With this experienced management board team headed by Peter Bosek, Erste Group is excellently positioned to cope with the challenges that are posed by the ecological and digital transformation as well as the economic and geopolitical environment. The supervisory board is looking forward to continuing work with this team to benefit from opportunities as they arise in the years ahead, not least from the implementation of the new strategic initiatives.

At year-end 2024, Erste Group's supervisory board consisted of eighteen members (twelve shareholder representatives elected by the shareholders and six employee representatives delegated by the employees' council). The members of the supervisory board bring together extensive experience gained across a variety of industries and come with a wide range of professional knowledge, international experience and practical expertise. As in the previous year, more women than men are currently holding mandates (ten versus eight).

The supervisory board also saw changes in 2024: András Simor resigned from his mandate as of 15 January 2024. In this context, the delegation of Jozef Pinter to the supervisory board was revoked as new employee representatives were delegated to the supervisory board on 16 January 2024. Maximilian Hardegg and Michèle F. Sutter-Rüdisser resigned from their mandates as of the end of the 2024 annual general meeting. Two members – Caroline Kuhnert and Walter Schuster – were newly elected to the supervisory board at the 2024 annual general meeting, and Elisabeth Krainer-Senger-Weiss and Michael Schuster were reelected.

I wish to thank all former supervisory board members most cordially for their dedication and constructive contributions to the work of the supervisory board. With their experience and expertise, they contributed to the development of Erste Group as a leading bank in the eastern part of the European Union.

For further information about the composition and independence of the supervisory board, the criteria for its independence, its working procedures, the number and type of committees and their decision-making powers, the meetings of the supervisory board and the main focus of its activities, please refer to the (consolidated) corporate governance report drawn up by the management board and reviewed by the supervisory board.

As regards the activities of the audit committee, please also refer to its separate report. In the course of a total of 50 supervisory board and committee meetings, the management board promptly and comprehensively informed the supervisory board. This allowed us to act in accordance with the mandate laid down in the law, the articles of association and the Austrian Code of Corporate Governance, as well as to ascertain the proper conduct of business.

The financial statements (consisting of the balance sheet, income statement and notes) and the management report, as well as the consolidated financial statements and the group management report for 2024, were audited by Sparkassen-Prüfungsverband, the legally mandated auditor, and by PwC Wirtschaftsprüfung GmbH, the elected supplementary auditor, and received an unqualified audit opinion. Representatives of both auditors attended the financial statements review meetings of the audit committee and the supervisory board and presented their comments on the audits they had conducted. Based upon its own review, the supervisory board endorsed the findings of these audits and agreed to the proposal for appropriation of the profit of the 2024 fiscal year. PwC Wirtschaftsprüfung GmbH was also mandated with the voluntary audit of the (consolidated) corporate governance report for 2024.

By resolution of the 2024 annual general meeting, Sparkassen-Prüfungsverband and PwC Wirtschaftsprüfung GmbH were moreover appointed as auditors of the sustainability statement in conformity with CSRD.

The supervisory board has approved the financial statements, and these have thereby been duly endorsed in accordance with section 96 para 4 of the Austrian Stock Corporation Act (Aktiengesetz). The management report, consolidated financial statements, group management report (including the sustainability statement) and the (consolidated) corporate governance report have also been reviewed by the supervisory board and accepted on the basis of the audit reports received by the supervisory board.

Finally, the supervisory board thanks the management board as well as all employees of Erste Group: without their untiring efforts and their ambition to keep developing Erste Group further, the excellent results of the 2024 fiscal year would not have been possible.

As I am leaving the supervisory board at the end of the 2025 annual general meeting, the report in hand is the last report of the supervisory board to Erste Group shareholders to which I have contributed. While serving as a member and as chairman of the supervisory board I have been able to take part in the development and growth of Erste Group. I am very proud of having served and shared the journey of a company like Erste Group over such a long period of time. The process for my succession is on track, my successor is to be elected by the 2025 annual general meeting.

After more than 20 years on the supervisory board, including 13 years as its chairman, I am about to end my service and am looking back on the successes achieved with joy and gratitude. At this point, looking back I wish to thank the shareholders who elected me to the supervisory board for their trust. My thanks are also due to the members of the supervisory board who entrusted me with the function of chairman. Without the supportive and constructive cooperation of CEOs Andreas Treichl, Bernd Spalt, Willi Cernko and Peter Bosek and the respective board members I would not have been able to successfully perform my duties as chairman of the supervisory board. It has been a great honour for me to have been able to contribute to Erste Group's journey for such a long time. Even if I am now ending my service on the supervisory board, I will remain connected to the organisation. For the years ahead, I wish the entire team continuing success, growth and all the best.

For the supervisory board,
Friedrich Rödler mp, Chairman of the supervisory board
Vienna, March 2025

Report of the audit committee

Dear shareholders,

The audit committee is one of seven committees established by the supervisory board. Its mandate is derived from the law, the rules of the Austrian Code of Corporate Governance and its rules of procedure. As of 31 December 2024, the audit committee comprised five shareholder representatives and three members delegated by the employees' council.

In 2024, the audit committee met seven times and, in addition, held one informal meeting to prepare the meeting on the audit of the (consolidated) financial statements. The meetings were attended by those management board members responsible for accounting, controlling and risk management as well as the representatives of Erste Group Bank AG's auditors and, as required, representatives of the auditors of material (foreign) subsidiaries. The appropriate division heads were invited to attend as permanent guests or to attend as guests in discussions on specific agenda items. The chair of the audit committee and the financial expert regularly conducted one-on-one meetings with, amongst others, the auditors (Sparkassen-Prüfungsverband as the legally mandated bank auditor and PwC as additional auditor elected by the annual general meeting), members of the management board, the head of internal audit, the chief compliance officer and, as required, with other division heads. The supervisory board was informed of the committee's activities and the subject matters of its meetings and discussions at the respective subsequent supervisory board meetings.

For Erste Group, 2024 was a highly successful year despite the challenging environment. It was marked by several geopolitical conflicts, a sharp reversal in the rate cycle and a visible clouding of the economic environment. All this had an impact on the work of the audit committee and was considered by the audit committee members with the required care and diligence in exercising their duties. Amongst others, the supervisory board tasked the audit committee with reviewing the sustainability statement.

In 2024, the audit committee specifically considered the following topics: after receipt of the auditors' report on the (Group) financial statements for 2023, the audit committee held the final discussion, reviewed the (Group) financial statements and the (Group) management report including the sustainability statement, as well as the (consolidated) corporate governance report and recommended to the supervisory board the approval of the annual financial statements and distribution of a dividend as proposed by the management board. The additional report of the auditors pursuant to Article 11 of Regulation (EU) No 537/2014 was taken note of.

In connection with the sustainability statement conducted for the first time in 2024 in conformity with the EU's Corporate Sustainability Reporting Directive (CSRD), the audit committee recommended the supervisory board appoint an external auditor. The audit committee recommended appointing Sparkassen-Prüfungsverband and PwC Wirtschaftsprüfung GmbH as joint auditors, which were elected by the 31st annual general meeting on 22 May 2024. The audit committee periodically received reports on preparatory work done within the bank and also exchanged views with the auditors on the audit of the sustainability statement several times.

The head of the internal audit department reported on the audit subjects and material audit findings for the year 2023 and, on an ongoing basis, about audit-relevant matters in the Group. The effectiveness of the AML compliance function was acknowledged by the audit committee, and a BCBS 239 (data quality management) report was issued. The audit committee continuously reviewed and monitored the independence of the auditors of the (consolidated) financial statements with a particular focus on non-audit services rendered for Erste Group. The audit committee gave pre-approval to permissible non-audit services and received reports on their current status.

Material audit matters relating to subsidiaries were likewise discussed in depth and commented on with regard to their impact on the Group financial statements. In its additional function as audit committee of Erste Digital GmbH pursuant to Section 30g para 4a(3) GmbHG (Austrian Act on Limited Liability Companies), it recommended the supervisory board of Erste Digital GmbH to advise the shareholders' meeting of Erste Digital GmbH to approve the annual financial statements, give its consent to the management board's proposal for the appropriation of profit and take note of the management report of the shareholders' meeting of Erste Digital GmbH.

After on-site inspections conducted by supervisory authorities, the audit committee took note of the respective audit reports and the plan to address the supervisory authorities' findings and, where necessary, requested to be briefed on the current status of implementation. The joint supervisory team of the regulatory authorities was informed about the audit committee's work in a meeting with the chair of the audit committee and the chair of the supervisory board.

Further information on the activities of the audit committee and its composition is contained in the (consolidated) corporate governance report prepared by the management board and reviewed by the supervisory board.

For the audit committee,
Christiane Tusek mp

Erste Group on the capital markets

After the strong gains recorded in the previous year, international equity markets continued their upward trends in 2024 amid the impacts of geopolitical events, interest rate policies, inflation development and economic activity. Equity markets' performance was supported by expectations of falling interest rates, which were met by the central banks in the course of the year. Continued strong demand for technology shares (buzzword: artificial intelligence) provided an extra boost. At the same time, market volatility was fuelled by mixed macroeconomic conditions in Europe and China, as well as concerns about an economic downturn, geopolitical crises and uncertainty regarding potential shifts in the political environment in Europe and the US. Finally, market performance was also driven significantly by rate cuts implemented by European and US central banks as well as the announcement of fiscal policy stimuli in China. Most of the indices covered again posted marked gains.

EQUITY MARKET REVIEW

Turnaround in monetary policies

The central banks' restrictive rate policies and the series of rate hikes designed to curb inflation rates that had reached record levels in 2022 proved effective. Inflation was moving towards the 2% target rate, and the major central banks maintained a wait-and-see approach at the beginning of the year regarding a possible end to the rate cycle and held on to their policy rate levels for the time being. Their focus was on inflation momentum, the economy and the labour market. After a number of national central banks had already started to ease their monetary policies, the European Central Bank (ECB) carried out its first policy rate cut since 2019 in June. The US Federal Reserve (Fed) followed suit in September. Both central banks continued relaxing their monetary policies until year-end 2024, cutting rates in several steps. In Europe, the policy rate stood at 3% at year-end, while in the US the effective policy interest rate was set at a range of 4.25% to 4.50%.

Global economic growth

The global economy has proved resilient over the past years. Despite diverse developments in individual countries and sectors, global economic growth has remained stable while inflation has receded further at the same time. This resilience is expected to continue. After 3.2% growth forecast for 2024, global GDP growth is expected to run at 3.3% in both 2025 and 2026, while inflation should keep falling towards the central banks' target levels. Growth prospects vary considerably by region. In the US, GDP growth is projected to come in at 2.8% in 2024 and 2.7% in 2025 before slowing down to 2.1% in 2026. In the euro area, the recovery of real household incomes, robust labour markets and policy rate cuts will keep driving growth. In the euro area, GDP is forecast to grow by 0.8% in 2024, 1.0% in 2025 and 1.4% in 2026. Risks to these outlooks include, most importantly, increasing trade tensions and protectionism, as well as fiscal policy challenges in a number of countries. The performance of Asian economies, most prominently China, will also continue to have a significant impact on global growth.

Equity markets at record highs

In the reporting period, growth was most pronounced in the US stock markets, whose performance benefited substantially from the strong growth momentum of US technology and AI-oriented companies. The boom was led first and foremost by the "Magnificent 7" (Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta, Tesla), which account for more than 30% of the global market capitalisation of the S&P 500 Index. The performance of technology shares and the monetary policy turnaround started by the central banks was reflected in the performance of most equity markets and their new record highs, with the biggest gains posted by the US indices. As of the end of December, the NASDAQ Composite technology index was up 28.6% at 19,310.79 points. The broader Standard & Poor's 500 Index rose 23.3% to 5,881.63 points in the year ended, and the Dow Jones Industrial Average Index broke through 40,000 points for the first time in 2024 and ended the reporting period 12.9% higher at 42,544.22 points. In Europe, new highs were set by the German DAX index, which saw the steepest rise, by 18.8%, the British FTSE 100 and the Austrian ATX Total Return. The Stoxx Europe 600 Index, which comprises the largest European equities, likewise hit a new record high in the course of the year and, at year-end, had advanced by 6.0%, reaching 507.62 points. In Asia, the Japanese Nikkei 225 Index was up 19.2% while the Chinese CSI-300 Index gained 14.7%.

Bank shares recorded further gains

As in the previous year, banks were again among the favoured industries in 2024. The banking sector benefited from the fact that the initial rate cuts were implemented later than planned. Solid results, low risk costs, positive outlooks and planned dividend payments provided the basis for further rises in share prices in the reporting period. After advancing by more than 20% in the previous year, the Dow Jones Euro Stoxx Banks Index, which is composed of the leading European bank shares, posted another rise, by 23.4% to 146.04 points, in the year ended.

ATX Total Return Index at all-time high

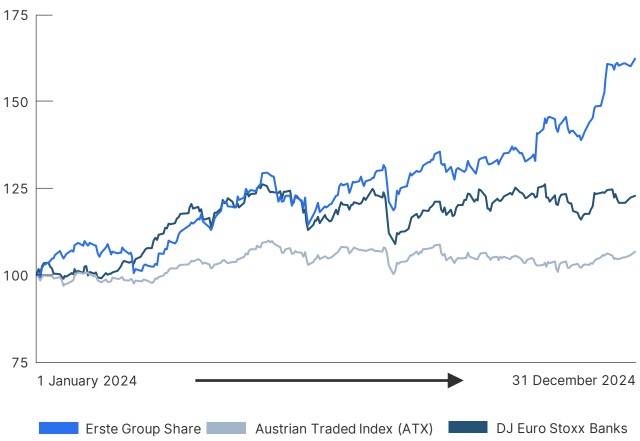
Austrian equity indices likewise continued the upward trajectories seen in the previous year. Moving in tandem with the broader Stoxx Europe 600 Index, the Austrian Traded Index (ATX) was up 6.6% at year-end 2024, at 3,663.01 points. The ATX Total Return Index (including dividends) set multiple new highs in the course of the year and ended the year at 8,536.92 points, up 12.1%. This performance was underpinned by the strong performance of the bank shares, which are heavily weighted in the index. The Erste Group share was among the top performers, having gained more than 60%.

ERSTE GROUP SHARE

Substantial gains

After advancing by almost 23% in the previous year, the Erste Group share continued its uptrend in 2024 and gained a record 62.4%, with the steepest rise (by 21.1%) recorded in the fourth quarter. The closing price of EUR 59.66 on the last trading day also marked the highest closing price of the year, only slightly below the all-time high registered in April 2007. The Erste Group share marked its 2024 low at EUR 36.46 on 3 January 2024.

Performance of the Erste Group share and major indices (indexed)



The key drivers of the remarkable growth in share value were primarily results that were better than expected by the market and the upward revision of the outlook during the year. Analysts' consensus estimates of 2024 to 2026 net profits moved higher. The Erste Group's second share buyback programme, which was completed at year-end 2024, provided additional momentum. Investors placed their focus moreover on the outlook for lending growth, the development of the operating result, risk costs, return on tangible equity (ROTE) and, last but not least, the priorities set by the new CEO Peter Bosek, including in particular the development of the digital banking business, growth (buzzword M&A) and capital distribution.

Employee share programme

In 2024, Erste Group employees again had the opportunity to buy Erste Group shares under the employee share programme. This programme was first offered in 2022, and many employees took the opportunity to acquire Erse Group shares. In 2024, approximately 35,000 employees took part in this programme. In 2022 it was 30,000, and in 2023 the number of participants was also some 35,000. The successful continuation of the employee share programme resulted in a further strengthening of Erste Mitarbeiterbeteiligung Privatstiftung (Erste Employee Foundation), in which the voting rights of the shares acquired under the employee share programme are combined.

Performance of the Erste Group share versus indices

	Erste Group share	ATX	DJ Euro Stoxx Banks Index
Since IPO (Dec 1997)	438.3%	187.0%	-
Since SPO (Sep 2000)	407.7%	213.5%	-58.5%
Since SPO (Jul 2002)	242.4%	200.3%	-41.9%
Since SPO (Jan 2006)	32.6%	-6.0%	-61.5%
Since SPO (Nov 2009)	105.7%	40.6%	-35.9%
2024	62.4%	6.6%	23.4%

IPO … initial public offering, SPO … secondary public offering.

Share buyback programme

Organic growth is Erste Group's first priority in terms of capital consumption, followed by the distribution of dividends, potential expansion through acquisitions and, as the case may be, share buybacks. After the completion of the first share buyback programme in the amount of EUR 300 million in February 2024, the annual general meeting of Erste Group decided on 22 May 2024 to carry out another share buyback programme in the amount of EUR 500 million based on the bank's strong capital base. This second programme was completed in November, the shares bought back were cancelled in December 2024. The number of shares of Erste Group decreased accordingly. The cancellation of own shares purchased and the resulting reduced number of shares outstanding increases the calculated profit per share.

Number of shares, market capitalisation and trading volume

After accounting for the shares bought back and cancelled in February and December 2024, respectively, the number of shares of Erste Group Bank AG amounts to 410,514,384. The market capitalisation of Erste Group reached EUR 24.5 billion at year-end 2024 and was thus 55% higher than at year-end 2023 (EUR 15.8 billion).

Erste Group is listed on the stock exchanges of Vienna, Prague and Bucharest. Its main stock exchange is Vienna, where in the year ended its trading volume averaged 479,616 shares per day.

Sustainability indices and ratings

The Erste Group share has been part of VÖNIX, the Vienna Stock Exchange's sustainability index, since its launch in 2008. Since 2011, the Erste Group share has been included in the STOXX Global ESG Leaders Index, which represents the best sustainable companies worldwide on the basis of the STOXX Global 1800. Since 2016, the Erste Group share has been included in the FTSE4Good Index Series, since 2017 in the Euronext Vigeo Index: Eurozone 120. In addition, Erste Group has held prime status in the ISS ESG corporate ratings since 2018. MSCI has rated Erste Group with AA. In 2024, Erste Group participated in the CDP (Carbon Disclosure Project) rating for the third time; its sustainability measures were affirmed at B.

Dividend

Erste Group's dividend policy is guided by the bank's profitability, growth outlook and capital requirements. We target a payout ratio in the range of 40-50% based on reported net profit, net of AT1 coupons. The 31st annual general meeting that took place on 22 May 2024 resolved to distribute a dividend of EUR 2.70 per share for the 2023 fiscal year, which was paid out on 29 May 2024. For the 2024 fiscal year, the management is proposing a dividend of EUR 3.00 per share.

RATINGS OF ERSTE GROUP BANK AG

In late November, Standard & Poor's upgraded Erste Group Bank AG's outlook from stable to positive, confirming the A+/A-1 rating. It highlighted the bank's improved capitalisation and solid results as well as the traditional strengths of the bank, namely funding and liquidity. Moody's (A1/P-1) and Fitch (A/F1) left their ratings unchanged, each with a stable outlook.

FUNDING ACTIVITIES

In 2024, Erste Group again started the year early by issuing a EUR 1 billion, 7-year mortgage-covered bond (MS+50 bps), thereby opening up the covered bonds segment for European issuers. As investors' appetite for longer tenors was gradually increasing, Erste Group decided to return to the capital markets as early as March 2024 by issuing another EUR 1 billion mortgage-covered bond (9.75-year tenor, MS+55 bps). Just before the market environment started clouding in the weeks that followed, Erste Group placed a EUR 750 million perpNC2031 AT1 instrument (7% coupon, MS+440.7 bps) linked, as in the previous year, with the repurchase of the outstanding AT1 instrument (5.125% perpNC2025).

The summer break for capital market transactions ended in August 2024, with Erste Group issuing a EUR 750 million 8NC7 format senior preferred bond at MS+90 bps. Even though this transaction almost fully covered the funding volume required, Erste Group opportunistically issued another benchmark transaction in the form of a EUR 750 million tier-2 bond (10.25NC5.25, MS+170 bps).

INVESTOR RELATIONS

Open and regular communication with investors and analysts

In the year ended, the management and the investor relations team met with investors in a total of 274 one-on-one and group meetings. Questions raised by investors and analysts were answered both at events with in-person attendance and during telephone or video conferences. The presentation of the 2023 annual result was followed by an analysts' dinner and a road show day with investor meetings in London. Road shows were likewise conducted in Europe and the US after the release of first and third-quarter results. Erste Group presented its performance and strategy against the backdrop of the current environment at international banking and investor conferences organised by the Vienna Stock Exchange, Kepler, Morgan Stanley, RBI, UBS, Bank of America, Deutsche Bank, Goldman Sachs, Barclays, mBank and Wood. 96 meetings were held to intensify the dialogue with bond investors. A large number of one-on-one and group meetings with analysts and portfolio managers were held at conferences, road shows and investors' days hosted by the European Covered Bond Council (ECBC), UBS, Citigroup, Danske Bank, Natixis und BNP Paribas. The Erste Group's website (https://www.erstegroup.com/en/investors) provides comprehensive information on the banking group and the Erste Group share.

The investor relations team also provides news through Erste Group's social media channels on platforms such as LinkedIn and Youtube. More details on the social media channels, the news/reports subscription and reminder service are available at https://www.erstegroup.com/en/investors/ir-service.

Analyst recommendations

In 2024, 22 analysts regularly released research reports about Erste Group. The Erste Group Bank AG share was covered by financial analysts at the following national and international firms: Autonomous, Bank of America, Barclays, Carraighill, Citigroup, Concorde, Deutsche Bank, Exane BNP, Goldman Sachs, HSBC, JP Morgan, JT Banka, KBW, Kepler Cheuvreux, mBank, Mediobanca, Pekao, PKO, RBI, Trigon, UBS and Wood. As of the end of the year, 16 analysts had issued buy recommendations, and six had rated the Erste Group share as neutral. The average year-end target price stood at EUR 60.8. The latest updates on analysts' estimates for the Erste Group share are posted at https://www.erstegroup.com/en/investors/share/analyst-estimates.

Strategy

We strive to be the leading retail and corporate bank in the eastern part of the European Union, including Austria. To achieve this goal, we aim to support our retail, corporate and public sector customers in realising their ambitions and ensuring financial health by offering excellent financial advice and solutions, lending responsibly and providing a safe harbour for deposits.

As a competent and reliable partner for our customers and with our business activities anchored in the real economy for more than 200 years, we will continue to contribute to economic growth and financial stability and, thus, to the prosperity of our region.

In all of our core markets in the eastern part of the European Union, we pursue a balanced business model focused on providing the best banking services to each of our customers. In this respect, digital innovations are playing an increasingly important and inclusive role.

The sustainability of the business model is reflected in our ability to fund customer loans by customer deposits, with most customer deposits being stable retail deposits. The sustainability of our strategy is reflected in long-term client trust, which underpins strong market shares in almost all of our core markets. However, market leadership is not an end in itself. Market leadership creates value only when it goes hand in hand with positive economies of scale and contributes to the long-term success of the company. The banking business, however, should not only be run profitably but should also reflect its corporate responsibility towards all material stakeholders, in particular customers, employees, society and the environment. Therefore, we pursue the banking business in a socially responsible manner and aim to earn an adequate premium on the cost of capital.

Eastern part of EU		Focus on CEE, limited exposure to other Europe		
Retail banking	**Corporate banking**	**Capital markets**	**Public sector**	**Interbank business**
Acting as Financial Health Advisor for the people in our region Support customers to build up and secure wealth Active management of customer journeys to increase customer satisfaction and profitability	SME and large corporate banking Advisory services, with focus on providing access to capital markets and corporate finance Transaction banking services (trade finance, factoring, leasing) Commercial real estate business	Focus on customer business, including customer-based trading activities In addition to core markets, presences in Poland, Germany, New York and Hong Kong with institutional client focus and selected product mix Building debt and equity capital markets in CEE	Financing sovereigns and municipalities with focus on infrastructure development in core markets Any sovereign holdings are held for market-making, liquidity or balance sheet management reasons	Focus on banks that operate in the core markets Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business

Building a distinctive brand identity

Providing everyone with access to financial expertise and financial advice

Driving efficiency through digitisation

Developing innovative financial health propositions

Expanding through organic and inorganic growth

STRATEGY IN DETAIL

The basis of our banking operations is retail and corporate customer business in the eastern part of the European Union, including Austria. The capital markets and interbank activities, as well as public sector business, are defined more broadly to be able to meet our customers' needs as effectively as possible.

Long-standing tradition in customer banking

Erste Group has been active in retail business since 1819. This is where the largest part of our capital is tied up, where we generate most of our income and where we fund the overwhelming part of our core activities by drawing on our customers' deposits. Offering attractive, easy-to-understand products and services that meet the individual needs and objectives of bank customers is important in building and maintaining strong long-term customer relationships.

RETAIL BUSINESS

Our key business is retail business, and it represents our strength. It is our top priority when developing products such as modern digital banking that enable us to meet customers' expectations more effectively.

Our retail business covers the entire spectrum from lending, deposit and investment products to current accounts and credit cards. Our core competence in retail banking has historical roots. In 1819, wealthy Viennese citizens donated funds to establish Erste Group's predecessor, the first savings bank in Central Europe. It was their aim to make basic banking services such as safe savings accounts and mortgage loans available to wide sections of the population. Today, we serve a total of more than 16.5 million customers in our markets and operate nearly 1,900 branches. Wealthy private clients, trusts and foundations are served by our private banking staff and benefit from services that are tailored to the needs of this target group.

In addition, we use and promote digital distribution channels such as the Internet and mobile banking, not only to meet the increasing importance of digital banking, but to actively shape the digital future. George plays an important role in this.

Retail banking is attractive to us for a number of reasons: It offers a compelling business case that is built on market leadership, an attractive risk-reward profile and the principle of self-funding. In addition, it benefits from a comprehensive range of products that are simple and easy to understand and provide substantial cross-selling potential. We take advantage of these factors in all core markets and make the best use of our resulting position of strength by pursuing a hybrid business model. In addition to the expansion of digital sales channels, the branch network remains an important component of the business strategy. Only a retail bank that offers modern digital services and operates an extensive distribution network is able to offer tailor-made solutions and fund loans in local currency (e.g. housing financing) mainly from deposits made in the same currency. Therefore, our retail banking model supports sustainable and deposit-funded growth even in economically more challenging times. Another positive factor is the diversification of the retail business across countries that are at differing stages of economic development, such as Austria, the Czech Republic, Romania, Slovakia, Hungary, Croatia and Serbia.

CORPORATE BUSINESS

The second main business line, which also contributes significantly to our earnings, is business with small and medium-sized enterprises, regional and multinational groups and real estate companies. Our goal is to enhance relationships with our clients beyond pure lending business. Specifically, our goal is for SMEs and large corporate customers to choose Erste Group as their principal bank and also route their payment transfers through our banking entities and, in fact, regard Erste Group as their first point of contact for any kind of banking service.

Catering to their different requirements, we serve small and medium-sized enterprises locally in branches or separate commercial centres, while multinational groups are serviced by the Group Corporates units. This approach permits us to combine industry-specific and product expertise with an understanding of regional needs and the experience of our local customer relationship managers. In view of regulatory interventions, advising and supporting corporate customers in capital market transactions is becoming increasingly important.

CAPITAL MARKETS BUSINESS

Client-driven capital markets activities are also part of the comprehensive portfolio of products and services that we offer to our retail and corporate customers. The strategic significance of our centrally governed and locally rooted capital markets operations consists in supporting all other business areas in their dealings with the capital markets and, hence, in providing our customers with professional access to the financial markets. We, therefore, view our capital markets business as a link between financial markets and our customers. As a key capital markets player in the region, we also perform important functions such as market making, capital market research and product structuring.

Capital markets business serves the needs of our retail and corporate customers as well as those of government entities and financial institutions. Due to our strong network in the eastern part of the European Union, we have a thorough understanding of local markets and customer needs. In our capital markets business, too, we concentrate on core markets of retail, SME and large corporate business: Austria, the Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia. For institutional customers, specialised teams have been established in Germany and Poland as well as in Hong Kong and New York that offer these customers a tailor-made range of products.

In many countries where we operate, the local capital markets are not yet as highly developed as in Western Europe or the United States of America. That means our banking subsidiaries are pioneers in some of these markets. Therefore, building more efficient capital markets in the region is another strategic objective of our capital markets activities.

PUBLIC SECTOR BUSINESS

Solid deposit business is one of the key pillars of our business model. Customer deposits surpass lending volume in most of our geographic markets. Our banking entities make a significant part of this liquidity available as financing to the region's public sector entities. In this way, we facilitate essential public sector investment. Our public sector customers are primarily municipalities, regional entities and sovereigns that we additionally support and advise in capital market issuance, infrastructure financing and project financing. Furthermore, we cooperate with supranational institutions. In terms of sovereign bond investments, we focus on Central and Eastern Europe equally.

Adequate transport and energy infrastructure and municipal services are absolutely key prerequisites for sustainable economic growth in the long term. Therefore, we view infrastructure finance and all associated financial services to be of extreme importance.

INTERBANK BUSINESS

Interbank business is an integral part of our business model that performs the strategic function of ensuring that the liquidity needs of our customer business are met. In particular, this involves short-term borrowing and lending of liquid funds in the interbank market.

CORE MARKETS IN THE EASTERN PART OF THE EUROPEAN UNION

When Erste Group went public as an Austrian savings bank with no meaningful foreign presence in 1997, it defined its target region as consisting of Austria and the part of Central and Eastern Europe that had realistic prospects of joining the European Union. The aim was to benefit from the attractive growth prospects in these countries. Against the backdrop of emerging European integration and limited potential for growth in Austria, Erste Group acquired savings banks and financial institutions in countries adjacent to Austria from the late 1990s onwards. This part of Europe offered, and still offers, the best structural, and therefore long-term, growth prospects.

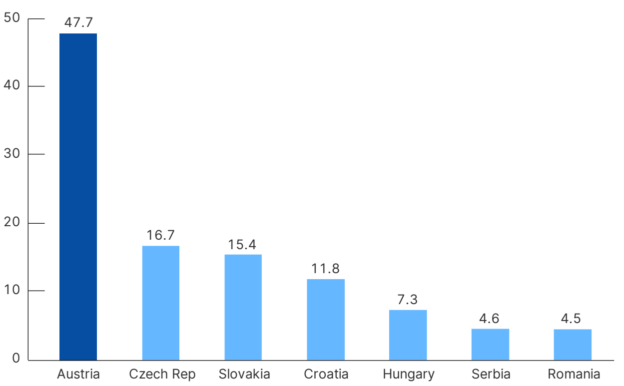
Today, we have an extensive presence in the following core markets: Austria, the Czech Republic, Slovakia, Romania, Hungary and Croatia – all of which are members of the European Union. Following significant investments in our subsidiaries, we hold considerable market positions in these countries. In Serbia, which has been granted European Union candidate status, we maintain a minor market presence, but one that may be expanded through acquisitions or organic growth as the country makes progress towards European Union integration. In addition to our core markets, we also hold direct and indirect majority and minority banking participations in Slovenia, Montenegro, Bosnia and Herzegovina and North Macedonia.

LONG-TERM GROWTH TRENDS IN CENTRAL AND EASTERN EUROPE

The economic catch-up process across the countries of Central and Eastern Europe and the underlying convergence trend continue. This is due, on the one hand, to the fact that the region has to make up for almost half a century of the shortfalls of the socialistic planned economy and, on the other hand, to the fact that banking activities were largely non-existent during that time. With the exception of deposit-taking, modern banking services were largely unknown in these countries after the fall of communism. On the lending side, this was due to high nominal and real interest rates and also to disposable incomes that did not support household credit growth. In addition, a healthy competitive environment was lacking due to extensive state ownership. All this has changed.

Most formerly state-owned banks have been sold to strategic investors that have fostered product innovation and competition. Economic growth, which temporarily declined substantially in some countries in CEE following the economic and financial crisis, recovered again. Despite such economic slowdowns and potential temporary negative impacts on the banking markets in Central and Eastern Europe, these factors will remain the driving force behind future development. Disposable income has risen strongly on the back of growing gross domestic product. In addition, most countries of Central and Eastern Europe have human resources that are at least equivalent to those of Western European countries but do not need to struggle with the unaffordable costs of the Western welfare states in the long term and have labour markets that are considerably more flexible. These advantages are complemented by – on average – highly competitive export industries that benefit from wage costs that are low relative to workforce productivity and from investor-friendly tax and welfare systems.

Customer loans/capita in CEE (2024) in EUR thousand



Source: Local central banks, Erste Group

A comparison of per capita private debt levels in Central and Eastern Europe with those of advanced economies reveals that even today, an enormous gap exists between these markets. Countries such as the Czech Republic and Slovakia, but also Croatia and Hungary, are many years away from reaching Austrian or Western European levels of loans per capita; also in relative terms, these countries differ substantially regarding debt levels common in the West. The contrast to Serbia or Romania is even more pronounced – private debt levels, particularly household debt, are substantially lower than in the advanced economies. We firmly believe that credit expansion accompanied by economic growth in this region will prove to be a lasting trend rather than a short-term process that has already peaked.

Over the coming 15 to 20 years, on average, the countries of the eastern part of the European Union are therefore expected to experience higher growth rates than the countries of Western Europe, even though periods of expansion may alternate with times of economic stagnation or even setbacks on this long-term path of sustainable growth.

BUILDING ON A STRONG BRAND

Just over 200 years ago, our founding fathers wrote: "No age, gender, social class, or nationality shall be excluded from the benefits that a savings bank offers every depositor." With this founding principle – which was revolutionary at the time – Erste oesterreichische Spar-Casse contributed substantially to the dissemination of prosperity for all segments of the population across our region.

Erste Group was founded to give everyone access to financial services and has developed into an institution that has an impact on the prosperity and, therefore, the future of a region. Today, we are one of the largest banking groups and employers in Central and Eastern Europe. The trust that we and our local banks have enjoyed stems from the fact that we have truly been putting the founding principle into practice.

A brand is a consistent promise. It is more than a logo – it is about the perception that people have when they think about or hear of an organisation, its products and its services. Brands have an important identification and differentiation function, which in turn determines whether a customer chooses one brand over another. Ultimately, companies with strong brands benefit from emotional relationships with their customers. Only a few businesses were founded with the aspiration of achieving more than just making profit. We are one of these and have been benefitting from a high degree of brand awareness and trustworthiness.

Over the last years, we have transformed our brand communication from being category- and product-driven to having a purpose-driven approach. To this end, we have established a Statement of Purpose as the main group-wide pillar of our brand communication: "Our region needs people who believe in themselves and a bank that believes in them."

More than 200 years ago, a success story started that continues until the present day. The savings banks were founded on this basis of personal trust and the belief in ideas, plans for the future and people's capabilities and potential. Whether it is in an individual's personal life, in a business start-up or a long-established enterprise, in business or in society at large – trust and confidence in the future, believing in oneself and others, the belief in ideas and entrepreneurship are the key prerequisites for personal growth and social well-being.

Therefore, it is not products and services that mark the beginning of the relationship between us and our customers but ideas, goals, needs, dreams and plans. It all starts with people who believe in their ability to attain prosperity and shape the future. The future is created by people who believe in themselves and their ideas – their visions of the future.

"Our region needs people who believe in themselves. And a bank that believes in them" is the key sentence that stands for the approach to which we have been firmly committed for more than 200 years. #believeinyourself is more than a lead narrative. It encourages people to pursue their aspirations, to create something, and embodies our promise to assist them along the way to financial health.

INNOVATION AND DIGITALISATION

Digitalisation and innovative technologies have fundamentally transformed the banking sector, with change unfolding at an ever faster pace. Digital technologies are reshaping not only IT infrastructure and internal processes but also consumers' expectations. At the same time, banks are confronted with new regulatory requirements. Topics such as cyber security and the protection of personal data are of extreme importance to Erste Group.

We are convinced that the digital banking experience will continue to gain in importance and will be essential for sustainable economic success in the long term. We are therefore committed to digital innovation with the goal of making financial literacy and suitable financial products accessible to all of our customers while offering ways to sustainably strengthen their personal financial health.

Our hybrid business model integrates various sales and communication channels. Customers decide on how, when and where they do their banking business. Contact centers serve as interfaces between digital banking and traditional branch business. By providing advice and making sales, their activities go far beyond that of a traditional help desk function.

At the centre of our digital strategy is the digital platform George, which has been rolled out gradually in Erste Group's core markets since 2015. It is designed to provide customers with user-friendly and easy access to personalised products of Erste Group, i.e. products that are tailored to meet their specific needs. Application programming interfaces (APIs) support a wide range of co-operation arrangements with fintechs, start-ups and even across industries and can, therefore, help to open up new markets and attract new customers. George is available to retail customers in Austria, the Czech Republic, Slovakia, Romania, Croatia and Hungary. It will be rolled out in Serbia in 2026. At present, George is being actively used by more than ten million customers. The portfolio of digitally available products and services is being constantly expanded. Customers can activate applications via plug-ins and use them to manage their finances.

George Business was developed to provide modern digital banking to our corporate customers as well. It was implemented in Austria in 2022 and in Romania in 2023. In the Czech Republic, the roll-out will be completed in 2025. Our aim is to offer all customer segments across the group an outstanding digital user experience on a single platform.

Intra-group, interdisciplinary teams are developing innovative solutions and new, AI-supported interaction options in George. These currently include an updated ecosystem for securities trading as well as George Junior, a digital offering for children and their parents designed as a financial solution that is attractive for the entire family. George Junior already forms part of our digital product portfolio in Romania, the Czech Republic and Slovakia. With George Open, we, for the first time, offer non-customers an opportunity to get to know our digital products, services and the George user experience, which allows them to become a customer whenever they wish.

It is our unequivocal ambition to be the key contact for our customers at any time. This means that we must also continue to focus on the prerequisites in order to meet this requirement. Digital innovation and artificial intelligence, as well as deep customer data analysis, are the keys to success. Our holistic approach combines two core elements:

- We strive to provide everyone with access to financial expertise and financial advice and, by deploying modern technologies such as artificial intelligence and data-based models, offer our customers recommendations that are tailored to their specific needs at any time (buzzword: digital advisory).
- Digitalisation of all relevant banking processes is a factor that is essential to our success. Interactions relating to customers are being transformed, from customer onboarding to the optimisation of internal administrative processes with a focus on agile and efficient end-to-end solutions. We want to provide our customers with even faster and more intuitive access to our services. At the same time, employees should gain time for providing our customers with high-quality advice.

FOCUS ON SUSTAINABILITY AND PROFITABILITY

Acting responsibly and earning a premium on the cost of capital is a key prerequisite for the long-term survival of any company and the creation of value for customers, investors and employees. Only a bank that operates in a sustainable manner – balancing the social, ecological and economic consequences of its business activities – and profitably can achieve the following: provide customers with products and services that support them in achieving their financial ambitions; deliver the foundation for share price appreciation as well as dividend and coupon payments to investors; create a stable and rewarding work environment for employees and be a reliable contributor of tax revenues to society at large.

The management board adopted a Statement of Purpose to reaffirm and state in more detail the purpose of Erste Group to promote and secure prosperity across the region. Building on this Statement of Purpose, a Code of Conduct defines binding rules of day-to-day business for employees and members of both the management and supervisory boards. At the same time, the Code of Conduct underlines that in pursuing our business activities, we value responsibility, respect and sustainability. The Code of Conduct is an important tool for preserving the reputation of Erste Group and strengthening stakeholder confidence. Sustainability in this context means operating our core business both in a socially and environmentally responsible manner and economically successfully.

Through a combination of stable revenues, low loan loss provisions and cost efficiency, profits can be achieved on a long-term basis. This is helped by a strong retail-based funding profile. When growth opportunities are elusive, as they will be from time to time, or the market environment is less favourable as a result of factors including high taxation, increased regulation or low interest rates, there will be a stronger focus on efficiency measures. When the operating environment improves, more time will be devoted to capturing growth in a responsible way. Irrespective of the environment, we should benefit materially from operating in the region of Europe that offers the best structural growth opportunities for some time to come.

Our ESG Strategy

Since Erste Group was founded, the idea of sustainability has been an integral part of our business activities. Today, the green transition and social inclusion are the pillars of our ESG strategy.

For us, the green transition means providing financial resources to limit climate change and global warming. Our goal is to bring the carbon footprint of our portfolio to a net-zero status by 2050. We specify our efforts and, thus, their implementation with specific, science-based goals for each defined sector. The net-zero status of banking operations should be achieved by 2030.

For us, social inclusion means more than providing financial services; it also includes financial literacy, social banking, affordable housing and gender equality. We are convinced that a good socio-economic environment forms the basis for solid banking business and has a positive impact on our economic development.

The strategic pillars of the green transition and social inclusion are supported by best-in-class governance. Our ESG strategy is anchored in the governing bodies, the Management Board and the Supervisory Board. This ensures that our ESG strategy is established at all levels of the Group and comprehensively integrated into the business processes.

STRATEGIC OBJECTIVES

Our comprehensive and forward-looking strategy aims to secure our position as a leading financial institution in the eastern part of the EU while addressing the challenges of rapidly changing market dynamics. It addresses significant global developments, including economic shifts, demographic changes, technological advancements, geopolitical fragmentation, and climate change, to ensure sustainable growth and resilience even in the event of a different future.

As part of our strategy, we focus on five overarching objectives, designed to drive sustainable growth, improve customer experience and strengthen operational excellence. These objectives emphasise the need for transformation, innovation, and efficiency while integrating principles of sustainability to ensure the bank remains competitive and relevant in a rapidly changing financial landscape.

Strengthening a distinctive brand identity

At the heart of Erste Group's strategic goals is the creation of a unique and highly recognisable brand identity that resonates across its markets. We seek to differentiate ourselves from competitors in a financial sector that is increasingly becoming commoditised. This involves positioning Erste Group as more than just a bank, focusing instead on being a trusted partner that understands and meets the needs of its customers at every stage of their financial journey.

To achieve this, we are committed to developing innovative and tailored products and services that cater to the specific demands of regional markets and address the needs and interests of our customers at an individual level. This customer-first approach is not only designed to foster loyalty but also to build long-term relationships by providing value that extends beyond conventional banking. Our strong branding initiatives will also reinforce our reputation as a forward-thinking and customer-focused financial institution.

Providing access to financial expertise and financial advice to everyone

We proactively empower every customer to improve their financial health. Modern technologies, particularly artificial intelligence (AI), are at the core of our strategic objective to provide everyone with access to financial advice. The application of AI and data-driven solutions enables us to make high-quality financial expertise accessible to a much broader customer base. This is a significant shift from traditional banking models, where personalised financial advice was often limited to high-income clients.

Our use of technology enables customised insights and recommendations tailored to individual financial needs. Whether customers are seeking advice on investments, savings or retirement planning, this approach ensures they receive relevant information and product offers in an easy-to-understand format to improve their financial health. Importantly, these technological advancements will complement but not replace human interaction, ensuring that customers can still access personal support when needed.

Through these efforts, we aim to bridge the gap between technology and personal service, creating a seamless, hybrid advisory model. We are convinced that this will enhance customer experience. We are committed to integrate sustainability and ESG principles and to improve financial literacy across our markets as a means of fostering informed decision-making on the part of our clients.

Driving efficiency through digitisation

A critical element of our transformation is our commitment to comprehensive digitisation. We plan to digitise all key processes across our operations, from customer-facing interactions to internal workflows, creating a more efficient and agile organisation. This focus on end-to-end digital solutions will not only enhance the speed and convenience of banking for customers but also deliver significant cost savings and reduce operational risk through less manual processes and improved operational efficiency.

Digitisation efforts range from streamlining customer journeys, enabling seamless interactions through platforms such as our flagship digital banking platform, George, to digitising internal functions. This ensures that customers can manage their banking needs independently while enjoying a premium, user-friendly digital experience. By making banking faster, more intuitive, and more accessible, we can free up resources. Our employees can dedicate more time to high-value activities and interaction with customers.

Innovative financial health propositions

We are committed to developing innovative financial products and services that address the evolving needs of our customers. This includes broadening our product offering in areas such as wealth management, insurance and retirement plans designed to improve customers' financial health and resilience. By aligning our product portfolio with the priorities of our customers, we ensure that we remain relevant in an increasingly competitive market.

We assist our corporate customers with ESG topics by facilitating their green transition. To align the retail business with the ESG strategy, we will offer products and services that promote decarbonisation, aiming to enhance both financial health and environmental sustainability. These products are aimed at not only providing financial security but also empowering customers to achieve their long-term goals.

By delivering value-driven and innovative solutions, we position ourselves as a partner that genuinely cares about the prosperity of our clients.

Expanding trough organic and inorganic growth

Recognising the growth potential within the CEE region, we are actively pursuing opportunities for both organic expansion and strategic acquisitions. By strengthening our presence in existing markets and entering new ones, we aim to consolidate our position as a leading player in the region. Strategic mergers and acquisitions will allow us to scale our operations, tap into new customer bases, and achieve greater synergies across our network.

Our growth ambitions are supported by our robust financial foundation, which provides the necessary resources to seize opportunities as they arise.

Business overview

PERFORMANCE ANALYSIS

P&L 2024 compared with 2023; balance sheet as of 31 December 2024 compared with 31 December 2023

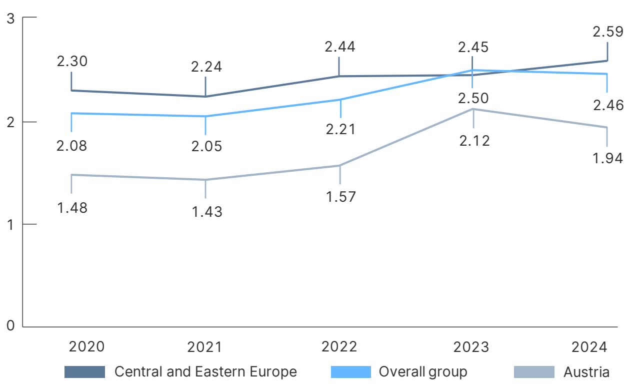
Profit and loss statement

in EUR million	2023	2024	Change
Net interest income	7,228	7,528	4.2%
Net fee and commission income	2,640	2,938	11.3%
Net trading result and gains/losses from financial instruments at FVPL	449	437	-2.5%
Operating income	10,552	11,178	5.9%
Operating expenses	-5,020	-5,279	5.2%
Operating result	**5,532**	**5,900**	**6.6%**
Impairment result from financial instruments	-128	-397	>100.0%
Other operating result	-468	-414	-11.5%
Levies on banking activities	-183	-245	33.3%
Pre-tax result from continuing operations	**4,795**	**4,997**	**4.2%**
Taxes on income	-874	-1,053	20.4%
Net result for the period	**3,921**	**3,945**	**0.6%**
Net result attributable to non-controlling interests	923	819	-11.2%
Net result attributable to owners of the parent	**2,998**	**3,125**	**4.3%**

Net interest income

Net interest income rose in the CEE core markets, most notably in the Czech Republic, Romania and Hungary. This was mainly due to higher loan volumes and higher interest income from debt securities. These effects were partly compensated by lower interest income from cash balances at central banks and higher interest expenses on debt securities in issue.

Net interest margin in %

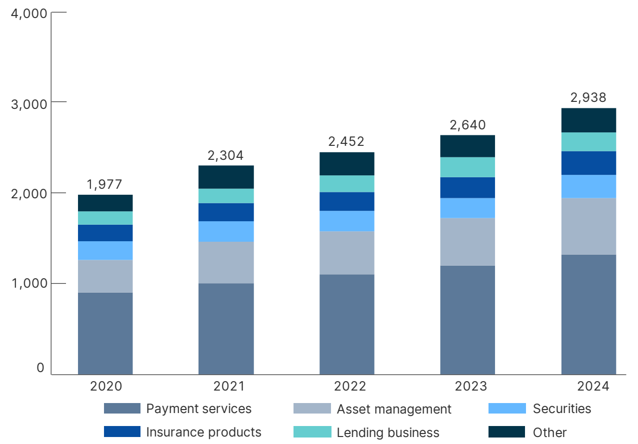


The net interest margin (calculated as the annualised sum of net interest income, dividend income and net result from equity method investments over average interest-bearing assets) remained nearly stable at 2.46% (2.50%).

Net fee and commission income

Growth was achieved across all core markets and nearly all income categories. Significant rises were recorded in payment services, driven by a larger number of transactions and repricing, as well as in asset management. The development of insurance brokerage was likewise positive.

Net fee and commission income, structure and trend in EUR million



Net trading result & gains/losses from financial instruments measured at fair value through profit or loss

Net trading result, as well as the line item gains/losses from financial instruments measured at fair value through profit or loss, are materially affected by the fair value measurement of debt securities issued. The related valuation is shown in the fair value result, the valuation of corresponding hedges in the net trading result.

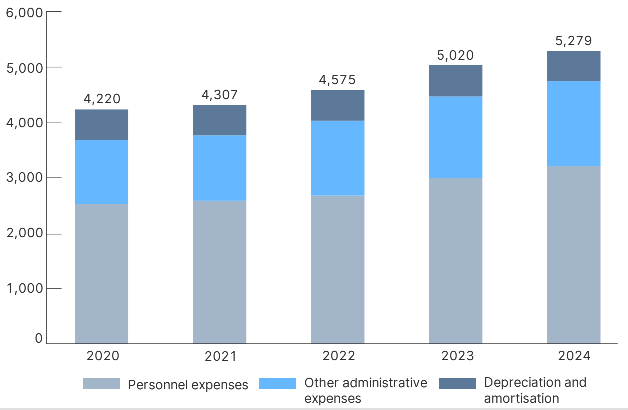
Net trading result deteriorated to EUR 519 million (EUR 754 million) due to valuation effects resulting from interest rate developments in the securities and derivatives business. Gains/losses from financial instruments measured at fair value through profit or loss trended in the opposite direction and improved to EUR -82 million (EUR -306 million), primarily due to a decline in losses from the valuation of debt securities in issue at fair value.

General administrative expenses

in EUR million	2023	2024	Change
Personnel expenses	2,991	3,202	7.1%
Other administrative expenses	1,468	1,529	4.1%
Depreciation and amortisation	560	547	-2.2%
General administrative expenses	**5,020**	**5,279**	**5.2%**

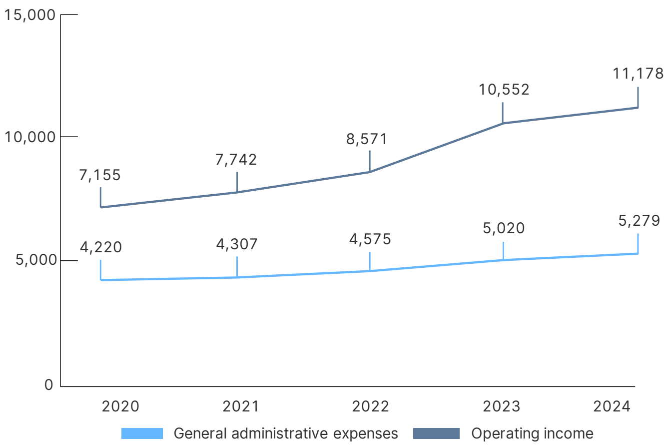
Personnel expenses were up in nearly all core markets – most significantly in Austria – driven mostly by collective salary agreements. The rise in other administrative expenses was primarily attributable to higher IT, marketing and consulting expenses. Contributions to deposit insurance schemes declined to EUR 72 million (EUR 114 million). In Austria, contributions fell to EUR 33 million (EUR 68 million), in the Czech Republic to EUR 16 million (EUR 20 million).

General administrative expenses, structure and trend, in EUR million



The cost/income ratio improved to 47.2% (47.6%).

Operating income and operating expenses in EUR million



Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss

Losses from this position amounted to EUR 91 million (EUR 141 million). This includes most notably negative results from the sale of securities in the Czech Republic and in Austria.

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -397 Mio (EUR -128 million). Net allocations to provisions for loans and advances increased – most notably in Austria – to EUR 394 million (EUR 264 million). Positive contributions came from income from the recovery of loans already written off, primarily in Austria, in the amount of EUR 72 million (EUR 80 million). Allocations to provisions for loan commitments and financial guarantees amounted to EUR 54 million (net releases of EUR 70 million).

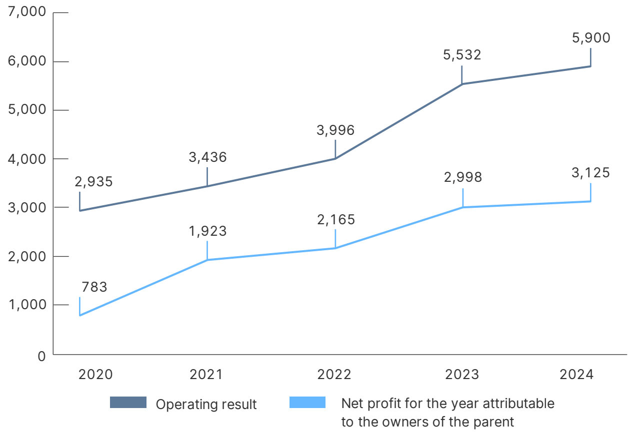
Other operating result

Other operating result is significantly affected by contributions to resolution funds and taxes and levies on banking activities. Contributions to resolution funds declined in all markets to EUR 28 million (EUR 113 million). The sharp decline is mainly due to the discontinuation of annual regular contributions from credit institutions in the euro zone in 2024. Taxes and levies on banking activities included in this line item rose to EUR 245 million (EUR 183 million). Thereof, EUR 40 million (EUR 46 million) were payable by Austrian entities. In Hungary, banking levies rose to a total of EUR 168 million (EUR 137 million): in addition to the regular Hungarian banking tax of EUR 22 million (EUR 17 million), a windfall tax based on the previous year's net revenues was posted in the amount of EUR 52 million (EUR 48 million). The financial transaction tax amounted to EUR 91 million (EUR 71 million). In Romania, the newly introduced banking tax amounted to EUR 37 million. The Austrian entities posted allocations of EUR 102 million to a provision relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act. This exemption might be classified by the European Court of Justice or the EU Commission as incompatible with EU law and may have to be refunded. The balance of allocations/releases of other provisions amounted to EUR 23 million (EUR -23 million).

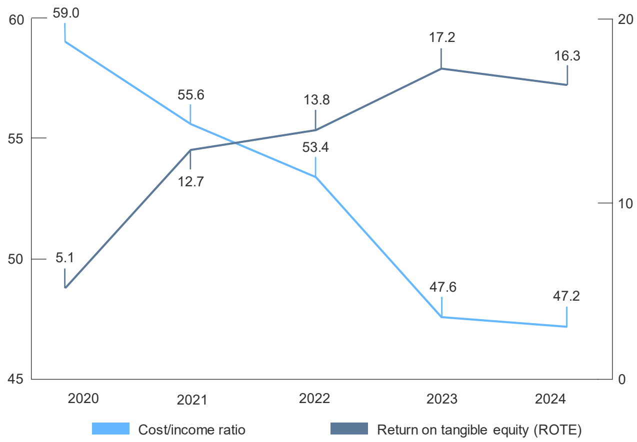
Net result

Taxes on income amounted to EUR 1,053 million (EUR 874 million). The decline in the minority charge to EUR 819 million (EUR 923 million) was attributable to lower profitability at the savings banks. The net result attributable to owners of the parent rose to EUR 3,125 million (EUR 2,998 million) on the back of the strong operating result.

Operating result and net profit/loss for the year attributable to owners of the parent in EUR million



Key profitability ratios in %



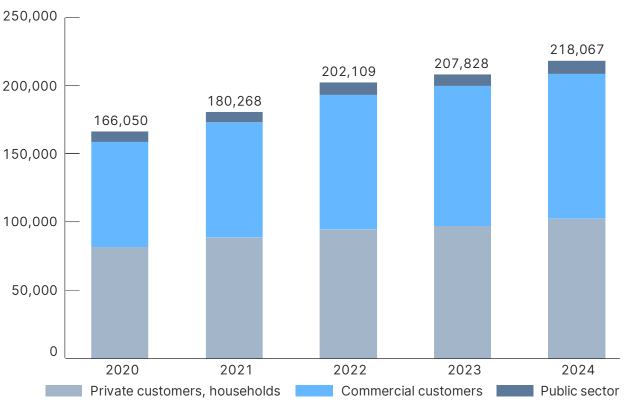
Balance sheet

in EUR million	Dec 23	Dec 24	Change
Assets			
Cash and cash balances	36,685	25,129	-31.5%
Trading, financial assets	63,690	75,781	19.0%
Loans and advances to banks	21,432	26,972	25.8%
Loans and advances to customers	207,828	218,067	4.9%
Intangible assets	1,313	1,382	5.2%
Miscellaneous assets	6,206	6,405	3.2%
Total assets	**337,155**	**353,736**	**4.9%**
Liabilities and equity			
Financial liabilities held for trading	2,304	1,821	-20.9%
Deposits from banks	22,911	21,261	-7.2%
Deposits from customers	232,815	241,651	3.8%
Debt securities issued	43,759	51,889	18.6%
Miscellaneous liabilities	6,864	6,346	-7.5%
Total equity	28,502	30,767	7.9%
Total liabilities and equity	**337,155**	**353,736**	**4.9%**

The decline in cash and cash balances to EUR 25.1 billion (EUR 36.7 billion) was primarily due to a decrease in cash balances at central banks. Trading and investment securities held in various categories of financial assets, primarily debt securities of governments, increased to EUR 75.8 billion (EUR 63.7 billion).

Loans and advances to credit institutions (net), including demand deposits other than overnight deposits, increased – primarily due to repo business volumes in the Czech Republic – to EUR 27.0 billion (EUR 21.4 billion). Loans and advances to customers (net) increased to EUR 218.1 billion (EUR 207.8 billion), most notably in Austria, the Czech Republic and Romania. Growth was recorded in both retail and corporate business.

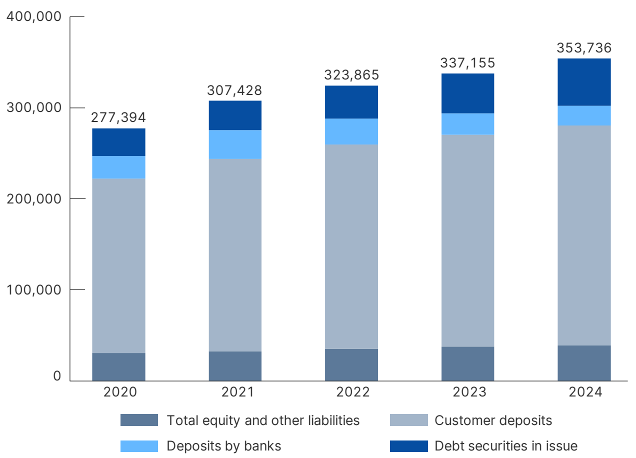
Loans and advances to customers, structure and trend, in EUR million



Loan loss allowances for loans to customers were unchanged at EUR 4.1 billion (EUR 4.1 billion). The NPL ratio – non-performing loans as a percentage of gross customer loans – deteriorated slightly to 2.6% (2.3%), and the NPL coverage ratio (based on gross customer loans) slipped to 72.5% (85.1%).

Financial liabilities – held for trading amounted to EUR 1.8 billion (EUR 2.3 billion). Deposits from banks declined to EUR 21.3 billion (EUR 22.9 billion); deposits from customers increased to EUR 241.7 billion (EUR 232.8 billion) due to growth in term and savings deposits of retail and corporate customers. The loan-to-deposit ratio stood at 90.2% (89.3%). Debt securities in issue rose to EUR 51.9 billion (EUR 43.8 billion) on increased issuance activity.

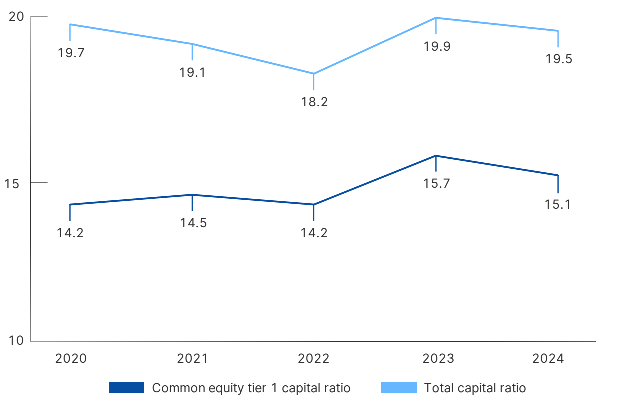
Balance sheet structure/liabilities and total equity in EUR million



Total assets rose to EUR 353.7 billion (EUR 337.2 billion). Total equity increased to EUR 30.8 billion (EUR 28.5 billion). This includes AT1 instruments in the amount of EUR 2.7 billion.

After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR) common equity tier 1 capital (CET1, CRR final) rose to EUR 24.0 billion (EUR 22.9 billion) as were total own funds (CRR final) to EUR 30.9 billion (EUR 29.1 billion). Total risk – risk-weighted assets including credit, market and operational risk (CRR final) – increased to EUR 159.1 billion (EUR 146.5 billion).

Total capital ratio and common equity tier 1 capital ratio in %



The total capital ratio, total eligible qualifying capital in relation to total risk (CRR final), stood at 19.5% (19.9%), well above the legal minimum requirement. The tier 1 ratio was 16.8% (17.3%), the common equity tier 1 ratio 15.1% (15.7%) (both ratios CRR final).

OUTLOOK

Erste Group's goal for 2025 is to achieve a return on tangible equity (ROTE) of about 15%. This ambition is built on the following key assumptions: Firstly, the macroeconomic environment, primarily as measured by real GDP growth, in Erste Group's seven core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia) remains robust and on average, improves moderately versus 2024. Consequently, Erste Group expects robust loan growth of about 5% in 2025, supported by growth in the retail as well as the corporate business. Secondly, operating performance as defined by operating result to stay broadly stable versus 2024, as net interest income is projected to remain flat year-on-year, fee and commission income continues to grow by about 5%, net trading and fair result produces a similar revenue contribution as in 2024, and operating expenses grow on the order of 5%. Consequently, the cost/income ratio is expected to be below 50%. Thirdly, risk costs increase only slightly to about 25 basis points of average customer loans from levels seen in 2024, as the asset quality environment remains strong across Central and Eastern Europe while only deteriorating moderately in Austria. In addition, regulatory costs, comprising deposit insurance and resolution fund contributions, banking levies such as banking and financial transaction taxes, as well as sector-specific extra profit taxes, and the cost of supervision, in aggregate, are expected to increase due to an announced increased banking tax in Austria.

While a forecast for the other operating result, which is primarily impacted by regulatory costs excluding deposit insurance contributions as well as extra profit tax in Slovakia, and various categories of gains and losses from financial instruments not measured at fair value is challenging, this combined item is likely to stay flat versus 2024 in the absence of significant one-off effects. Assuming an effective group tax rate of about 21% and lower minority charges compared to 2024, all of the above should result in a return on tangible equity of about 15% in 2025.

In line with the projected strong profit performance, the CET1 ratio is expected to increase in 2025, providing enhanced capital return and/or M&A flexibility. The adjusted net profit of 2024 (net profit after deduction of AT1-dividends) allows Erste Group to target a regular dividend equalling 41.2% of adjusted net profit as well as the execution of a third share buyback in the amount of 23.7% of adjusted net profit, subject to regulatory approval.

Potential risks to the guidance include (geo)political and economic (including monetary and fiscal policy impacts) developments, regulatory measures as well as changes to the competitive environment. International (military) conflicts, such as the war in Ukraine and in the Middle East, do not impact Erste Group directly, as it has no operating presence in the regions involved. Indirect effects, such as financial markets volatility, sanctions-related knock-on effects, supply chain disruptions or the emergence of deposit insurance or resolution cases cannot be ruled out, though. Erste Group is moreover exposed to non-financial and legal risks that may materialise regardless of the economic environment. Worse-than-expected economic development may put goodwill at risk.

Development in the core markets

This chapter provides an overview of the developments in our seven core markets (by segments). In addition to economic reviews, we provide updates on the banking markets. Interviews with the CEOs of our local banks and board members of the Holding provide further insights into the respective business environment.

The descriptions of the core markets are supplemented by financial and credit reviews. For more details, please see Note 1 Segment Reporting. Additional information is available in Excel format at https://www.erstegroup.com/en/investors/reports/financial-reports.

Operating income consists of net interest income, net fee and commission income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, dividend income, net result from equity method investments and rental income from investment properties & other operating leases. The latter three listed items are not shown in the tables below. Net trading result and gains/losses from financial instruments measured at fair value through profit or loss are summarised under one position. Operating expenses correspond to the position general administrative expenses. Operating result is the net amount of operating income and operating expenses. Risk provisions for loans and receivables are included in the position impairment result from financial instruments. Other result summarises the positions other operating result and gains/losses from financial instruments not measured at fair value through profit or loss, net. The cost/income ratio is calculated as operating expenses in relation to operating income. The return on allocated capital is defined as the net result after tax/before minorities in relation to the average allocated capital.

Austria

Economic review

Austria's well-diversified, open and developed economy performed weaker than expected in 2024. After the recessionary environment in 2023 Austria's economy continued to decline moderately. With the exception of public consumption, all components of GDP shrank moderately in 2024. Despite increasing real wages, private consumption remained subdued. High interest rates and still elevated energy costs continued to weigh on investments, especially in the construction and industry sectors. Industry was additionally negatively impacted by weak export demand, especially from Germany. On the positive side, the service sector continued to prove its resilience to the recessionary environment. Tourism boomed with the summer season's overnight stays at a record level. The agricultural sector, although not a major contributor to GDP, also performed well. Austria's labour market remained strong with an unemployment rate of 5.2%. Overall, the Austrian economy shrank by 0.7% in 2024, while GDP per capita amounted to EUR 53,600.

Austria's general government deficit increased from 2.7% of GDP to 3.9%. The rising deficit was mainly due to higher expenses for public salaries, pensions and social benefits such as childcare and health. Increased family allowances and tax benefits also weighed on the deficit. Unemployment benefit payments, on the other hand, remained relatively moderate due to the strong labour market. Public debt as a percentage of GDP increased slightly to 79.7%.

In 2024, inflation decreased further. Average inflation amounted to 2.9%, still above the EU average of 2.4%. Service prices, especially in the hospitality industry, remained the main driver of inflation. Energy prices, on the other hand, declined sharply, although from very high levels of the previous year. Core inflation, excluding food and energy prices, moderated to 3.9%. Austria's monetary policy is set by the ECB, which cut the key policy rate of the monetary union from 4.00% to 3.00% in four steps during the year.

All three major rating agencies affirmed Austria's high credit ratings in 2024. Fitch maintained Austria's long-term credit rating of AA+ with a stable outlook. In January 2025, though, Fitch revised its outlook to negative citing more complicated decision-making and higher fiscal risk due to political uncertainty. Standard & Poor's kept its long-term credit rating of AA+ but improved its outlook from stable to positive. Moody's left its credit rating unchanged at Aa1 with a stable outlook.

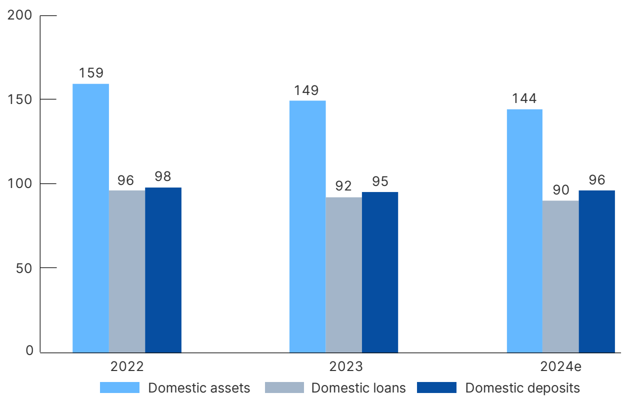
Key economic indicators – Austria	2021	2022	2023	2024e
Population (average, million)	9.0	9.1	9.1	9.2
GDP (nominal, EUR billion)	406.2	448.0	473.2	486.0
GDP/capita (in EUR thousand)	45.3	49.4	52.0	53.6
Real GDP growth	4.2	4.8	-1.0	-0.7
Private consumption growth	4.2	5.7	0.0	0.1
Exports (share of GDP)	43.4	47.0	47.7	46.1
Imports (share of GDP)	47.5	50.1	48.7	47.3
Unemployment (Eurostat definition)	6.2	4.8	5.1	5.2
Consumer price inflation (average)	2.8	8.6	7.7	2.9
Short term interest rate (3 months average)	-0.6	0.4	3.6	3.4
Current account balance (share of GDP)	1.6	-0.3	2.7	2.8
General government balance (share of GDP)	-5.8	-3.5	-2.7	-3.9

Source: Erste Group

Market review

The Austrian banking sector is highly competitive and developed. With total (domestic) assets of 143.8% of GDP, this metric is significantly higher than in Central and Eastern Europe. In 2024, the sector further strengthened its capitalisation levels and maintained a very solid funding base. Owing to the macroeconomic developments, Austria's banking market achieved only moderate lending and deposit volume growth. On the asset side, elevated interest rates, in particular in the first half of the year, and a relatively weak sentiment resulted in customer loan growth of only 0.7%. Despite the introduction of stamp duty exemption up to a property purchase amount of EUR 500,000, retail mortgage loan volume shrank by 0.9%. The share of lending at variable interest rates continued to decline. Corporate loans grew by 1.6% mainly driven by financing needs for inventories and working capital. Despite higher cost of living, customer deposits increased by 4.2%. Overall, the banking system's loan-to-deposit ratio decreased to 93.9% by year-end.

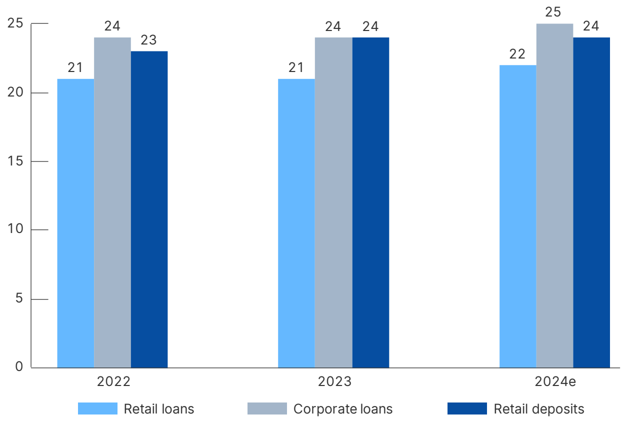
Financial intermediation – Austria (in % of GDP)



Source: National Bank of Austria, Erste Group

Stress test results, published annually by the Austrian National Bank, again confirmed the domestic banking sector's adequate risk-bearing capacity. Funding and liquidity profiles remained strong. The Austrian banking sector's liquidity ratios were high and comfortably above minimum requirements. Macro-prudential measures for residential real estate financing remained unchanged. These regulations, issued by the Austrian Financial Market Authority (FMA), include upper limits for loan-to-value ratios (90%), debt-service-to-income ratios (40%) and a maximum tenor of 35 years. These thresholds were applied to new mortgage lending to households exceeding EUR 50,000 and visibly impacted new business volumes. The Financial Stability Board (FMSG) decided in December 2024 not to extend these limits. They will remain in force until 1 July 2025. The FMA recommended to set a sectoral systemic risk buffer of 1% starting from mid-2025.

Market shares – Austria (in %)



Source: National Bank of Austria, Erste Group

Despite declining profitability, the Austrian banking sector posted one of its most profitable years in 2024. Operating income increased. Net interest income, which accounts for two-thirds of total income, benefitted from later than originally expected rate cuts by the ECB. Net fee and commission income was driven by payment and securities-related fees. Operating expenses rose on significant salary increases. Asset quality deteriorated slightly and the sector's NPL ratio rose further. Risk provisions increased. Austrian banks continued to pay banking tax. Overall, the Austrian banking sector's net profit declined compared to the previous year.

Despite the large number of banks, the Austrian sector remained highly concentrated, with the top three banking groups accounting for more than half of total assets. Erste Bank Oesterreich and the savings banks succeeded in further increasing their combined market shares to between 22% and 25% in both retail and corporate business, benefitting from their balanced business model. Erste Group's market share in the domestic asset management business stood at 25.8%. George, Erste Group's digital platform, continued to be very popular. The platform's product range was again widened, and the number of customers using George grew by almost 200,000. At year-end, George posted 2.7 million users, and the digital sales ratio stood at 43%.

ERSTE BANK OESTERREICH & SUBSIDIARIES

Business review

Interview with Gerda Holzinger-Burgstaller, CEO of Erste Bank Oesterreich

How did the competitive environment change?
In 2024, the market environment in Austria was again marked by challenging macroeconomic developments. The Austrian gross domestic product declined once again slightly while the number of business insolvencies was up substantially. The European Central Bank cut its policy rates in several steps to support the recovery of the economy and encourage investment by both private households and businesses. In Austria, this objective was not achieved fully: consumer spending remained subdued and lending to private households declined in the first half of 2024 while corporate lending was stagnating. The second half of the year saw some improvement as the financing volume of financing, in particular lending to businesses, rose slightly. Falling inflation coincided with a higher savings rate and, as a result, an increase in deposits. Price competition remained intense amid continued high banking density in Austria.

How did you manage to successfully differentiate your business activities from those of your competitors?
Our efforts were concentrated on ensuring easy access to advisory services, which we offer all our customers at a high level of quality and by making use of innovative technologies. In 2024, the nation-wide roll-out of the Financial Health Check, our personalised advisory tool, was again focused on the financial health of our customers. Working together with our customers, we develop solutions to shape their financial future. Having launched George FIT, we now offer our customers a digital service that shows them how to use their money more effectively.

We integrate insights from behavioural economics into our range of products and services with the aim of further enhancing customer satisfaction and reducing any obstacles to the use of our services that may still exist.

Looking back at the year, what major achievements or challenges were especially noteworthy?
We were particularly pleased to be named Best Bank and Best Digital Bank in Austria in Euromoney's 2024 Awards for Excellence. Distinctions like these recognise our focus on customers, our long-term strategy and, of course, the work done by our employees every day. With more than 120,000 newly acquired retail customers in the Erste Bank Oesterreich & Subsidiaries segment, we could again continue the growth-related success of previous years. For the first time, the number of retail customers in our portfolio reached an impressive level of 1.7 million. To be able to provide our customers with the best possible advice and support going forward, we are committed to the ongoing expansion and improvement of our products and services. In 2024, for example, we launched the Smart Savings functionality, enabling our retail customers to define and manage up to 10 savings goals at the same time, as well as the new Business Credit Card for corporate customers. A challenging event was clearly the catastrophic flooding in September 2024. To help those affected quickly and without red tape, Erste Bank provided an instant loan programme with a total volume of EUR 100 million.

How did the cooperation with the savings banks develop, and what were the major achievements in this area?
In 2024, the savings banks were – as was Erste Bank Oesterreich – able to steadily attract new customers. Their topic in the spotlight was securities. In the autumn of 2024, Erste Bank and the savings banks launched new securities accounts that are specially tailored to customer needs. They offer customised solutions for young people, heavy traders, online customers as well as for all those who occasionally need advice on investments in securities at a branch office. In placing the focus on securities, we have increased transparency and significantly simplified the cost structure. The measures implemented are designed to not only attract potential new customers but also to provide an attractive offer to existing customers. Initial feedback has been very positive. In another step, options for accessing data and trading securities in George were substantially expanded in the first quarter of 2025, which has taken the customer experience to an entirely new level.

Another key activity was the intense training of branch employees in using FIT+, the steadily evolving advisory tool. In 2024, almost one thousand employees received such training. With the support of this tool financial health advice was provided aiming at analysing and improving our customers' financial situation. Market research confirms that after the completion of a Financial Health Check session, a higher level of customer satisfaction was achieved, and customers were more willing to recommend the bank than after routine sessions, which is evidence of the positive impact of this approach.

Financial review

in EUR million	2023	2024	Change
Net interest income	1,200	1,102	-8.1%
Net fee and commission income	505	549	8.7%
Net trading result and gains/losses from financial instruments at FVPL	8	30	>100.0%
Operating income	1,778	1,762	-0.9%
Operating expenses	-747	-786	5.2%
Operating result	1,031	975	-5.4%
Cost/income ratio	42.0%	44.6%	
Impairment result from financial instruments	-53	-146	>100.0%
Other result	-68	-44	-35.6%
Net result attributable to owners of the parent	681	569	-16.5%
Return on allocated capital	32.6%	25.1%	

The Erste Bank Oesterreich & Subsidiaries (EBOe & Subsidiaries) segment comprises Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) and its main subsidiaries (e.g. s Bausparkasse, Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg).

Net interest income decreased due to the repricing of customer deposits and higher volumes of term deposits and savings accounts. This was only partially offset by asset side repricing resulting from higher average interest rates and higher customer loan volumes. Net fee and commission income rose mainly on the back of higher payment and securities fees. Net trading result and gains/losses from financial instruments at FVPL increased on valuation effects. Operating expenses went up due to higher personnel and IT expenses which were partially compensated by the lower contribution to the deposit insurance fund of EUR 12 million (EUR 27 million). Overall, operating result decreased, and the cost/income ratio worsened. Impairment result from financial instruments worsened due to rating downgrades and new defaults. Other result improved on the discontinuation of payments into the resolution fund in 2024 (EUR 16 million in 2023) as the target level was reached, a decrease of banking tax to EUR 7 million (EUR 16 million) due to a one-off payment in 2023, and a release of provisions for legal expenses, which was partially offset by the provision for the interbank VAT exemption. Overall, the net result attributable to owners of the parent decreased.

Credit risk

Credit risk exposure in the Erste Bank Oesterreich & Subsidiaries segment rose to EUR 54.6 billion (+3.9%), and customer loans increased to EUR 42.5 billion (+3.7%). This segment accounted for 19.1% (19.3%) of Erste Group's total loan portfolio. The share of retail private individual customers in total loan volume increased to 37.0% (36.5%), while the share of corporates, including self-employed individuals and small businesses, decreased to 57.2% (58.6%). Loans to professionals, other self-employed individuals and small businesses remained stable and were overall less significant than they are for Austrian savings banks. Lending to the public sector rose significantly to EUR 2.5 billion (+22.1%), while its share of the total portfolio increased only slightly to 1.1% (1.0%). Non-performing loans continued to rise and amounted to EUR 260.6 million; the NPL ratio stood at 2.3% (1.8%). The increase was mainly driven by corporate business. The NPL coverage ratio based on loan loss provisions decreased to 47.5% (55.6%).

SAVINGS BANKS

Financial review

in EUR million	2023	2024	Change
Net interest income	1,892	1,838	-2.8%
Net fee and commission income	656	721	9.8%
Net trading result and gains/losses from financial instruments at FVPL	64	39	-39.8%
Operating income	2,660	2,648	-0.4%
Operating expenses	-1,259	-1,332	5.8%
Operating result	1,401	1,316	-6.1%
Cost/income ratio	47.3%	50.3%	
Impairment result from financial instruments	-182	-248	36.4%
Other result	-39	-42	7.9%
Net result attributable to owners of the parent	122	102	-16.6%
Return on allocated capital	20.6%	15.1%	

The Savings Banks segment includes those savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector and in which Erste Group does not hold a majority stake but which are fully controlled according to IFRS 10. The fully or majority-owned savings banks Erste Bank Oesterreich, Tiroler Sparkasse, Salzburger Sparkasse, and Sparkasse Hainburg are not part of the Savings Banks segment.

Net interest income decreased due to the repricing of customer deposits and higher volumes of term deposits and savings accounts, only partially compensated by higher income from customer loans. Net fee and commission income increased on the back of higher payment and securities fees. The worsening in net trading result and gains/losses from financial instruments at FVPL was driven by valuation effects. Operating expenses increased due to higher personnel and IT expenses, partially compensated by a lower contribution to the deposit insurance fund of EUR 21 million (EUR 41 million). Consequently, operating result decreased, and the cost/income ratio worsened. Impairment result from financial instruments deteriorated mainly due to downgrades and higher defaults. The worsening of other result was driven mainly by the provision for interbank VAT exemption partially offset by the discontinuation of payments into the resolution fund in 2024 (EUR 12 million in 2023) – the target level was reached – as well as the release of provisions for commitments and pending legal cases and tax litigations. Banking tax increased slightly to EUR 7 million (EUR 5 million). Overall, the net result attributable to the owners of the parent decreased.

Credit risk

Credit risk exposure in the Savings Banks segment increased to EUR 81.5 billion (+1.9%), while loans to customers rose to EUR 60.0 billion (+1.8%). Its share in Erste Group's total loans to customers decreased to 27.0% (27.8%). Lending to private households registered below average growth, and its share in the Savings Banks' total customer loan portfolio slightly decreased to 37.2% (37.7%). Loans to professionals, other self-employed persons and small businesses decreased to EUR 6.4 billion (-2.3%) while other sectors grew or remained stable. Despite a continuing decline of its share to 10.6% (11.0%) of total loans, the share of this customer segment was still significantly larger than in Erste Group's subsidiaries in Central and Eastern Europe. This reflects the Savings Banks' predominantly local and regional operations as well as the different structure of the Austrian economy, with a higher percentage of small and medium-sized enterprises than in Central and Eastern Europe. The share of non-performing loans in total loan volume to customers in the Savings Banks rose to 3.6% (2.9%). Coverage of non-performing loans with loan loss provisions declined to 56.2% (64.8%).

OTHER AUSTRIA

Business review

Interview with Ingo Bleier, Chief Corporates and Markets Officer

How did the competitive environment change?
CEE markets were shaped by the trend of falling interest rates throughout 2024. The lowering of euro rates in the second half followed earlier decreases in the Czech Republic and Hungary. This development was accompanied by a reduction in inflation rates during the year.

However, despite lower rates and inflation, there was no immediate corresponding growth in investments across our markets. Demand for lending, driven by new investment projects, remained subdued throughout the year, which resulted in increased competition and pricing pressure among banks.

Capital markets, on the other hand, were quite active in 2024, driven by strong issuance across various customer segments and products, to a good extent still attributable to MREL-related issuance and refinancing requirements.

Thanks to our strong credit ratings, we benefited from very good institutional funding flows throughout the year.

How did you manage to successfully differentiate your business activities from those of your competitors?
We continued our long-term digitalisation strategy centered around the George brand, with the corporate banking platform ”George Business” now rolled out in Austria and Romania and with our first corporate customers on the platform in Czechia as well. The future direction of George Business will be shaped by a continuous development of the platform, incorporating new features based on customer feedback. Our strategy is to offer our business clients digital services for all daily banking needs in a very convenient, modern design. George Business also includes an online rating advisory tool informing our corporate clients about our rating view on them and offering improvement options.

A strategy review initiated by our new CEO reaffirmed the core strategic importance of our financial health proposition. We further enhanced our corresponding tool, named “Financial Health Zone”, by integrating predictive features and expanding the offer to our customers across our region. The overall positive customer feedback confirms the success of the journey we have embarked on.

Erste Group Corporates & Markets has solidified its leading regional and, meanwhile also strong global position in the capital markets origination business built on product expertise, delivery, and execution capabilities, as well as profound research.

Looking back at the year, what major achievements or challenges were especially noteworthy?
Global Capital recognised us in five categories: Best Syndicate Bank, Best Bank for Distribution, along with three individual awards for Best Syndicate Banker and two Rising Star trophies. For the fourth consecutive year, Erste Group has confirmed its position as the number 1 bookrunner for CEE FIG unsecured issuances and number 4 globally for Euro Covered Bonds. Our Capital Markets activities have been further enriched by a strategic partnership with the Baader Platform for equity research and sales activities, creating larger investor access for our own activities in that area.

In the corporate banking business, I am quite glad about the strong finish of the year where we caught up in loan growth and winning mandates from international corporates and public sector clients.

Furthermore, the structural growth of our fee income through an expansion of our transaction banking and hedging activities for clients is highly noteworthy. The increase in primary client relationships is core to our strategy and continues to work out well.

In respect of the so-called green transition, we have contributed significantly to our clients’ sustainable investment activities by providing more than EUR 5 billion in sustainable finance commitments and extensive advisory services in personal conversations by our front office bankers.

Finally, 2024 marked a new record in assets under management for our thriving asset management business as a result of organic and inorganic growth, with the total exceeding EUR 90 billion for the first time. We also closed our first private markets fund of fund and have prepared the ground to launch further products in mutual as well as private equity funds.

Financial review

in EUR million	2023	2024	Change
Net interest income	623	580	-6.9%
Net fee and commission income	321	356	10.6%
Net trading result and gains/losses from financial instruments at FVPL	16	21	32.5%
Operating income	1,021	1,017	-0.3%
Operating expenses	-394	-417	5.7%
Operating result	626	601	-4.1%
Cost/income ratio	38.6%	41.0%	
Impairment result from financial instruments	135	-3	n/a
Other result	17	-3	n/a
Net result attributable to owners of the parent	586	447	-23.7%
Return on allocated capital	23.0%	15.6%	

The Other Austria segment comprises the Corporates and Group Markets business of Erste Group Bank AG (Holding), Erste Group Immorent, Erste Asset Management and Intermarket Bank.

Net interest income decreased primarily due to a lower contribution of money market and interest rate derivatives business in Group Markets, and a non-recurring positive one-off income in the corporate portfolio of the Holding. Net fee and commission income improved mainly due to higher asset management fees, as well as higher securities fees in Group Markets and higher lending fees in the corporate business of the Holding. Net trading result and gains/losses from financial instruments at FVPL improved on valuation effects. Operating expenses increased on the back of higher personnel, IT and project-related costs. Consequently, operating result as well as the cost/income ratio deteriorated. The impairment result from financial instruments deteriorated mostly due to the non-recurrence of last year's significant release caused by rating upgrades and recoveries as well as muted NPL inflows. Other result deteriorated due to lower selling gains in Erste Group Immorent and the provision associated with the interbank VAT exemption, only partially compensated by the discontinuation of payments into the resolution fund in 2024 (EUR 8 million in 2023) and lower provisions for other commitments in the corporate portfolio of the Holding. Overall, the net result attributable to owners of the parent declined.

Credit risk

The credit risk exposure in the Other Austria segment, almost completely related to Holding and Erste Group Immorent business, rose substantially to EUR 65.9 billion (+14.3%). Its share in Erste Group's total credit risk exposure increased to 16.5% (15.8%). A large proportion of risk positions was related to securities and cash balances held with other banks. At EUR 23.7 billion, the share of loans to customers in Erste Group's total loan portfolio amounted to 10.7% (9.9%) and was significantly lower than its contribution to credit risk exposure. This increase in total loans to customers was driven primarily by large corporates business. The NPL ratio increased to 2.1% (1.7%). Coverage of non-performing loans with loan loss provisions significantly decreased to 32.3% (54.0%), primarily due to the release of overlay provisions for certain industries.

Czech Republic

Economic review

Economic performance in the Czech Republic remained subdued in 2024. Economic growth was mainly driven by household consumption due to declining inflation, higher real wages and improved household sentiment. Exports were negatively impacted by a deterioration in foreign demand, most pronounced in Germany, the country's key trading partner. The automotive sector remained the most important contributor to exports. The car industry employed 170,00 people and accounted for approximately 10% of the country's economy. Production of passenger vehicles increased by 3.9%. Inventories continued to decline after pronounced accumulation in the last couple of years. Investments benefited from inflows of European Union structural funds and Recovery and Resolution Facility funds and were an important contributor to growth. At 2.7%, the unemployment rate remained almost unchanged and was among the lowest in the European Union. Overall, real GDP increased by 1.0%, and GDP per capita amounted to EUR 29,200.

As a result of a major consolidation package as of January 2024, the country's budget deficit declined substantially to 2.9%. The consolidation package included a range of measures: On the expenditure side, cost-saving measures included significant reductions of non-investment state subsidies, the expiration of energy costs mitigation measures, and a reduction of government subsidies to renewable energy sources. On the revenue side, the government introduced various tax-related changes, such as reductions in tax exemptions. At 43.5%, public debt as a percentage of GDP remained one of the lowest in the European Union. Inflation in the Czech Republic declined significantly in 2024, mainly driven by lower energy and food prices. At 2.4%, it was one of the lowest in Central and Eastern Europe. Core inflation amounted to 2.5%. The Czech koruna remained relatively stable against the euro, trading between CZK 24.5 and CZK 25.5 throughout the year. The Czech National Bank (CNB) reduced its key policy rate in seven steps in 2024, from 6.75% to 4.00% by the end of the year.

In February 2024, Fitch decided to improve its outlook for the Czech Republic from negative to stable while affirming its rating at AA-. The rating agency noted that the Czech Republic navigated the successive pandemic and energy price shocks without lasting effects on the long-term macroeconomic outlook, despite weaker short-term growth. Moody's left the country's outlook at stable and kept its credit rating at Aa3. Standard & Poor's also confirmed its rating at AA- with a stable outlook.

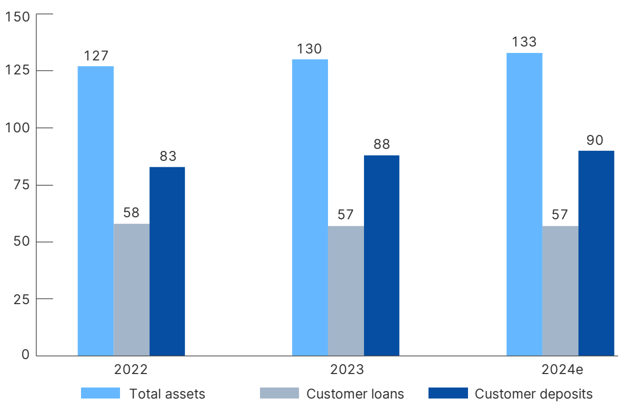
Key economic indicators – Czech Republic	2021	2022	2023	2024e
Population (average, million)	10.5	10.7	10.9	10.9
GDP (nominal, EUR billion)	245.9	287.0	317.8	318.5
GDP/capita (in EUR thousand)	23.4	26.8	29.2	29.2
Real GDP growth	4.0	2.9	0.1	1.0
Private consumption growth	4.1	0.4	-2.8	1.7
Exports (share of GDP)	61.4	62.0	58.5	58.1
Imports (share of GDP)	61.4	65.1	56.7	55.4
Unemployment (Eurostat definition)	2.8	2.2	2.6	2.7
Consumer price inflation (average)	3.8	15.1	10.7	2.4
Short term interest rate (3 months average)	1.1	6.3	7.1	5.0
EUR FX rate (average)	25.6	24.6	24.0	25.1
EUR FX rate (eop)	24.9	24.2	24.7	25.2
Current account balance (share of GDP)	-2.1	-4.7	0.3	1.3
General government balance (share of GDP)	-5.0	-3.1	-3.8	-2.9

Source: Erste Group

Market review

Despite the moderate macroeconomic performance, the Czech banking sector performed very well. Customer loans grew by 5.3%. Retail loans increased by 5.9% due to a revival of demand for housing loans. Corporate loans grew by 5.1%, with euro-denominated investment-related and working capital loans being key drivers. To support lending, the Czech National Bank (CNB) maintained its rules on mortgage business. There are no regulatory limits for debt-to-income ratio and debt-service-to-income ratio for mortgage applicants. The upper limit on the loan-to-value ratio remained at 80%, and 90% for applicants below 36 years. In July 2024, the CNB decided to cut the counter-cyclical buffer from 2.0% to 1.25%. The systemic risk buffer rate was set at 0.5% as of 1 January 2025. The central bank's annual stress test confirmed the resilience of the sector, highlighting high capitalisation and robust profitability. Customer deposit inflows remained strong with a growth rate of 7.8%. Growth was more pronounced in the corporate business. At year-end, the banking sector's loan-to-deposit ratio stood at 63.5%, while the total capital ratio exceeded 20%.

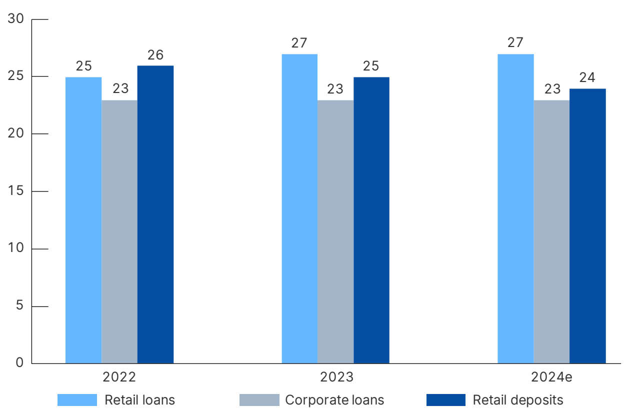
Financial intermediation – Czech Republic (in % of GDP)



Source: Czech National Bank, Erste Group

The Czech banking sector remained highly profitable. Net interest income grew moderately despite the policy rate being cut several times. The cancellation of remuneration of the minimum reserve as of October 2023 also weighed on net interest income. Net fee and commission income rose on the back of higher income from card transactions, asset management and insurance business. Since September 2024, a maximum fee of 1% of the remaining principal for early repayments of mortgages has been applied. Operating expenses remained under control, with banks further reducing the number of branches. Asset quality remained very good, and low risk provisions also contributed to the banking sector's profitability. The consolidation of the banking sector continued with the number of banks declining further to 43. Max banka and Banka CREDITAS merged in October 2024, creating a bank with a total balance sheet of EUR 8 billion and more than 250,000 clients.

Market shares – Czech Republic (in %)



Source: Czech National Bank, Erste Group

The three largest banks continued to have a combined market share of approximately 60% in customer loans and deposits. Česká spořitelna maintained leading market positions across all product categories. Retail lending market shares ranged from 25% to 27%, while market shares in corporate lending were almost unchanged at 23%. At 26.0%, the bank also retained the top position in consumer lending, including the credit card business. Česká spořitelna maintained its market leadership position in asset management products with a market share of 21.6%. George was the most used banking app on the market, both in terms of number of users and transaction volume. At year-end 2024, more than 3.2 million of Česká spořitelna`s customers used George. The digital sales ratio increased from 43.4% in 2023 to 54.8% in 2024. Overall, Česká spořitelna's market share in terms of total assets increased to 19.1%.

Business review

Interview with Tomáš Salomon, CEO of Česká spořitelna

How did the competitive environment change?
The Czech National Bank had already started to change its monetary policy at the end of 2023, and in 2024, it reduced the 2-week repo rate in seven steps, ending the year at 4%. This decline in interest rates boosted lending activity and prompted a shift in savings from deposit accounts to investments. Consequently, the mortgage market rebounded in 2024, supported by relaxed conditions for obtaining mortgage loans. The Czech National Bank abolished the binding limit for the debt-to-income (DTI) ratio, leaving the loan-to-value (LTV) ratio as the only mandatory indicator for mortgage lenders. The LTV cap remains at 90% for applicants under 36 years of age and 80% for older clients.

Additionally, an amendment to the Consumer Credit Act made early mortgage repayment less advantageous. This change led to heightened interest in securing new mortgages before the amendments took effect.

How did you manage to successfully differentiate your business activities from those of your competitors?
Monitoring and improving clients' financial health has become a top priority for us. Česká spořitelna is making significant investments in digital technologies to provide our clients with a digital financial advisor directly on their mobile devices.

Through George mobile banking, Česká spořitelna has introduced an enhanced version of the Financial Coach, designed to help clients manage their family budgets more effectively. The bank has also launched personalised digital investment advice within George. As the first bank in the Czech Republic, it now offers clients a unique feature to determine the value of any property directly through George mobile banking. In 2025, we will introduce Hey George, an AI-powered digital advisor that delivers data-driven, highly personalised financial recommendations tailored to individual customers. Following a successful pilot with 10,000 customers in 2024, this service will be made available to all clients in the course of the year, coinciding with the celebration of Česká spořitelna's 200th anniversary.

Another groundbreaking initiative is our Future Mindset Board, aimed at connecting with the younger generation. In 2024, we invited ambitious young colleagues to shadow Board members and bring fresh perspectives to decision-making. This initiative has been highly praised within the business community and reflects our commitment to innovation and inclusion.

Looking back at the year, what major achievements or challenges were especially noteworthy?
In 2024, Česká spořitelna achieved several significant milestones. The volume of housing loans, including mortgages and loans from the Buřinka building society, exceeded CZK 500 billion, while the total value of client investments under management surpassed CZK 400 billion.

For the first time in its history, the open-end short-term bond mutual fund SPOROINVEST reached CZK 50 billion in client assets under management, becoming the largest mutual fund in the Czech Republic.

In the corporate business, Česká spořitelna achieved another historic milestone, with the total volume of loans to corporate clients surpassing CZK 400 billion. This firmly cemented the bank's position as the largest corporate bank in the country by financing volume.

2024 was also a year of awards and accolades. Česká spořitelna triumphed in major domestic competitions, winning Bank of the Year, Best Bank, and the Golden Crown awards. On the international stage, our bank was named the absolute winner in the prestigious Customer Centricity World Series Awards, competing against 150 companies from 38 countries. The bank's innovative focus on financial health – spanning strategy, digital solutions, and customer experience – was a key factor in its success. And, last but not least, in the global Qorus-Infosys Finacle Banking Innovation Awards, Česká spořitelna secured the top honour for its strategic approach to enhancing customers' financial health, supported by the FIT Zone in George mobile banking.

Financial review

in EUR million	2023	2024	Change
Net interest income	1,320	1,464	11.0%
Net fee and commission income	454	509	12.0%
Net trading result and gains/losses from financial instruments at FVPL	101	134	33.1%
Operating income	1,894	2,128	12.4%
Operating expenses	-964	-967	0.3%
Operating result	929	1,160	24.9%
Cost/income ratio	50.9%	45.5%	
Impairment result from financial instruments	-34	10	n/a
Other result	-83	-24	-71.0%
Net result attributable to owners of the parent	679	949	39.7%
Return on allocated capital	15.4%	21.1%	

The segment analysis is done on a constant currency basis. The CZK depreciated by 4.7% against the EUR compared to the same period of the last year. Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) increased on the positive contribution of lending business supported by the newly acquired portfolios of Hellobank. The increase in net fee and commission income was mainly driven by higher securities fees. Net trading result and gains/losses from financial instruments at FVPL improved on positive valuation effects. Operating expenses increased in FX-adjusted terms mainly due to higher personnel and IT costs. Contributions to the deposit insurance fund decreased to EUR 16 million (EUR 20 million). Overall, the operating result increased, and the cost/income ratio improved. Impairment result from financial instruments improved due to a parameter update (mainly affected by a review of the forward-looking information methodology considered in PDs) and the non-recurrence of higher provisions related to the integration of the Sberbank portfolio last year. Other result improved on a lower contribution to the resolution fund of EUR 20 million (EUR 32 million) and lower impairments of non-financial assets. These positive developments were partially offset by higher selling losses from bonds. Altogether, these developments led to a significant increase in the net result attributable to the owners of the parent.

Credit risk

Credit risk exposure in the Czech Republic segment rose substantially to EUR 89.8 billion (+10.7%), loans to customers increased to EUR 44.1 billion (+5.7%). Public sector business volume registered significant growth mainly due to government exposure (20.4%). Large corporate business also expanded significantly. Customer loan volume as a percentage of Erste Group's total loans to customers increased slightly to 19.9% (19.7%). In terms of business volume, the Czech Republic is by far the second most important market for Erste Group after Austria. The quality of customer loans was stable. Non-performing loans as a percentage of total loans to customers remained at 1.8%. Loan loss provisions decreased slightly leading to a minor decline in the coverage of non-performing loans to a still comfortable level of 101.9% (111.1%).

Slovakia

Economic environment

In 2024, the Slovak economy – with its strong automotive and services sectors – posted real GDP growth of 2.0%. In contrast to the previous year, household consumption increased impressively and proved to be the main growth driver. Despite relatively weak external demand, exports also contributed to economic growth. Investment activity, on the other hand, was negatively impacted by subdued private sector investments. Slovakia has been the world's largest producer of cars per capita since 2007, with a total of almost one million vehicles in 2024. Slovakia's labour market remained solid. The unemployment rate declined further to a historic low of 5.3%, driven by favourable retirement conditions and a persisting structural shortage of qualified labour. GDP per capita amounted to EUR 23,600.

Slovakia's general government deficit increased further in 2024, driven largely by measures to mitigate the impact of high energy prices. The combined budgetary cost of energy-related measures accounted for 1.0% of GDP in 2024. To mitigate the impact of substantial government spending, numerous measures, such as extra taxation of banks, an extended solidarity tax on excess oil profits, higher alcohol and tobacco taxes, and reduced contribution to the second pension pillar, were introduced. In addition, the parliament approved a consolidation package to reduce the deficit by 1 percentage point annually to 3% by 2027. The package, amounting to EUR 2.7 billion, consists of a 3 percentage points increase in value-added taxes, a financial transaction tax, and higher corporate taxes. Overall, the general government deficit increased to 6.0% of GDP. Slovakia`s public debt as a percentage of GDP increased slightly to 58.9%.

Inflation decreased substantially. After experiencing double-digit inflation in the previous year, Slovakia achieved one of the lowest price increases among CEE countries in 2024. The government decided to maintain its energy price regulation which kept energy prices for households at the level of the previous two years. In addition, food prices also decreased. Inflation of services, on the other hand, remained relatively high. Overall, average consumer price inflation amounted to 2.8%. Core inflationary pressures persisted in the economy, largely driven by the strong labour market. Slovakia adopted the euro in 2009. The ECB decreased its key policy rate of the monetary union from 4.00% to 3.00% in four steps in 2024.

In December 2024, Moody's downgraded Slovakia's credit rating by one notch, from A2 to A3 and revised the outlook from negative to stable. Moody's cited significant institutional challenges amid heightened political tension and higher public debt. Fitch's credit rating for Slovakia was maintained at A- with the outlook being kept at stable. Standard & Poor's also affirmed its credit rating for Slovakia at A+ with a stable outlook.

Key economic indicators – Slovakia	2021	2022	2023	2024e
Population (average, million)	5.4	5.4	5.5	5.5
GDP (nominal, EUR billion)	102.0	110.1	122.9	130.3
GDP/capita (in EUR thousand)	18.8	20.3	22.3	23.6
Real GDP growth	5.7	0.4	1.4	2.0
Private consumption growth	2.9	5.2	-3.1	3.0
Exports (share of GDP)	90.9	99.0	91.2	86.0
Imports (share of GDP)	90.7	104.1	89.5	84.1
Unemployment (Eurostat definition)	6.8	6.1	5.8	5.3
Consumer price inflation (average)	3.2	12.8	10.5	2.8
Current account balance (share of GDP)	-3.9	-7.3	-1.6	-0.7
General government balance (share of GDP)	-5.1	-1.7	-5.2	-6.0

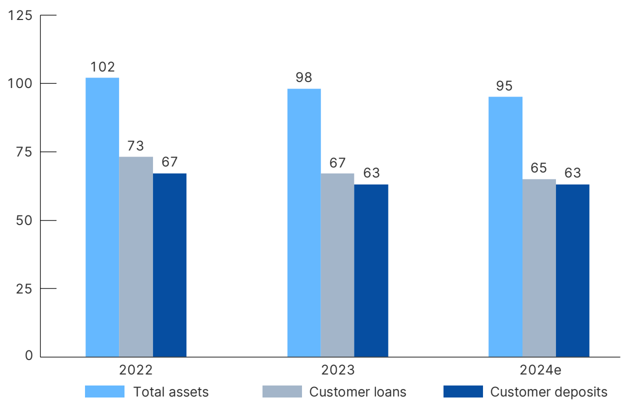
Source: Erste Group

Market review

In 2024, the Slovak banking sector was characterised by relatively low demand for lending products, while deposit growth was more pronounced. Customer loans grew by just 2.9%. Retail loans were up by 4.1%, mainly driven by consumer loans. In 2024, the Slovak government subsidised housing loan repayments up to a maximum of EUR 150 per month. Despite this measure, demand for housing loans was muted. The National Bank of Slovakia maintained macroprudential measures unchanged, including limits for debt-service-to-income (DSTI), debt-to-income (DTI) and loan-to-value (LTV) ratios. The countercyclical buffer was kept at 1.50%, unchanged since August 2023. Customer deposits grew by 6.5%, mainly driven by retail business. The growth of retail deposits was positively impacted by lower inflation and wage growth, which resulted in a higher savings rate. Asset management business performed very well and grew by 16%. Corporate deposits grew by 4.6%. The banking system's loan-to-deposit ratio decreased to 103.3%.

Although net profit of the Slovak banking market declined compared to the previous year, it still posted its second most profitable year ever in 2024. The decline in profitability was entirely due to the introduction of the banking levy. Operating income grew visibly driven by both net interest income and net fee and commission income. Net interest income benefitted from the interest rate environment. Fee and commission income was driven mainly by payment-related fees. Despite rising personnel expenses, operating expenses remained under control, and the sector's cost/income ratio decreased to 45%. Banks continued to reduce the number of branches, although at a slower pace compared to previous years. Risk costs were low as asset quality remained very solid. The banking sector remained well-capitalised. Overall, the sector's return on equity stood at 9.2%.

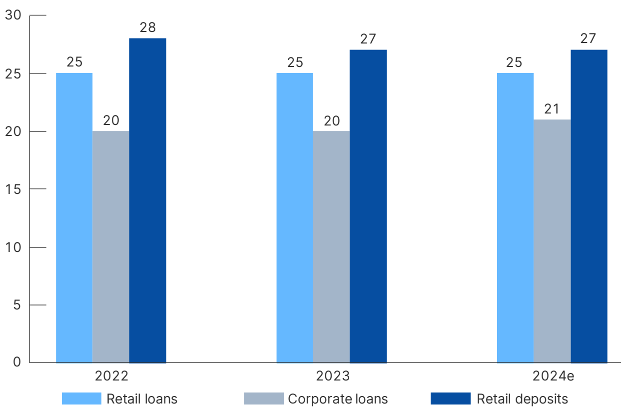
Financial intermediation – Slovakia (in % of GDP)



Source: National Bank of Slovakia, Erste Group

Effective as of 1 January 2024, windfall taxes were introduced, and Slovak banks face one of the highest tax burdens in the European Union. Banks had to pay a special tax of 30% of their pre-tax profits in 2024. The tax rate is expected to decline by 5 percentage points annually until 2027 after which it will drop to 4.4% by 2028, in line with other regulated sectors. In addition, the Slovak government decided to introduce a financial transaction tax as of April 2025. The tax will be paid by companies and self-employed individuals. Altogether, the effective tax rate for banks almost doubled in 2024, reaching approximately 40%.

Market shares – Slovakia (in %)



Source: National Bank of Slovakia, Erste Group

The three largest banks in Slovakia continued to control approximately 65% of the country's banking market. In terms of total assets, Slovenská sporiteľňa remained the country's largest bank as it controlled more than one fifth of the country's banking market. Slovenská sporiteľňa's market shares in both customer loans and deposits amounted to approximately 23%. Market shares were higher in the retail than in the corporate business. In retail business, the bank's market shares stood between 25% and 28%. In addition, Slovenská sporiteľňa was the second largest asset manager in the country, with a market share of 21.5%. It also maintained its leadership position in digital banking with almost 1.3 million registered George users.

Business review

Interview with Peter Krutil, CEO of Slovenská sporiteľňa

How did the competitive environment change?
In 2024, the Slovak banking environment was shaped mainly by macroeconomic factors such as meagre economic growth, tightened monetary policy of the ECB and significant local bank levies. Nevertheless, demand for housing loans, which had previously been constrained by higher interest rates, began to pick up gradually with the first signs of cheaper mortgage rates. Demand for consumer loans remained relatively high throughout the year. The combination of an improved financial situation of households, thanks to lower inflation and renewed real wage growth, and attractive offered rates on term deposits led to a significant increase in deposit growth compared with the previous year. Government measures, however, namely higher taxation of the banking sector, played a negative role in the sector's profitability. The special levy on banks pushed the effective tax rate from 21% in 2023 to around 40% in 2024. Therefore, despite an increase in the operating result, net profit of Slovak banks fell by 11%.

Otherwise, competition has eased slightly, especially in housing loans. Clients are less willing to switch between banks just for a small improvement in interest rates. However, the situation could change quickly if challenger banks squeeze their margins once again, possibly triggering another wave of refinancing in the market.

How did you manage to successfully differentiate your business activities from those of your competitors?
First of all, we remain committed to our vision of building and improving the financial health of our customers. The first implication is that we want to be as easily accessible as possible. Therefore, we continue our omni-channel approach. The client choses to access our services either through traditional channels such as a branch or through digital solutions full of innovation. While our market-leading branch network is an established channel, we continue to digitise our products and services to strengthen our position as a digital leader in the market. For example, in the area of mortgages, we have added a personalised overview of housing costs, a mortgage calculator and property value estimates. A significant confirmation that we are on the right track is that we are already ahead of our mid-term target for the share of digital sales.

Slovenská sporiteľňa has developed from an almost purely retail bank into a well-balanced universal bank with a market share of roughly a quarter in both retail and corporate loans. In the corporate segment, we have attracted businesses thanks to the excellent work of our relationship managers, fast and transparent processes, and digital innovation. For example, Slovenská sporiteľňa offers its corporate clients a free, unique and highly appreciated financial health analysis, which has already been used by more than 5,000 companies.

Looking back at the year, what major achievements or challenges were especially noteworthy?
It may sound surprising, but I am really proud of our clients. Over the past few years, they have faced the pandemic, high inflation, geopolitical uncertainty due to the Russian invasion of neighbouring Ukraine, and substantially higher interest rates. Despite these challenging conditions, they have managed to repay their debts on time keeping the quality of our assets at high levels. I am also proud of our employees. Our customer-focused approach has enabled us to deliver solutions that have improved the financial health of our clients.

Delivery excellence has always been in our DNA, and in 2024, it brought several awards to Slovenská sporiteľňa, which confirmed our leading position in the Slovak banking market. Slovenská sporiteľňa was awarded the title of Bank of the Year 2024 in Slovakia by the renowned magazine The Banker. At the Euromoney Awards for Excellence 2024, we were named Best ESG Bank in the country. Our mobile banking app George won the Smart Bank award from the local magazine mojandroid.sk in the overall and investment categories and secured third place in the security category. We also won the Best Employer award in the Banking, Finance and Insurance sector, underlining our commitment to a high-quality working environment. We also received the Via Bona Slovakia award in the Good Community Partner category for our long-term support of affordable housing. The Pontis Foundation recognised the bank's projects such as Accessible Home, Project DOM.ov, and Help for the Homeless. Erste Private Banking, our private banking division, was named Best Private Bank by PWM/The Banker, and Global Finance.

Financial review

in EUR million	2023	2024	Change
Net interest income	514	552	7.2%
Net fee and commission income	208	232	12.0%
Net trading result and gains/losses from financial instruments at FVPL	24	25	5.8%
Operating income	751	814	8.4%
Operating expenses	-332	-354	6.5%
Operating result	419	460	9.9%
Cost/income ratio	44.2%	43.4%	
Impairment result from financial instruments	-15	-13	-14.2%
Other result	-9	-10	12.7%
Net result attributable to owners of the parent	307	275	-10.5%
Return on allocated capital	20.1%	18.0%	

Net interest income in the Slovakia segment (comprising Slovenská sporitel'ňa Group) increased due to higher customer loan volumes and higher average interest rates, which was partially offset by the repricing of liabilities, higher volumes of term deposits and savings accounts as well as higher expenses for issued bonds. Net fee and commission income increased on the back of higher securities, payment and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL remained largely stable. Operating expenses increased mainly due to higher personnel and IT expenses. The contributions to the deposit insurance fund amounted to EUR 3 million (EUR 2 million). Operating result increased, and the cost/income ratio improved. Impairment result from financial instruments improved slightly, driven by a methodological change in retail risk parameter estimation, which was partially offset by higher defaults and rating downgrades in Corporate business. Other result remained largely stable as the selling losses for government bonds were compensated by the discontinuation of the payments into the resolution fund in 2024 (EUR 4 million in 2023) as the target level was reached and a release of legal provisions. Overall, the net result attributable to the owners of the parent declined, which was primarily driven by the newly introduced banking tax in the amount of EUR 103 million booked in the taxes on the income line.

Credit risk

Credit risk exposure in the Slovakia segment rose to EUR 29.6 billion (+5.2%), while loans to customers increased at a slower pace to EUR 19.8 billion (+3.0%). Its share of Erste Group's total loan portfolio went down slightly to 8.9% (9.1%). Loan volume growth was driven mostly by private households, while business growth of corporate customers was moderate. The share of loans to private households was again significantly larger in the Slovakia segment than in Erste Group's other core markets and accounted for 67.8% (67.3%) of total loans to customers. This customer mix with a substantial proportion of retail mortgage loans also explains the large share of secured business. At year-end, it decreased slightly to 52.7% (53.1%), still exceeding that of other Central and Eastern European core markets. The NPL ratio was unchanged at 1.9%. NPL coverage ratio decreased to 92.3% (101.7%).

Romania

Economic review

In 2024, the Romanian economy grew moderately. The main contributor to economic growth was household consumption, which was boosted by the strong labour market and significant real wage growth. Net exports, on the other hand, contributed negatively due to weak external demand. Investment activity remained strong supported by infrastructure projects funded by the European Union. Inflows of EU funds from the regular Multiannual Financial Framework and NextGenerationEU amounted to EUR 7.2 billion in 2024. Agriculture had a relatively weak year due to a severe draught. The unemployment rate decreased further to 5.3%, the lowest rate since 2019. Overall, real GDP increased by 0.8%, GDP per capita amounted to EUR 18,800.

At 8.3%, Romania's budget deficit remained elevated. The higher-than-expected deficit reflected rapidly growing government spending, mostly due to increases in public sector wages, expenditure on goods and services and social transfers, including pensions. It also reflected slightly slower revenue growth due to weaker than expected economic activity. On the other hand, the government announced a set of fiscal consolidation measures including the postponement of public pensions indexation and the phasing-out of a preferential wage tax for the construction, agriculture and IT sectors. Public debt to GDP increased to 52.4%.

Inflation decelerated significantly but remained relatively high. In fact, Romania had one of the highest inflation rates among European Union countries. The weak agricultural performance kept food prices relatively high, while strong wage growth impacted service prices. Overall, average consumer price inflation amounted to 5.6%. The Romanian leu was stable against the euro and traded in a narrow range around 4.95 throughout the year. The National Bank of Romania cut the monetary policy rate by a total of 50 basis points in two steps in July and August 2024 and kept it unchanged at 6.50% for the remainder of the year due to fiscal uncertainties and the above-target inflation rate.

As a result of large budget deficits, lack of credible fiscal consolidation prospects and political uncertainty, Fitch revised Romania's outlook from stable to negative but kept the country's credit rating at BBB. Standard & Poor's took a similar action in January 2025, revising the sovereign outlook from stable to negative and maintaining the rating unchanged at BBB-. Moody's rating was unchanged at Baa3 with a stable outlook.

Key economic indicators – Romania	2021	2022	2023	2024e
Population (average, million)	19.2	19.0	19.0	18.9
GDP (nominal, EUR billion)	242.3	281.7	324.4	355.4
GDP/capita (in EUR thousand)	12.6	14.8	17.0	18.8
Real GDP growth	5.5	4.0	2.4	0.8
Private consumption growth	7.3	5.2	2.8	5.5
Exports (share of GDP)	30.8	32.6	28.7	26.1
Imports (share of GDP)	40.6	44.7	37.6	35.5
Unemployment (Eurostat definition)	5.6	5.6	5.6	5.3
Consumer price inflation (average)	5.1	13.7	10.5	5.6
Short term interest rate (3 months average)	1.8	6.2	6.6	5.9
EUR FX rate (average)	4.9	4.9	4.9	5.0
EUR FX rate (eop)	4.9	4.9	5.0	5.0
Current account balance (share of GDP)	-7.2	-9.5	-6.6	-8.3
General government balance (share of GDP)	-7.2	-6.3	-6.6	-8.3

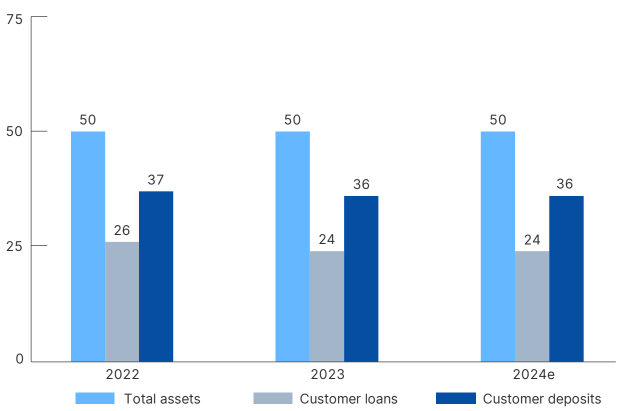
Source: Erste Group

Market review

The Romanian banking market closed 2024 as one of its most successful years ever despite the macroeconomic challenges. Customer loans increased by 8.8%, customer deposits were up by 10.2%. On the lending side, growth was almost equally distributed between retail and corporate business. Retail loans rose by 9.2%, corporate loans were up by 8.5%. Housing loans were impacted by high interest rates and increased only by 4.2%, while consumer loans rose by 16.9%. Liabilities also grew dynamically: retail deposits rose by 12.4%, while corporate deposits were up by 7.0%. Overall, the banking system's loan-to-deposit ratio decreased marginally to 66.6%. The Romanian National Bank maintained the countercyclical capital buffer at 1.0% throughout the year. The Romanian banking sector remained strongly capitalised, with a capital adequacy ratio of 23.7%.

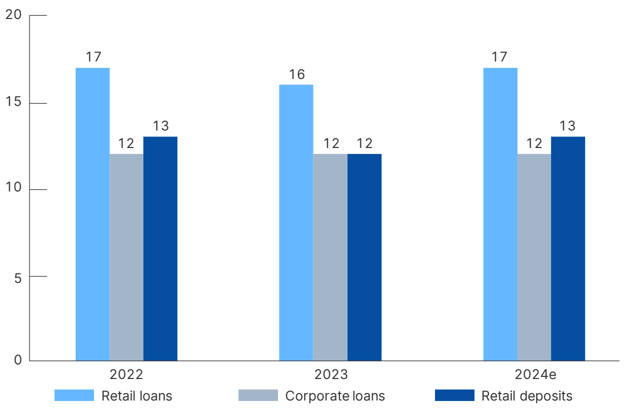
In 2024, the profitability of the Romanian banking system was very strong. Net interest income was supported by the interest rate environment and volume growth. Fee and commission income also rose, driven mainly by securities business and insurance-related fees. Expenses were impacted by elevated inflation. Banks continued to adjust their branch networks and workforce. The government introduced a new sectoral tax for financial institutions. The tax rate has been set at 2% of gross revenues for 2024 and 2025 and 1% from 2026 onwards. Asset quality improved further, and risk provisions were low. Overall, the Romanian banking sector achieved a return on equity of 18.4%.

Financial intermediation – Romania (in % of GDP)



Source: National Bank of Romania, Erste Group

Market shares – Romania (in %)



Source: National Bank of Romania, Erste Group

Consolidation of the Romanian banking market continued. Following the purchase agreement signed in 2023, Banca Transilvania finalised the integration of OTP Bank's Romanian subsidiary representing the fourth bank takeover by Banca Transilvania in less than a decade, after Volksbank Romania, Bancpost and Idea Bank. Furthermore, following the strategic partnership announced earlier, UniCredit acquired a 90.1% stake in Alpha Bank Romania in November 2024. The acquisition is projected to be completed in the second half of 2025, creating the third-largest banking group in the country by total assets. Finally, Alior Bank exited the Romanian market after selling part of its loan portfolio to Patria Bank.

Banca Comercială Română (BCR) remained the second largest bank in the country both in terms of customer loans and deposits. The bank's customer loan market share stood at 14.0%. Its retail loan market share amounted to 16.9%, while in the corporate business it was 11.6%. In terms of total assets Banca Comercială Română kept its second place in the country, with a market share of 13.7% as of December 2024. George, Erste Group`s digital banking platform, continued to be very popular. The number of customers using George grew to 2.2 million.

Business review

Interview with Sergiu Manea, CEO of Banca Comercială Română

How did the competitive environment change?
Economic growth continued, given the important contribution of households' consumption against the backdrop of a strong rise in real wages, ongoing job creation in the private sector and flattish unemployment. The National Bank cut the policy rate twice by a total of 50 basis points to 6.50%. Since then, given the still high inflation and fiscal risks, the key rate remained unchanged. Non-government loans grew faster than in 2023, driven by similar growth rates of the retail and corporate business. In the retail market, consumer loans rose considerably quicker than mortgages due to strong demand and tough competition among banks. The NPL ratio remained low due to prudent lending and tight macroprudential policies. M&A deals continued in the Romanian banking sector, eventually leading to further consolidation.

How did you manage to successfully differentiate your business activities from those of your competitors?
We scaled up our flagship free financial literacy programmes, reaching 1.8 million Romanians through Money School, the largest corporate volunteering programme in the country, and Financial Coach. Money School has trained over 800,000 people for the past eight years, involving more than 1,500 BCR colleagues. We revolutionised financial advisory services through Financial Coach, launched in 2022 as an innovative data analytics platform available to any individual, BCR client or not. To date, we have delivered over one million customised coaching sessions. Our omnichannel strategy ensures that financial education is accessible 24/7, with innovative features like FinCoach, Spotlights, and RoundUp. We made personalised financial advice the new standard, while George Tips delivers over three million tailored financial insights each month.

In addition, we launched ZBOR, a two-million-euro investment in the largest ecosystem in Romania dedicated to youngsters aged 14-25. ZBOR is a transformative space providing access to financial education and life skills, combining seven physical hubs with dynamic informal education curricula. It also features a mentoring programme, dedicated competitions and a soon-to-be-launched online platform.

George, our digital banking ecosystem, embeds today over 330 functionalities. BCR marked a European premiere by launching the Visa+ functionality, offering simplified, faster and more secure money transfers between individuals by only using mobile phone numbers. Visa+ can be activated directly in George and has international coverage, making our customers the first in Europe to receive fast multi-currency transfers, irrespective of the card issuer. Furthermore, we introduced George SmartEU, a functionality for microenterprises with simplified access to information on EU and national funding programmes.

We launched our first BCR Xpert Casa excellence centre dedicated to promoting, granting and processing housing loans, a project looking to redefine the mortgage lending experience in Romania.

Additionally, we contributed to the introduction of BCR Romania Purchasing Managers' Index by S&P Global. The aim is to position Romania alongside its CEE peers through timely, data-driven insights using a forecasting tool essential for any dynamic economy.

Looking back at the year, what major achievements or challenges were especially noteworthy?
Our retail campaign for client acquisition and activation was a major success, attracting 167,000 new customers. The cash loan, credit card and savings account sales increased two-fold during the campaign and our market share for new cash loans doubled to 29%. In 2024, almost 90% of all retail products were sold digitally.

We expanded our green loan portfolio with 700 million euros of green financing to both retail and corporate customers. Casa Mea Natura, a loan for energy-efficient dwellings, accounted for 70% of all new mortgage loans in 2024. We are also recognised as the main partner for renewable energy projects in Romania. Last year, we disbursed 550 million euros for energy projects, with over 320 million euros for green initiatives. Over 6,500 companies supporting more than 280,000 jobs received financing from BCR.

Consequently, we reached double-digit loan growth, our operating result improved by almost 20%, and we achieved a record bottom line despite prudent risk provisioning, delivering a 21% return on equity. BCR is one of the most efficient banks in Romania, with a cost/income ratio of 37%. Our people strategy stood out through Valued@BCR, a new programme allowing our colleagues to customise their benefits plan.

In 2024, BCR's "Financial Intelligence" campaign won a Bronze EURO Effie in the "Best of Europe: Corporate Reputation" category. Locally, BCR was awarded a Gold Effie for Financial Services and a Silver Effie for Corporate Communication. Finally, we were Coldplay's partner of choice for their concert in Romania due to shared values like social responsibility and sustainability.

Financial review

in EUR million	2023	2024	Change
Net interest income	637	775	21.6%
Net fee and commission income	205	227	10.8%
Net trading result and gains/losses from financial instruments at FVPL	112	104	-6.8%
Operating income	964	1,115	15.7%
Operating expenses	-418	-456	9.2%
Operating result	546	659	20.6%
Cost/income ratio	43.3%	40.9%	
Impairment result from financial instruments	-9	-21	>100.0%
Other result	-34	-87	>100.0%
Net result attributable to owners of the parent	383	463	21.0%
Return on allocated capital	20.7%	21.9%	

The segment analysis is done on a constant currency basis. The RON depreciated by 0.6% against the EUR compared to the same period of the last year. Net interest income in the Romania segment (comprising Banca Comercială Română Group) was positively impacted by higher business volumes and central bank placements. Net fee and commission income went up mainly on higher payment and insurance brokerage fees. The decrease of the net trading result and gains/losses from financial instruments at FVPL was attributable to the P&L neutral shift from net trading result to net interest income related to securities. Operating expenses increased mainly due to higher personnel, marketing and IT expenses. The contributions to the deposit insurance fund decreased to EUR 4 million (EUR 5 million). Overall, operating result and the cost/income ratio improved. Impairment result from financial instruments deteriorated due to higher defaults, mitigated by parameter update (review of the forward-looking information considered in PDs). The deterioration of other result was driven by the new banking tax of EUR 37 million and higher impairments of non-financial assets, partially offset by lower payments into the resolution fund of EUR 6 million (EUR 10 million). Overall, the net result attributable to the owners of the parent increased.

Credit risk

Credit risk exposure in the Romania segment rose significantly to EUR 27.7 billion (+18.0%). Loans to customers also showed a substantial increase to EUR 14.0 billion (+13.2%). Its share in Erste Group's total customer loan portfolio increased to 6.3% (5.8%). An expansion of lending volume was seen both in the retail and in the corporate segment. Non-performing loans increased to EUR 366 million (+3.5%), mainly attributable to the retail segment. Non-performing loans as a percentage of total loans to customers improved to 2.6% (2.9%). Coverage of non-performing loans remained almost stable and stood at 168.7% (168.5%).

Hungary

Economic review

In 2024, Hungary's economy grew slightly, driven almost entirely by household consumption. Investments remained a drag on economic growth due to the postponement of public investment projects, subdued inflow of European Union funds and a low level of business confidence. Exports did not contribute to economic growth either due to lower external demand. Agriculture performed weaker than in the previous year. Foreign direct investments were positively impacted by China as Hungary became its top investment destination in CEE. China was also the second-largest importer to Hungary after Germany. One fourth of the country's manufacturing output was produced by various international car producers. In addition, Chinese electric vehicle manufacturer BYD is building a factory in Szeged, with production set to start in 2025. Hungary's labour market remained tight. The unemployment rate increased slightly to 4.4%, low compared to many other European countries. Overall, real GDP increased by 0.5%, and GDP per capita amounted to EUR 21,500.

Hungary's general government deficit improved to 4.8% of GDP. Throughout the year, numerous fiscal consolidation measures were implemented, such as the postponement of state investments, adjustments of the banking levy and the prolongation of windfall tax for financial, energy and retail companies. Public expenditure was impacted by the continuation of various state subsidies for retail and corporate loan programmes, a 6% pension increase, and a wage increase of 32% for schoolteachers. Public debt to GDP increased slightly to 73.9%.

Inflation in Hungary declined significantly, driven mainly by lower food and energy price increases. The latter continued to remain partially subsidised for households throughout 2024. Average consumer price inflation stood at 3.7%, in line with the average CEE peer countries. The core inflation, excluding food and energy prices, increased by 4.6%. The Hungarian forint depreciated 7% against the euro. The Hungarian National Bank began cutting its key policy rate already in the last quarter of 2023. In 2024, the national bank reduced the policy rate in eight steps from 10.75% to 6.50%.

Fitch maintained the country's long-term credit rating unchanged at BBB but improved its outlook from negative to stable. Standard & Poor's kept Hungary's sovereign rating at BBB- with a stable outlook. Moody's confirmed the country's long-term credit rating at Baa2 but changed its outlook from stable to negative.

Key economic indicators – Hungary	2021	2022	2023	2024e
Population (average, million)	9.7	9.7	9.6	9.6
GDP (nominal, EUR billion)	155.0	169.1	196.6	205.8
GDP/capita (in EUR thousand)	15.9	17.5	20.5	21.5
Real GDP growth	7.1	4.3	-0.9	0.5
Private consumption growth	4.1	6.4	-0.7	3.5
Exports (share of GDP)	64.7	71.9	64.3	58.8
Imports (share of GDP)	67.6	81.0	64.2	57.8
Unemployment (Eurostat definition)	4.1	3.6	4.1	4.4
Consumer price inflation (average)	5.1	14.5	17.6	3.7
Short term interest rate (3 months average)	1.4	10.0	14.4	7.3
EUR FX rate (average)	358.5	391.3	382.0	395.2
EUR FX rate (eop)	369.0	400.3	382.8	410.1
Current account balance (share of GDP)	-4.1	-8.5	0.7	2.7
General government balance (share of GDP)	-7.2	-6.2	-6.7	-4.8

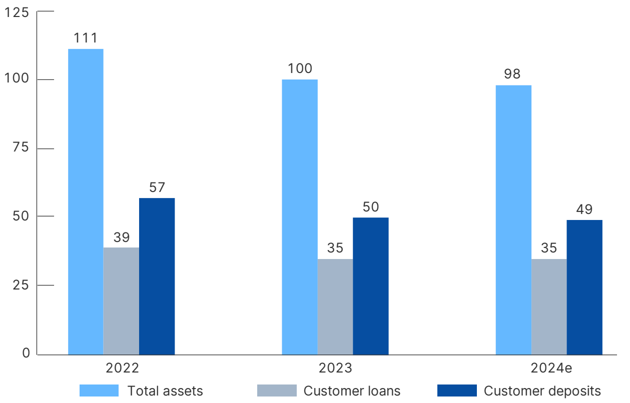
Source: Erste Group

Market review

In 2024, the Hungarian banking sector grew markedly despite moderate macroeconomic development. In the local currency, customer loans grew by 6.8% mainly driven by the retail business which increased by 9.4%. Retail lending was mainly driven by housing loans, which expanded by 13.0%. Consumer loans grew by 6.0%. Corporate loan growth amounted to 4.6% as demand for investment loans was muted. Various state subsidies and support programmes continued to play a significant role in the Hungarian lending market. In 2024, new programmes were introduced, such as a home renovation subsidy. In addition, a zero-interest loan for young Hungarian blue-collar workers between the ages of 17 and 25 was launched at the beginning of 2025. Terms for the baby loan programme tightened, while rural housing subsidies were kept unchanged.

Customer deposits increased by 8.4% in local currency, driven mainly by retail deposits, which grew by 11.2%. In addition, Premium Hungarian State Securities (PMAP) played an important role. Despite a 13% social contribution tax on income from private savings in addition to the 15% personal income tax, asset management products grew substantially. Overall, the banking system's loan-to-deposit ratio stood at 72.2%.

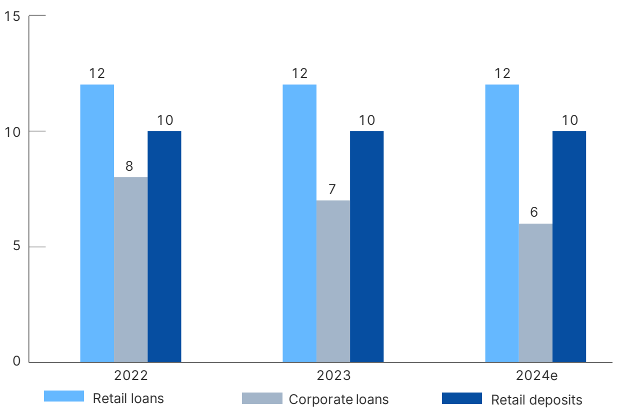
Financial intermediation – Hungary (in % of GDP)



Source: Hungarian National Bank, Erste Group

Profitability of the Hungarian banking sector was strong in 2024. Net interest income declined by 4.4% driven mainly by the lower interest rate environment. The government further extended the interest rate cap for variable and fixed-rate residential mortgages until 30 June 2025. According to this regulation the reference interest rate used for calculating interest may not exceed the rate that was in effect on 27 October 2021. In addition, the voluntary interest rate cap for newly disbursed loans designed to support lending was also extended until 30 June 2025. Initially set at 8.5% in October 2023, the cap was lowered to 7.3% in January 2024. This measure aims to provide stability and predictability for mortgage borrowers. The Hungarian National Bank maintained the mandatory reserve requirement at 10%. Net fee and commission income, which grew by 17.4%, benefited significantly from asset management business. Administrative expenses remained under control, despite a substantial increase in personnel expenses. The number of branches decreased further. Asset quality developed favourably, and risk costs were low.

Market shares – Hungary (in %)



Source: Hungarian National Bank, Erste Group

Banks continued to pay banking and transaction taxes. The latter was increased as of July 2024 and additionally, a new supplementary financial transaction tax was introduced for foreign exchange transactions. The windfall tax, which was originally implemented for 2022 and 2023, was extended to 2024 and 2025. Applicable tax rates and possibilities for reductions were modified. The Hungarian National Bank maintained the countercyclical capital buffer at 0.5% throughout the year but decided to increase it to 1.0% as of 1 July 2025. Overall, the banking sector's return on equity stood at 18.3%. The Hungarian banking sector continued to be well-capitalised, with a capital adequacy ratio of around 20%.

Consolidation of the Hungarian banking market continued, and the number of banks decreased further to 39. In 2024, Hungarian Banking Holding (MBH) completed the acquisition of Fundamenta-Lakaskassza Zrt. Granit Bank went public in December 2024, representing the largest IPO in Hungary in 25 years. As of 1 September 2024, the Hungarian National Bank launched Qvik, an electronic payment system that allows for quick, secure, and free payments via QR code scanning, NFC-based touch, or clicking a link within a mobile application.

The Hungarian banking market continued to be dominated by OTP Bank, followed by MBH. Erste Bank Hungary remained one of the major market players in the country. Its market share in customer loans stood at 8.6%, with retail business remaining more dominant than corporate business. At 8.6%, the customer deposit market share remained almost unchanged. Erste Bank Hungary's market share in asset management stood at 17.6%. The number of George users increased further and reached almost 800,000 by the end of the year. At 6.3%, Erste Bank Hungary was the fourth-largest bank in the country in terms of total assets.

Business review

Interview with Radován Jelasity, CEO of Erste Bank Hungary

How did the competitive environment change?
2024 was a challenging but successful year for Erste Bank Hungary. The competitive environment underwent significant changes, although profitability remained relatively high. Customers' demand for seamless services increased further, highlighting the rising need for services provided via mobile banking. Retail loan activity picked up substantially despite only a modest decrease in interest rates. In response to a persistent inflationary environment, customers continued shifting their deposits towards investments, prompting banks to focus even more on asset management products.

The adoption of innovative technologies intensified competition within the industry. Artificial intelligence is anticipated to be a game-changer in the long run. Banks have modernised their advisory services to enhance financial literacy among customers. Due to increasing expense pressure and lower net interest income, banks have been facing a greater emphasis on efficiency.

How did you manage to successfully differentiate your business activities from those of your competitors?
In 2024, Erste Bank Hungary distinguished itself through several innovative initiatives that enhanced our customer satisfaction and solidified our leading position in the competitive banking landscape.

Our mobile-first approach emphasises the central role of George in our service delivery. Over 70% of our customers are now digitally active, with a continuously growing number exclusively using the George app. In digital finance, we put the focus on digital investment and savings products, introduced fintech solutions for currency transfers, instant digital cards ready within an hour of application, event-triggered digital insurances, instant cash loans and expanded digital services for micro business clients.

To support financial health, besides investment tips and pension advisory, we launched George Tips, offering personalised advice to maintain financial well-being and George FitZone for education and better financial management. Our commitment to data analytics and personal advice is evolving, with ongoing developments in real-time, transaction and trigger-based initiatives. We equipped all of our over 3,000 employees with AI-based personal assistants to further enhance productivity. Additionally, we published a financial education storybook for children, underscoring our dedication to financial literacy starting already at a young age.

Looking back at the year, what major achievements or challenges were especially noteworthy?
Our strategic focus on customer satisfaction, employee engagement and sustainable return on equity has paid off. We achieved outstanding results in these areas and were ranked among the top 10 employers in Hungary, the only bank in the top 20.

In retail, alongside significant customer acquisition, we excelled in Erste Group's digital activation, which helps service the growing customer base against the background of our streamlined physical presence. Over the year, we gradually extended tablet-embedded George sales flows, covering most branch-sold products for savings, investments and insurance. In wealth management, we consistently exceed 5,000 billion HUF with significant year-on-year growth of 20%. Erste Future Programme participants increased by over 30%. Corporate new customer acquisition rose by 50% year-on-year. Despite muted loan demand we achieved strong results in New Green Investment and used the market stagnation to implement significant process improvements.

Erste Hungary won a bronze award for its "Be Erste" bank switching campaign at the Effie Awards and received the gold prize at the HRKOMM Awards, recognising our internal communication campaign, communication strategy, cultural efforts, and core values. Our analysts received the 'LSEG StarMine Award' from Reuters for the most accurate economic forecasts again after 2023 and 2021. Erste Asset Management Hungary was awarded "Asset Management Company of the Year", with its two real estate funds being the largest and key players in Hungary's real estate market. We were also honoured with the "Bank of the Year" Award from Mastercard for our impactful activities in the field of corporate social responsibility, particularly for underprivileged juveniles and young adults. With sustainability in mind, instead of buying a new headquarters, we are going to create one of the most modern offices in the country using our existing building. Lastly, I received the 'Best Manager of the Year' award from the National Association of Managers. This award recognises the entire Erste Hungary team for their dedication and drive.

Financial review

in EUR million	2023	2024	Change
Net interest income	357	425	19.2%
Net fee and commission income	255	305	19.8%
Net trading result and gains/losses from financial instruments at FVPL	142	96	-32.5%
Operating income	763	837	9.6%
Operating expenses	-270	-301	11.6%
Operating result	494	536	8.6%
Cost/income ratio	35.3%	35.9%	
Impairment result from financial instruments	1	20	>100.0%
Other result	-192	-220	14.8%
Net result attributable to owners of the parent	265	281	6.0%
Return on allocated capital	17.3%	21.4%	

The segment analysis is done on a constant currency basis. The HUF depreciated by 3.5% against the EUR compared to the same period of the last year. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) was positively impacted by lower interest expenses on customer deposits due to a change in the deposit structure. Net fee and commission income rose on higher securities and payment fees. Net trading result and gains/losses from financial instruments at FVPL declined due to valuation effects. Operating expenses increased due to higher personnel and IT expenses. The contributions to the deposit insurance fund amounted to EUR 8 million (EUR 5 million). Despite the increase in the operating result the cost/income ratio worsened marginally. Impairment result from financial instruments improved due to recoveries and upgrades from the non-performing portfolio. The deterioration of the other result was primarily driven by breakage costs related to intragroup transactions. Regulatory charges went up: the banking tax increased to EUR 76 million (EUR 66 million); it included the regular banking tax and a windfall profit tax of EUR 52 million (EUR 48 million). The financial transaction tax went up to EUR 92 million (EUR 71 million). The contribution to the resolution fund was stable at EUR 2 million. Lower impairments of non-financial assets contributed positively. Overall, the net result attributable to the owners of the parent increased.

Credit risk

Credit risk exposure in the Hungary segment decreased to EUR 12.3 billion (-2.5%). This decline was mainly attributable to a decline in corporate business. Loans to customers decreased to EUR 5.8 billion (-4.1%). The share of the Hungary segment in Erste Group's total loans to customers slightly decreased to 2.6%. While loans in the retail segment increased to EUR 3.3 billion (+1.9%), loans to corporates decreased significantly to EUR 2.6 billion (-10.8%). Non-performing loans as a percentage of total loans to customers improved significantly to 1.9% (2.6%). The loan loss provision coverage of non-performing loans increased further to 123.2% (110.6%).

Croatia

Economic review

The Croatian economy continued to perform well, and the country achieved one of the strongest growth rates among euro countries in 2024. The economy still benefitted from the euro adoption in the previous year. Economic growth was mainly driven by domestic demand due to solid private and public consumption. Investment activity was supported by inflows of European Union funds. Investments in the construction sector were particularly strong. Exports performed moderately due to weak external demand. Tourism, accounting for approximately one fifth of Croatia's GDP, performed well again. Overnight stays increased further compared to 2023. Croatia's labour market remained solid, and the unemployment rate declined to a new record low of 5.2%. Overall, real GDP increased by 3.5%. GDP per capita amounted to EUR 22,000.

Croatia's public finances remained sound in 2024 despite the increasing general government deficit. Expenses increased due to the introduction of a new public wage act, higher pensions, and measures to mitigate the impact of declining but still elevated energy prices. Overall, Croatia maintained its fiscal discipline with a general government deficit of 2.2% of GDP. Public debt as a percentage of GDP decreased further to 58.1%. Inflation declined significantly to 3.0%, one of the lowest levels in CEE, driven mainly by lower energy and food prices, while inflation in the service industry, especially in tourism, remained high. As Croatia adopted the euro on 1 January 2023, its monetary policy was set by the European Central Bank which decreased its key interest rate from 4.00% to 3.00% in four steps during the year.

Acknowledging the positive macroeconomic developments all three major rating agencies upgraded their sovereign ratings in 2024. Fitch upgraded its long-term credit rating from BBB+ to A- and left is outlook at stable. Moody's upgraded its rating from Baa2 to A3 with a positive outlook. Finally, Standard & Poor's improved its credit rating from BBB+ to A- and kept its positive outlook.

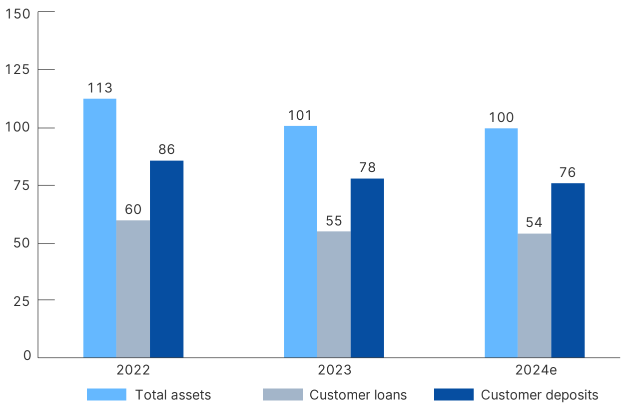
Key economic indicators – Croatia	2021	2022	2023	2024e
Population (average, million)	4.0	3.9	3.9	3.9
GDP (nominal, EUR billion)	58.3	67.6	78.0	84.9
GDP/capita (in EUR thousand)	14.5	17.5	20.3	22.0
Real GDP growth	12.6	7.3	3.3	3.5
Private consumption growth	10.9	6.9	3.2	5.5
Exports (share of GDP)	25.4	30.4	24.6	24.0
Imports (share of GDP)	44.9	57.6	47.1	45.0
Unemployment (Eurostat definition)	7.6	7.0	6.1	5.2
Consumer price inflation (average)	2.6	10.8	8.1	3.0
EUR FX rate (average)	7.5	7.5	-	-
EUR FX rate (eop)	7.5	7.5	-	-
Current account balance (share of GDP)	0.5	-3.5	0.4	-0.7
General government balance (share of GDP)	-2.6	0.1	-0.9	-2.2

Source: Erste Group

Market review

Reflecting favourable macroeconomic developments, the Croatian banking market performed well in 2024. All financial institutions concluded the euro adoption-related adjustments to their IT systems and ATM networks during the reporting year. Customer loans increased by 5.9%, driven by retail loans, which rose by 11.5%. Demand for housing loans was relatively strong compared to other CEE countries. Despite the tailwind from the declining interest rate environment, corporate lending growth was muted at only 0.2%. Customer deposit growth amounted to 5.8%. Retail deposits increased by 4.6%, and corporate deposits rose by 7.7%. The Croatian National Bank increased the countercyclical capital buffer by 50 basis points to 1.5% as of 30 June 2024. In 2024, there was no noteworthy consolidation in the Croatian banking sector. At year-end, the banking system's loan-to-deposit ratio stood at 71.2%.

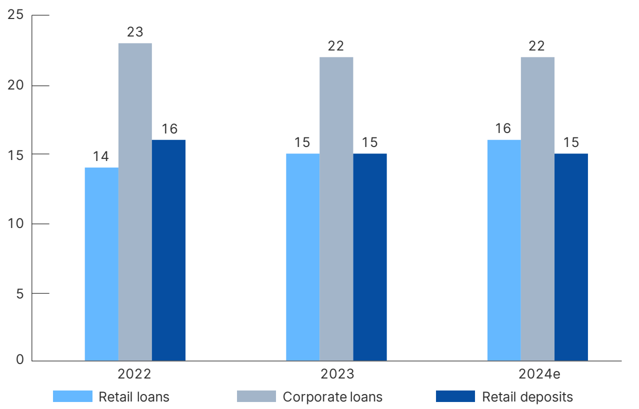
Financial intermediation – Croatia (in % of GDP)



Source: National Bank of Croatia, Erste Group

The profitability of the Croatian banking sector increased further. Revenues, especially net interest income, benefited significantly from the still high interest rate environment. Fee and commission income was significantly supported by asset management business. Despite wage inflation, operating expenses remained under control, and the cost/income ratio decreased to 39.9%. Asset quality improved further; the share of non-performing loans (NPL) as a percentage of gross loans declined to 2.4%, supported by favourable developments in both the corporate and retail businesses. The NPL coverage ratio equalled 66.3% at the end of the year. The capital adequacy ratio of the banking system remained robust at 23.8%. Overall, the country's banking sector achieved a return on equity of 16.4%.

Market shares – Croatia (in %)



Source: National Bank of Croatia, Erste Group

Erste Bank Croatia remained among the three largest banks in the country. The bank continued to benefit from its very strong brand and the digital platform George. Erste Bank Croatia increased its number of George users to 700,000. The digital sales ratio amounted to 55%. In addition to George, the digital platform KEKS Pay reached almost 500,000 users, 75% of which were not customers of Erste Bank Croatia. In terms of total assets, the bank had a market share of 17.9%. The bank's customer loan and customer deposit market shares were 18.9% and 17.2%, respectively. Its market share in asset management stood at 13.6%. The bank's loan-to-deposit ratio amounted to 76.9%.

Business review

Interview with Christoph Schöfböck, CEO of Erste Bank Croatia

How did the competitive environment change?
Given the successful realisation of Croatia's strategic goals – the entry into the euro zone and Schengen – and with OECD accession (the only step left to complete its full positioning on the international scene) expected as early as 2026, the country continued to fare well with rating agencies. Backed by macroeconomic fundamentals, such as above EU average GDP growth and imbalances remaining in check, we are happy to see Croatia for the first time being awarded 'A-' level equivalent rating by all three renowned rating agencies. Croatia has a strong position on the international investment map. Therefore, a growing interest of investors has been noticed, not only in the field of tourism but also in the ICT sector (N.B. information and communication technology), logistics, fast-moving consumer goods, the pharmaceutical industry and the segment of renewable energy.

The banking market saw no further consolidation in 2024, yet it continued to be highly competitive. The profitability of the sector remained, strong with cost efficiency further improving, capital ratios remaining high, and NPL edging further down to historic lows. Household credit growth was in the double-digit region, mostly owing to consumer credit, which grew close to 15%. Housing loans increased just shy of 10% despite the absence of state-subsidised schemes in 2024. On the other side, corporate loans saw another solid year with a growth rate in mid-single digits, as the easing rate environment created demand tailwinds. The exposure to the public sector largely stagnated, reflecting a changing structure away from bilateral credit and shifting towards direct exposure via securities holding. The deposit side also produced steady growth in the mid-single digits, where the retail segment, despite the ongoing issuing activity by the Ministry of Finance in the retail space, showed a moderate acceleration.

How did you manage to successfully differentiate your business activities from those of your competitors?
We are pleased that we continued stable business trends and achieved positive financial results in 2024. Total lending growth, with new lending volume up in retail and corporate business alike, upward trends in the use of our digital channels where we exceeded one million users in total, as well as stable growth of our deposit base and positive risk costs have further consolidated our position on the local market. With the integration of the card issuing part from Erste Card Club (ECC), we made a significant step towards the further improvement of the card operations business. Given our strong capital position, high level of liquidity, and the highest rating among banks in the Croatian market assigned to us by the rating agencies ("A-", Fitch, 2024), we were able not only to provide adequate support to our clients but to provide an additional boost to the continued growth and development of the entire Croatian economy.

Looking back at the year, what major achievements or challenges were especially noteworthy?
In January 2024, we issued our inaugural green preferred senior bond on the international capital market. The EUR 400 million bond was issued under Erste Group's Sustainable Finance Framework and is the first green bond issued by any issuer in the Republic of Croatia. This issue was printed to fulfil the MREL requirement (Minimum requirement for own funds and eligible liabilities). The funds raised further improved the diversification of our funding sources, while being used to promote green and sustainable investments and projects. By the respective, in total eighth issue of bonds of our bank in the domestic and international capital markets, we have once again confirmed our position as the most active non-government bond issuer in Croatia. I am also proud of the fact that our bank received the prestigious "Best Private Bank" award from the highly regarded PWM/The Banker and Global Finance publications, having been declared the leading private bank in Croatia.

Financial review

in EUR million	2023	2024	Change
Net interest income	403	421	4.4%
Net fee and commission income	124	133	7.4%
Net trading result and gains/losses from financial instruments at FVPL	16	17	6.2%
Operating income	552	580	5.0%
Operating expenses	-264	-280	6.4%
Operating result	289	300	3.8%
Cost/income ratio	47.7%	48.3%	
Impairment result from financial instruments	46	18	-60.6%
Other result	-43	-20	-52.9%
Net result attributable to owners of the parent	164	164	-0.2%
Return on allocated capital	22.3%	23.1%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to higher average interest rates, higher customer loan volumes as well as higher income from securities. Net fee and commission income went up mainly on higher payment fees. Net trading result and gains/losses from financial instruments at FVPL remained largely stable. Operating expenses increased on the back of higher personnel, IT as well as legal and consultancy costs. The contribution to the deposit insurance fund amounted to EUR 3 million (EUR 9 million). Despite the increase in the operating result the cost/income ratio worsened marginally. Impairment result from financial instruments still benefited from net releases due to upgrades and recoveries from defaults, albeit at a lower level. The improvement of other result was mainly driven by lower selling losses from bonds and lower provisions for legal expenses. Overall, the net result attributable to the owners of the parent remained stable, driven, among others, by an additional windfall tax in the amount of EUR 6 million booked in the taxes on the income line.

Credit risk

In the Croatia segment, credit risk exposure rose significantly to EUR 16.6 billion (+11.4%). Loans to customers increased to EUR 9.9 billion (+5.3%). The share of loans to customers of Erste Group's total loans to customers remained stable at 4.5%. The share of the retail segment of the loan portfolio increased to 46.3%, while the share of the corporate segment decreased to 53.7%. The NPL ratio was relatively stable at 3.1% (3.0%). The NPL coverage ratio based on loan loss provisions decreased to 94.2% (107.6%) as loan loss provisions decreased with the increasing volume of loans to customers.

Serbia

Economic review

In 2024, the Serbian economy outperformed the CEE average. Economic growth was mainly attributable to domestic demand, in particular household consumption, supported by a robust labour market and real wage gains. Investment activity remained strong in both the public and private sectors. The inflow of foreign direct investments, most notably to the manufacturing industry, was substantial. Agricultural output, on the other hand, was weak. The contribution of exports to economic growth was only moderate. External demand was relatively weak, driven by the slow growth of the country's main trading partners, especially Germany. Serbia's unemployment rate decreased to 8.5%. Overall, real GDP increased by 3.9%, and GDP per capita amounted to EUR 12,600.

Serbia maintained a sound fiscal stance, and its general government deficit decreased slightly. While revenues benefitted from booming domestic demand, expenses were significantly up by defence-related spending. Belgrade, Serbia's capital, will host EXPO 2027, the first world exposition in the country. This event already required investments in 2024. Serbia's general government deficit decreased to 2.0%. Public debt as a percentage of GDP improved further to 47.3%.

Inflation significantly declined, driven by falling food and transportation prices. Inflation, however, started to gradually rise again after bottoming in June. This was mainly due to higher services and housing prices. Overall, average consumer prices increased by 4.6%, slightly above the central bank's target range of 3% ± 1.5 percentage points. The Serbian dinar was again one of the most stable currencies in CEE, trading at around RSD 117 against the euro throughout the year. The National Bank of Serbia reduced the reference interest rate in three steps in June, July, and September by 25 basis points each, bringing it down to 5.75% by the end of the year.

Rating agencies acknowledged Serbia's favourable economic developments in 2024. Standard & Poor's awarded the country with the agency's first-ever investment grade credit rating of BBB- with a stable outlook. Fitch confirmed its BB+ rating and improved the outlook from stable to positive. Moody's confirmed its long-term credit ratings of Ba2 and also improved its outlook from stable to positive.

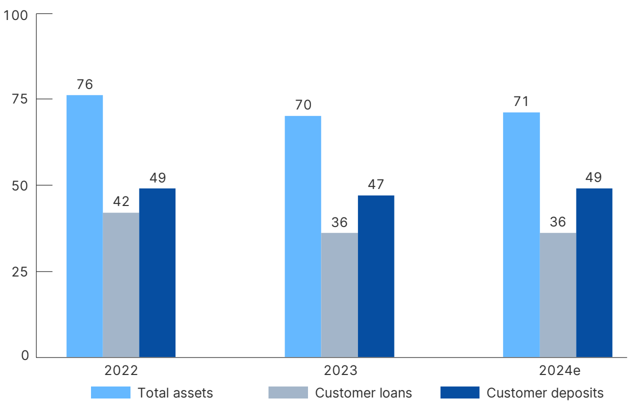
Key economic indicators – Serbia	2021	2022	2023	2024e
Population (average, million)	6.8	6.6	6.6	6.5
GDP (nominal, EUR billion)	55.9	63.5	75.2	82.3
GDP/capita (in EUR thousand)	8.2	9.6	11.4	12.6
Real GDP growth	7.9	2.6	3.8	3.9
Private consumption growth	7.6	3.5	0.6	4.1
Exports (share of GDP)	39.1	43.5	38.1	35.4
Imports (share of GDP)	51.7	61.4	49.0	47.4
Unemployment (Eurostat definition)	11.0	9.4	9.5	8.5
Consumer price inflation (average)	4.1	11.9	12.5	4.6
Short term interest rate (3 months average)	0.9	2.5	5.6	5.3
EUR FX rate (average)	117.6	117.5	117.3	117.1
EUR FX rate (eop)	117.6	117.3	117.2	117.0
Current account balance (share of GDP)	-4.1	-6.6	-2.4	-6.1
General government balance (share of GDP)	-3.9	-3.0	-2.1	-2.0

Source: Erste Group

Market review

Reflecting the favourable macroeconomic developments, the Serbian banking market grew impressively in 2024. At 8.9%, customer loan growth was significantly supported by the lower interest rate environment and the numerous interest rate and fee caps introduced already in the last quarter of 2023. In retail business, both consumer and mortgage lending grew significantly. Corporate loan growth was mainly attributable to working capital loans. At 14.1%, customer deposit growth was even higher than that of customer loans and equally distributed between retail and corporate businesses. Overall, the banking system's loan to deposit ratio decreased further to 74.0%.

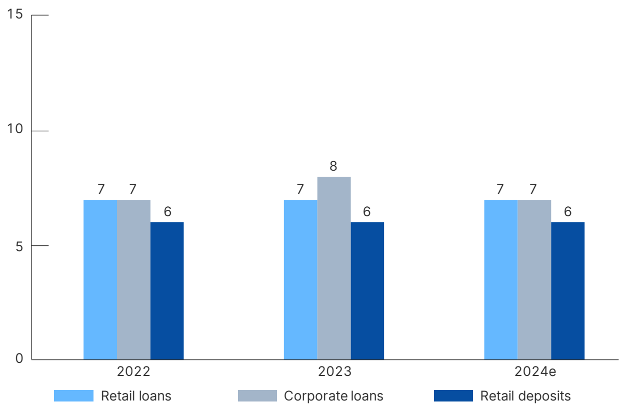
Financial intermediation – Serbia (in % of GDP)



Source: National Bank of Serbia, Erste Group

In 2024, Serbia's banking system continued to be profitable. Despite interest rate caps on mortgage loans, cash and consumer loans, overdrafts and credit card fees, the operating income of the banking sector grew substantially. Operating expenses increased only moderately despite rising personnel expenses. The number of branches decreased further. Digitalisation was boosted significantly due to the banks' continuous efforts to migrate customers to digital channels. The number of digital users increased further. Asset quality trends remained favourable, with the sector non-performing loan ratio improving to 2.5%. Risk costs remained low. The National Bank of Serbia did not change the capital requirements throughout 2024 and kept the countercyclical buffer unchanged at 0%. At 21.9%, the banking system's capital adequacy remained strong, and its return on equity improved to 20.2%. After several mergers and acquisitions that took place in 2023 there was no further consolidation of the banking sector in 2024.

Market shares – Serbia (in %)



Source: National Bank of Serbia, Erste Group

Despite losing market shares in the lending business Erste Bank Serbia defended its top ten position on the market. In terms of total assets, the bank's market share decreased slightly to 6.1%. Its market share in customer loans decreased to 6.9% mainly due to aggressive pricing policies of some competitors. At 7.1%, the bank's market share in corporate loans was marginally higher than in retail loans. Erste Bank Serbia's customer deposit market share remained almost unchanged at 6.4%. Euro-denominated deposits significantly outgrew Serbian dinar deposits. Overall, the bank's loan-to-deposit ratio stood at a healthy 84.1%.

Business review

Interview with Jasna Terzić, CEO of Erste Bank Serbia

How did the competitive environment change?
In 2024, despite a downward trend in Euribor, interest rates remained high at 7 to 8%, which significantly impacted loan demand. As a result, the corporate loan book in Serbia grew by only around 2.5%. Many businesses postponed borrowing, anticipating further rate cuts, while some banks introduced lower fixed-rate loans, betting on falling market rates. At the same time, we observed significant excess liquidity on the liability side, leading to cheaper deposits. However, at Erste Bank Serbia, we saw only a modest 25 basis points reduction in corporate interest expenses.

The solid economic momentum from late 2023 continued into 2024, and Serbia achieved approximately 4% real GDP growth, one of the best in the region. Declining inflation, a tight labour market, and rising wages have boosted real disposable income and domestic spending. Additionally, strong public investments and continued foreign direct investments have supported growth. The growth contribution from the external balance declined slightly, as imports grew faster than exports.

On the credit side, retail lending expanded, with cash loans growing at a double-digit rate, while the corporate business posted mid-single-digit growth as businesses awaited ECB and National Bank of Serbia monetary easing. Mortgage loans also saw strong growth, supported by the NBS interest rate cap.

Importantly, Serbia achieved its first-ever investment-grade credit rating, BBB- from S&P, in 2024, while Fitch and Moody's remain below investment grade but with positive outlooks.

How did you manage to successfully differentiate your business activities from those of your competitors?
At Erste Bank Serbia, our key differentiator has always been a strong client focus — rather than simply selling products, we strive to provide real solutions tailored to customer needs. This approach has been well recognised, as reflected in our SME CXI index results-confirming high client satisfaction.

Additionally, we have maintained a leading role in financing renewable energy projects, setting ourselves apart through a strong commitment to sustainability. Beyond financing, we actively contribute to decarbonisation by improving our own energy efficiency, reducing transport emissions, and fostering a culture of sustainability. This holistic approach has allowed us to significantly expand our green financing and strengthen our position as a market leader.

Moreover, sustainability is embedded in our retail banking strategy. By prioritising ESG principles, we have introduced innovative products such as green mortgages with better pricing, loans for housing associations, and energy-efficiency loans for home renovations. Our continuous focus on customer experience and responsible banking ensures that we remain among the top banks in Serbia when it comes to client satisfaction and sustainable financial solutions.

Looking back at the year, what major achievements or challenges were especially noteworthy?
Looking back, we take pride in several major achievements that reaffirm our leadership in key areas. As a payment bank and one of the six issuer banks for Serbia's largest corporate bond (EUR 900 million), we played a pivotal role in capital markets development. Our FX sales performance was another highlight, exceeding last year's results by 37%. Erste Bank Serbia was the first bank in the country to sign an MREL-eligible loan with the International Finance Corporation in a volume of EUR 65 million.

Our leadership in sustainability and ESG excellence was widely recognised. We became the first bank in Serbia to receive the ESG Leader 2024 award from PwC for our environmental strategy. The EBRD Gold Sustainability Award honoured us for pioneering the first loan to a housing association, while we also earned the EBRD Certificate of Excellence for Environmental Innovation. Additionally, our commitment to sustainable finance was reinforced through the CSP Programme (N.B. Certified Sustainability Professional) and the launch of Go Green. Beyond the environmental impact, we were recognised as the Most Inclusive Employer 2024 for our dedication to social responsibility and named Sustainability Champions 2024 for driving climate action.

These milestones reflect both our achievements and the ongoing challenge of driving meaningful change in an evolving financial landscape.

Financial review

in EUR million	2023	2024	Change
Net interest income	101	112	10.8%
Net fee and commission income	24	27	14.8%
Net trading result and gains/losses from financial instruments at FVPL	7	12	62.3%
Operating income	134	156	16.3%
Operating expenses	-91	-96	5.8%
Operating result	43	60	38.3%
Cost/income ratio	67.7%	61.6%	
Impairment result from financial instruments	-9	-9	0.2%
Other result	1	2	>100.0%
Net result attributable to owners of the parent	26	38	46.4%
Return on allocated capital	10.3%	13.0%	

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) was largely stable against the EUR compared to the same period of the last year. Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) increased due to higher loan volumes and higher average interest rates. Net fee and commission income increased mainly due to higher payment, documentary and insurance brokerage fees. The net trading result and gains/losses from financial instruments at FVPL improved on a higher contribution of foreign currency transactions. Operating expenses rose mainly due to higher personnel expenses and depreciation. The contribution to the deposit insurance fund amounted to EUR 6 million (EUR 5 million). Consequently, operating result increased, and the cost/income ratio improved significantly. Impairment result from financial instruments remained stable. Other result improved on lower provisions for legal expenses. Overall, the net result attributable to owners of the parent increased.

Credit risk

Credit risk exposure in the Serbia segment rose significantly to EUR 4.3 billion (+10.0%). Loans to customers increased to EUR 2.3 billion (+3.9%). Retail loans grew at a faster pace (+5.5%) than corporate loans (+2.3%). Non-performing loans improved slightly to 2.6% (2.7%) of total loans to customers. Loan loss provisions stood at 103.5% (108.8%) of non-performing loans.

(Consolidated) Corporate Governance Report 2024

Your notes

(Consolidated) Corporate Governance Report

COMMITMENT TO CORPORATE GOVERNANCE CODE

Since 2003 Erste Group Bank AG has been committed to complying with the rules of the Austrian Code of Corporate Governance (Austrian CCG – see www.corporate-governance.at) and hence to responsible and transparent corporate governance. In addition, the management board adopted a Statement of Purpose in 2015. This statement states in more detail and reaffirms the purpose of Erste Group Bank AG to promote and secure prosperity throughout the region in which Erste Group is active. Building on this Statement of Purpose, a Code of Conduct defines binding rules for the day-to-day business.

This Corporate Governance Report has been prepared in accordance with sections 243c and 267b of the Austrian Commercial Code (UGB) and Rules 60 et seq. of the Austrian CCG and combines the corporate governance report of Erste Group Bank AG, the parent, and the consolidated corporate governance report in one single report. For the 2024 financial year, a sustainability statement has been prepared for Erste Group Bank AG for the first time in accordance with EU Directive 2022/2464, the Corporate Sustainability Reporting Directive (CSRD).

Information on the total remuneration of individual members of the management board and the supervisory board and the principles governing the remuneration policy are disclosed in a separate remuneration report pursuant to section 78e Austrian Stock Corporation Act (AktG).

In the 2024 financial year, Erste Group Bank AG complied with all L-Rules (Legal Requirements – mandatory legal norms) and R-Rules (Recommendations – these rules are more similar to recommendations; non-compliance does not need to be disclosed or explained) as well as – with three exceptions – all C-Rules (Comply-or-Explain – deviations are permitted, but must be described and explained) of the Austrian CCG.

The permitted deviations were as follows:

_ Pursuant to C-Rule 2 of the Austrian CCG, shares are to be construed in accordance with the principle of one share – one vote, i.e. the company may only issue shares that have one vote per share and no right to nominate members to the supervisory board. Under Erste Group Bank AG's articles of association (Art. 15.1), the shareholder DIE ERSTE österreichische Spar-Casse Privatstiftung is, however, granted the right to nominate up to one third of the members of the supervisory board to be elected by the annual general meeting as long as it is liable for all present and future liabilities of Erste Group Bank AG in case of its insolvency pursuant to section 92 para 9 of the Austrian Banking Act. The Privatstiftung has not exercised this right to date.

_ Pursuant to C-Rule 27 CCG, care must be taken to ensure that, for the variable remuneration components for management board members, measurable performance criteria are being fixed in advance as well as maximum limits for amounts or as a percentage of the fixed remuneration components. One deviation concerns the treatment of the deferred variable remuneration for management board members of Erste Group Bank AG, the share-based portion of which is treated as a long-term incentive (LTI) in the form of performance share units (PSUs). The number of PSUs is initially calculated at the time of the granting and adjusted according to the average group performance at the end of the deferral period (vesting). The performance criteria used to measure group performance are defined by the supervisory board annually in advance, hence there are no fixed performance criteria for the duration of the deferral period. The approach chosen by Erste Group Bank AG corresponds, however, most closely to a risk-based variable remuneration that is in line with Erste Group's long-term performance and regulatory requirements. More details can be found in the remuneration policy adopted by the annual general meeting of Erste Group Bank AG pursuant to section 78a of the Austrian Stock Corporation Act, see www.erstegroup.com/en/about-us/corpgov.

_ Pursuant to C-Rule 52a of the Austrian CCG, the number of supervisory board members (without employees' representatives) shall be ten at most. In 2024, the supervisory board of Erste Group Bank AG comprised up to thirteen members elected by the annual general meeting. The deviation from C-Rule 52a of the Austrian CCG is due to the size of Erste Group and its market position in seven core markets in Central and Eastern Europe as well as to the fact that the supervisory board has to perform a multitude of financial-market-related and prudential review and oversight duties. Moreover, the supervisory board must meet various criteria to comply with diversity requirements.

CORPORATE CONSTITUTION

Erste Group Bank AG is a stock corporation established under Austrian law and has a two-tier management system comprising a management board and a supervisory board. The management board is responsible for managing the company as required for the benefit of the company taking into account the interests of the shareholders and the employees as well as public interest. The management board takes its decisions in compliance with the articles of association and its internal rules as well as the Statement of Purpose.

The supervisory board supervises and advises the management board, in particular when taking decisions of fundamental importance, but without engaging in any management tasks itself.

The supervisory board appoints members of the management board. The supervisory board members being shareholder representatives are elected by the annual general meeting of Erste Group Bank AG, with due regard to the right of nomination granted to shareholder DIE ERSTE österreichische Spar-Casse Privatstiftung under the articles of association, which right was, however, not exercised in the 2024 financial year. The employees' council of Erste Group Bank AG has the right to nominate one employees' representative for every two shareholder representatives to the supervisory board. If the number of shareholder representatives is an odd number, then one more member shall be nominated as an employees' representative.

COMPOSITION AND WORKING PROCEDURE OF THE CORPORATE BODIES

Selection and assessment of members of corporate bodies

The qualification requirements for members of the corporate bodies (management board and supervisory board) of Erste Group Bank AG are governed by the internal guidelines for the selection and assessment of members of the management and supervisory boards. These guidelines define the internal framework for the selection and assessment of members of the corporate bodies taking into account relevant national and EU legal provisions for banks and exchange-listed stock corporations such as section 5 para 1 nos 6 to 13 of the Austrian Banking Act, section 28a of the Austrian Banking Act, ESMA and EBA guidelines for assessing the suitability of members of the management body and key function holders (EBA/GL/2021/06), the ESMA and EBA guidelines on internal governance pursuant to EU Directive 2019/2034 (EBA/GL/2021/05), the ECB's guide to fit and proper assessments as well as the FMA circular on the assessment of suitability of executive directors, non-executive directors and key function holders.

The assessment of proposed and appointed members of corporate bodies is based on the following criteria: personal reputation, professional qualifications and required experience as well as potential conflicts of interest, independence, time availability, overall composition of the management or supervisory board and diversity.

Continuing development of members of corporate bodies

To maintain an appropriate level of professional qualification and continuing development of members of the corporate bodies, Erste Group regularly organises events and seminars for members of the management board and the supervisory board and enables them to participate in external training events.

As part of the 2024 in-house training programme for members of the management board and the supervisory board, board members discussed and considered a wide range of topics with in-house and outside experts both individually and collectively within the respective boards.

Among the professional development and training events organised for the respective boards were the following highlights: training sessions on ESG ("ESG: Regulatory Framework, Ratings and Investors' Expectations") and on the legal and historic foundations of savings banks as well as on inorganic growth and M&A strategies for banks. In addition, management board and supervisory board members attended an FMA webinar on "sustainable finance for management and supervisory boards". As part of ongoing security awareness training events, management board members were trained in matters such as cyber defence, phishing and data theft. Management board members also took part in a workshop on disability awareness. In addition, multiple sessions of extensive fit and proper training were held for supervisory board members to deepen their understanding of supervisory architecture and the law on banking supervision. Attendance of professional meetings organised by Sparkassenverband also formed part of the training programme. The development of such expertise and skills is continued regularly (on subjects such as current legal developments, specifically in financial reporting and risk management) by means of presentations given by relevant departments at management board and supervisory board meetings. In addition, a comprehensive on-boarding process was conducted with members newly elected to the supervisory board at the annual general meeting held on 22 May 2024.

Measures taken to avoid conflicts of interest

Every year, the members of the supervisory board are obligated to consider the regulations of the Austrian CCG regarding conflicts of interest. Furthermore, members of the management and supervisory boards receive internal guidelines on how to deal with conflicts of interest that are brought to their attention. These internal guidelines are based on Article 83 of the ESMA and EBA guidelines for assessing the suitability of members of the management body and key function holders (EBA/GL/2021/06) and Chapter 3.3.2 of the ECB's guide to fit and proper assessments as well as additional legal requirements (section 28 of the Austrian Banking Act, section 95 para 5 no 12 of the Austrian Stock Corporation Act, section 95a para 1 of the Austrian Stock Corporation Act). Among other things, the internal guidelines describe the appropriate procedure for identifying and avoiding conflicts of interest, the contents of the report, responsibilities and documentation requirements.

As soon as members of the management board and the supervisory board identify (potential) conflicts of interest, these shall be reported by them proactively to the chair of the nomination committee; if this reporting obligation concerns the chair of the nomination committee themself, the chair must inform their deputy thereof. The nomination committee will subsequently decide whether the conflict of interest is material and what measures need to be taken (abstention from voting on resolutions, ban on attendance at meetings, voting ban, changing the duties of the body concerned, termination of the mandate of the management board or supervisory board member concerned). The conflict of interest will be disclosed in the relevant bodies and, if required, to the supervisory authority. In individual cases, the (potential) conflict of interest will be monitored by the Compliance function or Group Audit. Furthermore, new members of the management board and the supervisory board receive comprehensive information regarding the avoidance of conflicts of interest when taking up their board function.

Directors and officers liability insurance

Erste Group Bank AG has a directors and officers liability insurance. Unless otherwise provided by local law, the insurance policy covers former, current and future members of the management board or managing directors, of the supervisory board, of the administrative board and of the advisory board as well as senior management, holders of statutory powers of attorney (Prokuristen) and management staff of Erste Group Bank AG and the subsidiaries in which Erste Group Bank AG holds more than 50% of the shares or voting rights either directly or indirectly through one or more subsidiaries. The costs are borne by the company.

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MANAGEMENT BOARD

In 2024, the management board initially consisted of six and, from 1 July 2024, of five members.

Management board member	Year of birth	Date of initial appointment	End of current period of office
Peter Bosek (Chairman from 1 July 2024)	1968	1 July 2024	30 June 2027
Ingo Bleier	1970	1 July 2019	30 June 2026
Stefan Dörfler	1971	1 July 2019	31 December 2027
Alexandra Habeler-Drabek	1970	1 July 2019	31 December 2027
Maurizio Poletto	1973	1 January 2021	31 December 2027
Willibald Cernko (Chairman until 30 June 2024)	1956	1 July 2022	30 June 2024
David O'Mahony (until 30 June 2024)	1965	1 January 2020	30 June 2024

Peter Bosek was appointed to serve as chairman of the management board of Erste Group Bank AG as of 1 July 2024. In view of the appointment of Peter Bosek, Willibald Cernko offered to resign early, as of 30 June 2024, from his mandate as chairman of the management board, which originally would have continued until 31 December 2024.

David O'Mahony likewise resigned early, as of 30 June 2024, from his mandate as a management board member, which originally would have continued until 31 December 2026. His area of responsibility as Chief Operating Officer (COO) was taken over by Maurizio Poletto in addition to his function as Chief Platform Officer (CPO).

Management board member	Areas of responsibility
Peter Bosek (from 1 July 2024)	Chief Executive Officer (CEO): Group People & Culture, Group Secretariat & Legal, Group Audit, Group Brand Management & Communications, Group Investor Relations, Group Strategy, Group Corporate Affairs & Stakeholder Management; and Chief Retail Officer (CRetO): Group Retail Development - Financial Health
Ingo Bleier	Chief Corporates & Markets Officer (CCMO): Group Corporates, Group Commercial Real Estate, Group Markets, Group Research
Stefan Dörfler	Chief Financial Officer (CFO): Group Balance Sheet Management, Group Performance Management, Group Data Management, Group Accounting
Alexandra Habeler-Drabek	Chief Risk Officer (CRO): Group Compliance, Credit Risk Methods, Retail Risk Management, Credit Risk Portfolio, Corporate Risk Management, Enterprise wide & Operational Risk Management, Group Liquidity & Market Risk Management
Maurizio Poletto	Chief Platform Officer (CPO): Platform Governance; from 1 July 2024 additionally Chief Operating Officer (COO): CIO Group Functions, Banking Services, Group Security
Willibald Cernko (until 30 June 2024)	Chief Executive Officer (CEO): Group People & Culture, Group Secretariat & Legal, Group Audit, Group Brand Management & Communications, Group Investor Relations, Group Strategy, Group Corporate Affairs & Stakeholder Management, Group Retail Development - Financial Health
David O'Mahony (until 30 June 2024)	Chief Operating Officer (COO): CIO Group Functions, Banking Services, Group Security

The internal rules of the management board of Erste Group Bank AG do not provide for the establishment of committees from among its ranks. In addition to holding senior management positions at Erste Group, management board members, however, also serve as members of committees on a wide variety of matters at Erste Group Bank AG.

The expertise of management board members is reflected specifically, but not exclusively in their respective current areas of responsibility. As part of the individual suitability assessment conducted prior to the appointment of each management board member, the supervisory board of Erste Group Bank AG carefully evaluates their expertise based on the standards applicable to credit institutions. For additional details see the curricula vitae of the management board members at www.erstegroup.com/en/about-us/corpgov/vorstand. Short profiles are provided below:

Peter Bosek (background in law) started his career at the University of Vienna's Department of Constitutional and Administrative Law before entering the banking industry in 1996. After holding various management positions within Erste Group over the course of 25 years, Bosek served as CEO of Erste Bank der oesterreichischen Sparkassen AG and as Chief Retail Officer of Erste Group Bank AG. From 2021 to 2024 he was CEO of Luminor Bank AS in Tallinn (Estonia).

Ingo Bleier (background in law and commercial sciences) had already been entrusted with a variety of management tasks in corporate banking, project finance and loan syndication first at Creditanstalt and subsequently at UniCredit Bank Austria AG. Prior to his appointment to the management board, he had held various management functions in Corporate and Acquisition Finance, Investment Banking and Group Corporates at Erste Group Bank AG since 2008.

Stefan Dörfler (background in technical mathematics) started his career as interest rate derivatives trader at GiroCredit Bank AG; after holding various management positions, most recently as Head of Group Markets and Capital Markets, he served as chairman of the management board of Erste Bank der oesterreichischen Sparkassen AG from 2016 to June 2019.

Alexandra Habeler-Drabek (background in commercial sciences) served in various management positions at Creditanstalt (later UniCredit Bank Austria AG) in the fields of credit risk, restructuring and workout. Among the positions she had held at Erste Group before her appointment to the management board were, among others, Head of Operative Risk Management of Erste Bank der oesterreichischen Sparkassen AG, Head of Group Enterprise-wide Risk Management at Erste Group Bank AG and Chief Risk Officer of Slovenská sporiteľňa, a.s.

Maurizio Poletto (background in design) has built his career at the intersection of digital design, user experience, and advanced technology R&D. He initially gained experience as a designer and art director before founding his own company in 2003. Since joining Erste Group in 2012, Maurizio has demonstrated strong leadership and strategic vision, driving digital innovation and technological advancement. He was instrumental in establishing George Labs GmbH, an in-house fintech incubator, and has been a key leader in the development and expansion of George for over a decade.

Management positions in subsidiaries

Stefan Dörfler

Erste Bank der oesterreichischen Sparkassen AG,
Member of the management board (Chief Finance Officer)
(until 30 June 2024)

Alexandra Habeler-Drabek

Erste Bank der oesterreichischen Sparkassen AG,
Member of the management board (Chief Risk Officer)
(until 31 July 2024)

Mandates on supervisory boards and similar functions

As of 31 December 2024, management board members held the following supervisory board mandates or similar functions in domestic or foreign companies or material subsidiaries of Erste Group Bank AG (the latter are marked with *).

Peter Bosek (from 1 July 2024)
Česká spořitelna, a.s.*, Chair

Ingo Bleier
Erste Bank der oesterreichischen Sparkassen AG*, Member
Erste & Steiermärkische Bank d.d.* (Erste Bank Croatia), Member
Erste Bank a.d. Novi Sad* (Erste Bank Serbia), Chair
Steiermärkische Bank und Sparkassen AG*, Member

Stefan Dörfler
Banca Comercială Română S.A.*, Vice Chair
Česká spořitelna, a.s.*, Member
Erste Digital GmbH*, Member
Sparkassen-Haftungs GmbH*, Member
Wiener Börse AG, Member

Alexandra Habeler-Drabek
Erste Bank Hungary Zrt.*, Member
Oesterreichische Kontrollbank Aktiengesellschaft, Vice Chair (until 31 December 2024)

Maurizio Poletto
Česká spořitelna, a.s.*, Member
Erste Bank Hungary Zrt.*, Member (until 30 June 2024)
Erste Digital GmbH*, Chair

Members who resigned until the date of their departure:

Willibald Cernko (until 30 June 2024)
Česká spořitelna, a.s.*, Chair
Erste & Steiermärkische Bank d.d.* (Erste Bank Croatia), Chair
TIROLER SPARKASSE Bankaktiengesellschaft Innsbruck*, Chair

David O'Mahony (until 30 June 2024)
Erste Digital GmbH*, Chair
Erste Bank a.d. Novi Sad* (Erste Bank Serbia), Member
Slovenská sporiteľňa, a.s.*, Chair

SUPERVISORY BOARD

In the 2024 financial year, the following persons were members of the supervisory board:

Position	Name	Gender	Year of birth	Nationality	Date of initial appointment	End of the current period of office
Chairman	Friedrich Rödler	male	1950	Austria	4 May 2004	AGM 2025
1st Vice Chairman (until 22 May 2024)	Maximilian Hardegg	male	1966	Austria	12 May 2015	22 May 2024
1st Vice Chairwoman (since 22 May 2024)	Elisabeth Krainer-Senger-Weiss	female	1972	Austria	21 May 2014	AGM 2027
2nd Vice Chairwoman (since 22 May 2024)	Christine Catasta	female	1958	Austria	18 May 2022	AGM 2026
Member	Henrietta Egerth-Stadlhuber	female	1971	Austria	26 June 2019	AGM 2026
Member	Alois Flatz	male	1966	Austria	18 May 2022	AGM 2025
Member	Marion Khüny	female	1969	Austria	17 May 2017	AGM 2026
Member	Caroline Kuhnert	female	1963	Austria, Switzerland	1 August 2024	AGM 2027
Member	Mariana Kühnel	female	1983	Austria	18 May 2022	AGM 2025
Member	Friedrich Santner	male	1960	Austria	10 November 2020	AGM 2027
Member	Michael Schuster	male	1980	Austria	19 May 2021	AGM 2028
Member	Walter Schuster	male	1955	Austria	22 May 2024	AGM 2027
Member	András Simor	male	1954	Hungary	10 November 2020	15 January 2024
Member	Michèle F. Sutter-Rüdisser	female	1979	Switzerland	15 May 2019	22 May 2024
Member	Christiane Tusek	female	1975	Austria	12 May 2023	AGM 2026
Delegated by the employees' council:						
Member	Martin Grießer	male	1969	Austria	26 June 2019	until further notice
Member	Markus Haag	male	1980	Austria	21 November 2011	until further notice
Member	Regina Haberhauer	female	1965	Austria	12 May 2015	until further notice
Member	Jakob Hofstädter	male	1962	Austria	8 May 2024	until further notice
Member	Andreas Lachs	male	1964	Austria	9 August 2008	8 May 2024
Member	Barbara Pichler	female	1969	Austria	9 August 2008	until further notice
Member	Jozef Pinter	male	1974	Slovakia	25 June 2015	16 January 2024
Member	Karin Zeisel	female	1961	Austria	9 August 2008	until further notice

In 2024, the composition of the supervisory board changed as follows: András Simor resigned from his supervisory board mandate as of 15 January 2024. In this context, the delegation of Jozef Pinter to the supervisory board was revoked by the employees' council on 16 January 2024 in accordance with section 110 of Arbeitsverfassungsgesetz (ArbVG, the Austrian Works Constitution Act).

At the annual general meeting on 22 May 2024, Elisabeth Krainer-Senger-Weiss and Michael Schuster were re-elected. Walter Schuster and Caroline Kuhnert were newly elected to the supervisory board, the latter as of 1 August 2024. Michèle Sutter-Rüdisser and Maximilian Hardegg resigned from their supervisory board mandates as of the end of the annual general meeting. At the constituent meeting of the supervisory board held after the annual general meeting on 22 May 2024, Elisabeth Krainer-Senger-Weiss was elected as 1st Vice Chair (previously 2nd Vice Chair) and Christine Catasta as 2nd Vice Chair (previously a member).

The delegation of Andreas Lachs to the supervisory board as employee representative ended as of 8 May 2024 upon his retirement after many years of service. Jakob Hofstädter was delegated by the employees' council to the supervisory board for the first time, as of 8 May 2024.

Expertise of supervisory board members

The table below provides an overview of the core expertise and selected specific qualifications of members of the supervisory board of Erste Group Bank AG. It is by no means exhaustive but intends to highlight the expertise and qualifications of supervisory board members that were considered relevant at the time they were elected as members of the supervisory board or that are of particular significance for their current work. Expertise is assessed on the basis of education and training as well as relevant professional experience.

The table does not include employees' representatives delegated to the supervisory board by the employees' council of Erste Group Bank AG, whose suitability was assessed and confirmed in accordance with applicable fit and proper standards exclusively by the employees' council.

		Core competences						Specific competences		
Name	Occupation	Banking and finance	Industry	Advisory	Directors/ senior management	Accounting/ auditing/ risk management	Regulatory/ public domain	IT/digi- talisation/ innovation	Corporate acquisitions/ reorganisation/ capital markets	Sustain- ability topics
Friedrich Rödler	Auditor and tax advisor	x		x	x	x	x		x	x
Maximilian Hardegg	Entrepreneur		x		x	x		x		x
Elisabeth Krainer Senger-Weiss	Lawyer		x	x			x		x	x
Christine Catasta	Auditor and tax advisor		x	x	x	x			x	
Henrietta Egerth-Stadlhuber	Managing director, Austrian Research Promotion Agency		x	x	x		x	x		
Alois Flatz	Investor	x		x	x			x	x	x
Marion Khüny	Consultant	x		x	x	x			x	
Caroline Kuhnert	Executive Board Member (banking), ret.	x			x	x	x	x		x
Mariana Kühnel	Deputy secretary general, Austrian Federal Economic Chamber	x	x		x		x	x		
Friedrich Santner	Entrepreneur	x	x		x	x		x	x	
Michael Schuster	Investor	x		x	x			x	x	
Walter Schuster	Consultant		x	x	x	x			x	
András Simor	Governor, Central Bank of Hungary, ret.	x			x	x	x		x	
Michèle F. Sutter-Rüdisser	Professor	x		x	x	x	x		x	x
Christiane Tusek	Vice-Rector for Finance and Entrepreneurship	x		x	x	x	x		x	

Additional note on the table above: the term 'directors' refers to those natural persons that under the law or the articles of association are tasked with the management of the affairs of a company, including in particular the definition of the strategy, goals and overall policies as well as with the representation of the company in its external relations. The term 'senior management' refers to those natural persons who in an enterprise perform management tasks or executive activities and are responsible and accountable to the directors for the day-to-day business.

Mandates on supervisory boards or similar functions

In 2024, supervisory board members held the following additional supervisory board mandates or similar functions in domestic or foreign companies. Material subsidiaries of Erste Group Bank AG are marked with *, listed companies are marked with **.

Friedrich Rödler
Erste Bank der oesterreichischen Sparkassen AG*, Chair
Erste Bank Hungary Zrt.*, Member
Sparkassen-Prüfungsverband, Chair
Abschlussprüferaufsichtsbehörde, Member

Elisabeth Krainer-Senger-Weiss
Banca Comercială Română S.A.*, Member
Gebrüder Weiss Holding AG, Vice Chair
Gebrüder Weiss Gesellschaft m.b.H., Vice Chair

Christine Catasta
Erste Bank der oesterreichischen Sparkassen AG*, Member
Banca Comercială Română S.A.*, Member
Austrian Airlines AG, Member (until 23 August 2024)
ÖLH Österreichische Luftverkehrs-Holding-GmbH, Member (until 23 August 2024)
Bundesimmobiliengesellschaft m.b.H., Chair
VERBUND AG**, 2nd Vice Chair (until 30 April 2024)

Henrietta Egerth-Stadlhuber
NÖ Kulturwirtschaft GesmbH, Member
Lebensraum Tirol Holding GmbH, Vice Chair

Alois Flatz
CEBS AG, Member (until 6 May 2024)
Crate.io, Inc., Chair
Direttissima Growth Partners AG (formerly Flatz Hoffmann AG), Chair

Marion Khüny
Valiant Bank AG**, Member
Multitude AG**, Member (from 25 April 2024)
Lang & Schwarz Aktiengesellschaft**, Member (from 4 July 2024)

Friedrich Santner
Steiermärkische Bank und Sparkassen AG*, Chair
Styria Media Group AG, Chair
SAG Immobilien AG, Chair

Christiane Tusek
Sparkasse Oberösterreich Bank AG*, Member
RISC Software GmbH, Chair
Linz Center of Mechatronics GmbH, 2nd Vice Chair
JKU-Betriebs- und Vermietungs-GmbH, Vice Chair
Johannes Kepler Universität Linz Multimediale Studienmaterialien GmbH, Vice Chair
Tech2b Inkubator GmbH, Member

Mariana Kühnel, Caroline Kuhnert, Michael Schuster and Walter Schuster did not hold any supervisory board mandates or similar functions in other domestic or foreign companies as of 31 December 2024.

Members who resigned, until the date of their departure:

Maximilian Hardegg (until 22 May 2024)
DIE ERSTE österreichische Spar-Casse Privatstiftung, Member (until 6 May 2024)
Česká spořitelna, a.s.*, Member
TIROLER SPARKASSE Bankaktiengesellschaft Innsbruck*, Member
Constantia Industries AG, Member

Michèle F. Sutter-Rüdisser (until 22 May 2024)
Helsana Versicherungen AG, Member
Graubündner Kantonalbank AG**, Member
Chain IQ Group AG, Member

At the time of his departure, András Simor did not hold any supervisory board mandates or similar functions in other domestic or foreign companies.

Delegated by the employees' council:

Regina Haberhauer
Erste Asset Management GmbH*, Member

Barbara Pichler
DIE ERSTE österreichische Spar-Casse Privatstiftung, Member

Martin Grießer, Markus Haag, Jakob Hofstädter (from 8 May 2024), Andreas Lachs (until 8 May 2024), Jozef Pinter (until 16 January 2024) and Karin Zeisel did not hold any supervisory board mandates or similar functions in other domestic or foreign companies.

Mechanism for shareholders and employees to provide recommendations and direction to the supervisory board

In accordance with the law and the articles of association, the employees' council has the right to delegate one member to the supervisory board from among its ranks for every two supervisory board members elected by the annual general meeting (statutory one-third parity rule.) If the number of shareholder representatives is an odd number, then one more member is appointed as an employees' representative.

Independence of the supervisory board

Pursuant to C-Rule 53 of the Austrian CCG, the majority of the members of the supervisory board elected by the annual general meeting or delegated by shareholders in accordance with the articles of association shall be independent of the company and its management board.

A member of the supervisory board is deemed to be independent if such person does not have any business or personal relations with the company or its management that would constitute a material conflict of interest and, therefore, might influence the member's conduct.

The supervisory board adheres to the independence criteria guidelines as set out in Annex I of the Austrian CCG:

_ The supervisory board member shall not have been a member of the management board or a managing employee of the company or a subsidiary of the company in the past five years.
_ The supervisory board member shall not have or not have had in the past year any business relations with the company or a subsidiary of the company to an extent of significance for the supervisory board member. This shall also apply to business relations with companies in which the supervisory board member has a significant economic interest, but not to positions held in the Group's corporate bodies. The approval of individual transactions by the supervisory board pursuant to L-Rule 48 does not automatically qualify the respective supervisory board member as not being independent.
_ The supervisory board member shall not have served as auditor for the company or been involved in an audit or worked as an employee of the audit firm that audited the company in the past three years.
_ The supervisory board member shall not serve as a management board member at another company in which a member of the company's management board is a supervisory board member.
_ The supervisory board member shall not serve on the supervisory board for more than 15 years. This shall not apply to members of the supervisory board that hold investments with a business interest or that represent the interests of such a shareholder.
_ The supervisory board member shall not be a close family member (child, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the management board or of persons holding one of the positions described in the points above.

Based on the above criteria, all members of the supervisory board have declared their independence with the exception of Friedrich Rödler. Friedrich Rödler has been serving on the supervisory board for more than 15 years. No member of the supervisory board holds directly or indirectly more than 10% of the shares of Erste Group Bank AG. In 2024, two members of the supervisory board (Maximilian Hardegg until 6 May 2024 and Barbara Pichler) served on a managing body of DIE ERSTE österreichische Spar-Casse Privatstiftung, which holds more than 10% of the shares of Erste Group Bank AG.

Independence and membership in supervisory board committees

C-Rule 53 of the Austrian CCG does not specify any separate independence criteria for committee members.

In the table below, the definition of independence pursuant to section 63a para 4 of the Austrian Banking Act is therefore used for the audit committee, while the independence criteria pursuant to section 28a para 5b of the Austrian Banking Act are applied for the remuneration committee, the nomination committee and the risk committee. The proportion of independent members is only stated for the committees that must be established by law (nomination committee, audit committee, risk committee, remuneration committee).

Employees' representatives are not included in calculating the independence ratio for the supervisory board as a whole or for the committees. When calculating the gender quota pursuant to section 86 para 9 of the Austrian Stock Corporation Act (AktG), employees' representatives are included, substitute members do not count.

Share of independent members

Pursuant to	Supervisory board: Austrian CCG	Supervisory board: Austrian Banking Act (BWG)	Executive committee: n.a.	Nomination committee: Section 28a para 5b BWG	Audit committee: Section 63a para 4 BWG	Risk committee: Section 28a para 5b BWG	Remuneration committee: Section 28a para 5b BWG	IT and digital committee: n.a.	Strategy and sustainability committee: n.a.
31 Dec 2024	92%	92%	-	80%	100%	83%	83%	-	-
1 Jan 2024	92%	92%	-	86%	100%	83%	86%	-	-

The 2024 financial year saw a number of changes in the composition of the supervisory board and its committees compared with the previous year, most of which resulted from the annual general meeting held on 22 May 2024. The table below shows the current composition as of 31 December 2024.

Membership of the supervisory board and its committees

Name	Supervisory board (Independence): Pursuant to Austrian CCG	Supervisory board (Independence): Pursuant to Austrian Banking Act	Executive committee	Nomination committee	Audit committee	Risk committee	Remuneration committee	IT and digital committee	Strategy and sustainability committee
Friedrich Rödler	dependent	dependent	Chair	Chair	Deputy	Deputy	Deputy	Deputy	Deputy
Elisabeth Krainer Senger-Weiss	independent	independent	Deputy	Deputy	-	Member	Chair, Remuneration expert	-	-
Christine Catasta	independent	independent	Member	Member	Member, Financial expert	Chair	Member	-	-
Henrietta Egerth-Stadlhuber	independent	independent	-	-	-	Member	-	Member	Member
Alois Flatz	independent	independent	-	Member	-	-	Member	-	Chair
Marion Khüny	independent	independent	-	-	Member	Member	-	Member	-
Caroline Kuhnert	independent	independent	-	-	-	-	Member	-	Member
Mariana Kühnel	independent	independent	-	-	Member	-	Member	Member	-
Friedrich Santner	independent	independent	-	Member	-	-	-	-	Member
Michael Schuster	independent	independent	-	-	-	-	-	Chair	Member
Walter Schuster	independent	independent	-	-	-	Member	-	-	-
Christiane Tusek	independent	independent	-	-	Chair	-	-	Member	-
Delegated by the employees' council:									
Martin Grießer	n.a.	n.a.	Substitute	Substitute	Member	Member	Substitute	Member	Substitute
Markus Haag	n.a.	n.a.	-	-	Substitute	Member	Substitute	Member	-
Regina Haberhauer	n.a.	n.a.	-	Substitute	Member	Substitute	-	-	Member
Jakob Hofstädter	n.a.	n.a.	Substitute	Member	-	Member	Member	Member	Substitute
Barbara Pichler	n.a.	n.a.	Member	Member	Member	-	Member	Substitute	Member
Karin Zeisel	n.a.	n.a.	Member	Member	Substitute	Substitute	Member	Substitute	Member

Share of the underrepresented gender

	Supervisory board	Executive committee	Nomination committee	Audit committee	Risk committee	Remuneration committee	IT and digital committee	Strategy and sustainability committee
31 Dec 2024	44%(m)	20%(m)	50%	25%(m)	44%(f)	33%(m)	44%(f)	44%(m)
1 Jan 2024	50%	33%(m)	45%(f)	22%(m)	44%(f)	45%(f)	50%	27%(f)

(f) underrepresented gender: female; (m) underrepresented gender: male

Self-evaluation of the supervisory board

Pursuant to section 29 nos 6 and 7 of the Austrian Banking Act the nomination committee is tasked with assessing the structure, size, composition and performance of the management board and the supervisory board (the respective committees) and submitting to the supervisory board proposals for changes, if required, as well as assessing the expertise, skills and experience of both the management board and the supervisory board members as well as of each body in its entirety and reporting its findings to the supervisory board. It is noted in this context that in 2024 the nomination committee extensively considered the matters named in section 29 nos 6 and 7 of the Austrian Banking Act in the course of workshops held with an outside consultant. In addition, the expertise, skills and experience of supervisory board members as well as their collective suitability were assessed in various meetings when such members were newly appointed or reappointed. Attendance of meetings, potential conflicts of interest of supervisory board and management board members and the number of mandates and secondary activities were likewise discussed.

The supervisory board is required to assess the efficiency of the supervisory board's activities, specifically its organisation and working practices (self-evaluation) in accordance with C-Rule 36 of the Austrian CCG and to conduct a self-evaluation. The supervisory board conducted a series of workshops in which its members, with the support of an outside coach, discussed the increased demands to be met by the body as well as the changing environment, heightened expectations and increasing responsibilities. Against this backdrop, relevant measures were identified that are expected to contribute to the continuing internal development of the supervisory board and its performance.

Contracts subject to approval (C-Rule 49 Austrian CCG)

No contracts have been entered into that would require approval pursuant to section 95 para 5 no 12 of the Austrian Stock Corporation Act.

SUPERVISORY BOARD COMMITTEES AND THEIR DECISION-MAKING POWERS

The supervisory board has set up seven committees: the risk committee, the executive committee, the audit committee, the nomination committee, the remuneration committee, the IT and digital committee and the strategy and sustainability committee. Some of these committees are required by law and support the supervisory board in preparing and stating its position on all matters that the supervisory board is required to deal with. The supervisory board moreover has the right, within its statutory remit, to transfer decision-making powers to committees or to withdraw powers from the committees.

Risk committee

The tasks of the risk committee are governed in particular by section 39d para 2 of the Austrian Banking Act and the internal rules of the risk committee. The risk committee advises the management board with regard to the bank's current and future risk appetite and risk strategy and monitors the implementation of this risk strategy and risk management. The committee also reviews whether the services and products offered are adequately priced in accordance with the bank's business model and risk strategy. Without prejudice to the duties of the remuneration committee the risk committee is also responsible for reviewing whether the incentives offered by the internal remuneration system adequately take into account risk, capital, liquidity and the probability and timing of profit realisation. The risk committee is responsible for granting approval in all those cases in which loans and exposures or large exposures reach an amount exceeding the approval authority of the management board defined in the approval authority regulation. The approval of the risk committee is required for every large loan as defined in section 28b of the Austrian Banking Act. The supervisory board has delegated to the risk committee the right of consent to the granting of special statutory power of attorney (Prokura) or commercial power (Handlungsvollmacht) for all business operations. The tasks of the risk committee include the acknowledgement of reports on legal disputes. In addition, the risk committee is responsible for reviewing potential stress scenarios in order to assess how the bank's risk profile reacts to external and internal events. The risk committee is also tasked with taking note of reports on activities relating to Erste Group's resolution planning and resolvability.

In 2024, the risk committee performed the outlined tasks in the course of its 17 meetings. In addition, a large number of reports were given on risk and compliance matters as well as about loans approved by the management board within its scope of authority. Detailed information was also provided about individual industries and their impacts on the risk strategy. Further items on the agenda were audits by supervisory authorities, internal risk models, risk development in individual countries and subsidiaries as well as the development of the corporate workout portfolio in general and major workout cases in particular. A special focus in 2024 was on the assessment of the extent to which sustainability risks are adequately accounted for in risk models and risk profiles.

Executive committee

The executive committee is tasked with meeting on an ad hoc basis at the supervisory board's request for the purpose of preparing specific topics for meetings or for circular resolutions. The committee may also be assigned the power to take final decisions. In case of imminent danger and to prevent significant damage, the executive committee may be convened by its chairperson in order to take action in the interest of the company even without a specific mandate from the supervisory board.

The executive committee did not meet in 2024. The executive committee has been renamed steering and coordination committee. As of 1 January 2025, this committee has been assigned steering and coordination tasks for the supervisory board in its entirety.

Audit committee

The tasks of the audit committee result, among others, from section 63a para 4 of the Austrian Banking Act and section 92 para 4a no 4 of the Austrian Stock Corporation Act as well as from the internal rules of the audit committee. The audit committee is responsible for overseeing the accounting process; monitoring the effectiveness of the company's internal control system, internal audit system and risk management system; overseeing the annual audit of the (consolidated) financial statements; reviewing and monitoring the qualifications and independence of the (group) auditor; submitting a report on the results of the annual audit to the supervisory board and explaining how the annual audit contributes to the reliability of financial reporting and the role of the audit committee in doing so; reviewing the (consolidated) annual financial statements and preparing their approval; reviewing the proposal for the appropriation of profit, the (group) management report, the (consolidated) corporate governance report and the sustainability statement and submitting the report on the results of the reviews to the supervisory board; conducting the procedure for the selection of an additional (group) auditor in addition to Sparkassen-Prüfungsverband as the statutory auditor and making a recommendation for the appointment of the additional (group) auditor and an auditor of the sustainability statement to the supervisory board; acknowledging the additional report of the auditor (report pursuant to Art. 11 EU Regulation 537/2014) and the participations report; acknowledging the audit plan of the company's internal audit function and the internal auditors' report on the audit areas and material audit findings as well as the activity report pursuant to Article 25 para 3 in conjunction with Article 24 of the Delegated EU Regulation 565/2017; in the case of on-site inspections conducted by supervisory authorities acknowledging the inspection report, the report on the contents of the plan to address identified findings; reviewing the report on the activities of the Anti Money Laundering Officer and assessing the effectiveness of the Compliance function in combating money laundering and terrorist financing. The audit committee is also responsible for preparing supervisory board decisions concerning the approval of material transactions pursuant to section 95a of the Austrian Stock Corporation Act. The audit committee is furthermore tasked with monitoring the effectiveness of Erste Group Bank AG's internal quality control with regard to resolution-relevant information. Pursuant to section 92 para 4a no 3 of the Austrian Stock Corporation Act and section 30g para 4a no 3 of the Austrian Limited Liability Companies Act (GmbHG), the audit committee may also take on the tasks and other duties of the audit committee for subsidiaries in which Erste Group Bank AG directly or indirectly holds an interest of at least 75%; in 2024, the audit committee performed the tasks and duties of the audit committee for the subsidiary Erste Digital GmbH.

In 2024, the audit committee performed the outlined tasks in the course of its seven meetings. In addition, one informal meeting was held to prepare the meeting on the review of the (consolidated) financial statements. The external auditors were present at all meetings.

The auditors reported specifically on the audit of the (consolidated) financial statements for 2023, and the audit committee subsequently conducted the final discussion. The internal audit department presented its reports pursuant to section 42 para 3 of the Austrian Banking Act and on the quality assurance programme. The functionality of the risk management system as required pursuant to Rule 83 of the Austrian CCG was assessed as of 31 December 2023. The audit committee presented its work plan for 2025. The audit committee also resolved to recommend the renewal of the audit mandate of PwC Wirtschaftsprüfung GmbH as additional auditor of the (consolidated) financial statements for the 2026 financial year and the appointment of Sparkassen-Prüfungsverband and PwC Wirtschaftsprüfung GmbH as auditors of the sustainability statement for the 2024 financial year to the supervisory board. The auditors provided information about the preliminary audit of the (consolidated) financial statements for 2024 and presented the half-year report as of 30 June 2024, which had not been subjected to an audit review. The audit committee discussed the 2023 management letter, gave pre-approval to permissible non-audit services rendered by the (group) auditors and received reports on the current status of work. The audit committee's report on activities included in the 2023 annual report was discussed and approved. The exchange of views between the audit committee and the auditors in the absence of the management board pursuant to C-Rule 81a of the Austrian CCG as well as an exchange of views among the members of the audit committee in the absence of the management board were conducted in December 2024. The head of internal audit was also evaluated by the audit committee and the annual Compliance report was taken note of. In addition, a Tax Risk report was presented and a report was delivered on BCBS 239 (data quality management).

The audit committee periodically received reports on the preparatory work for the sustainability statement prepared for the first time in 2024 in conformity with CSRD. In addition, views were exchanged several times with the auditors on the audit of the sustainability statement of Erste Group Bank AG.

Nomination committee

The tasks of the nomination committee are governed in particular by section 29 of the Austrian Banking Act and the internal rules of the nomination committee. The nomination committee submits proposals to the supervisory board for filling management board mandates that become vacant and deals with issues of succession planning. It deals with and decides on the relationships between the company and the members of the management board except for resolutions to appoint members to the management board or revoke such appointments and on the granting of company stock options. Furthermore, the nomination committee supports the supervisory board in making proposals to the annual general meeting for filling supervisory board mandates that have become vacant and assesses the fit and properness of candidates. The nomination committee furthermore adopts the internal policy for dealing with conflicts of interest for the management board and the supervisory board, monitors compliance with it and regularly reports to the supervisory board on existing conflicts of interest and the measures taken to control them. The nomination committee periodically assesses the management board's and the supervisory board's structure, size, composition and performance. In addition, the nomination committee is tasked with conducting periodic assessments of the expertise, skills and experience of both the management board members and individual members of the supervisory board as well as of each body in its entirety and report its findings to the supervisory board. With regard to the selection for senior management positions, the nomination committee is obligated to review actions taken by the management board and to support the supervisory board in making recommendations to the management board.

In 2024, the nomination committee performed the mentioned tasks in the course of its five meetings. In addition to the formal meetings, the members of the nomination committee held a number of informal meetings and conducted a workshop to develop a target vision for the supervisory board and engage in succession planning for the position of chair of the supervisory board. The nomination committee furthermore conducted fit and proper assessments of potential candidates for the elections to the supervisory board at the annual general meeting of Erste Group Bank AG on 22 May 2024. In addition, the nomination committee reviewed the evaluations of the supervisory board and the management board pursuant to C-Rule 36 of the Austrian CCG and section 29 nos 6 and 7 of the Austrian Banking Act and considered, in particular, potential conflicts of interest and the supervisory board members' attendance of meetings. The collective suitability of the management board was likewise established, and the report on the collective suitability of the management board and the supervisory board was discussed in general, with a special focus on members' time availability. The report on the selection of senior management pursuant to section 28 of the Austrian Banking Act was taken note of. In addition, the nomination committee considered the reassignment of responsibilities upon the departure of David O'Mahony. The nomination committee also performed the fit and proper assessment of Maurizio Poletto in connection with his assumption of the COO function and, subsequently, the re-evaluation of the resulting dual function.

Remuneration committee

The tasks of the remuneration committee result, among others, from section 39c para 2 of the Austrian Banking Act (BWG), the guidelines on sound remuneration under EU Directive 2013/36 and the internal rules of the remuneration committee. The remuneration committee prepares resolutions on remuneration matters. The remuneration committee approves the general principles of remuneration policy, reviews them regularly and is responsible for their implementation. The committee monitors remuneration policy, remuneration practices and remuneration-linked incentive programmes in relation to the control, monitoring and containment of risks, the capital base and liquidity. The committee approves material exceptions from the application of the remuneration policy to individual staff members of the company and monitors the payment of variable remuneration to members of the management board. In addition, it approves the identification of employees having a significant impact on the company's risk profile. The remuneration committee prepares the principles for the remuneration of management and supervisory board members pursuant to sections 78a and 98a of the Austrian Stock Corporation Act (AktG) (Remuneration Policy according to Austrian Stock Corporation Act). In addition, it is responsible for preparing the report on the remuneration of members of the management and supervisory boards pursuant to sections 78c and 98a of the Austrian Stock Corporation Act (Remuneration Report according to Austrian Stock Corporation Act), reviewing it and, subsequently, reporting the audit findings to the supervisory board.

In 2024, the remuneration committee performed its tasks in the course of five meetings. It approved the policy governing the management board's variable remuneration. In addition, various remuneration topics concerning Erste Group Bank AG were discussed and approved, including the structure of key performance indicators, the bonus policy, including the requirements for the payment of variable remuneration components, and remuneration rules for Material Risk Takers as well as the question of which employees are subject to these rules. Management board remuneration was discussed and assessed comprehensively. The annual remuneration for the members of the supervisory board was also discussed in detail. In addition, changes to the internal remuneration policy of Erste Group Bank AG and Erste Group were approved. Reports were delivered on the remuneration of directors in countries in which Erste Group operates and on the review of the internal remuneration policy by internal audit. The remuneration committee also considered the implementation and development of the employee share programme.

IT and digital committee

The IT and digital committee monitors and oversees IT-related matters and the implementation of the digital and IT strategy in general. The IT and digital committee is also responsible for taking note of reports from the Digital and IT department as well as from IT Operations; monitoring the Group IT budget and controlling investment in digital offerings and IT systems; monitoring the capacity and capability of systems, operating continuity and crisis management, data security and IT and cyber-security; taking note of critical changes in the organisational structure and responsibilities of the Platform and IT Operations department; approving motions relating to the matters named above provided they do not also fall within the scope of responsibility of another committee, specifically the strategy and sustainability committee.

In 2024, the IT and digital committee performed its tasks in the course of four meetings. Key topics were the Erste Group IT strategy and periodic updates on IT projects of Erste Group Bank AG and within Erste Group. The IT project portfolio and IT governance for Erste Group as well as IT risk management were considered on an ongoing basis. IT security, data and AI, cloud services and George Invest were discussed in detail. IT costs and the budget were also considered. A new IT strategy was discussed as part of a workshop.

Strategy and sustainability committee

The committee advises the management board on the definition of principles of the business strategy as well as with regard to the definition of business strategies for a sustainable development of Erste Group. The strategy and sustainability committee also supports the supervisory board in performing its oversight function regarding the implementation of the business strategy and ESG (environment, social, governance) strategy; it takes note of reports on the business strategy and the sustainability strategy; it advises on the definition of sustainability goals and assesses opportunities and risks in the field of ESG; it supports the remuneration committee in defining ESG goals for the management board and reviews the achievements of these goals. The strategy and sustainability committee also discusses the relationship between corporate strategy and sustainability. This committee is therefore also the body in which the supervisory board members represented there can and have been able to see that the management board has integrated aspects of sustainability and the resulting opportunities and risks with regard to the environment, social matters and corporate governance in developing and implementing corporate strategy (C-Rule 16a of Austrian CCG).

In 2024, the strategy and sustainability committee performed its tasks in the course of four meetings. Detailed reports were delivered on financial and non-financial goals. In addition, strategic initiatives were presented and discussed in detail. The process pursued in their implementation in the Group's operations and framework was presented and discussed. Updates were provided in the areas of ESG and portfolio decarbonisation.

MEETINGS OF THE SUPERVISORY BOARD AND REPORT ON PRINCIPAL ACTIVITIES

In 2024, nine meetings of the supervisory board were held, in which legal and regulatory requirements were met. At the ordinary meetings of the supervisory board, the respective monthly developments of the balance sheet and the income statement were presented and reports were given on individual risk types and the bank's total risk exposure; the status of individual bank subsidiaries was discussed, and quarterly reports were delivered on the areas audited and on the internal audit department's material audit findings pursuant to section 42 para 3 of the Austrian Banking Act. The chairpersons of the committees reported on the main topics dealt with by the respective committees since the last supervisory board meeting. Recurring topics at supervisory board meetings in 2024 were reports of management board members on matters concerning their respective areas of responsibility as well as on current regulatory developments in the banking environment and their impacts on Erste Group. The management board regularly presented proposals to the supervisory board that required its approval under the law, the articles of association and internal rules.

One of the key issues in the 2024 financial year was the succession of the supervisory board chair. In September 2024, the supervisory board resolved to propose the successor for election to the supervisory board by the 2025 annual general meeting based on the positive outcome of the bank's internal suitability assessment. The supervisory board also intends to appoint the successor as chair of the supervisory board following the election by the annual general meeting. This development is subject to the positive completion of the fit and proper assessment required by the supervisory authorities.

David O'Mahony's early resignation from his management board mandate and the resulting reallocation of duties was discussed and decided upon. This allocation of duties reflects the responsibility of Peter Bosek as CEO and Chief Retail Officer and that of Maurizio Poletto as COO and CPO. Resolutions were passed on the delegation of Peter Bosek as a member of Stiftungsbeirat der Erste Mitarbeiterbeteiligung Privatstiftung, the new rules of representation of the management board, amendments to the internal rules of the audit committee and the internal rules of the IT and digital committee. With regard to its continuing development, the supervisory board discussed in depth the change in duties as well as the renaming of the executive committee as steering and coordination committee. Upon their amendment, the internal rules were adopted with effect from 1 January 2025.

The supervisory board received a number of reports on the "WeShare by Erste Group" employee share programme and passed the resolutions required. In addition, the supervisory board considered in detail the 2023 and 2024 share buyback programmes and passed resolutions on the purchase of own shares, the cancellation of repurchased own shares and the required amendment of the articles of association by the supervisory board.

In addition, the strategic initiatives were presented in detail to the entire supervisory board and discussed in depth on the basis of its expertise and preliminary discussions held by committees. The supervisory board approved the strategy and the resulting partial reorganisation of the areas of responsibility of the management board members concerned.

The supervisory board passed all resolutions relating to the audit of the (consolidated) financial statements. It was also decided to propose PwC Wirtschaftsprüfung GmbH to the annual general meeting 2024 as an additional auditor of the (consolidated) financial statements for the 2025 financial year. The supervisory board's report pursuant to section 96 of the Austrian Stock Corporation Act was discussed in detail and approved. The report on the assessment of the effectiveness of risk management was submitted to the supervisory board by the chair of the audit committee and the list prepared pursuant to C-Rule 82a of the Austrian CCG was taken note of. The annual report of the supervisory board on loans to board members pursuant to section 28 para 4 of the Austrian Banking Act was discussed and taken note of. The meeting was also attended by members of the supervisory authorities' Joint Supervisory Team, who gave presentations and answered questions raised by supervisory board members. In addition, a resolution was passed on the approval of variable remuneration for the 2023 financial year for members of the management board.

The resolutions proposed for the annual general meeting in May 2024 and the remuneration report covering management and supervisory board remuneration were discussed and approved. The 1st vice chair and the 2nd vice chair of the supervisory board were elected after the annual general meeting. Resolutions were also passed on new appointments to supervisory board committees.

The supervisory board adopted Erste Group's capital plan for the 2025 to 2029 period as well as the budget, the investment plan and the capital plan of Erste Group Bank AG for 2025 to 2029. In addition, an advance resolution was passed pursuant to section 95 para 5 no 12 of the Austrian Stock Corporation Act and a resolution was adopted on long-term funding activities in the 2025 financial year.

Attendance of meetings

In 2024, all members of the supervisory board attended in person more than half of the supervisory board meetings that took place after their election or delegation to the supervisory board or before their resignation from their mandate or revocation of their delegation. The following table shows attendance of meetings by ordinary members without accounting for the attendance of substitute members. Details on the attendance of committee members in the respective committee meetings of the supervisory board are likewise provided in the table below.

Meeting attendance

Name	Supervisory board (9 meetings)	Nomination committee (5 meetings)	Audit committee (7 meetings)	Risk committee (17 meetings)	Remuneration committee (5 meetings)	IT and digital committee (4 meetings)	Strategy and sustainability committee (4 meetings)
Friedrich Rödler	100%	100%	100%	88%	100%	100%	100%
Maximilian Hardegg[1]	75%	100%		100%	100%	100%	100%
Elisabeth Krainer-Senger-Weiss	100%	100%		100%	100%		
Christine Catasta	100%	100%	100%	100%	100%		
Henrietta Egerth-Stadlhuber	100%			94%		100%	100%
Alois Flatz	100%	100%			100%		100%
Marion Khüny	100%		100%	94%		100%	
Mariana Kühnel	100%		100%		80%	100%	
Caroline Kuhnert[2]	100%				100%		100%
Friedrich Santner	100%	100%					100%
Michael Schuster	100%					100%	100%
Walter Schuster[3]	100%			100%			
András Simor[4]							
Michèle F. Sutter-Rüdisser[1]	75%	67%	100%			100%	
Chistiane Tusek	100%		100%			100%	
Delegated by the employees' council:							
Martin Grießer	100%	100%	86%	75%	100%	75%	
Markus Haag	89%			88%		67%	
Regina Haberhauer	56%		71%				33%
Jakob Hofstädter[5]	100%	100%		91%	100%	100%	
Andreas Lachs[6]	100%	100%		83%	50%	100%	100%
Barbara Pichler	89%	80%	100%		100%	100%	100%
Jozef Pinter[7]							
Karin Zeisel	100%	100%			100%	100%	100%

Supervisory board member: [1]until 22 May 24, [2]from 1 Aug. 24, [3]from 22 May 24, [4]until 15 Jan. 24, [5]from 8 May 24, [6]until 8 May 24, [7]until 16 Jan. 24

PROMOTING WOMEN ON MANAGEMENT BOARDS, SUPERVISORY BOARDS AND IN MANAGING POSITIONS

General information as well as details on the promotion of women on the management board, the supervisory board and in managing positions is provided in the sustainability statement. In 2024, Alexandra Habeler-Drabek served as Chief Risk Officer (CRO) on the management board of Erste Group Bank AG. As the number of board members was reduced from six to five as of 30 June 2024, the share of women on the management board of Erste Group Bank AG increased from 16.7% to 20%. Pursuant to section 86 para 7 of the Austrian Stock Corporation Act, the supervisory board of Erste Group Bank AG must include at least 30 percent women and at least 30 percent men. At year-end 2024, women represented 55.6% of Erste Group Bank AG's supervisory board members (2023: 50%; 2022: 45%, 2021: 38.9%). As of 31 December 2024, the share of women in managing positions as defined in section 80 of the Austrian Stock Corporation Act stood at 26.2% at Erste Group Bank AG. Erste Group Bank AG, Erste Bank der oesterreichischen Sparkassen AG, Česká spořitelna, Slovenská sporiteľňa, Banca Comercială Română, Erste Bank Hungary, Erste Bank Croatia and Erste Bank Serbia have set themselves the goal to achieve a 30% share of the underrepresented gender on the management board and 33% in top management (board-1) in each institution by 2028.

PROMOTING DIVERSITY

General information as well as details on diversity are provided in the sustainability statement. For the sake of completeness, it is noted that the Diversity and Inclusion Policy takes full account of the diversity concept applicable in appointing management board and supervisory board members with regard to age, gender, education and professional career. In selecting proposed candidates for supervisory board mandates, the focus must be on a well-balanced composition of the board and diversity within the board in terms of educational background and professional expertise.

Diversity must be observed in particular with regard to the representation of both genders and age structure. The international experience represented on the supervisory board by supervisory board members of different nationalities or persons with a long international track record is to be maintained.

In addition, in assessing the qualifications, composition and independence of the supervisory board, the criteria defined by Erste Group Bank AG's supervisory board pursuant to Rule 53 of the Austrian CCG must be taken into account. In setting up supervisory board committees, special care must be taken to ensure that each committee will always have adequate expertise as required for its work (e.g. the remuneration committee must have expert knowledge and practical experience in the area of remuneration policy (section 39c para 3 of the Austrian Banking Act), the risk committee must have the expertise and experience necessary for monitoring the implementation of the bank's risk strategy (Article 39d para 3 of the Austrian Banking Act), the audit committee must possess specific expertise and practical experience in banking finance and accounting (section 63a para 4 of the Austrian Banking Act), etc.).

EXTERNAL EVALUATION

Under C-Rule 62 of the Austrian CCG, Erste Group Bank AG commissioned external evaluations of its compliance with the C-Rules of the Code of Corporate Governance at least once every three years, most recently for the 2023 fiscal year. All evaluations reached the conclusion that Erste Group Bank AG had met all requirements of the Code. Deviations from the C-Rules of the Code were described and explained. Summary reports on these evaluations are available on the website of Erste Group Bank AG.

SHAREHOLDERS' RIGHTS

It is noted that Erste Group Bank AG has no rights arising from its own shares. Neither a subsidiary nor a third party holding shares on behalf of Erste Group Bank AG or of a subsidiary may exercise its voting rights and its rights for subscription to these shares.

Voting rights

Each share of Erste Group Bank AG entitles its holder to one vote at the annual general meeting. In general, shareholders may pass resolutions at an annual general meeting by a simple majority of the votes cast or, in the event that the majority of the share capital present is required to approve a measure, by a simple majority of the share capital present, unless Austrian law or the articles of association require a qualified majority vote.

The articles of association differ from the statutory majority requirements in three cases: first, the appointment of supervisory board members can be revoked before the end of their respective term by a resolution of the annual general meeting that requires a majority of 75% of the votes cast and a majority of 75% of the share capital present at such meeting. Second, the articles of association may be amended by a resolution of the annual general meeting. Provided that such an amendment does not concern the business purpose, this requires a simple majority of the votes cast and a simple majority of the share capital present at such meeting. Third, any provision regulating increased majority requirements can only be amended with the same increased majority.

Dividend rights

Each shareholder is entitled to receive dividends if and to the extent the distribution of dividends is resolved by the annual general meeting.

Liquidation proceeds

In case of dissolution of Erste Group Bank AG, the assets remaining after the discharge of liabilities and repayment of supplementary capital as well as additional tier 1 capital will be distributed pro-rata to the shareholders. The dissolution of Erste Group Bank AG requires a majority of at least 75% of the share capital present at an annual general meeting.

Subscription rights

All holders of shares have subscription rights allowing them to subscribe to any newly issued shares to maintain their existing share in the share capital of Erste Group Bank AG. Such subscription rights are in proportion to the number of shares held by such shareholders prior to the issue of the new shares. The mentioned subscription rights do not apply if the respective shareholder does not exercise these subscription rights or the subscription rights are excluded in certain cases by a resolution of the annual general meeting or by a resolution of the management board and the supervisory board.

The Austrian Stock Corporation Act contains provisions that protect the rights of individual shareholders. In particular, all shareholders must be treated equally under equal circumstances unless the shareholders affected have consented to unequal treatment. Furthermore, measures affecting shareholders' rights, such as capital increases and the exclusion of subscription rights, generally require a shareholders' resolution.

The articles of association of Erste Group Bank AG do not contain any provisions regarding a change in the share capital, the rights associated with the shares or the exercise of the shareholders' rights that differ from the statutory requirements.

Stock corporations such as Erste Group Bank AG must hold at least one annual general meeting (ordinary shareholders' meeting) per year, which must be held within the first eight months of any financial year and cover at least the following items:

_ Presentation of certain documents
_ Appropriation of profit
_ Discharge of the members of the management board and the supervisory board for the financial year ended.

At the annual general meetings, shareholders may ask for information about the company's affairs to the extent that this is required for the proper assessment of an agenda item.

ANNUAL GENERAL MEETING

The 31st annual general meeting of Erste Group Bank AG was held on 22 May 2024. It resolved to distribute a dividend of EUR 2.70 per share, to discharge the members of the management board and the supervisory board and to adopt the remuneration report, each for the 2023 financial year. In addition, resolutions were passed on agenda items such as elections to the supervisory board, appointment of the additional auditor of the (consolidated) financial statements for the 2025 financial year and appointment of auditors for the sustainability statement for the 2024 financial year. All other resolutions proposed were likewise adopted by the annual general meeting. These included amendments to the articles of association, resolutions enabling the purchase and the sale of own shares and changes to the remuneration of supervisory board members.

All shareholders' rights were protected at the 31st annual general meeting held on 22 May 2024. Voting results were disclosed and can be viewed on the website at www.erstegroup.com/en/investors/events/agm/agm2024.

Management board	
Peter Bosek mp, Chairman	
Ingo Bleier mp, Member	Stefan Dörfler mp, Member
Alexandra Habeler-Drabek mp, Member	Maurizio Poletto mp, Member

Vienna, 28 February 2025

Audited Reporting 2024

Your notes

Management report

Business performance and economic situation

Economic environment

From an economic point of view 2024 was mainly characterised by declining inflation, central bank responses, major elections across the globe, and regional conflicts. Inflation levels returned by and large to central bank targets, even though price pressures persisted in some countries. The global economy remained resilient throughout this disinflationary process. On the monetary policy side, after the tightening cycle implemented in 2021 and 2022, most of the world's major central banks started to gradually reduce their restrictive policy stance and to cut their policy rates in 2024. The presidential election in the United States, the European Parliamentary elections as well as those in the United Kingdom and France also characterised the year. Against this backdrop the global economy achieved a growth rate of 3.2%.

Among advanced economies, the United States again outperformed the euro area and Japan. Despite its elevated trade tensions with China, the US economy grew by 2.8% driven by private consumption, investments and government spending. In response to easing inflation, the US Federal Reserve (Fed) decreased the federal funds rate in three steps from 5.50% to 4.50%. The US government deficit remained high in 2024. In Europe, strong demand for services was supportive, important tourism destinations such as Italy, Spain or Croatia performed well. Germany, Europe's largest economy, on the other hand remained relatively weak. The European Central Bank (ECB) cut the key policy rate from 4.00% to 3.00% in four steps during the year. Both the asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP) portfolios declined. The Governing Council decided to discontinue reinvestments under the PEPP at the end of 2024.

Austria's economic performance was weaker than originally expected and the country's economy underperformed the European Union average. After the recessionary environment in 2023 Austria's economy continued to decline. Despite increasing real wages private consumption remained subdued. High interest rates and energy costs continued to weigh on investments, especially in the construction and industry sectors. The industrial performance impacted Austria's exports which are geared towards producing intermediate goods and machinery. The deteriorating performance of Germany, Austria's main trading partner, negatively impacted Austria's exports. Exports to the US and Switzerland, on the other hand, grew strongly. The service sector did not show adverse effects due to the recessionary environment. Tourism boomed with summer season's overnight stays reaching one of the highest levels for decades. The agricultural sector, although not a major contributor to GDP, also performed well. Overall, the Austrian economy shrank by 0.7%.

Inflation decreased further during the year with average inflation in Austria amounting to 2.9%, still above the EU average of 2.4%. Service prices, especially in the hotel and restaurant industries, remained the main inflation driver. Energy prices, on the other hand, declined sharply, although from high levels. The increase of the savings rate was partially due to a weaker consumer confidence. Austria's labour market remained stable throughout the year, the unemployment rate stood at 5.3%. The general government deficit increased from 78.6% of GDP to 79.7%.

Central and Eastern European economies experienced slightly accelerated economic growth primarily driven by household consumption on robust labour markets, easing inflation and, in most cases, higher real wages. Investment activity was fuelled by Next Generation European Union funds. Exports, on the other hand, were negatively impacted by limited growth of the region's main trading partners which took a toll on production output. Deterioration of foreign demand was most pronounced in countries with a high dependency on Germany's economy, such as the Czech Republic and Hungary. Therefore, growth expectations were moderately revised down during the year in these two countries. Romania's economy underperformed as well. The economies in Croatia and Serbia posted the highest growth dynamics. Croatia benefitted from its booming tourism sector and was again one of the best performing economies in the region. Overall, CEE economies achieved GDP growth rates ranging from 0.5% in Hungary to 3.9% in Serbia in 2024.

Labour markets remained very strong in Central and Eastern Europe with the Czech Republic again posting one of the lowest unemployment rates among the European Union countries. Inflation dropped significantly, to low single-digits in most CEE countries by the end of the year. This was mainly due to the drop of energy and food prices. Most of the central banks in CEE continued with monetary easing. The Hungarian, Czech, and Polish central banks cut interest rates already in the last quarter of 2023, while the Serbian and Romanian central banks waited until the second and third quarters of 2024, respectively. Slovakia and Croatia are part of the euro area, therefore the ECB policy rates applies. CEE governments maintained a range of measures such as caps on electricity and fuel prices and direct energy subsidies. Windfall taxes, special banking taxes, and financial transaction taxes were introduced in a number of CEE countries. While the Hungarian forint depreciated against the euro, most CEE currencies were relatively stable during the year.

Analysis of performance

In the group management report P&L data of 2024 is compared with data of 2023, balance sheet data as of 31 December 2024 is compared to data as of 31 December 2023. The entire development is presented in detail in the notes to the consolidated financial statements.

Profit and Loss Statement

in EUR million	2023	2024	Change
Net interest income	7,228	7,528	4.2%
Net fee and commission income	2,640	2,938	11.3%
Net trading result and gains/losses from financial instruments at FVPL	449	437	-2.5%
Operating income	10,552	11,178	5.9%
Operating expenses	-5,020	-5,279	5.2%
Operating result	**5,532**	**5,900**	**6.6%**
Impairment result from financial instruments	-128	-397	>100.0%
Other operating result	-468	-414	-11.5%
Levies on banking activities	-183	-245	33.3%
Pre-tax result from continuing operations	**4,795**	**4,997**	**4.2%**
Taxes on income	-874	-1,053	20.4%
Net result for the period	**3,921**	**3,945**	**0.6%**
Net result attributable to non-controlling interests	923	819	-11.2%
Net result attributable to owners of the parent	**2,998**	**3,125**	**4.3%**

Net interest income

Net interest income rose in the CEE core markets, most notably in the Czech Republic, Romania and Hungary. This was mainly due to higher loan volumes and higher interest income from debt securities. These effects were partly compensated by lower interest income from cash balances at central banks and higher interest expenses on debt securities in issue. The net interest margin (calculated as the annualised sum of net interest income, dividend income and net result from equity method investments over average interest-bearing assets) remained nearly stable at 2.46% (2.50%).

Net fee and commission income

Growth was achieved across all core markets and nearly all income categories. Significant rises were recorded in payment services, driven by a larger number of transactions and repricing, as well as in asset management. The development of insurance brokerage was likewise positive.

Net trading result & gains/losses from financial instruments measured at fair value through profit or loss

Net trading result as well as the line item gains/losses from financial instruments measured at fair val-ue through profit or loss are materially affected by the fair value measurement of debt securities is-sued. The related valuation is shown in the fair value result, the valuation of corresponding hedges in the net trading result.

Net trading result deteriorated to EUR 519 million (EUR 754 million) due to valuation effects resulting from interest rate developments in the securities and derivatives business. Gains/losses from financial instruments measured at fair value through profit or loss trended in the opposite direction and improved to EUR -82 million (EUR -306 million), primarily due to a decline in losses from the valuation of debt securities in issue at fair value.

General administrative expenses

in EUR million	2023	2024	Change
Personnel expenses	2,991	3,202	7.1%
Other administrative expenses	1,468	1,529	4.1%
Depreciation and amortisation	560	547	-2.2%
General administrative expenses	**5,020**	**5,279**	**5.2%**

Personnel expenses were up in nearly all core markets – most significantly in Austria – driven mostly by collective salary agreements. The rise in other administrative expenses was primarily attributable to higher IT, marketing and consulting expenses. Contributions to deposit insurance schemes declined to EUR 72 million (EUR 114 million). In Austria, contributions fell to EUR 33 million (EUR 68 million), in the Czech Republic to EUR 16 million (EUR 20 million). The cost/income ratio improved to 47.2% (47.6%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss and of financial assets measured at amortised cost

Losses from this position amounted to EUR 91 million (EUR 141 million). This includes most notably negative results from the sale of securities in the Czech Republic and in Austria.

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -397 Mio (EUR -128 million). Net allocations to provisions for loans and advances increased – most notably in Austria – to EUR 394 million (EUR 264 million). Positive contributions came from income from the recovery of loans already written off, primarily in Austria, in the amount of EUR 72 million (EUR 80 million). Allocations to provisions for loan commitments and financial guarantees amounted to EUR 54 million (net releases of EUR 70 million).

Other operating result

Other operating result is significantly affected by contributions to resolution funds and taxes and levies on banking activities. Contributions to resolution funds declined in all markets to EUR 28 million (EUR 113 million). The sharp decline is mainly due to the discontinuation of annual regular contributions from credit institutions in the euro zone in 2024. Taxes and levies on banking activities included in this line item rose to EUR 245 million (EUR 183 million). Thereof, EUR 40 million (EUR 46 million) were payable by Austrian entities. In Hungary, banking levies rose to a total of EUR 168 million (EUR 137 million): in addition to the regular Hungarian banking tax of EUR 22 million (EUR 17 million), a windfall tax based on the previous year's net revenues was posted in the amount of EUR 52 million (EUR 48 million). The financial transaction tax amounted to EUR 91 million (EUR 71 million). In Romania, the newly introduced banking tax amounted to EUR 37 million. The Austrian entities posted allocations of EUR 102 million to a provision relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act. This exemption might be classified by the European Court of Justice or the EU Commission as incompatible with EU law and may have to be refunded. The balance of allocations/releases of other provisions amounted to EUR 23 million (EUR -23 million).

Net result attributable to owners of the parent

Taxes on income amounted to EUR 1,053 million (EUR 874 million). The decline in the minority charge to EUR 819 million (EUR 923 million) was attributable to lower profitability at the savings banks. The net result attributable to owners of the parent rose to EUR 3,125 million (EUR 2,998 million) on the back of the strong operating result.

Balance sheet

in EUR million	Dec 23	Dec 24	Change
Assets			
Cash and cash balances	36,685	25,129	-31.5%
Trading, financial assets	63,690	75,781	19.0%
Loans and advances to banks	21,432	26,972	25.8%
Loans and advances to customers	207,828	218,067	4.9%
Intangible assets	1,313	1,382	5.2%
Miscellaneous assets	6,206	6,405	3.2%
Total assets	**337,155**	**353,736**	**4.9%**
Liabilities and equity			
Financial liabilities held for trading	2,304	1,821	-20.9%
Deposits from banks	22,911	21,261	-7.2%
Deposits from customers	232,815	241,651	3.8%
Debt securities issued	43,759	51,889	18.6%
Miscellaneous liabilities	6,864	6,346	-7.5%
Total equity	28,502	30,767	7.9%
Total liabilities and equity	**337,155**	**353,736**	**4.9%**

The decline in cash and cash balances to EUR 25.1 billion (EUR 36.7 billion) was primarily due to a decrease in cash balances at central banks. Trading and investment securities held in various categories of financial assets, primarily debt securities of governments, increased to EUR 75.8 billion (EUR 63.7 billion).

Loans and advances to credit institutions (net), including demand deposits other than overnight deposits, increased – primarily due to repo business volumes in the Czech Republic – to EUR 27.0 billion (EUR 21.4 billion). Loans and advances to customers (net) increased to EUR 218.1 billion (EUR 207.8 billion), most notably in Austria, the Czech Republic and Romania. Growth was recorded in both retail and corporate business.

Loan loss allowances for loans to customers were unchanged at EUR 4.1 billion (EUR 4.1 billion). The NPL ratio – non-performing loans as a percentage of gross customer loans – deteriorated slightly to 2.6% (2.3%), the NPL coverage ratio (based on gross customer loans) slipped to 72.5% (85.1%).

Financial liabilities – held for trading amounted to EUR 1.8 billion (EUR 2.3 billion). Deposits from banks declined to EUR 21.3 billion (EUR 22.9 billion); deposits from customers increased to EUR 241.7 billion (EUR 232.8 billion) due to growth in term and savings deposits of retail and corporate customers. The loan-to-deposit ratio stood at 90.2% (89.3%). Debt securities in issue rose to EUR 51.9 billion (EUR 43.8 billion) on increased issuance activity.

Total assets rose to EUR 353.7 billion (EUR 337.2 billion). Total equity increased to EUR 30.8 billion (EUR 28.5 billion). This includes AT1 instruments in the amount of EUR 2.7 billion. After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR) common equity tier 1 capital (CET1, CRR final) rose to EUR 24.0 billion (EUR 22.9 billion) as were total own funds (CRR final) to EUR 30.9 billion (EUR 29.1 billion). Total risk – risk-weighted assets including credit, market and operational risk (CRR final) – increased to EUR 159.1 billion (EUR 146.5 billion).

The total capital ratio, total eligible qualifying capital in relation to total risk (CRR final), stood at 19.5% (19.9%), well above the legal minimum requirement. The tier 1 ratio was 16.8% (17.3%), the common equity tier 1 ratio 15.1% (15.7%) (both ratios CRR final).

Cash earnings per share (diluted/undiluted) amounted to EUR 7.20/7.21 in 2024 (EUR 6.82/6.82). Earnings per share (diluted/undiluted) are EUR 7.19/7.20 (EUR 6.80/6.80).

The cash return on equity, i.e. the return on equity adjusted for non-cash expenses such as goodwill amortization and straight-line depreciation for the customer relationships, was 15.2% (return on equity: 15.2%) after 15.9% (return on equity: 15.9%) last year.

Branches

Erste Group Bank AG maintains branches in New York, Hong Kong and Germany (Berlin and Stuttgart) that provide commercial lending to foreign banks, leasing companies and sovereign debtors as well as institutional sales.

Expected development and risks of the Group

Long-term growth trends in Central and Eastern Europe

In line with growing economic performances disposable income have risen significantly in recent decades compared to Western Europe. In addition, most countries of Central and Eastern Europe have labour markets that are considerably more flexible. These advantages are complemented by, on average, highly competitive export industries that benefit from wage costs that are low relative to workforce productivity and from investor-friendly tax and welfare systems.

A comparison of per capita private debt levels in Central and Eastern Europe with those of Western economies reveals the gap that exists between these markets. Private debt levels, and particularly household debt, are substantially lower than in the advanced economies. Erste Group firmly believes that credit expansion accompanied by economic growth in this region will prove to be a lasting trend.

Over the upcoming 15 to 20 years, on average, the countries of the eastern part of the European Union are therefore expected to experience higher growth rates than the countries of Western Europe, even though periods of expansion may alternate with times of economic stagnation or even setbacks on this long-term path of sustainable growth.

Customer banking in Central and Eastern Europe

The basis of Erste Group's banking business are essentially the business segments of retail business, corporate business and the capital markets business. For further information on the business segments, we refer to Note 1 in the consolidated financial statements.

Retail business

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. Erste Group's core competence in retail banking has historical roots. In 1819, wealthy Viennese citizens donated funds to establish Erste Group's predecessor, the first savings bank in Central Europe. It was their aim to bring basic banking services such as safe savings accounts and mortgage loans to wide sections of the population. Today, the bank serves over 16.5 million customers in its markets and operates nearly 1,900 branches. Wealthy private clients, trusts and foundations are served by the bank's private banking staff and benefit from services that are tailored to the needs of this target group.

In addition, the bank uses and promotes digital distribution channels such as internet and mobile banking not only to meet the increasing importance of digital banking, but also to actively shape the digital future. George, Erste Group's digital platform, is already available in Austria, the Czech Republic, Slovakia, Romania, Croatia and Hungary. Following its introduction in Serbia end 2025, George will be available in all seven core markets.

Retail banking is attractive to Erste Group for a number of reasons: It offers a compelling business case that is built on market leadership, an attractive risk-reward profile and the principle of self-funding. In addition, it benefits from a comprehensive range of products that are simple and easy to understand and provide substantial cross-selling potential. Erste Group takes advantage of these factors in all core markets and makes best use of its resulting position of strength by pursuing a hybrid business model. Erste Group's integrated-channel approach integrates the various sales and communication channels. Customers decide on how, when and where they do their banking business. Contact centers serve as interfaces between digital banking and traditional branch business. These contact centers offer advice and sales, thus going far beyond the traditional help desk function.

In addition to the expansion of digital sales channels, the branch network remains an important component of the business strategy. Only a retail bank that offers modern digital services and operates an extensive distribution network is able to offer tailor-made solutions and fund loans in local currency mainly from deposits made in the same currency. In short, Erste Group's retail banking model supports sustainable and deposit-funded growth even in economically more challenging times. Another positive factor is the diversification of the retail business across countries that are at differing stages of economic development, which is the case across the seven banking markets in which Erste Group has a direct presence.

Corporate business

The second main business line, which contributes significantly to Erste Group's earnings, is business with small and medium- sized enterprises, regional and multi-national groups, commercial real estate and public sector companies. Erste Group's corporate strategy is based on a universal service approach, following an organic growth strategy aimed at increasing the number of primary clients and share of wallet across all corporate sub-segments.

Erste Group strives to be the go-to bank for outstanding service including financial health and sustainable business conduct. Based on the specific client needs, Erste Group serves small and medium-sized enterprises locally in branches or dedicated commercial centers, while large, multinational groups are serviced by the Group Corporates, commercial real estate or public sector units. In addition, the digital channel is gaining more and more importance for Erste Group's clients in the corporate segment. The outlined approach permits Erste Group to combine industry specific and product expertise with an understanding of regional needs and the experience of the bank's local customer relationship managers.

Capital markets business

Client-driven capital markets activities are also part of the comprehensive portfolio of products and services that Erste Group offers to its retail and corporate customers. The strategic significance of the bank's centrally governed and locally rooted capital markets operations consists in supporting all other business areas in their dealings with the capital markets and, hence, in providing the bank's customers with professional access to the financial markets. Erste Group, therefore, views its capital markets business as a link between financial markets and its customers. As a key capital markets player in the region, Erste Group also performs important functions such as market making, capital market research and product structuring.

The capital markets business serves the needs of Erste Group's retail and corporate customers, as well as those of banks and non-bank financial institutions. On account of Erste Group's strong network in the eastern part of the European Union, the bank has a thorough understanding of local markets and customer needs. In Erste Group's capital markets business, too, the bank concentrates on core markets of the Retail, SME, Large corporate, Corporate Real Estate and Public Sector business.

For institutional customers, specialized teams have been established in Germany and Poland, as well as in Hong Kong and New York, that offer these customers a tailor-made range of products.

In many countries where Erste Group operates, the local capital markets are not yet as highly developed as in Western Europe or in the United States of America. That means Erste Group's banking subsidiaries are pioneers in some of these markets. Therefore, building more efficient capital markets in the region is another strategic objective of Erste Group's capital markets activities.

Customer Experience Index

As a profit-driven enterprise, Erste Group has a strong interest in its customers' future behaviour and loyalty to the bank. The CXI is an index that measures such loyalty and is derived from the evaluation of satisfaction ratings, referrals, readiness to switch to another bank, customer effort score and the repurchase rate of the main customers of the individual banks

It thus reflects all conscious and unconscious experiences and decisions that our customers make with our bank in the courses of their lives and that have an impact on our customers' relations with Erste Group.

MEASURING CUSTOMER SATISFACTION

The Customer Experience Index (CXI) is determined by Group Customer Experience, which is part of Group Brand Management & Communications, which in turn reports to the CEO. In the retail segment, a representative survey called the Banking Market Monitor is carried out on a quarterly basis. 2,400 telephone interviews (with customers and non-customers) are conducted annually across Erste Group's markets. In the corporate customer segment, an extensive survey with at least 1,500 companies per country is carried out once a year. These analyses are conducted by an external market research institute and provide data for a performance comparison both within Erste Group and with its most important competitors. Based on these surveys, our customer relations are rated in five categories (advocate, loyal, simply satisfied, non-engaged and dissatisfied) and successful improvement of customer service is measured using the CXI (Customer Experience Index).

Based on these categories we calculate the CXI as follows:
% advocates + % loyal customers + 0.5 x % simply satisfied -% non-engaged - % dissatisfied. The CXI rating therefore ranges on a scale from -100 to +100.
This value is put in relation to the Top 3 competitors in each country and in each segment and is used to identify the strengths and weaknesses of the local banks as compared to the market leaders.

	% Dissatisfied Satisfaction 0–4	**% Not engaged** Satisfaction 5–6	**% Simply satisfied** Satisfaction 7–10	**% Loyal** Simply satisfied and Repurchase 9–10 Bank change 0–1	**% Advocates** Loyal and Recommendation 10 Effort 10
Vs. competition	Clear competitive disadvantage	Competitive disadvantage	No advantage or disadvantage	Clear competitive advantage	Clear competitive advantage
Likely behavior	Likely to change bank as soon as they can	Likely to look for better offers and change bank	Leave easily even for slightly better offer	Likely to repurchase even pays some price premium	Likely to recommend to friends and family
Target	Optimize		Neutral	Maximize	

The CXI is of great relevance for Erste Group as it is also used as input in the bonus assessment for members of the management board of Erste Group, local banks and all employees. Targets for bonus evaluation purposes are set jointly by Group People & Culture, Group Customer Experience and relevant business lines.

DETAILED RESULTS

The table shows the relative difference to the Top 3 competitors in the market and the ranking of the bank in the respective market:

	PI		Micro		SME		Total	
	Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors	
	2023	2024	2023	2024	2023	2024	2023	2024
Erste Group	2,7	2,4	-0,4	-0,9	1,5	2,9	2,0	1,9
Erste Bank Oesterreich	15,4	18,6	3,3	3,2	-2,5	-2,0	9,7	12,0
Erste Bank Hungary	6,4*	1,5*	-1,5	2,2	0,6	0,0	4,5	1,3
Česká spořitelna	-2,1	-2,3	-9,8	-15,0	5,4	0,9	-2,4	-3,7
Slovenská sporiteľňa	1,9	1,0	7,7	6,1	5,4**	4,7**	2,7	1,8
Banca Comercială Română	-0,5	-0,4	1,2	1,5	-3,3	1,6	-0,5	0,3
Erste Bank Croatia	13,6	13,2	2,2	6,8	8,2	9,3	10,2	11,1
Erste Bank Serbia	3,3	4,1	-6,9*	-3,0*	-7,6	-0,8	-1,0	2,1

number 1 in the respective market

* no comparison to the previous year, because of changes in the Top 3 Banks

** no comparison to the previous year, because of changes in the definition of the SME Segment

In 2024, Erste Group again succeeded in maintaining the excellent customer satisfaction scores of the previous year.

CXI Privates (PI)

In the segment of private customers Erste Bank Oesterreich and Erste Bank Croatia attained the best scores in their respective markets. All banks in all markets are stable (compared to the competition), with Erste Bank Oesterreich even improving in comparison to the Top 3 competitors.

CXI Micro Segment

In the Micro Segment, the subsidiary banks Erste Bank Hungary, Erste Bank Serbia and Erste Bank Croatia managed to improve on the Top 3 competitors. Erste Bank Croatia also managed to take the lead in the banking market here. With the exception of Ceska Sporitelna, the performance of all other banks is stable.

CXI SME Segment

In the SME segment, BCR, Erste Bank Croatia and Slovenska Sporitelna achieved the first place in their markets.
The development in this segment is stable in relation to the Top 3 competitors in most markets - the exceptions are Ceska Sporitelna, which is decreasing, and Erste Bank Serbia and BCR, which are developing positively.

Erste Group’s Strategy

Erste Group has devised a comprehensive and forward-looking strategy to secure its position as a leading financial institution in the eastern part of the EU while addressing the challenges of rapidly changing market dynamics. Erste Group’s strategy addresses significant global developments, including economic shifts, demographic changes, technological advancements, geopolitical fragmentation, and climate change, to ensure sustainable growth and resilience even in the event of a different future.

The political landscape in Europe and globally is changing rapidly, with rising populism, sentiments and measures hostile to the European idea, and potential political interventions in such forms as tariffs and new or expanded taxes posing challenges to some or all of the bank’s core markets and to Europe more broadly. These challenges increase pressure on the continent’s politicians, often leading to more interventionist policies and a distancing from the norms and practices that have so far shaped the EU. Monitoring and appropriately responding to these developments on both global and CEE-specific levels is crucial for a large publicly-listed firm with a prominent presence across the region.

Technological advancements, including AI, virtual/augmented reality, tokenized finance, and quantum technology, are evolving quickly. For Erste Group, data science and AI are expected to impact business operations and customer interactions, further enabling high-quality and highly individualized digital advice and driving the demand for such advice on the part of the bank’s clients.

The continuing convergence potential of CEE countries with the EU-27 remains a core principle of the bank’s business model. However, rising wages and the end of cheap energy in Europe present growth challenges for the CEE economies, necessitating adaptations to their long-term growth strategy.

The demographic shifts apparent across Europe will also impact the bank’s core markets, leading to shrinking workforces, intensifying competition for talent and increasing wage pressures. Addressing these challenges through digitization and AI to improve workforce productivity is essential. Against the backdrop of ageing populations, Erste Group’s mission to provide access to financial health across all age groups and customer segments takes on even more importance.

Environmental risks are also becoming increasingly significant. Projections indicate that five of the top ten global risks in the next decade are likely to be environmental, such as extreme weather events and biodiversity loss. Erste Group is dedicated to sustainability and aims to support social inclusion and is actively taking steps to support the net-zero transition being pursued by its customers and region.

Erste Group’s strategy centers on five overarching objectives, designed to drive sustainable growth, improve customer experience and strengthen operational excellence. These objectives emphasize the need for transformation, innovation, and efficiency while integrating principles of sustainability to ensure the bank remains competitive and relevant in a rapidly changing financial landscape.

Building a distinctive brand identity

At the heart of Erste Group's strategic goals is the creation of a unique and highly recognizable brand identity that resonates across its markets. Erste Group seeks to differentiate itself from competition in the financial sector that is increasingly becoming commoditized. This involves positioning Erste Group as more than just a bank, focusing instead on being a trusted partner that understands and meets the needs of its customers at every stage of their financial journey.

To achieve this, Erste Group is committed to developing innovative and tailored products and services that cater to the specific demands of regional markets and address the needs and interests of its customers at an individual level. This customer-first approach is not only designed to foster customer-loyalty, but also to build long-term relationships by providing value that extends beyond conventional banking. The group's strong branding initiatives also seek to reinforce its reputation as a forward-thinking and customer-focused financial institution.

Providing everyone with access to financial expertise and financial advice

Erste Group proactively empowers every customer to improve their financial health. Modern technologies, particularly artificial intelligence (AI), are at the core of Erste Group's strategic objective to provide everyone with access to financial advice. The bank aims to make high-quality financial expertise accessible to a much broader customer base by applying AI and data-driven solutions. This represents a significant shift from traditional models, where personalized financial advice was often limited only to higher-income clients.

Erste Group's use of technology enables customized insights and recommendations tailored to individual financial needs. Whether customers are seeking advice on investments, savings or retirement planning, this approach ensures they receive relevant information and product offers in an easy-to-understand format to improve their financial health. Importantly, these technological advancements will complement but not replace human interaction, ensuring that customers can still benefit from face-to-face or conversation-based support when needed.

Through these efforts, Erste Group aims to bridge the gap between technology and personal service, creating a seamless, hybrid advisory model that enhances the customer experience. Erste Group is also committed to integrating sustainability and ESG principles and to improving financial literacy across its markets as a means of fostering informed decision-making on the part of its clients.

Driving efficiency through digitization

A critical element of Erste Group's transformation is its commitment to comprehensive digitization. The bank plans to digitize all key processes across its operations, from customer-facing interactions to internal workflows, creating a more efficient and agile organization. This focus on end-to-end digital solutions will not only enhance the speed and convenience of banking for customers but also deliver significant cost savings and reduce operational risk through lowering the share of manual processes and improving operational efficiency.

Digitization efforts range from streamlining customer journeys, enabling seamless interactions through platforms such as Erste Group's flagship digital banking platform George, to digitizing internal functions. This ensures that customers can manage their banking needs independently while receiving a premium, user-friendly digital experience. By making banking faster, more intuitive, and more accessible, Erste Group can free up resources, allowing employees to dedicate more time to high-value activities. This is essential for providing high-quality advisory services.

Innovative financial health propositions

As part of its strategic focus, Erste Group is committed to developing innovative financial products and services that address the evolving needs of its customers. This includes broadening the bank's product offering in areas such as wealth management, as well as introducing insurance and pension schemes designed to improve customers' financial health and resilience. By aligning its product portfolio with the priorities of its customers, Erste Group ensures that it remains relevant in an increasingly competitive market.

Erste Group facilitates the green transition of its corporate customers and, in order to align the retail business with the sustainability strategy, Erste Group offers products and services that promote decarbonization and improve both financial health and environmental sustainability. These products are aimed at not only providing financial security, but also empowering customers to achieve their long-term goals.

By delivering value-driven and innovative solutions, Erste Group is positioning itself as a partner that genuinely cares about the prosperity of its clients.

Expanding through organic and inorganic growth

Recognizing the growth potential within the CEE region's banking sector, Erste Group is actively pursuing opportunities for both organic expansion and strategic acquisitions. By strengthening its presence in existing markets or potentially entering new ones, the bank aims to consolidate its position as a leading player in the region. Pursuing strategic mergers and acquisitions will allow the group to scale its operations, tap into new customer bases and achieve greater synergies across its network.

The group's growth ambitions are supported by its robust financial position, which provides the necessary resources to seize opportunities as they arise.

Sustainability as a strategic driver

Sustainability is an integral part of Erste Group's long-term vision to ensure future success by taking into account environmental, social and governance (ESG) factors. Erste Group's sustainability strategy is based on two main pillars: leading the green transition and promoting social inclusion.

The Group supports the green transition in the CEE region by promoting a sustainable real estate sector and reducing emissions in the energy sector, in line with the Paris Climate Agreement and net zero targets. Erste Group offers sustainable financing, sustainable investment funds and advisory services to help businesses and private clients reduce their environmental footprint and positions itself as a preferred partner for sustainability-oriented clients. In addition to sustainable mortgage loans, new renovation products for improving the energy efficiency of buildings have been created in the private customer business. Corporate customers are supported in taking advantage of the benefits of decarbonization through a range of advisory services and financing to support cost-efficient measures. These include renewable energy projects and highly efficient buildings in the commercial real estate sector. Internally, Erste Group is reducing its carbon footprint by increasing the energy efficiency of its buildings and switching to alternative energy sources where possible.

Social responsibility is embedded in Erste Group’s DNA, with initiatives aimed at reducing inequality, increasing financial access, and supporting community development. The bank also focuses on governance, ensuring transparency, ethical decision-making, and accountability.

Innovation is key in this sphere too, with advanced technologies like AI and data analytics enhancing sustainability solutions. Erste Group’s holistic approach to sustainability aligns its business goals with ESG principles, ensuring inclusive, responsible growth. This strategy combines customer-centric initiatives, technological innovation, operational efficiency, and sustainable growth, positioning Erste Group as a trusted financial institution in the CEE region.

Outlook statement

SUMMARY 2025 FINANCIAL OUTLOOK STATEMENT

Erste Group’s goal for 2025 is to achieve a return on tangible equity (ROTE) of about 15%.
This ambition is built on the following key assumptions:
(1) The macroeconomic environment, primarily as measured by real GDP growth, in Erste Group’s seven core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia) remains robust and on average, improves moderately versus 2024. Consequently, Erste Group expects robust loan growth of about 5% in 2025, supported by growth in the retail as well as the corporate business. (2) Operating performance as defined by operating result to stay broadly stable versus 2024, as net interest income is projected to remain flat year-on-year, fee and commission income continues to grow by about 5%, net trading and fair result produces a similar revenue contribution as in 2024, and operating expenses grow on the order of 5%. Consequently, the cost/income ratio is expected to be below 50%. (3) Risk costs increase only slightly to about 25 basis points of average customer loans from levels seen in 2024, as the asset quality environment remains strong across Central and Eastern Europe while only deteriorating moderately in Austria. (4) Regulatory costs, comprising deposit insurance and resolution fund contributions, banking levies such as banking and financial transaction taxes as well as sector-specific extra profit taxes, and, the cost of supervision, in aggregate, are expected to increase due to an announced increased banking tax in Austria.

While a forecast for the other operating result, which is primarily impacted by regulatory costs excluding deposit insurance contributions as well as extra profit tax in Slovakia, and various categories of gains and losses from financial instruments not measured at fair value is challenging, this combined item is likely to stay flat versus 2024 in the absence of significant one-off effects. Assuming an effective group tax rate of about 21% and lower minority charges compared to 2024, all of the above should result in return on tangible equity of about 15% in 2025.

In line with the projected strong profit performance, the CET1 ratio is expected to increase in 2025, providing enhanced capital return and/or M&A flexibility. The adjusted net profit of 2024 (net profit after deduction of AT1-dividends) allows Erste Group to target a regular dividend equalling 41.2% of adjusted net profit as well as the execution of a third share buyback in the amount of 23.7% of adjusted net profit, subject to regulatory approval.

Potential risks to the guidance include (geo)political and economic (including monetary and fiscal policy impacts) developments, regulatory measures as well as changes to the competitive environment. International (military) conflicts, such as the war in Ukraine and in the Middle East do not impact Erste Group directly, as it has no operating presence in the regions involved. Indirect effects, such as financial markets volatility, sanctions-related knock-on effects, supply chain disruptions or the emergence of deposit insurance or resolution cases cannot be ruled out, though. Erste Group is moreover exposed to non-financial and legal risks that may materialise regardless of the economic environment. Worse than expected economic development may put goodwill at risk.

DETAILED 2025 FINANCIAL OUTLOOK STATEMENT: DISCUSSION OF KEY ASSUMPTIONS

(1) Assumptions on 2025 macroeconomic environment
(2) Assumptions on 2025 operating performance
(3) Assumptions on 2025 risk/asset quality environment
(4) Assumptions on 2025 regulatory costs

Ad 1) Erste Group evaluates the macroeconomic environment, amongst others, along the following key parameters: real GDP growth, consumer price inflation, unemployment rate, current account balance, general government balance and public debt. Its economists forecast that real GDP growth will improve in all of Erste Group's core markets, except for Croatia and Serbia, where it will consolidate close to the healthy levels registered in 2024. Overall, 2025 GDP growth is expected in the range of 0.6% (Austria) to 3.8% (Serbia), mainly supported by a recovery in private consumption. Consumer price inflation is projected to moderate or consolidate in most core markets in the low to mid-single-digit range, as the moderate acceleration of economic growth is not expected to lead to additional inflationary pressure. The unemployment rate is expected to remain at similarly low levels, as recorded in 2024, driven by the generally supportive economic backdrop and the continued strong competitiveness of the CEE region. In line with historic patterns, the continuation of diverging trends is expected for external and internal (fiscal) balances. The former is forecast to stay at sustainable levels in most core markets, while remaining significantly negative in Romania and Serbia. The latter is projected to improve in all countries in 2025, but remain elevated in Romania, Slovakia and Hungary. This notwithstanding public debt to GDP is forecast to remain broadly unchanged at sustainable levels in all core markets of Erste Group, especially when viewed in a broader European context. This macroeconomic scenario is based on information available at 15 February 2025. Consequently, any changes to the global and, in particular, European political, economic and regulatory landscape, thereafter, may lead to significant deviations in actual economic performance from the scenario presented.

Ad 2) Operating performance, essentially the operating result, is expected to remain broadly stable year-on-year, while the cost/income ratio is forecast to stay below 50%. Operating income is forecast to be unchanged, supported by stable year-on-year net interest income and net trading and fair value result. Net fee and commission income is expected to grow by about 5%. Stable net interest income should result from negative effects being balanced by positives. The primary net interest income headwind is projected to be central bank rate cuts to 3.25%, 5.75%, 6.00%, 5.00% and 2.00% by year-end 2025 in Czechia, Romania, Hungary, Serbia and the euro zone, respectively. Lower interest rates, in turn, will mainly be driven by moderate economic growth and limited inflation pressures. On the positive side, Erste Group expects loan growth of about 5% in 2025, higher income from the bond book, continued upward fixed loan repricing in certain geographies, such as Czechia and Slovakia, and swift downward repricing of deposits in all markets. The most volatile revenue line item is net trading and fair value result, as it is fundamentally driven by the development of market interest rates and valuations related to such market interest rates. Based on current expectations Erste Group forecasts this line item to be broadly unchanged year-on-year. Net fee and commission income is projected to grow by about 5% as income from payment services, securities business (including asset management) and insurance brokerage are all expected to grow, assuming the above-mentioned constructive macroeconomic backdrop and a stable to positive capital markets environment. The remaining income components are forecast to remain, by and large, stable. Overall, operating income is therefore expected to be flat in 2025. Operating expenses are expected to increase by about 5% in 2025. While wage inflation is forecast to recede, particularly in Austria, other administrative expenses are projected to rise on the back of higher costs associated with business digitisation targeting improved digital advice, further expansion of the digital customer offering and digital process optimisation.

Ad 3) Risk costs are expected to amount to about 25 basis points as of average gross customer loans in 2025. This assumes that the risk and asset quality environment will continue to stay benign across Central and Eastern Europe, while only deteriorating mildly in Austria. The deterioration in Austria is tied to the protracted economic weakness in both 2023 and 2024 and the projection of only moderate improvement in 2025. Furthermore, the risk guidance assumes that an additional EUR 190 million in overlay and forward-looking indicator (FLI) provisions will be released during 2025.

Ad 4) The total regulatory cost burden, over and above general taxation, in 2024 amounted to about EUR 450 million. This included deposit insurance and resolution fund contributions, banking levies such as banking and financial transaction taxes as well as sector-specific profit taxes, and the cost of supervision. For 2025 Erste Group expects this cost to rise to approximately EUR 550 million, primarily due to an announced increase of the banking tax in Austria.

Risk management

With respect to the explanations on substantial financial risks at Erste Group as well as the goals and methods of risk manage-ment, we would like to draw the reader's attention to the information provided in Note 32 Risk management and in the Notes 27, 34 et seq, 44, 45, 46 and 54 of the consolidated financial statements.

Research and development

Digitalisation

Digitalisation and innovative technologies have fundamentally transformed the banking sector, with change unfolding at an ever faster pace. Digital technologies reshape not only consumer expectations. Erste Group is convinced that digital banking will further gain in importance and will be essential for sustainable economic success in the long term and is therefore committed to digital innovation. Intra-group interdisciplinary teams are developing innovative solutions with the goal of offering everyone access to financial literacy and financial advice and helping the bank's customers to strengthen their financial health in a sustainable manner.

The centre-piece of Erste Group's digital strategy is the digital platform George, designed to provide customers access to personalised products of Erste Group. APIs support a wide range of co-operation arrangements with fintechs, start-ups and even across industries and can therefore help to open up new markets and attract new customers. George is available to retail customers in Austria, the Czech Republic, Slovakia, Romania, Croatia and Hungary. It will be rolled out in Serbia in 2026. At present, George is being actively used by more than ten million customers. The portfolio of digitally available products and services is being constantly expanded. Customers can activate applications via plug-ins and use them to manage their finances.

George Business was developed to provide excellent digital banking to corporate customers as well. It was implemented in Austria in 2022 and in Romania in 2023. In the Czech Republic, roll-out will be completed in 2025. It is the aim to offer all customer segments across the group an outstanding digital user experience on a single platform.

Digital innovation such as artificial intelligence and deep customer data analysis are the key to success. Erste Group's holistic approach combines the broadening of financial expertise through the use of modern technologies ('digital advisory') with the digitalisation of all relevant bank processes.

In 2024, software development costs of EUR 25 million (EUR 33 million) were capitalised.

Reporting on material characteristics of the internal control and risk management system with regard to the accounting process

Internal Control System Framework Requirements

The internal control system (ICS) is an essential element of the corporate governance system of Erste Group contributing to the safeguarding of shareholders' investments and company's assets. Erste Group's ICS plays a key role in identifying risks associated with the respective internal processes.

The ICS policy provides the framework conditions for the internal control system at Erste Group. It defines current standards concerning general tasks and responsibilities as well as minimum criteria for ICS documentation. In Erste Group, a top down, risk oriented, decentralised ICS approach is applied, designed based on the local process map, which promotes adequacy by focusing on all material risks. This means, that all material risks identified must be mitigated by key controls which are involved in the ICS process. The following criteria are applied for an adequate ICS:

- Completeness: The process landscape as well as policies and procedures issued within the Group Policy Framework ensure that all identified risks and potential risk scenarios are considered, regulated and managed, aiming to set up a comprehensive and integrated control environment throughout the entity. All material risks must be covered with key controls, to demonstrate the importance at local level.
- Effectiveness and traceability: The functionality of key controls are regularly checked, the optimal control environment is reviewed and challenged during monitoring activity of risk appetite/tolerance.
- Comprehensibility: The process landscape together with local policies and procedures constitute documentation of identified key controls, which ensures that relevant employees are aware of all key controls and their role in the internal control process is transparent and accountable within the entire local entity.

The risk profile, which includes the current and target situation, is monitored by each individual risk function unit and is illustrated in the framework of the consolidated risk reporting (GRR) for the management or relevant risk committee.

Control environment

The Code of Conduct provides orientation for all employees of Erste Group, defines mandatory rules for day-to-day business life, describes the corporate values, affirms the obligation to act responsibly as a company and ensures compliance with legal provisions and internal guidelines (compliance).

The awareness of potential compliance issues and a sustainable risk culture enable risks to be identified quickly and well-considered decision-making when dealing with existing regulations. The main component of the risk culture are internal guidelines and, above all, open communication in order to create the broadest possible awareness of all employees for all risks that Erste Group is confronted with.

The management board is responsible for the establishment, structure and application of an appropriate internal control and risk management system that meets the company's needs in its group accounting procedures.

Erste Group's IFRS Accounting Manual provides a comprehensive methodological basis for the preparation and submission of the monthly, quarterly and annual IFRS Group Reporting Packages by Erste Group's subsidiaries.

The management in each subsidiary is responsible for implementing group-wide instructions. Compliance with group rules is monitored as part of the audits performed by group and local auditors.

Group Accounting and Group Controlling are responsible for preparing the consolidated financial reporting. Both divisions are assigned to the CFO of Erste Group. The preparation of the consolidated financial statements is the responsibility of the Group Accounting department. The assignment of competencies, the process description and the necessary control procedures are defined in the working instructions.

Risk assessment and controls measures

The main risk in the financial reporting procedures is that errors or deliberate action (fraud) prevent facts from adequately reflecting the company's financial position and performance. This is the case if the data provided in the financial statements and notes is materially deviating from the correct figures, i.e. whenever, alone or in aggregate, they could influence the decisions made by the users of financial statements. Such a decision may incur serious damage, such as financial loss, the imposition of sanctions by the banking supervisor or reputational harm.

Furthermore, especially estimates for the determination of the fair value of financial instruments for which no reliable market value is available, estimates for the accounting of risk provisions for loans and advances and for provisions, complex measurement requirements for accounting as well as a volatile business environment bear the risk of significant financial reporting errors.

Erste Group issues group policies used for preparation of consolidated financial statements in accordance with IFRS. A summary description of the accounting process is provided in Erste Group's IFRS Accounting Manual. All transactions in subsidiaries have to be recorded, posted and accounted for in accordance with the accounting and measurement methods set out in this manual.

The basic components of the internal control system (ICS) within Erste Group are:

- systemic, automatic control systems and measures in the formal procedure and structure, e.g. programmed controls during data processing,
- principles of functional separation and checks performed by a second person (the four-eye principle),
- Controlling as a permanent financial/business analysis (e.g. comparison of target and actual data between accounting and controlling) and control of the company and/or individual corporate divisions,
- highly automated data validation in the group consolidation process.

The areas of responsibility assigned to the individual positions are documented and are continuously updated. Special attention is paid to a functioning deputy regulation in order not to jeopardize the ability to meet deadlines if one person is absent.

Group consolidation

The individual financial statements reported by the subsidiaries in the consolidation system are checked by the person responsible for the individual financial statements in Group Accounting as part of the data release process, which provides for extensive, largely automated check routines, and - if necessary - adjustments to the individual financial statements are made in coordination with the individual entities or the auditors. The subsequent consolidation steps are then performed using the consolidation system. These include consolidation of capital, expense and income consolidation, and debt consolidation, any intragroup gains are eliminated. At the end of the consolidation process, the notes to the consolidated financial statements are prepared in accordance with IFRS and BWG/UGB.

The consolidated financial statements and the group management report are reviewed by the audit committee of the supervisory board and are also presented to the supervisory board for approval. They are published as part of the annual report, on Erste Group's website and in the Official Journal of Wiener Zeitung and finally filed with the Commercial Register.

Information and communication

Throughout the year, the group produces consolidated monthly reports for group management. Statutory interim reports are produced that conform to the provisions of IAS 34 and are also published quarterly in accordance with the Austrian Stock Corporation Act. Before publication, the consolidated financial information is presented to senior managers and the CFO for final approval and then submitted to the supervisory board's audit committee.

Reporting is almost fully automated, based on source systems and automated interfaces, and guarantees up-to-date data for controlling, segment reporting and other analyses. Accounting information is derived from the same data source and is reconciled monthly for reporting purposes. Close collaboration between accounting and controlling permits continual target/actual comparisons for control and reconciliation purposes. Monthly and quarterly reports to the management board and the supervisory board ensure a regular flow of financial information and monitoring of the internal control system.

In addition, when introducing new core banking systems and implementing new products, accounting is in contact with the relevant departments in order to provide information at an early stage on accounting-specific aspects and implications for new product launches.

Monitoring

In order to monitor and at the same time support strong governance and risk management, Erste Group applies three lines of defence to review the structures and processes that enable the achievement of the objectives for their effectiveness.

The first line of defence includes the business lines in which the department heads are responsible for monitoring including internal controls of their business areas. This line is in constant dialogue with the business areas and reports on planned, actual and expected results in connection with the goals of the organisation as well as on risks.

The role of the second line of defence is covered by specific areas of expertise, in addition to providing expertise, support, monitoring and risk management tasks. At Erste Group, these activities are carried out by the departments Risk Management, BWG Compliance, WAG Compliance, Anti Money Laundering Prevention, Group Data and Reporting Governance and Group Security. Above all, the departments should support the business lines in the control steps, validate the actual controls, bring state-of-the-art practices into the organisation and cover tasks related to risk management.

The third line of defence is responsible for providing independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. Internal Audit is in charge of auditing and evaluating all areas of the bank based on risk-oriented audit areas (according to the annual audit plan as approved by the management board and reported to the audit committee). The main focus of audit reviews is to monitor the completeness and functionality of the internal control system. Internal Audit has the duty of reporting its findings to the group's management board, supervisory board and audit committee several times within one year.

Internal Audit is according to section 42 Austrian Banking Act (BWG) a control body that is directly subordinate to the management board. Its sole purpose is to comprehensively verify the lawfulness, propriety and expediency of the banking business and banking operation on an on-going basis. The mandate of Internal Audit is therefore to support the management board in its efforts to secure the bank's assets and promote economic and operational performance and thus in the management board's pursuit of its business and operating policy. The activities of Internal Audit are governed in particular by the currently applicable Rules of Procedure, which were drawn up under the authority of all management board members and approved as well as implemented by them. The Rules of Procedure are reviewed on a regular basis and whenever required and adapted should the need arise.

Holdings, purchase and sale of own shares

The presentation of own shares as of trade date follows the disclosure requirements in accordance with the Austrian Stock Corporation Act (AktG).

Holdings of own shares

Number of shares	Dec 23	Dec 24
Erste Group Bank AG	7,762,984	-257,675
Affiliates	1,106,329	761,329
thereof pledged	0	0

As of 31 December 2024, retained earnings include a short position in Erste Group Bank AG shares amounting to 257,675 units (prior year: long-position 7,762,984 units, thereof 8.137.141 units resulting from the share buy-back program 2023), which is covered by securities lending deals.

From the purchase and sale of its own shares in the long portfolio Erste Group Bank AG generated selling gains in course of securities trading in the amount of EUR 0 million (2023: EUR 1 million) and in course of the employee share program in the amount of EUR 0 million (2023: selling losses EUR 1 million recognized in other retained earnings) respectively, which were recognized in the capital reserve.

Purchase of own shares

	Erste Group Bank AG				Affiliates of Erste Group Bank AG			
	Number of shares	Par value of the share capital EUR million	Purchase price in EUR million	Purpose of transaction	Number of shares	Par value of the share capital EUR million	Purchase price in EUR million	Purpose of transaction
January	48,053	0.10	1.84	securities trading				
January	30,084	0.06	1.17	share buyback				
February	180,596	0.36	6.98	securities trading				
February	719,867	1.44	28.45	share buyback				
March	329,452	0.66	12.68	securities trading				
March	24,405	0.05	1.00	employee share programm				
March		0.00	0.00		20,000	0.04	0.74	principle shareholder programm
April	52,582	0.11	2.24	securities trading				
May	62,722	0.13	2.92	securities trading				
May	42,243	0.08	1.89	employee share programm				
June	428,024	0.86	18.51	securities trading				
June	57,942	0.12	2.56	share buyback				
June	632,757	1.27	27.87	employee share programm				
July	143,475	0.29	6.74	securities trading				
July	2,356,840	4.71	110.00	share buyback				
August	87,800	0.18	3.99	securities trading				
August	3,400,047	6.80	159.03	share buyback				
September	350,649	0.70	17.05	securities trading				
September	1,859,142	3.72	89.56	share buyback				
October	219,917	0.44	10.82	securities trading				
October	1,169,476	2.34	57.53	share buyback				
November	111,854	0.22	5.88	securities trading				
November	1,555,077	3.11	81.33	share buyback				
December	230,493	0.46	13.41	securities trading				
Total	**14,093,497**	**28.19**	**663.43**		**20,000**	**0.04**	**0.74**	

The purpose of securities trading was in particular ‘market making’ and hedging positions in the Austrian Stock Exchange Index (ATX).

The aim of the principal shareholder program is to strengthen the group structure and cooperation with the savings banks.

For further details on the employee share program, we refer to Note 61 Share-based payments.

Sale of own shares

	Erste Group Bank AG			Affiliates of Erste Group Bank AG		
	Number of shares	Par value of the share capital EUR million	Selling price in EUR million	Number of shares	Par value of the share capital EUR million	Selling price in EUR million
January	121,767	0.24	4.68			
February	8,945,946	17.89	2.32			
March	264,314	0.53	10.31	365,000	0.73	14.95
April	75,472	0.15	3.23			
May	105,862	0.21	4.64			
June	950,735	1.90	41.71			
July	101,983	0.20	4.76			
August	102,402	0.20	4.71			
September	442,476	0.88	21.55			
October	119,368	0.24	6.01			
November	74,130	0.15	3.91			
December	10,809,701	21.62	23.80			
Total	**22,114,156**	**44.23**	**131.64**	**365,000**	**0.73**	**14.95**

Capital, share, voting and control rights and associated agreements

For details in respect of capital structure, class of shares and treasury shares please refer to Note 55 of the consolidated financial statements. The mandatory disclosure requirements of Section 243a (1) UGB are met as follows:

1. Capital structure and class of shares

As of 31 December 2024, together with its syndicate partners (savings banks, share management savings banks – ‘Anteilsverwaltungssparkassen’, and savings bank foundations – ‘Sparkassenstiftungen’), DIE ERSTE oesterreichische Spar-Casse Privatstiftung (‘ERSTE Stiftung’), a foundation, controls 25.41% (prior year: 24.11%) of the shares in Erste Group Bank AG and with 18.48% (prior year: 17.54%) is the main shareholder. The ERSTE Stiftung holds 5.94% (prior year: 5.65%) of the shares directly; the indirect participation of the ERSTE Stiftung amounts to 12.54% (prior year: 11.89%) of the shares held by Sparkassen Beteiligungs GmbH & Co KG, which is an affiliated undertaking of the ERSTE Stiftung. 2.66% (prior year: 2.49%) are held directly by savings bank foundations, savings banks, and the Erste employee share participation foundation (Erste Mitarbeiterbeteiligungsstiftung), acting together with the ERSTE Stiftung. 4.27% (prior year: 4.08%) are held by a syndicate partner, Wiener Städtische Versicherungsverein.

The Erste Group Bank AG forms a joint liability scheme (Haftungsverbund), together with the Austrian savings banks, in accordance with article 4 (1) Z 127 CRR as well as an institutional protection scheme (IPS) approved by the supervisory authority pursuant to article 113(7) CRR. The required individual services of the individual members of the scheme are in case of an occasion subject to an individual and general ceiling. The applicable amounts are determined by joint liability scheme’s steering company and made known to the paying members.

The payments of the individual members in the IPS Ex-Ante Fund established for support measures are recognised in the financial statements as a share in IPS GesbR, which manages the ex-ante fund and are accounted for as retained earnings. Due to the contractual terms, these retained earnings represent a blocked reserve. The release of this blocked reserve may only take place as a result of the utilisation of the ex-ante fund due to a claim. This reserve can therefore not be utilised internally to cover losses and on member level does not qualify as own funds according to the CRR; on a consolidated level, the ex-ante fund does qualify, however. For details, please refer to the section scope of consolidation and Note 33.

Erste Group Bank AG is the central institution for the associated Austrian savings banks, and together they form a cash pool pursuant to section 27a Austrian Banking Act (BWG). Where necessary, Erste Group Bank AG must supply liquidity to an associated savings bank in accordance with legal and contractual provisions.

2. Restrictions of voting rights and of the transfer of shares

The Articles of Association do not contain any restrictions affecting voting rights or the transfer of shares.

In shareholder agreements ERSTE Stiftung - which, together with its syndicate partners, held 25.41% capital shares as at 31 December 2024 (previous year: 24.11%) agreed the following: concerning the appointment of the members of the supervisory board the partners are obliged to vote as required by ERSTE Stiftung. The partners can dispose of shares according to a predefined sale procedure and can purchase shares only within the quotas agreed with ERSTE Stiftung (of a maximum of 3% per calendar year); with this regulation an unwanted creeping-in according to takeover law shall be prevented. In addition, the partners have committed themselves not to make a hostile takeover bid, nor to participate in a hostile takeover bid nor to act together with a hostile bidder in any other way.

3. Direct or indirect shareholdings amounting at least 10%

Apart from ERSTE Foundation, the Management Board is not aware of any other direct or indirect shareholdings that amount to at least 10%.

4. Special rights of control associated with holding shares

There are no shareholders with special control rights.

5. Voting rights control in the case of capital participation of employees

The voting rights of shares held by Erste Mitarbeiterbeteiligung Privatstiftung in trust or by proxy for the employees of employer companies participating in employee share programs according to section 4d (5) (1) Income Tax Act (EStG) are exercised by the Board of Directors of Erste Mitarbeiterbeteiligung Privatstiftung. The members of the Board of Directors are appointed and dismissed by the Advisory Board through resolution with simple majority, whereby the delegation rights of.Erste Group Bank AG as well as the existing statutory employee representatives of Erste Group Bank AG and Erste Bank der oesterreichischen Sparkassen AG shall be taken into account. A further member of the Board of Directors to be appointed by the Advisory Board shall be a former member of the management board or a former (freelance) employee of an employer company pursuant to section 4d (5) (1) Income Tax Act (EStG). The Advisory Board of Erste Mitarbeiterbeteiligung Privatstiftung consists of up to five members.

6. Special control rights, bodies and amendments of the articles of association

This concerns:
- Art. 15.1 of the Articles of Association, which provides that ERSTE Stiftung will be granted the right to nominate up to one third of the members of the Supervisory Board to be elected by the shareholders' meeting, as long as ERSTE Stiftung is liable for all present and future liabilities of the company in the case of its insolvency pursuant to Section 92 (9) Banking Act,
- Art. 15.4 of the Articles of Association, which provides that a three-quarter majority of valid votes cast and a three-quarter majority of the subscribed capital represented at the meeting considering the proposal are required to pass a motion for removal of Supervisory Board members, and
- Art. 19.9 of the Articles of Association, which provides that amendments to the Articles of Association, in so far as they do not alter the business purpose, may be passed by simple majority of votes cast and simple majority of the subscribed capital represented at the shareholders meeting considering the amendment. Where higher majority votes are required by individual provisions of the Articles of Association, these provisions can only be amended with the same higher majority vote. Moreover, amendments to Art. 19.9 require a three-quarter majority of the votes cast and a three-quarter majority of the subscribed capital represented at the meeting considering the proposal.

7. Powers of the Management Board to issue and repurchase shares

As per decision of the General Meeting of 12 May 2023:

— The Management Board is entitled to purchase up to 10% of the share capital in own shares for the purpose of securities trading according to section 65 (1) (7) Austrian Stock Corporation Act (AktG). However, the trading volume of shares acquired may not exceed 5% of the share capital at the end of each day. The consideration for the shares to be purchased must not be less than 50% of the closing price at the Vienna Stock Exchange on the last trading day prior to the purchase and must not exceed the closing price at the Vienna Stock Exchange on the last trading day prior to the purchase by more the 20%. This authorization is valid for a period of 30 months from the date of the resolution, i.e. until 12 November 2025.

As per decision of the General Meeting of 22 May 2024:

— The Management Board is entitled, pursuant to section 65 (1) (8) as well as (1a) and (1b) Stock Corporation Act and for a period of 30 months from the date of the resolution, i.e. until 22 November 2026, to acquire own shares in the amount of up to 10% of the share capital, subject to approval by the Supervisory Board and without any further resolution of the General Meeting at a lowest consideration of EUR 2.00 per share and a highest consideration not exceeding 50% above the average Vienna Stock Exchange price, weighted according to trading volumes, of the last 20 trading days prior to the respective acquisition of the shares; in the case of a public offer, the cut-off date for the end of the calculation period shall be the day on which the intention to make a public offer is announced (sec 5 (2) and (3) Austrian Takeover Act [ÜbG]). The acquisition may, at the discretion of the Management Board and with the consent of the Supervisory Board, be effected on the stock exchange or by means of a public offer or in any other legally permissible and expedient manner, in particular also off the stock exchange and/or from individual shareholders and excluding the pro rata tender right (reverse subscription right). The authorization may be exercised in whole or in part or in several partial amounts and in pursuit of one or more purposes by the Company, its affiliated companies (sec. 189a (8) Commercial Code [UGB]) or for their account by third parties. Pursuant to section 65 (1b) Stock Corporation Act, the Management Board is authorized for a period of five years from the date of the resolution, i.e. until 22 May 2029, with the consent of the Supervisory Board, to sell or dispose the company's own shares, also in a way other than via the stock exchange or by means of a public offer for any legally permissible purpose, to determine the terms and conditions of the sale and to decide on the exclusion of the shareholders' subscription rights. These authorizations include the sale of own shares in particular for the following purposes: (i) in order to be able to sell the shares for a consideration other than cash, provided that this serves the purpose of acquiring (also indirectly) companies, businesses, parts of businesses, shares in one or more companies domestically or abroad; (ii) to transfer shares free of charge or at a reduced price to employees, executives and members of the Management Board of the Company or of an affiliated company (sec 189a (8) Commercial Code [UGB]) or of any other company within the meaning of sec 4d (5) (1) Austrian Income Tax Act (EStG), as well as to Erste Mitarbeiterbeteiligung Privatstiftung and its beneficiaries; and (iii) to resell own shares with partial or full exclusion of the subscription rights in any manner permitted by law, including over-the-counter. The authorizations in this resolution may be exercised once or several times, in whole or in part, individually or jointly.
— The Management Board is authorized to redeem shares without further resolution at the General Meeting with the approval of the Supervisory Board.

All sales and purchases were carried out as authorized at the General Meeting.

According to section 8.3 of the Articles of Association, the Management Board is authorized to issue until 18 May 2027, with the consent of the Supervisory Board, convertible bonds (including Contingent Convertible Bonds according to section 26 Austrian Banking Act), which have the conversion or subscription right for shares of the Company, observing or excluding the subscription rights of the shareholders. The terms and conditions may, in addition or instead of a conversion or subscription right, also provide for the mandatory conversion at the end of the term or at any other time. The issuance of convertible bonds is limited to the extent that all conversion or subscription rights, and in case of a mandatory conversion stipulated in the terms and conditions, the mandatory conversion, are covered by conditional capital. Section 5.3 shall apply to the issue of convertible bonds without subscription rights. The issue amount, the terms and conditions of the issue of the convertible bonds and the exclusion of the subscription rights for the shareholders will be determined by the Management Board with the consent of the Supervisory Board.

8. Significant agreements which become effective, are amended or are rendered ineffective when there is a change in the control of the company and their effects

CROSS-GUARANTEE SCHEME AGREEMENT

The agreement in principle of the cross-guarantee scheme (Haftungsverbund) provides for the possibility of early cancellation for good cause. Good cause, allowing the respective other contracting parties to cancel the agreement, is deemed to exist if:

— one contracting party grossly harms the duties resulting from the present agreement,
— the ownership structure of a party to the contract changes in such a way – particularly by transfer or capital increase – that one or more third parties from outside the savings bank sector directly and/or indirectly gain a majority of the equity capital or voting rights in the contracting party or
— one contracting party resigns from the savings bank sector irrespective of the reason.

The cross-guarantee scheme's agreement in principle and supplementary agreements expire if and as soon as any entity that is not a member of the savings bank sector association acquires more than 25% of the voting power or equity capital of Erste Group Bank AG in any manner whatsoever and a member savings bank notifies the cross-guarantee scheme's steering company and Erste Group Bank AG by registered letter within twelve weeks from the change of control that it intends to withdraw from the cross-guarantee scheme.

DIRECTORS & OFFICERS-INSURANCE

In the event that any of the following transactions or processes occur during the term of the insurance policy (each constituting a 'change in control') in respect of the insured:
— the insured ceases to exist as a result of a merger or consolidation, unless the merger or consolidation occurs between two insured parties, or
— another company, person or group of companies or persons acting in consent, who are not insured parties, acquire more than 50% of the insured's outstanding equity or more than 50% of its voting power (resulting in the right to control the voting power represented by the shares, and the right to appoint the Management Board members of the insured),

then the insurance cover under this policy remains in full force and effect for claims relating to unlawful acts committed or alleged to have been committed before this change in control took effect. However, no insurance cover is provided for claims relating to unlawful acts committed or allegedly committed after that time (unless the insured and insurer agree otherwise). The premium for this insurance cover is deemed to be completely earned.

In the event that a subsidiary ceases to be a subsidiary during the insurance period, the insurance cover under this policy shall remain in full force and effect for that entity for the remainder of the insurance period or (if applicable) until the end of the extended discovery period, but only in respect of claims brought against an insured in relation to unlawful acts committed or alleged to have been committed by the insured during the existence of this entity as a subsidiary. No insurance cover is provided for claims brought against an insured in relation to unlawful acts committed or allegedly committed after this entity ceased to exist.

COOPERATION BETWEEN ERSTE GROUP BANK AG AND VIENNA INSURANCE GROUP (VIG)

Erste Group Bank AG and Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) are parties to a general distribution agreement (the Agreement) concerning the framework of the cooperation of Erste Group and VIG in Austria and CEE with respect to bank and insurance products. Originally concluded in 2008 (between Erste Bank der österreichischen Sparkassen AG and Vienna Insurance Group der WIENER STÄDTISCHE Versicherung AG), the Agreement was renewed and extended in 2018 until the end of 2033. The objective for the renewal and extension in particular was to adapt the Agreement to the corporate restructuring of the original parties, to amend some commercial parameters and to align the Agreement with recent developments in the legal framework. Already in the original Agreement the parties stipulated that both parties have the right to terminate the Agreement in case of a change of control of one of the parties. In case of change of control of Erste Group Bank AG, VIG has the right to terminate the Agreement. In case of change of control of VIG, Erste Group Bank AG has the reciprocal right. A change of control is defined, with respect to Erste Group Bank AG, as the acquisition of Erste Group Bank AG by any person/entity other than DIE ERSTE österreichische Spar-Casse Privatstiftung or Austrian savings banks of 50% plus one share of Erste Group Bank AG's shares or voting rights. In respect to VIG, the aforementioned provisions apply analogously, except for share purchases by Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group.

Apart from this regulation on the termination of the Agreement, the parties agreed in the renewal and extension of the Agreement for an additional termination for cause if based on new legal or regulatory provisions, the continuation of the Agreement is unreasonable for each or both of the parties.

Erste Group Bank AG and VIG are furthermore parties to an asset management agreement, pursuant to which Erste Group undertakes to manage certain parts of VIG's and its group companies' securities assets. In case of a change of control (as described above), each party has the termination right. The asset management agreement has been renewed and extended until 2033 concurrently with the renewal and extension of the Agreement outlined above.

9. Indemnification agreements

In the event of a public takeover offer, there are no compensation agreements between Erste Group Bank AG and its executive board and supervisory board members or employees.

Non-financial declaration

Basis of Preparation

Pursuant to § 243b and § 267a of the Austrian Commercial Code (UGB), Erste Group Bank AG is, as of the date of this report, required to include a non-financial statement and consolidated non-financial statement, respectively, in its (consolidated) management report. Under the Corporate Sustainability Reporting Directive (CSRD), to be transposed into national law until 6 July, 2024, these requirements are replaced by the requirement to include a sustainability statement prepared in accordance with ESRS in the consolidated management report. As of date, the transposition of the CSRD into Austrian law is still pending.

In previous years, Erste Group Bank AG utilized the option pursuant to § 267a (6) and § 243b (6) of the Austrian Commercial Code (UGB) and prepared a separate, combined (consolidated) non-financial report, in conformity with GRI Standards 2021. In order to anticipate the overdue changes in reporting requirements, Erste Group Bank AG chose to comply with its still existing legal non-financial reporting obligation by preparing a sustainability statement in accordance with ESRS for the financial year 2024 and presenting it as a separate section of its (consolidated) non-financial statement in this consolidated management report. Any additional information required by §§ 243b, 267a of the Austrian Commercial Code (UGB) which is not covered by the sustainability statement is presented in the chapter 'Additional information pursuant to §§ 243b, 267a of the Austrian Commercoal Code (UGB)'; this specifically comprises continuing selected information and KPIs referring to Erste Group Bank AG on a non-consolidated basis as presented in previous years.

Additional information pursuant to §§ 243b, 267a of the Austrian Commercial Code (UGB)

Matters not covered by the Sustainbility Statement

As ESRS reporting follows the double materiality assessment, certain matters required to be reported in the non-financial statement are not covered by the sustainability statement.

Selected information and KPIs referring to Erste Group Bank AG on a non-consolidated basis

Whereas sustainability matters related to Erste Group Bank AG are fully reflected in the sustainability statement, information in the sustainability statement is, in accordance with ESRS 1.54, disaggregated at entity level only if required for a proper understanding of material impacts, risks and opportunities.

The following KPIs relating to social and employee matters, presented in previous years under GRI 2021, relate to Erste Group Bank AG on a stand-alone basis:

Workforce by age group:

2024	Total			<30 years		30-50 years		>50 years	
	Women	Men	Others	Number	in %	Number	in %	Number	in %
EGB	991	1,065	0	289	14.1%	1,161	56.4%	606	29.5%

2023	Total			<30 years		30-50 years		>50 years	
	Women	Men	Others	Number	in %	Number	in %	Number	in %
EGB	940	1,044	0	273	13.8%	1,149	57.9%	562	28.3%

Sick leave days per employee:

	2023	2024
EGB	5	4

Sustainability Statement

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General information

Basis for preparation

BP-1 – GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENT

For 2024, Erste Group Bank AG has integrated its sustainability statement into the management report. This report has been prepared on a consolidated basis, using the European Sustainability Reporting Standards (ESRS) as a framework, alongside the requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy). Previously the option was used pursuant to § 267a (6) and § 243b (6) of the Austrian Commercial Code (UGB) to prepare a separate non-financial report.

The scope of consolidation of the sustainability statement follows the scope of consolidation of the financial statement, which is prepared according to the International Financial Reporting Standards (IFRS) and is shown in Note 69 of the 2024 consolidated financial statement. Information in this statement relates to the entities within this scope of consolidation, as well as the Group's upstream and downstream value chain. Where this is not the case, this is indicated in the text.

To ensure that all material sustainability matters are addressed, the group of Erste Group Bank AG (hereinafter referred to as 'Erste Group' or 'Group') conducted a value chain assessment, which was part of the double materiality assessment (DMA). This materiality assessment helped Erste Group to identify and assess impacts, risks and opportunities (IROs) across the value chain. For further information on the value chain and its assessment, please refer to the disclosure in chapter 'SBM-1 – Strategy, business model and value chain'.

Erste Group has not exercised the option to exclude information related to intellectual property, know-how, or innovation results, as there is no such information that requires disclosure.

Salzburger Sparkasse Bank Aktiengesellschaft, Kärntner Sparkasse Aktiengesellschaft and Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) are subsidiaries of Erste Group Bank AG that are exempted from consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU.

BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES, TIME HORIZONS AND DATA METHODOLOGY FOR REPORTING

Estimation uncertainty and assumptions

Certain disclosed metrics have been calculated using estimates and assumptions. Information on the estimates and data sources, including potential measurement uncertainties and assumptions, where applicable, is provided in the respective topical chapters. Erste Group discloses metrics that incorporate value chain information which has either been sourced directly from counterparties or derived indirectly through third-party data providers or industry-specific proxies.

A high level of measurement uncertainty due to limitations in data and methodologies relate to the disclosure of GHG emissions. In Erste Group's analysis and climate target-setting, estimates have been made using the recognised frameworks available at the time. Detailed descriptions of the methodological approaches can be found in sections E1-4 and E1-6.

The presentation of EU Taxonomy reporting is subject to uncertainty due to limitations to the availability of information and the use of third-party data. See the 'Reporting principles' section of this Sustainability Statement for a description of limitations in data and data quality for EU Taxonomy reporting.

The limitations in the availability of environmental data from Erste Group's corporate clients and other business relationships may also have impacted the results of its impact materiality assessment.

Climate-related target setting, alongside the respective actions and policies, require forward-looking parameters over a long-term horizon. Erste Group's parameters are based on expectations, projections and estimations, which inherently involve a degree of uncertainty and risk. This is due to factors such as evolving methodologies, fluctuating market conditions, technological advancements and challenges in data availability, accuracy, as well as potential regulatory changes. These assessments are subject to change and should not be considered reliable indicators of future performance.

Transitional provisions and phase-in options

- Erste Group has used the phase-in option under ESRS 1 Appendix C with respect to anticipated financial effects of material risks and opportunities identified on Erste Group's financial position and financial performance in future years (SBM-3).
- Erste Group has set GHG intensity reduction targets and, correspondingly, reports progress against these relative targets. Erste Group does not report associated absolute values for the target years in accordance with ESRS 1.133 (transitional provision regarding value chain information).

Comparative figures

Comparative figures are provided for metrics that have been disclosed in Erste Groups (consolidated) non-financial report in prior periods, if their definition and scope are in line with the ESRS requirements. In accordance with the ESRS transitional provision, no comparative figures are disclosed for new metrics introduced in 2024 as it is the first year of sustainability reporting under the ESRS

Time horizons

Erste Group defines 'short-, medium- and long-term time horizons' for reporting in accordance with ESRS. Where applicable, any deviations from these time horizons are noted (for example due to time horizons which were aligned with internal risk processes). The time horizons are:

- short-term: up to 1 year
- medium-term: 1 to 5 years
- long-term: over 5 years

Governance

GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Organisational structure for sustainability topics

Management Board

The management board of Erste Group Bank AG (Management Board) has overarching responsibility for managing the organisation and defining the sustainability strategy, framework, goals and priorities. This includes ensuring the implementation of the sustainability strategy by allocating adequate resources and controls and preparing the sustainability statement. The Management Board is also responsible for the process of identifying and managing impacts, risks and opportunities (IROs) and is periodically informed on the status and milestones achieved:

In 2024, the Management Board was briefed seven times on material environmental IROs (sustainable financing, climate change mitigation) in the context of board meetings by experts from different divisions, such as strategy, risk management and business areas. For social topics, the diversity strategy was presented and discussed in the Management Board and aligned with the new CEO in September 2024. The gender pay gap was presented to the Management Board and the Remuneration Committee of the Supervisory Board. The CRO is briefed quarterly on data privacy issues and receives regular reports. There are also ad-hoc meetings with other board members on these matters. On governance topics regarding whistleblowing, the participating members of the Management Board and the Supervisory Board were informed in the Audit Committee about the Group Whistleblowing Policy, the group whistleblowing platform as well as compliance with applicable EU laws and the Austrian Whistleblower Protection Act. This also included an overview of the cases from the last reporting period.

The Management Board, the Audit Committee and the Supervisory Board were regularly informed about the status and results of the double materiality assessment (DMA) by the ESG Office and Group Accounting. The DMA was then approved by the Management Board and presented to the Audit Committee.

Supervisory Board

The Supervisory Board is responsible for overseeing the implementation of the sustainability strategy and for approving fundamental decisions on strategy. To facilitate this, the Supervisory Board has established its own Strategy and Sustainability Committee. The Supervisory Board and the Audit Committee are tasked with reviewing and approving the sustainability statement prepared by the Management Board. The Supervisory Board is regularly briefed on material IROs and are informed and consulted in the process of setting, reviewing and adapting targets towards material IROs. The Audit Committee and the Strategy and Sustainability Committee were briefed five times on climate related IROs by experts from strategy, risk management and business areas in 2024.

Group ESG Office

The Group ESG Office is responsible for developing the sustainability strategy and ensuring its integration throughout the organisation. It advises the Management Board on sustainability strategy and has direct access to the CEO as well as other members of the Management Board and the Supervisory Board. The Group ESG Office has the power to veto decisions in the Credit Committee and the right to vote in the Group Regional Operational Conduct Committee (ROCC), which acts as a reputation and Risk Committee. The Group ESG Office develops key ESG policies, secures in-house expertise on climate, environmental, social and governance objectives, defines the ESG governance framework and financing rules and selectively intervenes in single transactions. Additionally, the Group ESG Office ensures transparency on Erste Group's sustainability impact and coordinates with various stakeholders including regulatory and public bodies.

Local management boards

The local management boards discuss environmental, social and governance IROs within their board meetings. They ensure the local adoption of sustainability-related strategies and develop a tailored catalogue of measures to implement these strategies, taking into account regional specifics. The local management boards further support and implement activities to achieve the sustainability targets that have been set, including approving a dedicated local budget for sustainability matters when necessary. Discussions between the local and the group Management Boards also occur on a regular basis, at least once a year.

In 2025, Erste Group will evaluate its governance and processes based on the group strategy and strategic initiatives outlined in the management report and the updated European Banking Authority Guidelines on the Management of Environmental, Social and Governance Risks. This evaluation may lead to adjustments in the organisational structure described above.

Composition of the bodies, skills and expertise

Management Board

The Management Board of Erste Group Bank AG consists of five members. For 2024, the average ratio of female to male Management Board members is 18.33%.

Peter Bosek, the Chief Executive Officer (CEO) and Chief Retail Officer (CRetO), has led various departments focused on real estate, housing and retail business. He served on the Management Board of Erste Bank der oesterreichischen Sparkassen AG and Erste Group Bank AG until December 2020. Before his appointment as CEO and CRetO of Erste Group Bank AG, he was CEO of Luminor Bank AS in Estonia, focusing on business development, profitability, brand building, governance and technology modernisation.

Stefan Dörfler, the Chief Financial Officer (CFO), has held various leadership positions, first as Head of Group Markets and Capital Markets. He served as CEO of Erste Bank der oesterreichischen Sparkassen AG from 2016 to June 2019 and was responsible for corporate business, commercial real estate, social banking and the public sector. He is also a member of the Expert Council at AfB, a charitable organisation dedicated to creating jobs for people with disabilities.

Alexandra Habeler-Drabek, the Chief Risk Officer (CRO), has held various leadership roles in credit risk, restructuring and workout at Creditanstalt (later UniCredit Bank Austria AG). At Erste Group, her positions included CRO of Erste Bank der oesterreichischen Sparkassen AG, Head of Group Enterprise-Wide Risk Management at Erste Group Bank AG and CRO at Slovenská sporiteľňa, a.s. She is also a member of the Presidium at UNICEF Austria.

Ingo Bleier, the Chief Corporates and Markets Officer (CCMO), has held various leadership roles in corporate banking, project finance and loan syndication at Creditanstalt and later at UniCredit Bank Austria AG. Since 2008, he has held management positions at Erste Group Bank AG, overseeing corporate and acquisition finance, investment banking and group corporates. He is responsible for the customer segments large corporate, commercial real estate (CRE), small and medium-sized enterprises (SME), financial institutionsand the public sector.

Maurizio Poletto, the Chief Platform Officer (CPO) and Chief Operating Officer (COO), initially gained experience as a designer and art director before successfully founding and leading his own company as creative director. At Erste Group, Maurizio Poletto founded the in-house fintech George Labs GmbH and has been actively involved in the development and expansion of George for about 10 years. Through his roles, he contributes to the strategic direction and oversight of this institution, ensuring adherence to high standards of governance, while his efforts in promoting innovation and technology support social development by enhancing financial services and accessibility.

Supervisory Board

The Supervisory Board of Erste Group Bank AG consists of 18 members. Six members are employee representatives delegated by the employees' council, ensuring active participation in the employer's supervisory bodies. For 2024, the average ratio of female to male Supervisory Board members is 55.09%. In accordance with the definition of independence as stated in the Austrian Corporate Governance Code, the average ratio of independent members is 91.72%%.

The Supervisory Board members are carefully evaluated for their suitability before appointment, based on the requirements applicable to credit institutions. When appointing members to the Supervisory Board, care is taken to ensure that the Supervisory Board as a collective body possesses, in its entirety, the necessary knowledge, skills and professional experience required for the proper performance of its duties, including Erste Group's sustainability matters and their associated IROs.

Sustainability-related expertise

The Management Board and the Supervisory Board have access to various sources of specialist expertise from all the bank's specialist areas, for example through ongoing external and internal training courses in which they participate. The boards also have access to the relevant expertise through their representation in the Risk Committee and Strategy and Sustainability Committee. The individual members of the Management Board are briefed through direct reporting lines from senior management as well as through regular board meetings. In addition to the specialist expertise within Erste Group, external consultants may be engaged for specific topics to provide additional support and further enhance the governance and strategic oversight within Erste Group.

Due to the professional background and experience of the individual members, the Supervisory Board has in-depth knowledge of key sustainability issues such as sustainable investments, the legal framework and legal developments on sustainability issues, employee concerns, corporate governance and sustainability reporting. The Supervisory Board continually updates and expands its professional expertise in this area through ongoing further education and training as well as exchanges with experts. This includes training courses on 'ESG: Regulatory Framework, Ratings and Investors' Expectations', on the legal and historical foundations of savings banks, and on inorganic growth and M&A strategy for banks. The members of the Management and Supervisory Board also completed an FMA webinar on sustainable finance for management and supervisory bodies.

For further details on how specific IROs are overseen and managed within the Group, please refer to chapter 'GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies'.

For more general information on the composition and working procedures of the corporate bodies and the expertise of the Supervisory Board members, please refer to the related chapters in the separate Corporate Governance Report of Erste Group.

Gender diversity targets

Erste Group is committed to constantly progress towards a gender-balanced management on all levels. The nomination committee of Erste Group Bank AG has set a minimum target of 30% for the underrepresented gender for the Management Board and Supervisory Board of Erste Group Bank AG as the holding entity (separately). While not falling below this minimum, the gender targets for local bank subsidiaries shall be adapted to local regulatory requirements and shall be approved by the respective nomination committee or Supervisory Board. Currently, all local bank subsidiaries approved a harmonised target of 30% for the underrepresented gender until 2028 for the local management boards and the local supervisory boards.

GOV-2 – INFORMATION AND SUSTAINABILITY ASPECTS DEALT WITH BY THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

To ensure continuous progress and transparency in sustainability, Erste Group has developed an ESG KPI Dashboard that enables regular monthly performance monitoring of key sustainability metrics. This includes sustainable financing volumes across various business lines, financing activities and GHG emissions and decarbonisation KPIs at a group level. The Management Board is informed at least on a quarterly basis about environmental IROs, through the ESG KPI Dashboard. For other IROs, such as those for Own Workforce, Consumers & End-users and Business Conduct, information is provided to the management promptly.

Key insights and findings are further reported through the Sustainable Financing Report, provided monthly via an online reporting platform to all bank internal ESG stakeholders including local board members. This reporting structure ensures alignment with decarbonisation targets and supports decision-making at all organisational levels. Additionally, quarterly reviews and signoffs of decarbonisation figures are conducted. Detailed reviews are also regularly performed in the Corporates & Markets board, where progress toward targets and pipeline development are thoroughly assessed. This framework demonstrates Erste Group's commitment to transparency, governance and sustainability.

IROs are also considered in major transactions made by Erste Group. The Group Responsible Financing Policy defines industry specific ESG criteria and sets out the rules to determine whether a transaction can be carried out and in which way. In addition, the policy describes the assessment process to ensure efficient decision-making on a well-documented basis adhering to the specified ESG criteria, which reflect the identified IROs, particularly related to Erste Group's financing of emission-intensive sectors and the biodiversity impact of financed real estate.

The Group ESG Office supports this process with its expertise and may exercise its veto right within the Credit Committee to ensure the alignment of the portfolio and Erste Group's banking practices with the objectives of the Group. All IROs that were categorised as material in the DMA were discussed with and approved by the Management Board and presented to the Audit Committee. For a list of all material IROs, please refer to the list in chapter 'SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model'.

Policy governance

The CEO is responsible for central functions, including sustainability matters related to the Own Workforce. The CFO oversees finance, while the COO handles IT and banking services. Risk management, including environmental risks, falls under the CRO's responsibility. Although the group Management Board holds overall responsibility for a unified strategy and framework, each local management board is tasked with implementing these policies, taking into account their specific circumstances.

Erste Group has procedures in place to manage IROs and integrate them into the company's structure. The following examples show how IROs are managed within the group.

Policy governance for the climate change mitigation IRO

The financed CO_2 emissions of Erste Group contribute to climate change and global warming. Therefore, the calculation of its financed CO_2 emissions supports the group to comply with regulatory reporting requirements and the implementation of the overall sustainability strategy and is the responsibility of Enterprise wide & Operational Risk Management (ERM).

ERM is in the CRO division of Erste Group Bank AG and provides a framework and guidance to all entities within the scope of Carbon Footprint Calculation Policy, which was approved by the Management Board in February 2024. The policy covers the processes and responsibilities in connection with financed emissions and includes specifications of group vs. local ownerships throughout the calculation process.

The local boards are responsible for the implementation of the policy on a subsidiary level. Local ERM acts as focal point for topics related to the carbon footprint calculation of each bank subsidiary and has the ownership of developing and implementing the Local Carbon Footprint Calculation Policy to reflect the group policy. Regular communication between ERM and local ERM via a working group shall ensure that a mutual understanding of carbon footprint calculation related topics across Erste Group exists.

Policy governance for the Diversity IRO

Fostering an inclusive corporate culture creates an open environment of acceptance and support for all people. Therefore, Group Diversity Management (GDM) supports the implementation of the overall strategy by developing a comprehensive communication strategy for Erste Group's diversity impact and by acting as a source of expertise for Erste Group's management as well as local Diversity Management (LDM). In addition, GDM provides partnership and guidance to diversity-related employee resource groups (e.g., Erste Women's Hub, ErsteColours, ErsteABILITY).

GDM is organised as a Group function within the CEO division of Erste Group Bank AG. GDM provides a framework and guidance to all entities within the scope of the Group Diversity & Inclusion Policy. Embedded in the Group People & Culture division, GDM collects group-wide diversity data, identifies key focus areas and develops a diversity strategy in close collaboration with relevant stakeholders (such as local Diversity Management, Group Communications & Corporate Affairs, Group ESG Office). GDM develops diversity targets and provides diversity data for reports, rating agencies and communication on a Group level. The Management Board engages in active dialogue with GDM on Erste Group's diversity impact as well as to support and implement group-wide activities to promote diversity and inclusion.

LDM acts as a focal point for the diversity impact of each bank subsidiary. While GDM defines the diversity strategy, LDM adapts measures, trainings and the Group Diversity & Inclusion Policy, to suit local circumstances. Regular communication between GDM and LDM shall ensure that a mutual understanding of the diversity impact across Erste Group exists.

The Management Board discusses the progress of diversity targets with local management boards on a regular basis, at least annually as well as monitoring the Group's diversity targets. The local management boards are responsible for the implementation of the policy on a subsidiary level.

GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Erste Group is committed to a remuneration system that integrates sustainability matters. The Group Remuneration Policy for Erste Group Bank AG outlines the structure and criteria for compensating members of the Management Board and Supervisory Board. No variable remuneration is paid to members of the Supervisory Board.

For the Management Board, variable remuneration is capped relative to fixed remuneration with a maximum of 100% or, by shareholder resolution, up to 200%. This variable remuneration is granted and paid based on specific, measurable performance criteria that align with Erste Group's business strategy and long-term development. These criteria are annually assessed by the remuneration committee of the Supervisory Board of Erste Group Bank AG.

Variable remuneration is structured to include both upfront and deferred payments. For amounts exceeding EUR 150,000, 60% of the variable remuneration is deferred, while for amounts below this threshold, 40% is deferred. At least half of both the upfront and deferred remuneration is delivered in the form of non-cash instruments, such as shares (Performance Share Units, PSUs), with the remaining portion paid in cash. The Group Remuneration Policy also includes malus and clawback provisions in accordance with EBA guidelines.

Remuneration of board members

Type/components	Elements	Method of payment	Features
Fixed remuneration			
Base salary		Cash	– takes into account area of responsibility of the respective board member – rewards cooperation within the board
Other remuneration	Pension fund	Contributions made by the company	– defined contribution pension plan via an external pension fund – severance fund (Mitarbeitervorsorgekasse)
	Insurance	Contributions made by the company	– risk insurance against occupational disability and in case of death – risk accident insurance
	Other	Miscellaneous	– pay in lieu of vacation, if applicable – non-performance-linked one-off payments (e.g. sign-on bonus) – benefits in kind, e.g. company car incl. driver, employee share programme
Variable remuneration			
Upfront remuneration (40%)	Upfront cash payments (50% of upfront portion)	Cash payment in the subsequent fiscal year	– linked to the fulfilment of specified verifiable performance criteria related to Erste Group's business strategy and long-term development – takes into account targets at group or single-entity level as well as individual targets
	Upfront non-cash component (50% of upfront portion)	Share-based settlement in the second following fiscal year (1-year holding period)	
Deferrals (60%)	Deferred cash payments (50% of deferrals)	Cash payment from the third following fiscal year in 3 annual tranches	
	Deferred non-cash component (50% of deferral)	Share-based settlement after end of deferral period and holding period	

In 2024, the ESG targets for Management Board members included two overarching targets, which are not directly linked to any specific sustainability matter:

— Maintaining a good ESG performance for Erste Group is shared by all board members and is assessed by external ESG ratings (MSCI, ISS ESG, SUSTAINALYTICS, CDP). Except for CDP, which focuses on climate impact, the other three ESG rating agencies measure the environmental, social as well as governance related performance of companies.
— Implementation of the ECB ESG Action Plan is assigned to the Chief Risk Officer.

Additional ESG targets are directly linked to climate change and will be explained in more detail in the relevant chapter. The following targets were assigned to Management Board members:

— Supporting the Portfolio Net Zero Transition (Net Zero target setting) is shared by CRO, CFO and CCMO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
— Sustainability strategy, transparent investor engagement on main ESG actions, measures and progress toward objectives is assigned to the CEO.
— Increasing sustainable retail mortgages (target volume of new sustainable retail mortgages) is assigned to the CRetO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
— Increasing sustainable corporate financing (target volume of new sustainable corporate financing) is assigned to the CCMO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
— Increasing zero-carbon electricity sourcing is assigned to the CFO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
— Ensuring Erste Digital system support for ESG Data Management and the Green Asset Screening design and implementation is assigned to the COO.
— Supporting net zero transition by enabling the implementation of pilot products and services in Retail/George is assigned to the CPO.

According to the Group Remuneration Policy, ESG targets proposed by the Group ESG Office and approved by the remuneration committee are integral to the scorecards of the Management Board and senior management. In 2024, 15% of each Management Board member's variable remuneration was based on ESG criteria. The Supervisory Board, through its independent remuneration committee, sets the remuneration of Management Board members. This committee prepares the Supervisory Board's resolutions on remuneration in accordance with legal requirements.

Performance is assessed on a 5-point rating scale, with ESG factors accounting for 15% of the overall performance evaluation, which Group ESG Office then evaluates at the end of the performance period. The results of this evaluation are reviewed and approved by the remuneration committee, who subsequently informs the Supervisory Board.

Erste Group's target volume of Sustainable Financing and retail mortgages are determined according to the criteria described in E1-4 and must not be confused with the Green Asset Ratio (GAR) KPI under the EU Taxonomy.

GOV-4 – STATEMENT ON DUE DILIGENCE

Erste Group has firmly embedded the concept of sustainability in the corporate business strategy and relies on sustainable, value-driven and responsible business practices that enable Erste Group to generate stable returns for all stakeholders over the long term. In the table below, a reference to other parts of the sustainability statement that address the core elements of Erste Group's due diligence process can be found.

Core elements of due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 – Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies
	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with Erste Group's strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 – Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies
	ESRS 2 SBM-2 – Interests and views of stakeholders
	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities
	E1-2 – Policies related to climate change mitigation and adaptation
	S1-1 – Policies related to own workforce
	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts
	S4-1 – Policies related to consumers and end-users
	S4-2 – Processes for engaging with consumers and end-users about impacts
	G1-1 – Business conduct policies and corporate culture
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	E1-3 – Actions and resources in relation to climate change mitigation and adaptation
	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce and effectiveness of those actions
	S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions
e) Tracking the effectiveness of these efforts and communicating	E1-4 – Targets related to climate change mitigation and adaption
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities
	S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY STATEMENT

The main risks in the sustainability reporting procedures include errors in reporting (such as inaccuracies in both quantitative and qualitative data), reporting on irrelevant information (including non-material information that does not significantly impact stakeholders) as well as omitting relevant information (failing to disclose material information that is important for stakeholders). These risks are also valid for value chain data, as well as qualitative or quantitative information provided in the sustainability statement that would materially deviate from the correct figures or circumstances, i.e. whenever, alone or in aggregate, they could influence the decisions made by the users of the sustainability statement. To mitigate the risks of misstatements, Erste Group uses a rigorous risk management system based on internal control processes (ICS).

The sustainability reporting process is integrated in the financial reporting process as outlined in the chapter 'Reporting on material characteristics of the internal control and risk management system with regard to the accounting process' of the management report. Therefore, the basic components of the ICS for the financial reporting within Erste Group are also used for the quantitative information in sustainability reporting. These include:
— systemic, automatic control systems and measures in the formal procedure and structure, e.g. programmed controls during data processing
— principles of functional separation and checks performed by a second person (the four-eye principle)
— highly automated data validation in the group consolidation process

Internal controls for the processing of qualitative data include the 4-eyes principle (which also applies to quantitative data). This process includes multiple internal feedback loops, management reviews and external consulting. Furthermore, evidence for important qualitative statements, such as minutes of meetings, contracts as well as board approvals is collected and documented to ensure the accuracy and relevance of qualitative data.

To mitigate the risks of including non-material information, or omitting relevant material information, a comprehensive double materiality assessment (DMA) was carried out in collaboration with an external consultant to ensure that the information presented is both relevant and material. This step helps in avoiding the reporting of irrelevant information and ensures that all significant sustainability-related aspects of Erste Group are covered. In addition, a datapoint analysis was conducted by to ensure that all relevant material information related to material topics is adequately disclosed.

Future considerations will include continuous improvement, whereby the results of the risk management process will be used to continuously improve the sustainability reporting process. This means refining internal controls, enhancing data validation procedures and conducting regular assessments to ensure the relevance and accuracy of reported information. Furthermore, feedback from internal reviews, external consultants and auditors will be incorporated into future reporting cycles to address any identified gaps or areas for improvement.

The Management Board and Audit Committee are informed of the findings of the risk assessment for sustainability reporting on an annual basis. The sustainability statement is presented to the Supervisory Board for approval.

Strategy

SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Erste Group's business model

Erste Group has an extensive presence in its core markets of Austria, Czechia, Slovakia, Romania, Hungary, Croatia and Serbia, as well as direct and indirect majority and minority banking participations in Slovenia, Montenegro, Bosnia and Herzegovina and North Macedonia. Erste Group's business model centres around retail and corporate banking, encompassing a wide array of services from lending, deposits and investments to current accounts and credit cards. With a customer base exceeding 16 million across its markets and a network of approximately 1,300 branches, the bank caters to various costumer groups, providing tailored services to meet the specific needs of its clients.

Erste Group's position in its markets makes it one of the major providers of finance to local businesses, including large companies, real estate companies and to the public sector. While Erste Group's roots are in the retail small & medium sized enterprises (SME) business, Erste Group has taken account of its role and responsibility and has firmly embraced corporate and public sector lending as part of its business model.

For further information on the business segments of Erste Group refer to Note 1 in the consolidated financial statement. For further information on the headcount of employees by geographical area of Erste Group refer to chapter S1-6.

Erste Group's sustainability strategy

Since Erste Group's foundation it has been pursuing the goal defined in the Statement of Purpose, namely, to promote and secure prosperity for all people throughout the region. This is why it has incorporated key ESG themes into the business strategy. Erste Group believes that this is the only way to be successful over the long term, working towards a fairer and more inclusive society.

Erste Group's sustainability strategy centres on two main pillars, leading the green transition and promoting social inclusion:

Leading the green transition

Erste Group's primary impact on the environment lies in its lending activities and more precisely, the resulting financed emissions. As a financial institution, it is therefore its role to contribute to the transition towards a low-carbon economy by engaging with its clients and supporting them along their decarbonisation pathway while facing evolving challenges, such as policy uncertainty, both on country and European level. Erste Group believes this to be the most important lever to help fostering a green transition.

Erste Group's strategic priorities relating to the environment include achieving:
— a net-zero status of Erste Group's portfolio by 2050,
— a net-zero status in banking operations by 2030 and
— strengthened leadership in sustainable financing by funding climate action and adaptation.

Promoting social inclusion

Erste Group's social impact involves its interactions with employees, customers and the broader community while establishing and maintaining good ethical compliance for building trust with stakeholders and ensuring long-term organisational stability.

For the Social and Governance aspects of ESG, Erste Group has established the following strategic priorities:
— boosting financial inclusion with social banking, bringing communities closer together and strengthening social cohesion,
— helping customers gain financial health and literacy,
— promoting diversity, including gender diversity and
— fostering good ethical conduct and compliance, e.g. through extensive corruption and bribery prevention and detection trainings.

Significant markets and customer groups

Erste Group's sustainability strategy is focused on its significant markets and customer groups and has detailed approaches customised for each of them. More information on the set targets relating to the strategic priorities can be found in the respective topical chapters.

Retail

In the Retail segment, most of the environmental impact stems from the buildings sector, which includes energy used for constructing, heating, cooling and lighting homes and businesses, as well as the appliances and equipment installed in them. These factors account for over one third of global energy consumption and emissions. Within Erste Group and particularly in Austria, retail mortgages contribute a large share of total assets. Erste Group has set ambitious decarbonisation targets for 2030 and 2050 to meet a 1.75-degree climate scenario for its retail mortgage portfolio starting from a 2022 baseline.

For achieving the decarbonisation targets for the retail mortgage portfolio, Erste Group will adopt the following approach:

Technological possibilities to decarbonise. A significant part of the buildings stock in the Erste Group region is not yet 'climate-proof' due to old age of the buildings and poor insulation. An improvement can only be achieved through changes in customer behaviour, which can be influenced in the short-term by cost considerations and in the mid and long-term through regulations and availability of government subsidies across all countries Erste Group is active in, which will foster further investments and improvements.

Product offering. In the retail mortgages segment, sustainable mortgage loans have been developed and new products for renovation projects have been designed to improve the energy efficiency of buildings. To help customers meet the challenges involved in building renovation, Erste Group has developed various measures in Austria, Czechia and Croatia such as digital renovation and energy calculators, as well as an in-house team of experts to assist and advise customers on a wide variety of matters relevant to building renovation projects.

Insurance linked services, either bundled with financing products or standalone, will be part of Erste Group's overall ESG proposition. Cooperation with the Vienna Insurance Group contributes to closing the gap of insurance coverage for certain natural hazard risks, such as river floods.

Corporates
Erste Group's Corporate segment encompass four business lines: SME, Large Corporates, Public Sector and Commercial Real Estate (CRE). Each covers a distinct customer type with unique needs and preferences and hence specific sales and service models.

Planned approach for decarbonisation. A cross-functional change initiative within Erste Group called 'Net Zero Business Steering', involving Risk Management, Corporate Steering and Group ESG Office defines the necessary measures to operationalise decarbonisation targets. The planned approach for corporate business, designed to support the achievement of Erste Group's strategic objectives of reaching net zero in 2050 consists of performing an initial client transition readiness assessment and starting an in-depth engagement process with identified clients while evaluating financing needs. Erste Group understands its diverse customer base and is determined to help customers find a tailored approach, fitting to their needs.

Product offering. Erste Group's ambition includes helping clients to realise the benefits of decarbonisation by supporting cost-effective action. Erste Group offers specific purpose financing and advisory services focused on climate solutions, including renewable energy projects, high-efficiency buildings in commercial real estate and sustainable transportation solutions to all markets, targeting large corporates and SMEs.

Helping clients decarbonise will get Erste Group closer to the goal of gaining leadership in sustainable financing. Erste Group wants to be the bank that provides financing across CEE to enable the net zero transition. Therefore, Erste Group is constantly in touch with its customer base as the main stakeholder, to better understand their needs. For further information on the stakeholder engagement, please refer to chapter SBM-2.

Main challenges for a green transition
The main challenges ahead for Erste Group and its key stakeholders involve transitioning high-emission sectors to a low-carbon economy while maintaining financial stability. This is also connected to uncertainties in the regulatory environment and transition risks connected to it, both for Erste Group and its customers.

Costs connected to a green transition can also pose additional challenges to Erste Group's clients. Transition financing focuses on offering renewable energy solutions such as wind, solar and hydro projects, as well as special offerings for retail mortgage clients. Erste Group expects that home renovations and renewable energy solutions will become more prominent in the future, especially through government subsidies.

Possible solutions
One critical solution is the client engagement toolkit, such as the Financial Health Commerical Real Estate Tool, which enables Erste Group's relationship managers to assess the transition readiness of Erste Group's clients in high emitting sectors (in particular clients under Erste Group's decarbonisation target sectors). High-emitting sectors face significant regulatory insecurities and possible transition risk. Erste Group's relationship managers help to align financing strategies with sustainability goals.

Furthermore, retail business is geographically diversified across countries, including Austria, Czechia, Romania, Slovakia, Hungary, Croatia and Serbia. This diversification adds resilience and stability to the overall business model and allows for a sustainable gathering and security of its inputs.

For customers, Erste Group's engagement with sustainability brings tailored financing options that support their transition journeys, reducing energy costs and increasing property values through energy efficiency measures. For investors, the decarbonisation strategy enhances long-term value by mitigating climate risks and aligning with international sustainability standards. Erste Group offers investment opportunities in green bonds and sustainable financing products. Sustainable financing products are contributing to its 25% sustainable financing target for corporate loans by 2026. Stakeholders benefit from a transparent and strategic approach to climate change mitigation, with regular monitoring and updates provided on Erste Group's progress toward net-zero targets. Erste Group aims to provide stability for its customers and the prescribed engagement should help foster awareness and progress.

Erste Group's value chain composition

As a bank, Erste Group's value chain encompasses the inflow and outflow of money, facilitating payments and transactions. The bank transforms clients' savings and investments by making the cash available as loans while simultaneously managing the associated risks. Key business actors include Erste Group's clients, both private individuals and corporations, who benefit from Erste Group's services offered through digital and direct distribution channels.

For the value chain assessment, Erste Group aimed to reflect the interests and views of affected stakeholders, as well as users of sustainability statement which are further described in SBM-2. Moreover, for the identification and assessment of impacts, risks and opportunities (IROs), special consideration was given on the upstream and downstream value chain to ensure completeness of the relevant IROs. In this context, Erste Group analysed the flow of activities, processes and value creation within the organisation.

In the context of the double materiality assessment (DMA), Erste Group is currently limited in considering all aspects of the value chain due to data availability constraints. Therefore, the focus has been on the direct business relationships. With the implementation of EU legislation (e.g., CSRD reporting, CSDDD), Erste Group expects these limitations to be addressed, leading to more detailed value chain information in the future.

Upstream

The upstream value chain includes the goods and services procured by Erste Group, such as IT services, office supplies, property and infrastructure, consultancy and other external services that support the bank's operations. Erste Group conducted an in-depth review of the costs related to purchased goods and services in the year prior to the DMA. The total expenditures were categorised by sourcing categories from Erste Group's procurement system, with main expenditures considered for detailed assessment. These categories included IT services, infrastructure software, marketing, property management, consulting and personnel management. For each expenditure category, Erste Group assessed the potential sustainability matters and IROs. For example, IT services were included in the assessment for Climate Change (E1) due to their high energy consumption, while consulting services were considered in the assessment of Workers in the Value Chain (S2). The insights from these assessments were included in the overall evaluation.

Own operations

The assessment of Erste Group's own operational activities, including workforce management and office branches, was based on the full scope of consolidated entities under IFRS. Additionally, it was evaluated whether Erste Group has operational control over not fully consolidated entities. All aspects of own operations were considered in the assessment. While environmental impacts from own operations were few, material IROs were identified in the areas of Own workforce (S1), Consumers and end-users (S4) and Business conduct (G1). To ensure completeness and accuracy of these impacts, Erste Group closely aligned with the responsible departments to reflect these effects adequately in the reporting.

Downstream

Erste Group finances and invests in a diverse range of clients, including corporate and retail customers, institutional investors and stakeholders involved in its sustainability initiatives. Recognising that most of Erste Group's material impacts, especially regarding environmental topics, are related to its portfolio, Erste Group conducted an in-depth analysis of the portfolio. This analysis was based on the breakdown of credit exposure and the calculation of financed emissions. The IROs related to the financed sectors are directly reflected in the materiality assessment. For example, the highest individual sectoral exposure (real estate) is reflected in the identified material negative impact relating to financed CO_2 emissions of Erste Group.

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

Erste Group has gathered information to reflect the interests and views of stakeholders in the business processes, as well as in the DMA for the sustainability reporting. Erste Group has identified key stakeholder groups which can be classified into:
— affected stakeholders: customers (retail and corporate) and employees, as well as nature; and
— users of the sustainability statement: such as investors, analysts, rating agencies and supervisory and regulatory authorities, as well as NGOs, potential future employees and all other readers.

Knowledgeable internal experts for each of these stakeholder groups contributed to the definition of IROs in the DMA. For example, the IROs for S1 (Own workforce) have been established in close alignment with the workers' representatives and the Group People and Culture department. For details on the type of engagement, its purpose and how engagement is considered, as well as the key topics discussed with the stakeholder groups, please refer to the table below.

Key stakeholder engagement

Key Stakeholders	Why Erste Group engages	How Erste Group engages	Key topics	Actions / results of engagement
Customers	Strong engagement with customers enables Erste Group to understand their needs, anticipate market trends and consequently adjust services.	– advisory sessions – conferences and seminars – website – customer experience programme	– customer experience – challenges and needs – products and services – innovation and digitisation	Erste Group's engagement enables a regular assessment of how customer needs can be met through product and service offerings.
Employees	Erste Group engages with employees to foster an environment of open dialogue and provide them with continuously improving opportunities for growth and development.	– employee surveys – Intranet – training, coaching and mentorship – employee resource groups – annual feedback and professional development talks –engagement with works council	– people development – diversity, equity and inclusion – employee health and work-life balance – employee involvement	Erste Group's engagement enables the targeted adaptation of the people and culture strategy.
Nature, represented by academic institutions, environmental and social NGOs	Erste Group conducts content-driven debates with academic institutions as well as environmental and social NGOs (non-government organisations).	– conferences and events – bilateral meetings	– climate change – physical and transition risks – biodiversity	Erste Group's engagement enables identification of current and future priorities from the academic society and reflect them early in the strategic planning.
Investors, analysts and rating agencies	Through engaging with investors and analysts Erste Group aims to foster a clear understanding of company performance and strategy.	– investor presentations and webcasts – bilateral talks – roadshows – conferences	– performance and strategy – climate change – diversity, equity and inclusion – risk management – transparency	Erste Group's engagement increases the level of transparency in external reporting to ensure a clear understanding of the company's performance and strategy.
Supervisory and regulatory authorities	Erste Group conducts a permanent, pro-active dialogue with national and European supervisory and regulatory authorities to understand supervisory expectations.	– supervisory dialogues	– performance and strategy – climate change – diversity, equity and inclusion – risk management – transparency	Erste Group's engagement enables it to adapt processes and increase the level of transparency to fulfil supervisory expectations.

While engagement with Erste Group's stakeholders drives the business model, it is often impossible to attribute amendments to the strategy exclusively to stakeholder views without considering other factors, such as business needs. Another example is the decarbonisation strategy, which is linked to nature as a silent stakeholder and considered through Erste Group's engagement with academic institutions and environmental NGOs.

Erste Group's employees are a key stakeholder that form the strategy and business model and are represented on the Supervisory Board through the workers council. A strategy for People & Culture is organised around three key priorities: Empowerment, Growth and Attractiveness. Erste Group empowers and supports targeted improvement measures in all areas and constantly grows with its employees. Erste Group is committed to strategic workforce planning to enable more targeted recruitment and further development measures as well as flexible skills development, talent promotion and leadership succession planning. Erste Group's principles of employee centricity drive its operations, enabling Erste Group to realise the potential of its employees. Erste Group attaches great importance to recruiting, retaining and engaging a highly qualified workforce to ensure its continuing success and strive to be the employer of choice in the region, by offering opportunities for training and continuing professional development, diverse and international teams, as well as exciting tasks within a flexible organisation. Furthermore, Erste Group is committed to nurturing an inclusive work environment for all.

A key consideration for Erste Group's stakeholder engagement is the respect and promotion of human rights. Erste Group does not tolerate any form of discrimination, such as discrimination on the basis of gender, age, marital status, family obligations, religion, political conviction, sexual orientation, race, nationality, social or ethnic background, disability, physical appearance or any other aspects unrelated to the business.

The Management Board is responsible for managing the organisation to the benefit of the company, considering the interests of the shareholders and the employees as well as the public. They are informed about the outcomes of engagement with all stakeholder groups both informally through meetings with internal stakeholder representatives as well as formally in board meetings. The Supervisory Board is similarly informed about engagement with key stakeholder groups.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH ERSTE GROUP'S STRATEGY AND BUSINESS MODEL

This chapter gives an overview of Erste Group's material IROs, resulting from the DMA (see IRO-1). In the table below, all material IROs are listed, based on the sustainability matter they relate to, the type of IRO, the position in the value chain and the time horizon the materiality has been detected in. Additional information regarding the material IROs and their interaction with Erste Group's strategy and business model can be found in the respective topical chapters.

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
E1-Climate change adaptation	Potential positive impact	Through the financing of climate-change adaptation solutions Erste Group has a positive impact on reducing vulnerabilities to climate change impacts.	Portfolio	Long-term
	Risk	Erste Group faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for Erste Group and connected negative impacts to its P&L and own funds.	Portfolio	Medium- and long-term
	Opportunity	For Erste Group, additional financial opportunities arise from the financing of and investments into companies that offer solutions for adapting to climate change and the funding of adaptation solutions in the real estate market (residential and commercial real estate).	Portfolio	All time horizons
E1-Climate change mitigation	Negative impact	The CO_2 emissions of Erste Group's own operations and in the upstream value chain contribute to climate change and thus to global warming.	Upstream & Own operations	Long-term
	Negative impact	The financed CO_2 emissions of Erste Group contribute to climate change and therefore to global warming.	Portfolio	Long-term
	Risk	Erste Group faces a higher credit risk as climate-related transition events (e.g. carbon pricing and regulatory interventions) can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences are increased risk provisions for Erste Group and connected negative impacts to its P&L and own funds.	Portfolio	All time horizons
	Opportunity	For Erste Group additional financial opportunities arise from investments into and the financing of customers supporting their decarbonisation and transition to a sustainable state.	Portfolio	All time horizons
E1-Energy	Negative impact	The energy mix (electricity, fuel and heating) used by Erste Group creates CO_2 emissions and therefore contributes to climate change.	Upstream & Own operations	Long-term
	Negative impact	Investments in and financing of energy-intensive companies that still rely on fossil fuels lead to high CO_2 emissions, which in turn contribute to climate change.	Portfolio	Long-term
	Positive impact	Erste Group's financing of renewable energy projects enables CO_2-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries.	Portfolio	All time horizons
	Risk	Price instability on the energy market due to climate change can result in decreased profitability in companies in energy-intensive sectors as well as liquidity shortage of retail clients, leading to a higher default risk and a related increase in risk provisions for Erste Group, impacting P&L as well as own funds.	Portfolio	All time horizons
	Opportunity	Erste Group's financing of and investments into renewable energy projects (e.g. pumped storage power plants, green hydrogen) enables CO_2-neutral energy production and offers new opportunities for the portfolio.	Portfolio	All time horizons
E4-Soil sealing	Potential negative impact	Financing real estate and public infrastructure projects can have a negative impact on biodiversity as soil is sealed and land is degraded, thus causing increased flooding risks, climate change exacerbation, and possible health issues caused by decreased air and water quality.	Portfolio	All time horizons
S1-Work-life balance	Positive impact	The compatibility of career and family positively impacts the quality of life and satisfaction of employees at Erste Group.	Own operations	All time horizons
S1-Health and safety	Positive impact	By focusing on both physical and mental health Erste Group continuously expand its health offerings to ensure timely access to medical support.	Own operations	All time horizons
S1-Gender equality and equal pay for work of equal value	Negative impact	The current gender pay gap at Erste Group disadvantages female employees.	Own operations	All time horizons
S1-Training and skills development	Opportunity	Training and further education can increase employee motivation, improve their professional skills and qualifications and leads to continuous greater employee engagement and productivity.	Own operations	Medium- and long-term
S1-Diversity	Positive impact	Fostering an inclusive corporate culture creates an open environment of acceptance and support for all people.	Own operations	All time horizons
S4-Financial health (entity specific)	Positive impact	Through educational programmes, financial advice and tools Erste Group has a positive impact on the financial health of customers contributing to customers overall economic stability, leading to a better quality of life.	Own operations	Medium-term
	Opportunity	Through the active support of its customers' financial health Erste Group can not only improve customer satisfaction and loyalty but also enhance its own financial performance and market position.	Own operations & Downstream	Medium-term

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
S4-Privacy	Potential negative impact	Data breaches or cyberattacks could lead to compromised sense of security and privacy for individuals, leaking private and financial data of affected customers.	Own operations	All time horizons
	Risk	Data breaches or cyberattacks could lead to a loss of trust from customers and a loss of reputation, as well as legal consequences (e.g. breach of GDPR).	Own operations & Downstream	All time horizons
S4-Social Banking (Access to products and services)	Positive impact	By ensuring that all banking products and services are accessible to financially vulnerable people, Erste Group promotes their autonomy, social and professional integration and active participation in community life.	Own operations	All time horizons
G1-Protection of whistleblowers	Positive impact	Whistleblower protection at Erste Group positively impacts the work environment by encouraging the reporting of misconduct.	Upstream & Own operations	Short-term
G1-Corruption and bribery - Prevention and detection including training	Potential positive impact	Erste Group employees are prepared to effectively counteract potential corruption and bribery.	Upstream & Own operations	Short-term

As this sustainability statement is the first according to the framework of the ESRS, no changes to the previous material IROs can be depicted.

After conducting the materiality assessment, the material IROs were evaluated to understand their potential impact on, or the need to adjust, Erste Group's business model, value chain and strategy. Currently, no changes to Erste Group's business model based on the material IROs have been made.

Impact, risk and opportunity management

IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

For the compilation of this year's sustainability statement Erste Group has performed a double materiality assessment (DMA) in accordance with the requirements of ESRS 1 and 2. The Corporate Sustainability Reporting Directive requires organisations to identify which sustainability matters are material.

Consequently, the performed assessment covered the identification and assessment of impacts, risks and opportunities (IROs) under the IFRS consolidation scope. Furthermore, other participations, which are not fully consolidated, were analysed regarding potential IROs and operational control. The outcomes of the assessment are the basis for the scope of topics reported and data points included in this statement.

In 2024, the DMA process was conducted for the first time according to the ESRS. As such, it deviates from the materiality assessment of prior periods by adhering to all requirements of ESRS 1 and 2 and especially by introducing financial materiality (outside-in perspective) as a second materiality perspective alongside the impact materiality (inside-out perspective). Additionally, connections between impacts and dependencies, as well as the risks and opportunities that may arise from them have been considered in the assessment. Erste Group will review the materiality assessment process annually.

Identification of impacts, risks and opportunities

The DMA was performed under the lead of Group ESG Office, considering inputs from Group Strategy, Group Investor Relations, Group People and Culture, Group Procurement, Risk Management, Corporates and Markets and Group Accounting.

Double materiality assessment process

The process to identify the material impacts, risks and opportunities (IROs) was conducted in four steps. As a first step a relevance analysis of all sustainability matters listed in ESRS 1 Appendix A AR 16 was conducted. Additionally, this list was enriched with the entity specific topic of financial health. If a sustainability matter was assessed as relevant, the respective IROs assigned to the topic were subsequently subject to an impact and financial materiality assessment. The final step was to validate and approve the outcome of the DMA, where the final scoring per IRO was quality assured by a central expert jury. Subsequent to these steps the results were visualised in a matrix, summarised in an executive presentation and concluded by Erste Group's Management Board.

To gain a deep understanding of the circumstances Erste Group is operating in, various data was collected for the identification of IROs. Inputs for the DMA included:
— Sector standards, guidance documents and peer benchmarking
— Analysis of the group strategy and related business activities
— Engagement with affected stakeholder groups and expert interviews
— Erste Group Risk Materiality Assessment results
— Mapping of sectoral credit exposures and financed emissions (Portfolio)
— Spend for purchased goods and services (Upstream)
— Consultation with internal expert jury and attendance of expert jury of the subsidiaries

Throughout the DMA, a Top-Down approach was used to identify the material IROs. This was done by assessing the IROs centrally for the group with a subsequent validation against the DMA results from the subsidiaries consolidated under IFRS. Consequently, in order to assure the completeness and accuracy of the DMA within Erste Group, constant communication with the subsidiaries was necessary. This was to identify and assess potentially relevant IROs at both the group and entity levels. This was achieved by:
— Biweekly AT/CEE calls
— Ad hoc calls or scheduled calls on a 1:1 basis (Erste Group and subsidiaries)
— Workshops
— Erste Group participation in the local expert juries of the subsidiaries

The outcome of the DMA is the list of material IROs that is shown in SBM-3 and lays the foundation for this report.

Stakeholder Engagement

The DMA was informed by internal stakeholders from various business units, e.g People & Culture, Carbon Calculation & Targeting, Data Protection Legal etc. and the Employees Council. Erste Group had no other direct consultations with other affected communities in the DMA. The assessment of the IROs was conducted by Group ESG Office & Group Accounting based on internal stakeholder dialogues. Results were validated by the Expert Jury. The Expert Jury are individuals representing Group Accounting and Group ESG Office. For the purpose of the DMA, no direct consultations with affected communities or other stakeholder groups were conducted. However, Erste Group plans on further stakeholder engagements in future years.

Value Chain Assessment

For the DMA, Erste Group aimed to reflect the interests and views of affected stakeholders as well as users of the sustainability statement as described in SBM-2. Moreover, for the identification and assessment of IROs, special consideration was given to the upstream and downstream value chain to ensure completeness of the relevant IROs. In this context, Erste Group analysed the flow of activities, processes and value creation within the organisation.

Further information on Erste Group's value chain composition and the respective implications on the DMA can be found in chapter SBM-1.

Impact Materiality Assessment

The assessment was based on the following central assumptions:
— The value chain relevance and the time horizon of their assumed occurrence were identified per impact.
— Impacts were defined as either positive or negative. If multiple but deviating impacts (i.e. positive and negative) were identified towards a sustainability matter, each impact was evaluated separately.
— For a sustainability matter to be deemed as material, only one material impact is sufficient, regardless of the count of additional immaterial, its state as actual or potential, its allocated time horizon or value chain relevance.
— The severity and the likelihood were evaluated for each impact. For actual impacts the likelihood was consistently set to 100%. For potential impacts the likelihood was assessed on a scale from 0-5.
— The scoring of severity included the three parameters of scale, scope and irremediability. Each evaluation paramater was assessed individually on a scale from 0-5, weighted equally and multiplied by the likelihood.
— Subsequent impacts and human rights impacts were considered. For human rights impacts severity took precedence over likelihood with a weight of 100%.
— Impacts with a total score above 2.5 on a scale from 0 to 5 were considered material.
— Impact evaluations were conducted under the lead of Group ESG Office and Group Accounting engaging in expert interviews with in-house representatives with group functions of identified stakeholder groups, setting scores based on evidence and/or expert opinion.
— The material impacts were aligned with the outcome of the financial materiality assessment for sustainability matters whereby financial materiality would be triggered by impact materiality.
— The final scoring per impact was quality assured by a central expert jury.

The executed process did not comprise an explicit step of engaging with external stakeholders. Information concerning affected stakeholders was considered implicitly via the above-mentioned in-house experts and their regular exchanges with externals (i.e. customers, NGOs, rating agencies, investors). For more information on stakeholder groups and engagement, please refer to chapter SBM-2.

Impacts relating to E1 Climate change

The whole value chain was considered and assessed in the context of climate change. As described in section 'SBM-1', some sectors with high emissions, such as IT-services, are part of Erste Group's upstream value chain. These were assessed alongside emissions from Erste Group's own operations. Together, the impact was considered material, especially due to the high score considering the scope of CO_2 emissions, which were considered to have a global impact, as well as the irremediability, as CO_2 emissions are difficult to be reversed.

However, a major part of Erste Group's overall emissions stem from the financed emissions in the portfolio, which are part of its downstream value chain. As such, these are closely monitored. During Erste Group's DMA, the current total carbon footprint based on end of year 2023 values was used as input. Erste Group is calculating and reporting GHG emissions for both its banking operations (scope 1, 2 and 3) as well as its financed portfolio (financed scope 3 emissions). The used methodologies are in line with the GHG Protocol Corporate Accounting and Reporting Standard and the PCAF methodology. Details regarding the computations and calculation scope can be found in chapter E1-6 of this statement.

For the subtopic of climate change mitigation as well as in the subtopic of energy, negative impacts were identified, which, due to their actual and global nature, received the highest notch evaluation and hence were deemed material. The negative impacts in the subtopic of energy are on the one hand driven by the energy mix consumed by Erste Group leading to CO_2 emissions (please also refer to chapter E1-5 for details) and on the other hand, its financing of energy-intensive companies.

Erste Group already finances renewable energy projects supporting the transition to an economic system within the planetary boundaries. It does so based on its Responsible Financing Policy, which sets out financing exclusions for high emitting sectors, as well as its Sustainable Finance Guideline which pursues targets in sustainable financing. Based on the actual and global nature this positive portfolio related impact was assessed as material.

Lastly, concerning the sub-topic of climate change adaptation, the financing of adaptation solutions was assessed to be very likely in the focus of Erste Group's future financing strategy. Given Erste Group's overall size and its focus on the eastern part of the EU, the assessment of the significance of the effect resulted in a classification as a significant positive potential impact. the evaluation of the significance of the effect resulted in a material positive potential impact.

Impacts relating to E4 Biodiversity and ecosystems

In the upstream value chain, no material impacts in connection to biodiversity and ecosystems were identified. Nevertheless, Erste Group is aware that biodiversity and ecosystems is a topic of increasing importance and is closely monitoring all parts of its value chain to ensure that potential impacts are adequately managed.

Erste Group has no sites (own premises) located in or near biodiversity-sensitive areas and no material impacts were identified related to Erste Group's own operations affecting any biodiversity-sensitive areas.

Concerning downstream impacts, Erste Group's focus on financing real estate and public infrastructure projects was assessed to have a potential negative impact on biodiversity, as soil is sealed and land is degraded, causing increased flooding risks, climate change exacerbation and possible health issues due to decreased air and water quality. Potential other impact drivers, such as dependencies on ecosystems for certain financed sectors (such as tourism), have been considered, but were not considered material due to the comparatively low exposure share.

In light of these findings, the likelihood of negative impacts from already occurring financing projects was estimated to be high, while potential effects are seen to be hard to remedy. The size of Erste Group's related portfolio, paired with the nature of the impacts on ecosystems as potentially significant and the efforts related to restoring ecosystems, led to the assessment of the impact as material. The evaluation was based on expert judgement. The material potential impacts of biodiversity and ecosystem matters are restricted to the financed portfolio.

Impacts relating to S1 Own Workforce

Erste Group places great importance on the development and support of its own employees, as they are a key factor in the company's success. Topics such as work-life balance, health and safety, gender equality and equal pay for equal work, as well as training and skills development and diversity were identified as material for Erste Group. A comprehensive analysis was conducted, taking into account existing People & Culture strategies and internal policies. The assessment was based on the evaluations of internal experts and the results of existing employee surveys. Health and safety, for example, was given high priority.

Further details can be found in the table in the chapter 'SBM-3 - Material impacts, risks and opportunities and their interaction with Erste Group's strategy and business model'.

Impacts relating to S4 Consumers and End Users

As a financial services provider, Erste Group places great importance on its responsibility towards customers and end users. The assessment of potential impacts related to the topics in this chapter - consumers and end users - was therefore carried out with particular care. Topics such as financial health, privacy and social banking were identified as material to Erste. The assessment focused on the direct impact on customers and end users, with a strong emphasis on the overall customer experience and the protection of their interests. A detailed assessment was conducted, taking into account existing customer policies and data protection measures. This assessment was based on evaluations of internal experts and feedback from customer satisfaction surveys. For example, financial well-being was given high priority.

Further details can be found in the table in the chapter 'SBM-3 - Material impacts, risks and opportunities and their interaction with Erste Group's strategy and business model'.

Impacts relating to G1 Business conduct

Erste Group is operating in a highly regulated industry with an emphasis on business conduct. As such, the potential impacts connected to the topics regarding Business conduct were assessed with great care. With the exception of the sub-topic of animal welfare, all other subtopics were deemed in general as relevant for Erste Groups own operations. The up- and downstream value chain was not considered in this context, as the topic is related to Erste Group's own business. An analysis was performed taking Erste Group's existing governance setup and compliance status as well as its role as a tightly supervised and regulated financial institution and financial services provider into account. This influenced the evaluation of the impacts. For example, the impact connected to the prevention and detection including training regarding corruption and bribery was deemed to have the highest likelihood, as Erste Group already has rigorous practices and trainings in place. The evaluation was performed based on Erste Group's internal expert judgment, leading to two material positive impacts in connection to the protection of whistleblowers and the prevention of corruption and bribery (see table in SBM-3).

Financial Materiality Assessment

The assessment was based on the following central assumptions:
— For the financial materiality, risks and opportunities related to future legislation, reputation and uncertainties connected to them are taken into account. The process is connected to already existing internal risk assessments, as well as the strategic position of Erste Group to capture future business opportunities.
— The identification and evaluation of risks of this year's DMA result, consider information stemming out of Erste Group's annual risk materiality assessment, in which ESG risks and risk drivers where already included and evaluated due to regulatory requirements.
— The value chain relevance and the time horizon of their assumed occurrence were identified per risk and opportunity.
— For a sustainability matter to be deemed as material, only one material risk or opportunity is sufficient, regardless of the count of additional immaterial risks or opportunities, its allocated time horizon or value chain relevance.
— Identified risks and opportunities were evaluated in terms of the magnitude of their financial effect on a scale from 0-3 and subsequently multiplied by the probability of occurrence on a scale from 0-5.
— Risks and opportunities with a total score above 1.5 on a scale from 0 to 3 were considered material.
— Risks and opportunities were defined and evaluated separately under the lead of Group ESG Office and Group Accounting, engaging in expert interviews with in-house representatives with group functions (i.e. Group Operational Risk Management, Group ICAAP Team, Group Strategy, Business Development). The score was set individually per risk or opportunity.
— The final scoring per risk and opportunity was quality assured by a central expert jury.

RISKS AND OPPORTUNITIES RELATING TO E1 CLIMATE CHANGE

Physical risks

For the means of the DMA physical risks are identified and assessed under the subtopic of climate change adaptation. Physical risks can arise at various locations throughout the value chain, such as:
— Erste Group's own fixed assets
— fixed assets of suppliers (e.g. data centers)
— fixed assets of customers and as a specific category thereof
— those customer fixed assets that serve as collateral

Due to its essential importance to Erste Group as a credit institution, the focus of the assessment was centered on the financed portfolio and the transmission channel of credit risk. While the upstream value chain as well as Erste Group's own assets can be affected by physical risks, the potential effect was considered to be minor compared to the downstream value chain. Acute risks can damage collateral and, together with chronic physical risks, impact the viability of business models.

The assessment of the portfolio was guided by multiple inputs. The results of Erste Group's risk materiality assessment, taking into account the results of the comprehensive stress-testing exercise, including a flood risk scenario, as well as the results of a portfolio screening based on MunichRe Location Risk Intelligence data were used as the basis for the materiality assessment. More information can be found in chapter E1 SBM-3.

Transition risks and opportunities

Transition risks and opportunities have been identified and assessed under the subtopics of climate change mitigation and adaptation. Due to its essential importance to Erste Group as a credit institution, the focus of the assessment was centred on the financed portfolio and the transmission channel of credit risk, as transition events such as policy changes can impact the viability and profitability of customers' business models. While risks and opportunities can arise in the upstream value chain and Erste Group's own operations, they have been assessed to be minor compared with the financed portfolio.

The evaluation of transition risks in the portfolio is taking into account the current distribution of the portfolio based on its carbon-intensity and the Energy Performance Certificate (EPC) distribution across the commercial and residential real estate portfolio. The rationale applied in this case was that the higher the current GHG emissions, the more investments and costs are likely to be incurred for reducing emissions or improving energy efficiency, which can have a negative impact on credit quality.

The current portfolio state in relation to the above-mentioned indicators led to material transition risks in both climate change mitigation and energy – the latter focusing especially on potential decreased profitability and liquidity shortage due to increasing energy costs and related default risk.

Given the fact, that the decarbonisation of the portfolio also for Erste Group as a member of the Net Zero Banking Alliance dedicated to Paris Agreement and limiting global temperature increase to 1.5 degrees, will be a long-term exercise, transition risks resulting out of the financed portfolio were also assessed to be prominent over all time horizons (short, medium and long-term). For further explanations, please refer to chapter E1 SBM-3.

The evaluation of transition opportunities is taking into account the current distribution of the portfolio and the potential financial benefits of identified opportunities. This includes opportunities from financing companies investing into the decarbonisation of their own business models and clients offering climate change adaptation solutions, for example in the real estate sector.

Non-material sustainability matters

Erste Group examined various topics, including pollution, water and marine resources, resource use and circular economy. In all these areas, no material IROs were identified. The assessment considered Erste Group's business model as a financial institution and its up- and downstream value chain. The assessments indicated that the potential IROs were considered minor and non-material due to Erste Group's non-manufacturing business model and the structure of its portfolio.

E2 Pollution

The upstream value chain, such as IT-providers and infrastructure software, as well as Erste Groups own operations and downstream value chain were considered in the assessment of pollution matters. As Erste Group is not a manufacturing company and has no direct reference points to pollution, potential impacts were assessed not to be material. Concerning potential risks and opportunities regarding pollution were analysed based on the current business strategy and portfolio structure.

E3 Water and marine resources

Similarly to pollution, potential impacts relating to water and marine resources in the upstream value chain, such as the water usage connected to IT services, as well as the downstream value chain were assessed. As Erste Group is not a manufacturing company and as there is direct water consumption only at the bank's office locations, impacts relating to Erste Group's own operations are deemed minor. Concerning potential risks and opportunities were assessed based on the current business strategy and portfolio structure in combination with the results of Erste Group's risk materiality assessment and underlying ESG sector risk heatmap.

E5 Resource use and circular economy

Erste Groups own operations and upstream value chain were assessed together with impacts related to the financed portfolio. While Erste Group's investments in, and financing of companies that operate or manufacture machines that produce a lot of (hazardous) waste, or are resource in-tense, have a negative impact on the state of the environment, the effect was assessed not to be material based on the industry mix of Erste Group's portfolio. For risks and opportunities, the financed portfolio was considered.

IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

List of disclosure requirements

After the completion of the DMA the respective material sustainability matters were allocated to the relevant disclosure requirements and data points by using the EFRAG Guidance. Additionally, Erste Group discloses entity specific information following the policy, action and target structure for the sustainability matter of financial health. Metrics were disclosed where required.

The list of disclosure requirements and their location in the statement can be found below.

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		Material	24
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	24
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	29
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	170
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g) and Article 12.2		Material	160
ESRS E1-4GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	179

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page reference
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not material	
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	187
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not material	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	188
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	188
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page reference
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	197
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	197
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	197
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	202
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	202
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	202
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	202
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	207
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	217
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	217
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	218
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	218

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page reference
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	219
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	219
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	222
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	222
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	225
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	231
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	231
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	233
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	233

Environmental information

EU Taxonomy Disclosures

Legal framework at EU level

The European Union's Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (further referred to as the EU Taxonomy Regulation) serves as a basis for redirecting capital flows towards sustainable economic activities and as a fundamental support for the transition to a sustainable European economy. On the one hand, this is ensured by the introduction of a uniform classification system for sustainable economic activities and on the other hand, through an introduction of specific reporting obligations for both financial and non-financial undertakings.

The EU Commission's Delegated Regulation (EU) 2021/2178 (further referred to as the EU Taxonomy Disclosures Regulation) addresses the requirement of the EU Taxonomy's Article 8 by specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation. Additionally, in 2021 and 2023 respectively, two further delegated regulations have been issued, establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to each of the six environmental objectives defined by the EU Taxonomy Regulation, as well as for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Furthermore, the EU Commission's Delegated Regulation (EU) 2022/1214 provides for further disclosures as regards specific economic activities in the fossil gas and nuclear energy sectors, applicable to both non-financial undertakings directly involved in such economic activities as well as financial undertakings that fund such non-financial undertakings.

Applicability to credit institutions

The regulated framework stipulates that to be considered environmentally sustainable (further referred to as taxonomy aligned), financings of economic activities by credit institutions (whether in the form of term lending or non-trading investments in securities) need to be further directed by the related banking clients or issuers towards revenue-generating activities or capital expenditure that meet three additional criteria. These activities must be assessed as simultaneously (a) making a substantial contribution (SC) to at least one of the 6 EU environmental objectives, (b) not significantly harming other environmental objectives (DNSH) and (c) being compliant with minimum safeguards (MS). When, by reference to the related contractual clauses, the use of the related proceeds cannot be specifically connected to such activities or capital expenditure projects, the taxonomy alignment of the related general-purpose financings is statistically determined, i.e. through weighing by the applicable taxonomy KPIs publicly disclosed by the related banking clients or issuers.

The Green Asset Ratio (GAR) is the proportion of taxonomy aligned assets or economic activities financed by Erste Group compared to the total 'covered assets'. Covered assets include all group assets, excluding those related to central governments, supranational issuers as well as exposures to central banks and the trading book. Covered financial assets are included in the numerator of this KPI if either the related counterparts are themselves undertakings obligated to KPI disclosure as of the current year-end (All companies considered to be of public interest and employing more than 500 employees either as individual entities or at the group level are required to comply with Article 8, Paragraph 1 of Regulation (EU) 2020/852.) at either individual or consolidated level or belong to a group headed by an undertaking obligated to KPI disclosure. Such financial assets (provided that they are neither held for trading nor derivative assets) are further considered in the GAR numerator as follows:
- in full, if the purpose of the financing is known (use of proceeds known) and the financed economic activities demonstrably meet all technical screening criteria of the classification system (e.g. project financing) and are MS compliant, or
- weighed by the counterpart's (or, if unavailable, by the counterpart's group) most recently published taxonomy alignment KPI, if the purpose of the financing is unknown ('general purpose financing', e.g. working capital loans).

Additionally, 'use of proceeds known' non-trading non-derivative financial assets that have households or local governments as counterparts (namely, public authority bodies or agencies other than those directly run by related country's central government, e.g. municipalities or local councils) are also included in the GAR numerator, if the financed economic activities demonstrably meet all the applicable technical screening criteria.

Another significant KPI is the taxonomy eligibility KPI. This KPI puts the covered assets of Erste Group that are classified as taxonomy eligible in relation to the total assets covered by the GAR. Similarly to the GAR, covered financial assets are included in the numerator of this KPI if either the related counterparts are themselves obligated to KPI disclosure at either individual or consolidated level or belong to a group headed by an undertaking obligated to KPI disclosure. Such financial assets (if they are neither held for trading nor derivative assets) are further considered in the numerator of the taxonomy eligibility KPI as follows:

- in full, if the purpose of the financing is known, and the economic activities financed are found as taxonomy eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met (e.g. project financings), or
- weighed by counterpart's (or, if unavailable, by counterpart's group) most recently published taxonomy eligibility KPI, if the purpose of the financing is unknown ('general purpose financing' e.g. working capital loans).

Additionally, 'use of proceeds known' non-trading non-derivative financial assets that have households or local governments as counterparts are also included in the numerator of the taxonomy eligibility KPI, if the financed economic activities demonstrably are found as taxonomy eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met.

Overview of Erste Group's Taxonomy disclosures and KPIs

SCOPE OF THE PUBLISHED EU TAXONOMY REPORTING TEMPLATES

Erste Group has prepared the EU Taxonomy disclosures on a consolidated basis, in accordance with the CRR consolidation scope, which is insignificantly different from Group's IFRS scope of consolidation (as disclosed in the related Annex to this Annual Report), notably in terms of impact in the consolidated taxonomy disclosures based on Group's total consolidated assets. Therefore, whilst Erste Group's total consolidated assets as at 31 December 2024 in accordance with the IFRS consolidation scope amount to EUR 353.74 billion, they amount to EUR 353.71 billion according to the CRR consolidation scope (net of related credit loss allowances in amount of EUR 4.14 billion, which are grossed-up for EU Taxonomy reporting purposes along adjustments to other balance-sheet items as further detailed in the sub-chapter 'Reporting methodology and underlying assumptions and interpretations' below). This slight difference is due to a few entities qualifying as subsidiaries under the IFRS scope of consolidation only.

For year-end 2024, as in year-end 2023, Erste Group, as a credit institution, applies Annex V and VI of the EU Taxonomy Disclosures Regulation. Based on CSRD, all Erste Group's sub-groups in scope of sustainability reporting as of 31 December 2024 are publishing separate (consolidated) sustainability statements. Erste Group did not identify any material differences between the KPIs for the group as a whole and any of its subsidiaries that would justify or require a separate presentation of their KPIs, which is in line with expectations driven by the limitations of the prudential scope of consolidation, only comprising institutions, financial institutions and, if consolidated supervision is required, ancillary service undertakings.

SUMMARY OF THE PUBLISHED EU TAXONOMY REPORTING TEMPLATES ACCOMPANIED BY CONSIDERATIONS ON SELECTED YEAR-ON-YEAR DEVELOPMENTS 1

This paragraph provides a concise description of the EU Taxonomy reporting templates published by Erste Group as of 31 December 2024, simultaneously addressing the requirements of Annex XI to the EU Taxonomy Disclosures regulation with regards to qualitative explanations addressing significant developments in the main taxonomy KPIs, starting with the second year of implementation.

Template 0 'Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation'

Template 0 provides a summary of key amounts and most significant taxonomy KPIs, as further disclosed in the Templates 1, 3 or 5 (see below). According to Annex VI to the EU Taxonomy Disclosures Regulation, Template 0 does not feature a comparative ('T-1') section Therefore, Erste Group does not create a comparative Template 0 as of 31 December 2023. However, the significant year-on-year developments in the quantitative information featured in Template 0 are further outlined below.

Total environmentally sustainable assets / activities (turnover view)

As of 31 December 2024, Erste Group discloses in Template 0 the total taxonomy aligned assets in amount of EUR 1.59 billion ('stock'). EUR 0.68 billion thereof correspond to financings of sustainable activities having been initially recognised during the year 2024 ('flow'). As of 31 December 2023, the related volumes amounted to EUR 1.25 billion and EUR 0.25 billion respectively. These amounts are disclosed in Template 0 by applying the 'turnover view', namely – as far as general-purpose financings clients or issuers obligated to KPI disclosure are concerned – by weighing the related exposures by the taxonomy KPIs published by the related undertakings in connection to their revenue-generating activities (non-financial undertakings) or financings thereof (financial undertakings).

The relatively significant year-on-year increase in the taxonomy aligned financings is mainly attributable to general-purpose financings of financial undertakings clients or issuers (stock-turnover view: an increase from EUR 0.0 billion as of 31 December 2023 to EUR 0.39 billion as of 31 December 2024), which is further explained by the fact that 31 December 2023 was the first year-end when financial undertakings were obligated to publish taxonomy KPIs according to the Annexes V and VI of the EU Taxonomy Disclosures Regulation. On the other hand, taxonomy aligned financings to non-financial undertakings obligated to KPI disclosure remained stable on a year-on-year basis ('stock-turnover' view: EUR 1.20 billion as at 31 December 2024 and EUR 1.24 billion as at 31 December 2023).

Total environmentally sustainable assets are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 1 'Assets for the calculation of GAR'**, disclosed in both the turnover view and the CapEx view and featuring a 1:1 'T-1' (2023) comparative section.

Total GAR Stock and Flow (turnover view and CapEx view)

Erste Group's total GAR (turnover view) acknowledges a favorable development from 0.53% as at 31 December 2023 to 0.62% as at 31 December 2024 (stock) and respectively from 0.78% as at 31 December 2023 to 1.11% as of 31 December 2024 (flow). This increase results from the above described year-on-year positive development in total taxonomy aligned assets / activities (GAR Stock / Flow numerator amounts) and, on the other hand, despite the adverse mathematical effect from year-on-year increases in the total covered assets featured as denominator of the GAR (stock: from EUR 236.3 billion as at 31 December 2023 to EUR 255.0 billion as at 31 December 2024; flow: from EUR 32.7 billion as at 31 December 2023 to EUR 61.1 billion as of 31 December 2024).

In the CapEx view, the corresponding favorable development is as follows: from 0.76% as of 31 December 2023 to 1.02% as of 31 December 2024 (stock) and respectively from 1.34% as of 31 December 2023 to 1.63% as of 31 December 2024 (flow).

These positive developments in Erste Group's Total GAR Stock and Flow as of 31 December 2024 in comparison to 31 December 2023 have occurred despite one further adverse factor, namely methodological developments and clarifications having led, inter alia, to an inherent increase in the GAR denominator (Total GAR assets) on the back of the GAR excluded assets. Further details in this respect are provided in the paragraph 'Developments in the application of EU Taxonomy disclosure requirements and summary of effects on the comparative information as of year-end 2023' further down this chapter.

Erste Group's GAR Stock as of 31 December 2024 remains nevertheless inherently low (below 1% in turnover view and slightly above 1% in CapEx view), mainly due to the built-in asymmetry of the GAR (expected however to gradually reduce until 2028, along the gradual increase in scope of the CSRD, therefore of the GAR numerator eligible assets), but also to the current impracticability of demonstrating, beyond any reasonable doubt, the taxonomy alignment of Group's loans to Households, notably of mortgage loans, in particular with regards to the DNSH and MS alignment criteria. Therefore, as of 31 December 2024, Erste Group's consolidated mortgage and building renovation loans to Households amounting to EUR 74.3 billion, none of which was reported as taxonomy aligned, despite most of this volume (EUR 70.5 billion) being assessed and reported as taxonomy eligible.

GAR Stock and GAR Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 3 'GAR KPI Stock'** and **Template 4 'GAR KPI Flow'** respectively. These templates are disclosed in both the turnover view and the CapEx view and, as far as Template 3 is concerned, featuring a 1:1 'T-1' (2023) comparative section.

FinGuar KPI Stock (turnover view and CapEx view)

Whilst the GAR refers to credit institution's on-balance assets, the FinGuar KPI focuses on credit institution's off-balance exposures. Unlike the GAR, Erste Group's FinGuar Stock KPI has acknowledged a relative deterioration on a year-on-year basis: from 16.22% as of 31 December 2023 to 14.20% as of 31 December 2024 (turnover view) and respectively from 19.29% as of 31 December 2023 to 16.94% as of 31 December 2024 (CapEx view). This development can be plausibly explained by the year-on-year change in the specific population of underlying counterparts obligated to KPI disclosure and the related taxonomy KPIs applied.

FinGuar KPI Stock and FinGuar KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 5 'KPI Off balance-sheet exposures'**. These templates are disclosed in both the turnover view and the CapEx view, as well as in both stock and flow views and, as far as Template 3 is concerned, featuring a 1:1 'T-1' (2023) comparative section.

AuM KPI Stock (turnover view and CapEx view)

The AuM KPI focuses on credit institution's off-balance assets under management and having the nature of bonds or shares issued by undertakings obligated to KPI disclosure, including when such bonds or shares are underlying assets in collective investments (funds) or discretionary management portfolios. Erste Group's AuM Stock KPI has acknowledged a relatively favorable year-on-year development: from 6.78% as of 31 December 2023 to 7.28% as of 31 December 2024 (turnover view) and respectively from 8.01% as of 31 December 2023 to 10.83% as of 31 December 2024 (CapEx view). This positive development can be plausibly explained as being predominately due to the same main underlying reason in the positive evolution of the GAR itself. As mentioned above, this reason is the contribution into this KPI's numerator of the financial undertakings obligated to KPI disclosure being issuers of the related (underlying) assets under management (which contribution inherently did not exist as of 31 December 2023).

AuM KPI Stock and AuM KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 5 'KPI Off balance-sheet exposures'**. These templates are disclosed in both the turnover view and the CapEx view, as well as in both stock and flow views and, as far as Template 3 is concerned, featuring a 1:1 'T-1' (2023) comparative section.

Template 2 GAR sector information

This template provides, in both stock turnover view and stock CapEx view, a breakdown per the applicable NACE codes of all the eligible and aligned amounts featured in Template 1's row 20 (non-financial undertakings obligated to KPI disclosure), across all environmental objectives. The template does not feature a 'T-1' (2023) comparative section. For readability considerations, Erste Group continues as of 31 December 2024 to apply the same presentation approach for this Template as of 31 December 2023, consisting of disclosing the required information at NACE sector granularity only for those NACE sectors covering, in descending order of the related total aligned amount, at least 80% of the Group's total taxonomy aligned assets (as per the respective view).

Additional disclosures addressing financings of specific Nuclear and Fossil Gas related economic activities

Based on the requirements of Annex XII to the EU Taxonomy Disclosures Regulation, Erste Group publishes as of 31 December 2024, in addition to the main taxonomy templates (0 to 5) in all the required views, six sets of five additional disclosure templates each, providing an insight into Group's direct or indirect financings (that means: via financings to peer financial undertakings), either specific or general purpose, attributable to six specific economic activities related to the Nuclear and Fossil Gas energy sectors. Each of the six sets of such additional tables relates to one of Group's main taxonomy KPIs (namely: GAR, FinGuar KPI and AuM KPI), both stock and flow, in both turnover and CapEx view, as applicable. None of these templates features a 'T-1' (2023) section and, therefore, prior year comparatives are not provided.

As a result, the overall number of distinct EU Taxonomy templates published by Erste Group as of 31 December 2024 amounts to 13 main taxonomy templates (thereof 6 featuring a 'T-1' section and therefore including prior year comparative information) and a further 54 Nuclear & Fossil Gas activities-related supplementary EU Taxonomy templates (none featuring a 'T-1' section and therefore none including prior year comparative information).

Quantitative Nuclear & Gas templates for GAR Stock have developed as of year-end 2024 compared to year-end 2023 mainly in response to general-purpose financings to KPI-disclosure-obligated financial undertakings having been also factored in at year-end 2024, weighed by the applicable KPIs, as published for the first time by the related undertakings during the current year. Thus, for instance, mostly due to this reason, total taxonomy-aligned on-balance financings (turnover view) attributable to the activities 4.26-4.31 increased year-on-year from EUR 80 million to EUR 138 million (capex view: from EUR 80 million to EUR 201 million), increasing from 6,40% to 8,77% (capex view: 4,36% to 7,81%). The mentioned amounts stem entirely from general-purpose exposures, weighed accordingly by the applicable KPIs of the related counterparts.

SELECTED KPIS' OVERVIEW

As of 31 December 2024, Erste Group's total eligibility KPI and total GAR can be summarized as follows:

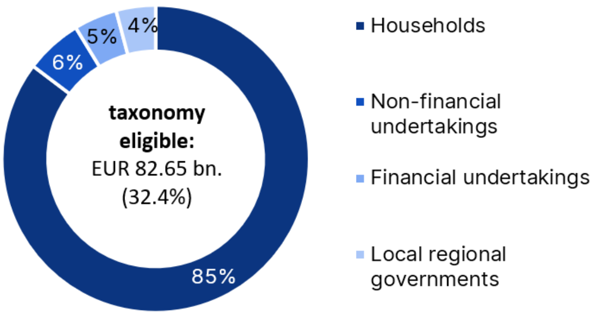
Turnover view

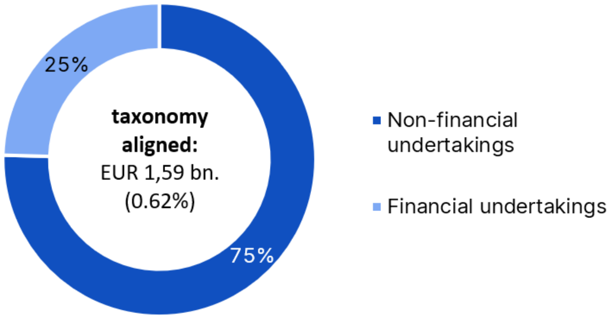
— Group's consolidated taxonomy eligible assets amount to EUR 82.66 billion (2023: EUR 74.84 billion), representing 32.4% (2023: 31.7%) of the total covered assets.
— Group's consolidated taxonomy aligned assets amount to EUR 1.59 billion (2023: EUR 1.25 billion), representing 0.62% (2023: 0.53%) of the total covered assets.

CapEx view

— The Group's taxonomy eligible assets amount to EUR 83.89 billion (2023: EUR 75.71 billion), representing 32.9% (2023: 32.0%) of the total covered assets.
— The Group's taxonomy aligned assets amount to EUR 2.60 billion (2023: EUR 1.79 billion), representing 1.02% (2023: 0.76%) of the total covered assets.

In the turnover view, the total eligibility KPI and total GAR as of 31 December 2024 are further comparatively analysed and presented in the charts below:





Therefore, as of 31 December 2024, Erste Group's total taxonomy eligibility KPI consists of the following main components:

- Financing to private households to the amount of EUR 70.5 billion (2023: EUR 67.7 billion), the purpose of which corresponds to taxonomy eligible activities in the real estate and the automotive sector.
- Use of proceeds known and unknown financing to non-financial undertakings to the amount of EUR 4.9 billion (2023: EUR 4.8 billion) and to financial undertakings to the amount of EUR 3.8 billion (2023: EUR 1.2 billion), the use of proceeds unknown financing having been classified proportionately as taxonomy eligible based on the eligibility KPIs published by the respective counterparties.
- Financing to local and regional governments to the amount of EUR 3.4 billion (2023: EUR 1.1 billion), the purpose of which corresponds to taxonomy eligible activities.

The GAR, on the other hand, consists of use of proceeds known and unknown financing to financial and respectively non-financial undertakings to the amount of EUR 0.39 billion (2023: EUR 0 billion) and respectively EUR 1.20 billion (2023: EUR 1.24 billion), with 89.0% (2023: 81.2%) of the combined aligned amount resulting from use of proceeds unknown financing that were classified proportionately as taxonomy aligned, based on the alignment KPIs published by the respective counterparties.

GAR structural constraints and limitations in data availability

The taxonomy disclosures and KPIs of Erste Group as of 31 December 2024, as well as their year-on-year development as outlined above, are inherently influenced by both structural constraints arising from both the legal design of the GAR and the restricted scope of the CSRD, as well as by various other data availability limitations. Such constraints and limitations are further outlined below.

GAR structural constraints

Due to the extensive information required to evaluate the applicable taxonomy alignment technical criteria (SC, DNSH), as well as the MS compliance. the scope of application of the EU Taxonomy Disclosures Regulation is limited by legislation (at EU level: CSRD), as far as qualifying exposures to undertakings are concerned, to those that are obligated to KPI disclosure as at the current reporting year-end, as well as to any subsidiaries thereof. For Erste Group as a universal bank, this means that a significant part of the portfolio (small and medium-sized enterprises not CSRD-obligated or part of such a group) cannot be considered at the moment in the numerators of the taxonomy eligibility KPI and the GAR, with most of them expected to indefinitely qualify for the respective denominators only ('GAR structural asymmetry').

Additionally, general-purpose exposures to households and local governments (meaning financings of such counterparts having, as per the related lending agreements or prospectus, either no specified purpose or specified purposes other than housing or acquisition of eligible motor vehicles) fall inherently outside the scope of any such possible evaluation. This means that general-purpose exposures to households and local governments, along with qualifying exposures to CSRD non-obligated undertakings, cannot possibly contribute to the GAR numerator, whilst they are nevertheless included in GAR's denominator.

Limitations in data availability

Retail lending

Related to real estate and vehicle financing towards private households, as well as related to financings of housing or other taxonomy eligible specific-purpose projects by local governments, credit institutions are allowed to use reliable third-party evaluations with regards to the central DNSH criterion of conducting a climate risk and vulnerability assessment. Erste Group is currently working on integrating the physical risk data of one of the world's leading reinsurance companies into the taxonomy evaluation process, with the target of applying fully fledged data and related methodologies from year-end 2025 onwards. With regards to year-end 2024 taxonomy disclosures, Erste Group therefore continues to report all household exposures as non-aligned.

Environmental objectives 3-6

According to the EU Taxonomy Disclosures Regulation and the draft FAQs from November 2024, financial undertakings shall only publish eligibility figures for the environmental objectives 3-6 and the amended economic activities within the objectives 1-2. It follows that Erste Group becomes obligated to publish alignment figures for the environmental objectives 3-6 for the year ending 31 December 2025. However, considering, on the one hand, Erste Group's relatively advanced stage of technical readiness to meet this upcoming reporting obligation and, on the other hand, the low amount of obligated clients' related taxonomy KPIs available for collection and further processing in this respect, Erste Group's EU Taxonomy disclosures as of 31 December 2024 cover already the entire set of environmental objectives for the alignment figures for general purpose loans as well. The applied client alignment KPIs for the environmental objectives 3-6 have, in general, very low values, which didn't entail any further analysis on whether the related obligated clients published them in advance of being required to do so or not.

Furthermore, regarding both new and existing business with undertakings obligated to KPI reporting and local governments – despite considerable efforts to further advance the examination of individual transactions – in many cases there is still insufficient information and data basis on the customer side to determine whether these transactions can be classified as taxonomy-eligible with regards to the environmental objectives 3-6. While the Draft Commission Notice dated 28.11.2024 has indeed provided further clarifications with regards to the related taxonomy assessment, interpreting and applying the mentioned guidance leads at the moment to relatively few 'use of proceeds known' financings being assigned as of 31 December 2024 as eligible by reference to these environmental objectives.

Voluntarily disclosed estimated additional alignment of loans to households

Erste Group has continued to apply last year's approach for its related voluntary disclosures. This approach incorporates the latest pronouncements and clarifications of the regulator with respect to the EU Taxonomy disclosures by credit institutions (notably the Commission Notice issued in draft form on 21 December 2023 and finalised with some amendments on 8 November 2024) while being also developed in response to the above-mentioned limitations in data availability. This is particularly regards climate risk and vulnerability assessments applying in addressing the DNSH alignment criterion in relation to mortgage and renovation loans to Households.

This is also done to provide comparative figures to Erste Group's last year's approach for year-end 2024, focusing on six physical risks to buildings as identified through an external scientific materiality analysis covering the regions/markets of Erste Group, namely: heat stress, drought stress, fire weather stress, river floods, coastal floods and earthquake risk. Erste Group's taxonomy aligned assets towards private households, which are currently at zero, would have consequently amounted to EUR 6.7 billion (2023: EUR 4.7 billion) for the abovementioned approach. This would have resulted in a total sustainable assets' estimated proportion into total covered assets in amount of 3.3 % (2023: 2.6%). Erste Group continues to work proactively towards fully incorporating all required risks

The above estimation has been internally developed by selecting out of the total population of mortgage loans and renovation loans to Households reported as EU Taxonomy-eligible only those deals having been subject to eligibility screening (assignment to eligible economic activities within the real estate macroeconomic sector) at individual level and being collateralized by residential real estate assets in locations where all of the applicable six physical risks were assessed as not material. From this sub-population, only those the residential real estate collateral of which either has a category 'A' energy performance certificate or, otherwise, the year of construction of which is 2014 or later have been further considered.

Reporting methodology and underlying assumptions and interpretations

(Gross) carrying amounts of assets

Regarding the (gross) carrying amounts of assets represented in Template 1, the following approach was taken:

- For all relevant financial assets at amortized cost and debt securities at FVOCI (Fair Value Through Other Comprehensive Income), the cost carried forward before adjustment of value adjustments was used - regardless of the counterparty type.
- For all other assets falling into lines 1-48 of Template 1, the gross carrying amount, i.e., the amount actually accounted for and used in the CRR-consolidated IFRS FINREP balance sheet, was used. This means:
  - For performing debt instruments at FVPL (Fair Value Through Profit or Loss), the gross carrying amount corresponds to the fair value. For non-performing debt instruments at FVPL, the gross carrying amount corresponds to the fair value after the accumulation of any accumulated negative changes in fair value due to credit risk.
  - For all investments in associated and joint ventures, the carrying value in accordance with IAS28/IFRS11 is used.
  - For all equity instruments at FVPL, the fair value is used.
  - For all non-financial assets ('collateral obtained by taking possession' or 'Other categories of assets'), the carrying amounts disclosed according to IFRS are used.

CSRD-obligated financial and non-financial undertakings and use of their KPIs

All companies considered to be public interest entities and employing more than 500 people at either individual or consolidated level have been obligated to report EU Taxonomy disclosures as of 31 December 2023 under the NFRD and continue to be so as of 31 December 2024 under the CSRD. Financial and non-financial undertakings, that are parents of obligated groups, must publish their KPIs on a consolidated basis. These KPIs are used for the purpose of determining Erste Group's KPIs for qualifying exposures towards all subsidiaries of this group ('closest reporting parent'), unless KPIs are available for the specific single counterparty.

Flow

For the purpose of Template 4 (GAR Flow), Template 5 (FinGuar Flow and AuM Flow), as well as for retrieving the 'flow' views of the Nuclear & Gas templates, 'flow' has been defined as a sub-set of 'stock', limited to related asset deals' having been initially recognised during the current reporting date. The two exceptions to this approach are as follows:

- Non-financial assets and financial assets not having the nature of loans and advances, debt securities or equity instruments: 'flow' has been deemed zero.
- Underlying debt securities and equity instruments in off-balance investment funds or other portfolios under management: 'flow' has been to be arise from any positive year-on-year net increase in the number of units held at underlying ISIN level, within each relevant investment fund or other portfolio under management.

Significant notes for the consideration of assets in Template 1

Accepted for the numerator of the GAR and therefore relevant for the taxonomy eligibility or alignment review are non-trading loans and advances, debt securities, equity instruments having financial or non-financial undertakings obligated to KPI disclosure as counterparties (or subsidiaries thereof), as well as real estate and car financing to private households, use of proceeds known financing with local governments and real estate collateral obtained through taking possession.

Financial and non-financial undertakings

- Qualifying assets in relation to financial and non-financial undertakings are included in the numerator of the GAR if the direct counterparty of or subsidiary of a group obligated to KPI disclosure.
- Financing to financial and non-financial undertakings not obligated to KPI disclosure, which are not part of a group obligated to KPI disclosure, were considered in the denominator, irrespective of their domicile (EU or Non-EU)
- Financing to Multilateral Development Banks listed in the paragraphs in Article 117(1), or Article 117(2) Regulation (EU) 575/2013 (CRR) are considered credit institutions according to the clarifications of the 'Environmental Act' and are allowed for the numerator provided they are based in the EU.

Private households

- Financing to private households and subject to further assessment for taxonomy eligibility or alignment comprises only real estate-related financing or car loans (the latter from 1.1.2022). The remaining exposures to households (essentially: general-purpose financing) are included in the 'Households' section of Template 1 only for the purpose of the column '(gross) carrying amount', meaning that they inherently can't contribute to the numerator of either Eligibility KPI or GAR, whilst being included in the denominator of both.
- Financing of building renovation and collateralised by residential immovable property are solely included in the row 'of which building renovation loans' in order to avoid double counting.

Local & regional governments

Financing to local or regional governments and subject to further assessment for taxonomy eligibility or alignment comprises only financing where the respective use of proceeds is known. Financing without a known use of proceeds is included in the 'Local governments' section of Template 1 only for the purpose of the column '(gross) carrying amount', meaning that they inherently can't contribute to the numerator of either Eligibility KPI or GAR, whilst being included in the denominator of both.

Fund assets of Erste Group

The non-trading fund assets of Erste Group are distributed on a pro-rata basis across the applicable rows of Template 1 according to the composition of the respective fund (i.e., the underlying assets in that fund). To derive this distribution, the underlying assets in the funds were individually analysed (Look-through approach).

Assets under Management

Off-balance sheet items ('Assets under management') are also reported based on a look-through approach. As relevant assets in this regard, however, only securities issued by undertakings obligated to KPI disclosure are considered.

Significant information for template population of the supplemental delegated climate regulation

- In the portfolio of Erste Group, there are no use of proceeds known financing related to the activities in the area of nuclear energy and fossil gas listed in the Commission Delegated Regulation (EU) 2022/1214. Consequently, populating the respective tables is based on the KPIs published by the related counterparties (namely: energy companies obligated to KPI disclosure or banks or insurances obligated to KPI disclosure directly exposed to such energy companies) in their respective similar templates.

— The supplementary templates addressing direct or indirect financings of specific activities in the nuclear energy and fossil gas sectors relate to all taxonomy KPIs of credit institutions (GAR Stock and Flow, FinGuar KPI Stock and Flow, AuM KPI Stock and Flow), as applicable (turnover and respectively CapEx views).

Developments in the application of EU Taxonomy disclosure requirements and summary of effects on the comparative information as of year-end 2023

As of year-end 2024, the following changes are included in the EU Taxonomy reporting templates:

1. Consideration of loans to Households, other than those fulfilling the conditions to be reported in Template 1's (GAR Template's) either of the rows 25 ('of which loans collateralised by residential immovable property'), 26 ('of which building renovation loans') or 27 ('of which motor vehicle loans')

As of 31 December 2024, Template 1 features such loans in the row 24 ('Households') column a, that means within the section 'GAR - Covered assets in both numerator and denominator'. As of 31 December 2023, in accordance with the prevailing interpretation and practice applied back then, Template 1 featured such loans (as of that date, in total amount of 26.8 EUR billion) in the row 47 ('Other categories of assets') column a, that means within the section 'Assets excluded from the numerator for GAR calculation (covered in the denominator)'

2. Consideration of general-purpose financings to Local Governments

As of 31 December 2024, Template 1 features such financings in the row 30 ('Other local government financing') column a, that means within the section 'GAR - Covered assets in both numerator and denominator'. As of 31 December 2023, Template 1 featured such financings (as of that date, in total amount of EUR 4.7 billion) in the row 50 ('Central governments and Supranational issuers') column a, that means within the section 'Assets not covered for GAR calculation'. This change has been triggered by amendments in European Commission's Third Commission Notice / 08.11.2024 (FAQ 47).

3. Consideration of the proportions '% coverage over total assets' and '% of assets excluded from the numerator of the GAR'

As of 31 December 2024, Template 0 displays these proportions as follows:
— '% coverage over total assets': as ratio between 'Total GAR assets' (Template 1 row 48 column a) and 'Total assets' (Template 1 row 53 column a)
— '% of assets excluded from the numerator of the GAR': as ratio between 'Assets excluded from the numerator for GAR calculation (covered in the denominator)' (Template 1 row 32 column a) and 'Total assets' (Template 1 row 53 column a)

As of 31 December 2023, in accordance with the prevailing interpretation and practice applying back then, Template 0 displayed these proportions as follows:
— '% coverage over total assets': as ratio between 'GAR - Covered assets in both numerator and denominator' (Template 1 row 1 column a + Template 1 row 31 column a) and 'Total assets' (Template 1, row 53, column a)
— '% of assets excluded from the numerator of the GAR': as ratio between the sum of 'Assets excluded from the numerator for GAR calculation (covered in the denominator)' and 'Assets not covered for GAR calculation' (Template 1 row 32 column a + Template 1 row 49 column a) and 'Total assets' (Template 1 row 53 column a)

Had the above described three recent methodological developments applied already as of 31 December 2023, Erste Group's taxonomy KPIs and proportions as disclosed in Template 0 'Summary of KPIs', as well as disclosed in further KPI templates featuring a 'T-1' comparative section would have been different as follows:

	As previously published	As recalculated
Template 0		
GAR% Stock – turnover	0.53%	0.52%
GAR% Stock – capex	0.76%	0.74%
'% coverage over total assets'	29.43%	70.62%
'% of assets excluded from the numerator of the GAR'	70.57%	31.94%
'% of assets excluded from the denominator of the GAR'	30.77%	29.38%
GAR% Flow – turnover	0.78%	0.73%
GAR% Flow – capex	1.34%	1.26%
'% coverage over total assets'	24.42%	92.22%
'% of assets excluded from the numerator of the GAR'	75.58%	48.19%
'% of assets excluded from the denominator of the GAR'	10.12%	7.78%
Template 3 turnover view, additional changes (column bf)		
Eligibility KPI – Households	94.38%	68.69%
Eligibility KPI – Local Governments	100.00%	18.79%
Eligibility KPI – total	31.67%	31.05%
Template 3 capex view, additional changes (column bf)		
Eligibility KPI – Households	94.38%	68.69%
Eligibility KPI – Local Governments	100.00%	18.79%
Eligibility KPI – total	32.04%	31.41%

The comparative figures that would have been impacted as detailed above are highlighted accordingly in the comparative sections of the respective views of the related templates.

Consideration of EU Taxonomy in Erste Group's business strategies, product design processes and engagement with clients and counterparties

Erste Group informs its customers about possible cost advantages that can arise from taxonomy-aligned disclosure. The GAR is currently not integrated into the strategic board internal remuneration framework and should not be considered as performance-linked KPI for management incentives.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	1,594	0.62%	1.02%	71.27%	32.09%	28.73%

		Total environmentally sustainable activities	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	679	1.11%	1.63%	58.61%	30.20%	41.39%
	Trading book						
	Financial guarantees	440	14.20%	16.94%			
	Assets under management	1,912	7.28%	10.83%			
	Fees and commissions income						

1. Assets for the calculation of GAR, turnover-based view

		a	b	c	d	e	f	g	h	i	j
			Year ending on 31 December 2024								
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	140,191	81,829	1,542	175	319	619	191	34	-	7
2	**Financial undertakings**	**15,426**	**3,652**	**375**	**-**	**77**	**108**	**73**	**10**	**-**	**0**
3	Credit institutions	13,079	2,677	244	-	63	15	12	0	-	0
4	Loans and advances	5,807	1,273	132	-	55	4	1	0	-	0
5	Debt securities, including UoP	7,196	1,387	112	-	8	11	11	0	-	0
6	Equity instruments	75	18	0	-	0	0	0	0	-	-
7	Other financial corporations	2,347	975	131	-	14	93	61	9	-	0
8	of which investment firms	190	52	11	-	0	9	0	0	-	-
9	Loans and advances	81	17	0	-	0	0	-	-	-	-
10	Debt securities, including UoP	98	33	11	-	0	9	0	0	-	-
11	Equity instruments	11	2	0	-	0	0	-	-	-	-
12	of which management companies	10	3	0	-	0	0	-	-	-	-
13	Loans and advances	1	0	0	-	0	0	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	9	3	0	-	0	0	-	-	-	-
16	of which insurance undertakings	138	4	0	-	0	0	38	6	-	0
17	Loans and advances	35	1	0	-	0	0	9	1	-	0
18	Debt securities, including UoP	11	1	0	-	0	0	3	0	-	0
19	Equity instruments	92	3	0	-	0	0	26	4	-	0
20	**Non-financial undertakings**	**14,050**	**4,233**	**1,167**	**175**	**242**	**511**	**119**	**25**	**-**	**7**
21	Loans and advances	12,636	3,730	1,072	175	226	463	118	24	-	7
22	Debt securities, including UoP	1,223	471	90	-	15	48	1	1	-	0
23	Equity instruments	190	32	4	-	0	0	0	-	-	-
24	**Households**	**103,991**	**70,513**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	71,036	67,281	-	-	-	-	-	-	-	-
26	of which building renovation loans	3,232	3,232	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	177	0	-	-	-	-	-	-	-	-
28	**Local governments financing**	**6,724**	**3,431**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	357	357	-	-	-	-	-	-	-	-
30	Other local government financing	6,367	3,074	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**14**	**14**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**114,828**	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	**103,130**	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	92,727	-	-	-	-	-	-	-	-	-
35	Loans and advances	89,821	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	29,057	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	1,190	-	-	-	-	-	-	-	-	-
38	Debt securities	2,554	-	-	-	-	-	-	-	-	-
39	Equity instruments	351	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	10,404	-	-	-	-	-	-	-	-	-
41	Loans and advances	8,411	-	-	-	-	-	-	-	-	-
42	Debt securities	1,979	-	-	-	-	-	-	-	-	-
43	Equity instruments	13	-	-	-	-	-	-	-	-	-
44	**Derivatives**	**180**	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	**1,152**	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	**3,154**	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**7,212**	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**255,033**	**81,843**	**1,542**	**175**	**319**	**619**	**191**	**34**	**-**	**7**
49	**Assets not covered for GAR calculation**	**102,801**	-	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	**52,882**	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	**38,456**	-	-	-	-	-	-	-	-	-
52	**Trading book**	**11,463**	-	-	-	-	-	-	-	-	-
53	**Total assets**	**357,834**	**81,843**	**1,542**	**175**	**319**	**619**	**191**	**34**	**-**	**7**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
54	Financial guarantees	3,096	1,262	427	-	19	299	4	0	-	0
55	Assets under management	26,258	5,613	1,831	-	130	1,030	271	36	-	9
56	Of which debt securities	17,343	3,753	1,090	-	98	573	146	23	-	7
57	Of which equity instruments	8,915	1,860	742	-	32	457	125	13	-	2

	in EUR million	k	l	m	n	o	p	q	r
		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6	5	-	0	537	11	-	5
2	**Financial undertakings**	**0**	**0**	**-**	**0**	**32**	**5**	**-**	**5**
3	Credit institutions	0	-	-	-	1	0	-	-
4	Loans and advances	0	-	-	-	0	-	-	-
5	Debt securities, including UoP	0	-	-	-	0	0	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0	0	-	0	32	5	-	5
8	of which investment firms	-	-	-	-	16	4	-	4
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	16	4	-	4
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**5**	**5**	**-**	**0**	**505**	**6**	**-**	**0**
21	Loans and advances	4	4	-	0	475	4	-	0
22	Debt securities, including UoP	1	1	-	-	4	2	-	-
23	Equity instruments	0	0	-	-	26	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	**Derivatives**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
45	**On demand interbank loans**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
46	**Cash and cash-related assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
48	**Total GAR assets**	**6**	**5**	**-**	**0**	**537**	**11**	**-**	**5**
49	**Assets not covered for GAR calculation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
50	**Central governments and Supranational issuers**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
51	**Central banks exposure**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
52	**Trading book**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
53	**Total assets**	**6**	**5**	**-**	**0**	**537**	**11**	**-**	**5**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
54	Financial guarantees	1	0	-	0	124	13	-	13
55	Assets under management	14	5	-	1	429	28	-	10
56	Of which debt securities	9	4	-	1	151	15	-	1
57	Of which equity instruments	5	1	-	0	278	13	-	8

	in EUR million	s	t	u	v	w	x	z	aa
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	27	1	-	0	57	0	-	0
2	**Financial undertakings**	**4**	**1**	**-**	**0**	**0**	**0**	**-**	**0**
3	Credit institutions	-	-	-	-	0	-	-	-
4	Loans and advances	-	-	-	-	0	-	-	-
5	Debt securities, including UoP	-	-	-	-	0	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	4	1	-	0	0	0	-	0
8	of which investment firms	2	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	2	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0	-	-	-
17	Loans and advances	-	-	-	-	0	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**23**	**0**	**-**	**-**	**57**	**-**	**-**	**-**
21	Loans and advances	23	0	-	-	54	-	-	-
22	Debt securities, including UoP	1	-	-	-	3	-	-	-
23	Equity instruments	0	-	-	-	0	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**27**	**1**	**-**	**0**	**57**	**0**	**-**	**0**
49	**Assets not covered for GAR calculation**	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-	-	-	-
52	**Trading book**	-	-	-	-	-	-	-	-
53	**Total assets**	**27**	**1**	**-**	**0**	**57**	**0**	**-**	**0**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
54	Financial guarantees	67	-	-	-	0	-	-	-
55	Assets under management	170	11	-	4	27	1	-	1
56	Of which debt securities	87	10	-	4	13	1	-	1
57	Of which equity instruments	84	1	-	0	14	-	-	-

	in EUR million	ab	ac	ad	ae	af
		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	82,648	1,594	175	319	631
2	**Financial undertakings**	**3,761**	**391**	**-**	**77**	**113**
3	Credit institutions	2,690	244	-	63	15
4	Loans and advances	1,274	132	-	55	4
5	Debt securities, including UoP	1,398	112	-	8	11
6	Equity instruments	18	0	-	0	0
7	Other financial corporations	1,071	147	-	14	98
8	of which investment firms	70	16	-	0	14
9	Loans and advances	17	0	-	0	0
10	Debt securities, including UoP	51	15	-	0	14
11	Equity instruments	2	0	-	0	0
12	of which management companies	3	0	-	0	0
13	Loans and advances	0	0	-	0	0
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	3	0	-	0	0
16	of which insurance undertakings	42	6	-	0	0
17	Loans and advances	10	2	-	0	0
18	Debt securities, including UoP	4	0	-	0	0
19	Equity instruments	29	4	-	0	0
20	**Non-financial undertakings**	**4,942**	**1,203**	**175**	**242**	**518**
21	Loans and advances	4,404	1,104	175	226	470
22	Debt securities, including UoP	481	94	-	15	48
23	Equity instruments	58	4	-	0	0
24	**Households**	**70,513**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	67,281	-	-	-	-
26	of which building renovation loans	3,232	-	-	-	-
27	of which motor vehicle loans	0	-	-	-	-
28	**Local governments financing**	**3,431**	**-**	**-**	**-**	**-**
29	Housing financing	357	-	-	-	-
30	Other local government financing	3,074	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**14**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
35	Loans and advances	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-
38	Debt securities	-	-	-	-	-
39	Equity instruments	-	-	-	-	-

40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
41	Loans and advances	-	-	-	-	-
42	Debt securities	-	-	-	-	-
43	Equity instruments	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-
48	**Total GAR assets**	**82,662**	**1,594**	**175**	**319**	**631**
49	**Assets not covered for GAR calculation**	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-
52	**Trading book**	-	-	-	-	-
53	**Total assets**	**82,662**	**1,594**	**175**	**319**	**631**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-
54	Financial guarantees	1,458	440	-	19	311
55	Assets under management	6,523	1,912	-	130	1,054
56	Of which debt securities	4,158	1,143	-	98	587
57	Of which equity instruments	2,366	769	-	32	467

	in EUR million	a	b	c	d	e	f	g	h	i	j
		Year ending on 31 December 2023									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100,405	74,805	1,247	233	287	384	8	4	-	1
2	**Financial undertakings**	**14,921**	**1,214**	**9**	**-**	**-**	**-**	**3**	**-**	**-**	**-**
3	Credit institutions	13,315	1,150	-	-	-	-	-	-	-	-
4	Loans and advances	5,292	403	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	7,945	744	-	-	-	-	-	-	-	-
6	Equity instruments	78	4	-	-	-	-	-	-	-	-
7	Other financial corporations	1,607	64	9	-	-	-	3	-	-	-
8	of which investment firms	998	-	-	-	-	-	-	-	-	-
9	Loans and advances	849	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	130	-	-	-	-	-	-	-	-	-
11	Equity instruments	19	-	-	-	-	-	-	-	-	-
12	of which management companies	33	-	-	-	-	-	-	-	-	-
13	Loans and advances	29	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	4	-	-	-	-	-	-	-	-	-
15	Equity instruments	1	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	225	2	-	-	-	-	-	-	-	-
17	Loans and advances	14	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	121	-	-	-	-	-	-	-	-	-
19	Equity instruments	90	2	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**12,603**	**4,747**	**1,238**	**233**	**287**	**384**	**5**	**4**	**-**	**1**
21	Loans and advances	11,341	4,170	1,149	233	264	331	5	4	-	1
22	Debt securities, including UoP	1,237	570	88	-	23	52	-	-	-	-
23	Equity instruments	25	8	1	-	-	1	-	-	-	-
24	**Households**	**71,781**	**67,744**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	69,012	64,975	-	-	-	-	-	-	-	-
26	of which building renovation loans	2,643	2,643	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	126	126	-	-	-	-	-	-	-	-
28	**Local governments financing**	**1,100**	**1,100**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	347	347	-	-	-	-	-	-	-	-
30	Other local government financing	752	752	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**21**	**21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**135,851**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**97,468**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	87,652	-	-	-	-	-	-	-	-	-

35	Loans and advances	86,176	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	28,880	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	992	-	-	-	-	-	-	-	-	-
38	Debt securities	855	-	-	-	-	-	-	-	-	-
39	Equity instruments	620	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	9,816	-	-	-	-	-	-	-	-	-
41	Loans and advances	7,621	-	-	-	-	-	-	-	-	-
42	Debt securities	2,165	-	-	-	-	-	-	-	-	-
43	Equity instruments	30	-	-	-	-	-	-	-	-	-
44	**Derivatives**	**184**	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	**863**	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	**3,232**	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**34,104**	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**236,277**	**74,826**	**1,247**	**233**	**287**	**384**	**8**	**4**	**-**	**1**
49	**Assets not covered for GAR calculation**	**105,010**	-	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	**48,894**	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	**47,343**	-	-	-	-	-	-	-	-	-
52	**Trading book**	**8,773**	-	-	-	-	-	-	-	-	-
53	**Total assets**	**341,287**	**74,826**	**1,247**	**233**	**287**	**384**	**8**	**4**	**-**	**1**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	2,162	819	351	-	10	83	-	-	-	-
55	Assets under management	23,547	7,693	1,446	-	-	28	686	150	-	-
56	Of which debt securities	14,048	4,174	615	-	-	4	206	31	-	-
57	Of which equity instruments	9,499	3,519	831	-	-	25	480	119	-	-

		k	l	m	n	o	p	q	r
		Year ending on 31 December 2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-	-	-	-
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-	-	-	-
52	**Trading book**	-	-	-	-	-	-	-	-
53	**Total assets**	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

		s	t	u	v	w	x	z	aa
		Year ending on 31 December 2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation								
2	**Financial undertakings**								
3	Credit institutions								
4	Loans and advances								
5	Debt securities, including UoP								
6	Equity instruments								
7	Other financial corporations								
8	of which investment firms								
9	Loans and advances								
10	Debt securities, including UoP								
11	Equity instruments								
12	of which management companies								
13	Loans and advances								
14	Debt securities, including UoP								
15	Equity instruments								
16	of which insurance undertakings								
17	Loans and advances								
18	Debt securities, including UoP								
19	Equity instruments								
20	**Non-financial undertakings**								
21	Loans and advances								
22	Debt securities, including UoP								
23	Equity instruments								
24	**Households**								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	**Local governments financing**								
29	Housing financing								
30	Other local government financing								
31	**Collateral obtained by taking possession: residential and commercial immovable properties**								
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**								
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								

37	of which building renovation loans
38	Debt securities
39	Equity instruments
40	Non-EU country counterparties not subject to NFRD disclosure obligations
41	Loans and advances
42	Debt securities
43	Equity instruments
44	**Derivatives**
45	**On demand interbank loans**
46	**Cash and cash-related assets**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**
48	**Total GAR assets**
49	**Assets not covered for GAR calculation**
50	**Central governments and Supranational issuers**
51	**Central banks exposure**
52	**Trading book**
53	**Total assets**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations
54	Financial guarantees
55	Assets under management
56	Of which debt securities
57	Of which equity instruments

		ab	ac	ad	ae	af
		Year ending on 31 December 2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
	in EUR million			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	74,813	1,251	233	287	385
2	**Financial undertakings**	**1,217**	**9**	**-**	**-**	**-**
3	Credit institutions	1,150	-	-	-	-
4	Loans and advances	403	-	-	-	-
5	Debt securities, including UoP	744	-	-	-	-
6	Equity instruments	4	-	-	-	-
7	Other financial corporations	67	9	-	-	-
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-	-	-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-	-	-	-
16	of which insurance undertakings	2	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	2	-	-	-	-
20	**Non-financial undertakings**	**4,752**	**1,242**	**233**	**287**	**385**
21	Loans and advances	4,175	1,152	233	264	332
22	Debt securities, including UoP	570	88	-	23	52
23	Equity instruments	8	1	-	-	1
24	**Households**	**67,744**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	64,975	-	-	-	-
26	of which building renovation loans	2,643	-	-	-	-
27	of which motor vehicle loans	126	-	-	-	-
28	**Local governments financing**	**1,100**	**-**	**-**	**-**	**-**
29	Housing financing	347	-	-	-	-
30	Other local government financing	752	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**21**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
35	Loans and advances	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-
38	Debt securities	-	-	-	-	-
39	Equity instruments	-	-	-	-	-

40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
41	Loans and advances	-	-	-	-	-
42	Debt securities	-	-	-	-	-
43	Equity instruments	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-
48	**Total GAR assets**	**74,834**	**1,251**	**233**	**287**	**385**
49	**Assets not covered for GAR calculation**	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-
52	**Trading book**	-	-	-	-	-
53	**Total assets**	**74,834**	**1,251**	**233**	**287**	**385**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
54	Financial guarantees	819	351	-	10	83
55	Assets under management	8,379	1,596	-	-	28
56	Of which debt securities	4,381	645	-	-	4
57	Of which equity instruments	3,998	951	-	-	25

2. GAR sector information, turnover-based view

		a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (CCM)	in EUR million	Of which environmentally sustainable (CCM)	in EUR million	Of which environmentally sustainable (CCA)	in EUR million	Of which environmentally sustainable (CCA)
1	D35.11 Production of electricity	427	341			1	0		
2	C23.32 Manufacture of bricks, tiles and construction products, in baked clay	162	157			-	-		
3	L68.20 Renting and operating of own or leased real estate	879	93			85	13		
4	D35.13 Distribution of electricity	187	101			-	-		
5	C30.20 Manufacture of railway locomotives and rolling stock	107	96			0	-		
6	C24.42 Aluminium production	123	85			-	-		
7	H53.10 Postal activities under universal service obligation	102	51			-	-		
8	C24.10 Manufacture of basic iron and steel and of ferro-alloys	124	42			-	-		
9	C29.10 Manufacture of motor vehicles	346	30			1	0		
10	C29.32 Manufacture of other parts and accessories for motor vehicles	177	21			0	0		
11	G46.12 Agents involved in the sale of fuels, ores, metals and industrial chemicals	47	18			-	-		
12	Other	1,552	131			32	11		

		i	j	k	l	m	n	o	p
		Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (WTR)	in EUR million	Of which environmentally sustainable (WTR)	in EUR million	Of which environmentally sustainable (CE)	in EUR million	Of which environmentally sustainable (CE)
1	D35.11 Production of electricity	1	1			0	0		
2	C23.32 Manufacture of bricks, tiles and construction products, in baked clay	-	-			-	-		
3	L68.20 Renting and operating of own or leased real estate	0	-			0	-		
4	D35.13 Distribution of electricity	-	-			-	-		
5	C30.20 Manufacture of railway locomotives and rolling stock	-	-			0	0		
6	C24.42 Aluminium production	-	-			-	-		
7	H53.10 Postal activities under universal service obligation	-	-			0	0		
8	C24.10 Manufacture of basic iron and steel and of ferro-alloys	-	-			-	-		
9	C29.10 Manufacture of motor vehicles	-	-			0	-		
10	C29.32 Manufacture of other parts and accessories for motor vehicles	-	-			9	-		
11	G46.12 Agents involved in the sale of fuels, ores, metals and industrial chemicals	-	-			-	-		
12	Other	5	4			495	6		

		q	r	s	t	u	v	w	x
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (PPC)	in EUR million	Of which environmentally sustainable (PPC)	in EUR million	Of which environmentally sustainable (BIO)	in EUR million	Of which environmentally sustainable (BIO)
1	D35.11 Production of electricity	-	-			-	-		
2	C23.32 Manufacture of bricks, tiles and construction products, in baked clay	-	-			-	-		
3	L68.20 Renting and operating of own or leased real estate	-	-			9	-		
4	D35.13 Distribution of electricity	-	-			-	-		
5	C30.20 Manufacture of railway locomotives and rolling stock	0	-			-	-		
6	C24.42 Aluminium production	-	-			-	-		
7	H53.10 Postal activities under universal service obligation	-	-			-	-		
8	C24.10 Manufacture of basic iron and steel and of ferro-alloys	-	-			-	-		
9	C29.10 Manufacture of motor vehicles	-	-			-	-		
10	C29.32 Manufacture of other parts and accessories for motor vehicles	-	-			-	-		
11	G46.12 Agents involved in the sale of fuels, ores, metals and industrial chemicals	-	-			-	-		
12	Other	23	0			49	-		

		y	z	aa	Ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	D35.11 Production of electricity	429	342		
2	C23.32 Manufacture of bricks, tiles and construction products, in baked clay	162	157		
3	L68.20 Renting and operating of own or leased real estate	973	106		
4	D35.13 Distribution of electricity	187	101		
5	C30.20 Manufacture of railway locomotives and rolling stock	107	96		
6	C24.42 Aluminium production	123	85		
7	H53.10 Postal activities under universal service obligation	102	51		
8	C24.10 Manufacture of basic iron and steel and of ferro-alloys	124	42		
9	C29.10 Manufacture of motor vehicles	346	30		
10	C29.32 Manufacture of other parts and accessories for motor vehicles	187	21		
11	G46.12 Agents involved in the sale of fuels, ores, metals and industrial chemicals	47	18		
12	Other	2,156	153		

3. GAR KPI stock turnover-based view

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i
		Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	58.37%	1.10%	0.12%	0.23%	0.44%	0.14%	0.02%	-	0.01%
2	**Financial undertakings**	**23.68%**	**2.43%**	**-**	**0.50%**	**0.70%**	**0.47%**	**0.06%**	**-**	**0.00%**
3	Credit institutions	20.47%	1.87%	-	0.48%	0.11%	0.09%	0.00%	-	0.00%
4	Loans and advances	21.92%	2.28%	-	0.95%	0.07%	0.02%	0.00%	-	0.00%
5	Debt securities, including UoP	19.27%	1.55%	-	0.11%	0.15%	0.15%	0.00%	-	0.00%
6	Equity instruments	23.85%	0.21%	-	0.22%	0.08%	0.00%	0.00%	-	-
7	Other financial corporations	41.54%	5.60%	-	0.61%	3.96%	2.58%	0.40%	-	0.01%
8	of which investment firms	27.17%	5.99%	-	0.03%	4.91%	0.00%	0.00%	-	-
9	Loans and advances	21.37%	0.43%	-	0.07%	0.10%	-	-	-	-
10	Debt securities, including UoP	33.34%	11.21%	-	0.00%	9.42%	0.00%	0.00%	-	-
11	Equity instruments	14.50%	0.24%	-	0.05%	0.07%	-	-	-	-
12	of which management companies	31.67%	0.53%	-	0.12%	0.16%	-	-	-	-
13	Loans and advances	31.65%	0.53%	-	0.12%	0.16%	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	31.67%	0.53%	-	0.12%	0.16%	-	-	-	-
16	of which insurance undertakings	2.87%	0.33%	-	0.01%	0.06%	27.83%	4.29%	-	0.00%
17	Loans and advances	1.94%	0.31%	-	0.01%	0.06%	26.76%	4.13%	-	0.00%
18	Debt securities, including UoP	5.50%	0.32%	-	0.01%	0.06%	27.48%	4.24%	-	0.00%
19	Equity instruments	2.91%	0.34%	-	0.01%	0.06%	28.28%	4.36%	-	0.00%
20	**Non-financial undertakings**	**30.13%**	**8.30%**	**1.25%**	**1.72%**	**3.64%**	**0.84%**	**0.18%**	**-**	**0.05%**
21	Loans and advances	29.52%	8.49%	1.38%	1.79%	3.66%	0.93%	0.19%	-	0.05%
22	Debt securities, including UoP	38.48%	7.40%	-	1.25%	3.91%	0.07%	0.06%	-	0.00%
23	Equity instruments	16.76%	2.17%	-	0.11%	0.26%	0.00%	-	-	-
24	**Households**	**67.81%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	94.71%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100.00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	0.03%	-	-	-	-	-	-	-	-
28	**Local governments financing**	**51.03%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-	-	-	-	-
30	Other local government financing	48.28%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**32.09%**	**0.60%**	**0.07%**	**0.13%**	**0.24%**	**0.08%**	**0.01%**	**-**	**0.00%**

		j	k	l	m	n	o	p	q
		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	-	0.00%	0.38%	0.01%	-	0.00%
2	**Financial undertakings**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.21%**	**0.03%**	**-**	**0.03%**
3	Credit institutions	0.00%	-	-	-	0.00%	0.00%	-	-
4	Loans and advances	0.00%	-	-	-	0.00%	-	-	-
5	Debt securities, including UoP	0.00%	-	-	-	0.01%	0.00%	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0.01%	0.01%	-	0.00%	1.36%	0.22%	-	0.19%
8	of which investment firms	-	-	-	-	8.22%	2.33%	-	2.33%
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	15.89%	4.51%	-	4.51%
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**0.04%**	**0.04%**	**-**	**0.00%**	**3.59%**	**0.04%**	**-**	**0.00%**
21	Loans and advances	0.03%	0.03%	-	0.00%	3.76%	0.03%	-	0.00%
22	Debt securities, including UoP	0.11%	0.11%	-	-	0.31%	0.14%	-	-
23	Equity instruments	0.00%	0.00%	-	-	13.84%	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.21%**	**0.00%**	**-**	**0.00%**

	% (compared to total covered assets in the denominator)	r	s	t	u	v	w	x	z
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.02%	0.00%	-	0.00%	0.04%	0.00%	-	0.00%
2	**Financial undertakings**	**0.02%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**-**	**0.00%**
3	Credit institutions	-	-	-	-	0.00%	-	-	-
4	Loans and advances	-	-	-	-	0.00%	-	-	-
5	Debt securities, including UoP	-	-	-	-	0.00%	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0.15%	0.03%	-	0.01%	0.01%	0.00%	-	0.00%
8	of which investment firms	1.17%	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	2.26%	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0.01%	-	-	-
17	Loans and advances	-	-	-	-	0.03%	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**0.17%**	**0.00%**	**-**	**-**	**0.41%**	**-**	**-**	**-**
21	Loans and advances	0.18%	0.00%	-	-	0.43%	-	-	-
22	Debt securities, including UoP	0.05%	-	-	-	0.26%	-	-	-
23	Equity instruments	0.00%	-	-	-	0.00%	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.02%**	**0.00%**	**-**	**0.00%**

	% (compared to total covered assets in the denominator)	aa	ab	ac	ad	ae	af
		Year ending on 31 December 2024					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	58.95%	1.14%	0.12%	0.23%	0.45%	39.18%
2	**Financial undertakings**	**24.38%**	**2.54%**	**-**	**0.50%**	**0.73%**	**4.31%**
3	Credit institutions	20.57%	1.87%	-	0.48%	0.11%	3.65%
4	Loans and advances	21.94%	2.28%	-	0.95%	0.07%	1.62%
5	Debt securities, including UoP	19.43%	1.55%	-	0.11%	0.15%	2.01%
6	Equity instruments	23.85%	0.21%	-	0.22%	0.08%	0.02%
7	Other financial corporations	45.64%	6.27%	-	0.61%	4.17%	0.66%
8	of which investment firms	36.55%	8.33%	-	0.03%	7.25%	0.05%
9	Loans and advances	21.37%	0.43%	-	0.07%	0.10%	0.02%
10	Debt securities, including UoP	51.48%	15.72%	-	0.00%	13.93%	0.03%
11	Equity instruments	14.50%	0.24%	-	0.05%	0.07%	0.00%
12	of which management companies	31.67%	0.53%	-	0.12%	0.16%	0.00%
13	Loans and advances	31.65%	0.53%	-	0.12%	0.16%	0.00%
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	31.67%	0.53%	-	0.12%	0.16%	0.00%
16	of which insurance undertakings	30.70%	4.62%	-	0.01%	0.06%	0.04%
17	Loans and advances	28.73%	4.44%	-	0.01%	0.06%	0.01%
18	Debt securities, including UoP	32.98%	4.56%	-	0.01%	0.06%	0.00%
19	Equity instruments	31.18%	4.70%	-	0.01%	0.07%	0.03%
20	**Non-financial undertakings**	**35.18%**	**8.56%**	**1.25%**	**1.72%**	**3.69%**	**3.93%**
21	Loans and advances	34.85%	8.74%	1.38%	1.79%	3.72%	3.53%
22	Debt securities, including UoP	39.28%	7.70%	-	1.25%	3.91%	0.34%
23	Equity instruments	30.61%	2.18%	-	0.11%	0.26%	0.05%
24	**Households**	**67.81%**	**-**	**-**	**-**	**-**	**29.06%**
25	of which loans collateralised by residential immovable property	94.71%	-	-	-	-	19.85%
26	of which building renovation loans	100.00%	-	-	-	-	0.90%
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	**51.03%**	**-**	**-**	**-**	**-**	**1.88%**
29	Housing financing	100.00%	-	-	-	-	0.10%
30	Other local government financing	48.28%	-	-	-	-	1.78%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**0.00%**
32	**Total GAR assets**	**32.41%**	**0.62%**	**0.07%**	**0.13%**	**0.25%**	**39.18%**

		a	b	c	d	e	f	g	h	i
		Year ending on 31 December 2023								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	74.50%	1.24%	0.23%	0.29%	0.38%	0.01%	-	-	-
2	**Financial undertakings**	**8.14%**	**0.06%**	**-**	**-**	**-**	**0.02%**	**-**	**-**	**-**
3	Credit institutions	8.64%	-	-	-	-	-	-	-	-
4	Loans and advances	7.61%	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	9.36%	-	-	-	-	-	-	-	-
6	Equity instruments	4.96%	-	-	-	-	-	-	-	-
7	Other financial corporations	3.99%	0.55%	-	-	-	0.19%	0.03%	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	0.87%	-	-	-	-	-	-	-	-
17	Loans and advances	0.01%	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	2.18%	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**37.67%**	**9.83%**	**1.85%**	**2.28%**	**3.05%**	**0.04%**	**0.03%**	**-**	**-**
21	Loans and advances	36.77%	10.13%	2.05%	2.33%	2.92%	0.04%	0.03%	-	-
22	Debt securities, including UoP	46.05%	7.15%	-	1.82%	4.23%	-	-	-	-
23	Equity instruments	30.28%	5.32%	-	0.93%	3.20%	-	-	-	-
24	**Households**	**94.38%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	94.15%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100.00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	100.00%	-	-	-	-	-	-	-	-
28	**Local governments financing**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-	-	-	-	-
30	Other local government financing	100.00%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**31.67%**	**0.53%**	**0.10%**	**0.12%**	**0.16%**	**-**	**-**	**-**	**-**

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q
		Year ending on 31 December 2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	% (compared to total covered assets in the denominator)	r	s	t	u	v	w	x	z
		Year ending on 31 December 2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

		aa	ab	ac	ad	ae	af
		Year ending on 31 December 2023					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	74.51%	1.25%	0.23%	0.29%	0.38%	29.42%
2	**Financial undertakings**	**8.16%**	**0.06%**	**-**	**-**	**-**	**4.37%**
3	Credit institutions	8.64%	-	-	-	-	3.90%
4	Loans and advances	7.61%	-	-	-	-	1.55%
5	Debt securities, including UoP	9.36%	-	-	-	-	2.33%
6	Equity instruments	4.96%	-	-	-	-	0.02%
7	Other financial corporations	4.18%	0.58%	-	-	-	0.47%
8	of which investment firms	-	-	-	-	-	0.29%
9	Loans and advances	-	-	-	-	-	0.25%
10	Debt securities, including UoP	-	-	-	-	-	0.04%
11	Equity instruments	-	-	-	-	-	0.01%
12	of which management companies	-	-	-	-	-	0.01%
13	Loans and advances	-	-	-	-	-	0.01%
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-
16	of which insurance undertakings	0.87%	-	-	-	-	0.07%
17	Loans and advances	0.01%	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	0.04%
19	Equity instruments	2.18%	-	-	-	-	0.03%
20	**Non-financial undertakings**	**37.71%**	**9.86%**	**1.85%**	**2.28%**	**3.05%**	**3.69%**
21	Loans and advances	36.81%	10.16%	2.05%	2.33%	2.92%	3.32%
22	Debt securities, including UoP	46.06%	7.15%	-	1.82%	4.23%	0.36%
23	Equity instruments	30.28%	5.32%	-	0.93%	3.20%	0.01%
24	**Households**	**94.38%**	**-**	**-**	**-**	**-**	**21.03%**
25	of which loans collateralised by residential immovable property	94.15%	-	-	-	-	20.22%
26	of which building renovation loans	100.00%	-	-	-	-	0.77%
27	of which motor vehicle loans	100.00%	-	-	-	-	0.04%
28	**Local governments financing**	**100.00%**	**-**	**-**	**-**	**-**	**0.32%**
29	Housing financing	100.00%	-	-	-	-	0.10%
30	Other local government financing	100.00%	-	-	-	-	0.22%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**0.01%**
32	**Total GAR assets**	**31.67%**	**0.53%**	**0.10%**	**0.12%**	**0.16%**	**29.43%**

4. GAR KPI flow turnover-based view

		a	b	c	d	e	f	g	h	i
		Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	35.59%	2.26%	0.19%	0.50%	1.18%	0.10%	0.01%	-	0.00%
2	**Financial undertakings**	**27.59%**	**3.13%**	**-**	**0.94%**	**0.79%**	**0.20%**	**0.03%**	**-**	**0.00%**
3	Credit institutions	24.00%	2.62%	-	1.06%	0.06%	0.02%	0.00%	-	0.00%
4	Loans and advances	26.18%	3.12%	-	1.40%	0.06%	0.03%	0.00%	-	0.00%
5	Debt securities, including UoP	18.02%	1.23%	-	0.13%	0.06%	0.02%	0.00%	-	0.00%
6	Equity instruments	-	-	-	-	-	-	-	-	-
7	Other financial corporations	48.44%	6.14%	-	0.23%	5.03%	1.26%	0.18%	-	0.00%
8	of which investment firms	30.63%	9.64%	-	0.04%	9.53%	-	-	-	-
9	Loans and advances	23.95%	0.40%	-	0.09%	0.12%	-	-	-	-
10	Debt securities, including UoP	38.61%	17.17%	-	-	17.17%	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-
12	of which management companies	31.67%	0.53%	-	0.12%	0.16%	-	-	-	-
13	Loans and advances	31.67%	0.53%	-	0.12%	0.16%	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	1.94%	0.32%	-	0.01%	0.06%	27.43%	4.23%	-	0.00%
17	Loans and advances	1.94%	0.32%	-	0.01%	0.06%	27.41%	4.23%	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	2.03%	0.33%	-	0.01%	0.06%	28.65%	4.42%	-	0.00%
20	**Non-financial undertakings**	**30.69%**	**9.97%**	**1.17%**	**1.90%**	**6.22%**	**0.38%**	**0.06%**	**-**	**0.00%**
21	Loans and advances	30.72%	10.23%	1.23%	1.99%	6.35%	0.40%	0.06%	-	0.00%
22	Debt securities, including UoP	30.46%	5.07%	-	0.31%	3.71%	0.01%	-	-	-
23	Equity instruments	2.20%	-	-	-	-	-	-	-	-
24	**Households**	**39.50%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	92.98%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100.00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**37.56%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-	-	-	-	-
30	Other local government financing	37.47%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**17.26%**	**1.10%**	**0.09%**	**0.24%**	**0.57%**	**0.05%**	**0.01%**	**-**	**0.00%**

	% (compared to flow of total eligible assets)	j	k	l	m	n	o	p	q
		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	-	0.00%	1.31%	0.02%	-	0.02%
2	**Financial undertakings**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.37%**	**0.08%**	**-**	**0.08%**
3	Credit institutions	0.00%	-	-	-	0.01%	-	-	-
4	Loans and advances	0.00%	-	-	-	0.01%	-	-	-
5	Debt securities, including UoP	0.00%	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0.00%	0.00%	-	0.00%	2.49%	0.51%	-	0.51%
8	of which investment firms	-	-	-	-	16.00%	4.54%	-	4.54%
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	28.98%	8.23%	-	8.23%
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**0.01%**	**0.01%**	**-**	**0.00%**	**7.53%**	**0.00%**	**-**	**-**
21	Loans and advances	0.01%	0.01%	-	0.00%	7.93%	0.00%	-	-
22	Debt securities, including UoP	0.01%	0.01%	-	-	0.02%	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.63%**	**0.01%**	**-**	**0.01%**

		r	s	t	u	v	w	x	z
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to flow of total eligible assets))			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	-	0.00%	0.06%	0.00%	-	0.00%
2	**Financial undertakings**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**-**	**0.00%**
3	Credit institutions	-	-	-	-	0.00%	-	-	-
4	Loans and advances	-	-	-	-	0.00%	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0.06%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
8	of which investment firms	0.31%	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	0.56%	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0.01%	-	-	-
17	Loans and advances	-	-	-	-	0.01%	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**0.02%**	**0.00%**	**-**	**-**	**0.35%**	**-**	**-**	**-**
21	Loans and advances	0.02%	0.00%	-	-	0.37%	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.03%**	**0.00%**	**-**	**0.00%**

	% (compared to flow of total eligible assets)	aa	ab	ac	ad	ae	af
		Year ending on 31 December 2024					Proportion of total new assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37.07%	2.29%	0.19%	0.50%	1.19%	28.42%
2	**Financial undertakings**	**28.18%**	**3.24%**	**-**	**0.94%**	**0.87%**	**5.68%**
3	Credit institutions	24.03%	2.62%	-	1.06%	0.06%	4.85%
4	Loans and advances	26.22%	3.12%	-	1.40%	0.06%	3.55%
5	Debt securities, including UoP	18.03%	1.23%	-	0.13%	0.06%	1.29%
6	Equity instruments	-	-	-	-	-	-
7	Other financial corporations	52.26%	6.83%	-	0.23%	5.55%	0.83%
8	of which investment firms	46.94%	14.18%	-	0.04%	14.07%	0.09%
9	Loans and advances	23.95%	0.40%	-	0.09%	0.12%	0.04%
10	Debt securities, including UoP	68.15%	25.40%	-	-	25.40%	0.05%
11	Equity instruments	-	-	-	-	-	0.01%
12	of which management companies	31.67%	0.53%	-	0.12%	0.16%	0.00%
13	Loans and advances	31.67%	0.53%	-	0.12%	0.16%	0.00%
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-
16	of which insurance undertakings	29.39%	4.55%	-	0.01%	0.06%	0.03%
17	Loans and advances	29.37%	4.54%	-	0.01%	0.06%	0.03%
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	30.68%	4.75%	-	0.01%	0.07%	0.00%
20	**Non-financial undertakings**	**38.98%**	**10.04%**	**1.17%**	**1.90%**	**6.22%**	**4.66%**
21	Loans and advances	39.45%	10.30%	1.23%	1.99%	6.35%	4.43%
22	Debt securities, including UoP	30.50%	5.08%	-	0.31%	3.71%	0.23%
23	Equity instruments	2.20%	-	-	-	-	0.00%
24	**Households**	**39.50%**	**-**	**-**	**-**	**-**	**16.80%**
25	of which loans collateralised by residential immovable property	92.98%	-	-	-	-	6.76%
26	of which building renovation loans	100.00%	-	-	-	-	0.35%
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	**37.56%**	**-**	**-**	**-**	**-**	**1.27%**
29	Housing financing	100.00%	-	-	-	-	0.00%
30	Other local government financing	37.47%	-	-	-	-	1.27%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**0.00%**
32	**Total GAR assets**	**17.97%**	**1.11%**	**0.09%**	**0.24%**	**0.58%**	**28.42%**

5. KPI off-balance sheet exposures turnover-based view, stock

	a	b	c	d	e	f	g	h	i
	Year ending on 31 December 2024								
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	40.76%	13.78%	-	0.62%	9.65%	0.12%	0.01%	-	0.00%
2 Assets under management (AuM KPI)	21.38%	6.97%	-	0.50%	3.92%	1.03%	0.14%	-	0.03%

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.02%	0.01%	-	0.00%	4.01%	0.41%	-	0.41%
2 Assets under management (AuM KPI)	0.05%	0.02%	-	0.00%	1.63%	0.11%	-	0.04%

	r	s	t	u	v	w	x	z
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	2.18%	-	-	-	0.01%	-	-	-
2 Assets under management (AuM KPI)	0.65%	0.04%	-	0.02%	0.10%	0.00%	-	0.00%

		aa	ab	ac	ad	ae
		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	47.09%	14.20%	-	0.62%	10.06%
2	Assets under management (AuM KPI)	24.84%	7.28%	-	0.50%	4.01%

		a	b	c	d	e	f	g	h	i
		Year ending on 31. December 2023								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	37.90%	16.22%	-	0.49%	3.85%	-	-	-	-
2	Assets under management (AuM KPI)	32.67%	6.14%	-	-	0.12%	2.91%	0.64%	-	-

		j	k	l	m	n	o	p	q
		Year ending on 31 December 2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

		r	s	t	u	v	w	x	z
		Year ending on 31 December 2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

		aa	ab	ac	ad	ae
		Year ending on 31 December.2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	37,90%	16,22%	-	0,49%	3,85%
2	Assets under management (AuM KPI)	35,58%	6,78%	-	-	0,12%

5. KPI off-balance sheet exposures turnover-based view, flow

		a	b	c	d	e	f	g	h	i
		Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	32.75%	10.14%	-	0.31%	8.68%	0.07%	0.02%	-	0.00%
2	Assets under management (AuM KPI)	22.44%	6.97%	-	0.49%	3.87%	0.80%	0.15%	-	0.03%

		j	k	l	m	n	o	p	q
		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.01%	0.00%	-	0.00%	6.31%	0.74%	-	0.74%
2	Assets under management (AuM KPI)	0.10%	0.04%	-	0.01%	1.56%	0.10%	-	0.04%

		r	s	t	u	v	w	x	z
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.83%	-	-	-	0.00%	-	-	-
2	Assets under management (AuM KPI)	0.68%	0.06%	-	0.01%	0.16%	0.00%	-	0.00%

	aa	ab	ac	ad	ae
	Year ending on 31 December 2024				
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	40.98%	10.91%	-	0.31%	9.42%
2 Assets under management (AuM KPI)	25.74%	7.33%	-	0.49%	3.96%

1. Assets for the calculation of GAR, CapEx-based view

		a	b	c	d	e	f	g	h	i	j
		Year ending on 31 December 2024									
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
	in EUR million	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	140,191	83,338	2,470	175	414	1,002	292	102	-	3
2	**Financial undertakings**	**15,426**	**3,818**	**546**	**-**	**86**	**221**	**143**	**72**	**-**	**2**
3	Credit institutions	13,079	2,708	280	-	66	27	84	62	-	1
4	Loans and advances	5,807	1,274	142	-	57	7	10	0	-	0
5	Debt securities, including UoP	7,196	1,417	137	-	9	19	74	62	-	1
6	Equity instruments	75	17	0	-	0	0	0	0	-	-
7	Other financial corporations	2,347	1,109	267	-	20	195	59	10	-	1
8	of which investment firms	190	63	10	-	1	4	0	0	-	-
9	Loans and advances	81	21	0	-	0	0	0	-	-	-
10	Debt securities, including UoP	98	40	10	-	1	4	0	0	-	-
11	Equity instruments	11	2	0	-	0	0	-	-	-	-
12	of which management companies	10	3	0	-	0	0	-	-	-	-
13	Loans and advances	1	0	0	-	0	0	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	9	3	0	-	0	0	-	-	-	-
16	of which insurance undertakings	138	4	1	-	0	0	38	6	-	0
17	Loans and advances	35	1	0	-	0	0	9	1	-	0
18	Debt securities, including UoP	11	1	0	-	0	0	3	0	-	0
19	Equity instruments	92	3	0	-	0	0	26	4	-	0
20	**Non-financial undertakings**	**14,050**	**5,577**	**1,924**	**175**	**328**	**781**	**149**	**31**	**-**	**1**
21	Loans and advances	12,636	4,929	1,705	175	296	674	148	30	-	1
22	Debt securities, including UoP	1,223	593	207	-	32	106	1	0	-	0
23	Equity instruments	190	55	12	-	0	1	0	0	-	0
24	**Households**	**103,991**	**70,513**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	71,036	67,281	-	-	-	-	-	-	-	-
26	of which building renovation loans	3,232	3,232	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	177	0	-	-	-	-	-	-	-	-
28	**Local governments financing**	**6,724**	**3,431**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	357	357	-	-	-	-	-	-	-	-
30	Other local government financing	6,367	3,074	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**14**	**14**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**114,828**	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	**103,130**	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	92,727	-	-	-	-	-	-	-	-	-
35	Loans and advances	89,821	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	29,057	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	1,190	-	-	-	-	-	-	-	-	-
38	Debt securities	2,554	-	-	-	-	-	-	-	-	-
39	Equity instruments	351	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	10,404	-	-	-	-	-	-	-	-	-
41	Loans and advances	8,411	-	-	-	-	-	-	-	-	-
42	Debt securities	1,979	-	-	-	-	-	-	-	-	-
43	Equity instruments	13	-	-	-	-	-	-	-	-	-
44	**Derivatives**	**180**	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	**1,152**	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	**3,154**	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**7,212**	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**255,033**	**83,352**	**2,470**	**175**	**414**	**1,002**	**292**	**102**	**-**	**3**
49	**Assets not covered for GAR calculation**	**102,801**	-	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	**52,882**	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	**38,456**	-	-	-	-	-	-	-	-	-
52	**Trading book**	**11,463**	-	-	-	-	-	-	-	-	-
53	**Total assets**	357,834	83,352	2,470	175	414	1,002	292	102	-	3
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-
54	Financial guarantees	3,096	1,393	517	-	28	300	7	2	-	0
55	Assets under management	26,258	6,855	2,746	0	203	1,470	296	67	-	25
56	Of which debt securities	17,343	4,424	1,707	0	140	879	136	45	-	21
57	Of which equity instruments	8,915	2,431	1,039	-	63	591	160	22	-	3

	in EUR million	k	l	m	n	o	p	q	r
		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	14	14	-	0	207	8	-	2
2	**Financial undertakings**	**1**	**1**	**-**	**0**	**25**	**3**	**-**	**2**
3	Credit institutions	0	-	-	-	1	0	-	-
4	Loans and advances	0	-	-	-	0	-	-	-
5	Debt securities, including UoP	0	-	-	-	0	0	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	1	1	-	0	24	3	-	2
8	of which investment firms	0	-	-	-	12	2	-	2
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	0	-	-	-	12	2	-	2
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0	-	-	-
17	Loans and advances	-	-	-	-	0	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**13**	**13**	**-**	**0**	**182**	**5**	**-**	**0**
21	Loans and advances	9	9	-	0	172	5	-	0
22	Debt securities, including UoP	4	4	-	-	3	0	-	-
23	Equity instruments	0	-	-	-	7	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**14**	**14**	**-**	**0**	**207**	**8**	**-**	**2**
49	**Assets not covered for GAR calculation**	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-	-	-	-
52	**Trading book**	-	-	-	-	-	-	-	-
53	**Total assets**	**14**	**14**	**-**	**0**	**207**	**8**	**-**	**2**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
54	Financial guarantees	0	-	-	-	111	6	-	6
55	Assets under management	23	11	-	5	275	8	-	7
56	Of which debt securities	18	10	-	5	103	5	-	4
57	Of which equity instruments	5	0	-	0	172	3	-	3

	in EUR million	s	t	u	v	w	x	z	aa
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21	1	-	0	8	0	-	0
2	**Financial undertakings**	**2**	**1**	**-**	**0**	**1**	**0**	**-**	**0**
3	Credit institutions	-	-	-	-	0	-	-	-
4	Loans and advances	-	-	-	-	0	-	-	-
5	Debt securities, including UoP	-	-	-	-	0	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	2	1	-	0	1	0	-	0
8	of which investment firms	1	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	1	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0	-	-	-
17	Loans and advances	-	-	-	-	0	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**19**	**0**	**-**	**-**	**7**	**0**	**-**	**-**
21	Loans and advances	19	0	-	-	7	0	-	-
22	Debt securities, including UoP	0	-	-	-	-	-	-	-
23	Equity instruments	0	-	-	-	0	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	**Derivatives**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
45	**On demand interbank loans**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
46	**Cash and cash-related assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
48	**Total GAR assets**	**21**	**1**	**-**	**0**	**8**	**0**	**-**	**0**
49	**Assets not covered for GAR calculation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
50	**Central governments and Supranational issuers**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
51	**Central banks exposure**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
52	**Trading book**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
53	**Total assets**	**21**	**1**	**-**	**0**	**8**	**0**	**-**	**0**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
54	Financial guarantees	17	-	-	-	0	-	-	-
55	Assets under management	133	8	-	6	7	4	-	4
56	Of which debt securities	63	7	-	6	6	4	-	4
57	Of which equity instruments	71	0	-	0	1	0	-	-

	in EUR million	ab	ac	ad	ae	af
		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	83,880	2,596	175	414	1,008
2	**Financial undertakings**	**3,989**	**622**	**-**	**86**	**227**
3	Credit institutions	2,793	341	-	66	28
4	Loans and advances	1,284	142	-	57	7
5	Debt securities, including UoP	1,492	199	-	9	20
6	Equity instruments	17	0	-	0	0
7	Other financial corporations	1,195	281	-	20	199
8	of which investment firms	76	12	-	1	6
9	Loans and advances	21	0	-	0	0
10	Debt securities, including UoP	53	12	-	1	6
11	Equity instruments	2	0	-	0	0
12	of which management companies	3	0	-	0	0
13	Loans and advances	0	0	-	0	0
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	3	0	-	0	0
16	of which insurance undertakings	42	7	-	0	0
17	Loans and advances	10	2	-	0	0
18	Debt securities, including UoP	4	1	-	0	0
19	Equity instruments	29	4	-	0	0
20	**Non-financial undertakings**	**5,948**	**1,973**	**175**	**328**	**782**
21	Loans and advances	5,285	1,750	175	296	675
22	Debt securities, including UoP	600	211	-	32	106
23	Equity instruments	62	12	-	0	1
24	**Households**	**70,513**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	67,281	-	-	-	-
26	of which building renovation loans	3,232	-	-	-	-
27	of which motor vehicle loans	0	-	-	-	-
28	**Local governments financing**	**3,431**	**-**	**-**	**-**	**-**
29	Housing financing	357	-	-	-	-
30	Other local government financing	3,074	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**14**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
35	Loans and advances	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-
38	Debt securities	-	-	-	-	-
39	Equity instruments	-	-	-	-	-

40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
41	Loans and advances	-	-	-	-	-
42	Debt securities	-	-	-	-	-
43	Equity instruments	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-
48	**Total GAR assets**	**83,894**	**2,596**	**175**	**414**	**1,008**
49	**Assets not covered for GAR calculation**	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-
52	**Trading book**	-	-	-	-	-
53	**Total assets**	**83,894**	**2,596**	**175**	**414**	**1,008**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-
54	Financial guarantees	1,528	524	-	28	306
55	Assets under management	7,589	2,844	0	203	1,517
56	Of which debt securities	4,750	1,779	0	140	919
57	Of which equity instruments	2,839	1,065	-	63	598

	a	b	c	d	e	f	g	h	i	j
	Year ending on 31 December 2023									
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
in EUR million	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator										
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100,405	75,683	1,773	233	186	645	10	6	-	6
2 Financial undertakings	**14,921**	**1,181**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**
3 Credit institutions	13,315	1,147	-	-	-	-	-	-	-	-
4 Loans and advances	5,292	396	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	7,945	747	-	-	-	-	-	-	-	-
6 Equity instruments	78	4	-	-	-	-	-	-	-	-
7 Other financial corporations	1,607	34	8	-	-	-	1	-	-	-
8 of which investment firms	998	-	-	-	-	-	-	-	-	-
9 Loans and advances	849	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	130	-	-	-	-	-	-	-	-	-
11 Equity instruments	19	-	-	-	-	-	-	-	-	-
12 of which management companies	33	-	-	-	-	-	-	-	-	-
13 Loans and advances	29	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	4	-	-	-	-	-	-	-	-	-
15 Equity instruments	1	-	-	-	-	-	-	-	-	-
16 of which insurance undertakings	225	-	-	-	-	-	-	-	-	-
17 Loans and advances	14	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	121	-	-	-	-	-	-	-	-	-
19 Equity instruments	90	-	-	-	-	-	-	-	-	-
20 Non-financial undertakings	**12,603**	**5,658**	**1,773**	**233**	**186**	**645**	**8**	**6**	**-**	**6**
21 Loans and advances	11,341	4,976	1,598	233	158	546	8	6	-	6
22 Debt securities, including UoP	1,237	670	171	-	29	96	-	-	-	-
23 Equity instruments	25	12	4	-	-	3	-	-	-	-
24 Households	**71,781**	**67,744**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25 of which loans collateralised by residential immovable property	69,012	64,975	-	-	-	-	-	-	-	-
26 of which building renovation loans	2,643	2,643	-	-	-	-	-	-	-	-
27 of which motor vehicle loans	126	126	-	-	-	-	-	-	-	-
28 Local governments financing	**1,100**	**1,100**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29 Housing financing	347	347	-	-	-	-	-	-	-	-
30 Other local government financing	752	752	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	**21**	**21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	**135,851**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

33	**Financial and Non-financial undertakings**	**97,468**	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	87,652	-	-	-	-	-	-	-	-	-
35	Loans and advances	86,176	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	28,880	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	992	-	-	-	-	-	-	-	-	-
38	Debt securities	855	-	-	-	-	-	-	-	-	-
39	Equity instruments	620	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	9,816	-	-	-	-	-	-	-	-	-
41	Loans and advances	7,621	-	-	-	-	-	-	-	-	-
42	Debt securities	2,165	-	-	-	-	-	-	-	-	-
43	Equity instruments	30	-	-	-	-	-	-	-	-	-
44	**Derivatives**	**184**	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	**863**	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	**3,232**	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**34,104**	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**236,277**	**75,704**	**1,773**	**233**	**186**	**645**	**10**	**6**	**-**	**6**
49	**Assets not covered for GAR calculation**	**105,010**	-	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	**48,894**	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	**47,343**	-	-	-	-	-	-	-	-	-
52	**Trading book**	**8,773**	-	-	-	-	-	-	-	-	-
53	**Total assets**	**341,287**	**75,704**	**1,773**	**233**	**186**	**645**	**10**	**6**	**-**	**6**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	2,162	950	416	-	12	90	2	1	-	1
55	Assets under management	23,547	4,719	1,849	-	-	29	96	38	-	-
56	Of which debt securities	14,048	2,487	941	-	-	4	53	20	-	-
57	Of which equity instruments	9,499	2,232	908	-	-	25	43	17	-	-

	in EUR million	k	l	m	n	o	p	q	r
		Year ending on 31 December 2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-	-	-	-
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-	-	-	-
52	**Trading book**	-	-	-	-	-	-	-	-
53	**Total assets**	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

in EUR million	s	t	u	v	w	x	z	aa
	Year ending on 31 December 2023							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2 Financial undertakings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3 Credit institutions	-	-	-	-	-	-	-	-
4 Loans and advances	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-
7 Other financial corporations	-	-	-	-	-	-	-	-
8 of which investment firms	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-
12 of which management companies	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-
15 Equity instruments	-	-	-	-	-	-	-	-
16 of which insurance undertakings	-	-	-	-	-	-	-	-
17 Loans and advances	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-
19 Equity instruments	-	-	-	-	-	-	-	-
20 Non-financial undertakings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21 Loans and advances	-	-	-	-	-	-	-	-
22 Debt securities, including UoP	-	-	-	-	-	-	-	-
23 Equity instruments	-	-	-	-	-	-	-	-
24 Households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25 of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26 of which building renovation loans	-	-	-	-	-	-	-	-
27 of which motor vehicle loans	-	-	-	-	-	-	-	-
28 Local governments financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29 Housing financing	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33 Financial and Non-financial undertakings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
35 Loans and advances	-	-	-	-	-	-	-	-
36 of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-

37	of which building renovation loans	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-	-	-	-
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-	-	-	-
52	**Trading book**	-	-	-	-	-	-	-	-
53	**Total assets**	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations								
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	in EUR million	ab	ac	ad	ae	af
		Year ending on 31 December 2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	75,693	1,787	233	186	651
2	**Financial undertakings**	**1,182**	**8**	**-**	**-**	**-**
3	Credit institutions	1,147	-	-	-	-
4	Loans and advances	396	-	-	-	-
5	Debt securities, including UoP	747	-	-	-	-
6	Equity instruments	4	-	-	-	-
7	Other financial corporations	36	8	-	-	-
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-	-	-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-	-	-	-
20	**Non-financial undertakings**	**5,666**	**1,779**	**233**	**186**	**651**
21	Loans and advances	4,984	1,604	233	158	552
22	Debt securities, including UoP	670	171	-	29	96
23	Equity instruments	12	4	-	-	3
24	**Households**	**67,744**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	64,975	-	-	-	-
26	of which building renovation loans	2,643	-	-	-	-
27	of which motor vehicle loans	126	-	-	-	-
28	**Local governments financing**	**1,100**	**-**	**-**	**-**	**-**
29	Housing financing	347	-	-	-	-
30	Other local government financing	752	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**21**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-
35	Loans and advances	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-
38	Debt securities	-	-	-	-	-
39	Equity instruments	-	-	-	-	-

40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-
41	Loans and advances	-	-	-	-	-
42	Debt securities	-	-	-	-	-
43	Equity instruments	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-
48	**Total GAR assets**	**75,714**	**1,787**	**233**	**186**	**651**
49	**Assets not covered for GAR calculation**	-	-	-	-	-
50	**Central governments and Supranational issuers**	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-
52	**Trading book**	-	-	-	-	-
53	**Total assets**	**75,714**	**1,787**	**233**	**186**	**651**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
54	Financial guarantees	950	417	-	12	91
55	Assets under management	4,814	1,887	-	-	29
56	Of which debt securities	2,539	962	-	-	4
57	Of which equity instruments	2,275	925	-	-	25

2. GAR sector information, CapEx-based view

		a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (CCM)	in EUR million	Of which environmentally sustainable (CCM)	in EUR million	Of which environmentally sustainable (CCA)	in EUR million	Of which environmentally sustainable (CCA)
1	D35.11 Production of electricity	672	570			0	0		
2	D35.13 Distribution of electricity	310	177						
3	H49.50 Transport via pipeline	333	174						
4	C23.32 Manufacture of bricks, tiles and construction products, in baked clay	183	171						
5	L68.20 Renting and operating of own or leased real estate	921	112			85	13		
6	H53.10 Postal activities under universal service obligation	95	86						
7	C30.20 Manufacture of railway locomotives and rolling stock	95	84						
8	C24.42 Aluminium production	103	82						
9	C29.10 Manufacture of motor vehicles	302	59			3	1		
10	C29.32 Manufacture of other parts and accessories for motor vehicles	218	44						
11	D35.12 Transmission of electricity	40	40						
12	Other	2,305	326			61	17		

		i	j	k	l	m	n	o	p
		Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in EUR million	Of which environmentally sustainable (WTR)	in EUR million	Of which environmentally sustainable (WTR)	in EUR million	Of which environmentally sustainable (CE)	in EUR million	Of which environmentally sustainable (CE)
1	D35.11 Production of electricity	1	1			0	0		
2	D35.13 Distribution of electricity								
3	H49.50 Transport via pipeline								
4	C23.32 Manufacture of bricks, tiles and construction products, in baked clay								
5	L68.20 Renting and operating of own or leased real estate	0				0			
6	H53.10 Postal activities under universal service obligation					0	0		
7	C30.20 Manufacture of railway locomotives and rolling stock					0	0		
8	C24.42 Aluminium production								
9	C29.10 Manufacture of motor vehicles								
10	C29.32 Manufacture of other parts and accessories for motor vehicles					1			
11	D35.12 Transmission of electricity								
12	Other	12	12			182	5		

	Breakdown by sector - NACE 4 digits level (code and label)	q	r	s	t	u	v	w	x
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		in EUR million	Of which environmentally sustainable (PPC)	in EUR million	Of which environmentally sustainable (PPC)	in EUR million	Of which environmentally sustainable (BIO)	in EUR million	Of which environmentally sustainable (BIO)
1	D35.11 Production of electricity								
2	D35.13 Distribution of electricity								
3	H49.50 Transport via pipeline								
4	C23.32 Manufacture of bricks, tiles and construction products, in baked clay								
5	L68.20 Renting and operating of own or leased real estate								
6	H53.10 Postal activities under universal service obligation								
7	C30.20 Manufacture of railway locomotives and rolling stock								
8	C24.42 Aluminium production								
9	C29.10 Manufacture of motor vehicles								
10	C29.32 Manufacture of other parts and accessories for motor vehicles								
11	D35.12 Transmission of electricity								
12	Other	19	0			7	0		

	Breakdown by sector - NACE 4 digits level (code and label)	y	z	aa	Ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		in EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	in EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	D35.11 Production of electricity	673	571		
2	D35.13 Distribution of electricity	310	177		
3	H49.50 Transport via pipeline	333	174		
4	C23.32 Manufacture of bricks, tiles and construction products, in baked clay	183	171		
5	L68.20 Renting and operating of own or leased real estate	1,006	126		
6	H53.10 Postal activities under universal service obligation	95	86		
7	C30.20 Manufacture of railway locomotives and rolling stock	95	84		
8	C24.42 Aluminium production	103	82		
9	C29.10 Manufacture of motor vehicles	305	60		
10	C29.32 Manufacture of other parts and accessories for motor vehicles	219	44		
11	D35.12 Transmission of electricity	40	40		
12	Other	2,586	361		

3. GAR KPI stock CapEx-based view

		a	b	c	d	e	f	g	h	i
		Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	59.45%	1.76%	0.12%	0.30%	0.71%	0.21%	0.07%	-	0.00%
2	**Financial undertakings**	**24.75%**	**3.54%**	**-**	**0.56%**	**1.44%**	**0.93%**	**0.46%**	**-**	**0.01%**
3	Credit institutions	20.71%	2.14%	-	0.50%	0.20%	0.64%	0.47%	-	0.01%
4	Loans and advances	21.95%	2.45%	-	0.97%	0.13%	0.17%	0.00%	-	0.00%
5	Debt securities, including UoP	19.70%	1.91%	-	0.13%	0.27%	1.03%	0.86%	-	0.01%
6	Equity instruments	22.08%	0.59%	-	0.05%	0.01%	0.00%	0.00%	-	-
7	Other financial corporations	47.26%	11.37%	-	0.87%	8.30%	2.52%	0.42%	-	0.03%
8	of which investment firms	32.98%	5.41%	-	0.37%	2.09%	0.01%	0.00%	-	-
9	Loans and advances	25.70%	0.56%	-	0.06%	0.21%	0.02%	-	-	-
10	Debt securities, including UoP	40.98%	9.96%	-	0.66%	3.86%	0.00%	0.00%	-	-
11	Equity instruments	14.67%	0.34%	-	0.04%	0.12%	-	-	-	-
12	of which management companies	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
13	Loans and advances	32.02%	0.75%	-	0.08%	0.27%	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
16	of which insurance undertakings	2.95%	0.43%	-	0.02%	0.08%	27.85%	4.30%	-	0.00%
17	Loans and advances	2.05%	0.40%	-	0.02%	0.08%	26.76%	4.13%	-	0.00%
18	Debt securities, including UoP	5.58%	0.42%	-	0.02%	0.08%	27.50%	4.25%	-	0.00%
19	Equity instruments	2.99%	0.44%	-	0.02%	0.08%	28.30%	4.37%	-	0.00%
20	**Non-financial undertakings**	**39.69%**	**13.69%**	**1.25%**	**2.33%**	**5.56%**	**1.06%**	**0.22%**	**-**	**0.01%**
21	Loans and advances	39.01%	13.49%	1.38%	2.34%	5.33%	1.17%	0.24%	-	0.01%
22	Debt securities, including UoP	48.44%	16.91%	-	2.58%	8.65%	0.06%	0.02%	-	0.00%
23	Equity instruments	28.84%	6.25%	-	0.25%	0.48%	0.00%	0.00%	-	0.00%
24	**Households**	**67.81%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	94.71%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100.00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	0.03%	-	-	-	-	-	-	-	-
28	**Local governments financing**	**51.03%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-	-	-	-	-
30	Other local government financing	48.28%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**32.68%**	**0.97%**	**0.07%**	**0.16%**	**0.39%**	**0.11%**	**0.04%**	**-**	**0.00%**

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q
		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	0.01%	-	0.00%	0.15%	0.01%	-	0.00%
2	**Financial undertakings**	**0.01%**	**0.01%**	**-**	**0.00%**	**0.16%**	**0.02%**	**-**	**0.02%**
3	Credit institutions	0.00%	-	-	-	0.01%	0.00%	-	-
4	Loans and advances	0.00%	-	-	-	0.00%	-	-	-
5	Debt securities, including UoP	0.00%	-	-	-	0.01%	0.00%	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0.04%	0.04%	-	0.02%	1.02%	0.11%	-	0.10%
8	of which investment firms	0.00%	-	-	-	6.34%	1.08%	-	1.07%
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	0.00%	-	-	-	12.27%	2.08%	-	2.07%
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0.00%	-	-	-
17	Loans and advances	-	-	-	-	0.00%	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**0.09%**	**0.09%**	**-**	**0.00%**	**1.30%**	**0.04%**	**-**	**0.00%**
21	Loans and advances	0.07%	0.07%	-	0.00%	1.36%	0.04%	-	0.00%
22	Debt securities, including UoP	0.32%	0.32%	-	-	0.23%	0.00%	-	-
23	Equity instruments	0.00%	-	-	-	3.79%	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.01%**	**0.01%**	**-**	**0.00%**	**0.08%**	**0.00%**	**-**	**0.00%**

% (compared to total covered assets in the denominator)		r	s	t	u	v	w	x	z
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.02%	0.00%	-	0.00%	0.01%	0.00%	-	0.00%
2	**Financial undertakings**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**-**	**0.00%**
3	Credit institutions	-	-	-	-	0.00%	-	-	-
4	Loans and advances	-	-	-	-	0.00%	-	-	-
5	Debt securities, including UoP	-	-	-	-	0.00%	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0.07%	0.02%	-	0.02%	0.02%	0.02%	-	0.02%
8	of which investment firms	0.37%	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	0.72%	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0.00%	-	-	-
17	Loans and advances	-	-	-	-	0.02%	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**0.14%**	**0.00%**	**-**	**-**	**0.05%**	**0.00%**	**-**	**-**
21	Loans and advances	0.15%	0.00%	-	-	0.06%	0.00%	-	-
22	Debt securities, including UoP	0.02%	-	-	-	-	-	-	-
23	Equity instruments	0.00%	-	-	-	0.00%	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**-**	**0.00%**

		aa	ab	ac	ad	ae	af
		Year ending on 31 December 2024					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	59.83%	1.85%	0.12%	0.30%	0.72%	39.18%
2	**Financial undertakings**	**25.86%**	**4.03%**	**-**	**0.56%**	**1.47%**	**4.31%**
3	Credit institutions	21.36%	2.61%	-	0.50%	0.21%	3.65%
4	Loans and advances	22.12%	2.45%	-	0.97%	0.13%	1.62%
5	Debt securities, including UoP	20.74%	2.76%	-	0.13%	0.28%	2.01%
6	Equity instruments	22.08%	0.59%	-	0.05%	0.01%	0.02%
7	Other financial corporations	50.94%	11.97%	-	0.87%	8.48%	0.66%
8	of which investment firms	39.71%	6.49%	-	0.37%	3.17%	0.05%
9	Loans and advances	25.72%	0.56%	-	0.06%	0.21%	0.02%
10	Debt securities, including UoP	53.97%	12.05%	-	0.66%	5.94%	0.03%
11	Equity instruments	14.67%	0.34%	-	0.04%	0.12%	0.00%
12	of which management companies	32.04%	0.75%	-	0.08%	0.27%	0.00%
13	Loans and advances	32.02%	0.75%	-	0.08%	0.27%	0.00%
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	32.04%	0.75%	-	0.08%	0.27%	0.00%
16	of which insurance undertakings	30.81%	4.72%	-	0.02%	0.09%	0.04%
17	Loans and advances	28.84%	4.53%	-	0.02%	0.08%	0.01%
18	Debt securities, including UoP	33.08%	4.66%	-	0.02%	0.09%	0.00%
19	Equity instruments	31.29%	4.81%	-	0.02%	0.09%	0.03%
20	**Non-financial undertakings**	**42.33%**	**14.05%**	**1.25%**	**2.33%**	**5.56%**	**3.93%**
21	Loans and advances	41.83%	13.85%	1.38%	2.34%	5.34%	3.53%
22	Debt securities, including UoP	49.07%	17.25%	-	2.58%	8.65%	0.34%
23	Equity instruments	32.63%	6.25%	-	0.25%	0.48%	0.05%
24	**Households**	**67.81%**	**-**	**-**	**-**	**-**	**29.06%**
25	of which loans collateralised by residential immovable property	94.71%	-	-	-	-	19.85%
26	of which building renovation loans	100.00%	-	-	-	-	0.90%
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	**51.03%**	**-**	**-**	**-**	**-**	**1.88%**
29	Housing financing	100.00%	-	-	-	-	0.10%
30	Other local government financing	48.28%	-	-	-	-	1.78%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**0.00%**
32	**Total GAR assets**	**32.90%**	**1.02%**	**0.07%**	**0.16%**	**0.40%**	**39.18%**

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i
		Year ending on 31 December 2023								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	75.38%	1.77%	0.23%	0.19%	0.64%	0.01%	0.01%	-	0.01%
2	**Financial undertakings**	**7.92%**	**-**	**-**	**-**	**-**	**0.01%**	**-**	**-**	**-**
3	Credit institutions	8.61%	-	-	-	-	-	-	-	-
4	Loans and advances	7.49%	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	9.40%	-	-	-	-	-	-	-	-
6	Equity instruments	4.96%	-	-	-	-	-	-	-	-
7	Other financial corporations	2.14%	0.50%	-	-	-	0.09%	0.02%	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**44.89%**	**14.07%**	**1.85%**	**1.48%**	**5.11%**	**0.07%**	**0.05%**	**-**	**0.05%**
21	Loans and advances	43.87%	14.09%	2.05%	1.39%	4.81%	0.07%	0.05%	-	0.05%
22	Debt securities, including UoP	54.17%	13.80%	-	2.31%	7.76%	-	-	-	-
23	Equity instruments	47.56%	17.48%	-	1.06%	10.21%	-	-	-	-
24	**Households**	**94.38%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	94.15%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100.00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	100.00%	-	-	-	-	-	-	-	-
28	**Local governments financing**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-	-	-	-	-
30	Other local government financing	100.00%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**32.04%**	**0.75%**	**0.10%**	**0.08%**	**0.27%**	**-**	**-**	**-**	**-**

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q
		Year ending on 31 December 2023							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

		r	s	t	u	v	w	x	z
		Year ending on 31 December 2023							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

		aa	ab	ac	ad	ae	af
		Year ending on 31 December 2023					Proportion of total assets covered
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	75.39%	1.78%	0.23%	0.19%	0.65%	29.42%
2	**Financial undertakings**	**7.92%**	**0.06%**	**-**	**-**	**-**	**4.37%**
3	Credit institutions	8.61%	-	-	-	-	3.90%
4	Loans and advances	7.49%	-	-	-	-	1.55%
5	Debt securities, including UoP	9.40%	-	-	-	-	2.33%
6	Equity instruments	4.96%	-	-	-	-	0.02%
7	Other financial corporations	2.24%	0.52%	-	-	-	0.47%
8	of which investment firms	-	-	-	-	-	0.29%
9	Loans and advances	-	-	-	-	-	0.25%
10	Debt securities, including UoP	-	-	-	-	-	0.04%
11	Equity instruments	-	-	-	-	-	0.01%
12	of which management companies	-	-	-	-	-	0.01%
13	Loans and advances	-	-	-	-	-	0.01%
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	0.07%
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	0.04%
19	Equity instruments	-	-	-	-	-	0.03%
20	**Non-financial undertakings**	**44.96%**	**14.12%**	**1.85%**	**1.48%**	**5.16%**	**3.69%**
21	Loans and advances	43.95%	14.14%	2.05%	1.39%	4.87%	3.32%
22	Debt securities, including UoP	54.17%	13.80%	-	2.31%	7.76%	0.36%
23	Equity instruments	47.56%	17.48%	-	1.06%	10.21%	0.01%
24	**Households**	**94.38%**	**-**	**-**	**-**	**-**	**21.03%**
25	of which loans collateralised by residential immovable property	94.15%	-	-	-	-	20.22%
26	of which building renovation loans	100.00%	-	-	-	-	0.77%
27	of which motor vehicle loans	100.00%	-	-	-	-	0.04%
28	**Local governments financing**	**100.00%**	**-**	**-**	**-**	**-**	**0.32%**
29	Housing financing	100.00%	-	-	-	-	0.10%
30	Other local government financing	100.00%	-	-	-	-	0.22%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**0.01%**
32	**Total GAR assets**	**32.04%**	**0.76%**	**0.10%**	**0.08%**	**0.28%**	**29.43%**

4. GAR KPI flow CapEx-based view

		a	b	c	d	e	f	g	h	i
		Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	37.73%	3.28%	0.19%	0.56%	1.74%	0.27%	0.06%	-	0.00%
2	**Financial undertakings**	**28.22%**	**4.01%**	**-**	**0.96%**	**1.31%**	**0.36%**	**0.03%**	**-**	**0.00%**
3	Credit institutions	23.99%	2.77%	-	1.07%	0.10%	0.19%	0.00%	-	0.00%
4	Loans and advances	26.13%	3.24%	-	1.40%	0.10%	0.25%	0.00%	-	0.00%
5	Debt securities, including UoP	18.13%	1.49%	-	0.15%	0.12%	0.03%	0.00%	-	0.00%
6	Equity instruments	-	-	-	-	-	-	-	-	-
7	Other financial corporations	52.77%	11.19%	-	0.34%	8.32%	1.32%	0.21%	-	0.01%
8	of which investment firms	36.93%	8.17%	-	0.69%	3.90%	-	-	-	-
9	Loans and advances	24.23%	0.57%	-	0.06%	0.20%	-	-	-	-
10	Debt securities, including UoP	49.82%	14.40%	-	1.20%	6.92%	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-
12	of which management companies	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
13	Loans and advances	32.04%	0.75%	-	0.08%	0.27%	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	2.04%	0.41%	-	0.02%	0.08%	27.44%	4.24%	-	0.00%
17	Loans and advances	2.04%	0.41%	-	0.02%	0.08%	27.42%	4.23%	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	2.11%	0.43%	-	0.02%	0.09%	28.67%	4.43%	-	0.00%
20	**Non-financial undertakings**	**42.95%**	**15.12%**	**1.17%**	**2.22%**	**9.03%**	**1.23%**	**0.33%**	**-**	**0.00%**
21	Loans and advances	43.27%	15.35%	1.23%	2.31%	9.16%	1.30%	0.35%	-	0.00%
22	Debt securities, including UoP	37.18%	10.87%	-	0.59%	6.47%	0.00%	-	-	-
23	Equity instruments	18.50%	-	-	-	-	-	-	-	-
24	**Households**	**39.50%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	92.98%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100.00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**37.56%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-	-	-	-	-
30	Other local government financing	37.47%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**18.29%**	**1.59%**	**0.09%**	**0.27%**	**0.84%**	**0.13%**	**0.03%**	**-**	**0.00%**

	% (compared to flow of total eligible assets)	j	k	l	m	n	o	p	q
		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	-	0.00%	0.52%	0.02%	-	0.01%
2	**Financial undertakings**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.29%**	**0.03%**	**-**	**0.03%**
3	Credit institutions	0.00%	-	-	-	0.01%	-	-	-
4	Loans and advances	0.00%	-	-	-	0.01%	-	-	-
5	Debt securities, including UoP	0.00%	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0.01%	0.01%	-	0.00%	1.96%	0.24%	-	0.23%
8	of which investment firms	-	-	-	-	12.36%	2.10%	-	2.09%
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	22.38%	3.80%	-	3.78%
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0.00%	-	-	-
17	Loans and advances	-	-	-	-	0.00%	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**0.01%**	**0.01%**	**-**	**0.00%**	**2.81%**	**0.06%**	**-**	**-**
21	Loans and advances	0.01%	0.01%	-	0.00%	2.95%	0.07%	-	-
22	Debt securities, including UoP	0.01%	0.01%	-	-	0.02%	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.25%**	**0.01%**	**-**	**0.00%**

	% (compared to flow of total eligible assets))	r	s	t	u	v	w	x	z
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
2	**Financial undertakings**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**-**	**0.00%**
3	Credit institutions	-	-	-	-	0.00%	-	-	-
4	Loans and advances	-	-	-	-	0.00%	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other financial corporations	0.01%	0.00%	-	0.00%	0.01%	0.00%	-	0.00%
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	0.01%	-	-	-
17	Loans and advances	-	-	-	-	0.01%	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	**0.06%**	**0.01%**	**-**	**-**	**0.01%**	**0.00%**	**-**	**-**
21	Loans and advances	0.06%	0.01%	-	-	0.01%	0.00%	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**-**	**0.00%**

	% (compared to flow of total eligible assets)	aa	ab	ac	ad	ae	af
		Year ending on 31 December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	38.53%	3.36%	0.19%	0.56%	1.75%	28.42%
2	**Financial undertakings**	**28.87%**	**4.08%**	**-**	**0.96%**	**1.34%**	**5.68%**
3	Credit institutions	24.19%	2.78%	-	1.07%	0.10%	4.85%
4	Loans and advances	26.39%	3.24%	-	1.40%	0.10%	3.55%
5	Debt securities, including UoP	18.16%	1.49%	-	0.15%	0.12%	1.29%
6	Equity instruments	-	-	-	-	-	-
7	Other financial corporations	56.07%	11.64%	-	0.34%	8.56%	0.83%
8	of which investment firms	49.29%	10.27%	-	0.69%	5.99%	0.09%
9	Loans and advances	24.23%	0.57%	-	0.06%	0.20%	0.04%
10	Debt securities, including UoP	72.20%	18.20%	-	1.20%	10.70%	0.05%
11	Equity instruments	-	-	-	-	-	0.01%
12	of which management companies	32.04%	0.75%	-	0.08%	0.27%	0.00%
13	Loans and advances	32.04%	0.75%	-	0.08%	0.27%	0.00%
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-
16	of which insurance undertakings	29.49%	4.65%	-	0.02%	0.09%	0.03%
17	Loans and advances	29.47%	4.64%	-	0.02%	0.09%	0.03%
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	30.78%	4.85%	-	0.02%	0.09%	0.00%
20	**Non-financial undertakings**	**47.07%**	**15.54%**	**1.17%**	**2.22%**	**9.03%**	**4.66%**
21	Loans and advances	47.60%	15.79%	1.23%	2.31%	9.17%	4.43%
22	Debt securities, including UoP	37.21%	10.88%	-	0.59%	6.47%	0.23%
23	Equity instruments	18.50%	-	-	-	-	0.00%
24	**Households**	**39.50%**	**-**	**-**	**-**	**-**	**16.80%**
25	of which loans collateralised by residential immovable property	92.98%	-	-	-	-	6.76%
26	of which building renovation loans	100.00%	-	-	-	-	0.35%
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	**37.56%**	**-**	**-**	**-**	**-**	**1.27%**
29	Housing financing	100.00%	-	-	-	-	0.00%
30	Other local government financing	37.47%	-	-	-	-	1.27%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.00%**	**-**	**-**	**-**	**-**	**0.00%**
32	**Total GAR assets**	**18.68%**	**1.63%**	**0.09%**	**0.27%**	**0.85%**	**28.42%**

5. KPI off-balance sheet exposures CapEx-based view, stock

	a	b	c	d	e	f	g	h	i
	Year ending on 31 December 2024								
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	45.00%	16.69%	-	0.90%	9.71%	0.22%	0.06%	-	0.00%
2 Assets under management (AuM KPI)	26.11%	10.46%	0.00%	0.77%	5.60%	1.13%	0.26%	-	0.09%

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.00%	-	-	-	3.57%	0.19%	-	0.19%
2 Assets under management (AuM KPI)	0.09%	0.04%	-	0.02%	1.05%	0.03%	-	0.03%

	r	s	t	u	v	w	x	z
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.56%	-	-	-	0.00%	-	-	-
2 Assets under management (AuM KPI)	0.51%	0.03%	-	0.02%	0.03%	0.02%	-	0.01%

% (compared to total eligible off-balance sheet assets)	aa	ab	ac	ad	ae
	Year ending on 31 December 2024				
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	49.36%	16.94%	-	0.90%	9.90%
2 Assets under management (AuM KPI)	28.90%	10.83%	0.00%	0.77%	5.78%

% (compared to total eligible off-balance sheet assets)	a	b	c	d	e	f	g	h	i
	Year ending on 31 December 2023								
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	43.93%	19.25%	-	0.55%	4.19%	0.10%	0.05%	-	0.05%
2 Assets under management (AuM KPI)	20.04%	7.85%	-	-	0.12%	0.41%	0.16%	-	-

% (compared to total eligible off-balance sheet assets)	j	k	l	m	n	o	p	q
	Year ending on 31 December 2023							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

% (compared to total eligible off-balance sheet assets)	r	s	t	u	v	w	x	z
	Year ending on 31 December 2023							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

	aa	ab	ac	ad	ae
	Year ending on 31 December 2023				
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	43.93%	19.29%	-	0.55%	4.23%
2 Assets under management (AuM KPI)	20.45%	8.01%	-	-	0.12%

5. KPI off-balance sheet exposures CapEx-based view, flow

	a	b	c	d	e	f	g	h	i
	Year ending on 31 December 2024								
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	38.04%	13.45%	-	0.41%	7.97%	0.11%	0.02%	-	0.01%
2 Assets under management (AuM KPI)	27.46%	10.81%	0.00%	0.76%	5.67%	0.99%	0.22%	-	0.07%

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.00%	-	-	-	5.62%	0.34%	-	0.34%
2 Assets under management (AuM KPI)	0.16%	0.08%	-	0.03%	1.11%	0.05%	-	0.04%

	r	s	t	u	v	w	x	z
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.41%	-	-	-	0.00%	-	-	-
2 Assets under management (AuM KPI)	0.48%	0.04%	-	0.03%	0.04%	0.03%	-	0.02%

		aa	ab	ac	ad	ae
		Year ending on 31 December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	44.19%	13.82%	-	0.41%	8.32%
2	Assets under management (AuM KPI)	30.24%	11.22%	0.00%	0.76%	5.86%

Additional disclosures adressing direct and indirect financings of specific activities in the nuclear and fossil gas sectors

This subchapter discloses, as applicable, all the related additionally required EU Taxonomy reporting templates, as laid out in Appendix XII of the Delegated Regulation 2021/2178, for each applicable taxonomy KPI of Erste Group, namely GAR Stock and Flow, FinGuar KPI Stock and Flow and AuM KPI Stock and Flow. For each of the mentioned applicable taxonomy KPI, Templates 2-5 are each distinctly presented in both the turnover and the CapEx view.

There are no use of proceeds known financings in Erste Group's portfolios of lending products, securities investments, financial guarantee products or assets under management that are specifically related to the relevant activities in the areas of nuclear energy and fossil gas. The filling of the relevant tables is therefore based on the KPIs published by the respective counterparties in the corresponding tables. Related counterparties' Nuclear & Gas KPIs as published in their respective Template 2 were factored into the calculation of the below disclosed amounts in both Template 2 and Template 3 of each set of templates, as attributable to each of the above mentioned applicable KPIs.

All absolute values in this section are expressed in EUR million.

GAR

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES, GAR STOCK

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	136	0.05%	136	0.05%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.00%	2	0.00%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,438**	**0.56%**	**1,404**	**0.55%**	**34**	**0.01%**
8	**Total applicable KPI**	**1,577**	**0.62%**	**1,542**	**0.60%**	**34**	**0.01%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	136	8.61%	136	8.80%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.12%	2	0.12%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.05%	1	0.05%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	1,438	91.23%	1,404	91.04%	34	100.00%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,577**	**100.00%**	**1,542**	**100.00%**	**34**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	165	0.06%	165	0.06%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55	0.02%	55	0.02%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.00%	7	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**80,231**	**31.46%**	**80,074**	**31.40%**	**157**	**0.06%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**80,457**	**31.55%**	**80,300**	**31.49%**	**157**	**0.06%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16	0.01%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16	0.01%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**172,329**	**67.57%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**172,372**	**67.59%**

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0.00%	11	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	185	0.07%	185	0.07%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.00%	3	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,372**	**0.93%**	**2,269**	**0.89%**	**102**	**0.04%**
8	**Total applicable KPI**	**2,573**	**1.01%**	**2,470**	**0.97%**	**102**	**0.04%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	11	0.43%	11	0.45%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	185	7.18%	185	7.48%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3	0.12%	3	0.13%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.03%	1	0.03%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.04%	1	0.04%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	2,372	92.19%	2,269	91.87%	102	100.00%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,573**	**100.00%**	**2,470**	**100.00%**	**102**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	84	0.03%	84	0.03%	0	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	182	0.07%	182	0.07%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8	0.00%	8	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**80,798**	**31.68%**	**80,608**	**31.61%**	**190**	**0.07%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**81,072**	**31.79%**	**80,882**	**31.71%**	**190**	**0.07%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**171,139**	**67.10%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**171,139**	**67.10%**

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES, GAR FLOW

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	27	0.04%	27	0.04%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**646**	**1.06%**	**641**	**1.05%**	**4**	**0.01%**
8	**Total applicable KPI**	**674**	**1.10%**	**669**	**1.10%**	**4**	**0.01%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	27	3.99%	27	4.02%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.13%	1	0.13%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.05%	0	0.05%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**646**	**95.83%**	**641**	**95.80%**	**4**	**100.00%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**674**	**100.00%**	**669**	**100.00%**	**4**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	62	0.10%	62	0.10%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	23	0.04%	23	0.04%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0.01%	5	0.01%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	9,807	16.06%	9,780	16.01%	26	0.04%
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**9,896**	**16.20%**	**9,870**	**16.16%**	**26**	**0.04%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14	0.02%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.01%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14	0.02%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**50,069**	**81.97%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**50,102**	**82.03%**

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.01%	4	0.01%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	33	0.05%	33	0.05%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**951**	**1.56%**	**933**	**1.53%**	**18**	**0.03%**
8	**Total applicable KPI**	**989**	**1.62%**	**972**	**1.59%**	**18**	**0.03%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4	0.41%	4	0.42%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.02%	0	0.02%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	33	3.33%	33	3.39%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.08%	1	0.09%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.03%	0	0.03%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.04%	0	0.04%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**951**	**96.08%**	**933**	**96.01%**	**18**	**100.00%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**989**	**100.00%**	**972**	**100.00%**	**18**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	29	0.05%	29	0.05%	0	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	73	0.12%	73	0.12%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.01%	7	0.01%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**10,153**	**16.62%**	**10,090**	**16.52%**	**63**	**0.10%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**10,263**	**16.80%**	**10,200**	**16.70%**	**63**	**0.10%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**49,668**	**81.32%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**49,668**	**81.32%**

FinGuar KPI

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES – FINGUAR KPI STOCK

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - FINGUAR KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.11%	3	0.11%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.02%	1	0.02%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	423	13.65%	422	13.64%	0	0.01%
8	**Total applicable KPI**	**427**	**13.79%**	**427**	**13.78%**	**0**	**0.01%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - FINGUAR KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3	0.81%	3	0.81%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.14%	1	0.14%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.06%	0	0.06%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**423**	**98.99%**	**422**	**98.99%**	**0**	**100.00%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**427**	**100.00%**	**427**	**100.00%**	**0**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - FINGUAR KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.12%	4	0.12%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19	0.62%	19	0.62%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.03%	1	0.03%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**814**	**26.30%**	**811**	**26.19%**	**3**	**0.11%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**839**	**27.09%**	**835**	**26.98%**	**3**	**0.11%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, FINGUAR KPI STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8	0.25%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.05%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.05%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,627**	**52.56%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**1,638**	**52.91%**

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - FINGUAR KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.21%	7	0.21%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**512**	**16.52%**	**510**	**16.46%**	**2**	**0.06%**
8	**Total applicable KPI**	**519**	**16.75%**	**517**	**16.69%**	**2**	**0.06%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - FINGUAR KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7	1.26%	7	1.26%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.05%	0	0.05%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.06%	0	0.06%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	512	98.64%	510	98.63%	2	100.00%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**519**	**100.00%**	**517**	**100.00%**	**2**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - FINGUAR KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0.37%	11	0.36%	0	0.01%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.20%	6	0.20%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**863**	**27.88%**	**858**	**27.73%**	**5**	**0.15%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**881**	**28.47%**	**876**	**28.31%**	**5**	**0.16%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - FINGUAR KPI STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.02%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,567**	**50.61%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**1,568**	**50.64%**

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - FINGUAR KPI FLOW

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - FINGUAR KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.05%	1	0.05%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	104	10.12%	104	10.09%	0	0.02%
8	**Total applicable KPI**	**105**	**10.17%**	**105**	**10.14%**	**0**	**0.02%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - FINGUAR KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.49%	1	0.49%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	104	99.51%	104	99.51%	0	100.00%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**105**	**100.00%**	**105**	**100.00%**	**0**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - FINGUAR KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.28%	3	0.28%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.05%	1	0.05%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	230	22.33%	230	22.28%	0	0.05%
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**234**	**22.66%**	**233**	**22.61%**	**0**	**0.05%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - FINGUAR KPI FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.13%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.15%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**606**	**58.74%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**609**	**59.02%**

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - FINGUAR KPI FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	139	13.47%	139	13.45%	0	0.02%
8	**Total applicable KPI**	**139**	**13.47%**	**139**	**13.45%**	**0**	**0.02%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - FINGUAR KPI FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	139	99.99%	139	99.99%	0	100.00%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**139**	**100.00%**	**139**	**100.00%**	**0**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - FINGUAR KPI FLOW CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.26%	2	0.23%	0	0.03%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**252**	**24.42%**	**251**	**24.36%**	**1**	**0.06%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**255**	**24.68%**	**254**	**24.59%**	**1**	**0.09%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - FINGUAR KPI FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.05%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**575**	**55.76%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**576**	**55.81%**

AUM KPI

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES – AUM KPI STOCK

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - AUM KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	68	0.26%	68	0.26%	0	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	0.04%	9	0.04%	0	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.01%	2	0.01%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,786	6.80%	1,750	6.66%	36	0.14%
8	**Total applicable KPI**	**1,868**	**7.11%**	**1,831**	**6.97%**	**36**	**0.14%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - AUM KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.06%	1	0.06%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	68	3.66%	68	3.73%	0	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.02%	0	0.02%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	9	0.50%	9	0.51%	0	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.12%	2	0.12%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,786**	**95.65%**	**1,750**	**95.56%**	**36**	**100.00%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,868**	**100.00%**	**1,831**	**100.00%**	**36**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - AUM KPI STOCK, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.01%	3	0.01%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.01%	3	0.01%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	65	0.25%	65	0.25%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	116	0.44%	116	0.44%	0	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	258	0.98%	201	0.76%	57	0.22%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0.04%	11	0.04%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,561**	**13.56%**	**3,383**	**12.88%**	**178**	**0.68%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**4,016**	**15.29%**	**3,782**	**14.40%**	**235**	**0.89%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - AUM KPI STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.01%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.02%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13	0.05%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.01%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	57	0.22%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.01%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**19,654**	**74.85%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**19,735**	**75.16%**

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - AUM KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.01%	3	0.01%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	0.04%	10	0.04%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	58	0.22%	58	0.22%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.01%	3	0.01%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.01%	2	0.01%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,737**	**10.42%**	**2,670**	**10.17%**	**67**	**0.26%**
8	**Total applicable KPI**	**2,813**	**10.71%**	**2,746**	**10.46%**	**67**	**0.26%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - AUM KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3	0.09%	3	0.09%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	10	0.34%	10	0.35%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	58	2.07%	58	2.12%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3	0.10%	3	0.10%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.06%	2	0.07%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.03%	1	0.03%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	2,737	97.30%	2,670	97.23%	67	100.00%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,813**	**100.00%**	**2,746**	**100.00%**	**67**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - AUM KPI STOCK, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	47	0.18%	44	0.17%	3	0.01%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	181	0.69%	181	0.69%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	20	0.08%	20	0.08%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**4,087**	**15.56%**	**3,862**	**14.71%**	**225**	**0.86%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**4,338**	**16.52%**	**4,109**	**15.65%**	**228**	**0.87%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - AUM KPI STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	32	0.12%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.03%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	57	0.22%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**18,571**	**70.72%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**18,669**	**71.10%**

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - AUM KPI FLOW

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - AUM KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	23	0.22%	23	0.22%	0	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.06%	6	0.06%	0	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.02%	2	0.02%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**715**	**6.83%**	**699**	**6.68%**	**16**	**0.15%**
8	**Total applicable KPI**	**746**	**7.13%**	**730**	**6.97%**	**16**	**0.15%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - AUM KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.08%	1	0.08%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	23	3.04%	23	3.11%	0	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.03%	0	0.03%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	6	0.78%	6	0.80%	0	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.21%	2	0.22%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**715**	**95.85%**	**699**	**95.76%**	**16**	**100.00%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**746**	**100.00%**	**730**	**100.00%**	**16**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - AUM KPI FLOW, TURNOVER-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.02%	2	0.02%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.02%	2	0.02%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19	0.18%	19	0.18%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	45	0.43%	45	0.43%	0	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	123	1.18%	92	0.88%	32	0.30%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.07%	7	0.07%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,489**	**14.22%**	**1,453**	**13.88%**	**36**	**0.34%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**1,687**	**16.11%**	**1,619**	**15.47%**	**68**	**0.65%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - AUM KPI FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.05%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.02%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	32	0.30%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,733**	**73.87%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**7,774**	**74.26%**

TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - AUM KPI FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.03%	4	0.03%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18	0.17%	18	0.17%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.02%	2	0.02%	-	0.00%
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.02%	2	0.02%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,127**	**10.77%**	**1,104**	**10.54%**	**23**	**0.22%**
8	**Total applicable KPI**	**1,154**	**11.03%**	**1,131**	**10.81%**	**23**	**0.22%**

TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - AUM KPI FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.06%	1	0.07%	-	0.00%
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4	0.31%	4	0.32%	-	0.00%
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	18	1.56%	18	1.60%	-	0.00%
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.21%	2	0.21%	-	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.15%	2	0.15%	-	0.00%
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.08%	1	0.08%	-	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,127**	**97.62%**	**1,104**	**97.58%**	**23**	**100.00%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,154**	**100.00%**	**1,131**	**100.00%**	**23**	**100.00%**

TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - AUM KPI FLOW, CAPEX-BASED VIEW

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	0.00%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17	0.16%	16	0.15%	1	0.01%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	82	0.78%	82	0.78%	-	0.00%
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	0.10%	10	0.10%	-	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,714**	**16.37%**	**1,635**	**15.62%**	**79**	**0.76%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**1,824**	**17.42%**	**1,743**	**16.65%**	**80**	**0.77%**

TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - AUM KPI FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	12	0.11%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.03%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	32	0.30%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,255**	**69.30%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**7,302**	**69.76%**

Climate change

Erste Group addresses climate change within its sustainability strategy. Transitioning to net zero, based on science-based decarbonisation pathways, is crucial for long-term wellbeing, financial stability and overall prosperity. Committed to the Paris Climate Agreement, Erste Group joined the Net Zero Banking Alliance (NZBA) in November 2021.

Erste Group's double materiality analysis (DMA) identifies climate change as a key issue affecting its business and stakeholders. As a leading provider of financial services, Erste Group aims to address the impact of its own operations and its financing and investment activities on climate change. To support this transition, it adheres to strict sustainability criteria for finance and investment. These criteria focus on climate change adaptation, mitigation, renewable energy deployment and enhanced energy efficiency.

E1 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Material impacts, risks and opportunities (IROs)

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
E1-Climate change adaptation	Potential positive impact	Through the financing of climate-change adaptation solutions Erste Group has a positive impact on reducing vulnerabilities to climate change impacts.	Portfolio	Long-term
	Risk	Erste Group faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for Erste Group and connected negative impacts to its P&L and own funds.	Portfolio	Medium- and long-term
	Opportunity	For Erste Group, additional financial opportunities arise from the financing of and investments into companies that offer solutions for adapting to climate change and the funding of adaptation solutions in the real estate market (residential and commercial real estate).	Portfolio	All time horizons
E1-Climate change mitigation	Negative impact	The CO_2e emissions of Erste Group's own operations and in the upstream value chain contribute to climate change and thus to global warming.	Upstream & Own operations	Long-term
	Negative impact	The financed CO_2e emissions of Erste Group contribute to climate change and therefore to global warming.	Portfolio	Long-term
	Risk	Erste Group faces a higher credit risk as climate-related transition events (e.g. carbon pricing and regulatory interventions) can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences are increased risk provisions for Erste Group and connected negative impacts to its P&L and own funds.	Portfolio	All time horizons
	Opportunity	For Erste Group additional financial opportunities arise from investments into and the financing of customers supporting their decarbonisation and transition to a sustainable state.	Portfolio	All time horizons
E1-Energy	Negative impact	The energy mix (electricity, fuel and heating) used by Erste Group creates CO_2e emissions and therefore contributes to climate change.	Upstream & Own operations	Long-term
	Negative impact	Investments in and financing of energy-intensive companies that still rely on fossil fuels lead to high CO_2e emissions, which in turn contribute to climate change.	Portfolio	Long-term
	Positive impact	Erste Group's financing of renewable energy projects enables CO_2e -neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries.	Portfolio	All time horizons
	Risk	Price instability on the energy market due to climate change can result in decreased profitability in companies in energy-intensive sectors as well as liquidity shortage of retail clients, leading to a higher default risk and a related increase in risk provisions for Erste Group, impacting P&L as well as own funds.	Portfolio	All time horizons
	Opportunity	Erste Group's financing of and investments into renewable energy projects (e.g. pumped storage power plants, green hydrogen) enables CO_2e -neutral energy production and offers new opportunities for the portfolio.	Portfolio	All time horizons

RESILIENCE OF THE BUSINESS MODEL

The increasing volatility and uncertainty in the global climate and environmental landscape necessitate a rigorous evaluation of business model resilience. As climate and environmental (CE) risks continue to shape financial markets and operational paradigms, organisations must adapt their strategic frameworks to ensure long-term sustainability and growth. Erste Group has implemented a comprehensive scenario-based approach to assess and quantify CE risks in the short-, medium and long-term on own operations, client relationships and the asset portfolio. The systematic analysis of potential future scenarios enables the identification of opportunities for enhanced resilience and adaptation.

Transition risk analytical framework: scenario overview

Erste Group's analytical framework incorporates scenarios informed by the Network for Greening the Financial System (NGFS) to assess transition risks arising from the transition to a climate-neutral economy. These scenarios encompass four distinct pathways:

(1) Net Zero 2050, (2) Below 2°C, (3) Delayed Transition as well as (4) Hot House World. Each scenario models different assumptions about the timing and intensity of climate policy actions and technological developments: the Net Zero 2050 scenario represents an orderly path to net-zero emissions by 2050, while the Below 2°C scenario achieves climate goals but with less ambitious timing. In contrast, the Hot House World scenario assumes minimal climate action, leading to severe physical risks.

Physical risk analytical framework: scenario overview

For the assessment of physical risks, including extreme weather events and gradual climatic changes, Erste Group employs the Representative Concentration Pathway (RCP) scenarios established by the Intergovernmental Panel on Climate Change (IPCC). These internationally recognised scenarios provide standardised trajectories of greenhouse gas concentrations, enabling robust modelling of potential climate outcomes under various emission pathways. The RCP framework encompasses multiple scenarios, from ambitious climate action and low emissions (e.g., RCP 2.6) to high-emission pathways with limited mitigation measures (e.g., RCP 8.5). The scenario labelling does not correspond to the temperature increase; for instance, scenario RCP 4.5 corresponds to a temperature increase of 2.1 to 3.5°C in the long-term.

Transition risk: selected scenario analysis

After testing and analysing all four scenarios, the Delayed Transition scenario is selected and applied in the subsequent in-depth analysis laid out in this statement, as global mitigation efforts in line with a Net Zero 2050 scenario are not materialising, but high-emissions scenarios such as the Hot House World may very well still be preventable. The Delayed Transition scenario examines the implications of a rapid, disorderly transition to a low-carbon economy, characterised by sudden policy changes and market disruptions as countries rush to meet the Paris Agreement target of limiting global warming to well below 2°C. The scenario analysis presented here focuses on disorderly transitioning as a downside risk assessment tool. As such, it aims to evaluate potential financial impacts in adverse conditions and does not represent Erste Group's baseline view on future development.

Physical risk: selected scenario analysis

Following consultation with climate science experts from the Wegener Centre for Climate and Global Change at the University of Graz, Erste Group has currently identified the RCP 4.5 scenario as the most appropriate framework for their climate risk analysis. This intermediate emissions pathway has been selected based on thorough evaluation of current global climate trajectories and policy developments. The assessment indicates that while more optimistic scenarios such as RCP 2.6 are no longer feasible given the current pace of global climate action, high-emissions pathways like RCP 8.5 seem less realistic given current global emission reduction targets. The RCP 4.5 scenario models feasible reduction efforts and provides a realistic baseline for strategic planning.

Scope of the resilience analysis

Erste Group conducts an extensive assessment of the resilience of its business model to climate-related and environmental risks as an integral part of the strategic planning and risk management process. The identification and analysis of current and probable future developments is done from both perspectives (1) impact on risk profile and (2) business opportunities.

The resilience assessment is performed by considering both transition and physical risks in two key internal processes, namely the Business Environment Scan (BES) and the Risk Materiality Assessment (RMA). Furthermore, business model resilience to CE risks is assessed by integration of physical risks in the Collateral Management Framework. Erste Group also assesses these risks at the client level through an ESG questionnaire and integrates them into the risk analysis of the credit application process.

The scope of the resilience analysis encompasses the most significant parts of Erste Group's portfolio and own operations, making it representative of its business model.

Scope for transition risk evaluation:
- clients including large corporates, SMEs and real estate (commercial real estate including income producing residential real estate and retail mortgages)
- Erste Group's own operations

Scope for physical risk evaluation:
- loans collateralised by real estate (commercial real estate including income producing residential real estate and retail mortgages)
- Erste Group's own and outsourced operations (i.e. headquarters and branches incl. critical facilities like data centres)

Beyond collateralised assets, physical risk assessment is planned to be extended also to large corporate customers and will rely on the availability of geolocation data for clients' assets (i.e. major production sites). The process of collecting such geolocation data is currently under consideration. Once this data becomes available, the assessment of physical risks will be further enhanced.

The assessment of CE risks is conducted over the short-, medium and long-term horizons. The time horizons used for the physical and transition risk assessments are as follows:
- short-term: up to 1 year
- medium-term: 1 to 5 years

— long-term: more than 5 years (for transition risk up to 2050, for physical risks up to 2100)

Physical risks from climate change are expected to materialise in credit risk starting from the middle of the century. Consequently, the short- and medium-term horizons show similar outcomes, with substantial differences becoming more apparent in the long-term horizon (2050 and beyond). To emphasise the importance of a long-term outlook, Erste Group has implemented an additional time horizon (2050-2100). This horizon applies to physical risks and allows Erste Group to develop a comprehensive understanding of future risks and to increase preparedness for the full spectrum of climate-related physical risks.

Description of the resilience analysis

The resilience analysis starts with the Business Environment Scan (BES) identifying potential threats or opportunities resulting from the transition to a climate-neutral economy or due to physical risks. The main objective of the BES is to offer a comprehensive understanding of the changes in the operational environment, the drivers, CE risk events and the resulting implications for Erste Group's clients, assets, real estate and overall business model. The sub-portfolio(s), business lines and industry sectors as well as regions or geographic areas, which may be exposed to elevated risks, are identified based on scientific and socioeconomic research as well as technological and demographic trends. This approach is also used to pinpoint areas where emerging trends and changes in the operational environment can generate new business opportunities.

The resilience analysis for the transition risk is performed based on scenario analysis and the impacts of transition risk drivers on Erste Group through key risks from its inventory (credit, market, liquidity, operational, strategic and reputational risk). The scenarios employed to assess transition risk are informed by NGFS but internally adapted to reflect the specifics of Erste Group's business model, drawing on insights from the BES across relevant sectors (industries) and portfolios. While the overall framework follows the intergovernmental bodies' and standard-setters' vision of a delayed transition, details – such as narrative elements, risk parameters and transmission channels – are refined to reflect the characteristics of Erste Group's business model and clients, as well as the operational and geographic context. Additionally, the scenario incorporates an extra layer of downside risk assumptions for societal transitions unrelated to climate, i.e. environmental risks, acknowledging that such shifts could realistically occur alongside climate transition efforts.

The methodology for the transition risk assessment focuses on the impact of increasing (shadow) carbon prices on the financial position of counterparties. This (shadow) carbon price encompasses a multitude of risk drivers related to transition risk and is therefore a prudent way to quantify the risk impact. The modelling reflects the direct impact of a higher carbon price on counterparties as well as the indirect effects of macroeconomic developments. The macroeconomic parameters were derived from the regulatory scenarios as well as the economic research department of Erste Group and cover each critical sector individually in a projection of the gross value added. The developments are based on each scenario's narrative tailored to the current economic starting points of key markets. Critical assumptions on developments are therefore aligned to regulatory as well as scientific scenarios.

The impact of physical risks is assessed based on MunichRe data as the primary source. The most relevant physical risks for real estate in the core region of Erste Bank were defined in cooperation with experts from the Wegener Centre for Climate and Global Change, University of Graz. They include heat stress, drought stress, fire weather stress, river floods and coastal floods.

Erste Group's RMA framework systematically evaluates the impact of climate and environmental risk drivers on various risk types, including credit, operational, market, liquidity, strategic and reputational risks. This analysis is conducted at two levels: first, by examining client portfolios and business segments and second, by assessing own operations as well as key suppliers such as data centres and outsourcing partners.

When assessing client portfolios, one of the primary risk metrics is the potential effect on expected credit loss (ECL). ECL estimates potential future losses by considering both the borrowers' probability of default and the potential amount lost in such events. In the context of resilience analysis, ECL allows for the quantification of future credit losses arising from climate and environmental risks under various future scenarios. For Erste Group's own operations, the impact is simulated on the profit and loss (P&L) statement, as it provides a comprehensive measure of financial performance by capturing both revenues and expenses, thereby helping to identify how CE risks could affect overall profitability.

The evaluation of transition risks is based on insights from the transition risk scenario analysis. More specifically, downside scenario analysis is used to assess potential financial impacts if the transition of the economy unfolds in a disorderly fashion.

The physical risk assessment combines quantitative analyses, utilising MunichRe's climate risk data and the results from internal stress testing programmes, which simulate extreme climate scenarios to evaluate portfolio resilience.

To evaluate the business model resilience, it is essential to quantify the gross impact of CE risk and assess the effectiveness of Erste Group's strategic responses and mitigation actions to determine the net impact. This process involves comparing the financial impact of the transition risk scenario with and without mitigating actions (i.e., the decarbonisation strategy). The subsequent comparison helps determine the effectiveness of the strategies and reveals whether they provide the expected cost-benefits and resilience for the business model.

At the core of the assessment of the resilience of Erste Group's business model to CE risks also lies the inclusion of the impact assessment of physical risks on the real estate taken as collateral for loans issued by the group. The value of real estate used by clients as collateral for loans is adjusted based on the property's exposure to CE risks. The value of this collateral influences the risk associated with the loans it secures, and this level of risk is reflected in the risk-weighted assets (RWA).

In terms of collateral management, to account for future climate risks in property valuation, a reasonable timespan for the assessment of physical risks is necessary. The 20-year period around 2050 (2041-2060) is considered the most appropriate, given the lending standards of Erste Group. Within this period, the difference in climate projections between moderate emission scenarios (RCP 4.5) and the high emission scenario (RCP 8.5) shows no significant deviation.

Results of the resilience analysis

The outcomes of the resilience analysis are as follows:

Transition Risk

- Credit Risk: The analysis conducted by Erste Group indicates notable exposure to transition-induced credit risk across all time horizons in case the transition to low-carbon economy occurs disorderly. The transition risk on the credit risk exposure is driven largely by climate-related factors and drivers such as environmental taxation and subsidies, regulatory requirements, energy and transport policies, behavioural changes of investors, consumers, suppliers and employees as well as technological developments, while non-climate related drivers are immaterial. Looking towards medium and long-term time horizons, these transition risks intensify, with impacts gradually spreading across an expanding range of sectors. This scenario and its impact do not reflect Erste Group's most likely or baseline scenario, but serve as exploratory analysis to assess the exposure to transition risk in the event disorderly and abrupt manner. Under the baseline or orderly transition scenario, the direct impact of the transition risk drivers on Erste Group is significantly smaller and limited.
- Operational Risk: From an operational risk perspective, two of the most relevant transition risk drivers have been identified in the medium- and long-term horizon. First, there is an increased risk of regulatory non-compliance due to rapidly evolving ESG requirements and heightened regulatory oversight. Second, shifting behaviours and expectations of stakeholders (consumers, suppliers and employees) regarding environmental performance create additional operational challenges that require careful management. Both factors contribute materially to the overall operational risk profile.
- Market, Liquidity and Reputational Risk: The evaluation concluded that no material transition risks were identified across all time horizons – short-, medium- and long-term.

Physical Risk

- Credit and Strategic Risk: According to Erste Group's assessment, physical risks are a material driver for long-term credit and strategic risk. This projection is based on forecasts indicating that (predominantly) climate-related physical hazards will materialise and intensify from the mid-century onwards, thereby impacting the portfolio and strategic position of Erste Group. However, in the short- and medium-term, physical risks are considered immaterial due to Erste Group's limited exposure to regions or sectors that are particularly vulnerable.
- Operational Risk: For internal operations, Erste Group identifies physical risks as a material driver in the mid-term, primarily due to the potential for river floods to impact facilities in Austria, Croatia, Slovakia and Serbia. Looking further ahead, up to the year 2100, heat waves threaten to pose substantial challenges to operations in Romania, Croatia and Serbia.
- Market, Liquidity and Reputational Risk: The evaluation concluded that no material physical risks were identified across all time horizons – short-, medium- and long-term.

Decarbonisation strategy

- Erste Group's current decarbonisation strategy is well aligned to NGFS scenarios 'Net Zero 2050' and 'Below 2°C'. The strategy also performs well in the NGFS scenario 'Delayed Transition'. The established decarbonisation pathways for key sectors affected by transition risk help mitigate Erste Group's credit losses from climate and environmental risks. This aligns with the Paris Agreement's Net Zero 2050 scenario. Further information on the established decarbonisation pathways can be found in chapter E1-4.

Erste Group has strengthened risk management processes by embedding CE factors into the core underwriting and collateral management frameworks. To mitigate physical risks, Erste Group continuously monitors and reports on collaterals, focusing on countries with very high risk. Furthermore, Erste Group has updated its collateral policy to include detailed guidelines for assessing increased physical risks in both residential and commercial real estate valuations.

TRANSITION RISKS

To provide a comprehensive understanding of how climate and environmental transition risks are embedded within the internal processes, Erste Group analyses the transmission channels, the scenarios used, and their impact on credit and operational risk. These two risk types are considered materially exposed to transition risk in at least one time horizon. This section highlights the mechanisms through which transition risks impact Erste Group's business, including the specific pathways and risk factors that influence credit and operational risk profiles. By doing so, Erste Group ensures transparency and demonstrates a commitment to robust risk management practices in the face of evolving environmental challenges.

Erste Group identified several climate-related transition events from the fields of politics and economics, market participant behavior and technological development and these impacts were considered on the probability of default, loss given default, risk-weighted assets and expected credit loss

For each risk driver, impacts have been identified for each customer segment and for own operations:

Large corporates and SMEs. Regulatory requirements and environmental taxation significantly increase operational and capital expenditure for corporates. This results in higher default probabilities and increased credit risk, especially for industries with high exposure to carbon-intensive activities.

Real estate (commercial real estate including income producing residential real estate and retail mortgages). Market sentiment and rising renovation costs, driven by energy and transport regulations, create income vulnerabilities for households. These pressures lead to greater difficulties in meeting loan obligations, increasing default probabilities and associated credit losses, particularly for low-income households.

Own Operations. For Erste Group's own operations, regulatory requirements and climate-related compliance obligations increase operational expenditures, such as investments in IT systems and sustainability reporting capabilities. Additionally, reputational risks stemming from stakeholder expectations regarding environmental performance and competitive pressures from sustainability-focused peers may further elevate credit and strategic risk.

Through this framework, Erste Group systematically evaluates and manages credit risk across all customer segments, ensuring resilience in its portfolio while addressing the financial impacts of transition risk.

The selected scenario applied by Erste Group to evaluate transition risk is broadly based on the NGFS scenario 'delayed transition' and its respective working hypothesis of a society first doing too little to mitigate climate change and then pushing with severe effort to reach a net zero society. Hence, this scenario is more adverse than an 'orderly transition' which suffers much less stress due to an organised effort of society to reach the net zero target with a longer potential transition period for economies. In the delayed transition scenario, the stress is expected to increase due to firms continuing to struggle to decarbonise or to transition, needing higher investment volumes to switch their business model to more sustainable technologies. This will have continued effects on their financial position and creditworthiness, particularly on CO_2e-intensive 'brown' industries, which are less prepared to adapt quickly. Erste Group added to the 'Delayed Transition' scenario an immediate shock of carbon prices in 2025. This way the potential worst impact in short-term horizon was simulated. By doing so, an adverse but plausible scenario was adopted while also creating the conditions to calculate the quantitative impact in the amount of EUR 771 million for the pre-defined short-term horizon. A similar approach was already taken in the ECB Climate Stress Test of 2022, which assessed the financial stability of the EU financial system, underscoring the prudence of selecting this scenario.

The materiality of the risk is determined by comparing the increase in expected credit loss (ECL) in the accelerated delayed transition scenario to a defined threshold of 1.75% of Pillar 2 capital. The results are then categorised as either 'material' or 'immaterial' across the three-time horizons. To determine the potential ECL increase, Erste Group conducted a simulation of the effects on transition risk on the ECL on a gross basis. This means that impact calculations exclude any management actions or mitigation efforts. However, in practice, the bank has made significant efforts to mitigate transition risk, inter alia, by setting decarbonisation targets. The calculated ECL increase represents the potential financial effect contingent only on a sensitivity analysis of the accelerated delayed transition scenario and is not considered in the IFRS 9 ECL. The 1.75%-threshold of Pillar 2 capital is exceeded for every considered time horizon, indicating that the simulated risk on a gross basis, i.e. before mitigation actions, is material.

Besides the conducted materiality assessment of transition risk, the Forward-Looking Best-Estimate Weighted Average Carbon Intensity (WACI) offers insights into Erste Group's exposure to transition risks across different climate scenarios. The WACI includes the asset classes business loans, project finance and corporate bonds and with a total portfolio exposure of EUR 86 billion as of December 2024, the actual WACI amounts to 168 tCO_2e per million EUR turnover, incorporating scope 1 and 2 emissions. scope 3 emissions have been excluded from the calculation due to inherent forecast uncertainties. The maximum value of the short-term time horizon is set to be equal to the actual WACI observed in December 2024 to establish a baseline for the future forecasts. Emissions projections based on climate scenarios suggest differing trends in carbon intensity depending on the pace and ambition of decarbonisation efforts. Ambitious pathways, such as the 'Net Zero 2050' scenario, show the steepest decline, while limited-policy scenarios, such as 'Current Policies', indicate minimal reductions, emphasising the potential financial impact of delayed action.

Forward-looking best-estimate WACI (scope 1 and 2)

WACI scope 1 & 2 in tCO_2e per million EUR turnover	2025 (short-term)	2030 (medium-term)	2050 (long-term)
Net Zero 2050	168	111	18
Below 2°C	168	137	33
Delayed transition	168	163	24
Current policies	168	163	160

TRANSITION RISKS – POTENTIAL FINANCIAL EFFECTS UNDER A DISORDERLY TRANSITION RISK SCENARIO

This subsection provides information on the resilience of Erste Group's real estate portfolio based on the energy performance of its financed real estate collaterals.

Real estate-related assets by their energy efficiency levels

The following table provides a detailed breakdown of Erste Group's real estate collaterals in terms of carrying value, categorised by energy efficiency levels based on two primary metrics. The first metric, the Energy Performance (EP) Score, measures the energy efficiency of the asset or collateral in kilowatt-hours per square meter (kWh/m^2), with exposure values grouped into defined ranges. The second metric, the Energy Performance Certificate (EPC) Labels, classifies assets based on their energy efficiency rating from A (highest efficiency) to G (lowest efficiency). Additionally, the table provides a geographical split (EU and non EU-area) and also highlights assets without an official EPC label, for which an estimated EP score (kWh/m^2) is provided. When presenting the exposure distribution per EPC label, the estimated EPC labels are not taken into consideration.

Energy efficiency levels – gross carrying amount

Counterparty sector	Gross carrying amount (in EUR million)	Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
Total EU area	**131,013.9**	**34,830.2**	**62,100.8**	**18,612.1**	**5,021.0**	**4,639.9**	**1,800.1**	**11,904.3**	**13,248.9**	**5,951.1**	**2,800.6**	**1,498.4**	**1,079.7**	**1,388.5**	**93,142.6**	**1.0**
Of which Loans collateralised by commercial immovable property	38,918.9	13,027.9	13,592.3	8,156.4	1,999.0	325.3	644.6	3,042.2	4,276.0	3,032.0	1,420.5	608.3	461.7	298.4	25,779.8	1.0
Of which Loans collateralised by residential immovable property	92,056.0	21,802.3	48,508.5	10,455.7	3,022.0	4,314.6	1,155.5	8,862.0	8,972.9	2,919.1	1,380.1	890.1	617.9	1,090.0	67,323.7	1.0
Of which Collateral obtained by taking possession: residential and commercial immovable properties	39.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	39.0	0.0
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	92,970.1	21,014.5	49,179.4	14,310.8	3,241.9	4,035.4	1,188.1								0.0	0.0

	Gross carrying amount (in EUR million)															
		Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
Counterparty sector		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
Total non-EU area	**2,242.3**	**416.3**	**949.4**	**769.4**	**17.9**	**5.5**	**0.0**	**0.5**	**103.9**	**190.3**	**0.0**	**0.0**	**0.0**	**0.1**	**1,947.5**	**1.0**
Of which Loans collateralised by commercial immovable property	1,257.0	277.2	349.0	557.9	7.9	1.9	0.0	0.0	97.4	177.6	0.0	0.0	0.0	0.0	982.0	0.9
Of which Loans collateralised by residential immovable property	985.2	139.2	600.4	211.5	10.0	3.5	0.0	0.5	6.5	12.7	0.0	0.0	0.0	0.1	965.4	1.0
Of which Collateral obtained by taking possession: residential and commercial immovable properties	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	1,877.4	183.5	901.9	768.7	17.9	5.4	0.0								0.0	0.0

Transition risk – assets

Based on the delayed transition scenario and its impact expressed in terms of additional expected credit loss in the long-term horizon, Erste Group conducted an additional assessment to gain valuable information about the portion of the credit portfolio currently exposed to material transition risk. For this purpose, the gross impact (i.e. without consideration of any mitigating actions) was calculated on client level and subsequently compared to a dedicated threshold derived from the pre-defined threshold on total level (1.75% of Pillar 2) leading to a (im)materiality-classification of all clients in scope of the scenario analysis (Large corporates, SMEs and real estate (commercial real estate including income producing residential real estate and retail mortgages).

In case a client is deemed to be materially exposed to transition risk, the total gross carrying amount of this client is then split into respective maturity buckets with the three time horizons defined as described previously. The scenario analysis presented here focuses on disorderly transitioning as a downside risk assessment tool. As such, it aims to evaluate potential financial impacts in adverse conditions and as such does not represent Erste Group's baseline view on future development.

The following table provides information on the share of assets at material transition risk as percentage of total assets in scope of the scenario analysis conducted based on data as of 30 June 2024 for the purpose of the risk materiality assessment. The scenario analysis covered assets of EUR 179.826 million in the half year 2024 and the coverage would have been almost identical had it been executed at year end 2024. Considering the maturity of deals on client level, the data is further broken down by maturity buckets pro rata in line with the pre-defined time horizons described above.

Assets at material transition risk in disorderly transition scenario

	Gross carrying amount (in EUR million)	of which assets at material transition risks			
			Breakdown by maturity bucket		
			Short-term	Medium-term	Long-term
Total assets covered by scenario analysis	179,826	32.6%	11.4%	11.9%	9.2%

Erste Group identified, as part of the strategic climate initiative for the Net Zero Banking Alliance (NZBA), certain carbon-intensive sectors as important levers for setting interim emission targets for 2030, thereby supporting the transition in Erste Group's financed portfolio. Targets are set for the following sectors with all of them being part of NZBA's recommendation while also showing strong scientific methodologies and industry standards: housing mortgages, income-producing residential real estate, commercial real estate, electricity production, heat and steam production, cement production, auto manufacturing, oil and gas upstream, iron and steel. With the implementation of a dedicated decarbonisation strategy for those focus sectors, Erste Group can cover more than 41% of assets materially exposed to transition risk, thereby effectively reducing the associated credit risk.

By nature, the mitigation effect cannot reduce the risk of the transition to an immaterial level, since there will still be significant upheaval in the economy which has indirect macroeconomic effects on Erste Group's well-diversified business model. Nonetheless, mitigation measures can substantially reduce the impact and allow management to contain the risk in line with the ambition level of the targets set. Additionally, the ongoing implementation of a business strategy as well as a number of (pro-) active risk management components give Erste Group a platform to effectively manage and reduce exposure to transition risks.

It is important to note that impacts presented in the table above are potential and come from adverse scenario and as such do not represent Erste Group's baseline anticipation. Under the baseline scenario, i.e. transition to low-carbon economy in an orderly fashion, the potential direct impact is limited.

PHYSICAL RISKS

As a result of the physical risk assessment, the anticipated financial effects of material physical risks have been quantified to provide a comprehensive overview of potential impacts on asset values and operational costs.

Erste Group conducted an assessment using the RCP 4.5 scenario, which is regarded as the most realistic under current climate policies. This scenario assumes moderate greenhouse gas emission reduction efforts with emissions peaking around 2040, followed by a gradual decline through a mix of renewable energy adoption and energy efficiency improvements, while maintaining some fossil fuel usage in line with current global commitments and energy trends.

The year 2050 was chosen as the central anchor point for this assessment, as it aligns broadly with the average remaining economic lifespan of real estate assets financed by Erste Group, which generally ranges from 20 to 40 years. Physical risks influence collateral value by reducing marketability and increasing operational and adaptation costs for real estate, with their effects expected to materialise predominantly from the middle of the century onwards.

Erste Group assesses physical risks within its portfolio and own assets on geocoordinate-level. This approach allows for a detailed risk analysis to assign risk scores to specific locations, rather than relying on generalised regional data. The Corporate Sustainability

Reporting Directive (CSRD) requires aggregation on a regional level using the Nomenclature des Unités territoriales statistiques (NUTS) 3 regions, but Erste utilises geocoordinate-level analysis to ensure more accurate risk assessments, capturing the diversity and unique vulnerabilities of asset locations across core markets.

To assess the physical risk related to collaterals, Erste Group applied a bottom-up approach. This approach begins with assessing the impact of physical risks, such as climate-related damaging events, on the level of each individual property financed and/or used as real estate collateral for lending products. For instance, Erste Group examines how the market value of a property may be affected by high risk of flooding or extreme weather.

Properties constructed in a location linked to very high risk usually undergo on-site inspections to identify and document any mitigated risks, which can then be used to adjust their valuations. These individual property assessments are then aggregated to understand the overall risk of Erste Group's entire real estate portfolio.

Physical risk exposure

Erste Group discloses the financial effects on assets at material physical risk, expressed as net carrying amount, under the RCP 4.5 Year 2050 scenario for both its own assets and real estate taken as collateral. The disclosure distinguishes between two categories of risks: acute and chronic. Acute risks, which include fire weather, river floods, earthquakes and drought stress, are sudden events that can cause immediate damage. Chronic risks, such as sea level rise and heat stress, develop gradually over time. For Erste Group, sea level rise is particularly relevant only for Romania and Croatia due to their coastlines, while all other identified risks apply to the entire group.

The following two tables present a detailed geographical breakdown of Erste Group's physical risk exposures, encompassing both own assets and financed collaterals. The analysis segments exposures by temporal maturity buckets and distinguishes between acute and chronic physical climate risks across all countries of operations. Assets are deemed to be at material physical risk when the risk score assigned by MunichRe for a particular location is classified as either 'high' or 'very high'.

Physical risk – own assets

The following table presents the carrying amounts of Erste Group's own assets, highlighting those at material physical risk. The data is further broken down by maturity bucket and distinguishes between chronic and acute physical risks. 'Other' refers to other countries that are not covered explicitly in the table.

Own Assets across countries at physical risk

	Carrying amount (in EUR million) of which exposures at material physical risks						
		Breakdown by maturity bucket			of which assets at material chronic physical risk	of which assets at material acute physical risk	of which assets at material acute and chronic physical risk
		Short-term	Medium-term	Long-term			
Austria	537.3	9.0	9.3	519.0	0.0	537.3	0.0
Romania	132.6	11.1	43.1	78.4	0.0	122.5	10.1
Hungary	80.7	1.9	17.9	60.8	0.0	80.7	0.0
Serbia	73.5	0.4	8.6	64.4	0.0	9.0	64.5
Slovakia	28.6	1.7	7.8	19.1	0.0	28.6	0.0
Czechia	25.5	0.2	6.6	18.7	0.0	25.5	0.0
Croatia	24.5	8.8	0.8	14.9	0.2	24.2	0.0
North Macedonia	12.3	0.1	1.7	10.5	0.0	1.9	10.4
Slovenia	2.7	0.1	0.3	2.3	1.0	1.7	0.0
Other	10.3	0.1	0.6	9.5	8.3	1.8	0.2
Total	**927.8**	**33.5**	**96.9**	**797.5**	**9.6**	**833.1**	**85.1**
In % from Total Assets	0.26%	0.01%	0.03%	0.23%	0.00%	0.24%	0.02%

Out of Erste Group's own assets, EUR 927.81 million, or approximately 0.26% of total assets are exposed to material physical risks. Hence, only a very limited part of the total own assets is exposed to material physical risk. The exposure to material physical risks is further segmented into maturity buckets, which in the case of own assets denote the remaining economic lifetime of the asset.

Geographically, Austria represents the largest part of own assets being exposed to material physical risk, which can be attributed to the strong market presence with a strong branch network throughout the country. Following Austria, Romania and Hungary are the countries with the highest share in terms of risk exposure. Notably, most exposures are classified as facing acute physical risks, predominantly from river flooding, with only a small portion (9.18% of own assets at material physical risks) facing both acute and chronic risks. Pure chronic risks affect only 1.02 % (EUR 9.56 million) of own assets at material physical risks, primarily concentrated in Slovenia but also in other non-core countries ('Other').

Physical risk – real estate taken as collateral

The following table presents the carrying amounts of Erste Group's real estate taken as collateral, highlighting those at material physical risk. The data is further broken down by maturity bucket and distinguishes between chronic and acute physical risks. 'Other' refers to other countries that are not covered explicitly in the table.

Real estate: assets across countries at physical risks

	Carrying amount (in EUR million) of which exposures at material physical risks						
		Breakdown by maturity bucket			of which assets at material chronic physical risk	of which assets at material acute physical risk	of which assets at material acute and chronic physical risk
		Short-term	Medium-term	Long-term			
Austria	8,642.3	413.4	1,082.1	7,146.8	0.0	8,641.7	0.5
Romania	4,635.6	519.5	997.2	3,118.9	0.0	4,486.0	149.6
Slovakia	4,146.4	103.9	338.4	3,704.1	0.0	4,146.4	0.0
Hungary	3,092.1	156.5	1,058.5	1,877.1	0.0	3,092.1	0.0
Czechia	2,078.3	138.1	288.7	1,651.5	0.0	2,076.3	2.1
Croatia	1,187.0	68.0	295.9	823.1	12.7	1,091.2	83.1
Serbia	921.7	45.7	416.2	459.8	0.0	341.7	579.9
North Macedonia	557.7	106.6	72.1	378.9	0.0	163.9	393.8
Poland	287.0	78.1	208.8	0.1	5.2	281.8	0.0
Germany	195.9	12.1	74.1	109.7	82.6	113.3	0.0
Slovenia	145.1	0.5	75.1	69.5	10.3	132.9	1.8
Other	270.6	44.0	67.6	159.0	114.6	137.6	18.4
Total	**26,159.6**	**1,686.4**	**4,974.7**	**19,498.4**	**225.4**	**24,704.8**	**1,229.3**
In % from Total Assets	7.40%	0.48%	1.41%	5.51%	0.06%	6.98%	0.35%

The analysis of Erste Group's financed asset portfolio indicates only a single-digit percentage exposure to material physical climate risks (7.40% of total assets).

Geographically, Austria stands out as the area with the highest share of exposure exposed to material physical risk, which is attributed to the operational focus of Erste Group's operations in this region, followed by Romania and Slovakia. From a risk categorisation perspective, 94.44% of assets exposed to material physical risk are impacted by acute physical risks, predominantly due to river flooding. An immaterial amount of the exposed assets faces both acute and chronic risks, as is the case for pure chronic physical risks, the latter primarily stemming from sea level rise. The above exposure is primarily concentrated in long-term maturities, which account for 74.54% (EUR 19.5 billion) of the total assets exposed to material physical risk.

Although most of the portfolio matures in the long-term, the associated risks are already accounted for at the time of loan origination via the collateral valuation process. This proactive approach highlights Erste Group's commitment to maintaining a robust and resilient portfolio.

To date, there have been no material losses affecting the balance sheet, despite localised flood events in the Group's core regions. These events were mitigated by existing protective measures in place for clients, alongside regional risk management initiatives. While unforeseen events cannot be entirely ruled out, the low exposure to significant physical risks, coupled with effective safeguards, ensures that any potential losses would remain contained and manageable. Therefore, the Group anticipates no material impact and expects no significant losses moving forward.

E1-2 – POLICIES AND TRANSITION MEASURES FOR CLIMATE CHANGE MITIGATION AND ADAPTATION

Erste Group's policies to transition to a sustainable economy focus on targets for investment and financing activities, which are endorsed and supported by the management of all subsidiaries. Erste Group is dedicated to the objectives of the Paris Climate Agreement and became a member of the NZBA in November 2021. It prioritises sectors that benefit the most from a transition comprising real estate, electricity production, heat and steam production, oil and gas extraction, automotive extraction, iron and steel production and cement production.

Erste Group is within scope of the EU Paris-aligned benchmarks, which have the primary goal of assisting the transition towards a low-carbon economy and limiting global temperature rise to 1.5°C above pre-industrial level. Erste Group's targets are already compatible with limiting global warming to 1.5°C and 1.75°C. Furthermore, Erste Group will phase out coal financing by 2030 and in alignment with the National Energy and Climate Plans (NECPs) in its core markets. The targets are implemented by internal experts following external guidelines, but without external verification. Furthermore, scope 1 and 2 emissions are monitored from high-emission clients operating in sectors not yet covered by decarbonisation targets.

Erste Group targets a 90% reduction of scope 1 and 2 emissions arising from own operations of Erste Group Bank AG, Erste Bank der oesterreichischen Sparkassen AG and its subsidiaries in Czechia, Slovakia, Romania, Hungary and Serbia by 2030.

With these targets, Erste Group pursues a consistent reduction approach towards net zero across all scopes, which is compatible with the Paris Agreement.

For further information on the scenarios and methodologies used for target setting please refer to chapter 'E1-4 Targets related to climate change mitigation and adaption'.

DECARBONISATION LEVERS AND KEY ACTIONS

Portfolio decarbonisation levers and key actions

Given their significance to Erste Group's portfolio and their overall emission intensity, two decarbonisation levers, including several key actions, have been implemented for the energy and real estate sectors to achieve Erste Group's Net Zero portfolio decarbonisation targets.

Decarbonisation lever 'Emission reduction in the energy sector'. The first decarbonisation lever focuses on reducing financed emissions within the energy industry. Erste Group supports its customers in their efforts to optimise their existing technology mix and investing in new plants that utilise renewable energy sources. Thus, two key actions for Erste Group are the financing of renewable projects and reducing financings in coal-related activities. More details can be found in chapter E1-3.

Decarbonisation lever 'Promoting a sustainable real estate sector'. The financed emissions of Erste Group's portfolio are further reduced by directing its investments into sustainable real estate. Erste Group promotes building renovations and the installation of heating and cooling systems powered by renewable energies. Erste Group aims to attain its target by offering a commercial real estate financial health tool as well as a renovation financing and energy efficiency calculator to private individuals. More details can be found in chapter E1-3.

Own operations decarbonisation lever and key actions

Erste Group also takes responsibility for the emissions that lie within its direct control in their own banking operations. Thus, another decarbonisation lever was established that encompasses several key actions.

Decarbonisation lever 'Emission reduction in own operations'. The lever focuses on key activities such as switching to low carbon energy sources, decarbonising employee mobility and conducting employee engagement and awareness training to promote sustainable behaviour. More details can be found in chapter E1-3.

EMBEDMENT IN STRATEGY

As part of its ambition to support the transition to a sustainable economy, Erste Group aims to guide clients and sectors towards decarbonisation and achieving net zero targets, while also reducing emissions from its own operations. This plan is fully integrated into Erste Group's overall business strategy and financial planning, ensuring that decarbonisation efforts are part of core decision-making processes. It emphasises continuous engagement with clients across various industries to support their transition and manage climate-related risks. The client engagement process has three phases: assessment, engagement and financing, steering and monitoring.

Assessment phase. Erste Group assesses where clients stand in their transition journey, using data reported by clients or collected through the ESG client assessment. It is working on classifying its clients according to their transition readiness. This helps identify clients most in need of transition financing.

Engagement and financing phase. Erste Group engages with clients using a strategy tailored to their maturity in the transition journey. Erste Group evaluates their transition plans, contextualises them with the sector's decarbonisation targets and ensures alignment with the sustainable finance guidelines (SFG). It plans to engage with relevant clients especially in the coal, oil and gas industries by 2026. Erste Group integrates emission reduction targets into its business strategy to direct capital to sectors and clients with the highest transition potential, supporting both the clients' transition and the bank's sustainability goals.

Steering and monitoring phase. Erste Group monitors portfolio developments and client progress quarterly. This process includes assessing the impact of client engagements, adjusting strategies and implementing necessary measures. Progress is reported regularly to the Management Board and Supervisory Board. Additionally, this steering process influences Erste Group's business planning by incorporating lessons learned and adjusting exposure targets and emission intensity forecasts, ensuring alignment with industry trends and local regulatory requirements.

Erste Group's progress towards achieving reduction targets set for the investment and financing activities is described in chapter E1-4.

The pace of the transition to a sustainable economy will be driven by technological advancements and their adoption by both, the economy and Erste Group's clients. Achieving decarbonisation targets requires coordinated efforts and aligned regulations among EU member states, ensuring the necessary infrastructure and legal framework are in place. Erste Group has developed elements of a transition plan, guided by the Glasgow Financial Alliance for Net Zero (GFANZ) and focusing on renewable energy and a sustainable real estate sector. The group will continue to enhance its transition plan in a stepwise approach in upcoming years in line with Article 76(2) of Directive 2013/36/EU, the EBA's recently published ESG risk management guidelines and will take necessary actions to ensure compliance.

AT A GLANCE: ADDRESSING IMPACTS, RISKS AND OPPORTUNITIES

Addressing impacts, risks and opportunities

Impacts, risks and opportunities	Strategy / Policy	Key decarbonisation lever and actions	Targets
For Erste Group additional financial opportunities arise from investments into and the financing of customers supporting their decarbonisation and transition to a sustainable state. (Opportunity Climate Change Mitigation) Erste Group's financing of renewable energy projects enables CO_2e-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries. (Positive Impact Energy) Erste Group's financing of and investments into renewable energy projects (e.g. pumped storage power plants, green hydrogen) enables CO_2e-neutral energy production and offers new opportunities for the portfolio. (Opportunity Energy)	Sustainable Finance Guideline	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	15% sustainable retail mortgages by 2027 25% sustainable corporate financing by 2026
Erste Group faces a higher credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and lastly financial stability of debtors. The consequences are increased risk provisions for Erste Group and connected negative impacts to its P&L and own funds. (Risk Climate Change Adaptation) For Erste Group, additional financial opportunities arise from the financing of and investments into companies that offer solutions for adapting to climate change and the funding of adaptation solutions in the real estate market (residential and commercial real estate). (Opportunity Climate Change Adaptation)	Group Real Estate Financing (REF) Policy	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
The financed CO_2e emissions of Erste Group contribute to climate change and therefore to global warming. (Negative Impact Climate Change Mitigation) Investments in and financing of energy-intensive companies that still rely on fossil fuels lead to high CO_2e emissions, which in turn contribute to climate change. (Negative Impact Energy)	Group Responsible Financing Policy Group Corporate Lending Principles	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
Price instability on the energy market due to climate change can result in decreased profitability in companies in energy-intensive sectors as well as liquidity shortage of retail clients, leading to a higher default risk and a related increase in risk provisions for Erste Group, impacting P&L as well as own funds. (Risk Energy)	Group Retail Credit Risk Management Policy Group Corporate Lending Principles Group Real Estate Financing (REF) Policy	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
Erste Group faces a higher credit risk as climate-related transition events (e.g. carbon pricing and regulatory interventions) can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences are increased risk provisions for Erste Group and connected negative impacts to its P&L and own funds. (Risk Climate Change Mitigation)	Group Retail Credit Risk Management Policy Group Corporate Lending Principles	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	Portfolio decarbonisation target
The CO_2e emissions of Erste Group's own operations and in the upstream value chain contribute to climate change and thus to global warming. (Negative Impact Climate Change Mitigation) The energy mix (electricity, fuel and heating) used by Erste Group creates CO_2e emissions and therefore contributes to climate change. (Negative Impact Energy)	No formal policy, but action plan	Lever: Emission reduction in own operations	Net zero operations target
Through the financing of climate-change adaptation solutions Erste Group has a positive impact on reducing vulnerabilities to climate change impacts. (Positive Impact Climate change mitigation)	Sustainable Finance Guideline	Lever: Promoting a sustainable real estate sector Lever: Emission reduction in the energy sector	15% sustainable retail mortgages by 2027 25% sustainable corporate financing by 2026

SUSTAINABLE FINANCE GUIDELINE (SFG)

Policy objectives to address impacts, risks and opportunities

Erste Group's primary environmental impact stems from its lending activities, specifically the emissions generated by the projects it finances. As a financial institution, Erste Group plays a crucial role in facilitating the transition to a low-carbon economy by actively engaging with its clients and supporting them on their decarbonisation journey. Considering the climate crisis, this means to mobilise funds to create a fairer and more prosperous world for all, thereby contributing to a sustainable future. By adhering to its SFG, Erste Group will continue to maintain its strong role in sustainable financing, with focus on climate change mitigation and financing of energy-efficient buildings and renewable energy as well as potentials arising from the other environmental objectives (climate change adaptation) (for more details see chapter SBM-1).

The Sustainable Finance Guideline, and thus Erste Group's sustainable financings, is a strategy that primarily addresses its opportunities and positive impacts and, under certain conditions, may contribute to its decarbonisation targets, such as:

- Additional financial opportunities arise from Erste Group's investments in and financing of customers supporting their decarbonisation and transition to a sustainable state.
- Erste Group's financing of renewable energy projects enables CO_2e-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries.
- Erste Group's financing of and investments in renewable energy projects (e.g. energy from renewable energy sources such as solar energy or wind power) enable CO_2e-neutral energy production and offers new opportunities for the portfolio.
- Through the financing of climate-change adaptation solutions, Erste Group has a positive impact on reducing vulnerabilities to climate change impacts.

Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6.

Methodology

'Sustainable financing' is a term used by Erste Group to determine financings that address the interplay of Erste Group's identified environmental impacts and opportunities. This involves screening and evaluating Erste Group's financed portfolio in accordance with a bespoke approach and set of criteria, grounded in the principles of established standards and frameworks. With the decarbonisation levers of 'promoting a sustainable real estate sector' as well as the 'reduction of financed emissions in the energy sector', Erste Group's sustainable financings have a primary focus on:

Real estate financings:

- energy efficient buildings with energy-efficient indicators in the Energy Performance Certificate (e.g. EPC label A)
- buildings meeting the requirements for a 'nearly zero energy building' (NZEB) according to EU Directive 31/2010
- buildings that account to the top 15% (based on an estimate) of the national or regional building stock expressed as operational Primary Energy Demand (PED). This methodology is explained in chapter E1-4.

Renewable energy projects financings:

- supporting the realisation of decarbonisation via cost-effective actions (e.g. innovative technologies, transition or increase to renewable energy sources from non-renewable energy sources).

Further technical details on the screening approach and the criteria can be found in chapter E1-4. In addition, the above-mentioned decarbonisation levers contributing to the achievement of the target are explained in chapter E1-3.

The Sustainable Finance Guideline provides the framework for classifying sustainable financings for the achievement of the portfolio decarbonisation target, to attaining 15% sustainable mortgages by 2027 and to the goal of reaching 25% sustainable corporate financing by 2026. Through this, Erste Group continues to maintain its strong role in sustainable financings (see SMB-1 for more details on strategic priorities).

Scope

The methodology set out in the SFG applies to all credit institutions of Erste Group. The Sustainable Financing KPI only applies to business lines of parent banks in the core markets of Erste Group for corporate and retail. Erste Group's Sustainable Financing KPI is an internal remuneration-linked metric and must not be confused with the Green Asset Ratio (GAR) KPI under the EU Taxonomy.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy-setting process. For more details on the consideration of interests and views of stakeholders please refer to chapter SBM-2.

The approach and process related requirements on sustainable financings are captured in the SFG. Any criteria and programme in scope of sustainable financings is subject to approval by the Group Sustainable Finance Committee.

GROUP RESPONSIBLE FINANCING POLICY

Policy objectives to address impacts, risks and opportunities

The Group Responsible Financing Policy sets out exclusion criteria for specified economic activities that have harmful socio-environmental effects. Besides the topic of biodiversity, one main area of concern of the policy is the energy sector. The objective is to implement principles for the energy sector for better management of environmental and climate risks, as well as energy security and social impacts of the energy transition. The alignment of the financed portfolio with Paris Climate Targets is a key priority for Erste Group.

Thus, the policy contributes to the achievement of the portfolio decarbonisation targets by 2050. To reach this target, Erste Group has implemented a well-defined structure and governance framework for the execution of decisions under the Group Responsible Financing Policy. The key decarbonisation lever contributing to achieving the policy's target is 'emission reduction in the energy sector' (see chapter E1-3 for more details). Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6.

Methodology

The policy mandates a two-tier review process. To comply with the requirements of the policy, the deal originator must:

- seek a dedicated dialogue with high-emitting clients. This typically starts with an industry and client-specific assessment of ESG issues, to identify Sustainable Financing instruments that match the client's sustainability and funding strategy.
- collect relevant information and documents related to the specific deal.
- assess the non-financial risks in line with the Group Responsible Financing policy and propose corresponding follow-up measures if necessary.

The second review is carried out by the Local and Group Non-financial Risk Management (NFR) function. They guide the deal originator and associated employees through the specific NFR process required by the deal in question.

Erste Group implements principles for the energy sector to advance the management of environmental and climate risks as well as energy security and social impacts of actual energy transition projects. These energy sector principles are based on accepted industry principles and acknowledged by various stakeholders as best practice. These principles are also aligned with Erste Group's commitment to reduce carbon emissions as Erste Group recognises the strategic importance of renewable energy and energy efficiency projects.

Scope

All products and services in the Corporates and Markets area for all Erste Group financial institution entities are in scope of this Policy, no matter whether the financing is direct or indirect; on - or off-balance-sheet financing, and whether financial risks are linked to it or not.

A client company/group is considered within the scope of the policy if the economic activity in scope of the deal accounts for more than 5% of the group's turnover. Not in scope of this policy are all retail business line products, single payment transactions, transactions below an aggregate amount of EUR 1 million within an already approved limit and 'responsible investments' including Erste Asset Management.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The Group Responsible Financing Policy is made available on the website of Erste Group and is owned by the Group ESG Office. By adhering to this policy, Erste Group commits to respect the demands by the EU Paris agreement as well as the EU taxonomy.

GROUP RETAIL CREDIT RISK MANAGEMENT POLICY

Policy objectives to address impacts, risks and opportunities

Price instability on the energy market due to climate change can result in decreased profitability for companies in energy-intensive sectors as well as liquidity shortage of retail clients. Additionally, Erste Group faces a higher credit risk as climate-related transition events can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences for Erste Group are increased risk provisions and connected negative impacts on the profit and loss statement and funds. The policy supports the achievement of the portfolio decarbonisation targets by 2050. Decarbonisation levers primarily contributing are the 'emission reduction in the energy sector' as well as the 'promotion of a sustainable real estate sector' (see chapter E1-3 for more details). For a detailed understanding of the CO_2e metrics associated with financed emissions, chapter E1-6 provides comprehensive results for the current and prior years.

Methodology

The policy requires local entities to collect and store sustainability data, which can be obtained through an EPC of the financed object or an alternative method of assessing energy classification. If no energy classification information is received, the worst category of the available energy performance scale is assumed for the loan decision. The policy includes special lending conditions based on the energy efficiency values of the objects being financed. These conditions acknowledge that objects with lower energy efficiency are more likely to result in higher future maintenance and investment costs, which could impact the repayment capacity of customers and represent a credit risk. Higher energy efficiency, evidenced by an EPC, means a lower carbon footprint for the building. Thus, for retail mortgages, the pricing is linked to energy efficiency of the real estate collateral.

The recommended parameters for housing loans are differentiated by EPC levels, with different maximum loan tenors and Debt Service to Income (DSTI) ratios assigned to each energy efficiency category.

For customers planning to renovate the financed property, lending parameters that reflect the new energy performance category expected to be achieved post-renovation can be applied at loan origination. The targeted energy performance level post-renovation must be assessed and provided by locally acceptable methods at the time of loan origination.

For clients purchasing residential real estate classified with low energy efficiency level, the maximum DSTI must be applied in accordance with the policy requirements. This ensures that potential future cost increases due to higher energy costs or renovation expenses are considered.

Scope

The scope of the policy applies to entities in the group's core markets and their respective subsidiaries that are engaged in lending to private individuals and micro entities (excludes Erste Group Bank AG, Erste Asset Management, Erste Group Immorent GmbH, Intermarket Bank AG and Erste Digital GmbH). The CROs of the local entities are responsible for the implementation of the policy and ensuring that majority-owned subsidiaries also comply with the requirements of this policy. The policy covers the entire end-to-end retail credit cycle, which includes loan granting, portfolio management and collections. It is adopted across geographies in compliance with local regulatory requirements.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

By adhering to this policy, Erste Group also follows the European Banking Authority (EBA) guidelines on loan origination and monitoring as well as the EU GDPR and KYC requirements.

GROUP REAL ESTATE FINANCING POLICY

Policy objectives to address impacts, risks and opportunities

Erste Group benefits from the financial opportunities that arise from the financing of and investments into companies that offer solutions for adapting to climate change and the funding of adaptation solutions in the real estate market (residential and commercial real estate). However, Erste Group also encounters an elevated credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and financial stability of debtors. The consequences are increased risk provisions and negative impacts on Erste Group's profit and loss statement and own funds. For this reason, Erste Group's Real Estate Financing (REF) Policy requires a sustainability assessment for real estate financing projects with exposure of EUR 20 million or above before making a credit decision. In doing so, the policy contributes to the achievement of the portfolio decarbonisation targets by 2050. Principal mechanisms for decarbonisation that are instrumental in attaining the policy's objectives include 'promoting a sustainable real estate sector' as well as 'emission reduction in the energy sector' (see chapter E1-3 for more details). Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6.

Methodology

With regards to the monitoring process, the policy requires an assessment of energy efficiency, physical risk (e.g. flooding, drought etc.) and the CO_2e value of the asset. It requires a Technical Due Diligence report, which includes the following areas:
— a technical and functional evaluation of the asset
— a verification of the legal authority's status
— a general evaluation of the building specification
— a technical and economic evaluation of the building materials
— the implemented technology, the overall quality and workmanship
— a rough estimation of necessary investments.

Scope
The scope of the policy encompasses all real estate financing transactions with corporate clients or client groups, regardless of segmentation criteria. It covers the Group Commercial Real Estate segment, all specialised lending income-producing real estate clients and clients with certain codes in the nomenclature statistique des activités économiques dans la communauté européenne (NACE) related to the corporates segment or the industry segments of Real Estate or Hotels and Leisure. The policy is applicable to all Erste Group entities engaged in such business activities. These entities are required to integrate the policy into their local frameworks. Erste Group Bank AG has a dual role, both overseeing activities within the group and acting as a distinct legal entity offering corporate banking services. For clients or client groups outside of Erste Group's home markets, group standards are applicable as defined in the country specifics. The policy does not apply to workout clients, as defined in the Group Workout Policy, which focuses on restructuring rather than new business generation.

For engagements above EUR 40 million, the policy requires legal documentation to be based on international Loan Market Association standards, ensuring the possibility of syndication or sub-participation.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The CRO of Erste Group is accountable for approving and implementing the policy. The policy is only available internally.

GROUP CORPORATE LENDING PRINCIPLES

Policy objectives to address impacts, risks and opportunities
The Group Corporate Lending Principles policy defines group-wide rules and principles for corporate lending to ensure sound credit risk management, responsible banking and standardised client creditworthiness assessments. The policy supports managing risks stemming from energy and climate change mitigation by conducting a comprehensive ESG assessment of large corporate borrowers. Erste Group may face higher credit risk caused by climate-related transition events that can lead to negative effects on the profitability of business models and the financial stability of debtors. The consequences are increased risk provisions for Erste Group and connected to negative impacts to its profit and loss statement and own funds. For example, price instability in the energy market due to climate change can result in decreased profitability in companies belonging to high emitting sectors.

By managing these risks, the policy supports Erste Group's portfolio decarbonisation targets and potential subsequent emission reduction. The key decarbonisation lever contributing to achieving the policy's target is 'emission reduction in the energy sector' (see chapter E1-3 for more details). Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6.

If clients are exposed to increased sustainability risks, these must be properly assessed with respect to their financial position in the credit application and considered in the final lending decision as well as the rating. For large corporates in certain industries that lack a climate transition plan and do not measure the current emissions, any new transaction including a policy exception must be approved by the Credit Committee of Erste Group Bank AG. This ensures that material sustainability matters are integrated into the lending process and encourages clients to adopt sustainable practices. Additionally, ESG assessments are updated annually to reflect any changes in the client's ESG risks.

Methodology
The evaluation of the client performance or solvency includes an assessment of its financial metrics and their engagement in mitigation activities. ESG assessment questionnaires are used during the lending process to evaluate climate change mitigation risks and how ESG factors may positively (mitigation) or negatively (risks) impact the financial performance or solvency of the client. Large corporates are required to share their corporate carbon footprint as well as their carbon offsets. In addition, the client's energy mix and efficiency are analysed. A more sustainable energy mix and higher energy efficiency benefit the client's overall performance in the evaluation.

Scope
The policy is applicable to the whole group and covers all corporate clients (LC, SME, CRE, Corporates owned by Sovereigns or Sub-Sovereigns, public sector). The policy explicitly excludes clients involved in suspicious and illegal activities or controversial industries as well as pure financial holdings without transparency and captive/offshore companies not consolidated into the internal Group Corporate Centre (GCC).

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

By adhering to this policy, Erste Group complies with the FMA's 'Kreditinstitute-Risikomanagementverordnung' (KI-RMV), as well as the EBA Guidelines on loan origination and monitoring. The CRO Board is accountable for the implementation of the policy. The policy is made available internally.

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The energy and real estate sectors in Erste Group's portfolio are key to its decarbonisation efforts as these have the highest emissions. Therefore, to achieve net zero emission targets, Erste Group focuses on two portfolio decarbonisation levers that comprise several already implemented key actions. For a more comprehensive understanding of the CO_2e results pertaining to financed emissions, please consult chapter E1-6.

DECARBONISATION LEVER 'PROMOTING A SUSTAINABLE REAL ESTATE SECTOR'

Erste Group aims to reduce its financed emissions by increasing sustainable financing in the real estate sector through two main enablers, its Financial Health Commercial Real Estate Tool to track the carbon footprint of commercial real estate portfolios and the Renovation Financing and Energy Efficiency Calculator to assess its client's home renovation need and energy efficiency.

On one hand, the action contributes to the achievement of the Sustainable Finance Guideline's objective in strengthening its role in sustainable financing. On the other hand, the action aligns with Erste Group's Real Estate Financing Policy, as the policy requires a sustainability assessment for residential real estate financings projects with exposure of EUR 20 million or above before making a credit decision. Therefore, this decarbonisation lever addresses the impacts, risks and opportunities (IRO) of these policies as outlined in chapter E1-2. Successfully motivating clients to take measures to improve the energy performance of the buildings they own, financed by the Group, contributes to reducing financed emissions in absolute terms if higher emission-loans mature. This lever further contributes to the attainment of the 25% sustainable corporate financing target and the 15% sustainable mortgage target (see chapter E1-4 for more details on targets).

Enabler 1: Financial Health Commerical Real Estate Tool

Erste Group has developed the Financial Health Commercial Real Estate Tool to enhance client engagement, provide greater transparency and improve the overall quality of its portfolio. It is expected that this instrument will have a positive impact on climate change mitigation by enabling the identification and promotion of energy-efficient building practices. By integrating asset-level data on energy performance and greenhouse gas (GHG) emissions, the tool allows both the bank and its clients to actively track and manage the carbon footprint of commercial real estate portfolios. The tool raises client awareness and encourages the adoption of renewable energy solutions, such as on-site solar power generation or green electricity procurement. With this initiative Erste Group aims to enhance energy efficiency and reduce carbon emissions within its commercial real estate holdings.

The Financial Health Commercial Real Estate Tool integrates client asset KPIs with benchmark values derived from Erste Group's portfolio data, internal policies and GHG thresholds. For instance, Erste Group compares client EPCs among other client assets in the portfolio (EPC values of CRE assets). A pre-defined CO_2e threshold allows Erste Group to identify assets that are desirable in terms of CO_2e emissions and are aligned with its portfolio reduction pathway. The tool enables clients to visualise their projects, compare them with other portfolio projects and place them within the context of Erste Group's commercial real estate decarbonisation pathways.

The screening of each client within the portfolio is currently underway across all entities and will continue throughout 2025. The primary objective is to engage with all relevant commercial real estate clients, utilising available underlying asset information. As a result, the Financial Health Commercial Real Estate Tool indirectly contributes to climate change mitigation and GHG reduction by facilitating the identification and promotion of energy-efficient building practices among clients.

Enabler 2: Renovation financing and the Energy Efficiency Calculator

To support the energy efficiency transition in residential properties, Erste Group provides its retail clients with digital, web-based solutions that simplify the process of assessing their home renovation needs. The renovation calculator tools help clients understand their current property's energy efficiency and identify potential improvements. By engaging clients through this platform, Erste Group provides the possibility to get a clear picture of how their home's energy efficiency can be improved, which actions to take and how to quantify the business case for these improvements. The expected results include increased client engagement via digital channels, with more homeowners adopting energy-efficient renovation measures. Additionally, clients are encouraged to access subsidy programmes across the CEE region and to receive financing options, leading to better utilisation of energy-saving technologies such as solar panels, heat pumps and home insulations. Where financially viable and credit risk parameters are met, Erste Group is easing the time to cash for customers to receive financing for energy upgrades. This measure supports the implementation and realisation of the retail credit risk policy, the SFG as well as the sustainable finance framework. It contributes to the achievement of the target 'sustainable retail mortgages' as outlined in the table 'Sustainable financing – actuals and targets'.

Erste Group proactively engages with clients, offering renovation calculation and financing options through various channels. By leveraging the renovation calculator and associated financing solutions, Erste Group supports clients in enhancing the energy efficiency of their homes, thereby promoting sustainable housing solutions. The effectiveness of this initiative is monitored by the granted renovation loans.

The described decarbonisation lever with its two enablers drives GHG emission reductions as shown in the table 'Sustainable Financing – actuals and targets'.

Scope of the decarbonisation lever

The geographical scope for the decarbonisation lever encompasses all regions of operations. The finalization of implementation relates to a medium-term period. Currently in the rollout phase, the Financial Health Commercial Real Estate Tool is being implemented across all Erste Group regions, with the screening of all existing stock assets expected to be completed in the short- to medium-term. The tool focuses on downstream value chain and addresses the commercial real estate portfolio of Erste Group. Renovation Financing and the Energy Efficiency Calculator applies to the downstream value chain of Erste Group, focusing on retail mortgage clients. The scope covers all regions of operation, particularly targeting clients with high energy intensity. Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6.

DECARBONISATION LEVER 'FINANCED EMISSIONS REDUCTIONS IN THE ENERGY SECTOR'

Erste Group aims to reduce its financed emissions in the energy sector by increasing sustainable financing for renewable energy projects and by reducing its loan portfolio in the coal sector. The contribution to decarbonisation targets significantly depends on the nature of the financed company. For instance, a coal-reliant company that utilises the financing to implement adaptation solutions (e.g. such as wind parks) can thereby reduce its reliance on fossil-based technology.

This lever contributes to the decarbonisation of Erste Group's energy portfolio and is in line with the Sustainable Finance Guideline which defines sustainable investments that contribute to climate-neutrality as well as the Group Responsible Financing Policy which sets exclusion criteria for harmful socio-environmental economic activities, such as investments into carbon-intensive energy activities. Additionally, it contributes to the objectives of the Group Corporate Lending Principles. Therefore, this decarbonisation lever addresses the IROs of these policies as outlined in chapter E1-2. The lever further contributes towards the policies' objectives such as the net zero portfolio target as well as the 25% sustainable corporate target. The achievement of the policies' targets is outlined in chapter E1-4.

Through the key actions 'renewable energy financing' and 'reducing coal financings', investment in and financing of energy-intensive energy companies will be reduced, while financing renewable energy projects enables CO_2e-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries, offering new clean energy opportunities for Erste Group's portfolio.

Key action 1: Renewable energy financing

Erste Group's renewable energy financing aims to increase the share of sustainable financing for projects that support the transition to cleaner energy sources. By focusing on clients with decarbonisation technologies in regions such as Austria, Czechia, Slovakia and Romania, Erste Group seeks to accelerate the adoption of renewable energy solutions, including wind, solar and battery storage. The anticipated impact includes an increase in financing for renewable energy projects and a reduction in financed emissions from the energy and heat production sectors, particularly if fossil-reliant companies transition to cleaner energy technologies. This initiative is a key measure contributing to the realisation of the targets and goals outlined in the SFG and the sustainable finance framework policy.

Key action 2: Reducing coal financings

In line with its Responsible Financing Policy, Erste Group is committed to progressively reduce its financing of thermal coal mining and thermal coal-based power generation, phasing out coal financing by 2030 in alignment with the National Energy and Climate Plans (NECPs) in its core markets. For the oil and gas sector, Erste Group has committed to avoiding any expansion of financing for oil and gas exploration unless it is crucial for independence from Russia and is indispensable for national energy security within Europe.

Erste Group actively engages with all clients exposed to thermal coal, focusing on understanding their transition plans. By the end of 2025, Erste Group aims to analyse all clients in this sector in-depth to assess and align their transition plans with the bank's net zero targets. This includes identifying clients with over 25% of revenues from thermal coal and requiring them to present a credible, time-bound exit plan to phase out coal-related activities by 2030. Relationship managers are equipped with single-client assessment toolkits that use public and internal information to assess each client's transition readiness and their contribution to Erste Group's targets. Erste Group ensures that its engagement focuses on helping oil and gas sector clients adopt environmental action plans and decarbonisation strategies. On one hand, this includes avoiding financing for extraction in unconventional sectors, such as oil sands or Arctic exploration. On the other hand, Erste Group is prioritising engagements of high emitting clients, who are part of their sector's decarbonisation targets, to assess their transition plans including the necessary CAPEX investments.

Through the implementation of the two outlined measures, this initiative will result in a substantial reduction in financed emissions. Renewable energy financing currently constitutes the second-largest component of Erste Bank's 25% sustainable financing target. Following commercial REF, it is the most significant contributor to the reduction of financed emissions. The coal exit engagement strategy is expected to achieve a notable reduction in financed emissions associated with fossil fuels. Focusing on specific-purpose financing in renewable technologies, such as wind, solar and hydro, will further reduce Erste Group's financed emissions and significantly contribute to the 25% corporate sustainable financing target.

Additional information on the achieved GHG reductions can be found in table 'Portfolio Decarbonisation Targets including progress in 2024,' with particular emphasis on the electricity production sector.

Scope of the decarbonisation lever

The scope of the 'Sustainable Financing for renewable energy' measure covers the downstream value chain of Erste Group, specifically targeting renewable energy projects in the energy and heat production sectors. The geographic scope encompasses all regions of Erste Group, with a primary focus on high-exposure markets such as Austria, Czechia, Slovakia and Romania. The implementation of the Sustainable Financing measure for renewable energy is designed for a long-term period.

The scope of the coal portfolio reduction measure applies to the downstream value chain of the bank and covers all entities and regions of Erste Group. The time horizon for the reduction of the coal portfolio is medium-term, with in-depth analysis and transition plan assessments scheduled to be completed by 2025 and 2026.

With regards to clients belonging to sectors not included in Erste Group's portfolio decarbonisation targets, Erste Group conducts similar engagement strategies for clients with high financed emissions.

None of the three decarbonisation levers directly address providing remedies for those affected by actual material impacts. The related expenditure for the three decarbonisation levers is not significant for the financial performance of the Group.

DECARBONISATION LEVER 'EMISSION REDUCTION IN OWN OPERATIONS'

Erste Group aims to decarbonise its operations by decarbonising employee mobility through electrification, enhancing building energy efficiency, switching to low-carbon energy sources and increasing employee engagement through trainings and joint action. The implemented actions target the bank's CO_2e emissions from own operations, thus contributing to its net zero operations goal. Erste Group's actions currently focus on the reduction of scope 1 and 2 emissions as managing operational scope 3 emissions represents a significant challenge, as these emissions are largely influenced by the activities of third parties and external stakeholders. Please refer to chapter E1-4 to gain a deeper understanding of the achieved GHG emission reductions within scope 1 and 2. Additionally, chapter E1-6 outlines the current CO_2e balance results and those from the previous year. For more insights into energy consumption and its breakdown, please see chapter E1-5.

No significant capital expenditure and operating expenditure is required for the described measures.

With regards to the decarbonisation levers affecting the portfolio, no assessments can be made concerning the CO_2e reduction potential yet. Similarly, no projections have yet been made for the CO_2e reduction potential concerning own operations.

Scope of the decarbonisation lever

The implementation of the measures relates to the short-term period for employee engagement and awareness and to the medium-term period for decarbonisation of employment mobility, increased energy efficiency of own buildings and low carbon energy use.

E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTION

PORTFOLIO DECARBONISATION TARGETS

Erste Group's decarbonisation targets are presented in the 'Portfolio Decarbonisation Targets' table, detailing emission scopes, the base year, the target value, the reference value and the selected scenario pathways and methodologies. Erste Group's GHG emission reduction targets are scientifically sound and compatible with limiting global warming to 1.5°C.

The net zero portfolio target is strategically designed to evaluate the effectiveness and efficiency of Erste Group's initiatives in mitigating the emissions associated with its financing activities. This target not only serves as a benchmark for assessing the success of various measures implemented to reduce the carbon footprint of financed projects, but also underscores Erste Group's commitment to sustainable finance. Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6.

The policies described in chapter E1-2, such as the SFG, the Group Responsible Financing Policy, the Group Corporate Lending Principles Policy, the Group REF Policy and the Group Retail Credit Risk Management Policy, collectively support the achievement of the portfolio decarbonisation target by addressing Erste Group's material IROs as listed in the table 'Material Impacts, Risks and Opportunities' in chapter SBM-3. The portfolio target is primarily achieved through a reduction in financed emissions in the energy sector as well as the promotion of a sustainable real estate sector. This is explained in more detail in the prior chapter E1-3.

By focusing on both the energy and real estate sectors, Erste Group aims to address major sources of emissions through sustainable financing, energy efficiency improvements and the transition to renewable energy sources. These efforts are expected to contribute significantly to achieving the GHG emission reduction targets. The portfolio decarbonisation targets address Erste Group's downstream value chain and applies to all regions in which it operates. Currently, the regions of Serbia, Bosnia and North Macedonia are not included in the mortgage lending and commercial real estate targets.

Client executives, industry experts and sustainability advisors were engaged to ensure that Erste Group's goals are both ambitious and aligned with broader industry standards and expectations.

The following medium and long-term targets have been set to define the path towards a net zero portfolio and make progress clearly measurable:

Portfolio decarbonisation targets

					Baseline		Targets			
Sector	Metric	Methodology[3]	Scenario/ pathway	Emissions scope[4]	Year	Value	2030	Reduction in %	2050	Reduction in %
incl. savings banks segment										
Mortgages[5]	$kgCO_2e/m^2$	SBTi SDA	IEA B2DS	1 and 2	2022	48.7	27.1	-44%	0.7	-99%
Commercial real estate[5]	$kgCO_2e/m^2$	SBTi SDA	IEA B2DS	1 and 2	2022	45.9	22.2	-52%	0.8	-98%
Electricity production	$kgCO_2e$/MWh	PACTA	IEA NZE2050	1 and 2	2022	357.1	182.7	-49%	21.6	-94%
Heat and steam production	Tsd tCO_2e	SBTi AC	IEA NZE2050	1 and 2	2022	1,614.3	924.0	-43%	159.3	-90%
Oil and gas extraction	Tsd tCO_2e	PACTA	IEA NZE2050	1, 2 and 3	2023	1,020.4	923.7	-9%	368.6	-64%
Automotive	gCO_2e /km	PACTA	IEA NZE2050	1, 2 and 3	2023	169.8	103.6	-39%	31.2	-82%
Iron and steel[1]	tCO_2e/tonne steel	PACTA	IEA NZE2050	1 and 2	2023	1.5	1.1	-24%	-	-
Cement production[2]	tCO_2e/tonne cement	SBTi SDA	IEA NZE2050	1 and 2	2023	0.6	0.5	-19%	0.0	-94%

[1] No long-term targets for 2050 were set for the iron and steel sector, as the technological uncertainties - such as the development of alternative fuels like hydrogen to a competitive, industrial scale – remain significant. Ongoing efforts aim to improve the basis for long-term targets, enabling the definition of specific targets up to 2050 in subsequent years.

[2] The base year / actual values are based on available input data (e.g., client sustainability reports), some of them only show CO_2 values as a numerator or tonne cementitious as a denominator. If, instead of the CO_2e intensity per tonne of cement, only the CO_2 intensity per tonne of cementitious was available, this was used.

[3] Erste Group's baseline values fulfill the requirements and calculation approach of third-party standard setters such as SBTi and PACTA. Those standards are based on the latest findings from leading environmental institutions, such as the IPCC. Hence, Erste Group's baseline value is to be considered a representative one.

[4] The given scopes represent emissions from Erste Group's downstream activities, in particular the scope 1, 2 and where significant also scope 3 emissions from the financed company / project.

[5] At present, the targets for mortgages and commercial real estate do not include the regions of Serbia, Bosnia and Herzegovina and North Macedonia.

In 2024, Erste Group began incorporating savings banks into all portfolio decarbonisation targets. This inclusion necessitated adjustments to the targets for the heat and steam sectors, as well as cement production. The monitoring and steering of these new targets will commence in 2025. The progress towards achieving the portfolio decarbonisation targets is presented in the table 'Portfolio Decarbonisation Targets including progress in 2024'.

In total, to date, the decarbonisation targets have been set for a credit risk volume of EUR 108 billion, this represents 56.9% of the volume covered by the financed emissions calculation (see details in the respective chapter of CSRD). The portfolios with decarbonisation targets cover 40.1% (scope 1 and scope 2) and 19.7% (scope 1+2 and scope 3) of financed emissions in 2024.

As all targets are derived based on the Science-Based Target Initiative (SBTi) and PACTA methodologies, these targets serve as 1.5°C scenario-based benchmarks, except the real estate sectors. For those, Erste Group considers to re-baseline the targets.

Methodology, defined measures and the current progress towards the targets will be described below.

Portfolio decarbonisation targets including progress in 2024

Sector	Metric	Methodology[2]	Scenario/ pathway	Baseline Year	Baseline Value	Value 2024	Value Reduction in%	Targets 2030	Reduction in %	Targets 2050	Reduction in %
incl. savings banks segment[1]											
Mortgages[3]	$kgCO_2e/m^2$	SBTiSDA	IEAB2DS	2022	48.7	48.8	0%	27.1	-44%	0.7	-99%
Commercial real estate[3]	$kgCO_2e/m^2$	SBTiSDA	IEAB2DS	2022	45.9	37.7	-18%	22.2	-52%	0.8	-98%
Electricity production	$kgCO_2e$/MWh	PACTA	IEA NZE2050	2022	357.1	136.3	-62%	182.7	-49%	21.6	-94%
excl. savings banks segment[1]											
Heat and steam production[4]	Tsd tCO_2e	SBTi AC	IEA NZE2050	2022	1,382.0	584.7	-58%	801.0	-42%	138.2	-90%
Oil and gas extraction[4]	Tsd tCO_2e	PACTA	IEA NZE2050	2023	1,020.4	281.5	-72%	923.7	-9%	368.6	-64%
Automotive[5]	gCO_2e/km	PACTA	IEA NZE2050	2023	169.8	167.7	-1%	103.6	-39%	31.2	-82%
Iron and steel[5 6 7]	tCO_2e/tonne steel	PACTA	IEA NZE2050	2023	1.5	1.14	-22%	1.1	-24%	-	-
Cement production[8]	tCO_2e/tonne cement	SBTiSDA	IEA NZE2050	2023	0.6	0.6	1%	0.5	-19%	0.0	-94%

[1] The savings banks segment was not part of the original target setting and is only partially included in the target setting in the reporting year 2024. Therefore, the progress on target is shown separately for those sectors including savings banks segment during the reporting year and those sectors not yet including savings banks segment.

[2] Erste Group's baseline values fulfill the requirements and calculation approach of third-party standard setters such as SBTi and PACTA. Those standards are based on the latest findings from leading environmental institutions, such as the IPCC. Hence, Erste Group's baseline value is to be considered a representative one.

[3] At present, the targets for mortgages and commercial real estate do not include the regions of Serbia, Bosnia and Herzegovina and North Macedonia.

[4] Target setting was based on clients Erste Group engaged with at point of target setting; with supporting local targets focusing on entities where on balance bookings were recorded. Regular monitoring is performed on total Group level to ensure a full coverage of Erste's client engagement, no matter in which entity bookings are conducted. Therefore, group entities considered during target setting differ from the scope of entities contributing to disclosed achieved reductions.

[5] Decarbonization targets are defined on the Erste Group level and cascaded to Entities applying materiality threshold. Therefore, not all core market entities are considered.

[6] No long-term targets for 2050 were set for the iron & and steel production sector, as the technological uncertainties - such as the development of alternative fuels like hydrogen to a competitive, industrial scale - remain significant. Ongoing efforts aim to improve the basis for long-term targets, enabling the definition of specific targets up to 2050 in subsequent years.

[7] In case no specific data are available, parameters used at point of target setting are applied in the monitoring.

[8] The base year / actual values are based on available input data (e.g., client sustainability reports), some of them only show CO2 values as numerator or tonne cementitious as a denominator. If, instead of the CO2e intensity per tonne of cement, only the CO2 intensity per tonne of cementitious was available, this was used.

After defining portfolio decarbonisation targets for priority sectors, Erste Group's risk appetite evaluation has been enhanced through the introduction of an internal indicator. The internal indicator addresses the question at what level of CO_2e emissions or CO_2e emissions per physical metric (identical to the metric used in decarbonisation target setting) in the respective year (e.g., 2024) puts the target achievement for 2030 at risk. Thus, its aim is not only to support the commitment to climate action, but also to enable proactive steering of portfolio development along the defined decarbonisation path. The internal indicator is set as a buffer above the downward decarbonisation pathway, thus allowing minor deviations above it but still ensuring sufficiently early alert in case of possible misalignment with 2030 targets.

In case of a trigger event, the reasons for the indicator breach are analysed and mitigation measures are developed with the involvement of relevant stakeholders. This process is dependent on the drivers, industry specifics, impact as well as necessary time for remediation. It is discussed and agreed upon with the relevant stakeholders on a case-by-case basis.

The progress along the decarbonisation pathway is monitored quarterly via dedicated internal reports presented to the management. Moreover, the actual results are approved by the Management Board as part of the Group Risk Report.

The explanation on the progress is elaborated in the chapters dedicated to the decarbonisation of the respective sectors.

Electricity sector decarbonisation target

The focus within the electricity production portfolio is on diversified electricity producers as well as project-based financing of electricity production. A thorough review is applied to confirm that the activities are centred on electricity generation. This focus supports the broader goal of reducing carbon emissions in the power sector, which is a significant contributor to global GHG emissions.

Moreover, the energy sector will be the central cornerstone of Europe's decarbonisation success. As one of the most pollutive industries at present, it also offers a substantial opportunity to transform from fossil fuels to renewable energy. Besides, a more environmentally sustainable energy mix, origination from electricity transformation, will be a key contributor to reduce emissions in other industries.

To support the energy transition, the EU climate objectives have helped to increase the ambition of national programmes for deploying clean energy measures. Electricity systems need to be flexible and require growth in battery energy storage and flexible peaking power plants such as combined cycle gas turbines. Expansion and modernisation of transmission and distribution grids offer opportunities for financing to meet growing electrification demands.

This portfolio's scope includes direct emissions (scope 1) from the combustion of fossil fuels and indirect emissions (scope 2) associated with the purchase of electricity, heat and cooling necessary for operations. Emissions related to activities further down the value chain (scope 3) are not included, as they represent a relatively small part of the total emissions in the power generation sector.

Erste Group's methodological approach is grounded in the Paris Agreement Capital Transition Assessment (PACTA) framework, customised for financial institutions. This allows to track and manage the physical emission intensity of electricity producers within its portfolio. Decarbonisation targets are defined considering a physical metric and measured as $kgCO_2e/MWh$. This metric plays a crucial role in evaluating whether Erste Group's clients are prepared for the necessary transition in line with the 2030 and 2050 decarbonisation objectives.

To align with global efforts to limit temperature rise, Erste Group has adopted the IEA Net Zero 2050 scenario as the guiding benchmark. The targets aim for a 49% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 357.1 $kgCO_2e/MWh$ to 182.7 $kgCO_2e/MWh$. Erste Group is tracking the progress closely, with interim results showing a reduction of 62% to 136.3 $kgCO_2e/MWh$ by 2024. This status reflects the group-wide focus on energy transformation and financing renewable energy projects.

Based on the year-end monitoring of the decarbonisation progress of the electricity sector, the actual metric is in line with the internal indicator of 347.2 $kgCO_2e/MWh$ established by Erste Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

For deriving the future trajectories for each technology, the NZE 2050 (1.5°C) scenario was used. The IEA, with its 'Net Zero by 2050: A Roadmap for the Global Energy Sector' report, depicts the pathway to building a global energy sector with net zero emissions by 2050. The key drivers of this scenario are electrification and electricity supply and demand. Electricity supply will change with the share of renewables rising and the use of coal falling globally. Natural gas is used as a transition up to 2030 but will decline in the long term.

Heat and steam sector decarbonisation target

The focus within the heat and steam production portfolio is local, mainly involving district heating units and most of the clients from this sector are in Czechia, Slovakia and Austria and therefore national energy and climate plans in these countries are of importance. Thus, Erste Group applies a thorough review process to confirm that its activities are centred on heat and steam generation. This portfolio's scope includes direct emissions (scope 1) from the combustion of fossil fuels and indirect emissions (scope 2) associated with the purchase of electricity, heat and cooling necessary for operations.

Following the inclusion of savings banks portfolio into the target setting, the targets aim for a 43% reduction in the absolute financed emissions of Erste Group's portfolio by 2030, bringing it down from a 2022 baseline of 1,614.3 thousand tCO_2e to 924.0 thousand tCO_2e. Erste Group is tracking progress closely, with interim results excluding savings banks portfolio showing a reduction of 58% to 584.7 thousand tCO_2e by 2024. The clients in this sector, being usually a part of the integrated electricity producing companies, have been moving to renewable sources and this transition is visible in the downward movement of financed emissions.

Based on the year-end monitoring of the decarbonisation progress of the heat and steam sector, the actual metric is in line with the internal indicator of 1,328.7 thousand tCO_2e established by Erste Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

The derivation of the targets follows the absolute contraction approach (1.5°C) as foreseen by the SBTi tool and is enhanced with the net zero tool for long-term targets (2050), assuming a 90% reduction of emissions. In this case, the electricity demand for cooling is foreseen to increase in developing economies. According to extremely hot or cold periods, the electrification of heating and cooling will become a challenge for the electricity grid.

Oil and gas upstream decarbonisation target

The focus within the oil and gas portfolio is exclusively on clients' upstream activities, thus Erste Group applies a thorough review process to confirm that activities are related to upstream. Decarbonisation of this portfolio includes scope 1, 2 and 3 emissions.

The methodological approach is grounded in the PACTA framework, customised for financial institutions.

The scenario used is World Energy Outlook (WEO) 2021 NZE aligned (1.5°C) global. The scenario implies the decline in global oil demand and foresees that natural gas demand remains mostly stable until 2030. The scenario foresees oil demand reduction coming from the shift of passenger vehicles, transport cars and heavy trucks to electric power. The share of natural gas in the global energy mix remains around 11%, while around 70% of natural gas use in 2050 in NZE is equipped with carbon capture, utilisation and storage.

Erste Group's targets aim for a 9% reduction in the absolute financed emissions of the portfolio by 2030, bringing it down from a 2023 baseline of 1,020.4 thousand tCO_2e to 923,7 thousand tCO_2e. Erste Group is tracking progress closely, with interim results that exclude savings banks portfolio of 281.5 thousand tCO_2e by 2024. Based on the year-end monitoring of the decarbonisation progress of oil and gas upstream, the actual metric is in line with the internal indicator of 1,020.4 thousand tCO_2e established by Erste Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

The baseline has factored in Erste Group's business with its energy clients at the point of target setting. Erste Group has committed to refraining from increasing its exposure to oil and gas exploration, with the exemption of projects that align with Europe's national energy and climate plans (NECPs), as mandated by the European Commission.

Iron and steel decarbonisation target

Erste Group has defined a net zero target for its clients in iron and steel manufacturing and casting. This portfolio includes scope 1 and 2 emissions.

The methodological approach is grounded in the PACTA framework, customised for financial institutions. This allows Erste Group to track and manage the physical emission intensity of iron and steel production within the portfolio that is measured as tCO_2e/tonne steel. This metric plays a crucial role in evaluating whether clients are prepared for the necessary transition in line with Erste Group's 2030 target. To align with global efforts to limit temperature rise, it has adopted the Net Zero 2050 (WEO 2021) scenario as the guiding benchmark. As there is an uncertainty in the development of the technology that is needed to support transition to net zero for this sector after 2030, the targets are set only for 2030. The scenario assumes a shift on the technology side from basic oxygen furnaces that release large amounts of carbon dioxide and nitrogen oxide to electric arc furnaces, supported by usage of renewable energy.

The target is a 24% reduction in the physical emission intensity of Erste Group's portfolio by 2030, bringing it down from a 2023 baseline of 1.5 tCO_2e/tonne steel to 1.1 tCO_2e/tonne steel. Erste Group is tracking the progress closely, with interim results excluding savings banks portfolio showing a reduction of 22% to 1.14 tCO_2e/tonne steel by 2024. The slight decrease of emission intensities compared to the baseline reflects the gradual movement of the clients to the usage of electric arc furnaces in their processes.

Based on the year-end monitoring of the decarbonisation progress of the iron and steel sector, the actual metric is in line with the internal indicator of 1.5 tCO_2e/tonne steel established by Erste Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

Automotive decarbonisation target

Erste Group has defined a net zero target for the original equipment manufacturers, namely manufacturers of light duty vehicles (LDV). A thorough review process was carried out to identify the clients whose business activities fall under the definition of this sector. This portfolio includes scope 1, 2 and 3 emissions, thus enabling the consideration of emissions for the entire lifetime of the vehicle.

The methodological approach is grounded in the PACTA framework, customised for financial institutions. This allows Erste Group to focus on the automotive value chain that controls the bulk of the impact and the decarbonisation efforts, to track and manage the physical emission intensity of auto manufacturers within the portfolio that is measured as gCO_2e/km, following the well-to-wheel methodology. This metric as well as technology mix plays a crucial role in evaluating whether Erste Group's clients are prepared for the necessary transition in line with Erste Group's 2030 and 2050 decarbonisation objectives.

To align with global efforts to limit temperature rise, Erste Group has adopted the Net Zero 2050 scenario (WEO 2021) as guiding benchmark. The targets aim for a 39% reduction in the physical emission intensity of Erste Group's portfolio by 2030, bringing it down from a 2023 baseline of 169.8 gCO_2e/km to 103.6 gCO_2e/km.

The reduction of the CO_2e emissions captured in Erste Group's decarbonisation path is mostly driven by the EU regulation published by the European Parliament, stating the EU ban on sale of new petrol and diesel cars from 2035 and the programme Fit for 55.

Erste Group is tracking progress closely, with interim results excluding savings banks portfolio showing a reduction of 1% to 167.7 g CO_2e/km by 2024. Relatively stable development of emission intensity in the portfolio of Erste Group resembles the trends that are seen on the market, namely slow transition by the auto manufacturers.

Based on the year-end monitoring of the decarbonisation progress of automotive sector, the actual metric is in line with the internal indicator of 172.2 gCO_2e/km established by Erste Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

Cement decarbonisation target

A net zero target of Erste Group is defined for the clients in cement manufacturing. A thorough review process was carried out to identify the clients whose activities fall under the definition of this sector and to whom it has a client relationship. This portfolio includes scope 1 and 2 emissions.

The methodological approach is grounded in the SBTi framework. Erste Group applies the Sectoral Decarbonisation Approach (SDA) for 2030 and the Net Zero Tool for 2050. This allows it to track and manage the physical emission intensity of cement production within Erste Group's portfolio. It uses a key metric that measures the amount of CO_2e emissions per ton of cement (tCO_2e/tonne cement). This metric plays a crucial role in evaluating whether clients are prepared for the necessary transition in line with the 2030 targets. To align with global efforts to limit temperature rise, it has adopted the Net Zero 2050 (IEA 2021) scenario as the guiding benchmark. There is an uncertainty in the development of the technology needed to support the transition to net zero for this sector after 2030.

The target is a 19% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2023 baseline of 0.584 tCO_2e/tonne cement to 0.475 tCO_2e/tonne cement. Erste Group is tracking the progress closely, with interim results, which exclude savings banks portfolio, showing a relatively stable development at 0.591 tCO_2e/tonne cement by 2024, driven by business developments and positive decarbonisation effects from existing clients. Based on the year-end monitoring of the decarbonisation progress of cement, the actual metric is in line with the internal indicator (0.594 tCO_2e/tonne cement) established by Erste Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

Erste Group categorises the portfolio assets based on the current and planned cement-related emission intensities of the clients and, if not disclosed, of related national-wide cement associations to which the client belongs. This classification helps Erste Group to assess clients' readiness for the transition and shaping engagement strategies with them.

When setting these targets, Erste Group engaged with key stakeholders, including client executives, industry experts and sustainability advisors, to ensure that goals are both ambitious and aligned with broader industry standards and expectations.

Commercial rest estate and mortgages decarbonisation target

Decarbonisation targets of Erste Group are defined for the clients in scope of the PCAF real estate calculation, which covers specific commercial real estate including income producing residential real estate and retail mortgages. This portfolio includes scope 1 and 2 emissions.

The methodological approach is grounded in the SBTi framework using the SDA. This allows Erste Group to track and manage the physical emission intensity of this portfolio. It uses a key metric that measures the amount of CO_2e emissions per square meter ($kgCO_2e/m^2$). This metric plays a crucial role in evaluating whether the real estate assets are in line with the decarbonisation pathway connected to the 2030 target. To align with global efforts to limit temperature rise, it has adopted the Beyond 2°C Degrees (IEA ETP 2017) scenario as the guiding benchmark. The mortgage targets aim for a 44% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 48.7 $kgCO_2e/m^2$ to 27.1 $kgCO_2e$/m2. The portfolio largely consists of volumes in retail business segments. Erste Group is tracking its progress closely, with interim results of 48.8 kg CO_2e/m2 by 2024, indicating a stable development. The stable development in this sector stems mainly from the different business characteristics in comparison with the other segments for which targets are set:

- Mortgages cannot be steered on an individual client basis, but systematic and portfolio-based approaches need to be followed.
- Mortgages are highly exposed to the macroeconomic circumstances and national programmes in the respective region, such as the availability of Heating & Electricity sources and national renovation campaigns. Systematic approaches need to be taken by the respective policy makers to be on track for this segment.

Considering these characteristics, Erste Group acknowledges its limited possibility to steer this portfolio stand-alone. Currently, based on the year-end monitoring of the decarbonisation progress of mortgages, the actual metric is not in line with the internal indicator (46.6 $kgCO_2e/m^2$) established by Erste Group, thus triggering internal governance with corrective measures aiming to effectively mitigate potential risks. One of these measures is a renovation campaign being launched in Erste Group for the year 2025. This will help Erste Group's clients to transition (also supported by digital channels) and as well to reduce their energy costs and improve their property value.

The commercial real estate target is a 52% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 45.9 $kgCO_2e/m^2$ to 22.2$kgCO_2e/m^2$. Erste Group is tracking progress closely, with interim results showing a reduction by 18% to 37.7$kgCO_2e/m^2$ by 2024. The portfolio largely consists of volumes in the corporate business segment, primary from the sub-segment commercial real estate and SME. Developments in this segment are driven by improvements in data quality (e.g., obtaining energy performance certificates), new business with lower emission intensity and methodological changes. Based on the year-end monitoring of the decarbonisation progress of commercial real estate, the actual metric is in line with the internal indicator (44.2 gCO_2e/m^2) established by Erste Group, thus indicating that the bank's respective decarbonisation target set for 2030 is not at risk.

Erste Group categorises the portfolio real estate assets based on factors of relevance for the portfolio such as energy demand and energy source. This classification helps to assess the readiness of clients for the transition and to shape engagement strategies with them.

In setting these targets, it engaged with key stakeholders, including client executives, industry experts and sustainability advisors, to ensure that goals are both ambitious and aligned with broader industry standards and expectations.

NET ZERO OPERATIONS TARGET

Erste Group has set a net zero target to reduce its operational scope 1 and 2 emissions by 90 % in comparison to the base year (2017). In absolute figures, the target is to reduce scope 1 and 2 emissions from 72.154 to 7.215 tCO_2e by 2030. Detailed CO_2e results for financed emissions, covering both the current and previous years, are available in chapter E1-6. Additionally, chapter E1-5 provides more in-depth information on Erste Group's energy consumption and its composition.

The target covers Erste Group Bank AG, Erste Bank Oesterreich and its subsidiaries and CEE subsidiaries in the core markets. The limitation of the scope is due to the limited influence on target setting in the Savings Banks segment.

The Net Zero target for operational scope 1 and 2 emissions was set according SBTi´s net zero Standard and Target Setting tool v 1.1, hence there is the compatibility with limiting global warming to 1.5°C. The target setting method applied is absolute contraction, using a cross-sector pathway. It was set in 2021 and its ambition was updated to reflect the further development of the standard and align to best practices. The target covers 100 % of scope 1 and 2 emissions of entities in scope. For scope 2, the market-based method is used to calculate the target.

The Net Zero operations target addresses climate change mitigation and energy by aiming to reduce negative impacts through energy mix and own GHG emissions. Currently, there is no formal policy covering the operational emission reduction target but an internal action plan. The decarbonisation measures necessary, to achieve the operational target, have been identified to be renewable energy transition, energy efficiency improvement, decarbonising employee mobility and employee engagement and awareness trainings like explained in chapter E1-3.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's target setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The basis for Erste Group's target monitoring and review process represent the annual emission calculation of scope 1 and 2 emissions including details on energy consumption and efficiency. With updated annual data, Erste Group assesses its performance against the set targets and adjusts or plans measures accordingly towards the achievement of the target on an entity level, e.g. an increased focus on switching to alternative heating systems in certain regions. In the last two years, Erste Group's scope 1 and 2 emissions showed a significant decrease resulting from the switch to green electricity.

In 2024, a 19% reduction in scope 1 and scope 2 emissions was achieved compared to the previous reporting year, decreasing from 24,411 tCO_2e to 19,799 tCO_2e. This represents a 73% reduction compared to the base year 2017. Specifically, scope 1 emissions decreased from 25,733 tCO_2e to 13,936 tCO_2e, while scope 2 emissions fell from 46,421 tCO_2e to 5,863 tCO_2e compared to the base year. This significant reduction is primarily due to increased renewable energy consumption. Additionally, the share of electric cars in the fleet doubled from 11% to 22%.

Scope 1 and 2 targets

		Baseline		Actual		Short-term		Mid-term	
Targets	Metric	Year	Value	Year	Value	Year	Target	Year	Target
Total scope 1 and 2 emissions	tCO_2e	2017	72,154	2024	19,799	-	-	2030	7,215
Electric fleet	% of e-cars in total carfleet	-	-	2024	22%	2025	25%	2030	100%

SUSTAINABLE FINANCING TARGETS

In line with Erste Group's Sustainable Finance Guideline (SFG) described in E1-2 Erste Group uses this as a framework under which it classifies its sustainable financings for which Erste Group has defined a target in the corporate and retail area.

Methodology

The SFG outlines the following categories based on which a financing can be qualified as a 'sustainable financing':

1. either complies fully with the respective EU Taxonomy criteria for specific purpose financings or general purpose financings weighed by counterpart's most recently published Taxonomy-alignment KPI, if the purpose of the financing is unknown (please refer to the 'EU Taxonomy Disclosure' chapter for more information) or
2. Coverage of an economic activity outlined in the EU Taxonomy, however using broader, simplified internal criteria sets for evaluation
3. Support of projects from supranational institutions in key-sectors,
4. Fulfilment of project categories of voluntary frameworks
5. Support of dedicated national programmes

While the category 1 relates to taxonomy aligned financings, the categories 3 to 5 are of subordinate relevance. Erste Group's focus is therefore category 2 for which its sustainable financings need to comply only with the technical screening criteria for the substantial contribution to one of the environmental objectives defined by the EU Taxonomy with following additional simplification for construction and real estate under the environmental objective Climate Change Mitigation:

Related to climate change mitigation economic activity 'Construction of new buildings'

For construction of new buildings and the acquisition and ownership of buildings built after 2020, Erste Group requires that the primary energy demand of such buildings must be at least 10% lower than the threshold set for the nearly zero-energy buildings (NZEB) requirements in accordance with current national legislation, in order to be classified as Sustainable Financing. This is certified by an Energy Performance Certificate.

In deviation from the EU Taxonomy, the assessment of buildings larger than 5000 m^2 upon completion, the building resulting from the construction undergoes testing for airtightness and thermal integrity as well as the life-cycle global warming potential (GWP) for each stage in the life cycle is not mandatory.

Climate change mitigation economic activity 'Acquisition and ownership of buildings'

The general methodology for real estate proxies has been provided by management experts. These estimates use reference benchmarks of energy demand by building energy code, year of construction based on applicable technical standards at the time and results in an estimated primary energy demand of a certain type of building in a certain area depending on the available date of construction of the building (e.g. building permit, year of construction completion, year of construction from the energy performance certificate). For this purpose, the top 15% existing national building stock are determined by the year of construction respectively major renovation, using assumptions and extrapolation, such as a linear distribution between data points available, using the number of building permits per building use and age according to national legislation.
In deviation from the EU Taxonomy, the assessment for efficient operation through an energy performance monitoring and assessment for large non-residential building is not mandatory.

To qualify as Sustainable Financings the compliance with the simplified substantial contribution criteria only is required. Assessment of the 'do no significant harm' criteria and minimum safeguards is not a mandatory condition to qualify as Sustainable Financings but is taken into consideration where existing due diligence process can be applied.

The project financings analysed and documented by the EGB-specific classification methodology are included in the sustainable financing figure, see table 'Sustainable Financings - actuals and targets'. The Sustainable Financing figure also includes all taxonomy aligned financings.

25% sustainable corporate financing target by 2026

The 25% sustainable corporate financing target addresses Erste Group's identified positive impacts and opportunities related to climate change mitigation and reduction of emissions in the sectors real estate and renewable energy. This includes primarily financing of real estate projects and renewable energy, while also supporting Erste Group's clients in their decarbonisation efforts and transition to a sustainable state. The Sustainable Finance Guideline and criteria set outlines which financings contribute to the target achievement (see 'Methodology' in this chapter and E1-2 for more details).

Erste Group aims to achieve a ratio of 25% of sustainable financings towards corporates in its core markets, including Tiroler Sparkasse and Salzburger Sparkasse, in 2026. Some of the Group's credit institutions not included in this group have set themselves comparable targets. The target is defined relative to the gross carrying amount of corporate financing on the balance sheet.

15% sustainable mortgages target by 2027

The 15% target for sustainable mortgages tackles Erste Group's recognised positive impacts and opportunities concerning climate change mitigation and efficient use of energy. This involves financing and investing in real estate, renovation and energy efficiency projects supporting the transition to a sustainable state. The Sustainable Finance Guideline and criteria set outlines which financings contribute to the target achievement (see 'Methodology' in this chapter and E1-2 for more details).

Erste Group aims to achieve a ratio of 15% of sustainable mortgage lending towards retail clients in its core markets, including Tiroler Sparkasse, Salzburger Sparkasse and Sparkasse Hainburg-Bruck-Neusiedl, in 2027. Some of the Group's credit institutions not included in this group have set themselves comparable targets. The target is defined in relative terms to the on-balance gross carrying mortgage amount towards retail clients.

Sustainable financing – actuals and targets

				Targets			
				short-term		mid-term	
	Metric	2023	2024	Year	Target	Year	Target
Sustainable corporate financing	% of corporate financing portfolio	13.6%	18.0%	-	-	2026	25.0%
Sustainable retail mortgages	% of retail mortgage portfolio	13.8%	14.9%	-	-	2027	15.0%

No changes in the targets, corresponding metrics or the underlying methodologies have been made in 2024. Sustainable corporate financings increased from 13.6% in 2023 to 18% in 2024 and were mainly driven by real estate financings and renewable energy projects. The sustainable retail mortgage ratio increased from 13.8% in 2023 to 14.9% in 2024.

New corporate sustainable financing has been supported by a strong contribution from highly energy efficient commercial real estate financing and renewable energy projects driven primarily by financing of wind parks:

Sustainable corporate financing

in EUR million	2023	2024
New corporate sustainable financing, total new business[1]	2,950.0	5,314.7
Construction and real estate	2,096.3	3,514.0
Renewable energy	486.1	917.0
Transportation	127.1	320.0
Other corporate financing[1]	240.5	564.0

[1] The target is applicable for all corporate business lines of parent banks in core markets within Erste Group

This growth has further strengthened Erste Group's sustainable corporate financing KPI. The measurement of this metrics has not been validated by an external body, apart from the assurance provider.

The sustainable corporate financing target and the sustainable mortgages target were set based on guidance collected through bilateral discussions, conferences, dialogues from supervisory and regulatory authorities, investors, analysts and rating agencies as well as NGOs, academic and environmental institutions. The experts' recommendations were subsequently integrated into the target-setting process. For more details on consideration of interests and view of stakeholders please refer to chapter SBM-2. Monitoring is done on a quarterly basis and discussed at respective Management Board meetings.

E1-5 – ENERGY CONSUMPTION AND MIX

Erste Group uses the UL360 software programme from UL Solutions to gather energy consumption data. Energy consumption at approximately 2,500 business locations is individually recorded and evaluated. Annual electricity and heating consumption values in MWh are collected on an individual address level, broken down by source of electricity and heating type to be able to split the total energy consumption into fossil, nuclear and renewable sources. As proof documents, supplier invoices are recorded in the system.

The split between energy from fossil, nuclear and renewable sources is done directly in the UL360 system following this logic:
— consumption from 100% renewable sources (e.g. purchased green electricity as defined in the contract with the energy supplier) is automatically allocated to 'renewables'.
— consumption from 100% fossil sources (e.g. oil for heating or diesel for emergency generators) is automatically allocated to 'fossil'.
— For mixed sources like national electricity supply or district heating partially from biomass and fossil sources, data contributors have the option to enter the split as indicated on their energy bills or provided by their suppliers into the system.
— If data contributors do not have access to this information a national average split is applied.

Measurement uncertainty can result from the fact that the collection of energy consumption is not linked directly to the meters installed at the office or branch locations but based on the manual input of energy consumption as invoiced by the energy provider. For some locations, data must be extrapolated if invoices are received after the reporting deadline or to account for different cut-off periods. For those locations where no consumption values, supported by a supplier invoice, were available, an average consumption is automatically applied and calculated for the individual location based on the net floor area considering a national average split of energy source by fossil, nuclear and renewables. Furthermore, energy consumption data from leasing properties owned and rented out by Erste Group's leasing companies is not included due to limitations in data availability.

Compared to previous year the total energy consumption showed a slight decrease in 2024, while the share of energy from renewable sources increased from 47% to 57%, mirroring the rise in green electricity and renewable heating usage across the group. The total energy consumption in 2024 amounts to 272,725 MWh.

Energy consumption and mix

	2023	2024
Total fossil energy consumption (MWh)	148,019.0	117,839.0
Share of fossil sources in total energy consumption (%)	53%	43%
Consumption from nuclear sources (MWh)	874.8	554.1
Share of consumption from nuclear sources in total energy consumption (%)	0.3%	0.2%
Total energy consumption from renewable sources disaggregated by:	**132,680.9**	**154,331.9**
-fuel consumption for renewable sources[1]	0.0	486.7
-consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources;	131,025.5	146,634.7
-consumption of self-generated non-fuel renewable energy.	1,655.3	7,210.6

[1] incl. biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renew. Sources

E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

TOTAL GREENHOUSE GAS EMISSIONS

Total GHG emissions

	Retrospective				Milestones and target years			
	Base year	Previous year (T-1)	Reporting year (T)	% Change compared to previous year	2025	2030	(2050)	Annual % target / Base year
Scope 1 GHG emissions[1]								
Gross scope 1 GHG emissions (tCO_2e)	20,707	18,701	16,803	-10%				
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)[2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions								
Gross location-based scope 2 GHG emissions (tCO_2e)	44,769	43,360	42,619	-2%				
Gross market-based scope 2 GHG emissions (tCO_2e)	18,742	13,153	9,212	-30%				
Significant scope 3 GHG emissions [3]								
Total Gross indirect (scope 3) GHG emissions (tCO_2e)	32,038,783	35,916,891	42,329,822	18%				
Purchased goods and services	3,369	4,455	4,242	-5%				
Capital goods	470	545	362	-33%				
Fuel and energy-related activities	9,377	8,093	7,086	-12%				
Upstream transportation and distribution	12,736	14,830	14,260	-4%				
Waste generated in operations	760	895	1,645	84%				
Business travels	7,339	9,647	10,518	9%				
Employee commuting	23,841	18,976	25,546	35%				
Downstream leased assets	1,730,209	1,760,013	1,913,494	9%				
Investments	30,250,683	34,099,437	40,352,668	18%				
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2e)	32,104,260	35,978,952	42,389,244	18%				
Total GHG emissions (market-based) (tCO_2e)	32,078,233	35,948,745	42,355,837	18%				

[1] Note: No biogenic emissions are emitted.

[2] Erste Group is not part of any regulated emission trading schemes. Therefore, no scope 1 GHG emissions stem from such schemes.

[3] ESRS E1 refers to the GHG protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard, 2011, which defines 15 scope 3 categories of which only material ones should be disclosed.

With regards to the methodologies and assumptions used for calculating the measured GHG emission please refer to the subsequent paragraphs concerning operational and financed emissions.

GREENHOUSE GAS INTENSITY PER NET REVENUE

GHG intensity per net revenue

	2023	2024	Change compared to 2023
Total GHG emissions (location-based) per net revenue (tCO_2e/EUR)	7,830	5,589	-29%
Total GHG emissions (market-based) per net revenue (tCO_2e/EUR)	7,824	5,585	-29%

RECONCILIATION OF NET REVENUE AND ASSETS

Reconciliation of net revenue

in million EUR	2023	2024
Amounts used to calculate GHG emissions	4,595	7,584
Total amount according to the financial statements	23,580	23,612

GHG emissions caused by Erste Group's operations are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Calculations cover scope 1, scope 2 and scope 3 emissions and each was measured in CO_2e. The organisational scope of the calculation refers to all entities in the IFRS scope of consolidation with at least one FTE. To calculate the emissions from activities emission factors with a GWP100 was used including relevant GHG emissions (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3). The results are not validated by an external body.

In case of the various emission categories, Erste Group implemented the following approaches:

Scope 1 and 2

Erste Group uses the UL360 software programme from UL Solutions to gather scope 1 and scope 2 environmental data as stated in chapter E1-5. For a better understanding of Erste Group's methodologies and significant assumptions behind the metrics please refer to chapter E1-5. Scope 2 emissions were calculated by using a location-based and a market-based method. In case of the location-based method, Grid factors were used to calculate the emissions. In case of the market-based evaluation approach, Erste Group considered its actual energy composition based on its own procurement strategy. For conversion to GHG equivalents (CO_2e), UL360 uses emission factors from DBEIS 2024 (UK Department for Environment, Food and Rural Affairs) and the IEA 2024 (International Energy Agency).

In 2024, 24% of Erste Group's total energy consumption was covered by contractual instruments. The purchased instruments include Energy Attribute Certificates (EECS-GO) for green electricity, covering 39% of the total electricity consumption, and biomass, covering 28% of total district heating consumption from biomass.

In 2024, due to the increased use of renewable energy, Erste Group reduced its scope 1 and scope 2 emissions by 18%, from 31,854 tCO_2e to 26,015 tCO_2e. 5% of scope 1 data is based on estimates, while the corresponding percentage for scope 2 is 6%.

Scope 3

Scope 3 category 1 - Purchased goods and services

For scope 3 category 1 a spend-based method was used. Emissions for goods and services were estimated by collecting data on the economic value of goods (spend in EURO) and services purchased by Erste Group and multiplying it by emission factors originating from an environmentally extended input-output analysis (EEIOA; exiobase 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 2 - Capital goods

For scope 3 category 2 a spend-based method was used. Just like for scope 3 category 1, emissions for capital goods were estimated by collecting data on the economic value (spend in EURO) of capital goods purchased by and multiplying it by emission factors originating from an EEIOA (exiobase 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 3 - Fuel-and-energy-related activities (not included in scope 1 or 2)

For scope 3 category 3 the average-data method was used. The emissions were estimated by using secondary emission factors (DBEIS, 2024) for upstream emissions per unit of consumption (T&D and WTT). The data for purchased energy and fuel is actual supplier data, which also serves as the basis for the scope 1 and 2 calculations. This data is extracted from the internal ESG database UL360, which is populated by local facility management.

Scope 3 category 4 - Upstream transportation and distribution

For scope 3 category 4 a spend-based method was used. Just like for scope 3 category 1 and scope 3 category 2, emissions for upstream transportation and distribution were estimated by collecting data on the economic value (spend in EURO) of transportation and distribution services purchased by Erste Group and multiplying it by emission factors originating from an environmentally extended input-output-analysis (exiobase, 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

Scope 3 category 5 - Waste generated in operations

For scope 3 category 5 a waste-type-specific method was used if primary data was available for different waste types in countries. For all primary data available, waste descriptions from Erste Group countries were mapped to waste activities and waste types. Waste types were then matched to waste treatment options based on 'GHG reporting by department for business, Energy and Industrial Strategy UK' (defra 2024). After that, the emissions for the waste types were multiplied by emission factors based on the waste treatment options provided by defra. The waste treatment splits were set based on research and municipal waste treatment data from OECD and European Environment Agency.

If a country had no primary data at all, a conservative approach with 100 % municipal waste was assumed. To calculate emissions, municipal waste splits per countries as well as defra emission factors were used.

Scope 3 category 6 - Business travel

For scope 3 category 6 the distance-based method was applied. The distance and mode of business trips are collected in the UL360 system and partially extrapolated when no primary data was available. For the extrapolation country average distance travelled by mode of transportation based on actual data entered in the system was used. The appropriate emission factors (Umweltbundesamt (UBA), 2023) for each mode of transportation used were applied.

Scope 3 category 7 - Employee commuting

For scope 3 category 7 a survey was performed among Erste Group employees in selected countries to assess the average distance travelled and mode of transportation used by employees to travel to their place of work. The 2024 emission calculation is based on survey results from 29 entities. In total, approximately 50% of FTEs were surveyed with an average participation rate per entity of over 70%. In addition, the number of working days per country, with consideration to vacation days, average sick days and home office rates, was determined. To do this, Erste Group People and Culture department provided the necessary information for vacation days, the average sick days reported per country of last year's non-financial report as well as the home office rate. The appropriate emission factors for each mode of transportation used were applied (UBA, 2024) and multiplied accordingly.

Measurement uncertainty can result especially where extrapolations are made in calculating emissions. This is especially relevant for emission categories where actual data availability is limited such as 'waste generated in operations' and 'employee commuting'.

In the process for preparation and presentation of sustainability information in 2024, Erste Group assessed the ESRS-related requirements on the reporting on Total GHG emissions, to provide information of the group's GHG emissions occurring from its upstream value chain. It was identified that ESRS requires Erste Group to consider the emissions for associates/joint ventures which were previously not included. After its analysis, it was concluded that emissions from CIT One SRL need to be included in the calculation. Banca Comercială Română (BCR) owns 33% of CIT One SRL in a joint venture arrangement and CIT One SRL is financially consolidated through equity method by BCR. It is the main supplier of BCR for cash transport and processing services.

As the emissions stemming from this joint venture were not included in the Total GHG emissions computation in the previous years a recalculation was performed for 2022 and 2023 category. The calculation of emissions was done following the same spend based approach as for other scope 3 category 4 emissions. The additional emissions lead to an increase of scope 3 category 4 emissions for 2022 by 3,296 tCO_2e and an increase of 3,700 tCO_2e for 2023. For 2024, the emissions total to 3,728 tCO_2e.

In 2024 Erste Group's total operational scope 3 emissions increased due to enhancements in data quality with the biggest increase in emission from employee commuting. The calculation of scope 3 categories 1, 2 and 4 emissions is to 21% based on estimates. For categories 3 and 6 emissions the share of estimates is 6% and for category 5 24%. The calculation of scope 3 category 7 is 100% based on estimates as results from the employee surveys performed were extrapolated using the number of FTEs.

Scope 3 Category 13 and 15 Financed Emissions

Financed emissions stood at 42.3 million tons CO_2e and include 'Investments and Downstream Leased Assets' in table 'Financed Emissions'. Financed emission intensity stood at 222 tCO_2e/EUR million (prior year before restatement: 153 tCO_2e/EUR million), which is a year-on-year increase of 69 tCO_2e/EUR million. The increase in intensity can be mainly explained by the scope 3 extension for business loan, corporate bond and project finance asset classes to all remaining industries. The impact of the scope 3 extension per year end 2024 is 10.6 million tons, adjusting the emission intensity by this amount would replace the 222 tCO_2e/EUR million to 166 tCO_2e/EUR million. The remaining increase in emission intensity is driven by data quality improvements in scope 3, resulting from the fact that more Downstream scope 3 emissions are included in the disclosure this year compared to last year.

The scope 1+2 financed emissions decreased from 15.0 million tons CO_2e to 14.6 million tons CO_2e despite increasing exposure development, mainly coming from the Energy Industry. An amount of 0,3 million tons biogenic CO_2e-emissions is included in the financed emissions.

Overall, the calculation of 2024 financed emissions covers 59.5 % of the credit exposure and increased compared to last year (50.7 %) driven by the inclusion of the exposure to central governments (reported separately from table 'Financed Emissions' in table 'Sovereign emissions'). The remaining uncovered exposure originates from the fact that selected portfolios (e.g., exposure to central banks and credit institutions, off-balance sheet items and consumer loans) are not part of the current financed emission calculation. Erste Group applies the GHG Protocol to determine the minimum boundaries of its financed emission calculation.

Share of the portfolio covered by the calculations

	Credit exposure	covered by financed emissions		not covered by financed emissions	
	in EUR million	in EUR million	%	in EUR million	%
Off-balance sheet exposures	73,137	0	0.0%	73,137	100.0%
Central banks	21,208	0	0.0%	21,208	100.0%
Central governments	63,310	46,817	73.9%	16,493	26.1%
Credit institutions	24,139	0	0.0%	24,139	100.0%
Other financial corporations	9,147	6,466	70.7%	2,681	29.3%
Non-financial corporations	103,848	101,824	98.1%	2,024	1.9%
Households	103,978	82,121	79.0%	21,857	21.0%
Total	**398,766**	**237,228**	**59.5%**	**161,538**	**40.5%**

Erste Group uses the PCAF methodology (version 2022) to account for its financed emissions (scope 3 emissions category 15 'Investments'). As this standard is in conformity with the internationally recognised GHG Protocol (Corporate Value Chain (scope 3) Accounting and Reporting Standard) emissions are calculated for all the seven GHGs that are listed in the Kyoto Protocol. These are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and the fluorinated gases (F-gases): hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6) as well as nitrogen trifluoride (NF_3).
For details of the methodology including assumptions see the 'Methodology' section below. Erste Group includes the following PCAF-defined asset classes in its calculation: corporate bonds, business loans, project finance, commercial real estate finance and mortgages. Additionally, Erste Group calculates emissions of the PCAF-defined asset class 'sovereign debt' and reports them in a separate table. The leasing business (category 13 'Downstream Leased Assets') is included in Erste Group scope 3 emissions. This category is calculated using the same methodology as for category 15 and is separately shown as a sub-item.

Erste Group reports for the first time the metric Weighted Average Carbon Intensity (WACI), which sets the client emissions in relation to client revenues, weighted by the share of the respective client in the total portfolio. The WACI can only be calculated for in the PCAF-asset classes business loans, corporate bonds and project finance. For the real estate object related financed emission calculation the metric is not meaningful, as the calculation is dependent on the financed object and not the client emissions. The portfolio WACI stands at 585 gCO_2e/EUR revenue driven by scope 3 (417 gCO_2e/EUR), mainly by the Energy Industry.

One out of the seven currently existing PCAF calculation methodologies – motor vehicle loans – have not been applied yet. The motor vehicles asset class has not been implemented as such because of the low weight of this portfolio. The financed emissions of this portfolio are currently calculated by means of the methodology used for business loans.

Methodology Business Loan, Corporate Bonds and Project Finance

In the case of business loans, Erste Group follows the PCAF methodology by relying either on emissions reported by the corporate customers or emission factors drawn from the PCAF database or on its own approach for loans to large real estate managing companies. The loans granted to large real estate management companies (NACE L68) are included in the PCAF business loans asset class if the finance purpose cannot be unambiguously assigned to one or more commercial real estate properties. As the PCAF database shows only very low emission intensity figures for these exposures, it replaced them with the higher emission intensities of the commercial real estate asset class. In doing so, it proceeded on the conservative assumption that a large part of the funds granted to real estate management companies will de facto be used to finance the relevant buildings, even if the loan agreements as such contain no evidence thereof. Erste Group is working on improving the assignment of deals to the respective PCAF asset classes and expect that specific deals (e.g., allocated in NACE L68) currently calculated as Business Loan, will move to Commercial Real Estate asset class to ensure consistency with internal segmentation.

Erste Group is deviating from PCAF standard for listed companies in the business loan and corporate bond modules. It applies the balance sheet value instead of the Enterprise Value including Cash (EVIC) as a denominator to calculate the attribution factor, as using EVIC might lead to higher volatilities only driven by capital market movements, e.g., in a market stress situation its financed emissions would increase, which doesn't need to be directly related to movements in the physical production of the company. The use of EVIC in the financed emission calculation is not applied by all financial institutions due to the limitation of the metric. The topic was recognised by PCAF, which published a discussion paper on that topic in December 2024.

In case of project finance, Erste Group assumes that renewable energy projects (wind, solar, geothermal and hydropower) have an emission factor for scope 1 and 2 of zero. In the absence of a financing purpose and with other project finance it follows the calculation methodology for the business loans asset class by using either the emissions reported by the businesses or estimates based on financial metrics and emission factors drawn from the PCAF database.

Erste Group keeps using the base year 2015 PCAF emission factors (Exiobase database) for the 2024 reporting to ensure comparability with the figures of the previous year, which were also used as a basis for target setting. The initial PCAF version is based on Exiobase 2015 data base and was the most up-to-date version until March 2023, being replaced by Exiobase 2019 data base. Keeping for 2024 the Exiobase 2015 data base is also in line with the user briefing published by PCAF, providing as a recommendation to apply the same economic emission factor dataset for longer periods of time (minimum 3 years). For scope 3 PCAF Emission factors are not containing Downstream Emissions.

Methodology Commercial Real Estate and Mortgages

With regards to commercial real estate and mortgages, the calculation of financed emissions is based on building data, which in a first step is used to calculate the emissions of a building. Depending on data availability, Erste Group calculates emissions from buildings in the following order (which does not reflect the data quality score):

1. CO_2e emissions as per energy performance certificate
2. primary energy demand (PED) as per energy performance certificate
3. PED class as per energy performance certificate
4. PED class with advanced EPC proxy estimation approach
5. PED class based on the year of construction
6. PED class based on the national average drawn from the PCAF database for buildings in Europe as of 2022

For the Austrian Residential Real Estate buildings and Czech portfolio, Erste Group enhanced the real estate based financed emissions calculation methodology by the EPC proxy estimation approach. This approach applies advanced methodologies (e.g., machine-learning algorithm) to derive EPC labels from known collateral data fields or other relevant information. Erste Group considers expanding this approach to other countries.

For calculation 3 to 6, average primary energy demand is based on the primary energy demand class recorded in the PCAF database of buildings in Europe as of 2022 to ensure comparability with the previous year's figures, which were likewise used as the basis for setting targets in the priority sectors. Once primary energy demand has been determined it has to be converted into emissions as input for calculation 2 to 6.

Erste Group decided to use emission conversion factors based on statistical data on energy mixes and emission intensities. These factors are also a key component in the development of scenarios for the future in the decarbonisation model. In addition, conversion factors obtained in this manner comes with the advantage, that where in-house portfolio data are available, national averages may be substituted by the relevant portfolio data (e.g. if the gas portion in the portfolio is below/above the national average). Main data source for the energy mixes and electricity-based emission intensities of the core countries was the European Calculator[1] and for the heating-based emission intensities the German UBA[2]. Plausible local data sources were as well taken into consideration, particularly for non-EU countries.

[1] https://www.european-calculator.eu/

[2] umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2021-12-13_climate-change_71-2021_emissionsbilanz_erneuerbarer_energien_2020_bf_korr-01-2022.pdf

Financed emissions

	Credit exposure in EUR million	Credit exposure covered by emission calculation in EUR million	Financed emissions thousand tCO_2e [1, 2]		Emission intensity tCO_2e/ in EUR million	Weighted data quality (High=1, Low=5)		Weighted average carbon intensity	
			scope 1 and scope 2[3]	scope 3[2,4]		scope 1 and scope 2	scope 3	scope 1 and scope 2	scope 3
2024									
per PCAF asset class									
Corporate bonds		2,315	470	738	522	3.5	3.6	344	540
Business loans		80,587	9,930	26,355	450	3.9	3.9	147	389
Project finance		3,201	352	618	303	3.8	3.8	579	1,019
Mortgages		74,765	3,208	0	43	3.8	0.0	0	0
Commercial real estate		29,549	595	0	20	3.5	0.0	0	0
Total	**398,766**	**190,417**	**14,554**	**27,712**	**222**	**3.8**	**3.9**	**168**	**417**
per sector									
Natural resources & commodities	13,951	9,402	3,080	5,545	917	3.6	3.6	333	645
Energy	18,499	7,705	3,116	4,193	948	3.2	3.3	742	1,000
Construction	18,860	8,441	1,663	2,763	524	3.9	3.9	186	314
Automotive	8,576	5,882	248	2,509	469	3.3	3.3	51	528
Cyclical consumer goods	8,465	5,606	471	1,333	322	3.6	3.6	70	204
Non-cyclical consumer goods	11,630	7,491	681	3,114	507	3.5	3.7	152	708
Machinery	7,538	3,890	182	3,238	879	3.8	3.9	48	857
Transportation	10,375	4,820	456	1,150	333	3.8	3.9	109	276
TMT	7,949	4,528	170	725	198	3.3	3.3	67	296
Healthcare & Services	12,190	8,311	332	1,287	195	4.0	4.1	68	294
Hotels and Leisure	10,246	8,316	279	699	118	3.9	4.0	45	197
Real estate	47,729	42,408	977	745	41	4.0	4.8	66	105
Public sector	86,830	101	1	16	173	2.7	2.4	35	940
Financial institutions	33,192	2,555	37	294	130	3.9	4.0	17	148
Private customers	102,416	70,954	2,862	99	42	3.8	4.9	15	88
Other sectors	318	5	0	1	213	4.1	4.2	68	291
Total	**398,766**	**190,417**	**14,554**	**27,712**	**222**	**3.8**	**3.9**	**168**	**417**
of which category 13 (Downstream Leased Assets)		4,085	731	1,183	468	4.7	4.7		
according to risk countries									
Austria		92,369	4,769	8,429	143	3.9	4.1	118	257
Czechia		36,891	3,575	4,379	216	3.9	3.9	201	375
Romania		10,592	1,010	3,107	389	3.5	3.8	135	595
Slovakia		17,462	1,562	1,716	188	3.7	3.8	149	333
Germany		5,166	508	2,001	486	3.6	3.7	149	634
Croatia		6,335	984	1,094	328	3.7	3.7	283	359
United States		2,073	293	1,190	715	3.1	3.4	476	1,938
Hungary		5,111	472	980	284	3.4	3.5	155	521
Netherlands		1,039	50	1,205	1,207	3.1	3.2	50	1,270
Singapore		197	25	714	3,748	2.1	2.0	68	1,961
Remaining Countries		13,182	1,306	2,897	319	3.6	3.7	237	639
Total	**398,766**	**190,417**	**14,554**	**27,712**	**222**	**3.8**	**3.9**	**168**	**417**

1 For details on the calculation of financed emissions see Methodology
2 Financed emissions also include category 13 'Downstream Leased Assets' of Erste Group Scope 3 emissions, which are shown separately as a sub-category.
3 including biogenic CO_{2e} emissions
4 Where Erste Group uses reported emissions for calculating scope 3 emissions, this includes – if both are reported – both upstream and downstream emissions. Where Erste Group uses emissions with national emission factors from the PCAF database, only Scope 3 upstream emissions are accounted for due to data availability. The data quality score for Scope 3 emissions is therefore reported separately.

Detailed results by PCAF asset class

Corporate bonds

Corporate bonds with a volume of EUR 2.3 billion account for 1.2 million tCO_2e in financed emissions and an emission intensity of 522 tCO_2e/ EUR million.

Business loans

Business loans in the amount of EUR 80.6 billion are a major source of financed emissions, because of both their absolute amount (36.3 million tCO_2e) and financed emission intensity (450 tCO_2e/EUR million). Business loans comprise financing granted to large international and national corporates, small and medium-sized enterprises as well as micro entrepreneurs (non-financial corporates).

Project finance
The project finance portfolio had a moderate exposure of EUR 3.2 billion and 1.0million tCO_2e of financed emissions and an emission intensity of 303 gCO_2e/EUR.

Commercial real estate
Commercial real estate accounted for an exposure of EUR 29.6 billion, with emissions of 0.6 million tCO_2e and a financed emission intensity of 20 tCO_2e/EUR million.

Mortgages
Retail mortgages with an exposure of EUR 74.8 billion were the second largest contributor of absolute emissions with 3.2 million tCO_2e, but had a low financed emission intensity of 43 tCO_2e/EUR million.

Detailed results by sector
Erste Group used its in-house customer segmentation by sectors for the purpose of PCAF measuring and disclosure of financed emissions. The aggregated level of financed emissions had a positive impact on Erste Group's emission intensity as well as the favourable balance between the low financed emission intensity of real estate and the marginal share of the high-emission heavy industry and energy sectors.

The sector posting the highest financed emission intensity for scope 1 and 2 of 404 tCO_2e/EUR million, was the energy sector, with a credit exposure covered in the emission calculation of EUR 7.7 billion.

The sector posting the highest financed emission intensity (scope 1, 2 and 3), of 948 tCO_2e/EUR million, was the energy industry, with a credit exposure covered in the emission calculation of EUR 7.7billion.

Detailed results by country
Financed emissions are broken down by country rather than based on the entity in which the exposure was posted. Because of its business model, the country with the highest absolute level of financed emissions (13.2 million tCO_2e) is Austria, which at the same time has the lowest level of emission intensity at 143 gCO_2e/EUR. The country with the highest emission intensity is Singapore at 3 748 gCO_2e/EUR, with absolute emissions coming to 0.74 million tCO_2e.

Detailed results by data quality
Erste Group relies on the PCAF methodology for scoring data quality (data availability), where the scale ranges from a score of DQ 1 (= highest data quality) to DQ 5 (= lowest data quality). The data quality of the calculations reflects the high dependence on sectoral emission factors, as relevant customer information was not widely available. Reported emissions in the corporate customers segment are currently not distinguished between verified and non-verified and therefore the DQ 2 is applied, following a conservative approach.

The weighted average data quality of the quantified portfolio was 3.8 as of 2024 reporting and thus improved versus the previous year (2023: 3.9). The table shows a breakdown of financed emissions distinguished by data availability (energy performance certificates for the real estate sector and reported emissions for the other PCAF asset classes).

Erste Group is disclosing financed emissions from clients reported emissions or derived from an available energy performance certificate separately from financed emissions where it used PCAF factors to calculate financed emissions. The share of emissions derived from reported emissions or an available energy performance certificate amounts to 29 % (2023 20 %) of the credit exposure (covered by the emission calculations) and 43 % (2023: 25 %) of financed emissions. The exposure share is higher for the real estate sector, even though it must be noted that the energy performance certificate – depending on country-specific standards – often covers only the (primary) energy demand and not the level of emissions.

For corporate segments, the emission intensity (tCO_2e/EUR million) is lower where Erste Group uses PCAF factors to calculate emissions. For scope 3 this is mainly driven by the fact that PCAF emission factors only contain upstream emissions. Also, the scope 1 and 2 emission intensity for corporate clients are higher in the reported emissions segment. One of the drivers can be unequal industry distribution as clients in carbon intensive sector are more likely subject of emission disclosure requirements.

Financed emissions by data quality

	Credit exposure covered by calculated emissions	Financed emissions thousand tCO_2e		Emission intensity tCO_2e/in EUR million		Weighted data quality (High = 1, Low = 5)	
	in EUR million	scope 1 and scope 2[3]	scope 3	scope 1 and scope 2	scope 3	scope 1, 2 and 3	scope 3
2024 Total	190,417	14,554	27,712	76	322	3.8	3.9
Reported emissions / energy performance certificate available (by PCAF asset class)							
Corporate bonds[1]	802	233	514	290	641	2.0	2.0
Business loans[1]	14,288	2,060	14,030	144	982	2.0	2.0
Project finance[1]	446	1	277	2	622	2.0	2.0
Mortgages[2]	24,014	578		24		3.0	
Commercial real estate[2]	16,169	281		17		3.0	
Total	**55,720**	**3,153**	**14,821**	**57**	**954**	**2.7**	**2.0**
No Reported emissions / no energy performance certificate available (by PCAF asset class)							
Corporate bonds	1,512	237	224	157	148	4.3	4.5
Business loans	66,299	7,870	12,326	119	186	4.3	4.4
Project finance	2,755	351	341	127	124	4.0	4.0
Mortgages	50,751	2,630		52		4.2	
Commercial real estate	13,380	313		23		4.2	
Total	**134,697**	**11,401**	**12,891**	**85**	**183**	**4.2**	**4.3**

1 Availability of reported emissions for corporate bonds / business loans : reported emissions are available for all scopes that are of relevance for calculating financed emissions (equivalent to DQ 2).
2 Availability of energy performance certificate for mortgages and commercial real estate: energy performance certificate is available and has been used for calculating financed emissions (equivalent to DQ 3).
3 including biogenic CO_{2e} emissions

Sovereign emissions

Erste Group's sovereign emissions stand at 10.3 million tCO_2e including land use, land change and forestry (LULUCF) and 11.2 million tCO_2e excluding LULUCF. The decision to report them separately from other financed emissions is driven by the fact that sovereign scope 1 emissions include the whole production of a country, thus leading to double counting of financed emissions. Additionally, it is important to note that sovereign emissions will decarbonise automatically when the respective country is decarbonising. For the calculation of Sovereign emissions, Erste Group applies the PCAF database as of March 2024. The database provides mainly 2021 and partially 2020 figures, expressed in million USD. For the calculation of sovereign emissions, it converted the emission factor by USD with the USD/EUR FX rate of the respective emission factor year.

Country	Credit exposure covered by emissions calculation in EUR million	Financed emissions thousand tCO_2e		Emission intensity tCO_2e/ EUR million		weighted data quality Scope 1[2]
		Scope 1 incl. LULUCF[1]	Scope 1 excl. LULUCF[1]	Scope 1 incl. LULUCF[1]	Scope 1 excl. LULUCF[1]	
Czechia	14,757	4,419	4,127	299	280	1.0
Romania	7,775	840	1,465	108	188	1.0
Slovakia	5,596	1,131	1,389	202	248	1.0
Austria	6,029	854	986	142	164	1.0
United States	2,223	603	685	271	308	1.0
Remaining Countries	10,438	2,446	2,570	234	246	1.4
Total	**46,818**	**10,292**	**11,222**	**220**	**240**	**1.1**

1 Land use, land change and forestry (LULUCF)
2 no change between incl. and excl. LULUCF

Restatement

Erste Group is restating financed emissions of the base year and the previous year in case:
— a significant methodological change leads to a deviation of +/-5 % of financed emissions in the reporting year vs. base year
— a detected error leads to a deviation of +/- 5 % of financed emissions in the reporting year vs. base year

To fulfill the PCAF reporting requirements for the reporting year 2024, scope 3 emissions for all industries calculated in the PCAF asset classes business loans, corporate bonds and project finance need to be included in the financed emissions calculation, which leads to a limited comparability with the previous reporting year and the base year. Additionally, for the 'automotive industry' the data quality of the emission metrices improved significantly between 2022 and 2023 driven by improved data quality.
Compared to the base year, the emission intensity increased from 179 tCO_2e/EUR million to 222 tCO_2e/EUR million in 2024, which is driven by the increase in scope 3 emission intensity. Considering the covered Exposure (in 2022 178.32 EUR billion) the scope 1 & 2 emission intensity was 80 tCO_2e/EUR million in 2022 and decreased to 76 tCO_2e/EUR million in 2024.

	Base Year 2022			Restatement 2023		
	Financed emissions thousand tCO_2e[1,2]		Emission intensity	Financed emissions thousand tCO_2e		Emission intensity
	scope 1 and scope 2	scope 3[3]	tCO_2e/ EUR million	scope 1, 2 and 3	scope 3[3]	tCO_2e/ EUR million
By PCAF asset class						
Corporate bonds	313	564	423	226	274	420
Business loans	9,840	17,110	363	3,852	8,905	318
Project finance	349	129	209	168	94	209
Mortgages	2,987	-	41	571	-	19
Commercial real estate	689	-	25	342	-	21
Total	**14,178**	**17,803**	**179**	**15,044**	**20,816**	**194**
By sector						
Natural resources and commodities	3,093	3,247	701	3,013	2,626	603
Energy	3,644	2,625	784	4,009	2,942	849
Construction	1,192	2,249	466	1,341	2,456	477
Automotive	239	1,598	327	230	2,013	387
Cyclical consumer goods	454	842	232	443	956	246
Non-cyclical consumer goods	588	2,429	439	645	3,171	543
Machinery	279	1,748	610	390	2,494	758
Transport	298	586	219	327	1,248	350
TMT	143	470	142	149	495	151
Healthcare and Services	355	824	158	348	966	162
Hotels and Leisure	241	379	81	261	505	99
Real estate	932	583	41	979	755	43
Public sector	2	6	21	5	25	87
Financial institutions	37	116	49	21	66	34
Private customers	2,682	100	41	2,882	97	43
Other sectors	1	1	63	1	1	80
Total	**14,178**	**17,803**	**179**	**15,044**	**20,816**	**194**

[1] For details on the calculation of financed emissions see Methodology

[2] Financed emissions also include category 13 'Downstream Leased Assets' of Erste Group scope 3 emissions, which are shown separately as a sub-category.

[3] Where Erste Group uses reported emissions for calculating scope 3 emissions, this includes – if both are reported – both upstream and downstream emissions. Where Erste Group uses emissions with national emission factors from the PCAF database, only scope 3 upstream emissions are accounted for due to data availability. The data quality score for scope 3 emissions is therefore reported separately.

Biodiversity and ecosystems

This section focuses on Erste Group's impact on biodiversity and ecosystems. Biodiversity or biological diversity can be understood as the variety of life and refers to the uniqueness of all living things (Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology). Biodiversity loss can lead to the extinction of species and the depletion of genetic variations. This can have a far-reaching impact on the food chain and the dynamics of ecosystems, on which humanity thrives.

Erste Group is committed to assess and disclose its biodiversity-related impacts, dependencies, risks and opportunities. Erste Group recognises the indirect impact its investments can have on biodiversity through the identified subtopic soil sealing.

E4 SBM-3 – MATERIAL IMPACT RELATED TO BIODIVERSITY AND ECOSYSTEMS

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
E4-Soil sealing	Potential negative impact	Financing real estate and public infrastructure projects can have a negative impact on biodiversity as soil is sealed and land is degraded, thus causing increased flooding risks, climate change exacerbation, and possible health issues caused by decreased air and water quality.	Portfolio	All time horizons

SOIL SEALING

The EU Soil Strategy for 2030 emphasises that soil sealing is highly relevant for Europe and the region Erste Group is active in. Soil sealing has substantial negative impacts on the environment and society, including the loss of essential ecosystem services, increased flood risks, and more intense urban heat island effects. Additionally, soil sealing can contribute to water scarcity, as sealed surfaces prevent the natural infiltration of water into the ground.

The relationship between biodiversity and financial institutions is indirect. Erste Group finances companies that are at least partly dependent on ecosystem services to produce goods and services. Soil sealing has been identified in the 2024 double materiality assessment (DMA) as a negative impact on biodiversity originating from Erste Group's portfolio activities, in particular the financing of real estate projects and public infrastructure that seal land. Soil sealing contributes to increased flooding risk, exacerbates climate change, and can lead to potential health issues due to reduced air and water quality.

Real estate accounts for the largest share of Erste Group's portfolio activities. Further information can be found in the Consolidated Financial Statements in Note 35 Credit risk exposure under the sections 'Credit Risk Exposure by Industry and Risk Category' and 'Credit Risk Exposure Collateralised'.

Erste Group has no material sites (in form of office and branch locations) located in or near biodiversity-sensitive areas and no material impacts were identified related to its own operations affecting any biodiversity-sensitive areas.

E4-1 – RESILIENCE OF ERSTE GROUP'S STRATEGY AND BUSINESS MODEL IN RELATION TO SOIL SEALING

ERSTE GROUP'S BUSINESS ENVIRONMENT

Erste Group has analysed the business environment it is operating in and performed an analysis to assess the resilience of Erste Group's business model. As part of the resilience analysis, both physical and transitional risks are tracked and analysed. Within this framework, biodiversity loss is categorised under other-environmental risks. Erste Group's own operations and upstream value chain have not been assessed.

The assessment covers short-, medium- and long-term horizons. The time horizons, used for the assessment of the business environment and resilience are defined by risk management and are as follows:
— short-term: 0-2 year
— medium-term: 3-5 years
— long-term: more than 5 years (up to 2050)

Currently, systematic external stakeholder involvement in the analysis has not yet been established. However, an ongoing dialog is conducted with relevant stakeholders, such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. These discussions were also taken into account in the assessment of the topic as material.

The evaluation for the resilience analysis was carried out in a holistic and qualitative manner and included in the assessment process.

RESULTS OF THE RESILIENCE ANALYSIS

The primary goal of the resilience analysis was to illustrate how the business model of Erste Group could be influenced by various climate and environmental risk factors. Erste Group did not identify any significant threats to its business model or strategy when considering biodiversity and ecosystems-related physical, transition or systemic risks.

Further details regarding the resilience analysis can be found in chapter E1 SBM-3.

STRATEGY AND BUSINESS MODEL

Erste Group is assessing its strategy and business model in the light of the analysis described above. Erste Group actively engages with clients and takes environmental policies into account when deciding on new business. As an example, in the course of the valuation of the collateral and inspection of a property, it must be examined in terms of biodiversity. For this purpose, the Green Building Certificate can be checked for information on biodiversity as the first source of information. The biodiversity related information has to be documented in the valuation report. If violations of environmental protection are identified, the necessary renaturation costs must be taken into account in the valuation.

E4-2 – POLICIES RELATED TO SOIL SEALING

Erste Group did not yet develop a comprehensive policy to address this sustainability matter. As a first immediate step, its internal Group Responsible Financing Policy has been complemented by restrictions to finance activities or construction projects that may impact protected sites. Once having established a methodology to estimate or measure the actual contribution to soil sealing from its financed portfolio, Erste Group is dedicated to develop a strategy, establish more actions and set targets to reduce negative impacts on biodiversity and ecosystems from soil sealing. Material dependencies, physical and transition risks and opportunities are currently not covered.

GROUP RESPONSIBLE FINANCING POLICY

The Group Responsible Financing Policy establishes the principles for financing of the Energy, Defence/Weapons, Biodiversity and Gaming sector. In the DMA, Erste Group has identified a material impact related to its financed portfolio for the subtopic soil sealing. As a result, Erste Group has broadened the scope of this policy and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact. Erste Group will not finance any activities or projects located in or having a material impact on protected areas. An impact assessment of the project must be carried out to assess all potential impacts. If the impact assessment confirms that satisfactory mitigation measures have been taken to compensate for any negative impacts of the project on the protected area, the project may be financed. The Group Responsible Financing Policy focuses on the financing business for large corporate clients of Erste Group, its international branches, its credit institution subsidiaries and their subsidiaries. This policy supports the steering of the portfolio and contributes to addressing the identified material impact.

Erste Group has established a clear structure and governance for executing decisions within the scope of the Group Responsible Financing Policy and has implemented both a first (carried out by the business function) and second (carried out by the non-financial risk management function) line of defence. The Group Responsible Financing Policy has been communicated to employees and is owned by the Group ESG Office and is available to external stakeholders online on Erste Group's website. The principles described in this policy are reviewed at least annually, however, more frequent updates are made whenever Erste Group deems it necessary.

As explained above, Erste Group has expanded the scope of its Group Responsible Financing Policy in 2024 and introduced exclusion criteria regarding activities and construction projects in protected areas as an initial measure to mitigate the identified negative impact. These criteria apply throughout all financial institutions of Erste Group and to all loans to customers where the financed activity constitutes more than 5% of the customer (Erste Group)'s turnover, with the exception of retail business line products, single payment transactions, transactions below a threshold of EUR 1 million within an existing approved limit.

At present, the Erste Group's Responsible Financing Policy does not take into account any third-party standards or initiatives.

E4-3 – ACTIONS AND RESOURCES RELATED TO SOIL SEALING

Erste Group recognises the critical importance of biodiversity and ecosystems and is committed to addressing the negative impact of soil sealing. Specific actions have not yet been established. However, Erste Group has broadened the scope of its Group Responsible Financing Policy and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact. Following the identification of the material impact in the DMA 2024, specific actions to measure progress will be defined in the upcoming years on the basis of a more in-depth analysis.

E4-4 – TARGETS RELATED TO SOIL SEALING

Erste Group is dedicated to integrating targets to reduce negative impacts on biodiversity and ecosystems into its strategic framework. Specific targets have not yet been established. The identified material impact of soil sealing will trigger more comprehensive disclosures in upcoming years.

E4-5 – IMPACT METRICS RELATED TO SOIL SEALING

Specific metrics related to the identified material impact of soil sealing in Erste Group's real estate portfolio have not yet been established. Erste Group does not disclose biodiversity metrics relating to its own operations, because it has no material sites located in or near biodiversity-sensitive areas.

Social information

Own workforce

The scope of this chapter covers the material impacts, risks and opportunities that Erste Group has identified towards the company's own employees and non-employees.

Erste Group's success in the ongoing development of its organisation, its corporate culture and competences is critically driven by employee engagement. Erste Group promotes modern working methods that support flexible, adaptive and client-centric work. Erste Group attaches great importance to recruiting, retaining and engaging a highly qualified workforce to ensure its continuing success and strives to be the employer of choice in the region in both the financial and IT sectors by offering opportunities for training and continuing professional development, diverse and international teams, as well as exciting tasks within a flexible organisation.

S1 SBM3 – MATERIAL IMPACTS, RISK AND OPPORTUNITIES RELATED TO OWN WORKFORCE, AND THEIR INTERACTIONS WITH STRATEGY AND BUSINESS MODEL

As part of its commitment to transparency and sustainability, this chapter provides a comprehensive overview of the IROs related to its own workforce. As a leading bank, it is crucial for Erste Group to prioritise the well-being and development of its employees.

Sustainability matter	Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
Working conditions	S1-Work-life balance	Positive impact	The compatibility of career and family positively impacts the quality of life and satisfaction of employees at Erste Group.	Own operations	All time horizons
	S1-Health and safety	Positive impact	By focusing on both physical and mental health, Erste Group continuously expands its health offerings to ensure timely access to medical support.	Own operations	All time horizons
Equal treatment and opportunities for all	S1-Gender equality and equal pay for work of equal value	Negative impact	The current gender pay gap at Erste Group disadvantages female employees.	Own operations	All time horizons
	S1-Training and skills development	Opportunity	Training and further education can increase employee motivation, improve their professional skills and qualifications and leads to continuous greater employee engagement and productivity.	Own operations	Medium- and longterm
	S1-Diversity	Positive impact	Fostering an inclusive corporate culture creates an open environment of acceptance and support for all people.	Own operations	All time horizons

Work-life balance

A work environment that allows employees to achieve a sound work-life-balance is essential for the satisfaction and well-being of employees. Erste Group is committed to creating an environment that fosters successful collaboration, productivity, efficiency, trust, safety and health, regardless of where and for how many hours employees work.

Erste Group's overarching strategy is to encourage employees to actively manage their work-life balance by using various options that are in place. Developing healthy self-management skills and the ability to set coherent priorities are crucial for employees to work effectively and maintain a good balance between time at work and private time. Hybrid working, which combines working from home and in the office, has become an essential aspect of the new normal in working life.

Erste Group supports reintegration into the working process after parental leave by, for example, building own or community kindergartens. No matter if the employees prefer part-time or full-time working hours, working onsite or remote, Erste Group is providing many options that can be used while always putting strong emphasis on collaboration, productivity and efficiency at work.

Actions are defined locally, tailored to the needs of own employees of each entities respecting cultural differences and legal frameworks.

Health and safety

By focusing on both physical and mental health, Erste Group continuously expands their health offerings to ensure timely access to medical support. Overall, Erste Group's focus on promoting a healthy work environment is integral to its business strategy. It believes that ensuring timely health support for its employees leads to improved health and satisfaction. By providing its employees with company health centers in Austria and Czechia, Erste Group endeavors to create a healthy work environment. Erste Group's saving banks in Austria and local banks in the countries prioritise the health and safety of its employees by implementing comprehensive health and safety strategies that go beyond legal requirements. These strategies offer preventive health checks and medical examination measures, private health insurance, private medical services, accident insurance, psychological support for mental health care, and access to wellness programmes and activities. These actions demonstrate the strong commitment to ensuring timely access to medical support and prevention. For more details, please refer to chapter S1-4. Actions and coordination happen locally, as the legal frameworks and possibilities vary based on the country of operation. Local entities are in contact with Erste Group's health center in Vienna to exchange information and best practices.

Gender equality and equal pay for work of equal value

Erste Group fosters initiatives for fair and equal pay for its employees, regardless of their gender. There has been a negative impact of gender pay gap identified related to own employees, which is systemic within the context of job structure and prevalence of certain gender in certain job roles but also individual based salary negotiations beyond collective agreement in the hiring process. This necessitates Erste Group to strive for a reduction of the adjusted as well as the unadjusted gender pay gap of its employees. First steps towards transparency of gender pay gap reporting were done in 2023 by establishing a group-wide common approach, definition and external certification. Actions and targets are focused on the job structural aspects of gender pay gap, to balance representation of women and men in various job roles especially in top-management. For more information about the methodology and measurements please refer to chapter S1-4, and chapter S1-16 for actions.

Training and skills development

Erste Group's growth focus is centered on providing its employees with the best possible support in their ongoing development. Training and further education creates an opportunity to increase employee motivation, improve their professional skills and qualifications and leads to continuously greater employee engagement and productivity. Erste Group's promotion of talent is based on group-wide defined leadership dimensions and, as part of a structured succession planning process for senior management, its managers of tomorrow will be developed on this basis, therefore ensuring seamless management transitions in the future.

Erste Group's focus on employee training and skills development ensures its employees can offer a full spectrum of banking services ranging from lending, deposit and investment products to current accounts and credit cards. The development of its employees in close connection to company goals is managed through performance reviews and development talks between managers and employees. Moreover, by putting emphasis on its leadership, development and growth and empowerment approach, Erste Group ensures a strong talent pipeline and the continuous development of next generation leaders. This focus on leadership is integral to the bank's ability to deliver a full spectrum of banking services and meet the diverse needs of its customer base. Talent management and leadership programmes are actions to foster the opportunity for continuous greater employee engagement and productivity which contributes to Erste Group's financial success in the future. Coordination of the actions is in group and local People & Culture departments and Erste Group's subsidiary Österreichische Sparkassenakademie with expenditures amounting to EUR 21.3 million in 2024.

Diversity

Erste Group fosters an inclusive corporate culture that creates an open environment of acceptance and support for all employees, regardless of gender, ethnic background, sexual orientation, age or any other characteristics. A work culture of acceptance, respect, fairness and equal opportunities has a positive impact on its employees .

Actions taken by Erste Group to address diversity and equality include various Diversity initiatives such as ErsteColours for queer employees, Erste Women's Hub for women & ErsteABILITY for employees with disability. Finally, diversity audit is an action to establish a group-wide monitoring methodology. Coordination of the actions lies with group and local People & Culture departments.

In 2024, Erste Group was recognised with several prominent awards, including the Financial Times Leader in Diversity.

Nonmaterial sustainability matters

Erste Group has not identified any material negative impacts on the own workforce arising from transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations. Moreover, the group did not identify any significant risk of incidents of forced labour, compulsory labour or child labour. Generally, there are not any employees of sub-groups of their employees that are at greater risk of harm, except for the negative impact of the unadjusted gender pay gap, where female employees are disadvantaged.

S1-1 – POLICIES RELATED TO OWN WORKFORCE

The People & Culture strategy of Erste Group is founded on the objective of building the bank of tomorrow through its people. The strategy is organised around three key priorities: empowerment, growth, and attractiveness. As part of Erste Group's empowerment approach, Erste Group gives its employees a voice through regular group-wide engagement surveys, which are described in S1-2 in more detail. Based on this continuous feedback from its employees, Erste Group supports targeted improvement measures in all areas and constantly grows with its employees. The growth focus is centered on providing Erste Group's employees with the best possible support in their ongoing development. Erste Group is committed to strategic workforce planning to enable more targeted recruitment and further development measures as well as flexible skills development. Talent promotion is based on group-wide defined leadership dimensions and, as part of a structured succession planning process for senior management, Erste Group's managers of tomorrow will be developed on this basis, thus ensuring seamless management transitions in the future.

Erste Group stands for a work culture that fosters a sense of belonging and values the work of its employees. Therefore, with the attractiveness pillar of Erste Group's People & Culture strategy, Erste Group focuses on ensuring the financial health of its employees and further establishing a successful employer brand. Measures include a commitment to greater transparency and gender equality in remuneration as well as the continuous improvement of the financial literacy of Erste Group's employees. Erste Group's principles of employee centricity drive its operations, enabling Erste Group to realise the potential of its employees. Furthermore, Erste Group is committed to nurturing an inclusive work environment for all employees, including monitoring progress towards targets in collaboration with its local bank subsidiaries to reach underrepresented gender ratio metrics on managerial levels.

Human rights commitments

Erste Group's Code of Conduct, which aligns with international standards and conventions, including the UN Guiding Principles on Business and Human Rights and also prohibits involvement in human trafficking, forced labor, or child labor was updated and internally published in December 2024. The principles which are included in the Code of Conduct derive from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights, amongst others. Erste Group must under no circumstances be involved in human trafficking, forced labor, or child labor, nor should it benefit from these practices in any way. This commitment aligns with ILO Convention No. 29 on Forced Labour, ILO Convention No. 138 on the Minimum Age, and ILO Convention No. 105 on the Abolition of Forced Labour, as outlined in the Code of Conduct. Processes and mechanisms to monitor compliance with these international standards and conventions include Erste Group's regular procedures outlined in chapter S1-2 and S1-3 to raise the concerns and remedies for negative impacts on human rights violation.

The Gender pay gap is a form of discrimination. It means that women are being paid less than men for doing the same job or work of equal value, because of their gender. This can have significant negative impacts on women's economic security. Erste Group prevents and mitigates discrimination once detected in accordance with group diversity policy and local antidiscrimination processes described in chapter 'S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns'. These policies ensure compliance with legal requirements and international standards, promoting a positive and supportive work environment.

WORK-LIFE BALANCE

Work-life balance is steered under a common umbrella within the Erste Group, without a specific group policy in place, to respect local cultural specifics and local legislation. Regardless of location and hours worked, Erste Group strives to create an environment that promotes collaboration, productivity, efficiency, trust, safety, and health. To achieve this, Erste Group encourages employees to actively use the opportunities provided by its local entities to balance their private and professional goals, develop healthy self-management skills and prioritise their work effectively. Although measures used can differ for each entity based on legal framework and cultural habits, Erste Group's overarching objective in the group is to provide options for work-life balance for all its employees and encourage them to actively manage their choices with an emphasis on effective collaboration, productivity, efficiency as well as their personal and business goals.

HEALTH AND SAFETY

The topic of Health and Safety is steered under a common umbrella within Erste Group, without a specific group policy in place, to respect local cultural specifics and local legislation. Erste Group aims to create a positive impact on employees by focusing on their physical and mental health. Erste Group's overarching group-wide objective is to provide additional health services beyond the legal requirements, to ensure preventive healthcare and timely access to medical health care for all its employees either in the form of health centers or additional medical offers. Health Centers in Vienna and Prague provide a wide variety of medical support including immediate medical service, regular health checks, preventive healthcare, sport activities, mental health, stress prevention and nutrition counselling.

In most Erste Group entities, employees are offered the option to conduct a preventive medical check, which can be either voluntary or mandatory depending on local legislation. The frequency of the preventive checks also depends on local legal or entity regulations.

Furthermore, in some countries, employees are offered private medical health insurance or private medical healthcare. Additionally, many entities provide access to mental health platforms, where employees have access to psychological and emotional support by industry professionals as well as sports initiatives and work-life balance options.

GENDER EQUALITY AND EQUAL PAY FOR WORK OF EQUAL VALUE

Employees should feel rewarded fairly, according to the relative value of their jobs within Erste Group. Employees engaged in similar jobs in different parts of the company should be rewarded equally. Erste Group strives to reward employees competitively compared to those who are engaged in similar jobs in other organisations of the respective market and/or sector. Having a compensation structure based on a competitive base pay is key. All employees are entitled to fair and favorable working conditions with special focus on remuneration. Remuneration policies and practices shall be gender neutral. 'Gender neutral remuneration policy' means a remuneration policy based on equal pay for women and men for equal work or work of equal value.

Erste Group observes that unadjusted gender pay gap is, among other, also attributed to the uneven distribution of men and women in better paid positions, with men dominating higher-remuneration type of positions or leadership roles. Through collective bargaining agreements and internal job grading, Erste Group fosters equality within job roles. To mitigate this negative effect, Erste Group introduces targets for the underrepresented gender, women in top management positions and fair succession planning (see chapter S1-5). These are addressed in the Group Remuneration Policy.

Group Remuneration Policy

Erste Group's Remuneration Policy promotes gender equality and ensures equal pay for equal work, thereby creating a secure environment with standardised and adequate wages. It supports equal professional development opportunities and addresses the gender pay gap. Most subsidiaries operate under collective bargaining agreements, ensuring wage security. By fostering gender equality, Erste Group enhances professional development and mental well-being for its employees.

Erste Group's Remuneration Policy aims to attract and retain competent and committed employees who perform their roles in the long-term interests of Erste Group, its customers and shareholders. It establishes the standards, rules and principles of the remuneration system and strategy, which are designed to reward competitively, based on long-term sustainable performance. The policy defines the remuneration system, including pay components, variable remuneration schemes, performance processes, job structures, salary benchmarking and both monetary and non-monetary rewards, all of which are linked to Erste Group's values and respective company strategies.

The remuneration committee of Erste Group Bank AG's Supervisory Board is responsible for overseeing the implementation of the remuneration policy to ensure it operates as intended. The committee functions under delegated authority from the supervisory function. The remuneration committee of Erste Group Bank AG approves the general principles of the remuneration policy, reviews them at least once a year and is responsible for their implementation. The committee monitors remuneration policy, remuneration practices and remuneration-linked incentive programmes in relation to the control, monitoring and containment of risks, the capital base and liquidity. The committee approves material exceptions from the application of the remuneration policy to individual staff members of the company and monitors the payment of variable remuneration to members of the Management Board. The committee members collectively possess adequate knowledge, skills and experience in remuneration policies and practices, risk management and control activities, as well as variable remuneration schemes and the associated risks. The committee considers the long-term interests of employees, shareholders, investors and other stakeholders in Erste Group. It holds meetings at least twice a year.

The Remuneration Policy provides a remuneration framework and applies to all employees of Erste Group and to members of the Supervisory Board of Erste Group Bank AG on a consolidated, sub-consolidated and solo level, in all credit and financial institutions and other institutions within the scope of CRR consolidation, including all branches. The remuneration committee is responsible for overseeing the implementation of the policy to ensure it operates as intended. The committee functions under delegated authority from the supervisory function. The Group Remuneration Policy refers to Erste Group's Code of Conduct, which covers third-party standards like the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.

Employees are represented in the remuneration committee of Erste Group Bank AG by representatives of the Works Council of Erste Group Bank AG. The Remuneration Policy is communicated to all employees through Erste Group's intranet.

TRAINING AND SKILLS DEVELOPMENT

Erste Group aims to be the place where people transform obstacles into opportunities, learn every day and collaboratively work together. Collective contribution and impact should go beyond geography, entity, or business area borders. Erste Group's employees are encouraged and supported to challenge its confidence by taking regular steps outside the comfort zone and go above and beyond for its customers. Training and further education improve professional qualifications and lead to continuously greater employee engagement and productivity. Talents, skills and capabilities should be placed at the core of placements for key positions and the right people will have the chance to contribute to the right roles, across the group. All Erste Group employees have the opportunity to improve their professional qualification, coordinated by group and local People & Culture departments and Erste Group's subsidiary Oesterreichische Sparkassenakademie.

Talent initiatives will make a difference across Erste Group in the future. Beyond the passion for Erste Group's customers and Erste Group's brand, employees will use their individual passions and deep understanding of technology to create tangible customer value. Erste Group's leadership culture will be one of the key differentiations of its employer brand. The leaders will be known by their ability to transform banking through technology, their passion for the customers, and their dedication to developing individuals and teams. 'Out of comfort zone', 'servant leadership', 'performance impact', 'future orientation', and 'client orientation' are the five leadership dimensions recognisable across the group. Across all levels, tailored, high-quality development programmes will provide the leaders with regular opportunities for self-reflection, exchange, and growth to maximise their potential. This will contribute to Erste Group's financial success in the medium and long-term future.

Group Suitability and Succession Policy

The Group Suitability and Succession Policy outlines the process for assessing the suitability of individuals who are members of the Management and Supervisory Board and Key Function Holders. This policy provides a structured framework for defining a diverse succession list of potential candidates for these boards, while also monitoring and considering the gender balance targets as specified in the Diversity and Inclusion Policy. The Management Board, in collaboration with the local Human Resources department, evaluates respective managers based on performance and potential, using specified criteria outlined in the policy. The results of all assessments form the basis for a pre-selection of potential successors and are discussed in upcoming succession talks.

Group People & Culture is responsible for developing and constantly reviewing the succession process. It also initiates the annual succession process and provides instructions and documentation templates to local Human Resources departments.

The Group Suitability and Succession Policy applies to local banks within Erste Group's core markets (Erste Group Bank AG, Erste Bank Oesterreich, Česká spořitelna, Banca Comercială Română, Erste Bank Hungary, Slovenská sporiteľňa, Erste & Steiermärkische Bank (Erste Bank Croatia) and Erste Bank a.d. Novi Sad (Erste Bank Serbia)) and their subsidiaries, including Erste Asset Management, Intermarket Bank and Savings Banks (AT). Management Boards, Nomination Committees of the Supervisory Boards, and Group People & Culture share the responsibility for implementing this policy. The Group Suitability and Succession policy is communicated to all employees through Erste Group's intranet.

DIVERSITY

Erste Group's purpose was already written down in the founding document of the Erste Oesterreichische Spar-Casse in 1819 – Annex 1, Ref 1: to grant everybody access to prosperity, regardless of age, gender, social background or geographical origin. In addition, to further strengthen these aspects, it is also a part of Erste Group's Code of Conduct. Erste Group believes in the people of its region and their power to implement plans and create prosperity. This is only possible if everyone can develop freely, unhindered by barriers such as discrimination or fear. Believe in yourself (#glaubandich) as you are and follow your own path – Erste Group tries to live this attitude towards its customers and employees every day. For Erste Group, an inclusive corporate culture means recognising every employee for their individuality. Erste Group understands diversity and inclusion as a mindset that obliges everyone to treat each other with respect, so that everyone feels safe to speak their mind openly. Erste Group seeks to create an environment in which people are enabled to develop themselves, support each other when facing challenges and bring out the absolute best in themselves and their peers. By communicating Erste Group's diversity values outside and inside the organisation, all employees, non-employees, and business partners perceive the overarching objective of Erste Group's open environment and acceptance of all.

Group Diversity and Inclusion Policy

Erste Group's Diversity and Inclusion Policy addresses sustainability matters related to diversity and gender equality. Promoting diversity within the organisation fosters an open and inclusive corporate culture, which positively impacts equal opportunities for its employees, so that they can develop and grow within Erste Group's organisation regardless of gender.

The purpose of this policy is to outline how Erste Group responds to the societal context in which it operates. It addresses stakeholders' expectations by defining the common understanding of diversity and inclusion within Erste Group. Additionally, it describes roles and responsibilities, as well as general guidelines for developing, implementing and adjusting diversity and inclusion strategies and targets.

Embedded within the Group People & Culture division, Group Diversity Management (GDM) collects group-wide diversity data, identifies key focus areas and develops a diversity strategy in close collaboration with local Diversity Management, Group Communications, Group ESG Office and Group Corporate Affairs and Stakeholder Management. GDM sets diversity targets and provides diversity data for annual reports and rating agencies, as well as communication at the group level, supported by the member of the Management Board responsible for managing the company's diversity and inclusion initiatives. Regular meetings are being held to continuously discuss and monitor the interests of relevant parties.

The Erste Group Diversity and Inclusion Policy covers employees of local banks in Erste Group's core markets (Erste Group Bank AG, Erste Bank Oesterreich, Česká spořitelna, Banca Comercială Română, Erste Bank Hungary, Slovenská sporiteľňa, Erste & Steiermärkische Bank (Erste Bank Croatia) and Erste Bank a.d. Novi Sad (Erste Bank Serbia)), with the respective entities responsible for their local subsidiaries. The Management Board holds the highest level of accountability for the implementation of the policy. It refers to Erste Group's Code of Conduct, which aligns with third-party standards such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.

S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

As a responsible employer, Erste Group recognises the importance of engaging with its workforce and workers' representatives to understand the impacts of its operations on its employees. One approach that Erste Group takes to foster positive impacts and mitigate negative impacts is by promoting a feedback culture. The company supports this culture by providing many channels for direct and indirect engagement with employees, managers, teams and communities. This gives employees ample opportunities to voice their views and concerns and provide feedback on matters of work-life balance, health and safety, training and skills development, diversity and equality and any other topic.

The Management Board, particularly the CEO, is entrusted with the responsibility of managing the organisation in a manner that serves the best interests of the company, while considering the interests and concerns of the employees.

DIRECT ENGAGEMENT

Erste Group engages with its employees directly through annual one-to-one performance reviews, through the Group internal social network, via the Group engagement survey, or indirectly via representative bodies such as works councils. Employee engagement activities take place at both the organisational level and lower ones such as team, project, or community level.

Performance reviews

Talent management at Erste Group is driven by constructive feedback and a fair and transparent assessment of individual potential. The individual performance review meeting takes place annually between the direct superior and the employee. During the performance review, the contribution and impact the employee has made to the company's success and employee's personal development plan are discussed. The department management (B-1), as the most senior role, is required to consider the results of these discussions and have an overview of performance and impact in their area of responsibility. Additionally, assessments of long-term performance and potential of individuals can be made during talent reviews / succession planning sessions throughout the year.

Group-wide internal social network

In 2024, Erste Group's internal social network was successfully launched for all employees. It is part of the communication platform 'echo.', which will be launched step by step across all entities of Erste Group by mid-2025.

This tool is an interactive and easy-to-use communication channel, which fosters dialogue between employees. It increases visibility and interaction across country and entity borders and establishes a unique and shared employee experience. Additionally, this tool is useful for top management to share and discuss current topics, initiatives, and events with all employees. For example, the CEO of Erste Group connects directly with employees through the platform in 'Ask Me Anything' chat sessions.

Overall, Erste Group's internal social network is very well received by employees. As of the end of December 2024, there are already 14 active group-wide communities in which employees exchange knowledge about ESG, Artificial Intelligence, Tech trends, etc. or get together to support each other e.g. Queer and Allies community, ErsteColours community, Ability and Inclusion, community Women's Talk, Gen Z Community. Furthermore, there are 270 country- and institute specific communities in place. Group Communications together with the local Communications Departments are responsible to develop the communication platform enhancing employee experience and strengthening its group-wide governance.

Engagement survey

Erste Group aims to improve its workplace culture by actively listening to employees and acting on their feedback. Employee surveys provide insights into employee engagement, identifying both strengths and areas for growth. Erste Group aims to conduct the survey on a yearly basis. The People & Culture team is responsible for coordinating regular engagement surveys at the group level.

The employee engagement survey serves as a highly valuable mechanism for receiving feedback from employees which influences decisions directly. The transparent nature of the results and feedback obtained from the survey enables the implementation of an effective improvement and action plan. These results are presented to local management boards and the Holding Board at the group level. Teams are encouraged to work on improving identified areas at a team level. Furthermore, areas that require improvement as well as a summary of actions and approaches on country level are made available to all employees on the intranet. An example is the introduction of the so-called role of 'Magic Advisors' in some entities to customise actions within their own teams based on the team's feedback in the engagement survey.

In 2024, Erste Group conducted an employee engagement survey to measure employee engagement and help make Erste Group the best workplace it can possibly be. More than 40,000 people were invited and more than 32,000 employees participated, achieving a response rate of 81%. Their ratings and more than 37,000 comments contributed to a group-wide Employee Engagement Index score of 80 out of a possible 100 points. To ensure a positive impact of the survey on the employees, a follow-up process to discuss feedback with employees and plan the next steps was initiated at various levels across the Group.

INDIRECT ENGAGEMENT VIA WORKER'S REPRESENTATIVES

In accordance with legal requirements, Erste Group involves its employees in management decisions via representative bodies in matters that directly affect employees.

In Erste Group Bank, as required by law, four times a year the works council meets with the Management Board. In addition, People & Culture routinely convene with the works council to hold discussions and keep a steady line of communication. Periodic e-mails from the works council to employees informing about improvements related to employees prove the effectiveness of indirect engagement.

The main tasks of the works council are:
- monitoring adherence to laws relating to employees, payment of salaries, occupational health and safety,
- intervening to ensure compliance with employee-related legislation, improving working conditions and setting up/organising in-company training
- two-way sharing of information: from the Management Board to the works council and from the works council to the employees, and vice versa
- employee counselling and consultations with the employer on current matters

The local banks in Erste Group's core markets (Erste Group Bank AG, Erste Bank Oesterreich, Česká spořitelna, Banca Comercială Română, Erste Bank Hungary, Slovenská sporiteľňa, Erste & Steiermärkische Bank (Erste Bank Croatia), and Erste Bank a.d. Novi Sad (Erste Bank Serbia)) have different forms of employee representation based on local legislation. They are represented through trade unions or work-councils under national legislation at the company level. The subsidiaries continuously collaborate with employee representation bodies at the strategic and operational levels and arrange regular meetings between the local management board and the representative body. Collective agreement is conducted between the representative bodies and government bodies.

Regular engagement between management and representative bodies occurs as required by local law. As part of this obligation, the works council negotiates work agreements and participates in the employer's supervisory bodies wherein one-third of the members are employee representatives. Aside from necessary work agreements, the company regularly updates and confers with the works council on activities related to its workforce.

Erste Group has concluded an agreement with the European Works Council. This agreement applies to all employees in Erste Group operations and entities subject to Directive 2009/38/EC on the Establishment of a European Works Council and, beyond that, in all those countries in which Erste Group operates, and which have entered into an association agreement with the European Union.

ENGAGEMENT WITH VULNERABLE GROUPS

To gain insights into the interests of employees who are part of vulnerable groups, Erste Group has established various initiatives such as ErsteColours, Erste Ability and a group-wide social network to get valuable insight to the views of all its employees including vulnerable people or queer people (for more information, see chapter S1-4). Holding Board is informed about activities and enters the dialogue with employee network groups.

S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Processes to remediate negative impacts and channels for the own workforce to raise concerns are crucial for any organisation that cares about its employees' satisfaction and engagement. Erste Group takes this responsibility seriously and is committed to address any material negative impact on its workforce that it may cause or contribute to, with special attention to equal treatment and discrimination. Erste Group identifies and assesses negative impacts through employee engagement surveys, feedback mechanisms between managers and employees as well as incident reporting systems through dedicated channels. Furthermore, Erste Group investigates reported issues to understand their root causes.

When a negative impact is identified, Erste Group takes steps to provide remedies, which may include:
— providing access to counseling and support services
— implementing corrective actions, such as policy changes or additional training
— engagement with employees and their representatives to ensure that the remedies provided are fair and effective

To ensure effectiveness, Erste Group monitors the outcomes of its remediation actions through feedback from affected employees and engagement surveys.

Approach to remediation of discrimination

To remediate cases of discrimination, Erste Group has established specific channels and processes to enable employees to raise their concerns. Each entity has its defined anti-discrimination approach. Erste Group's employees can address their concerns regarding any type of discrimination, including gender equality and equal pay for work of equal value.

In Austria, the Anti-Discrimination Officer provides advice and mediates in cases of harassment, discrimination, or bullying. Advice for employees is confidential and accompanied by a structured conflict resolution process, if required. An anonymised report prepared by the Anti-Discrimination Officer covers, among other things, the reported cases of discrimination. The report is communicated to the Management Board, People & Culture department, and the employees' council. Awareness-building and prevention measures implemented by the Anti-Discrimination Officer in cooperation with management are instrumental for remediation. The primary focus is on raising awareness and improving processes, behaviour and organisational issues among both management and employees. To support these efforts, unconscious bias training is offered to make employees aware of unconscious prejudices and help them act more sensitively. The Anti-Discrimination Officer is also the contact person for all complaints and questions relating to harassment and bullying and plays a key role in ensuring compliance with all human rights. All employees may seek advice in absolute confidentiality and develop measures and resolution strategies in a collective process, the implementation of which is then supported by the Anti-Discrimination Officer. Measures, remediation processes and consequences are described in the Works Agreement on Anti-Discrimination and Respectful Behaviour in the Workplace which is communicated to the employees on Erste Group's intranet.

Local entities have aligned the anti-discrimination processes with their respective local legal requirements and Erste Group's values. The objective is to ensure a zero-tolerance for unacceptable behavior in the workplace, including discrimination, harassment, bullying, mobbing, violent behavior, gender-based discrimination and to provide all employees with the necessary channels to submit complaints and fully exercise their rights. The banks have respective policies or internal acts regarding anti-discrimination, for instance in Bosnia and Herzegovina (Labor Regulations of Sparkasse Bank dd BiH, and Code of Ethics), Czechia (Code of Ethics and Work Rules), Hungary (Code of Ethics), Montenegro (Whistleblowing Policy, and Code of Ethics), North Macedonia (Workplace Harassment Protection Law and Discrimination Law), Poland (Good Conduct Policy, Anti-mobbing Policy, an Anti-discrimination Rules within the Work Regulations) and Slovakia (Whistleblower app), while in Croatia, Serbia, Slovenia discrimination complaints are processed in accordance with legal requirements. These policies and internal acts are available on the entity's intranet, and the employees are informed about the respective local laws during the onboarding process. Depending on the entity, employees can file complaints to the Anti-discrimination Committee, Committee of Ethics, the Internal Ombudsman, the Ethics Manager, Head of HR Employee Care Department, or the Head of local unions, authorised individuals from Human Resources or Legal or mobbing officers.

Channels to raise concerns

As already described, Erste Group has established multiple channels through which employees can raise concerns and have their needs addressed by the company:
— line manager as the first contact point to raise any concerns
— whistleblowing process (see chapter G1-1)
— worker's representatives, e.g., local works councils
— employee survey
— performance reviews
— contact with the Anti-Discrimination Officer, ethics manager, ombudsman office, or specially trained people

Each entity decides on local initiatives to inform employees about the availability of channels to raise their concerns. One of the options used is to inform newcomers right from the beginning of their employment as part of the onboarding welcome day programme.

The channels through which employees can raise their concerns and needs are well-established, as dialogues with line managers and the employee survey occur regularly. Due to the consistent rhythm of engagement opportunities and the multitude of channels available for employees to raise their concerns and issues, the measures taken to improve employee matters are regularly monitored with consideration to employee interests at the local entity level. On a group level Erste Group can assess the effectiveness of the whistleblowing channel which also includes reports related to unacceptable behavior. The measures taken based on the whistleblowing reports are provided to the Management and Supervisory Board. In addition, the Head of Group People & Culture is a member of the whistleblowing committee which indicates that cases related to its employees are given special attention.

S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE AND EFFECTIVENESS OF THOSE ACTIONS

Erste Group has implemented various actions to address the material topics of diversity and equality, trainings and skills development, work-life balance as well as health and safety to demonstrate a commitment to preventing, mitigating and remedying significant negative impacts while especially contributing to achieving positive impacts and pursuing opportunities. Erste Group has established group policies that provide a framework for its approach to these material matters (listed in chapter S1-1). The local policies in each entity respect the local legal framework of the country in which they operate and are in line with the group policies through a rollout implementation process.

Financial and other resources for actions related to Erste Group's own employees are allocated locally based on the strategy of each entity, however mostly in local human resources departments. The actions are taken in the reporting year and are also planned to continue in the future to bring a continuous positive impact on the employees and to mitigate the negative impact of gender pay gap to ensure continuous gender equality.

Sub-topic	List of key actions	Policy
S1-Work-life balance	Flexibility of working time (part-time) Hybrid work of remote and on site Reintegration after parental leave (Kindergartens)	Local strategies under overarching group objectives
S1-Health and safety	Health Centers on site Local additional services such as private medical healthcare, preventive checks etc. Mental and physical health activities	Local strategies under overarching group objectives
S1-Gender equality and equal pay for work of equal value	Performing a Gender Pay Gap Analysis Ensuring balanced nominations in talent programs Conducting hearings for all positions Providing direct approaches to the female target group/career coaching Including female candidates on shortlists and succession lists Conducting a group-wide diversity audit	Overarching group objective Group Remuneration Policy
S1-Training and skills development	Talent management and leadership Performance reviews and development talks	Overarching group objective Group Succession Policy
S1-Diversity	Business Resource Groups: ErsteColours, Erste Women's Hub & ErsteABILITY Diversity audit	Group Diversity and Inclusion Policy

WORK-LIFE BALANCE

Erste Group has adopted a number of measures to allow working times to be adjusted to personal requirements. Erste Group offers a range of family-friendly measures which are regularly adapted to the needs of its employees. With family-friendly flexitime and work-from-home schemes, Erste Group enables its employees to balance parental time and work. In addition, Erste Campus Vienna has two company kindergartens where qualified educators provide full-day care for children. Erste Group's offer is complemented by nursing-care leave, parental leave, and summer programmes for school-age children. Executive-level staff may opt to have interim managers substitute for them during periods of leave and then resume their management positions on their return.

In September 2024, Slovenska sporitelna opened a Kindergarten in their premises for easy return to work after parental leave of its employees. However, half of the capacity will be also reserved for children from the surrounding area to support the local community in which the entity operates.

HEALTH AND SAFETY

Erste Group prioritises the health and safety of its employees, providing company health centers in Austria and Czechia, as well as regular preventive checks. Another key focus is on mental health. Employees have access to workplace psychologists and external support services for various personal and family issues.

Erste Group maintains a comprehensive focus on preventive health care. Employees regularly attend training events on health literacy, nutrition, mental health, or infection protection as well. In addition, a variety of physical exercise and relaxation courses are offered. The effectiveness is indirectly monitored through continuously looking at the development at the number of sick days, see S1-14.

Preventive healthcare & health centers

Erste Group operates two health centers, located in Vienna and Prague. They are fully equipped with advanced technologies, offering employees medical support during working hours. The key focus of Erste Group's Health strategy is to offer timely access to medical support with an emphasis on employees' mental health and preventive healthcare.

In Vienna, Erste Group has implemented a wide range of measures designed to prevent chronic illnesses. These include on-site health screenings, melanoma screenings, the prevention and early detection of intestinal cancer and the prevention of cardio-vascular diseases as well as vaccination programmes. As part of the on-site health checks, employees are given targeted, individual advice on treatment options. Another key focus is placed on employees' mental health. Employees have access to workplace psychologists and to an external service to support them on personal and family issues. The services of the Erste Group Health Centre in Vienna, Austria are available to all employees of Erste Group Bank AG, Erste Bank der Oesterreichischen Sparkassen AG and 30 subsidiaries in Austria. In 2024, yearly costs of the health center amounted to EUR 1.86 million.

In Prague, the health center which was launched in November 2023 offers a broad spectrum of health benefits by placing an emphasis on preventive medicine. A team of experienced general practitioners provides services to employees and their families. The health center provides support during medical and epidemiological emergencies and provides a platform for employee vaccinations. As mental health is a key focus of Erste Group's health actions, employees have access to a multi-professional team of psychologists, physiotherapists, and occupational physicians who support in all matters of health and well-being. The team offers support for lifestyle, work-life balance, mental health, stress prevention and nutrition counselling, as well as wellness services such as massage treatments.

Saving banks in Austria

Health services in savings banks depend on their size and the needs of employees. Most of the employees in the saving banks have access to an occupational physician (Arbeitsmediziner:in), while many of the saving banks have the seal of approval for company health promotion (Gütesiegel der Betrieblichen Gesundheitsförderung), and some of the saving banks offer preventive checks and preventive screening to its employees. Most of the savings banks also offer preventive vaccinations to their employees. In addition, some saving banks offer leisure activities in the areas of sport, health and counselling such as nutrition, psychological support, and mental health training.

Romania

At Banca Comercială Română (BCR), the health strategy centers around enabling all employees and family members a private health subscription for prevention, where employees can choose their private health provider. They have access to a wide range of free medical services, unlimited specialist consultations and various advanced procedures. A similar package is provided to family members, including children and spouses. Employees of BCR subsidiaries and their family members are covered by the same health care services contract. Additionally, an integrative programme addresses all well-being dimensions, focusing on physical, mental and emotional health. The scope was defined from the essential health and safety elements to employee self-reflection. For this purpose, BCR Group launched, in partnership with a specialised provider, a dedicated digital wellbeing platform integrating various digital resources, live open sessions and webinars, wellbeing assessments, etc. The wellbeing offerings for employees also include healthy lifestyle webinars, workshops and awareness campaigns.

Hungary

Erste Bank Hungary's strategy in the health and wellbeing of its employees is realised through its ErsteCare programme, offering a range of medical and support services. This includes health insurance services with annual medical exams, private medical services for sickness and one-day surgery as well as access to a medical hotline. In addition, the health insurance policy includes coverage for professional support from psychologists and psychiatrists. Overall, the ErsteCare programme demonstrates the company's commitment to supporting the health and well-being of its employees.

Slovakia

The bank's employee well-being strategy covers health on top of legal minimum requirements. This strategy consists of 'body' and 'mind' parts, which implement specific recommendations for employees in terms of their health. Each employee can undergo a preventive private health check once every 24 months, fully covered by the employer. The bank has implemented telemedicine with the MEDDI app for all its employees, a 24/7 service. The app is administered online and ensures timely access to medical support for the employees. The app enables doctors to consult and to prescribe treatment through e-medicine prescriptions sent directly to the employee. Within seven months of the app's launch, 76% of employees had registered on it. For preventive health measures, the bank provides a broad range of services, such as massages, yoga classes and a day of health Event. Additionally, the bank has a crisis call center available 365/24/7 that employees can access at any time. Furthermore, in 2024, the bank implemented a programme called 'Shoulder to Cry On' as the first bank in the industry.

Croatia
Erste Bank Croatia's healthcare strategy places a strong emphasis on employee wellbeing, with activities and initiatives focused on both physical and mental health, falling under the common name Dobro.bit. The bank provides private health insurance policies at a polyclinic, with a free annual check-up and discounts on indicated tests. It also offers a voluntary health insurance policy at the employer's expense, ensuring that employees receive the best possible medical care when required. The bank provides its staff with 24-hour accident insurance to support employees in case of an emergency. Additional preventive healthcare offers include vaccination, physical wellness by offering co-financed multisport cards. Mental health is addressed through the Zdrava glava platform, which was created based on the need for psychosocial support during the long-term pandemic and the consequences of devastating earthquakes in Croatia. Today, the platform is used to address the mental health of its employees.

Serbia
Erste Bank Serbia has implemented a comprehensive Health and Safety strategy that offers voluntary health insurance for all employees, medical examinations in private health institutions, psychological support and the opportunity to talk with a psychotherapist. All employees have access to private health insurance sponsored by the employer, including an annual extensive preventive health check.

Slovenia
Banka Sparkasse d.d places a strong emphasis on health promotion. Health is addressed through various actions, such as mandatory health trainings with knowledge tests on a three-year period. Banka Sparkasse d.d has a health promotion programme in place, which includes different possibilities and activities each year, including seminars on various health-prevention topics (skin cancer prevention and skincare, heart disease prevention, mindfulness, and meditation), work-life balance seminars, offering flexible work schedules, and occasional healthy breakfasts and snacks. Within the health promotion programme employees can also benefit from free of charge massages, sport activities for symbolic or lower prices, and anonymised psychological help.

Bosnia and Herzegovina
Sparkasse Bank dd Bosna i Hercegovina offers employees comprehensive preventive health checks every second year with extended offering beyond the legal requirements at a contracted health provider by the bank. All employees have access to 24-hours accident insurance and life insurance. In addition, employees have the opportunity to take part in various sports events supported by the employer and healthcare prevention workshops.

Montenegro
Erste Bank AD Podgorica's health strategy includes providing employees with 24-hour accident insurance coverage, workshops covering topics like emotional intelligence, stress management, children wellbeing and upbringing, proper nutrition, and more. In line with the collective agreement, the bank also supports employees with monetary support for sports games. Moreover, employees receive discounts on private health insurance due to negotiated rates by Erste Bank AD Podgorica.

North Macedonia
Sparkasse Bank AD Skopje places a great deal of emphasis on the health and safety of employees. This is highlighted by offering a variety of measures including 24-hour accident insurance, private health insurance, and life insurance, which are fully sponsored by the employer. With these measures all employees have timely access to private healthcare. In addition, Sparkasse Bank AD Skopje offers health checks for all employees every two years, and education workshops for occupational health and safety (mandatory by local health and safety law), as well as participation in sports events. Furthermore, employees have access to workshops for mental and physical health, conducted by experienced professionals.

Poland
In Erste Securities Polska S.A. health and safety is addressed by offering private medical care, including vaccination (flu and covid), life insurance for all employees, gym on office premises, and company social benefits fund, within which employees receive a prepaid card once a year, which can be used for various sport and cultural activities of their choice. All this is free of charge for all employees.

GENDER EQUALITY AND EQUAL PAY FOR WORK OF EQUAL VALUE

Erste Group has launched a diversity audit initiative and gender pay gap monitoring to prevent and mitigate the material negative impact regarding the sustainability matter gender equality and equal pay for work of equal value. The aim of the gender pay gap analysis group initiative is to have a common approach group-wide, to use a common methodology, common definitions, and the same certification. The gender pay gap is measured as an unadjusted index and also as an adjusted index where structural explanatory factors are taken into account. More information is provided in chapter S1-16. Coordination of the actions lies in group and local People & Culture departments, additional expenditures for gender pay gap project group wide amounted to EUR 201 thousand in 2024.

Various initiatives foster gender equality in Erste Group such as:
— Performing a Gender Pay Gap Analysis
— Ensuring balanced nominations in talent programmes
— Conducting hearings for all positions
— Providing direct approaches to the female target group/career coaching
— Including female candidates on shortlists and succession lists
— Conducting a group-wide diversity audit (Women's Career Index)

A gender pay gap calculation of unadjusted gender pay gap is performed for all employees. Analyses of the structural impacts and adjusted gap are performed for more than 80% of employees (excluding students and trainees). The objective of this action is to bring group-wide transparency on equal gender opportunities and remuneration. Since 2023, gender pay gap calculation is coordinated on group level and in a short-term horizon should increase its scope of analyses.

Ensuring balanced nominations in talent management, conducting hearings for all positions, targeted coaching, balanced succession lists and conducting a group-wide diversity audit are actions to balance gender representation in management positions and to target the negative impact of gender pay gap in the entities in scope of the Group Diversity Policy and the Group Succession Policy.

Via regular review and adjustment, Erste Group hopes to prevent negative impacts and contribute to positive impacts. The actions related to the sustainability matter of gender equality and equal pay for equal work are monitored through the established targets concerning gender representation and are continuously assessed for their effectiveness (for more information, see chapter S1-5).

By implementing these initiatives and setting targets on balanced gender distribution in the top-management, the organisation fosters a more inclusive and diverse environment, where equal opportunities and remuneration are provided for all employees, irrespective of gender or any other characteristics.

TALENT MANAGEMENT AND LEADERSHIP

Erste Group provides centrally managed group-wide learning programmes as well as country-specific personalised development offers. Specialised training in Austria and across the group covers areas such as corporates & markets, finance including controlling, asset/liability management, accounting, data excellence and AI knowledge.

All courses and programmes are easily accessible and bookable through the Learning Management System. Erste Group continually updates learning materials to reflect changes in regulations and offer training in fields like risk management, security and compliance. The accessibility of learning offerings is constantly enhanced by the extensive implementation of digital learning formats.

Leadership development is a key focus within Erste Group's learning and development initiatives. Through coaching, mentoring and customised programmes, Erste Group supports its leaders in developing their leadership potential and skills. The CEO board development programme for 2025 has been presented in the nomination committee. Target groups are local CEOs and Holding Board members with the goal being to gain insights on world-wide trends via moderated discussions around topics such as digital transformation, digital mindset, business model innovation and executive leadership as well as to strengthen a common picture around leadership and technology in the context of Erste Group's strategy.

Erste Group offers its employees centrally managed group-wide learning programmes as well as country-specific personalised development. These programmes are a current long-term initiative designed to achieve a sustained impact. All these programmes are offered on a yearly basis and have been running for several years.

Performance reviews and development talks

At Erste Group, talent management is driven by constructive feedback, a fair and transparent assessment of individual potential and high-quality development activities in partnership with internationally renowned institutions. Each year, all employees are invited to an employee appraisal interview with their line managers to define goals for the current year and come up with development plans to assist them in their further personal development.

The employee appraisal interview with line managers is a group wide current measure. These employee interviews are a long-term initiative designed to achieve a sustained impact. The interviews take place on a yearly basis.

The opportunity effectiveness of qualified high skilled employees with greater employee engagement and productivity is not directly measurable with any specific indicator but can be visible in a long run through improvements in processes and products that indirectly contribute to financial result of the company.

DIVERSITY

Actions taken by Erste Group to address diversity include various initiatives such as ErsteColours, Erste Women's Hub and ErsteABILITY. Additionally, for the first time a standardised diversity audit across the local banks in the core markets (Erste Group Bank AG, Erste Bank Oesterreich, Česká spořitelna, Banca Comercială Română, Erste Bank Hungary, Slovenská sporiteľňa, Erste & Steiermärkische Bank (Erste Bank Croatia) and Erste Bank a.d. Novi Sad (Erste Bank Serbia)) was carried out.

Diversity audit

This qualitative analysis is a fact-based index model which examines how women's careers develop in organisations and which framework conditions are essential for this in the company. The indexing is a valuable indicator of permeability openness and transformation capability in companies. The index model enables comparisons across company structures and sectors.

The aim is to identify areas for action and develop effective measures accordingly to ensure a common standard. The measures were defined based on the results on group and local level.

The main goal of Erste Group's business resource groups is to provide a platform for networking and empowering women, queer people and people with disabilities.

Business Resource Groups

As a business resource group of Erste Group, ErsteColours advocates for the agendas of queer people. The group initiates and organises various events and content formats throughout the year with the goal to raise awareness for LGBTQIA* people and their challenges. The business resource group supports the organisation of Erste Group's appearance at Vienna Pride, one of Erste Group's partnerships.

Erste Women's Hub is a network for women in Austria. It offers women a platform for networking and exchanging ideas. In this way, the Erste Women's Hub supports Erste Group's goal of achieving gender parity and inclusion at all levels of the company and anchoring equal opportunities and equality as an integral part of its corporate culture. Erste Women's Hub celebrated its 10th anniversary in 2024.

As part of the 10th anniversary celebrations, a new communication format was launched – 'WoMen Voices: stories that inspire'. The Erste women's hub contributes to the achievement of Erste Group's gender goals through mentoring and other empowerment efforts. It has taken first steps to reach out to young women from Generation Z to better understand their needs through a survey and initial community activities.

The working group 'Women in IT' continued with its formats 'DigiTALES' and 'WIT PowerPanel' to inspire and make women in IT more visible. As part of the global 'Orange the World' campaign, the topic of misogyny on social media was addressed. In addition to workshops, a major event was held with high-calibre and international speakers.

Erste Ability is Erste Group's network for disability. It aims to raise awareness on disabilities, break down taboos and be a platform to network. The first initiatives were developed and launched in 2024 to transfer knowledge and exchange on the topic of disability. All initiatives of Erste Ability contribute to empower the employees of Erste Group and ensure an inclusive environment.

Two events were held in 2024 to give all employees the opportunity to learn and network. In addition, the 'Erste Ability Leo Talks' format was launched to support employees in dealing with their disability at work.

The business resource groups are mainly active in Austria and Hungary (Erste Colours and Erste Women's Hub). In other core market countries, activities have been initiated. The business resource groups have no date of completion and will continue their work in the future.

The effectiveness of the initiatives related to fostering a diverse and inclusive work environment are tracked through the number of people with disabilities in S1-12, through proportion of women in top-management (see S1-5), gender and age balance in Erste Group's workforce (see S1-9) and number of complaints and discrimination incidents (see S1-17).

Resources for actions related to diversity matters are allocated in diversity teams locally and on the group level. Budget for group diversity trainings is coordinated and allocated in the group diversity team on a yearly basis.

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Target setting is an important practice in an organisation, as it helps to focus efforts and resources towards achieving specific goals. While Erste Group does not set measurable targets to track the effectiveness of all policies and actions on the group level, Erste Group has specific targets related to the material matter, gender equality and equal pay for work of equal value. These targets are published in the Group Diversity and Inclusion Policy and fosters equal professional development to ensure equal opportunities for all genders.

On group level Erste Group wants to remediate the impact of the gender pay gap by balancing gender distribution in top-management positions (board level and B-1). Targets for local banks in Erste Group's core markets (Erste Group Bank AG, Česká spořitelna, Erste Bank Oesterreich, Slovenská sporiteľňa, Banca Comercială Română, Erste Bank Hungary, Erste & Steiermärkische Bank (Erste Bank Croatia) und Erste Bank a.d. Novi Sad (Erste Bank Serbia)) have been defined: Proportion of underrepresented gender in management board and proportion of underrepresented gender in board –1 management.

Erste Group sets targets only for diversity matters because it gives the respective institutions in the group the freedom to decide what the optimal goal is in their local environment for topics such as average training hours, percentage of part-time employment, percentage of performance evaluation, average sick days, etc. As Erste Group does not have any other targets related to the other sustainability matters, it tracks the effectiveness of the policies and actions in relation to material IROs at group level via its engagement survey. The overarching goal of Erste Group's personnel strategy is to ensure a diverse corporate culture that promotes collective contribution and impact beyond gender, geography, entity, or business area borders. The effectiveness of material impacts on Erste Group can be seen through results in the annual engagement survey, which focuses on various critical topics. These include individual contributions, empowerment, continuous improvement, feedback from management, opportunities for growth, motivation to go the extra mile, the availability of technology resources and intent to continue working for Erste Group in the future. In 2024, more than 32,000 employees participated, achieving a response rate of 81%. Their ratings and more than 37,000 comments contributed to a group-wide Employee Engagement Index score of 80 out of a possible 100 points. The survey serves as an essential tool for measuring the group's employee satisfaction, identifying areas for improvement and ensuring that the needs and expectations of its employees are being met. Recognised fields for improvement and results are transparent and available on Erste Group's intranet.

Target on gender representation in management boards and board-1

The target on gender representation in management boards aims at a minimum of 30% representation of the underrepresented gender in management board positions by 2028 for each local bank in each core market.

The following target aims at a minimum of 33% representation of the underrepresented gender in board-1 positions by 2028 for each local bank in each core market. These targets are linked to Erste Group's Group Diversity and Inclusion Policy and Group Suitability and Succession Policy and address the material matter, gender equality and equal pay for work of equal value. By setting the targets to support women in the top-management position, Erste Group aims to mitigate the negative impact of the unadjusted gender pay gap that is focused on the prevalence of men in better paid management job roles.

The group diversity management team in People & Culture department analysed the proportion of women in management in previous years and discussed the necessity of target setting for local banks in core markets listed below. Due to the low number of B-1 positions and low fluctuation in these positions, it is essential to set the target in the medium term. This and the different starting positions in the individual banks resulted in a corresponding target of 33 % for the B-1 level. After alignment with Holding Board, the targets were set and anchored in the Group Diversity and Inclusion Policy. Employees/employee representatives have not been included in setting targets. The group diversity team tracks performance on a quarterly basis and together with local diversity teams analyses reasons in case of deviations.

The target encompasses the following local banks in core markets: (Erste Group Bank AG, Erste Bank Oesterreich, Česká spořitelna, Banca Comercială Română, Erste Bank Hungary, Slovenská sporiteľňa, Erste & Steiermärkische Bank (Erste Bank Croatia) and Erste Bank a.d. Novi Sad (Erste Bank Serbia)).

For six years, Erste Group has utilised dashboards to measure progress. The first diversity policy was introduced in 2017 with one common target for entities in scope valid for both board members and B-1. The most recent major update of the diversity targets was carried out in 2023. As baseline values for individual targets per entity in scope, separately for gender representation by board members and B-1, the values of 2022 were considered (28% share of women in top-management). The current target horizon extends until 2028.
The Group Diversity's proposal for diversity targets in top management was approved by the Holding Board, following an analysis of the current situation at the banks in the core markets. In 2024, no adaptions were made to the targets. Since the targets are set until 2028 (medium-term), there is no need to update them regularly unless a new regulatory change or a change in strategy occurs.
The diversity dashboards are updated quarterly and made available to top management on an ongoing basis.

Current target achievements

	Underrepresented gender in management board				Underrepresented gender in Board -1			
	2022	2023	2024	Minimum target by 2028	2022	2023	2024	Minimum target by 2028[1]
Erste Group Bank AG	16.7%	16.7%	20.0%	30.0%	17.9%	30.8%	30.8%	33.0%
Erste Bank Oesterreich	50.0%	50.0%	50.0%	30.0%	26.9%	43.5%	47.6%	33.0%
Erste Bank Hungary	20.0%	16.7%	16.7%	30.0%	34.5%	37.0%	32.1%	33.0%
Česká spořitelna	16.7%	16.7%	16.7%	30.0%	20.0%	13.0%	20.0%	33.0%
Slovenská sporiteľňa	0.0%	0.0%	0.0%	30.0%	34.6%	33.3%	29.2%	33.0%
Banca Comercială Română	60.0%	60.0%	50.0%*	30.0%	26.1%	34.8%	33.3%	33.0%
Erste Bank Croatia	0.0%	0.0%	20.0%	30.0%	43.5%	43.5%	43.5%	40.0%
Erste Bank Serbia	50.0%	50.0%	50.0%	30.0%	40.0%	50.0%	47.8%	33.0%

* The female successor for the position of Chief Risk Officer was appointed in 2024. Approval from the Romanian National Bank is pending, which is why she is not included in the figures.

Targets are monitored and reviewed quarterly. No straight linear progress has been expected as it needs to be considered hand in hand with succession planning for top-management positions. Erste Group believes that the progress of proportion of underrepresented gender in Management Board is on the right track and with effective succession planning the goal in 2028 can be reached. Many of the banks already reached the targets of 30% women in Management Board, whereas Erste Bank Hungary, Česká spořitelna, Erste Bank Croatia and Erste Group Bank AG are on their way to reach the goal. Slovenská sporiteľňa needs to catch on in both in Management Board and Board-1 in the following years. When it comes to board-1 positions, some fluctuations from one year to another are acceptable, as a positive trend towards reaching the goal in four years' time is anticipated.

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

At the end of the reporting period, 31 Dezember 2024, Erste Group had 49.094 (2023: 48.586) employees. Employees are actively undertaking business activities or rendering service to the reporting company based on their job role for which they are compensated in form of remuneration in line with the Group Remuneration Policy. All employees, long-term sick leave employees, interns, trainees and early retirement are included.

Data is reported in headcounts (one person = one headcount, irrespective of the number of hours worked). The headcount measure is the relevant metric for labour law and offers a better representation when it comes to material topics such as training, diversity, health and safety than full-time equivalent measures. Der Headcount provides a full picture of an organisation's diversity and inclusion efforts and its employees' overall health and safety irrespective of hours worked.

Employee headcount broken down by gender

Gender	2024
Male	18,628
Female	30,465
Other	1
Not reported	0
Total employees	**49,094**

Own workforce headcount in Erste Group by countries

Countries	2024
Austria (incl. branches in New York and Hongkong)	19,952
Czechia	10,374
Romania	5,259
Hungary	3,553
Slovakia	3,536
Croatia	3,148
Serbia	1,287
North Macedonia	655
Bosnia and Herzegovina	521
Slovenia	399
Montenegro	374
Poland	36

The majority of Erste Group's workforce hold a permanent contract. A permanent (unlimited) contract of employment is a contract of unlimited duration including all new employees currently on their probation period who are likely to have their contract made permanent. Temporary employees have limited contracts, here Erste Group includes for instance, interns or some service positions.

Most of the active headcount are full-time employees, defined as those with 100% occupancy, i.e. FTE= 1. In some countries its employees use the flexibility of part-time work more, in some less.

Erste Group does not have any non-guaranteed hours employees.

Own workforce headcount by contract type, broken down by gender

2024	Female	Male	Other	Not reported	Total
Total number of employees (headcount)	**30,465**	**18,628**	**1**	**0**	**49,094**
Number of permanent employees (headcount)	28,200	17,416	1	0	45,617
Number of temporary employees (headcount)	2,265	1,212	0	0	3,477
Number of full-time employees (headcount)	23,635	17,408	0	0	41,043
Number of part-time employees (headcount)	6,830	1,220	1	0	8,051
Number of non-guaranteed hours employees (headcount)	0	0	0	0	0

Employee turnover (including retirements)

	2023	2024
New hires	**5,881**	**6,367**
Female	3,574	3,809
Male	2,306	2,558
Other	1	0
Gender not reported	0	0
Leavers	**6,040**	**5,995**
Female	3,902	3,795
Male	2,138	2,200
Other	0	0
Gender not reported	0	0
Turover ratio (%)	**12.50%**	**12.20%**

*Turnover ratio includes employees who leave voluntarily or due to dismissal, retirement, or death in service.

In 2024, employee turnover at Erste Group (total of men and women) was 12.2 % (2023: 12.5%).
Turnover ratio presents the number of employees who left voluntarily, due to dismissal, retirement, or death in service during the fiscal year. The number of leavers does not include employees on parental leave and internal transfers within the group. The employee turnover rate in % is calculated (based on the BDA formula) as follows: the number of employees who left the company during the reporting period (12 months) is divided by the average headcount (HC) at the beginning of the year.

Information about average FTEs can be found in the financial statements Note 8 to the Group Consolidated Financial Statements 2024. Using Full-time Equivalent for financial statements, especially in tracking administrative expenses, is generally more effective than headcount as it better represents the cost of labor.

S1-7 – CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE

In addition to own employees, there are 3,104 non-employee workers (headcount as of 31 December 2024), which are either self-employed individuals (1.099) or individuals contracted through a third party engaged in employment activity (2,005). Non-employees are contracted for a specific period based on the conditions stated in their contract. As in Erste Group's operations, employees' contracts prevail over non-employees' contracts, this group of workers represents only 6% of total own-workforce headcount. 57% of all non-employees in Erste Group are contracted for information technologies (IT) departments. About 23% of the non-employees in Erste Group work in Hungary. Most of them work in the local IT functions (e.g. developer, tester, etc.) and in outsourced activities in the retail area, such as telesales or mobile bankers. For non-employees, there are currently no policies, actions or targets in place, except for the Group Risk Policy Whistleblowing. Thus, all policies are specifically addressed to Erste Group's own employees. Additionally, actions, targets, metrics and engagement and grievance mechanisms are designed to support and benefit its own employees.

S1-9 – DIVERSITY METRICS

Employee gender distribution at top management

	Top management (headcount)		Top management (share)	
	2023	2024	2023	2024
Female	121	128	24%	25%
Male	377	374	76%	75%
Other	0	0	0%	0%
Not reported	0	0	0%	0%
Total employees	**498**	**502**	**100%**	**100%**

Top management is defined as Erste Group Bank AG top management (Management Board (B0), and positions reporting directly to the Management Board (B-1)), in Erste Group Bank AG, Erste Bank Oesterreich, Česká spořitelna, Banca Comercială Română, Erste Bank Hungary, Slovenská sporiteľňa, Erste & Steiermärkische Bank (Erste Bank Croatia), and Erste Bank a.d. Novi Sad (Erste Bank Serbia) and board members/managing directors (B0) of other subsidiaries with reported own employees.

The assumption is that board members/managing directors of each subsidiary, no matter the size, is a governing body responsible for the development and success of the entity. They make decisions in the interests of the entity and its stakeholders and ensure that their employees are supported in achieving the entity's objectives.

Employee age distribution by age groups

	2023		2024	
	Number of employees (headcount)	Share of employees (headcount)	Number of employees (headcount)	Share of employees (headcount)
under 30 years old	7,624	15.7%	8,121	16.5%
between 30-50 years old	28,611	58.9%	28,231	57.5%
over 50 years old	12,351	25.4%	12,742	26.0%
Total employees	**48,586**	**100.0%**	**49,094**	**100.0%**

S1-12 – PERSONS WITH DISABILITIES

The number of employees with disabilities in headcount (as of 31 December 2024) is collected using the definition based on the UN Convention on the Rights of Persons with Disabilities. It defines persons with disabilities as those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. This can be reflected as percentage-based disability ratings or categorization of severity.

Erste Group employs 643 (2023: 646) employees with health disability (disability above 50% or equivalent severity grade) as of 31. December 2024 which represents 1.3% (2023: 1.3%) of the total headcount.

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

Material matter of training and skills development are tracked by average training hours metrics and the proportion of performance reviews to the foreseen number of reviews proportion of performance reviews by the management.

Traning and skills development metrics

	2023	2024
Average training hours	40.9	39.4
Female	42.2	40.1
Male	38.9	38.2
Other	110.0	68.0
Gender not reported	0.0	0.0
Management functions	41.2	43.5
Non management functions	40.8	38.8

In 2024, Erste Group's employees completed on average 39.4 (2023: 40.9) hours of professional development, thereof women 40.1 (2023: 42.2) hours and men 38.2 (2023: 38.9) hours. Employees in management positions completed an average of 43.5 (2023: 41.2) hours of training. Erste Group monitors average trainings hours by collecting the information per year end for each entity and comparing them to the previous year. The indicator is calculated as the number of training hours in the reporting period of its employees' headcount as of 31. December divided by the total headcount as of 31. December. There is no targeted value on the group level, as for each entity the optimal number of trainings hour might be different. Moreover, the number of training hours may fluctuate throughout the years, as some regulatory training may be required.

Next to talent management and leadership, performance reviews are one of Erste Group's actions to address the material matter of Training and skill development identified in double materiality assessment.

Generally, employees are invited to a personal performance review with their line managers to talk about their performance, to define goals for the current year and define plans for their further personal development once a year. However, not for all own employees is the performance review planned or foreseen. For instance, when an employee joins the company within the year or when internal procedures foresee that an annual performance review is mandatory only for employees eligible for a bonus. In 2024, appraisal talks were held with 87.9% (2023: 83.6%) of all employees of Erste Group. The figure is reported as the number of performance reviews per active headcount (as of 31. December) during the reporting period divided by the number of total headcount (as of 31. December).

The proportion of reviews to the foreseen number of reviews by Erste Group's local internal procedure is 97.1%. This figure has been derived as number of performance reviews per active headcount (as of 31. December) during the reporting period divided by the number of headcount scheduled for performance review based on internal processes (e.g. based on eligibility for variable remuneration)

Performance reviews

	2023	2024
Percentage of employees that participated in regular performance and career development reviews	83.6%	87.9%
Female	83.3%	87.4%
Male	84.2%	88.7%
Other	0.0%	0.0%
Gender not reported	0.0%	0.0%
Management functions	79.7%	91.0%
Non management functions	83.8%	87.5%

S1-14 – HEALTH AND SAFETY METRICS

The total number of own employees (headcount as of 31 December 2024) who are covered by the company´s health and safety management system based on local legal requirements and/or recognised standards or guidelines in the respective country is collected.

All (100%) Erste Group's employees are covered by the health and safety management system based on legal requirements in the respective country. In 2024 Erste Group recorded 231 work-related accidents. The rate of recordable work-related accidents of 2.79 indicates the number of work-related injuries per one million hours worked. The basis is an estimate of average hours at work per one full time equivalent. The number of cases of recordable work-related ill health was 23. The number of calendar days lost to work-related injuries and work-related health was 3,164. The indicators of work-related illness and accidents cover own employees and non-employees working in Erste Group's premises when information about the event is available and recorded. There is no exact split between own employees and non-employees available this year. There were no work-related fatalities recorded for own employees, non-employees and value chain workers working on the site of Erste Group's premises.

Health and safety metrics represented in headcount	2024
Number of fatalities related to work-related injuries / ill health	0
Number of recordable work-related accidents	231
Rate of recordable work-related accidents	2.79
Number of cases of recordable work-related ill health	23
Number of days lost to work-related injuries/ill health/fatalities	3,164

Additionally, Erste Group tracks the number of sick leave days as an indicator if specific initiatives in health and health center action are needed. Sick leave is a type of leave that is either paid for by the employer or by social insurance or is unpaid, the cause for such leave is illness or incapacity (health problems). Sick leave is calculated in workdays from the first day of leave. The total duration of illness-related absences from work is calculated based on the total number of days of leave attributable to sickness or incapacity for the given period. In the reporting period, there were in 8.11 average sick leave days per headcount (as of 31 December 2024).

S1-15 – WORK-LIFE BALANCE METRICS

All (100% based on headcount) of Erste Group's own employees are entitled to take family-related leave. Family related leaves include maternity leave, paternity leave, parental leave and leave for family caregivers, etc. granted under national law or collective bargaining agreements. 14.8% of its employees took family related leave during the reporting period (female employees, 18.2%, male employees 8.8%).

The compatibility of career and family positively impacts the quality of life and satisfaction of employees at Erste Group. Since work-life balance is an individual decision of each employee, Erste Group's aim is to create a working environment that supports individual decisions of its employees. In this respect Erste Group tracks the proportion of full-time and part time employments.

Work-life balance metrics

	Full-time employees			Part-time employees		
2024	Female	Male	Other	Female	Male	Other
Austria	5,773	8,363	0	4,977	838	1
Czechia	5,545	3,352	0	1,242	235	0
Romania	3,761	1,337	0	126	35	0
Hungary	1,934	1,250	0	289	80	0
Croatia	2,119	960	0	66	3	0
Slovakia	2,255	1,156	0	104	21	0
Serbia	953	330	0	3	1	0
North Macedonia	471	184	0	0	0	0
Bosnia and Hercegovina	367	147	0	5	2	0
Slovenia	217	160	0	18	4	0
Montenegro	231	142	0	0	1	0
Poland	9	27	0	0	0	0
Total	**23,635**	**17,408**	**0**	**6,830**	**1,220**	**1**

S1-16 – REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

Erste Group has identified a negative impact in relation to gender pay gap in the sustainability matter gender equality and equal pay for work of equal value.

Erste Group's approach is to understand the reasons for the gap and bring transparency to what part of the gender pay gap can be explained and foreseen due to job structure and other explanatory factors. Erste Group established a methodology to analyse and monitor the gender pay gap. It aligns on transparent communication and coordinate efforts to mitigate any potential negative impacts on Erste Group's workforce related to gender pay gap within Erste Group.

Erste Group holds a Fair Pay Analyst certification from the Fair Pay Innovation Lab, with its UNIVERSAL FAIR PAY CHECK® recognised as a certification trademark by the European Union Intellectual Property Office. This check integrates different European legislative initiatives into a single procedure, accommodating both current and future legislation, making certification possible regardless of location and applicable laws. The analysis, based on the organisation's internal data, lays the groundwork for accurately determining the necessary steps to implement fair pay. Through this certification, Erste Group underscore its commitment to conducting fair pay analyses correctly.

In Erste Group, the gender pay gap is viewed from two perspectives: an unadjusted pay gap and adjusted pay gap. The unadjusted gender pay gap shows the percentage difference between the average gross hourly pay for women and men. The adjusted gender pay gap shows the percentage difference between the average gross hourly pay for women and men after accounting for factors that typically influence pay. It is calculated using a regression analysis, which is a robust mathematical method to determine how each variable affects each employee's compensation. To support a common methodology over the group, job levelling is used as the main objective factor. This factor explains most differences in pay. On top, age, management responsibility and country specific or even entity specific factors are considered which reflect the local job market. In order to calculate the adjusted pay gap across the Group, the country results were weighted according to the number of employees analysed.

Unadjusted gender pay gap

In Erste Group, the gender pay gap for its employees is calculated based on an annualized, full-time equivalent measures, as the average pay of all men and women across the group and all job levels, representing the unadjusted gender pay gap. The consolidation on group level is done by weighing the individual entity results by their headcounts.

This unadjusted gender pay gap calculation for Erste Group's own employees in 2024 was 28.9%. This covers all own employees in scope where remuneration data was available through payroll systems.

Variable remuneration for performance in 2024 is based on the overall performance of the entity and individual performance of each employee. Therefore, most of the variable remuneration will be granted in April 2025. For the 2024 pay gap and remuneration ratio, an estimate of variable remuneration based on 2023 performance (granted in 2024) was necessary to cover total compensation. For long-term incentive bonus schemes, the granted variable remuneration is reported, no matter if paid out in the reporting year or in the future.

Analysis of the gender pay gap

Erste Group conducts a more detailed analyses on a yearly basis, to ensure that men and women with comparable jobs or job responsibilities and performing work of similar value are receiving equal pay. In 2023, Erste Group started to analyse the wage data of 27,625 employees across all its core markets and in 2024 it increased the number to 38.195 employees.

Within this scope, the analysis revealed an average global gender-specific pay gap of about 26.8% in 2024 (2023: 27.9%), which is greatly influenced by the distribution of functions among male and female staff. Having a gender pay gap does not mean that women are paid less than men for the same job. Therefore, Erste Group also considers acceptable reasons that explain differences in pay, such as job, experience, location and performance. Following the analysis of Erste Group employees, the adjusted gender pay gap is 2.5%. The Gender Pay Gap analyses shows that, the unadjusted pay gap is driven by job leveling as it is used as the main objective factor. This factor explains most differences in pay. One of the ways Erste Group addresses this topic is by setting the targets for gender representation in top management.

Remuneration ratio

Erste Group shows the income distribution within the company by comparing the annual total remuneration of the highest-paid employee with the median total annual remuneration of all employees in its core markets Austria, Czechia, Slovakia, Hungary, Romania, Croatia, Serbia and all other countries in which Erste Group has subsidiaries. All salaries are calculated as annual salaries on the basis of full-time equivalents. Variable remuneration paid out in 2024 is considered. For 3% of the employees, their salaries were interpolated according to the salary distribution of the rest of the workforce. The remuneration ratio for the 2024 fiscal year is 67.5.

It is calculated by means of the following formula: annual total remuneration of the highest-paid employee of Erste Group (CEO) divided by the median annual total remuneration of all employees of the organisation except for the highest-paid person.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

Erste Group has reported on its approach to complaints, channels to raise them and on remediation of negative impacts in chapters S1-2 and S1-3. Channels for raising concerns have been identified in each entity and the number of complaints submitted to the company's reporting tool has been recorded. There have been in total 26 reported incidents of discrimination, including one discrimination case from2023 which is still under investigation in Hungary.

Entities within Erste Group have implemented processes to mitigate and solve discrimination cases. Erste Group's commitment to providing a safe and inclusive workplace means all claims of discrimination are taken seriously, and Erste Group strives to resolve them in a timely and effective manner. As part of these established processes, every employee has the opportunity to have their specific case examined by internal, independent bodies. This ensures that each individual case is followed up accordingly, with empathy and respect for all parties involved as well as utmost confidentiality.

In most cases, a respectful and substantial solution can be found internally. This reflects Erste Group's commitment to fostering a culture of trust, respect, and equality throughout its organisation.

In 2024, the company received 160 total complaints from its workforce regarding various topics, thereof 84 in Czechia relating to unacceptable behavior, discrimination, termination of employment and entitlements and workplace management. There have been no fines, penalties, or compensation for damages resulting from incidents of discrimination and complaints or relating to severe human rights issues or incidents connected to the company's own workforce. In 2024, no incidents related to human rights have been reported.

Consumers and end-users

This chapter focuses on Erste Group's impacts, risks and opportunities (IROs) on consumers and end-users. The scope of this chapter covers the IROs that Erste Group has identified towards the company's retail customer base. As part of Erste Group's commitment to transparency and sustainability, Erste Group places the interests and needs of its customers at the core of its business activities.

Erste Group acknowledges the positive impact that it has on its customer base regarding financial health and Social Banking (access to products and services). Furthermore, Erste Group recognises the opportunity related to the financial health of its customers on its business model. However, a negative impact and risk was identified on the topic of privacy that will also be disclosed in this chapter.

S4 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

As part of its commitment to transparency and sustainability, this section provides a comprehensive overview of the IROs related to consumers and end-users. As a leading bank, it is crucial for Erste Group to prioritise the interests and needs of its customers while effectively managing risks.

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
S4-Financial health (entity specific)	Positive impact	Through educational programmes, financial advice and tools Erste Group has a positive impact on the financial health of customers contributing to customers overall economic stability, leading to a better quality of life.	Own operations	Medium-term
	Opportunity	Through the active support of its customers' financial health Erste Group can not only improve customer satisfaction and loyalty but also enhance its own financial performance and market position.	Own operations & Downstream	Medium-term
S4-Privacy	Potential negative impact	Data breaches or cyberattacks could lead to compromised sense of security and privacy for individuals, leaking private and financial data of affected customers.	Own operations	All time horizons
	Risk	Data breaches or cyberattacks could lead to a loss of trust from customers and a loss of reputation, as well as legal consequences (e.g. breach of GDPR).	Own operations & Downstream	All time horizons
S4- Social Banking (Access to products and services)	Positive impact	By ensuring that all banking products and services are accessible to financially vulnerable people, Erste Group promotes their autonomy, social and professional integration and active participation in community life.	Own operations	All time horizons

FINANCIAL HEALTH (ENTITY-SPECIFIC)

Positive Impact

Financial Health serves as a key pillar of Erste Group's new strategy, positively impacting financially vulnerable customers through literacy programmes that enhance their economic stability and quality of life. These financial literacy programmes develop a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to achieve individual financial well-being.

Opportunity

Erste Group believes that by actively supporting its financially vulnerable retail customers, it can enhance their satisfaction and loyalty, which in turn boosts its financial performance and market position. With a growing and extensive customer base, Erste Group has a strong foundation for financial health advisory services, as well as tools. This also presents an opportunity to deepen client relationships, especially with those who are digitally active. Technological advancements are driving a shift in its approach to financial health advice.

PRIVACY

Handling customer data is a crucial part of Erste Group's business model. As such, the company is dedicated to protecting this data and must be vigilant about potential data breaches or cyberattacks, which pose a material risk to the business. Examples of this are identity theft, fraud and financial loss. Such incidents could compromise the security and privacy of customers by exposing their private and financial data. This risk over all time horizons could lead to a loss of trust, damage to Erste Group's reputation and legal consequences (e.g., breach of the General Data Protection Regulation (GDPR)).

SOCIAL BANKING (ACCESS TO PRODUCTS AND SERVICES)

An aspect of Erste Group's business is to provide financial services to socially vulnerable people, including those who would otherwise be excluded from access to financial goods and services, positively impacting those effected. Initiatives supporting financial health, transparency and inclusivity of these customers are key to its value proposition and helps build long-term customer relationships while improving their financial autonomy. These efforts enhance customer trust and loyalty, contributing to the stability and resilience of its business.

S4-1 – POLICIES RELATED TO CONSUMERS AND END-USERS

HUMAN RIGHTS

Erste Group commits itself to meeting its responsibilities towards consumers and end-users regarding human rights, labour standards and the fight against corruption. The principles included within the Group's strategy derive from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Convention Against Corruption, among others.

Erste Group's Code of Conduct sets out a commitment to understand the needs, views and opinions of the Group's customer base as well as providing adequate access to products. In addition, Erste Group is committed to responding to feedback from its customers on a range of topics. This commitment illustrates how its policies are aligned with international instruments that respect the human rights of its customer base as it references the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises as a basis. These international instruments are also incorporated into Erste Group's policies ensuring that operations involving Erste Group's customer base are undertaken with the highest standards of ethical behavior and respect for human rights.

Furthermore, any non-respect of human rights by the Group towards its customer base can be reported by any affected stakeholder through the whistleblowing platform, where it is addressed promptly. This reporting mechanism allows Erste Group to monitor transparency and accountability, ensuring that any violations are identified and rectified in a timely manner. In 2024, there were no reported breaches of Human Rights by Erste Group towards its customer base.

For more information on the whistleblowing platform, please see 'G1-1 – Business conduct policies and corporate culture'.

FINANCIAL HEALTH (POSITIVE IMPACT)

Erste Group guides its customers through important decisions and enables choices that allow them to improve their financial health. Its financial health focus is Erste Group's way to provide an improved financial understanding for its customers that helps them to make better decisions and puts them in control of their financial future.

Erste Group's monitoring process for financial health is based on five indicators that support its customers to 1) live within their means, 2) build up a financial cushion/reserve, 3) ensure their risks, 4) grow their money and 5) manage their debt. The calculation of these indicators helps Erste Group take a personalised approach towards supporting each customer. The Group Retail Transformation department is responsible for monitoring and implementing the framework that is currently being rolled out within the core markets. There are no current plans to expand the framework outside the Group's core markets.

The financial health of Erste Group's retail customers is reflected by the status, stability and knowledge of their financial situation. By analysing and evaluating the financial health indicators of its customers, Erste Group can better understand their needs to help them become financially independent. Information regarding the financial health strategy, including the indicators is also available to customers online.

FINANCIAL HEALTH (OPPORTUNITY)

Erste Group plans to take advantage of the opportunity to expand its customer base by supporting its clients in leading better and healthier financial lives. The overarching aim of this strategy is to democratise financial advice, ensuring every customer receives outstanding support, by combining the expertise of human advisors with digital advice through its digital platform, George. This involves understanding each client's unique situation through listening, showing empathy and analysing their finances. Erste Group is building on the strengths of its human advisors while enhancing its digital advisory capabilities. To better understand the needs of the Group's customer base regarding financial literacy, the Group will calculate the aforementioned financial health indicators to focus strategy within specific regions in which the group operates. Consequently, this strategy aims to solidify customer engagement and loyalty to further improve long-term revenue.

PRIVACY

Erste Group considers the protection of its customer's data to be of the utmost importance. To earn trust, it is essential to ensure transparency. Erste Group places significant emphasis on providing customers with clear and comprehensible information regarding the processing of their personal data. Where necessary, prior consent for the processing of personal data is obtained.

The Group Security Strategy, approved by the Management Board is aligned with regulatory standards, specifically the objectives of international instruments such as the GDPR, which aims to protect individuals in regard to their personal data. Within the Group, many security policies and procedures govern security-related requirements and controls for systems, infrastructure and Erste Group's own employees to protect the data of its customers. Compliance with these policies is mandatory for Erste Group Bank AG, their relevant security entities as well as all subsidiaries of the Group.

Information related to data protection is made available to Erste Group's customers on the website. This includes the rights of its clients regarding their data as well as whom to contact in case of any concerns related to data processing or potential breaches.

Erste Group ensures that employees are well-informed about the implementation of Group policies related to privacy through yearly trainings. This comprehensive understanding enables Erste Group's staff to better serve its customers by adhering to high standards of service and data protection. Consequently, these policies directly support Erste Group's commitment to meeting the needs and rights of its customers, while mitigating the risk of any cyberattacks or data breaches.

Group Data Protection

Erste Group's Group Data Protection Policy, along with its associated procedures, aims to ensure and sustain the appropriate safeguarding of all personal data in alignment with both regulatory requirements and business needs. This objective is focused on achieving compliance with the General Data Protection Regulation (GDPR). In alignment with the GDPR, the focus of the data protection policy is the personal data of natural persons. Additionally, personal data pertaining to natural persons acting for or on behalf of a legal person are included within the scope of this policy. The relevant local Data Protection Management department is responsible for monitoring data breaches while the Group Data Protection Officer ensures a consistently high level of data protection throughout Erste Group at both local and group levels.

Group Cyber Information Security

The Group Cyber Information Security Policy defines security principles, security management objectives and an overall cyber and information security governance and management framework. The overarching objective of the policy is to protect all types of group information. Additionally, it outlines the organisational structure, related roles and responsibilities, information security risk management context, as well as definitions and implementation activities to be performed at both Group and local levels.

The Group Chief Information Security Officer (Group CISO) is specifically accountable for cyber and information security control and management within the Group, including the definition of Erste Group's cyber and information security strategy. A primary task of the Group CISO is to monitor and support the local implementation of cyber and information security, ensuring it follows 'good practices' and is executed effectively, efficiently and consistently in daily operations.

The rules and requirements stipulated by this policy are binding for all Erste Group employees, contractors or service providers who implement, manage or administer IT solutions used by or for Erste Group entities and their employees. The Management Board is the most senior level responsible for the implementation of the policy. For each entity, the local management board is the most senior level responsible for the local implementation of the policy.

Erste Group regularly adapts its policies to meet changing practices and developing technologies. The policy has been updated to adhere to the requirements of the Digital Operational Resilience Act (DORA).

SOCIAL BANKING (ACCESS TO PRODUCTS AND SERVICES)

Social banking at Erste Group seeks to improve access to financial goods and services for vulnerable groups who might otherwise be excluded, offering them access to financial products, sounds financial advice as well as mentoring. Social banking seeks to foster starting entrepreneurs through working capital loans and start up loans to create new jobs as well as supporting vulnerable groups in financial difficulty by improving their financial situation through special accounts and housing micro loans. This support contributes to the overarching goal of fighting poverty and increasing prosperity. These overarching objectives are linked to specific targets that group social banking have set related to financing and job creation and retention. Further information on these targets can be found in S4-5, 'Targets related to consumers and end-users'.

Group Social Banking, which reports to the CEO is responsible for the overall implementation of the policy. In a bi-annual impact report, Erste Group Social Banking publishes information related to its activities as well as the direct and intended outcomes of its clients. Data in the previous bi-annual impact report was collected through 1190 interviews within its client base. The report is publicly available on Erste Group's website.

Furthermore, the Social Banking policy establishes principles with consideration to Erste Group's retail customer base through implementing UN Sustainable Development Goals 1 (no hunger), 3 (good health and well-being), 4 (quality education), 5 (gender equality) & 10 (reduced inequality).

S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

FINANCIAL HEALTH AND SOCIAL BANKING (POSITIVE IMPACTS)

Direct engagement with financially vulnerable retail customers occurs through a variety of channels, both online and in the branches where Erste Group offers advisory services to help them achieve their financial goals. To ensure that its customers continue to benefit from Erste Group's positive impacts, an advisory framework is in place. This framework revolves around encouraging active customer engagement around Erste Group's advisory propositions, which leads to addressing their drivers of financial health. A key method to facilitate this process is through the democratisation of advice across all channels and increased accessibility.

Erste Group also has a process in place to determine the effectiveness of these channels of engagement. Following an appointment regarding a customer's financial health, an email is sent to the customer who is free to respond with tailored feedback as well as the chance to respond to a series of standardised questions on the level of their satisfaction towards the process of engagement. Studies are then conducted on the feedback provided that occur on a quarterly basis and further help to inform group strategy. Erste Group continuously improves accessibility and service quality by collecting and analysing customer feedback from advisory interactions. One example of this is the Banking Market Monitor study, surveying 7,000 customers annually, to understand and meet evolving customer needs. Further research is also undertaken to gain insight into the perspectives of retail customers that may be particularly vulnerable. For example, the social banking impact report specifically targeted feedback from a representative sample that included 162 people in financial difficulties. Group retail transformation is the department responsible for ensuring engagement with the Erste Groups retail customers.

Erste Group is also a member of multiple national organisations such as the Social Enterprise Network of Austria (SENA) and the Österreichischer Verband gemeinnütiger Bauvereinigungen (GBV), as well as organisations such as Housing Europe and Euclid. It is through engagement with these organisations that Erste Group can better understand the situation of its retail customers.

PRIVACY (NEGATIVE IMPACT)

The processes surrounding the GDPR are heavily regulated and thus are valid for all customers, regardless of their background. Therefore, Erste Group does not directly engage with its customer base for insight into an already heavily regulated process.

S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

PRIVACY

Data breaches are defined as breaches of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed. The reasons for a data breach can vary, e.g. from an email sent erroneously to the wrong recipient, to a system malfunction. Data breaches can be detected through internal technical or organisational measures (e.g., through the data leak prevention system or through internal reports from employees that became aware of the data breach) or through external reports (e.g., through a notification from the wrong recipient).

All internal and external data breach reports are collected and evaluated per entity. According to Article 33 of the GDPR, a notification will be filed with the responsible data protection authority if the data breach is likely to result in a risk to the rights and freedoms of natural persons. Beyond that, the data breach is communicated to the affected person, when it is likely to result in a high risk to their rights and freedom in accordance with Article 34 of the GDPR. The relevant risk assessment is supported by an internally developed data breach risk assessment tool, based on the methodology provided by the European Union Agency for Cybersecurity. Developing and refining Erste Group's incident response plan is a crucial element of its risk mitigation efforts. This includes clear protocols for identifying, reporting, investigating, lessons learned and mitigating any potential negative impact on customers.

All data breaches are documented and evaluated. The root causes are analysed on a case-by-case basis and relevant steps are taken in a follow up activity. In 2024, 39 data breach reports were notified to the relevant data protection authority. Should a data breach result in a high level of risk to the personal rights and freedoms of any customers affected, the data breach will be communicated to the customer as well. In 2024, no such notifications were issued.

Erste Group's Contact Center is the first port of call for instant customer support, playing a crucial role in maintaining strong business relationships. Available 24/7 and reachable by telephone and e-mail, the Contact Center ensures that Erste Group's clients receive timely and effective assistance. Complaints raised by customer base are seen as a crucial in helping to refine and improve upon processes in place. For specific privacy-related matters, contact details are provided online and in the data protection notice. Further reinforcing Erste Group's commitment to transparency and trust in its business interactions, customer complaints can be reported on an anonymised basis via a whistleblowing platform (for more information, see chapter G1-1). In 2024 0.33% of group customer complaints were related to privacy matters. Furthermore, research is conducted into the levels of satisfaction with the customer complaints processes to determine effectiveness as well as their overall levels of usage and knowledge of the channels available. This information is collected in the form of structured online interviews targeted at those who have submitted complaints. Further trust of these processes is facilitated through reporting on an anonymised basis. Any complaints involving Erste Group's business relationships can also be made through Erste Group's call centre and online, with each complaint being treated as important with the aim to resolve them in the best possible way. Information on how to contact the service is publicly available on Erste Group's website.

S4-4 – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END- USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS AND EFFECTIVENESS OF THOSE ACTIONS

Erste Group's various initiatives share a common goal of promoting financial and social inclusion, while mitigating the impact and risk of data breaches and cyberattacks. These actions are designed to address the diverse needs of different demographic groups, from individuals facing financial exclusion to entrepreneurs trying to start their own business. Continuous monitoring, regular assessments and stakeholder engagement are integral to ensure the effectiveness and adaptability of these actions. By focusing on education, financial stability and social innovation, Erste Bank aims to create a positive and lasting impact on its customer base. All the following actions are performed on an ongoing basis, with the exception of the rollout of financial health indicators, which is planned for 2025.

Subtopic	List of key-actions	Policy
S4-Financial health	Rollout of financial health indicators	Overarching group objective Financial Health Framework
S4-Financial health	Financial Literacy: CEE Initiatives	Local Strategies under overarching group objective
S4-Financial health	Financial Literacy: FLiP	Local Strategy
S4-Financial health	Financial Literacy: She Invests	Overarching group objective Diversity and Inclusion Policy
S4-Privacy	Incident response plan	Local Strategies under overarching group objective
S4-Privacy	Group Data Protection Framework	Overarching group objective
S4-Privacy	Security Management System	Overarching group objective
S4-Social banking	Microfinancing	Overarching group objective Group Social Banking Policy
S4-Social banking	Zweite Sparkasse	Overarching group objective Group Social Banking Policy

FINANCIAL HEALTH (OPPORTUNITY)

Rollout of financial health indicators within the CEE

Through financial advice and offerings, Erste Group positively impacts the financial health of its customers, specifically those in financial difficulty, by contributing to an improvement in their overall economic stability. By actively supporting its customers' financial health, Erste Group also improves customer satisfaction and loyalty, building on the opportunity to enhance its own financial performance and market position.

As a part of its approach to financial health, Erste Group is currently in the process of rolling out the financial health indicators (described in S4-1 'Policies related to consumers and end-users') to all retail banks in the core markets to help implement this framework within CEE to further improve financial knowledge within the region. A part of this rollout includes a central calculation of the indicators which will help the group to focus strategies and approaches on common issues that could be unique to Erste Group's client base in specific regions. Group Retail Transformation is responsible for ensuring this rollout. These financial health indicators provide customers with a comprehensive overview of their financial situation, enabling them to set financial goals and make informed decisions and covers areas such as current accounts, savings, lending and securities.

FINANCIAL HEALTH (POSITIVE IMPACT)

Financial literacy

CEE initiatives

Erste Group's financial literacy initiatives across the CEE region aim to promote accessibility to financial education, including among disadvantaged students and adults. These initiatives are designed to positively impact the financial health of Erste Group's vulnerable customers and improve their understanding of its products.

The monitoring and subsequent assessment of effectiveness for these financial literacy initiatives are carried out through client surveys of participants. These continuous evaluation and feedback cycles are in place to not only assess the effectiveness of the initiatives, but also to enable necessary adjustments that can be made to further enhance the impacts of the action.

FLiP

FLiP is a financial education project that offers a broad range of options aiming to promote financial health with a focus on youth and young adults. The number of indebted youths is on the rise and highlights the need for action regarding financial literacy. FLiP has played a leading role in the field of financial education in Austria since 2016 and advocates on a socio-political level that financial education should be included in the national curriculum. Furthermore, FLiP played a key role in the development of the National Financial Literacy Strategy. Since April 2023, FLiP has been a non-profit limited liability company and a wholly owned subsidiary of Erste Social Finance Holding GmbH, 49% of which is owned by Erste Group and 51% by Erste Foundation. FLiP is considered as a part of Erste Group's value chain.

The importance of a successful financial life for personal life planning is experienced in a fun and interactive way during FLiP tours. Since FLiP opened its doors in October 2016, more than 96,000 visitors from all types of schools and age groups have taken part in the interactive tours offered in Vienna. Supported by Erste Bank Oesterreich and the regional savings banks, FLiP2Go (the mobile version of FLiP) has attracted more than 44,000 visitors on its tours across all of Austria. The success of the new FLiP app launched in 2024 can be measured using session tracking, with the number of sessions for 2024 exceeding 15,000. The number of downloads of its teaching materials also provides an indication of its reach as well as an alignment with its goal of advancing the field of financial education. This number has gone up continuously since FLiP was first opened and has amounted to a total of 6,900 downloads in 2024. The blog articles on financial literacy from 'Geld und so' were viewed a total of 8,813 times in 2024.

FLiP provides the colleagues responsible for financial education in countries in which Erste Group is active with all the content of the FLiP app and supports them in developing a new language version. However, FLiP has not only expanded geographically in recent years; the target groups reached by FLiP are also constantly being expanded. In addition to pupils, students, people in education, refugees and migrants, FLiP now also specifically targets girls and women with newly developed workshops, special tours and teaching materials.

She invests

Erste Group's financial initiative 'she invests' explicitly addresses the financial education of women. By positioning itself as a brand that understands their needs and financial situations, Erste Group offers women free financial education. This initiative includes online and live events, email courses, newsletters and recordings of webinars, providing comprehensive resources to enhance women's financial literacy.

The initiative ensures unbiased treatment of female customers by providing equal access to financial education resources, regardless of background or financial status. By offering a variety of formats, Erste Group ensures that all female customers have the opportunity to improve their financial knowledge and make informed decisions.

PRIVACY

Incident response plan

Erste Group is committed to refining its incident response plan as a crucial element of its risk mitigation efforts on the topic of privacy and data processing. While clear protocols are in place for identifying, reporting, investigating, lessons learned and mitigating any potential negative impacts on customers, these protocols must be communicated and taught to all employees across the group.

Investing in customer-centric training programmes ensures all staff members are well equipped with the knowledge and skills necessary to handle customer data securely. In addition, Erste Group's employees are then expected to be able to communicate effectively to its customers about the processing of their personal data. By emphasising the importance of data protection, Erste Group aims to not only safeguard its customers' information and maintain their trust in its organisation, but also to foster a culture of responsibility by raising awareness among its employees about potential risks.

Employees are required to undertake the training once a year to ensure that employee's knowledge is always accurate given new developments and threats, while Erste Group monitors the participation rate. The effectiveness of action can be assessed through the participation rate and subsequent dissemination of knowledge about data processing among Erste Group employees, which was 97% for 2024. The training programme is overseen by the Group Data Protection Officer, with dedicated teams per subgroup responsible for organising and conducting these training sessions.

Data Protection Control Framework

A specific Data Protection Control Framework is used for the core markets to ensure ongoing adherence to data protection standards and to identify any areas requiring improvement. The design and execution of the control framework is derived from requirements defined in the Group Data Protection Policy, the Group Data Processing Legitimacy Procedure, the Group Data Controller Responsibility Procedure, the Group Data Protection Transparency and Data Subjects Rights Procedure and the Group Data Protection Officer Procedure. The controls therefore cover the principles relating to processing of personal data as laid out in the GDPR. The scope of the control framework is to monitor and ensure that the policy and the procedures are properly implemented. A self-assessment is done on a local level, and afterwards approved on group level. Continuous monitoring and quality assurance are also done on local and group level.

Security Management System

The Security Management System is measured and steered by the Erste Group Security Maturity Assessment (SMA) framework. The SMA is a control self-assessment to measure the compliance of implemented security requirements as defined in security policies and procedures. The Chief Security Officer is accountable for the in time and correct execution of the SMA assessments. Also, the SMA process is integrated into the Group Policy Framework process. Group Security performs quality checks on security key-controls and, where applicable, spot checks on a regular basis. Group Security performs regular reviews with the local entity to harmonise the quality within Erste Group.

SOCIAL BANKING (ACCESS TO PRODUCTS AND SERVICES)

Microfinancing

Erste Group's social banking initiative focuses on financing entrepreneurs to fund start-ups throughout its core markets that are not covered by regular retail business, specifically targeting clients who do not meet the eligibility criteria of the regular retail lending policy. This initiative ensures that these individuals have access to necessary financial resources, contributing to the economic stability and growth of their businesses.

Social Banking departments are established in all core markets with dedicated full-time employees to support the financing of starting enterprises and micro businesses. Specific programmes include 'Der Mikrokredit' in Austria, which focuses on currently unemployed individuals and dedicated financing initiatives in Slovakia, Romania, Croatia and Serbia. For example, in Romania, BCR Social Finance supports financially excluded micros. In Serbia, the 'Naše selo' programme, in cooperation with Delta Holding, is dedicated to the restoration and modernisation of villages.

Every two years, a social impact assessment, including ex-post client surveys, is performed to evaluate the effectiveness of these initiatives. This ongoing assessment ensures that the social banking activities continue to have a positive impact on customers.

Zweite Sparkasse

Based in Austria, Zweite Sparkasse seeks to address social challenges and acknowledge the dignity of every individual. The goal of Zweite Sparkasse is to permanently reintegrate its customers into organised economic conditions. This is achieved by providing financial services to anyone who cannot find a partner to take control of their financial life. Customer eligibility is determined by partner social organisations that specialise in providing financial guidance and support to people facing financial difficulties. Zweite Sparkasse has confidence in the expertise of these partners and collaborates closely with them in providing customer service.

Support for vulnerable customers contributes to Erste Groups positive impacts through improving their accessibility to financial products and services which creates a deeper understanding of steps they can take to improve their own financial health and stability.

The Erste Group Social Banking Impact Assessment monitors the effectiveness of the action with results being published in the Social Banking Impact Report. Furthermore, client surveys are performed every second year to indicate necessary steps to be undertaken to maximise positive impacts for its customers.

S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

FINANCIAL HEALTH (POSITIVE IMPACT)

Targets

FLiP is a financial education project that offers a broad range of options aiming to promote financial literacy with a focus on youth and young adults. The success of this initiative can be measured through the reach that they have among these groups.

The target for the FLiP tours in 2024 was to undertake a total of 15,000. The number achieved was 16,302, exceeding the set target by 1,302.

The target for the FLiP APP was to reach 15,000 sessions. In 2024 a total of 20,648 sessions was recorded, exceeding the set target by 5,648.

FINANCIAL HEALTH (OPPORTUNITY)

Target

A crucial element in enhancing the financial health of Erste Group's customers is the implementation of financial health indicators (previously detailed in section S4-1, 'Policies related to consumers and end-users') throughout the Group's various channels as well as in advisory services, both in branches and online. To achieve this, Erste Group aims to introduce these indicators across the core markets of Austria, Hungary, Croatia, Czechia & Romania by the end of 2025, with Serbia to follow in subsequent years. As of 2024, these indicators have not yet been integrated into any core markets.

This initiative will enable customers in the impacted core markets to receive more tailored advice to achieve their financial objectives. Additionally, the calculation of these indicators will allow the Group to focus on further development in these regions, refining the advice and tools offered. A focused and tailored response to the financial needs of Erste Group's customer base is further aimed at cementing customer loyalty to further enhance the company's financial performance and market position.

PRIVACY

Due to the high level of regulation within the fields of data protection and cybersecurity, Erste Group has set no additional overarching quantitative targets. However, Erste Group's aim is continued strict compliance with the GDPR to ensure the highest level of protection for customer data and to prevent regulatory penalties.

SOCIAL BANKING

Targets

Erste Group is committed to promoting social banking to improve access to products and services those who would otherwise be excluded. The set targets directly support these objectives and contribute to the economic stability of customers. The targets for social banking financing, job creation and retention as well as education support initiatives are related to measuring the effectiveness of Erste Group's Social Banking initiatives.

The target of social banking financing volume focuses on increasing access to financial services for individuals across all core markets. This is achieved by financing micro companies and start-ups that do not meet regular retail lending criteria.

The target related to education support participants aims to increase financial education and knowledge among individuals, especially disadvantaged groups. These educational activities are organised and conducted in all core markets.

The target of job creation and retention refers to the number of jobs created or retained as a result of social banking financing. This is assessed through regular surveys and reports. These targets are continuously monitored and evaluated to ensure their effectiveness and positive impact. The volume of social banking financing is reported quarterly by local entity departments to Erste Group. The number of financial literacy participants is reported annually by local entity departments. Job creation and retention are assessed through the Social Banking Impact report, performed every second year based on a representative sample of social banking clients. The number of created or preserved jobs is calculated using survey results from the previous year and is therefore estimated data.

By promoting social banking and achieving these targets, Erste Group contributes to the financial health and economic stability of its customers, ultimately leading to a better quality of life and a stronger market position.

	Metric	Baseline		Actual		Targets			
						short-term		medium-term	
		Year	Value	Year	Value	Year	Target	Year	Target
Social banking financing	in EUR million, cumulative	2017	115	2024	713	2025	650	2030	1,000
Education support participants[1]	# in thousand, cumulative	2017	7	2024	90	2025	-	2030	80
Job creation and retention[2]	# in thousand, cumulative	2017	20	2024	-	2025	-	2030	200

[1] The target shows the total number of persons participating in educational activities organised or initiated by Group Social Banking.

[2] The calculation is being performed every second year. The cumulative value for 2023 corresponds to 99 (in thousand).

Performance indicators

Erste Group has developed social banking yearly performance indicators. Part of them serve as a measure to track the progress of the social banking targets, which have been set.

The individual yearly social banking performance indicators shown below measure the progress and summarise the social banking targets. Social banking financing includes microfinance, start-up financing, and financing for social organisations. The target for education support participants is based on the number of participants in educational activities organised or initiated by Social Banking each year. The job creation and retention target relates to the financing and support activities of Social Banking. Data is collected every second year through the social banking client survey, with the next survey scheduled for 2025.

Social Banking Yearly Performance Indicators

	2023	2024
New social banking financing in EUR million	121.3	97.7
New social banking financing in number of new clients	4,074	2,078
Microfinance and start-up finance in EUR million	89.6	55.4
Microfinance and start-up finance in number of new clients	3,864	1,879
Social organisation finance in EUR million	31.7	42.3
Social organisation finance in number of new clients	210	199
Number of supported private clients in financial difficulties	1,566	2,878
Number of education support participants	17,499	18,367

Governance information

Business conduct

This section focuses on Erste Group's business conduct and its commitment to ethical behaviour. Erste Group places a high value on ethically correct behaviour, considering it as a fundamental prerequisite for its business activities and strategic priorities. This commitment is reflected in its Statement of Purpose, which requires employees to consider not only the legality and profitability of business decisions but also whether they are the right thing to do. Building on this foundation, Erste Group's Code of Conduct, approved by the management board in 2015 and updated in January 2025, sets forth binding rules and ethical principles for all employees and board members. The Code emphasises responsibility, respect and sustainability in all business activities. Additionally, Erste Group is committed to the principles of the UN Global Compact, which include upholding human rights, labour standards and combating corruption, drawing from key international declarations and conventions.

In the context of the double materiality assessment (DMA), two sustainability matters have been identified within Business Conduct, each with positive impacts:

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
G1-Protection of whistleblowers	Positive impact	Whistleblower protection at Erste Group positively impacts the work environment by encouraging the reporting of misconduct.	Upstream & Own operations	Short-term
G1-Corruption and bribery - Prevention and detection including training	Potential positive impact	Erste Group employees are prepared to effectively counteract potential corruption and bribery.	Upstream & Own operations	Short-term

Protection of whistleblowers

Whistleblower protection at Erste Group plays a crucial role to positively impact the work environment and society by encouraging the reporting of misconduct, therefore securing the integrity and ethical standards of the organisation. By providing a secure and confidential channel for all stakeholders to report unethical behaviour, Erste Group ensures that potential issues are addressed promptly and effectively.

Corruption and bribery – prevention and detection including training

Prevention training offered to all employees is another key component of Erste Group's strategy for its employees to counteract potential corruption and bribery. By educating employees on the importance of ethical behaviour and providing them with the tools to recognise and prevent corruption, Erste Group strengthens its commitment to corporate responsibility and ethical business practices.

Ultimately, these initiatives contribute to a positive corporate culture and enhance the reputation of Erste Group as a responsible and ethical financial institution. Erste Group demonstrates its commitment to ethical business conduct and reinforces its position as a trusted partner in the financial industry.

Other sustainability related matters

Advocacy

Erste Group engages in advocacy activities both on the national as well as EU level. Erste Group priorities during 2024 included the creation of a strong Capital Markets Union, increasing the EU's and CEE region's competitiveness as well as fostering domestic policies that are conducive for the economy. Additionally, Erste Group also addressed topics related to social banking, financial literacy and sustainable finance.

Erste Group is a member of several trade associations. Former CEO Willibald Cernko acted as chairman of the Federal Banking and Insurance Division of the Austrian Federal Economic Chamber until September 2024.

Selected memberships and affiliations:
- Institute of International Finance (IIF) (international)
- Eurofi (international)
- Austrian Federal Economic Chamber (national – mandatory membership by law)
- Federation of Austrian Industries (national)
- Austrian Savings Banks Association (national)

Erste Group is registered in the Austrian Lobbying and Advocacy Register under the number LIVR-00179 as well as in the EU's Transparency register under the number 910859715397-14.

G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Erste Group's policies relating to business conduct comprise the Code of Conduct at Erste Group, which fosters its corporate culture by embedding its core values of people, fairness and transparency into every aspect of its operations. Therefore, Erste Group's culture is aligned with its group and business strategy. Leadership plays a pivotal role in Erste Group's culture, guided by its five leadership dimensions: out of comfort zone, servant leadership, performance impact, future orientation and client orientation. The Code of Conduct also serves as a guide for leaders to ensure the organisation is fit for the future while adhering to all relevant ethical standards. Erste Group regularly monitors and refines its culture through exchanges, employee feedback and 360° leadership evaluations to ensure it remains strong and effective. Erste Group enhances its corporate culture through leadership development, employee training on values and ethics and engagement surveys. Erste Group also offers town halls, open forums and onboarding programmes. Erste Group's cultural initiatives include diversity and inclusion, social responsibility and sustainability efforts.

To ensure the integrity and trust in the organisation, Erste Group has implemented two key policies: the Group Risk Policy Whistleblowing and the Policy on Conflict of Interest and Anti-Bribery and Corruption. These policies are essential components of its governance structure and contribute to an ethical and transparent work environment.

Protection of whistleblowers

The Group Risk Policy Whistleblowing at Erste Group establishes group-wide standards to identify, report and investigate concerns about unlawful behaviour, including unlawful behaviour in contradiction to the code of conduct. The policy is based on the EU Directive 2019/1937, the Austrian Whistleblower Protection Act and the Austrian Banking Act §99g.

Erste Group provides various channels for reporting concerns, including an internet portal, mail, telephone and personal meetings. These channels are accessible not only to employees but also to third parties, in accordance with applicable whistleblower protection laws. Information about whistleblowing is provided through Erste Group websites, internal mandatory trainings, annual mandatory information sessions by team and department heads. Whistleblowing officers receive specialised training, particularly in data protection and maintain the independence necessary for their role.

Detailed information regarding the process and protection against retaliation is available in the FAQ section of Erste Group's Whistleblowing platform, Erste Integrity. The 'Erste Integrity' system includes an internal reporting office where employees can report suspected cases or ask questions about possible violations. This office, under the CRO division, is staffed by qualified and authorised employees within the Non-Financial Risk function. Reports are received and processed confidentially according to a standardised process, with all reports being investigated and appropriate measures taken if necessary. The system provides safeguards for whistleblowers, including anonymity protection, protection of involved individuals and protection against false accusations. Correct processing of concerns is ensured through regular reporting to the Management and Supervisory Board, as well as internal and external audits.

The Group Risk Policy Whistleblowing covers all employees, customers and third parties and includes a category for 'Unacceptable behaviour' to address concerns of violence, discrimination, harassment and similar misconduct. The Non-Financial Risk team within the CRO division is responsible for implementing this policy with the involvement and support of employee representatives to ensure better acceptance among employees, facilitated by a specific mutual works agreement.

All policies related to employees are available on the intranet, accessible to internal stakeholders. External stakeholders are informed via Erste Group websites and the 'Erste Integrity' Whistleblowing platform on the internet.

Corruption and bribery – Prevention and detection including training

The Policy on Conflict of Interest (CoI) and Anti-Bribery and Corruption (ABC) directly addresses the positive impact identified in the materiality assessment, corruption and bribery - prevention and detection including training. The policy establishes comprehensive standards to prevent and detect conflicts of interest, bribery and corruption. The policy is derived from the Statement of Purpose and the Code of Conduct. Responsibilities and standardised procedures for managing conflicts of interest and anti-bribery and corruption throughout all levels of Erste Group's business are defined in the policy. It aims to prevent legal breaches and protect the company's reputation through a responsible corporate culture, a clear compliance framework and appropriate employee qualifications. This policy is implemented through prevention training offered to all employees. This training effectively counteracts potential corruption and bribery, benefiting the interests of consumers, employees and business partners and promoting a trusting and ethical business environment.

All individuals are considered at risk for bribery and corruption therefore Erste Group does not differentiate between employees. Thus, the Conflict of Interest and Anti-Bribery and Corruption web-based trainings (WBT) are mandatory for all Erste Group employees that are in scope of the policy on CoI and ABC. The WBT must be repeated every two years. The training provides an overview of different types of conflicts of interest, such as organisational CoI, confidential CoI and CoI regarding procurement or the supply chain. The WBT consists of four categories: general information, treatment of benefits, treatment of secondary activities and personal and close relationships. It details various terms to ensure a uniform understanding and presents the reporting and approval processes for different types of CoI involving various stakeholders. The trainings are centrally defined in English and German and rolled out to the entities, where they are adapted to local legislation and language. Employees must pass a knowledge test with a rate of at least 80% at the end of the training. Additionally, a targeted training is (on top of the basic training) conducted for the Management Board, as well as employees working in the area of sponsoring, cooperations, donations and marketing due to a risk-based approach.

Monitoring processes include reporting obligations via a reporting tool or email, data analysis by the Group Conduct Compliance unit to detect material gaps for training purposes, impromptu controls when conflicts of interest arise and desk reviews. All relevant Erste Group entities and their staff must implement necessary policies, processes and infrastructure to fully support compliance with the defined minimum standards. The policy applies across all geographies in which Erste Group operates and addresses the needs and concerns of all affected stakeholder groups.

The policy is approved by all members of the Management Board, who are legally accountable and liable for the group-wide ABC policy. The document is owned by Group Conduct Compliance and follows a review cycle of two years, during which contents are reviewed and assessed based on changes in legal acts or recommendations from public authorities. Investigations regarding the prevention and detection of corruption and bribery are carried out by the Conduct Compliance department independently of business units (including staff and management).

The policy is made available through the intranet for all employees and is part of the yearly compliance training that all employees must complete. Local process owners define detailed processes and regulations, which are rolled out via the intranet or the communication platform ('Anweisungsportal') to employees. General information about Erste Group's policy on CoI and ABC is also made available to external stakeholders on its website.

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Internal fraud involving bribery and/or corruption occurs when an employee unlawfully accepts or offers bribes to influence decisions or gain undue advantages. A corruption incident is defined as the abuse of entrusted public or business power, office, or resources for private gain, either by elected government officials or by other private individuals. Bribery, a form of corruption, is defined as the act of receiving a benefit, whether financial or non-financial, that alters the behaviour of the recipient. A bribery incident involves intentionally offering, giving, receiving, or soliciting the benefit, directly or indirectly, or through a third party, to improperly influence a person in the performance of a duty, to obtain or retain a benefit or any undue advantage, or to influence the actions of an official or other person in charge of a public or business duty.

When an incident of internal fraud involving bribery or corruption is suspected, the Internal Audit function is involved to perform a thorough audit on the matter. This ensures that all allegations are investigated independently and comprehensively. The Conduct Compliance department, which operates separately from the chain of management, also plays a crucial role in investigating these incidents according to the 3-Lines-of-Defense Model. This model ensures that responsibility for compliance matters, including breaches of corruption and bribery, lies with Group Conduct Compliance, which reports directly to the management board. In case a suspicion on internal fraud occurs for an employee, who has already been dismissed, Internal Audit will perform audit steps on the matter, which might lead to legal actions.

Erste Group has established rigorous procedures to prevent, detect and address allegations or incidents of corruption and bribery. These efforts focus on ensuring compliance with financial sanctions, embargoes, securities compliance and good conduct compliance, which includes anti-bribery and anti-corruption agendas. Regular risk-based monitoring by Compliance units ensures adherence to these procedures and raises awareness of compliance risks among all relevant staff. Critical conflicts of interest, particularly those indicating corruption, are reported to the Board and Supervisory Board of Erste Group Bank AG. Reports are submitted through Group Conduct Compliance to Group Internal Audit, the Management Board and the Supervisory Board.

Compliance officers are provided with specific internal working instructions outlining procedures to prevent, detect and address allegations or incidents of corruption and bribery. An escalation process involving various stakeholders (Internal Audit, Compliance, People & Culture, Non-Financial Risk function) is followed to investigate potential cases of corruption or bribery. Investigations are carried out by the Conduct Compliance department, which operates independently from the chain of management, ensuring unbiased and thorough investigations.

Group Fraud Management provides a comprehensive and mandatory fraud prevention training to employees. This training educates employees on common fraud schemes, red flags, preventive measures and reporting procedures, including internal fraud awareness.

It includes Erste Group's legal/regulatory framework around fraud, addressing its zero-tolerance policy and elaboration of all types of fraud. The training tackles techniques how to detect fraud, strategies to prevent and how to report fraud. The training is designed for both new and existing employees, with specific formats and frequencies to ensure comprehensive coverage. New employees receive on-site fraud training available in both English and German, conducted regularly at least once a month. All employees must complete the mandatory web-based fraud training available on the internal learning platform every two years.

In 2022, the Policy on Conflict of Interest and Anti-Bribery and Corruption was rolled out to Erste Group Bank AG and Erste Bank der oesterreichischen Sparkassen AG, including their major shareholdings, as well as to CEE banks and all entities of the Haftungsverbund (cross-guarantee system), making it applicable to over 90 entities within the Erste Group and the Austrian savings banks sector.

Group Conduct Compliance monitors the fulfilment of the e-learning completion with support of the Group People Development department, which is locally responsible for implementation of and the monitoring of the e-learning and for escalating cases of non-completion. By the end of 2024, the completion rate varied across entities in Austria and CEE, depending on local factors such as the existence of a technical infrastructure for an e-learning platform, assignment date and logic, escalation process and management scope and definition. Such deviating technical training credentials, especially different assignment dates and management scope and definition, explain the relatively low completion rate of 73.61% among Management Bodies (see table). The deviating training credentials and definitions are strived to be steered as unified from 2025, in collaboration between Group People and Development and Group Conduct Compliance.

The following data includes the completion rates of entities within the Group Compliance steering scope, which is basically based on majority stakes and the Compliance's risk-based approach, the scope hence differs from the IFRS consolidation scope.

Anti-corruption and bribery training

2024	Staff at-risk functions	Management Bodies
Training coverage	92.4%	73.6%
Total trainings completed	30,101	53

Training data are based primarily on the completion of the groupwide web-based training on COI and ABC (or its localised versions). Where this training was not yet implemented, comparable local COI and ABC training formats were considered in the statistics. The training covers all relevant aspects around the different types of conflicts of interests, corruption and bribery, how they occur, how they can be prevented and reported. It is based on Erste Group's legal and regulatory framework and the Policy on Conflict of Interest and Anti-Bribery and Corruption and hence supports its zero-tolerance towards all types of corruption and -bribery. The web-based training takes 1 hour, with the theoretical input lasting 45 minutes and the quiz 15 minutes. Additional local trainings vary in duration and assignment logic, and are adapted to the specific content and targeted audience, based on local entity risks.

G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY

Incidents of corruption or bribery within an organisation can severely undermine its integrity and ethical standards. At Erste Group, such incidents are addressed with utmost seriousness, in alignment with the Policy on Conflict of Interest and Anti-Bribery and Corruption.

There have been zero convictions for violations of anti-corruption and anti-bribery laws, and the amount of fines for such violations is zero.

Subtopic	List of key-actions	Policy
G1-Corruption and bribery - prevention and detection including training	Training programmes to prevent and detect corruption and bribery	Policy on Conflict of Interest and Anti-Bribery and Corruption

Training programmes to prevent and detect corruption and bribery

Erste Group has established comprehensive training programmes to prevent and detect corruption and bribery, aligned with the Policy on Conflict of Interest and Anti-Bribery and Corruption. These ongoing actions are designed to raise awareness, prevent corruptive behavior and address any material gaps, thereby supporting the positive impact of promoting a trusting and ethical business environment.

Employees are assigned a web-based training that covers general anti-corruption principles and specific issues identified through analyses. These trainings are mandatory and must be repeated as described above (at least every two years). The contents include general information, treatment of benefits, secondary activities, personal and close relationships.

An additional group-wide action is the implementation of a compliance platform, scheduled for 2025. This platform will serve as a central hub for knowledge transfer, including topics such as conflicts of interest, the Policy on Conflict of Interest and Anti-Bribery and Corruption, important contact persons and notes on the web-based training. The platform aims to enhance the accessibility and dissemination of critical compliance information across the organisation.

The progress of these actions is monitored through evaluations of the web-based training, data analysis of the reporting tool, checks and risk assessments. Group Conduct Compliance, with support from the department of Group People Development (GPD), monitors the completion rates of the e-learning programmes and escalates cases of non-completion. By implementing these targeted training programmes and the compliance platform, Erste Group effectively fosters the positive impacts identified in the materiality assessment 2024.

Subsequent events after balance sheet date

For events of particular importance after balance sheet date, we refer to the disclosures in Note 66 in the consolidated financial statements.

Management Board	
Peter Bosek mp, Chairman	Ingo Bleier mp, Member
Stefan Dörfler mp, Member	Alexandra Habeler-Drabek mp, Member
Maurizio Poletto mp, Member	

Vienna, 28 February 2025

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Consolidated statement of income

in EUR million	Notes	1-12 23	1-12 24
Net interest income	2	7,228	7,528
Interest income	2	15,045	15,353
Other similar income	2	4,446	3,756
Interest expenses	2	-6,873	-7,549
Other similar expenses	2	-5,389	-4,032
Net fee and commission income	3	2,640	2,938
Fee and commission income	3	3,104	3,454
Fee and commission expenses	3	-464	-517
Dividend income	4	38	39
Net trading result	5	754	519
Gains/losses from financial instruments measured at fair value through profit or loss	6	-306	-82
Net result from equity method investments		23	27
Rental income from investment properties & other operating leases	7	175	210
Personnel expenses	8	-2,991	-3,202
Other administrative expenses	8	-1,468	-1,529
Depreciation and amortisation	8	-560	-547
Gains/losses from derecognition of financial assets measured at amortised cost	9	-13	-90
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	10	-128	-1
Impairment result from financial instruments	11	-128	-397
Other operating result	12	-468	-414
Levies on banking activities	12	-183	-245
Pre-tax result from continuing operations		**4,795**	**4,997**
Taxes on income	13	-874	-1,053
Net result for the period		**3,921**	**3,945**
Net result attributable to non-controlling interests		923	819
Net result attributable to owners of the parent		**2,998**	**3,125**

Earnings per share

Earnings per share constitute net profit/loss for the year attributable to owners of the parent divided by the average number of ordinary shares outstanding. The average number of outstanding shares is net of the average number of treasury shares, considering the shares buyback in the previous year. Diluted earnings per share represent the maximum potential dilution (through an increase in the average number of shares) that would occur if all subscription and conversion rights granted were exercised. The difference between the weighted average number of outstanding shares and the weighted average diluted number of outstanding shares results from share-based payment transactions with employees. For information on share-based payments please refer to Note 61.

		1-12 23	1-12 24
Net result attributable to owners of the parent	in EUR thousand	2,997,576	3,125,299
Dividend on AT1 capital (after tax effect)	in EUR thousand	-99,067	-132,593
Net result for the period attributable to owners of the parent after deduction of AT1 capital dividend	in EUR thousand	2,898,509	2,992,706
Weighted average undiluted number of outstanding shares		425,951,928	415,854,514
Earnings per share	**in EUR**	**6.80**	**7.20**
Weighted average diluted number of outstanding shares		426,324,432	416,176,925
Diluted earnings per share	**in EUR**	**6.80**	**7.19**

For details regarding the number of outstanding shares please refer to Note 55 Total equity.

Consolidated statement of comprehensive income

in EUR million	1-12 23	1-12 24
Net result for the period	**3,921**	**3,945**
Other comprehensive income		
Items that may not be reclassified to profit or loss	**-79**	**-19**
Remeasurement of defined benefit plans	-59	19
Fair value reserve of equity instruments	10	7
Own credit risk reserve	-50	-59
Deferred taxes relating to items that may not be reclassified	21	14
Items that may be reclassified to profit or loss	**400**	**-139**
Fair value reserve of debt instruments	401	45
Gains/losses during the period	273	38
Reclassification adjustments	139	10
Credit loss allowances	-10	-2
Cash flow hedge reserve	205	29
Gains/losses during the period	378	76
Reclassification adjustments	-173	-47
Currency reserve	-101	-195
Gains/losses during the period	-101	-197
Net investment hedge gains/losses during the period	0	3
Deferred taxes relating to items that may be reclassified	-105	-19
Gains/losses during the period	-112	-30
Reclassification adjustments	7	11
Total other comprehensive income	**321**	**-158**
Total comprehensive income	**4,242**	**3,787**
Total comprehensive income attributable to non-controlling interests	931	829
Total comprehensive income attributable to owners of the parent	**3,311**	**2,958**

For a detailed split of income tax items within other comprehensive income please refer to Note 13 Taxes on income.

Consolidated balance sheet

in EUR million	Notes	Dec 23	Dec 24
Assets			
Cash and cash balances	15	36,685	25,129
Financial assets held for trading	21, 22	8,773	11,463
Derivatives	21	1,262	1,226
Other financial assets held for trading	22	7,511	10,236
Pledged as collateral	29	245	483
Non-trading financial assets at fair value through profit or loss	23	3,004	3,040
Pledged as collateral	29	0	0
Equity instruments	23	415	464
Debt securities	23	1,551	1,468
Loans and advances to customers	23	1,038	1,108
Financial assets at fair value through other comprehensive income	19, 20	8,905	9,498
Pledged as collateral	29	356	107
Equity instruments	20	110	109
Debt securities	19	8,794	9,388
Financial assets at amortised cost	16	264,721	288,894
Pledged as collateral	29	3,125	4,066
Debt securities	16	44,047	52,889
Loans and advances to banks	16	21,432	26,972
Loans and advances to customers	16	199,241	209,034
Finance lease receivables	50	4,970	5,248
Hedge accounting derivatives	27	183	181
Fair value changes of hedged items in portfolio hedge of interest rate risk	27	-25	-19
Property and equipment	47	2,605	2,754
Investment properties	47	1,524	1,678
Intangible assets	48	1,313	1,382
Investments in associates and joint ventures	58	241	280
Current tax assets	13	72	45
Deferred tax assets	13	468	266
Assets held for sale	63	163	154
Trade and other receivables	17	2,579	2,677
Other assets	49	976	1,066
Total assets		**337,155**	**353,736**

in EUR million	Notes	Dec 23	Dec 24
Liabilities and equity			
Financial liabilities held for trading	21, 24	2,304	1,821
Derivatives	21	1,614	1,149
Other financial liabilities held for trading	24	690	672
Financial liabilities at fair value through profit or loss	25	11,152	10,281
Deposits from customers	25	593	115
Debt securities issued	25	10,429	10,030
Other financial liabilities	25	130	136
Financial liabilities at amortised cost	18	289,842	305,332
Deposits from banks	18	22,911	21,261
Deposits from customers	18	232,223	241,535
Debt securities issued	18	33,330	41,859
Other financial liabilities		1,378	676
Lease liabilities	51	670	691
Hedge accounting derivatives	27	286	194
Provisions	53	1,612	1,626
Current tax liabilities	13	265	241
Deferred tax liabilities	13	14	31
Liabilities associated with assets held for sale	63	113	93
Other liabilities	52	2,396	2,658
Total equity	55	**28,502**	**30,767**
Equity attributable to non-controlling interests	55	6,853	7,633
Additional equity instruments	55	2,405	2,688
Equity attributable to owners of the parent	55	19,243	20,447
Subscribed capital	55	843	821
Additional paid-in capital	55	1,494	1,516
Retained earnings and other reserves	55	16,906	18,110
Total liabilities and equity		**337,155**	**353,736**

Consolidated statement of changes in equity

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeasur-ement of defined benefit plans	Equity attributable to owners of the parent	Additional equity instruments	Equity attributable to non-controlling interests	Total equity
As of 1 January 2024	**843**	**1,494**	**18,143**	**-31**	**51**	**-69**	**-694**	**-495**	**19,243**	**2,405**	**6,853**	**28,502**
Changes in treasury shares	0	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	-1,217	0	0	0	0	0	-1,217	0	-132	-1,348
Capital increase/decrease	-22	22	-507	0	0	0	0	0	-507	283	7	-217
Changes in scope of consolidation and ownership interest	0	0	-31	0	0	0	0	0	-31	0	81	50
Reclassification from other comprehensive income to retained earnings	0	0	2	0	-3	0	0	0	0	0	0	0
Share-based payments	0	0	3	0	0	0	0	0	3	0	0	3
Other changes	0	0	-2	0	0	0	0	0	-2	0	-6	-8
Total comprehensive income	0	0	3,125	24	21	-33	-195	15	2,958	0	829	3,787
Net result for the period	0	0	3,125	0	0	0	0	0	3,125	0	819	3,945
Other comprehensive income	0	0	0	24	21	-33	-195	15	-167	0	9	-158
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	15	15	0	0	16
Change in fair value reserve	0	0	0	0	21	0	0	0	21	0	16	37
Change in cash flow hedge reserve	0	0	0	24	0	0	0	0	24	0	0	24
Change in currency reserve	0	0	0	0	0	0	-195	0	-195	0	0	-195
Change in own credit risk reserve	0	0	0	0	0	-33	0	0	-33	0	-7	-40
As of 31 December 2024	**821**	**1,516**	**19,517**	**-6**	**69**	**-102**	**-889**	**-480**	**20,447**	**2,688**	**7,633**	**30,767**

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeasur-ement of defined benefit plans	Equity attributable to owners of the parent	Additional equity instruments	Equity attributable to non-controlling interests	Total equity
As of 1 January 2023	**860**	**1,478**	**16,324**	**-197**	**-264**	**-24**	**-594**	**-471**	**17,111**	**2,236**	**5,957**	**25,305**
Changes in treasury shares	0	0	1	0	0	0	0	0	1	0	0	1
Dividends paid	0	0	-869	0	0	0	0	0	-869	0	-61	-931
Capital increase/decrease	0	0	0	0	0	0	0	0	0	169	0	169
Changes in scope of consolidation and ownership interest	0	0	-6	0	0	0	0	0	-6	0	25	18
Reclassification from other comprehensive income to retained earnings	0	0	1	0	0	-1	0	0	0	0	1	1
Share based payments	0	0	2	0	0	0	0	0	2	0	0	2
Other changes	-16	16	-307	0	0	0	0	0	-307	0	1	-306
Total comprehensive income	0	0	2,998	166	315	-44	-100	-24	3,311	0	931	4,242
Net result for the period	0	0	2,998	0	0	0	0	0	2,998	0	923	3,921
Other comprehensive income	0	0	0	166	315	-44	-100	-24	313	0	8	321
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	-24	-24	0	-22	-46
Change in fair value reserve	0	0	0	0	315	0	0	0	315	0	29	344
Change in cash flow hedge reserve	0	0	0	166	0	0	0	0	166	0	0	166
Change in currency reserve	0	0	0	0	0	0	-100	0	-100	0	0	-101
Change in own credit risk reserve	0	0	0	0	0	-44	0	0	-44	0	1	-42
As of 31 December 2023	**843**	**1,494**	**18,143**	**-31**	**51**	**-69**	**-694**	**-495**	**19,243**	**2,405**	**6,853**	**28,502**

Consolidated statement of cash flows

in EUR million	Notes	1-12 23	1-12 24
Net result for the period		**3,921**	**3,945**
Non-cash adjustments for items in net profit/loss for the year			
Depreciation, amortisation and net impairment of non-financial assets	47, 48	632	554
Net allocation of credit loss allowances and other provisions	12	207	427
Gains/losses from measurement and derecognition of financial assets and financial liabilities	9, 10	753	-876
Other adjustments		-128	-43
Changes in assets and liabilities from operating activities after adjustment for non-cash components			
Financial assets held for trading	21, 22	-905	-2,641
Non-trading financial assets at fair value through profit or loss	23		
Equity instruments	23	-68	-50
Debt securities	23	49	139
Loans and advances to customers	23	-85	-54
Financial assets at fair value through other comprehensive income: debt securities	19	851	-581
Financial assets at amortised cost	16		
Debt securities	16	-3,436	-8,925
Loans and advances to banks	16	-3,014	-5,556
Loans and advances to customers	16	-5,185	-10,190
Finance lease receivables	50	-422	-277
Hedge accounting derivatives - assets	27	142	26
Other assets from operating activities	17, 49	285	61
Financial liabilities held for trading	21, 24	-1,359	542
Financial liabilities at fair value through profit or loss	25	-186	-1,075
Financial liabilities measured at amortised cost	18		
Deposits from banks	18	-5,910	-1,649
Deposits from customers	18	9,591	9,313
Debt securities issued	18	6,737	8,529
Other financial liabilities		480	-672
Hedge accounting derivatives - liabilities	27	-87	-91
Other liabilities from operating activities	52	-276	115
Cash flow from operating activities		**2,586**	**-9,029**
Proceeds of disposal			
Financial assets at fair value through other comprehensive income: equity instruments	20	15	0
Investments in associates and joint ventures	58	-12	-21
Property and equipment and intangible assets	47, 48	44	51
Investment properties	47	16	12
Acquisition of			
Property and equipment and intangible assets	47, 48	-528	-746
Investment properties	47	-134	-84
Acquisition of subsidiaries (net of cash and cash equivalents acquired)		0	-88
Disposal of subsidiaries		0	28
Cash flow from investing activities		**-599**	**-850**
Capital increase/Capital decrease	55	-107	-255
Changes in ownership interests that do not result in a loss of control	55	18	50
Dividends paid to equity holders of the parent	55	-869	-1,217
Dividends paid to non-controlling interests	55	-61	-132
Cash flow from financing activities		**-1,020**	**-1,553**
Cash and cash equivalents at the beginning of the period	15	**35,685**	**36,685**
Cash flow from operating activities		2,586	-9,029
Cash flow from investing activities		-599	-850
Cash flow from financing activities		-1,020	-1,553
Effect of currency translation		33	-123
Cash and cash equivalents at the end of period	**15**	**36,685**	**25,129**
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)		8,515	6,423
Payments for taxes on income	13	-315	-807
Interest received	2	22,697	23,003
Dividends received	4	38	39
Interest paid	2	-13,905	-15,812

Cash and cash equivalents are equal to the amount in the balance sheet line item 'Cash and cash balances'.

Notes to the group financial statements of Erste Group

General information

Erste Group Bank AG is Austria's oldest savings bank and listed on the Vienna Stock Exchange. It is also quoted on the Prague Stock Exchange and on the Bucharest Stock Exchange. The registered office of Erste Group Bank AG is located at Am Belvedere 1, 1100 Vienna, Austria.

The group of Erste Group Bank AG (hereinafter referred to as 'Erste Group' or 'Group') offers a complete range of banking and other financial services, such as savings accounts, asset management (including investment funds), consumer credit and mortgage lending, investment banking, securities and derivatives trading, portfolio management, project finance, foreign trade financing, corporate finance, capital market and money market services, foreign exchange trading, leasing and factoring.

These consolidated financial statements have been prepared and authorised for issue by the management board as at the signing date of this report. Both, the supervisory board (20 March 2025) and the annual general meeting (21 May 2025) may amend the individual financial statements of Erste Group Bank AG, which in turn may have an impact on these consolidated financial statements. The consolidated financial statements have not been accepted by the supervisory board and the financial statements of Erste Group Bank AG have not been approved by the supervisory board at the date of this report. This is also applicable to the majority of the individual financial statements, which are relevant for the calculation of own funds.

Erste Group is subject to the regulatory requirements of Austrian and European supervisory bodies (National Bank, Financial Market Authority, Single Supervisory Mechanism). These regulations include those pertaining to minimum capital adequacy requirements, categorisation of exposures and off-balance sheet commitments, credit risk connected with clients of the Group, market risk (including interest rate and foreign exchange risk), and operational risk.

In addition to the banking entities, some Group companies are subject to regulatory requirements, specifically in relation to asset management.

Material accounting policies

a) Basis of preparation

The consolidated financial statements of Erste Group for the financial year ending on 31 December 2024 and the related comparative information were prepared in compliance with applicable IFRS Accounting Standards as adopted by the European Union on the basis of IAS Regulation (EC) No. 1606/2002. The requirements of Section 59a of the Austrian Banking Act and Section 245a of the Austrian Commercial Code are fulfilled.

The consolidated financial statements have been prepared on a going concern basis.

Erste Group is subject to regulatory restrictions on capital distributions stemming from the EU-wide capital requirements regulations applicable to all credit institutions based in the EU. Erste Group does not have any other significant restrictions on its ability to access or use the assets and settle the liabilities of the Group. Also, the owners of non-controlling interests in Group subsidiaries do not have rights that can restrict the Group's ability to access or use the assets and settle the liabilities of the Group.

Except as otherwise indicated, all amounts are stated in millions of euro. The tables in this report may contain rounding differences. The abbreviations used in the consolidated financial statements of Erste Group are explained in the appendix 'Abbreviations' at the end of this report.

b) Foreign currency translation

The consolidated financial statements are presented in euro, which is the functional currency of Erste Group Bank AG, the parent company of Erste Group. The functional currency is the currency of the primary business environment in which an entity operates. Each entity in Erste Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

For foreign currency translation, exchange rates quoted by the central banks in each country are used. For Erste Group entities with the euro as functional currency, these are the European Central Bank reference rates.

i. Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded at the functional currency exchange rate effective as of the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate as of the balance sheet date. All resulting exchange differences that arise are recognised in the statement of income under the line item 'Net trading result'. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions, i.e. they do not give rise to exchange differences. Non-monetary items that are measured at fair value (such as equity investments) in a foreign currency are translated using the exchange rates at the date when the fair value is measured, thus the exchange differences are part of the fair value gains or losses.

ii. Translation of the statements of Group companies

Assets and liabilities of foreign operations (foreign subsidiaries and branches) are translated into Erste Group's presentation currency, the Euro, at the rate of exchange as of the balance sheet date (closing rate). Their consolidated statement of income and consolidated statement of comprehensive income are translated at the average exchange rate of the respective reporting period calculated on the basis of daily rates. Goodwill, intangible assets and fair value adjustments to the carrying amounts of assets and liabilities recognised on acquisition of foreign subsidiaries are treated as assets and liabilities of the foreign subsidiaries and are translated at the closing rate. However, goodwill of Česká spořitelna a.s. is translated at the historical FX rate as allowed by the transitional provisions in IAS 21.59.

Exchange differences arising on translation are recognised in OCI in the line 'Currency reserve' of the statement of comprehensive income. The accumulated OCI is presented in equity, specifically under 'Currency reserve' in the statement of changes in equity. On disposal of a foreign subsidiary, the cumulative amount of translation differences recognised in other comprehensive income is recognised in the statement of income under the line item 'Other operating result'.

c) Material accounting judgements, assumptions and estimates

The consolidated financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are currently deemed to be reasonable. As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities. The most significant uses of judgements, assumptions and estimates are described in the notes of the respective assets and liabilities and relate in particular to:

- Taxes on income and deferred tax assets (Note 13 Taxes on income)
- SPPI assessment of financial instruments (Chapter Financial instruments – Material accounting policies)
- Business model assessment of financial instruments (Chapter Financial instruments – Material accounting policies)
- Fair value of financial instruments (Note 26 Fair value of financial instruments)
- Impairment of financial instruments (Chapter Financial instruments – Material accounting policies, Note 37 Measurement of expected credit losses and Note 40 Scenarios used in forward looking information and crises effects)
- Impairment of non-financial assets (Chapter Non-current assets and other investments)
- Provisions (Note 53 Provisions)
- Defined employees benefit plans (Note 53 Provisions)
- Control of subsidiaries (Note 57 Subsidiaries)
- Significant influence in associates and joint control in joint ventures (Note 58 Investments in associates and joint ventures)
- Interest in structured entities (Note 59 Unconsolidated structured entities)

d) Application of amended and new IFRS/IAS

The accounting policies adopted are consistent with those used in the previous financial year except for standards and interpretations that became effective for financial years beginning after 1 January 2024. As regards new standards and interpretations and their amendments, only those that are relevant for the business of Erste Group are listed below.

EFFECTIVE STANDARDS AND INTERPRETATIONS

No standards and interpretations or their amendments with relevance for Erste Group have become mandatory for the financial year 2024.

STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The standards and amendments shown below were issued by the IASB but are not yet effective. The amendments to IAS 21 have been endorsed by the EU.

IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 was issued in April 2024 and become effective for annual periods beginning on or after 1 January 2027. The standard replaces IAS 1. It sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

Application of IFRS 18 will result in adjustments in the structure of the consolidated statement of income of Erste Group driven by a new mandatory subtotal 'Operating profit or loss'. New disclosures in the area of management-defined performance measures will be provided.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. The amendments to IAS 21 were issued in August 2023 and become effective for annual periods beginning on or after 1 January 2025. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Application of these amendments is not expected to have a significant impact on Erste Group's financial statements.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments. The amendments to IFRS 7 and IFRS 9 were issued in May 2024 and become effective for annual periods beginning on or after 1 January 2026. Erste Group intends to early apply these amendments in 2025.

The amendments to IFRS 9 permit an entity to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Further, they bring clarifications for classification of financial assets in the areas of contractual terms which are consistent with a basic lending agreement, assets with non-recourse features and contractually linked instruments. The amendments to IFRS 7 bring new disclosure requirements for investment in equity instruments measured at fair value through other comprehensive income and for contractual terms that could change the timing or amount of contractual cash flows.

The amendments to IFRS 9 will result in a different way of SPPI assessment for financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers. Erste Group will no longer assess them based on whether the effect of the adjustments is de-minimis but whether the adjusted cash flows could be significantly different from the contractual cash flows of a financial asset with identical contractual terms but without such an ESG-linked feature. The new assessment is not expected to change the measurement of the affected financial assets. Other amendments to IFRS 9 are not expected to have a significant impact on Erste Group's financial statements. Erste Group will not make use of the option to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date. Amendments to IFRS 7 will result in new disclosures.

Annual Improvements Volume 11. In July 2024 the IASB issued a set of amendments to various standards. The amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 are effective for annual periods beginning on or after 1 January 2026. Application of these amendments is not expected to have a significant impact on Erste Group's financial statements.

Performance / Return

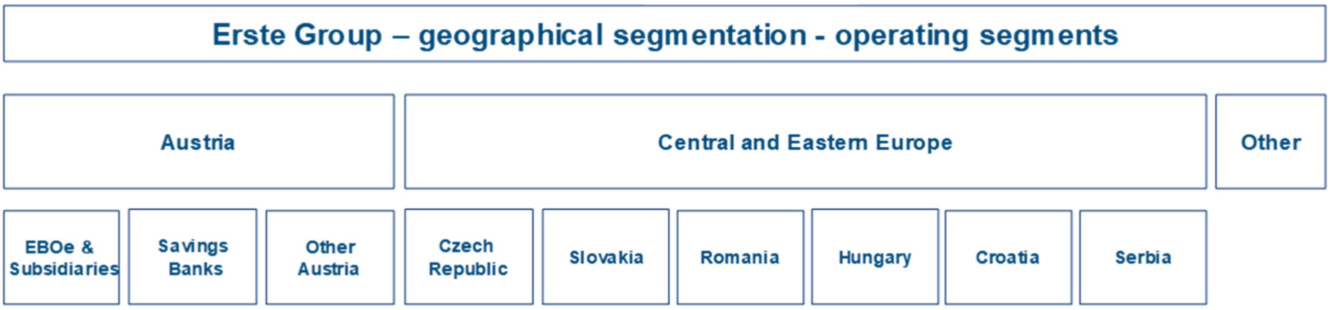
1. Segment reporting

Erste Group's segment reporting is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources. Within Erste Group the function of the chief operating decision maker is exercised by the management board.
Erste Group uses a matrix organisational structure with geographical segmentation and business segments. Since the chief operating decision maker performs the steering primarily based on geographical segments, those are defined as operating segments according to IFRS 8. In order to provide more comprehensive information, the performance of the business segments is reported additionally.

Geographical segmentation (operating segments)

For the purpose of segment reporting geographical segments are defined as operating segments, for which the information is presented on the basis of the booking entity's location (not the country of risk). In case of information regarding a partial group, the allocation is based on the location of the respective parent entity according to the local management responsibility.

Geographical areas are defined according to the core markets in which Erste Group operates. Based on the locations of the banking and other financial institution participations, the geographical areas consist of two core markets, Austria and Central and Eastern Europe and a residual segment Other that comprises the remaining business activities of Erste Group outside its core markets as well as the reconciliation to the consolidated accounting result.



The geographical area Austria consists of the following three operating segments:
— The **Erste Bank Oesterreich & Subsidiaries** (EBOe & Subsidiaries) segment comprises Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) and its main subsidiaries (e.g. sBausparkasse, Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg).
— The **Savings banks** segment includes those savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector and in which Erste Group does not hold a majority stake but which are fully controlled according to IFRS 10. The fully or majority owned Erste Bank Oesterreich, Tiroler Sparkasse, Salzburger Sparkasse, and Sparkasse Hainburg are not part of the Savings Banks segment.
— The **Other Austria** segment comprises Erste Group Bank AG (Holding) with its Corporates and Group Markets business, Erste Group Immorent GmbH, Erste Asset Management GmbH and Intermarket Bank AG.

The geographical area Central and Eastern Europe (CEE) consists of six operating segments covering Erste Group's banking subsidiaries located in the respective CEE countries:
— **Czech Republic** (comprising Česká spořitelna Group)
— **Slovakia** (comprising Slovenská sporitel'ňa Group)
— **Romania** (comprising Banca Comercială Română Group)
— **Hungary** (comprising Erste Bank Hungary Group)
— **Croatia** (comprising Erste Bank Croatia Group)
— **Serbia** (comprising Erste Bank Serbia Group).

The residual segment **Other** covers mainly centrally managed activities and items that are not directly allocated to other segments. It comprises the corporate center of Erste Group Bank AG (and thus dividends and the refinancing costs from participations, general administrative expenses), internal service providers (facility management, IT, procurement), the banking tax of Erste Group Bank AG as well as free capital of Erste Group (defined as the difference of the total average IFRS equity and the average economical equity allocated to the segments). Asset/Liability Management of Erste Group Bank AG as well as the reconciliation to the consolidated accounting result (e.g. intragroup eliminations, dividend eliminations) are also part of the segment Other. Intragroup eliminations are equal to the Intragroup eliminations shown in the business segmentation view (see the table 'Business segments (2)').

Business segmentation

Apart from geographical segments, which are Erste Group's operating segments, business segments are reported as well.

Retail. The Retail segment comprises the business with private individuals, micros and free professionals within the responsibility of account managers in the retail network. This business is operated by the local banks in cooperation with their subsidiaries such as leasing and asset management companies with a focus on simple products ranging from mortgage and consumer loans, investment products, current accounts, savings products to credit cards and cross selling products such as leasing, insurance and building society products.

Corporates. The Corporates segment comprises business done with corporate customers of different turnover size (small and medium-sized enterprises and Large Corporate customers) as well as commercial real estate and public sector business.

Group Markets. The Group Markets (GM) segment comprises trading and markets services as well as customer business with financial institutions. It includes all activities related to the trading books of Erste Group, including the execution of trade, market making and short-term liquidity management. In addition, it comprises business connected with servicing financial institutions as clients.

Asset/Liability Management & Local Corporate Center. The Asset/Liability Management & Local Corporate Center (ALM & LCC) segment includes all asset/liability management functions – local and of Erste Group Bank AG (Holding) – as well as the local corporate centers which comprise all non-core banking business activities such as internal service providers and reconciliation items to local entity results. The corporate center of Erste Group Bank AG is included in the Group Corporate Center segment.

Savings Banks. The Savings Banks segment is identical to the operating segment Savings banks.

Group Corporate Center. The Group Corporate Center (GCC) segment covers mainly centrally managed activities and items that are not directly allocated to other segments. It comprises the corporate center of Erste Group Bank AG (and thus dividends and the refinancing costs from participations, general administrative expenses), internal service providers (facility management, IT, procurement), the banking tax of Erste Group Bank AG as well as free capital of Erste Group (defined as the difference of the total average IFRS equity and the average economical equity allocated to the segments).

Intragroup Elimination. Intragroup Elimination (IC) is not defined as a segment but is the reconciliation to the consolidated accounting result. It includes intragroup eliminations between participations of Erste Group (e.g. intragroup funding, internal cost charges). Intragroup eliminations within partial groups are disclosed in the respective segments.

Dividend elimination between Erste Group Bank AG and its fully consolidated subsidiaries is performed in Group Corporate Center. Consolidation differences arising between the segments, which are eliminated over the lifespan of the underlying transaction, are part of Group Corporate Center.

Measurement

The profit and loss statement of the segment report is based on the measures reported to the Erste Group management board for the purpose of allocating resources to the segments and assessing their performance. Management reporting as well as the segment report of Erste Group are based on IFRS. Accounting standards and methods as well as measurements used in segment reporting are the same as for the consolidated financial statements of accounting.

Interest revenues are not reported separately from interest expenses for each reportable segment. Those measures are reported on the net basis within the position 'Net interest income' as interest revenues and interest expenses are neither included into the measure of segment profit or loss reviewed by the chief operating decision maker nor otherwise regularly provided to the chief operating decision maker. Chief operating decision maker relies solely on net interest income to assess the performance of the segments and make decisions about resources to be allocated to the segments. Net fee and commission income and Other operating result are reported on a net basis according to the regular reporting to the chief operating decision maker.

Capital consumption per segment is regularly reviewed by the management of Erste Group to assess the performance of the segments. The average allocated capital is determined by the credit risk, market risk, operational risk and business strategic risk. According to the regular internal reporting to Erste Group management board, total assets and total liabilities as well as risk weighted assets and allocated capital are disclosed per segment. Total average allocated capital for the Group equals average total equity of the Group.

For measuring and assessing the profitability of segments within Erste Group, such key measures as return on allocated capital and cost/income ratio are used. Return on allocated capital is defined as net result for the period before minorities in relation to the average allocated capital of the respective segment. Cost/income ratio is defined as operating expenses (general administrative expenses) in relation to operating income (total of net interest income, net fee and commission income, dividend income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, net result from equity method investments, rental income from investment properties and other operating lease).

Operating segments: Geographical segmentation – overview

	Austria		Central and Eastern Europe		Other		Group total	
in EUR million	1-12 23	1-12 24	1-12 23	1-12 24	1-12 23	1-12 24	1-12 23	1-12 24
Net interest income	3,715	3,520	3,332	3,749	181	259	7,228	7,528
Net fee and commission income	1,482	1,625	1,269	1,434	-111	-121	2,640	2,938
Dividend income	23	27	3	4	12	8	38	39
Net trading result	77	94	359	359	319	66	754	519
Gains/losses from financial instruments at FVPL	12	-4	43	29	-360	-107	-306	-82
Net result from equity method investments	0	11	16	17	7	-2	23	27
Rental income from investment properties & other operating leases	150	153	38	39	-13	17	175	210
General administrative expenses	-2,401	-2,535	-2,338	-2,455	-281	-289	-5,020	-5,279
thereof depreciation and amortization	-168	-175	-275	-278	-117	-95	-560	-547
Gains/losses from derecognition of financial assets at AC	0	-6	-12	-57	-1	-27	-13	-90
Other gains/losses from derecognition of financial instruments not at FVPL	-3	0	-39	-48	-87	47	-128	-1
Impairment result from financial instruments	-101	-398	-21	5	-6	-4	-128	-397
Other operating result	-87	-82	-308	-254	-72	-78	-468	-414
Levies on banking activities	-22	-14	-137	-204	-25	-27	-183	-245
Pre-tax result from continuing operations	**2,867**	**2,405**	**2,341**	**2,823**	**-413**	**-231**	**4,795**	**4,997**
Taxes on income	-642	-560	-434	-568	202	75	-874	-1,053
Net result for the period	**2,225**	**1,845**	**1,906**	**2,255**	**-211**	**-156**	**3,921**	**3,945**
Net result attributable to non-controlling interests	836	727	82	85	5	7	923	819
Net result attributable to owners of the parent	**1,390**	**1,118**	**1,824**	**2,170**	**-217**	**-163**	**2,998**	**3,125**
Operating income	5,459	5,427	5,059	5,631	34	121	10,552	11,178
Operating expenses	-2,401	-2,535	-2,338	-2,455	-281	-289	-5,020	-5,279
Operating result	**3,058**	**2,892**	**2,721**	**3,176**	**-247**	**-169**	**5,532**	**5,900**
Risk-weighted assets (credit risk, eop)	63,405	70,355	56,872	61,651	2,465	1,694	122,742	133,700
Average allocated capital	9,236	10,570	10,707	10,872	7,058	8,105	27,001	29,547
Cost/income ratio	44.0%	46.7%	46.2%	43.6%	>100%	>100%	47.6%	47.2%
Return on allocated capital	24.1%	17.5%	17.8%	20.7%	-3.0%	-1.9%	14.5%	13.4%
Total assets (eop)	210,346	209,416	151,733	163,716	-24,924	-19,396	337,155	353,736
Total liabilities excluding equity (eop)	161,196	160,985	137,345	148,325	10,113	13,659	308,654	322,969
Impairments	**-103**	**-401**	**-83**	**5**	**-20**	**-4**	**-206**	**-399**
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-190	-352	-21	7	14	2	-198	-343
Net impairment loss on commitments and guarantees given	89	-46	0	-2	-20	-6	70	-54
Impairment of goodwill	0	0	-9	0	0	0	-9	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	-1	0	-4	-1	-5	-1
Net impairment on other non-financial assets	-2	-3	-52	1	-11	1	-64	-1

Operating segments: Geographical area Austria

in EUR million	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria total	
	1-12 23	1-12 24	1-12 23	1-12 24	1-12 23	1-12 24	1-12 23	1-12 24
Net interest income	1,200	1,102	1,892	1,838	623	580	3,715	3,520
Net fee and commission income	505	549	656	721	321	356	1,482	1,625
Dividend income	7	8	6	11	10	8	23	27
Net trading result	29	29	53	40	-5	25	77	94
Gains/losses from financial instruments at FVPL	-21	1	11	-2	21	-3	12	-4
Net result from equity method investments	-1	11	0	0	1	0	0	11
Rental income from investment properties & other operating leases	60	61	41	39	50	53	150	153
General administrative expenses	-747	-786	-1,259	-1,332	-394	-417	-2,401	-2,535
thereof depreciation and amortization	-46	-49	-84	-85	-39	-41	-168	-175
Gains/losses from derecognition of financial assets at AC	0	-6	0	1	0	-1	0	-6
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	-4	-2	1	2	-3	0
Impairment result from financial instruments	-53	-146	-182	-248	135	-3	-101	-398
Other operating result	-68	-38	-34	-40	15	-4	-87	-82
Levies on banking activities	-16	-7	-5	-7	0	0	-22	-14
Pre-tax result from continuing operations	**910**	**785**	**1,180**	**1,026**	**778**	**594**	**2,867**	**2,405**
Taxes on income	-202	-192	-261	-232	-178	-136	-642	-560
Net result for the period	**707**	**593**	**919**	**794**	**599**	**458**	**2,225**	**1,845**
Net result attributable to non-controlling interests	26	24	797	692	13	11	836	727
Net result attributable to owners of the parent	**681**	**569**	**122**	**102**	**586**	**447**	**1,390**	**1,118**
Operating income	1,778	1,762	2,660	2,648	1,021	1,017	5,459	5,427
Operating expenses	-747	-786	-1,259	-1,332	-394	-417	-2,401	-2,535
Operating result	**1,031**	**975**	**1,401**	**1,316**	**626**	**601**	**3,058**	**2,892**
Risk-weighted assets (credit risk, eop)	15,157	17,100	27,433	30,355	20,815	22,900	63,405	70,355
Average allocated capital	2,172	2,360	4,456	5,271	2,608	2,940	9,236	10,570
Cost/income ratio	42.0%	44.6%	47.3%	50.3%	38.6%	41.0%	44.0%	46.7%
Return on allocated capital	32.6%	25.1%	20.6%	15.1%	23.0%	15.6%	24.1%	17.5%
Total assets (eop)	58,667	57,456	81,594	84,989	70,085	66,970	210,346	209,416
Total liabilities excluding equity (eop)	55,524	54,070	74,586	77,201	31,085	29,714	161,196	160,985
Impairments	**-53**	**-146**	**-185**	**-251**	**135**	**-3**	**-103**	**-401**
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-76	-146	-198	-215	84	9	-190	-352
Net impairment loss on commitments and guarantees given	23	-1	16	-33	51	-12	89	-46
Impairment of goodwill	0	0	0	0	0	0	0	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	0	0
Net impairment on other non-financial assets	0	0	-2	-3	0	0	-2	-3

Operating segments: Geographical area Central and Eastern Europe

	Czech Republic		Slovakia		Romania		Hungary		Croatia		Serbia		Central and Eastern Europe total	
in EUR million	**1-12 23**	**1-12 24**	**1-12 23**	**1-12 24**	**1-12 23**	**1-12 24**	**1-12 23**	**1-12 24**	**1-12 23**	**1-12 24**	**1-12 23**	**1-12 24**	**1-12 23**	**1-12 24**
Net interest income	1,320	1,464	514	552	637	775	357	425	403	421	101	112	3,332	3,749
Net fee and commission income	454	509	208	232	205	227	255	305	124	133	24	27	1,269	1,434
Dividend income	2	2	1	0	1	1	0	0	0	0	0	0	3	4
Net trading result	174	136	22	19	111	99	29	77	15	16	7	12	359	359
Gains/losses from financial instruments at FVPL	-74	-2	2	7	1	5	113	18	1	1	0	0	43	29
Net result from equity method investments	9	10	4	4	1	2	0	0	1	1	0	0	16	17
Rental income from investment properties & other operating leases	9	9	0	0	9	7	10	11	7	7	2	4	38	39
General administrative expenses	-964	-967	-332	-354	-418	-456	-270	-301	-264	-280	-91	-96	-2,338	-2,455
thereof depreciation and amortization	-116	-110	-34	-34	-50	-52	-35	-36	-31	-30	-10	-15	-275	-278
Gains/losses from derecognition of financial assets at AC	-11	-34	0	-10	0	-5	0	-7	0	0	0	0	-12	-57
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	0	-1	-17	-41	-21	-5	0	0	-39	-48
Impairment result from financial instruments	-34	10	-15	-13	-9	-21	1	20	46	18	-9	-9	-21	5
Other operating result	-71	10	-9	1	-33	-80	-174	-171	-22	-15	1	2	-308	-254
Levies on banking activities	0	0	0	0	0	-37	-137	-168	0	0	0	0	-137	-204
Pre-tax result from continuing operations	**812**	**1,147**	**395**	**437**	**503**	**551**	**304**	**337**	**292**	**298**	**35**	**53**	**2,341**	**2,823**
Taxes on income	-133	-198	-88	-163	-120	-87	-39	-56	-52	-59	-3	-6	-434	-568
Net result for the period	**680**	**949**	**307**	**275**	**383**	**464**	**265**	**281**	**240**	**239**	**32**	**47**	**1,906**	**2,255**
Net result attributable to non-controlling interests	0	0	0	0	0	1	0	0	75	75	6	9	82	85
Net result attributable to owners of the parent	**679**	**949**	**307**	**275**	**383**	**463**	**265**	**281**	**164**	**164**	**26**	**38**	**1,824**	**2,170**
Operating income	1,894	2,128	751	814	964	1,115	763	837	552	580	134	156	5,059	5,631
Operating expenses	-964	-967	-332	-354	-418	-456	-270	-301	-264	-280	-91	-96	-2,338	-2,455
Operating result	**929**	**1,160**	**419**	**460**	**546**	**659**	**494**	**536**	**289**	**300**	**43**	**60**	**2,721**	**3,176**
Risk-weighted assets (credit risk, eop)	24,550	27,012	10,039	10,428	9,246	10,122	4,833	4,930	6,246	7,140	1,958	2,019	56,872	61,651
Average allocated capital	4,412	4,506	1,524	1,530	1,851	2,122	1,532	1,314	1,077	1,037	311	363	10,707	10,872
Cost/income ratio	50.9%	45.5%	44.2%	43.4%	43.3%	40.9%	35.3%	35.9%	47.7%	48.3%	67.7%	61.6%	46.2%	43.6%
Return on allocated capital	15.4%	21.1%	20.1%	18.0%	20.7%	21.9%	17.3%	21.4%	22.3%	23.1%	10.3%	13.0%	17.8%	20.7%
Total assets (eop)	72,716	80,607	26,469	26,392	21,877	24,286	12,512	12,181	14,752	16,507	3,408	3,744	151,733	163,716
Total liabilities excluding equity (eop)	66,871	74,461	23,995	23,875	19,369	21,473	11,043	10,579	13,077	14,681	2,989	3,255	137,345	148,325
Impairments	**-67**	**18**	**-15**	**-13**	**-10**	**-33**	**-27**	**24**	**46**	**18**	**-9**	**-9**	**-83**	**5**
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-45	16	-24	-10	-6	-42	4	19	60	33	-11	-8	-21	7
Net impairment loss on commitments and guarantees given	10	-6	9	-3	-4	20	-3	1	-14	-14	1	-1	0	-2
Impairment of goodwill	0	0	0	0	0	0	-9	0	0	0	0	0	-9	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	-1	0	0	0	0	0	0	0	0	0	-1	0
Net impairment on other non-financial assets	-33	8	2	1	-1	-11	-20	4	0	0	0	0	-52	1

Business segments (1)

in EUR million	Retail 1-12 23	Retail 1-12 24	Corporates 1-12 23	Corporates 1-12 24	Group Markets 1-12 23	Group Markets 1-12 24	ALM&LCC 1-12 23	ALM&LCC 1-12 24
Net interest income	3,263	3,151	1,931	1,865	386	341	-558	-62
Net fee and commission income	1,391	1,580	410	440	312	333	-96	-106
Dividend income	0	1	2	2	8	6	10	12
Net trading result	169	173	116	115	106	102	359	96
Gains/losses from financial instruments at FVPL	111	16	9	-13	13	7	-464	-121
Net result from equity method investments	7	9	8	3	0	0	0	15
Rental income from investment properties & other operating leases	9	11	113	138	0	1	28	36
General administrative expenses	-2,429	-2,573	-665	-682	-265	-287	-138	-131
thereof depreciation and amortization	-266	-274	-70	-69	-14	-15	-9	-11
Gains/losses from derecognition of financial assets at AC	-1	0	0	-2	0	0	-11	-44
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	2	1	0	-125	-40
Impairment result from financial instruments	-56	-38	104	-129	0	4	15	19
Other operating result	-111	-109	-82	-97	-33	-17	-163	-73
Levies on banking activities	-84	-110	-54	-67	-16	-12	0	-23
Pre-tax result from continuing operations	**2,354**	**2,221**	**1,945**	**1,642**	**528**	**491**	**-1,144**	**-398**
Taxes on income	-424	-441	-374	-310	-102	-99	166	17
Net result for the period	**1,931**	**1,780**	**1,571**	**1,332**	**426**	**393**	**-977**	**-381**
Net result attributable to non-controlling interests	35	34	75	67	5	5	7	15
Net result attributable to owners of the parent	**1,896**	**1,746**	**1,496**	**1,266**	**422**	**388**	**-984**	**-396**
Operating income	4,950	4,941	2,589	2,550	826	790	-721	-129
Operating expenses	-2,429	-2,573	-665	-682	-265	-287	-138	-131
Operating result	**2,521**	**2,368**	**1,923**	**1,868**	**560**	**504**	**-859**	**-260**
Risk-weighted assets (credit risk, eop)	24,311	27,799	57,264	63,620	4,009	4,285	8,037	6,738
Average allocated capital	3,708	3,988	6,178	6,787	975	1,077	6,701	6,323
Cost/income ratio	49.1%	52.1%	25.7%	26.8%	32.1%	36.3%	-19.2%	>100%
Return on allocated capital	52.1%	44.6%	25.4%	19.6%	43.7%	36.4%	-14.6%	-6.0%
Total assets (eop)	77,127	81,035	80,486	84,201	51,885	47,398	85,702	96,936
Total liabilities excluding equity (eop)	113,509	119,385	44,875	46,346	41,871	44,444	74,491	77,440
Impairments	**-56**	**-38**	**99**	**-132**	**0**	**5**	**-42**	**23**
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-73	-48	58	-109	-5	8	10	20
Net impairment loss on commitments and guarantees given	17	10	46	-20	5	-4	5	-1
Impairment of goodwill	0	0	0	0	0	0	-9	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	0	0	0	0	-1	0
Net impairment on other non-financial assets	0	0	-5	-3	0	0	-46	4

Business segments (2)

in EUR million	Savings Banks 1-12 23	Savings Banks 1-12 24	Group Corporate Center 1-12 23	Group Corporate Center 1-12 24	Intragroup Elimination 1-12 23	Intragroup Elimination 1-12 24	Group total 1-12 23	Group total 1-12 24
Net interest income	1,892	1,838	247	363	67	32	7,228	7,528
Net fee and commission income	656	721	-3	10	-30	-40	2,640	2,938
Dividend income	6	11	12	8	0	0	38	39
Net trading result	53	40	0	2	-49	-9	754	519
Gains/losses from financial instruments at FVPL	11	-2	13	30	0	0	-306	-82
Net result from equity method investments	0	0	7	-2	0	0	23	27
Rental income from investment properties & other operating leases	41	39	-14	7	-2	-23	175	210
General administrative expenses	-1,259	-1,332	-1,075	-1,240	812	966	-5,020	-5,279
thereof depreciation and amortization	-84	-85	-138	-97	22	3	-560	-547
Gains/losses from derecognition of financial assets at AC	0	1	-1	0	0	-45	-13	-90
Other gains/losses from derecognition of financial instruments not at FVPL	-4	-2	-1	-7	0	46	-128	-1
Impairment result from financial instruments	-182	-248	-8	-5	0	0	-128	-397
Other operating result	-34	-40	754	848	-798	-927	-468	-414
Levies on banking activities	-5	-7	-25	-27	0	0	-183	-245
Pre-tax result from continuing operations	**1,180**	**1,026**	**-69**	**15**	**0**	**0**	**4,795**	**4,997**
Taxes on income	-261	-232	120	13	0	0	-874	-1,053
Net result for the period	**919**	**794**	**51**	**27**	**0**	**0**	**3,921**	**3,945**
Net result attributable to non-controlling interests	797	692	5	7	0	0	923	819
Net result attributable to owners of the parent	**122**	**102**	**46**	**20**	**0**	**0**	**2,998**	**3,125**
Operating income	2,660	2,648	262	418	-14	-40	10,552	11,178
Operating expenses	-1,259	-1,332	-1,075	-1,240	812	966	-5,020	-5,279
Operating result	**1,401**	**1,316**	**-813**	**-822**	**798**	**926**	**5,532**	**5,900**
Risk-weighted assets (credit risk, eop)	27,433	30,355	1,688	901	0	0	122,742	133,700
Average allocated capital	4,456	5,271	4,983	6,101	0	0	27,001	29,547
Cost/income ratio	47.3%	50.3%	>100%	>100%	>100%	>100%	47.6%	47.2%
Return on allocated capital	20.6%	15.1%	1.0%	0.4%			14.5%	13.4%
Total assets (eop)	81,594	84,989	3,973	4,021	-43,611	-44,844	337,155	353,736
Total liabilities excluding equity (eop)	74,586	77,201	2,978	3,021	-43,656	-44,869	308,654	322,969
Impairments	**-185**	**-251**	**-23**	**-5**	**0**	**0**	**-206**	**-399**
Net impairment loss on financial assets AC/FVTOCI and finance lease receivables	-198	-215	11	1	0	0	-198	-343
Net impairment loss on commitments and guarantees given	16	-33	-19	-6	0	0	70	-54
Impairment of goodwill	0	0	0	0	0	0	-9	0
Net impairment on investments in subsidiaries, joint ventures and associates	0	0	-4	-1	0	0	-5	-1
Net impairment on other non-financial assets	-2	-3	-11	1	0	0	-64	-1

2. Net interest income

Net interest income is broken down into line items of interest income, other similar income, interest expenses and other similar expenses. The distinguishing factor is whether the EIR method is mandatorily applied for recognition of interest income or expense in accordance with IFRS 9.

'Interest income' relates to interest revenue from financial assets measured at amortised cost and at fair value through other comprehensive income. It is calculated using the EIR method as discussed in chapter 'Financial instruments – Material accounting policies'.

'Other similar income' captures interest-like sources of income resulting from non-derivative financial assets measured at fair value through profit or loss, held for trading derivatives, hedge accounting derivatives, finance lease receivables and negative interest on financial liabilities.

'Interest expenses' relate to interest expense from financial liabilities measured at amortised cost calculated using effective interest rate.

'Other similar expenses' capture interest-like sources of expense resulting from non-derivative financial liabilities measured at fair value through profit or loss, held for trading derivatives, hedge accounting derivatives, lease liabilities, provisions recognised under IFRS 9 and IAS 37 (unwinding of the time value of the money effect due to passage of time) and net defined liabilities (net interest cost on severance payments, pensions and jubilee obligations) under IAS 19.

As regards types of financial instruments, interest income and other similar income include interest income on loans and advances to banks and customers, on cash balances, on debt securities in all measurement categories of financial assets, on trade and other receivables and on finance lease receivables. Interest expenses and other similar expenses include interest paid on deposits from customers, deposits from banks, debt securities issued and other financial liabilities in all measurement categories of financial liabilities and interest paid on lease liabilities. Net interest income also includes interest on derivative financial instruments.

Interest income also includes modification gains and losses recognised on financial assets in Stage 1. Further, the unamortised balance of the origination fees/transaction costs upon derecognition of assets in Stage 1 and 2 considered in the effective interest rate is presented as interest income at the derecognition date.

in EUR million	1-12 23	1-12 24
Financial assets at AC	14,663	14,968
Financial assets at FVOCI	382	385
Interest income	15,045	15,353
Non-trading financial assets at FVPL	84	96
Financial assets HfT	4,177	3,317
Hedge accounting derivatives, interest rate risk	-80	34
Other assets	247	295
Negative interest from financial liabilities	17	15
Other similar income	4,446	3,756
Interest and other similar income	**19,490**	**19,109**
Financial liabilities at AC	-6,873	-7,549
Interest expenses	-6,873	-7,549
Financial liabilities at FVPL	-342	-353
Financial liabilities HfT	-4,509	-3,067
Hedge accounting derivatives, interest rate risk	-480	-558
Other liabilities	-57	-54
Negative interest from financial assets	-2	-1
Other similar expenses	-5,389	-4,032
Interest and other similar expenses	**-12,262**	**-11,581**
Net interest income	**7,228**	**7,528**

An amount of EUR 169 million (2023: EUR 168 million) relating to impaired financial assets is included in interest income.

Interest expense on financial liabilities resulting from the TLTRO programme of the ECB amounted to EUR 84 million in 2024 (2023: EUR 242 million).

3. Net fee and commission income

Erste Group earns fee and commission income from a diverse range of services that it provides to its customers. Fee and commission income is measured based on the consideration specified in the contract with a customer. Erste Group recognises revenue when it transfers a promised service to a customer.

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commitment fees, premiums received for financial guarantees and other fees from lending business, commission income from asset management, custody and other management and advisory fees. Services provided over a period of time also include certain payment services like periodic card fees.

Fee income earned from providing transaction services, such as arranging the acquisition and sale of shares or other securities on behalf of customers or foreign exchange transactions, as well as commission income earned from services such as the sale of collective investments and insurance products, are recognised upon completion of the underlying transaction. Transaction based services also include certain payment services like withdrawal fees.

A contract with a customer that results in the recognition of a financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then Erste Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual. For example, loan servicing fees agreed in a loan contract that are not integral to the effective interest rate of a financial instrument are included in the net fee and commission income.

	1-12 23		1-12 24	
in EUR million	Income	Expenses	Income	Expenses
Securities	275	-60	314	-57
Issues	52	-1	53	-2
Transfer orders	212	-46	249	-43
Other	12	-13	12	-12
Clearing and settlement	4	-1	2	-1
Asset management	574	-50	667	-43
Custody	135	-17	153	-21
Fiduciary transactions	1	0	1	0
Payment services	1,473	-269	1,614	-291
Card business	452	-178	496	-188
Current accounts from customers	770	0	686	0
Other	251	-91	432	-103
Customer resources distributed but not managed	286	-11	318	-13
Collective investment	23	-2	28	-2
Insurance products	235	-2	261	-2
Foreign exchange transactions	25	-2	26	-2
Other	3	-5	3	-7
Structured finance	1	0	6	0
Servicing fees from securitization activities	0	0	0	-2
Lending business	250	-32	252	-46
Guarantees given, guarantees received	100	-5	100	-5
Loan commitments given, loan commitments received	51	-1	60	-1
Other lending business	99	-26	92	-40
Other	105	-25	127	-41
Total fee and commission income and expenses	**3,104**	**-464**	**3,454**	**-517**
Net fee and commission income	**2,640**		**2,938**	

Asset management, custody and fiduciary transactions fees relate to fees earned by Erste Group on trust and other fiduciary activities in which Erste Group holds or invests assets on behalf of its customers and amount to EUR 756 million on a net basis (2023: EUR 644 million). Net fee and commission income above include income of EUR 1,126 million (2023: EUR 1,186 million) relating to financial assets and financial liabilities not measured at FVPL.

The total amount of revenue from administrative and agency services to third parties amounts to EUR 1,061 million (2023: EUR 919 million).

4. Dividend income

Dividend income is recognised when the right to receive the payment is established. This line item includes dividends from all shares and other equity investments, i.e. from those that are held for trading, non-trading equity instruments at FVPL and at FVOCI.

in EUR million	1-12 23	1-12 24
Financial assets HfT	9	7
Non-trading financial assets at FVPL	20	22
Financial assets at FVOCI	9	10
Dividend income	**38**	**39**

5. Net trading result

Results arising from trading activities include all gains and losses from changes in the fair value (clean price) of financial assets and financial liabilities classified as held for trading, including all derivatives not designated as hedging instruments and gains and losses from their derecognition. Further, the net trading result includes any ineffective portions recorded in fair value and cash flow hedge transactions. Also, foreign exchange gains and losses on all monetary assets and liabilities and from spot currency conversions are included here.

The accounting policy for recognition of foreign exchange gains and losses is described in the chapter 'Material accounting policies', b) 'Foreign currency translations', i. 'Transactions and balances in foreign currency'. Detailed information relating to hedge accounting can be found in Note 27 Hedge accounting.

in EUR million	1-12 23	1-12 24
Securities and derivatives trading	343	116
Foreign exchange transactions	407	419
Result from hedge accounting	4	-16
Net trading result	**754**	**519**

6. Gains/losses from financial instruments measured at fair value through profit or loss

Changes in fair value (clean price) of non-trading financial assets at fair value through profit or loss, including gains and losses on their derecognition, are presented under this line item. This concerns both non-trading financial assets designated and those mandatorily measured at FVPL. Gains and losses (clean price) of financial liabilities designated at FVPL, including gains and losses on their derecognition, are also presented under this line item. However, the fair value changes resulting from own credit risk of the liability are recognised in OCI.

in EUR million	1-12 23	1-12 24
Result from measurement/sale of financial assets designated at FVPL	7	3
Result from measurement/repurchase of financial liabilities designated at FVPL	-480	-170
Result from financial assets and liabilities designated at FVPL	**-473**	**-168**
Result from measurement/sale of financial assets mandatorily at FVPL	168	86
Gains/losses from financial instruments measured at fair value through profit or loss	**-306**	**-82**

7. Rental income from investment properties & other operating leases

Rental income from investment properties and other operating leases is recognised on a straight-line basis over the lease term. Operating expenses for investment properties are reported in line item 'Other operating result'. For further details we refer to Note 12 Other operating result.

in EUR million	1-12 23	1-12 24
Investment properties	129	132
Other operating leases	46	77
Rental income from investment properties & other operating leases	**175**	**210**

8. General administrative expenses

PERSONNEL EXPENSES

Personnel expenses include wages and salaries, expenses for variable remuneration, statutory and voluntary social security contributions, staff-related taxes and levies. They also include service costs for severance payments, pension and jubilee obligations and remeasurements of jubilee obligations. Furthermore, restructuring provision expenses may be part of personnel expenses.

Information about remuneration of management including performance-linked remuneration can be found in Note 60 Related-party transactions. Information about share-based payments to the management board and to employees can be found in Note 61 Share-based payments.

OTHER ADMINISTRATIVE EXPENSES

Other administrative expenses include primarily information technology expenses, expenses for office space, office operating expenses, advertising and marketing, and expenditures for legal and other consultants. Furthermore, the line item contains deposit insurance contributions. Restructuring provision expenses may also be presented in other administrative expenses.

DEPRECIATION AND AMORTISATION

This line item comprises depreciation of property and equipment, depreciation of investment property and amortisation of intangible assets. In the line item 'Depreciation and amortisation', also the depreciation of right-of-use assets according to IFRS 16 is disclosed.

General administrative expenses

in EUR million	1-12 23	1-12 24
Personnel expenses	**-2,991**	**-3,202**
Wages and salaries	-2,286	-2,474
Compulsory social security	-530	-575
Long-term employee provisions	-24	-14
Other personnel expenses	-152	-139
Other administrative expenses	**-1,468**	**-1,529**
Deposit insurance contribution	-114	-72
IT expenses	-549	-622
Expenses for office space	-208	-199
Office operating expenses	-160	-163
Advertising/marketing	-222	-237
Legal and consulting costs	-134	-158
Sundry administrative expenses	-81	-78
Depreciation and amortisation	**-560**	**-547**
Software and other intangible assets	-190	-179
Owner occupied real estate	-167	-162
Investment properties	-31	-33
Customer relationships	-7	-4
Office furniture and equipment and sundry property and equipment	-163	-169
General administrative expenses	**-5,020**	**-5,279**

Personnel expenses include expenses of EUR 56 million (2023: EUR 54 million) for defined contribution plans.

Average number of employees during the financial period (weighted according to the level of employment)

	1-12 23	1-12 24
Austria	**16,047**	**16,614**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	8,884	9,278
Savings banks	7,163	7,336
Outside Austria	**29,662**	**29,031**
Česká spořitelna Group	9,975	9,653
Banca Comercială Română Group	5,495	5,227
Slovenská sporiteľňa Group	3,559	3,501
Erste Bank Hungary Group	3,340	3,360
Erste Bank Croatia Group	3,273	3,283
Erste Bank Serbia Group	1,301	1,282
Savings banks subsidiaries	1,537	1,546
Other subsidiaries and foreign branch offices	1,181	1,179
Total	**45,709**	**45,645**

In 2023, apprentices were not incorporated in the table above whereas 254 apprentices were included at year end 2024.

9. Gains/losses from derecognition of financial assets measured at amortised cost

This line item includes selling and other derecognition gains or losses on financial assets measured at amortised cost. However, if such gains/losses relate to derecognition of financial assets in Stage 3, they are included in the line item 'Impairment result from financial instruments'.

in EUR million	1-12 23	1-12 24
Gains from derecognition of financial assets at AC	1	0
Losses from derecognition of financial assets at AC	-14	-90
Gains/losses from derecognition of financial assets measured at amortised cost	**-13**	**-90**

In order to optimise the portfolio of debt securities measured at amortised cost certain bonds were sold during 2024 within existing internal retrospective thresholds for the 'held to collect' business model assessment. The objective was to sell low yielding bonds thereby improving the interest income in the consecutive years.

10. Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss

This line item includes selling and other derecognition gains or losses on financial assets at FVOCI, financial liabilities measured at amortised cost and other financial instruments not measured at FVPL, such as finance lease receivables or financial guarantees. However, if such gains/losses relate to financial assets in Stage 3 they are included in the line item 'Impairment result from financial instruments'.

in EUR million	1-12 23	1-12 24
Sale of financial assets at FVOCI	-139	-8
Sale of financial lease receivables	0	2
Derecognition of financial liabilities at AC	10	6
Derecognition of the separate line item in portfolio fair value hedges of interest rate risk	0	0
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	**-128**	**-1**

11. Impairment result from financial instruments

Net impairment losses on financial instruments comprise impairment losses and reversals of impairment on all kinds of financial instruments, to which the IFRS 9 expected credit loss impairment model applies. The impairment result also includes recoveries on written-off financial assets. Modification gains and losses recognised on financial assets in Stage 2 and Stage 3 and POCI assets are also included in this line item. Moreover, gains/losses from derecognition of financial assets in Stage 3 and POCI assets are presented as part of the impairment result.

in EUR million	1-12 23	1-12 24
Financial assets at FVOCI	9	1
Financial assets at AC	-202	-347
allocation/reversal to credit loss allowances (net)	-259	-395
Direct write-offs	-7	-6
Recoveries recorded directly to the income statement	79	69
Modification gains or losses	-15	-16
Finance lease receivables	-5	2
allocation/reversal to credit loss allowances (net)	-5	1
Direct write-offs	0	-1
Recoveries recorded directly to the income statement	1	2
Credit loss allowances for loan commitments and financial guarantees given	70	-54
Impairment result from financial instruments	**-128**	**-397**

In the following table, the change of the credit loss allowance recognised in balance sheet is compared to the impairment result from financial instruments.

	Changes of credit loss allowances			
in EUR million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Credit loss allowances Jan 24				**-4,530**
Net allocation to credit loss allowances	-456			-456
Increase due to passage of time (unwinding correction)		-124		-124
Derecognition due to sales			52	52
Write-offs			399	399
Changes in scope of consolidation			0	0
Foreign exchange differences		29		29
Other		2		2
Credit loss allowances Dec 24				**-4,628**
Impairment gains or losses on POCIs without CLA	9			
Direct write-offs	-7			
Recoveries recorded directly to the income statement	72			
Modification gains or losses	-16			
Impairment result from financial instruments	**-397**			

	Changes of credit loss allowances			
in EUR million	Impairment result of financial instruments	Other changes through profit or loss	Changes not affecting profit or loss	Total
Credit loss allowances Jan 23				**-4,506**
Net allocation to credit loss allowances	-236			-236
Increase due to passage of time (unwinding correction)		-108		-108
Derecognition due to sales			40	40
Write-offs			289	289
Changes in scope of consolidation			3	3
Foreign exchange differences		17		17
Other		-29		-29
Credit loss allowances Dec 23				**-4,530**
Impairment gains or losses on POCIs without CLA	50			
Direct write-offs	-7			
Recoveries recorded directly to the income statement	80			
Modification gains or losses	-15			
Impairment result from financial instruments	**-128**			

12. Other operating result

The other operating result reflects all other income and expenses not directly attributable to Erste Group's ordinary activities.

It includes expenses for allocations to and income from release of provisions in scope of IAS 37. Further, impairment losses or any reversal of impairment losses as well as results on the sale of property and equipment, investment property and intangible assets are presented as other operating result. Any impairment losses on goodwill are also included in this line item.

In addition, the other operating result encompasses the following: resolution fund contributions, expenses for other taxes as well as selling gains and losses on equity investments accounted for using the equity method and gains or losses from derecognition of subsidiaries.

Furthermore, levies on banking activities are considered as part of the other operating result. Erste Group recognises a liability or a provision for the levy when the activity that triggers payment, as identified by the relevant legislation, occurs.

in EUR million	1-12 23	1-12 24
Other operating expenses	**-475**	**-337**
Allocation to other provisions	-162	-51
Levies on banking activities	-183	-245
Banking tax	-112	-153
Financial transaction tax	-71	-91
Other taxes	-7	-14
Resolution fund contributions	-113	-28
Impairment of goodwill	-9	0
Other operating income	**140**	**74**
Release of other provisions	140	74
Result from properties and equipment, investment properties and other intangible assets	-55	16
Result from other operating expenses/income	-77	-167
Other operating result	**-468**	**-414**

Operating expenses (including repair and maintenance) for investment properties held for rental income totalled to EUR 29 million (2023: EUR 42 million).

The result from other operating expenses/income includes an allocation in the amount of EUR 102 million to a provision relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act. More details can be found in Note 53 Provisions. No income from reversal of impairment for assets held for sale has been recognized under this position in 2023 or 2024.

13. Taxes on income

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period. However, they are recognised in other comprehensive income or directly in equity if they arise from a transaction or event which itself is recognised in OCI or equity.

Coupon payments made to the holders of Additional Tier 1 equity instruments issued by Erste Group Bank AG are tax-deductible interest payments under the Austrian Tax Regulations. Since the AT1 coupons are considered as distributions of profit the income tax effects are recognised in profit or loss.

PILLAR 2

In December 2022, the EU-wide minimum taxation system Pillar 2 was adopted as an EU directive and is also relevant for Erste Group as an international banking group. At 31 December 2024 Erste Group applied the temporary exception to the requirements of IAS 12 under which a company discloses limited information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar 2 model rules.

Under the legislation, the group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Rules (GloBE) effective tax rate for each jurisdiction and the 15% minimum rate. The group has effective tax rates that exceed 15% in all relevant jurisdictions in which it operates (Austria, Czech Republic, Germany, Hongkong, Croatia, Luxemburg, Montenegro, Malta, Poland, Romania, Slovenia, Slovakia and US) except for the jurisdictions Hungary, Serbia, North Macedonia and Bosnia-Herzegovina where some of its subsidiaries operate. However, although the average effective tax rate is below 15%, the group's exposure to paying Pillar 2 income taxes might not be for the full difference in tax rates in relation to these jurisdictions. This is due to the impact of specific adjustments envisaged in the Pillar 2 legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12. Top-up tax for Hungary and North Macedonia was provisioned locally, as these jurisdictions have also introduced Pillar 2 legislation. As their legislation did not include any Pillar 2 rules 2024, Serbia and Bosnia-Herzegovina were provisioned in Austria.

MATERIAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. For this purpose a planning period of 5 years is used.

CURRENT AND DEFERRED TAXES

Taxes on income are made up of current taxes on income calculated in each of the Group companies based on the results reported for tax purposes, corrections to taxes on income for previous years and the change in deferred taxes.

in EUR million	1-12 23	1-12 24
Current tax expense/income	-801	-848
current period	-819	-875
prior period	18	27
Deferred tax expense/income	-73	-205
current period	-74	-212
prior period	2	8
Total	**-874**	**-1,053**

The following table reconciles the income taxes reported in the income statement to the pre-tax result from continuing operations multiplied by the nominal Austrian tax rate.

in EUR million	1-12 23	1-12 24
Pre-tax result from continuing operations	4,795	4,997
Income tax expense for the financial year at the Austrian statutory tax rate (23%)	-1,151	-1,149
Impact of different foreign tax rates	207	178
Impact of tax-exempt earnings of investments and other tax-exempt income	178	240
Tax increases due to non-deductible expenses, additional business tax and similar elements	-220	-199
Impact on deferred taxes from topics on Group level	-91	-67
Current period's recognition through P&L of DTA from tax losses, assessed non-recoverable at the end of the prior period	141	3
Current period's recognition through P&L of DTA from temporary differences, assessed non-recoverable at the end of the prior period	34	29
Impact of current non-recoverable fiscal losses and temporary differences for the year	-4	-1
Tax expense attributable to Windfall Tax	0	-103
Tax expense attributable to Pillar 2 Model Top-Up Tax	0	-12
Tax expense/income not attributable to the reporting period	19	35
Tax expense/income from changes of the tax rate or the imposition of new taxes	15	11
Tax expense/income attributable to other effects	-2	-18
Total	**-874**	**-1,053**

The windfall tax relates to the special levy for banks reintroduced in Slovakia from December 31, 2023, which amounts to 30% of the pre-tax profits in 2024. This percentage will be reduced by 5 percentage points each year and will amount to 15% from 2027.

The current tax expense related to total Pillar 2 income taxes amounts to EUR 12 million.

The positive impact of EUR 11 million reported in the above effective tax reconciliation table for the financial year 2024 as 'tax expense/income from changes of the tax rate or the imposition of new taxes' (2023: positive effect EUR 15 million) is triggered by the upcoming increase in the corporate income tax rate in the Slovakian jurisdiction from 21% to 24% from 2025. Consequently, the deferred tax income and expenses related to temporary differences arising during the financial year 2024 as well as the deferred tax positions already recognized by the Slovakian entities in previous years and expected to become tax effective starting with the year 2025 onwards - have been calculated - and respectively recalculated - using the newly applicable tax rates accordingly. The main reason the tax effect is positive despite the increasing applicable tax rate in Slovakia consists of the fact that the deferred tax position of Slovakian entities resulting from previous years was a deferred tax asset that was upwards adjusted based on the newly applicable future tax rate of 24%.

The following table shows the income tax effects relating to each component of other comprehensive income:

in EUR million	1-12 23 Pre-tax amount	1-12 23 Income tax	1-12 23 Net-of-tax amount	1-12 24 Pre-tax amount	1-12 24 Income tax	1-12 24 Net-of-tax amount
Fair value reserve of equity instruments	10	-1	9	7	-2	6
Fair value reserve of debt instruments	401	-66	335	45	-15	31
Own credit risk reserve	-50	8	-42	-59	19	-40
Cash flow hedge reserve	205	-40	166	29	-5	24
Remeasurement of defined benefit plans	-59	14	-46	19	-4	16
Currency reserve	-101	0	-101	-197	0	-197
Other comprehensive income	**406**	**-85**	**321**	**-155**	**-5**	**-161**

Taxes on income within other comprehensive income are influenced by the consideration of the result of recoverability assessments allocated against OCI-related deferred tax assets. The allocation of the result of recoverability assessments is based on Erste Group's methodology of allocating non-recoverable deferred tax assets per P&L and OCI. This approach proportionately reflects how the underlying temporary differences arose from IFRS-based adjustments of the accounting values of the related items.

Besides, the income tax related to the fair value reserve and the cash flow hedge reserve is influenced by differences of tax rates applicable on contrary changes within the fair value reserve.

Major components of deferred tax assets and deferred tax liabilities

	Tax assets		Tax liabilities		Net variance 2024		
in EUR million	Dec 24	Jan 24	Dec 24	Jan 24	Total	Profit or loss	Other comprehen-sive income
Temporary differences related to the following items:							
Financial assets and liabilities HfT and non-trading financial assets and liabilities at FVPL	129	214	-239	-292	-31	-50	19
Financial assets at FVOCI	8	20	-7	-16	-4	13	-16
Financial assets at AC and finance lease receivables	356	504	-7	-41	-113	-112	0
Hedge accounting derivatives	48	56	-32	-31	-9	-5	-4
Property, plant and equipment	27	26	-74	-118	45	45	0
Equity Investments in subsidiaries, associates and joint-ventures	32	49	-4	-1	-19	-19	0
Financial liabilities at AC	11	92	-154	-298	64	64	0
Long-term employee provisions (tax valuation different)	93	105	-4	-5	-11	-7	-4
Other provisions (tax valuation different)	40	44	-6	-5	-5	-5	0
Customer relationships, brands and other intangibles	2	3	-69	-72	3	9	0
Other	134	155	-53	-48	-26	-25	0
Non-recoverable tax position from temporary differences	0	-52	0	0	52	52	0
Deferred tax position from accumulated tax loss carried forward after recoverability considerations	2	167	0	0	-166	-165	0
Effect of netting according IAS 12.71	-617	-914	617	915	0	0	0
Total deferred taxes	**266**	**468**	**-31**	**-14**	**-219**	**-205**	**-6**
Current taxes	**45**	**72**	**-241**	**-265**		**-848**	**0**
Total taxes	**311**	**540**	**-272**	**-279**		**-1,053**	**-6**

	Tax assets		Tax liabilities		Net variance 2023		
in EUR million	Dec 23	Jan 23	Dec 23	Jan 23	Total	Profit or loss	Other comprehen-sive income
Temporary differences related to the following items:							
Financial assets and liabilities HfT and non-trading financial assets and liabilities at FVPL	214	219	-292	-317	20	12	8
Financial assets at FVOCI	20	115	-16	-6	-105	-37	-68
Financial assets at AC and finance lease receivables	504	636	-41	-211	38	38	0
Hedge accounting derivatives	56	80	-31	-51	-5	35	-40
Property, plant and equipment	26	22	-118	-114	0	1	0
Equity Investments in subsidiaries, associates and joint-ventures	49	47	-1	-3	4	4	0
Financial liabilities at AC	92	274	-298	-395	-86	-84	0
Long-term employee provisions (tax valuation different)	105	114	-5	-3	-11	-25	14
Other provisions (tax valuation different)	44	58	-5	-2	-17	-16	0
Customer relationships, brands and other intangibles	3	3	-72	-78	6	5	0
Other	155	146	-48	-47	7	7	0
Non-recoverable tax position from temporary differences	-52	-94	0	0	42	41	1
Deferred tax position from accumulated tax loss carried forward after recoverability considerations	167	219	0	0	-52	-52	0
Effect of netting according IAS 12.71	-914	-1,211	914	1,211	0	0	0
Total deferred taxes	**468**	**629**	**-14**	**-16**	**-160**	**-72**	**-85**
Current taxes	**72**	**109**	**-265**	**-127**		**-801**	**0**
Total taxes	**540**	**738**	**-279**	**-143**		**-874**	**-85**

The deferred tax assets and liabilities are presented prior to subsidiary-level balance-sheet netting of attributable gross deferred tax assets and gross deferred tax liabilities. The amounts shown in the table are gross amounts before recoverability assessments except for the position deferred tax assets resulting from tax loss carry-forward. The remaining non-recoverable amounts are considered in line 'Non-recoverable tax position from temporary differences' in the table. The position 'Other' comprises all deferred tax positions not being shown as separate positions in the table above.

Out of the decrease of the total net deferred tax asset of EUR 219 million (2023: decrease EUR 160 million) an amount of EUR 205 million (2023: expense EUR 72 million) is reflected as deferred tax expense in the Group's income statement for the year

2024, whilst an expense amount of EUR 6 million (2023: expense EUR 85 million) represents the impact in the Group’s other comprehensive expense for the year. A deferred tax liability of EUR 7 million was recognised in the course of an acquisition. Furthermore, deferred tax expense in the amount of EUR 1 million (2023: income EUR 1 million) representing accumulated OCI in respect of deferred tax recognised for cumulative changes in own credit risk attributable to own issues repurchased during the year has been transferred into retained earnings, consequent to the related temporary differences reversing upon repurchase.

The Group's consolidated deferred tax asset position in amount of EUR 266 million as of 31 December 2024 (2023: EUR 468 million) is expected to be recoverable in the foreseeable future. This is also expected to be the case for deferred tax assets exceeding their deferred tax liabilities by an amount of EUR 4 million as of 31 December 2024 (2023: EUR 5 million) incurred by subsidiaries reporting losses in the current or prior period. These expectations result from year-end recoverability assessments undertaken by the Group's entities, either at individual level, or at relevant tax group level. Such assessments are comparing net temporary deductible differences and available fiscal losses at year-end - after offsetting with deferred tax liabilities at individual level or at relevant tax group level - with fiscal profit forecasts for a group-wide unified and unchanged time horizon of a maximum 5 years depending on the fiscal jurisdiction and applicable facts and circumstances. If the result of these assessments is negative, the deferred tax asset positions are correspondingly not recorded and the already existing deferred tax asset positions are correspondingly depreciated.

In accordance with IAS 12.39, no deferred tax liabilities were recognised for temporary differences relating to investments in subsidiaries with an amount of EUR 3,665 million (2023: EUR 3,261 million), as they are not expected to reverse in the foreseeable future. As of 31 December 2024, no deferred tax assets were recognised for tax loss carry-forward and deductible temporary differences with a total amount of EUR 2,881 million (2023: EUR 2,155 million), of which EUR 333 million (2023: EUR 653 million) relates to tax loss carry-forward, as they are not expected to be realized in the foreseeable future. The figure comprises an amount of EUR 2,548 million (2023: EUR 1,287 million) representing temporary differences in connection with investments in subsidiaries no deferred tax assets have been recognised for in accordance with IAS 12.44.

From the total of the not recorded deferred tax assets related to tax loss carry-forward in the following period EUR 0 million will expire (2023: EUR 0 million) and in later periods EUR 1 million (2023: EUR 11 million), EUR 76 million (2023: EUR 124 million) will not expire.

14. Appropriation of profit

In the reporting period, Erste Group Bank AG posted a post-tax profit of EUR 2,406 million (2023: EUR 1,818 million) under the Austrian accounting regulations, which increased its distributable capital accordingly.

The management board of Erste Group Bank AG will propose a 2024 dividend of EUR 3.00 (2023: EUR 2.70 per share) per share to the 2024 Annual General Meeting.

Financial instruments – Material accounting policies

Accounting and measurement methods for financial instruments

A financial instrument is any contract giving rise to a financial asset of one party and a financial liability or equity instrument of another party. In accordance with IFRS 9, all financial assets and liabilities – which also include derivative financial instruments – have to be recognised on the balance sheet and measured in accordance with their assigned categories.

Regular way (spot) purchases and sales of financial assets are recognised at the settlement date, which is the date that an asset is delivered.

Measurement of financial assets and financial liabilities is subject to two primary measurement methods: at amortised cost and fair value.

i. Amortised cost and effective interest rate

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. For financial assets the amount is adjusted for any loss allowance.

The effective interest rate ('EIR') is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset (i.e. its amortised cost before adjusting for any loss allowance) or to the amortised cost of the financial liability. The estimated cash flows consider all the contractual terms of the financial instrument but disregard the expected credit losses. The calculation includes transaction costs, origination fees that are an integral part of the EIR and all other premiums and discounts to the par amount.

ii. Fair Value

Details on valuation techniques applied for fair value measurement and on the fair value hierarchy are disclosed in Note 26 Fair value of financial instruments.

Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the classification and subsequent measurement of financial assets depend on the following two criteria:
— The business model for managing the financial assets; and
— The cash flow characteristics of the financial assets.

For further details refer to part 'Material accounting judgements, assumptions and estimates' in this chapter.

Application of these criteria leads to classification of financial assets into three measurement categories described in the respective note.
— Financial assets at amortised cost (AC)
— Financial assets at fair value through other comprehensive income (FVOCI)
— Financial assets at fair value through profit or loss (FVPL)

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost unless they are measured at fair value through profit or loss. Interest expense is calculated by applying the EIR to the amortised cost of a financial liability. Further details on financial liabilities at amortised cost and financial liabilities at FVPL are in the respective notes: Note 18 Financial liabilities at amortised costs and Note 25 Financial liabilities at fair value through profit or loss.

Impairment of financial instruments

Erste Group recognises loss allowances for impairment on its debt instrument financial assets, other than those measured at FVPL, its lease receivables, and its off-balance credit risk exposures arising from financial guarantees and certain loan commitments.

The amount of the impairment loss is recognised as a loss allowance. For the purpose of the measurement of the amount of expected credit loss and recognition of interest income, Erste Group distinguishes between three stages of impairment.

Stage 1 relates to financial instruments for which no significant increase in credit risk has been recorded since their initial recognition or which are subject to the 'low credit risk exemption' allowed by IFRS 9. The impairment is measured in the amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset.

Financial instruments in Stage 2 are subject to significant increase in credit risk since their initial recognition (and the 'low credit risk exemption' does not apply). Stage 2 also includes trade receivables without significant financing component to which the 'simplified approach' is applied mandatorily based on IFRS 9 requirements. The impairment is measured in the amount of the lifetime expected credit loss. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset (as for Stage 1). In the case of drawings by non-defaulted customers on previously committed credit lines, the whole exposure (on-balance and off-balance) is categorised as either Stage 1 or Stage 2, depending on the development of credit risk between the commitment date and the drawing date.

Financial instruments in Stage 3 are credit-impaired. In respect of applying the 'credit-impaired' concept of IFRS 9, Erste Group adopted the approach of aligning it with the regulatory concept of 'default' in accordance with guidelines of the European Banking Authority EBA/GL/2016/07 and Commission Delegated Regulation (EU) 2018/171. Erste Group generally applies a customer view for the default definition, which leads to Stage 3 classification of all transactions with the customer even if the customer defaults only on one of several transactions ('pulling effect'). On the other hand, an upgrade to a non-defaulted rating grade implies that all the transactions with the customer cease to be impaired. The impairment of financial instruments in Stage 3 is measured in the amount of the lifetime expected credit loss. Interest income is calculated by EIR applied to the amortised cost (i.e. the net carrying amount) of the financial asset. From a balance sheet perspective, interest is accrued based on the financial assets' gross carrying amount. The difference between the interest accrued on the assets and the interest income recognised is reflected through the allowance account (without impacting the impairment loss).

For financial assets that are credit-impaired at initial recognition (purchased or originated credit-impaired financial assets 'POCI') lifetime expected credit losses are initially reflected in the credit-adjusted EIR. As a result, no loss allowance is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets. No impairment stages are distinguished for the POCI financial assets.

Measurement of expected credit losses includes cash flows expected from collateral and those financial guarantees held by Erste Group which are considered as integral to the contractual terms of financial assets whose risk is guaranteed. Erste Group considers as integral those guarantees which are entered into at or close to the inception of the guaranteed financial assets. If the bank has in a loan contract an option to require provision of a guarantee, it is also considered as integral. Premiums paid for integral financial guarantees and other credit enhancements are considered in the EIR of the related financial assets.

Reimbursement assets from financial guarantees which are not considered integral are recognised under 'Other assets' in the balance sheet. In the statement of income they reduce the impairment loss incurred on guaranteed financial assets under 'Impairment result from financial instruments'. A precondition for this treatment is that it must be virtually certain that the guarantee would reimburse the bank for the loss. Premiums paid for non-integral financial guarantees are presented in the statement of income under the line item 'Fee and commission expense' under 'Net fee and commission income'.

More detailed information about identification of significant increases in credit risk including collective assessment and estimation techniques used to measure 12-month and lifetime expected credit losses is provided in Note 34 Credit risk. For further information on the definition of default refer to Note 37 Measurement of expected credit loss.

For financial assets measured at amortised cost, the net carrying amount of the financial asset presented on the balance sheet is the difference between the gross carrying amount and the cumulative loss allowance. However, for financial assets measured at FVOCI, the loss allowance is recognised in the accumulated OCI, specifically under 'Fair value reserve' in the statement of changes in equity. Loss allowances for loan commitments and financial guarantees are presented under the balance sheet line item 'Provisions'.

Information about the development of the expected credit loss of the respective financial instruments is provided in Note 37 Measurement of expected credit loss.

In the statement of income, impairment losses and their reversals (gains) on all kinds of financial instruments are presented in the line item 'Impairment result from financial instruments'.

Derecognition of financial instruments including treatment of contractual modifications

i. Derecognition of financial assets

The difference between the carrying amount of the derecognised asset and the consideration received is presented in the statement of income in the line 'Gains/losses from derecognition of financial assets measured at amortised cost' or, for financial assets at FVOCI, in the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'. For financial assets measured at FVPL the derecognition gains or losses are recognised together with the measurement result in the lines 'Net trading result' or 'Gains/losses from financial instruments measured at fair value through profit or loss'.

ii. Derecognition criteria with respect to contractual modifications of financial assets

In the normal course of running its lending business and in agreement with the respective debtors, Erste Group may renegotiate or otherwise modify some terms or conditions of the underlying contracts. This can involve either market-driven commercial renegotiations or contractual changes aimed at alleviating or preventing borrower's financial difficulty. For the purpose of capturing the economic substance and financial effect of such contractual modifications, Erste Group has developed a set of criteria to assess whether or not the modified terms are substantially different from the original terms and thus the financial asset has to be derecognised.

Commercial interest rate adjustments fulfilling specific conditions do not trigger the modification significance assessment. Instead, they result in a recalculation of the EIR of related loans. Such interest rate adjustments relate to performing non-forborne financial assets for which a prepayment/early termination option and a sufficiently competitive refinancing market exist. Furthermore, the costs that the debtor would incur in case of prepayment/early termination would have to be assessed as low. Such conditions introduce an implicit floating rate element to the contract. This kind of interest rate adjustments rarely applies to loan assets in Stage 2.

Substantial modifications lead to derecognition of the original financial asset and initial recognition of the modified financial asset as a new financial instrument. They include following events:

- change of the contractual counterparty (unless this is a formal change such as changes in legal name);
- change in the currency of the contract (unless the change results from exercising an embedded option in the original contract with pre-agreed conditions of the change, or if the new currency is pegged to the original currency);
- introduction of a non-SPPI contractual feature (unless it is intended to improve recoveries from debtors by granting concessions supporting them to recover from financial difficulties); or
- removal of a non-SPPI contractual feature.

Some derecognition criteria distinguish whether contractual modifications are applied to debtors facing financial difficulties. Application of certain modifications to debtors in financial difficulties is not considered as substantial since they are aimed at improving the prospects of the bank to recover the claims by tailoring the repayment schedules to specific financial conditions of those debtors. On the other hand, such contractual modifications applied to performing debtors may be considered as substantial enough to warrant the derecognition, as further detailed below.

From this perspective, the following criteria lead to derecognition unless they are considered as forbearance measures or they are applied to customers in default or they trigger default (i.e. the derecognition occurs if the modification does not relate to financial difficulties):

- repayment schedule changed in a way that the weighted remaining maturity of the assets is modified by more than 100% and at least two years compared to the original asset;
- change in timing/amount of contractual cash flows resulting in the present value of the modified cash flows (discounted at pre-modification effective interest rate) being different by more than 10% of the gross carrying amount of the asset immediately before the modification (cumulative assessment considering all modifications occurring over the last twelve months); or
- altering a floating interest rate into a fixed interest rate or vice versa for the entire remaining life of the financial asset.

If contractual modifications that qualify as forbearance measures or they are applied to customers in default or they trigger default (i.e. they relate to customers in financial difficulties) are so significant that they are qualitatively assessed as an extinguishment of original contractual rights, they result in derecognition. Examples of such modifications are:

- a new agreement with materially different terms signed up as part of distressed restructuring following a standstill agreement suspending the rights of the original assets;
- consolidation of multiple original loans into one with substantially different terms; or
- transformation of a revolving loan into non-revolving.

Contractual modifications leading to derecognition of the related original assets result in the initial recognition of new financial assets. If the debtor is in default or the significant modification leads to the default, then the new asset will be treated as POCI. The difference between the carrying amount of the derecognised asset and initial fair value of the new POCI asset is presented in the statement of income in the line 'Impairment result from financial instruments'.

If the debtor is not in default or the significant modification does not lead to default, the new asset recognised after derecognition of the original asset will be in Stage 1. For loans measured at amortised cost, the unamortised balance of the origination fees/transaction costs considered in the effective interest rate is presented in the line item 'Interest income' under 'Net interest income' at the derecognition date. The release of the credit loss allowance attached to the original asset at the date of that significant modification as well as the credit loss allowance recognised for the new asset are presented in the line 'Impairment result from financial instruments'. The remaining difference is presented in the line 'Gains/losses from derecognition of financial assets measured at amortised cost'.

For debt instrument assets not measured at FVPL that are subject to contractual modifications that do not result in derecognition, the gross carrying amount of the asset is adjusted against recognising a modification gain or loss in profit or loss. The modification gain or loss equals the difference between the gross carrying amount before the modification and the present value of the cash flows based on the modified terms discounted with the original EIR. In the statement of income, the modification gain or loss is presented in the line 'Interest income' under 'Net interest income' if the modification relates to financial assets in Stage 1. For financial assets in Stage 2 and 3 and POCI financial assets, the modification gain or loss is presented in the line 'Impairment result from financial instruments'. However, to the extent that the contractual modification involves the bank giving up its rights of collecting cash flows in respect of an outstanding amount of the asset, such as waiving (part of) principal or accrued interest amount, it is treated as a write-off.

iii. Write-offs

Erste Group writes off a financial asset or a part of it when it has no reasonable expectations of recovering the respective cash flows. When performing the write-off, the gross carrying amount of the asset is reduced simultaneously with the related loss allowance balance.

Erste Group has specified criteria for writing off the unrecoverable balances in its loan business. Write-off can result from forbearance measures whereby the bank contractually waives part of the existing balance in order to help the customers overcome financial difficulties and thus improve the prospects of recovering the remaining loan balance (normally this relates to going concern scenarios for corporate customers). For more information on Forbearance please refer to Note 41 Restructuring, renegotiation and forbearance.

In gone concern scenarios with corporate customers, write-offs of the unrecoverable exposure parts are triggered by enforcement activities such as filing or termination of legal proceedings (bankruptcy, liquidation, court case). Other write-off triggers may result from decisions about no enforcement due to worthlessness of the claim/collateral or generally from assessment that the receivable is economically lost. For retail customers, the non-recoverability and the timing and amounts of write-off crystallise during the collection process when it becomes evident that the amount due cannot be collected, e.g. due to ongoing bankruptcy proceedings. Residual uncollectable balances are written off after the collection process.

iv. Derecognition of financial liabilities

In the statement of income, the difference between the carrying amount of the derecognised financial liability and the consideration paid is presented in the line 'Other gains/losses from financial instruments not measured at fair value through profit or loss', 'Gains/losses from financial instruments measured at fair value through profit or loss' and 'Net trading result' depending on the measurement category of the derecognised financial liability.

MATERIAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

i. SPPI assessment

The assessment of whether the contractual cash flows of financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) is subject to the application of significant judgements which rely on the guidance in IFRS 9. These judgements are crucial in the IFRS 9 classification and measurement process, as they determine whether the asset must be measured at FVPL or, depending on the business model assessment, at amortised cost or at FVOCI. When taking into consideration specific features of financial assets in the business of Erste Group, significant areas of judgement are prepayment fees, project financing loans and interest rate adjustments based on the fulfilment of certain ESG-related targets.

The assessment whether the prepayment fees applied to loans can be considered as a reasonable compensation for early terminations or prepayments is based on comparing the level of the fees with the economic costs incurred by the bank upon the early termination. For these purposes, Erste Group uses a quantitative test where the costs relate to the lost interest margin and the lost interest differential due to a potential decrease in the interest rates upon early termination or prepayment. The adequacy of the fees can also be defended on a qualitative basis, such as common market practice regarding the level of prepayment fees and their acceptance by authorities.

For project financing loans Erste Group assesses whether they represent basic loan agreements rather than investments in the financed projects. In this respect, credit rating, level of collateralisation, existing sponsor guarantees and the extent of equity funding of the financed projects are considered.

In the last years financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers (e.g. meeting specified CO2 emission targets) became part of Erste Group's business. Erste Group has concluded that ESG-related interest adjustments have a de minimis effect on the contractual cash flows. As a result, they do not affect the SPPI assessment.

ii. Business model assessment

For each SPPI-compliant financial asset at initial recognition, Erste Group must assess whether it is part of a business model where the assets are held in order to collect contractual cash flows, to both collect the contractual cash flows and sell the assets, or they are held in other business models. As a consequence, the critical aspect in distinguishing the business models is frequency and significance of sales of assets in the respective business model. Since asset allocation to business models is based on the initial assessment, it may happen that in subsequent periods cash flows are realised differently than originally expected, and a different measurement method may seem to be appropriate. In accordance with IFRS 9, such subsequent changes do not generally lead to reclassifications or prior period error corrections in respect of existing financial assets. The new information on how cash flows are realised may, however, indicate that the business model, and thus the measurement method changes for newly acquired or newly originated financial assets.

At Erste Group, certain sales or other derecognition events are considered as not contradicting the held to collect contractual cash flows business model. Examples are sales due to increases in credit risk, sales close to assets' maturity, infrequent sales triggered by a non-recurring event (such as changes in regulatory or tax environment, major internal reorganisation or a business combination, severe liquidity crisis, etc.) or derecognitions resulting from replacements of bonds based on an issuer's offer. Other kinds of sales carried out in the 'held to collect' business model are assessed retrospectively, and if they exceed certain quantitative thresholds, or whenever it is considered necessary with regard to new expectations, Erste Group performs a prospective test. If the outcome was that the carrying amount of assets expected to be sold over the expected life of the current business model portfolio, for reasons other than the cases above, exceeds 10% of the carrying amount of the portfolio, any new acquisitions or originations of assets would be classified in a different business model.

iii. Impairment of financial instruments

The expected credit loss impairment model is inherently based on judgement since it requires assessment of significant increases in credit risk and measurement of expected credit losses without providing detailed guidance. In respect of significant increases in credit risk, Erste Group has determined specific assessment rules consisting of qualitative information and quantitative thresholds. Another area of complexity relates to establishing groups of similar assets when credit risk deterioration has to be assessed on a collective basis before specific information is available at individual instrument level. Measurement of expected credit losses involves complex models relying on historical statistics of probabilities of default and loss rates in case of defaults, their extrapolations in case of insufficient observations, individual estimates of credit-adjusted cash flows and probabilities of various scenarios including forward-looking information. In addition, the life of the instruments has to be modelled in respect of behavioural life of revolving credit facilities.

Detailed disclosures about identification of significant increases in credit risk including collective assessment and estimation techniques used to measure 12-month and lifetime expected credit losses are provided in Note 34 Credit risk. For further information on the definition of default refer to Note 37 Measurement of expected credit loss. The development of loan loss provisions is described in Note 39 Development of credit loss allowances.

Financial instruments held at amortised cost

Financial assets are classified as measured at amortised cost if they are held in a business model whose objective is to collect contractual cash flows, and their contractual cash flows are SPPI.

On the balance sheet, these assets are carried at amortised cost, i.e. the gross carrying amount net of the credit loss allowance. They are presented under the line 'Financial assets at amortised cost', 'Trade and other receivables' and 'Cash and cash balances'.

Interest income on these assets is calculated by effective interest method and is included under the line 'Interest income' under 'Net interest income' in the statement of income. Impairment gains or losses are included in the line 'Impairment result from financial instruments'. Gains and losses from derecognition (such as sales) of the assets are reported under the line item 'Gains/losses from derecognition of financial assets measured at amortised cost'.

At Erste Group, financial assets at amortised cost constitute the largest measurement category, which includes the vast majority of loan business to customers (except for certain loans measured at fair value through profit or loss), interbank lending business (including reverse repo transactions), deposits with central banks, investments in debt securities, amounts in the course of settlement, trade and other receivables.

For description of financial liabilities at measured amortised cost refer to Note 18 Financial liabilities at amortised costs.

15. Cash and cash balances

Cash balances include only claims (deposits) against central banks and credit institutions that are repayable on demand. Repayable on demand means that they may be withdrawn at any time or with a term of notice of only one business day or 24 hours. A part of 'Cash balances at central banks' represents the mandatory minimum reserve requirement deposits which amounted to EUR 4,673 million (2023: EUR 5,176 million) at the reporting date. The mandatory minimum reserve requirement is calculated from defined balance sheet items and has to be fulfilled in average through an extended period of time. Therefore, the mandatory minimum reserve requirement deposits are not subject to restraints.

in EUR million	Dec 23	Dec 24
Cash on hand	3,200	3,122
Cash balances at central banks	32,586	20,813
Other demand deposits at credit institutions	899	1,194
Cash and cash balances	**36,685**	**25,129**

16. Financial assets at amortised cost

DEBT SECURITIES

Investments in debt securities measured at amortised cost may be acquired with different business objectives (such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the board of directors, initiation and fostering of client relationships, substitution of loan business or other yield generating activities). Their common attribute is that significant and frequent sales of such securities are not expected. For a description of what sales are considered as compliant with the held to collect contractual cash flows business model, see paragraph 'Business model assessment' in chapter 'Financial instruments - Material accounting policies'.

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount				Credit loss allowances				Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Dec 24									
Central banks	22	0	0	22	0	0	0	0	22
General governments	42,278	73	0	42,350	-5	0	0	-5	42,346
Credit institutions	8,870	1	0	8,871	-3	0	0	-3	8,867
Other financial corporations	652	25	0	678	0	-1	0	-1	677
Non-financial corporations	926	47	9	982	-1	-1	-4	-6	977
Total	**52,748**	**146**	**9**	**52,904**	**-9**	**-2**	**-4**	**-15**	**52,889**
Dec 23									
Central banks	15	0	0	15	0	0	0	0	15
General governments	34,693	100	0	34,793	-4	0	0	-5	34,788
Credit institutions	7,813	11	0	7,824	-4	0	0	-4	7,820
Other financial corporations	364	30	1	395	0	-1	-1	-2	392
Non-financial corporations	949	84	4	1,037	-1	-2	-3	-6	1,031
Total	**43,834**	**225**	**5**	**44,064**	**-10**	**-3**	**-4**	**-17**	**44,047**

For information about the development of credit loss allowances refer to Note 39 Development of credit loss allowances.

LOANS AND ADVANCES TO BANKS

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount				Credit loss allowances				Carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Dec 24									
Central banks	17,620	0	0	17,620	0	0	0	0	17,620
Credit institutions	9,352	6	0	9,358	-6	0	0	-6	9,352
Total	**26,972**	**6**	**0**	**26,978**	**-6**	**0**	**0**	**-6**	**26,972**
Dec 23									
Central banks	14,741	0	0	14,741	0	0	0	0	14,741
Credit institutions	6,541	162	0	6,703	-8	-3	0	-12	6,692
Total	**21,282**	**162**	**0**	**21,444**	**-8**	**-3**	**0**	**-12**	**21,432**

For information about the development of credit loss allowances refer to Note 39 Development of credit loss allowances.

LOANS AND ADVANCES TO CUSTOMERS

Gross carrying amounts and credit loss allowances per impairment buckets

in EUR million	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Dec 24											
General governments	8,689	600	62	16	9,367	-5	-16	-4	0	-25	9,342
Other financial corporations	5,745	744	64	0	6,553	-12	-17	-28	0	-57	6,496
Non-financial corporations	71,722	20,079	3,190	239	95,229	-204	-770	-1,247	-54	-2,276	92,953
Households	88,288	11,443	2,030	115	101,876	-145	-460	-1,009	-19	-1,633	100,243
Total	**174,443**	**32,866**	**5,346**	**369**	**213,024**	**-366**	**-1,263**	**-2,289**	**-73**	**-3,991**	**209,034**
Dec 23											
General governments	7,706	302	59	10	8,077	-5	-19	-5	0	-29	8,048
Other financial corporations	4,475	697	61	0	5,233	-9	-10	-28	0	-47	5,186
Non-financial corporations	65,767	24,730	2,452	287	93,235	-188	-835	-1,082	-60	-2,165	91,070
Households	83,524	11,144	1,821	121	96,611	-155	-536	-957	-25	-1,673	94,938
Total	**161,472**	**36,873**	**4,393**	**418**	**203,156**	**-357**	**-1,401**	**-2,072**	**-85**	**-3,915**	**199,241**

For information about the development of credit loss allowances refer to Note 39 Development of credit loss allowances.

17. Trade and other receivables

Trade receivables arise largely from the factoring business of Erste Group.

Gross carrying amounts and credit loss allowances per impairment buckets

	Gross carrying amount					Credit loss allowances					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Dec 24											
General governments	61	19	0	0	80	0	0	0	0	0	80
Credit institutions	60	2	0	0	62	0	0	0	0	0	62
Other financial corporations	105	18	0	0	123	0	0	0	0	-1	122
Non-financial corporations	1,504	803	19	1	2,327	-9	-3	-12	-1	-25	2,302
Households	81	34	15	0	129	0	-5	-13	0	-18	111
Total	**1,811**	**876**	**34**	**1**	**2,722**	**-10**	**-8**	**-26**	**-1**	**-44**	**2,677**
Dec 23											
General governments	48	18	0	0	66	0	0	0	0	0	66
Credit institutions	35	4	0	0	39	0	0	0	0	0	39
Other financial corporations	66	20	0	0	87	0	0	0	0	0	86
Non-financial corporations	1,504	781	41	1	2,326	-9	-5	-29	-1	-44	2,283
Households	91	20	13	0	125	-2	-5	-12	0	-19	106
Total	**1,743**	**843**	**55**	**1**	**2,642**	**-11**	**-10**	**-41**	**-1**	**-63**	**2,579**

For information about development of credit loss allowances refer to Note 39 Development of credit loss allowances.

18. Financial liabilities at amortised costs

The line item 'Financial liabilities at amortised cost' is further broken down into 'Deposits from banks', 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'.

Interest expenses incurred are calculated using effective interest method are reported in the line item 'Interest expenses' under 'Net interest income' in the statement of income. Gains and losses from derecognition (mainly repurchase) are reported under the line item 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

Financial liabilities stemming from the TLTRO programme of the ECB are presented under 'Deposits from banks'. All remaining tranches of the programme matured in 2024. As a result, the carrying amount of the TLTRO III liabilities was EUR 0 million at the end of 2024 (2023: EUR 6,408 million).

Deposits from banks

in EUR million	Dec 23	Dec 24
Deposits repayable on demand	1,969	2,853
Term deposits	16,934	10,720
Repurchase agreements	4,007	7,688
Deposits from banks	**22,911**	**21,261**

Deposits from customers

in EUR million	Dec 23	Dec 24
Deposits repayable on demand	**161,382**	**170,533**
Savings deposits	51,650	56,356
Other financial corporations	270	196
Non-financial corporations	3,268	3,689
Households	48,112	52,472
Non-savings deposits	109,732	114,177
General governments	7,532	9,234
Other financial corporations	5,421	5,307
Non-financial corporations	32,531	32,386
Households	64,248	67,250
Term deposits	**67,496**	**67,341**
Deposits with agreed maturity	65,384	66,073
Savings deposits	29,643	27,018
Other financial corporations	783	120
Non-financial corporations	2,997	1,277
Households	25,864	25,622
Non-savings deposits	35,741	39,055
General governments	4,225	3,955
Other financial corporations	11,480	8,507
Non-financial corporations	9,723	11,407
Households	10,313	15,186
Deposits redeemable at notice	2,112	1,268
General governments	1	0
Other financial corporations	132	0
Non-financial corporations	292	1
Households	1,687	1,267
Repurchase agreements	**3,345**	**3,661**
General governments	845	1,418
Other financial corporations	2,484	2,244
Non-financial corporations	16	0
Deposits from customers	**232,223**	**241,535**
General governments	12,603	14,607
Other financial corporations	20,570	16,373
Non-financial corporations	48,826	48,759
Households	150,223	161,797

Debt securities issued

in EUR million	Dec 23	Dec 24
Subordinated debt securities issued	2,549	3,410
Senior non-preferred bonds	4,393	5,066
Other debt securities issued	26,388	33,383
Bonds	10,517	12,300
Certificates of deposit	1,988	5,713
Other certificates of deposits/name certificates	113	94
Mortgage covered bonds	13,769	15,277
Debt securities issued	**33,330**	**41,859**

SUBORDINATED LIABILITIES

Issued subordinated capital and supplementary capital are either reported in the item Financial liabilities at amortised costs or Financial liabilities at fair value through profit or loss. Securitized and non-securitized assets are subordinated if the claims can only be satisfied after the claims of other, non-subordinated creditors in the event of liquidation or bankruptcy. Supplementary capital is defined in accordance with Art. 63 of Regulation (EU) No 575/2013 (CRR). Corresponding instruments have an original maturity of at least five years, are of a subordinated nature and may not, among other things, contain any incentive for early repayment, grant the holder the right to accelerate repayment or include interest or dividend payments that are influenced in their amount by the creditworthiness of the issuer.

Material subordinated liabilities

Issuer	ISIN	Nominal value	Currency	Initial fixed rate	Reset rate after the first call date	Due	Call Redemption Date
ERSTE GROUP BANK AG	AT0000A2J645	500 million	EUR	1.625%	5Y swap +2.100%	08.09.2031	01.04.2026
ERSTE GROUP BANK AG	AT0000A2YA29	500 million	EUR	4.000%	5Y swap +2.550%	07.06.2033	25.01.2028
ERSTE GROUP BANK AG	XS2083210729	500 million	EUR	1.000%	5Y swap +1.300%	10.06.2030	18.03.2025
ERSTE GROUP BANK AG	AT0000A3FY07	750 million	EUR	4.000%	5Y swap +1.200%	15.01.2035	04.12.2029

In the reporting period, expenses for subordinated liabilities of all measurement categories amounted to EUR 170 million (2023: EUR 158 million).

Financial assets at fair value through other comprehensive income

19. Financial assets at fair value through other comprehensive income – debt instruments

Debt instrument financial assets are measured at fair value through other comprehensive income (FVOCI) if their contractual cash flows are SPPI-compliant and they are held within a business model whose objective is achieved by both to collect contractual cash flows and sell the assets. On the balance sheet, they are included as 'Debt securities' under the line 'Financial asset at fair value through other comprehensive income'.

Interest income on these assets is calculated using the effective interest method and is included in the line 'Interest income' under 'Net interest income' in the statement of income. Impairment gains and losses are recognised in profit or loss in the line 'Impairment result from financial instruments' with opposite loss allowance entry in OCI rather than against the asset value. As a result, the measurement impact recognised in profit or loss is the same as for financial assets measured at amortised cost.

The difference between the fair value at which the assets are carried in the balance sheet and the amortised cost component is recognised as accumulated OCI in equity specifically under 'Fair value reserve' in the statement of changes in equity. The change for the period is reported as OCI in the statement of comprehensive income in the line 'Fair value reserve of debt instruments' which also includes the loss allowance OCI entry. When the financial asset is derecognised, the amount previously accumulated in OCI is reclassified to profit or loss and reported under the line 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss'.

Erste Group classifies investments in debt securities as measured at FVOCI, i.e. no loan business is included in this measurement category. Similarly to investments in debt securities measured at amortised cost, they relate to various business objectives such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the board of directors, initiation and fostering of client relationships, substitution of loan business or other yield-enhancement activities. The common attribute for investments in debt instruments at FVOCI is that an active yield optimisation via sales is integral to achieving the objectives. The sales are carried out in order to optimise the liquidity position or to realise fair value gains or losses. As a result, the business objectives are achieved through both collecting contractual cash flows and sales of the securities.

Gross carrying amounts and credit loss allowances per impairment buckets

	Gross carrying amount				Credit loss allowances						
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Amortised cost	Accumulated OCI changes	Fair value
Dec 24											
General governments	6,951	0	0	6,951	-2	0	0	-2	6,949	-6	6,943
Credit institutions	1,449	0	0	1,449	-1	0	0	-1	1,448	17	1,465
Other financial corporations	133	40	0	174	0	-1	0	-1	173	-1	172
Non-financial corporations	658	162	4	824	0	-8	0	-9	815	-7	809
Total	**9,191**	**202**	**5**	**9,398**	**-3**	**-9**	**0**	**-13**	**9,385**	**3**	**9,388**
Dec 23											
General governments	6,259	14	0	6,273	-2	0	0	-2	6,271	-31	6,240
Credit institutions	1,465	5	0	1,470	-2	0	0	-2	1,469	11	1,479
Other financial corporations	226	4	1	231	0	0	-1	-1	230	-5	225
Non-financial corporations	626	248	2	877	0	-9	0	-9	867	-18	850
Total	**8,577**	**271**	**3**	**8,851**	**-5**	**-9**	**-1**	**-14**	**8,837**	**-43**	**8,794**

For information about the development of credit loss allowances refer to Note 39 Development of credit loss allowances.

20. Financial assets at fair value through other comprehensive income – equity instruments

For certain investments in equity instruments that are not held for trading, Erste Group makes use of the option to measure them at FVOCI. This election is applied to strategic, significant banking business relationship investments (except for insurance business). The fair value gains or losses for the period are reported as OCI in the line 'Fair value reserve of equity instruments' of the statement of comprehensive income. The cumulative gains or losses are included under 'Fair value reserve' in the statement of changes in equity. The amount recognised in OCI is never reclassified to profit or loss. However, upon derecognition of the investments in equity instruments at FVOCI the amount accumulated in OCI is transferred to retained earnings. Dividends received on these investments are reported under the line 'Dividend income' of the statement of income. On the balance sheet, financial assets measured at fair value through OCI are included as 'Equity instruments' under the line 'Financial asset at fair value through other comprehensive income'.

The carrying amount of Erste Group's equity instruments at FVOCI as at 31 December 2024 amounts to EUR 109 million (2023: EUR 110 million), the cumulative fair value change for equity instruments FVOCI before taxes recognised in other comprehensive income amounted to EUR 69 million (2023: EUR 66 million). During the year 2023 and 2024, no equity instruments FVOCI were sold due to strategic business decisions. The cumulative loss (net of tax) that was transferred from accumulated other comprehensive income into retained earnings amounted to EUR 3 million (2023: EUR 0 million).

Financial instruments at fair value through profit or loss

There are various reasons for assigning the fair value through profit or loss (FVPL) measurement category to debt instrument financial assets.

FVPL measurement relates to that are part of residual business models, i.e. they are neither held to collect contractual cash flows nor held to either collect contractual cash flows or sell the assets. These financial assets are generally expected to be sold before their maturity or they are managed and their performance is evaluated on a fair value basis. In the business of Erste Group, such business models are typical of assets that are held for trading (i.e. financial assets held by the trading function of the bank), of assets whose value is expected to be primarily realised through sales, such as loan syndications when the loan is offered for sale on the market. Further subject to FVPL measurement are financial assets held by funds consolidated by Erste Group since they are managed and their performance is evaluated on a fair value basis.

Another reason for the FVPL measurement are financial assets whose contractual cash flows are not considered as SPPI. At Erste Group, this concerns certain debt securities and loans to customers.

Erste Group also makes use of the option to designate some financial assets as measured at FVPL at initial recognition. Such a classification is used if it eliminates or significantly reduces an accounting mismatch between fixed interest rate financial assets, which in the absence of such a classification would be measured at amortised cost or at FVOCI, and related derivatives measured at FVPL.

On the balance sheet, debt instrument financial assets measured at FVPL are presented as 'Financial assets held for trading', sub-item 'Other financial assets held for trading' and 'Non-trading financial assets at fair value through profit or loss', sub-items 'Debt securities' and 'Loans and advances to customers'. Non-trading financial assets at FVPL consist of two sub-categories disclosed in Note 23 Non-trading financial assets at fair value through profit or loss which are 'mandatorily at fair value through profit or loss' and 'designated at fair value through profit or loss'. Financial assets are mandatorily measured at fair value through profit or loss either because they are held as part of residual business models that are other than held for trading or their contractual cash flows are not SPPI.

Investments in equity instruments that are held for trading (i.e. financial assets held by the trading function of the bank) are measured at FVPL. They are included in the balance sheet under the line 'Financial assets held for trading', sub-item 'Other financial assets held for trading'. Investments in equity instruments that are not held for trading are also measured at FVPL (unless they are designated at FVOCI). They are presented in the balance sheet under 'Non-trading financial assets at fair value through profit or loss', sub-item 'Equity instruments', sub-category 'mandatorily at fair value through profit or loss' in Note 23 Non-trading financial assets at fair value through profit or loss.

From IFRS 9 perspective all derivatives which are not designated as hedging instruments are considered as held for trading. As a result, they are measured at FVPL. They are described in more detail in Note 21 Derivative financial instruments.

In the statement of income, the profit or loss effects of non-derivative financial assets measured at FVPL are split into interest income or dividend income and fair value gains and losses. The interest income on debt instruments is presented in the line 'Other similar income' under 'Net interest income' and is calculated by applying the EIR to the amortised cost component of the financial assets. The dividend income on equity instruments is presented in the line 'Dividend income'. The fair value gains or losses are calculated net of the interest or dividend income, and they also include transaction costs and origination fees. They are reported in the line 'Net trading result' for financial assets held for trading and in the line 'Gains/losses from financial instruments measured at fair value through profit or loss' in case of non-trading financial assets at FVPL. For investments in funds, which are not consolidated by Erste Group, the interest or dividend component is not separated from the fair value gains or losses.

Financial liabilities at FVPL consist of financial liabilities held for trading and financial liabilities designated at FVPL.

On the balance sheet, financial liabilities at FVPL are presented as 'Financial liabilities held for trading', sub-items 'Derivatives' and 'Other financial liabilities held for trading' and as 'Financial liabilities at fair value through profit or loss' which are further broken down into 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'. Accounting policy related to financial liabilities at FVPL can be found in Note 21 Derivative financial instrument, Note 24 Other financial liabilities held for trading and Note 25 Financial liabilities at fair value through profit or loss.

21. Derivative financial instruments

Derivative financial instruments are used by Erste Group to manage exposures to interest rates, foreign currencies and other market price risks. Derivatives used by Erste Group include mainly interest rate swaps, futures, forward rate agreements, interest rate options, currency swaps and currency options as well as credit default swaps.

For presentation purposes, derivatives are split into:
— Derivatives – held for trading; and
— Derivatives – hedge accounting.

Hedge accounting derivatives are discussed in Note 27 Hedge accounting.

Derivative financial instruments are carried at fair value (dirty price) on the balance sheet. Derivatives are carried as assets if their fair value is positive and as liabilities if their fair value is negative.

Derivatives – held for trading are those that are not designated as hedging instruments for hedge accounting. They are presented in the line item 'Derivatives' under the heading 'Financial assets/Financial liabilities held for trading'. All kinds of non-hedging derivatives without regard to their internal classification, i.e. both derivatives held in the trading book and banking book, are presented in this line item.

Changes in the fair value (clean price) of derivatives – held for trading are reported in the statement of income in the line item 'Net trading result'. Interest income/expense related to held for trading derivatives is presented in the statement of income in the line item 'Other similar income' or 'Other similar expenses' under 'Net interest income'. Interest income/expense recognition is based on EIR-like accruals in respect of the derivative notional amount and includes amortisation of the inception value of the derivative (e.g. upfront fees, if any).

Embedded derivatives

Erste Group issues certain financial liabilities which contain structured features. Structured features mean that a derivative is embedded in non-derivative host instruments.

Embedded derivatives that are separated are accounted for as stand-alone derivatives and presented on the balance sheet under the line item 'Derivatives' in financial assets held for trading and financial liabilities held for trading. At Erste Group, these relate to bonds and deposits whose payments are linked to equity prices or FX rates.

In the business of Erste Group, the majority of non-closely related embedded derivatives relates to bonds issued for which fair value option has been applied. As a result, these embedded derivatives are part of the measurement of the entire hybrid instrument at FVPL and thus are not separated.

Derivatives held for trading

	Dec 23			Dec 24		
in EUR million	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	**224,717**	**4,699**	**4,737**	**235,383**	**3,892**	**3,704**
Interest rate	165,404	4,017	3,959	180,233	3,303	3,249
Equity	468	7	22	380	5	5
Foreign exchange	58,384	668	744	54,245	579	441
Credit	229	4	11	189	1	6
Commodity	7	0	0	7	0	0
Other	225	3	1	328	5	2
Derivatives held in the banking book	**23,988**	**462**	**568**	**30,760**	**471**	**535**
Interest rate	17,760	346	458	23,102	353	299
Equity	1,257	66	43	965	72	52
Foreign exchange	4,663	49	63	6,476	47	180
Credit	118	1	0	46	0	0
Other	190	0	4	170	0	4
Total gross amounts	**248,706**	**5,161**	**5,305**	**266,143**	**4,363**	**4,239**
Offset		-3,899	-3,691		-3,137	-3,090
Total		**1,262**	**1,614**		**1,226**	**1,149**

Erste Group undertakes a part of interest rate derivative and credit derivative transactions via Clearing Houses. These derivatives and related cash margin balances fulfil the requirements for balance sheet offsetting. For more details on balance sheet offsetting please refer to Note 28 Offsetting of financial instruments.

22. Other financial assets held for trading

in EUR million	Dec 23	Dec 24
Equity instruments	146	141
Debt securities	7,365	10,095
Central banks	3,129	3,539
General governments	2,200	3,941
Credit institutions	1,670	2,135
Other financial corporations	286	324
Non-financial corporations	80	155
Other financial assets held for trading	**7,511**	**10,236**

23. Non-trading financial assets at fair value through profit or loss

	Dec 23		Dec 24	
in EUR million	Designated	Mandatorily	Designated	Mandatorily
Equity instruments	0	415	0	464
Debt securities	178	1,373	44	1,424
General governments	0	308	0	364
Credit institutions	146	125	44	144
Other financial corporations	33	869	0	847
Non-financial corporations	0	71	0	69
Loans and advances to customers	0	1,038	0	1,108
General governments	0	1	0	0
Non-financial corporations	0	27	0	26
Households	0	1,010	0	1,081
Financial assets designated and mandatorily at FVPL	178	2,826	44	2,996
Non-trading financial assets at fair value through profit or loss	**3,004**		**3,040**	

Erste Group has designated debt securities at FVPL. The maximum exposure to credit risk on these securities is its fair value. In 2023 and 2024 there were no material changes in fair value due to changes in credit risk.

24. Other financial liabilities held for trading

Non-derivative held for trading liabilities largely comprise short sales. These arise from obligations to return securities, which are purchased under agreements to resell or are borrowed through securities lending transactions and subsequently sold to third parties. On the balance sheet such liabilities are presented under the line 'Financial liabilities held for trading', sub-item 'Other financial liabilities'. The gains or losses on financial liabilities held for trading are reported in the line 'Net trading result' in the statement of income.

in EUR million	Dec 23	Dec 24
Short positions	637	603
Equity instruments	95	61
Debt securities	542	543
Debt securities issued	53	69
Other financial liabilities held for trading	**690**	**672**

25. Financial liabilities at fair value through profit or loss

Erste Group makes use of the option to designate some financial liabilities as measured at FVPL at initial recognition (referred to as fair value option) if:

— such classification eliminates or significantly reduces an accounting mismatch between fixed interest rate financial liabilities otherwise measured at amortised cost and related derivatives measured at FVPL. Erste Group assesses quantitatively that the designation actually eliminates or significantly reduces the accounting mismatch in respect of fair value changes attributable to interest rate risk; or

— the entire hybrid contract contains a non-closely related embedded derivative.

Financial liabilities designated at FVPL are reported on the balance sheet under the line item 'Financial liabilities at fair value through profit or loss' and are further broken down into 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'. Other financial liabilities relate to fund units issued by funds consolidated by Erste Group. Interest incurred is calculated by applying the EIR to the amortised cost of the financial liability and is reported in the statement of income under in line item 'Other similar expenses' under 'Net interest income'. Gains and losses resulting from changes in fair value are recognised net of the interest expense under the line item 'Gains/losses from financial instruments measured at fair value through profit or loss'.

The amount of the fair value change resulting from the credit risk of the financial liability for the period is presented as OCI in the statement of comprehensive income in the line 'Own credit risk reserve'. The cumulative amount is recognised as accumulated OCI, specifically under 'Own credit risk reserve' in the statement of changes in equity. The amount recognised in OCI is never reclassified to profit or loss. However, upon derecognition (mainly repurchases) of the financial liabilities designated at FVPL the amount accumulated in OCI is transferred to retained earnings.

The cumulative amount of the credit risk recognised as accumulated OCI is calculated as the difference between the present value of the liability determined by using the original credit spread and the fair value of the liability. The amount of fair value change attributable to changes in credit risk of the liability for the period which is recognised in OCI is the difference between the cumulative amount of the credit risk at the end of the period and at the beginning of the period. When calculating the present value of the liability by using the original credit spread, the rate used for discounting is the sum of the observed interest rate (swap yield curve) and the original credit spread. The original credit spread is determined at initial recognition of the liability and it equals the difference between the total yield of the liability and the observed interest rate (swap yield curve) at that time.

Delta between carrying amount and amount repayable for financial liabilities at FVPL

	Carrying amount		Amount repayable		Delta between carrying amount and amount repayable	
in EUR million	Dec 23	Dec 24	Dec 23	Dec 24	Dec 23	Dec 24
Deposits	593	115	583	116	10	0
Debt securities issued	10,429	10,030	10,869	10,248	-440	-218
Other financial liabilities	130	136	130	136	0	0
Financial liabilities at FVPL	**11,152**	**10,281**	**11,583**	**10,500**	**-430**	**-219**

Fair value changes that are attributable to changes in own credit risk

	For reporting period		Cumulative amount	
in EUR million	1-12 23	1-12 24	Dec 23	Dec 24
Deposits	3	3	-1	3
Debt securities issued	48	57	81	136
Financial liabilities at FVPL	**51**	**60**	**80**	**139**

The line 'Other financial liabilities' contains fund units issued by investment funds fully consolidated by Erste Group. Their fair value changes are subject to asset-specific performance risk only and are not dependent on changes in the individual own credit risk of the respective investment funds.

Debt securities issued

in EUR million	Dec 23	Dec 24
Subordinated debt securities issued	2,016	1,985
Other debt securities issued	8,413	8,045
Bonds	6,128	5,557
Other certificates of deposits/name certificates	1,069	1,143
Mortgage covered bonds	1,089	1,269
Public sector covered bonds	126	74
Debt securities issued	**10,429**	**10,030**

In the reporting period, there were no transfers from own credit risk reserve to retained earnings due to the repurchase of debt securities (own issues) issued, whereas a gain of EUR 2 million was reclassified in 2023.

Financial instruments – other disclosure matters

26. Fair value of financial instruments

The measurement of fair value at Erste Group is based primarily on external sources of data (stock market prices or broker quotes in highly liquid market segments). Financial instruments for which the fair value is determined on the basis of quoted market prices are mainly listed securities and listed derivatives as well as liquid OTC bonds.

Where the fair values of financial assets and financial liabilities recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available judgement is required to establish fair values. Using of unobservable inputs is particularly relevant for models used for valuations of loans and unquoted equity investments. Disclosures on valuation models, the fair value hierarchy and fair values of financial instruments can be found subsequently.

For all financial instruments the fair value is measured on recurring basis.

Financial instruments carried at fair value

DESCRIPTION OF VALUATION MODELS AND PARAMETERS

Erste Group uses valuation models that have been tested internally and for which the valuation parameters (such as interest rates, exchange rates, volatilities and credit spreads) have been determined independently.

Loans. Not SPPI compliant loans are to be valued at fair value. The methodology to compute fair value of these loans corresponds to the basic present value technique. The credit risk is recognized by adjusting contractual cash flows to come to expected cash flows accounting for customer's probability of default ('PD') and loss given default ('LGD'). These adjusted cash flows are then discounted by a yield curve which consists of a risk-free rate and a funding spread for senior unsecured issues.

Debt securities. For plain vanilla (fixed and floating rate) debt securities the fair value is calculated by discounting the future cash flows using a discounting curve depending on the interest rate for the respective issuance currency and a spread adjustment. The spread adjustment is usually derived from the credit spread curve of the issuer. If no issuer curve is available the spread is derived from a proxy instrument and adjusted for differences in the risk profile of the instruments. If no close proxy is available, the spread adjustment is estimated using other information, including estimation of the credit spread based on internal ratings and PDs or management judgment. For more complex debt securities (e.g. including option-like features such as callable, cap/floor, index-linked) the fair value is determined using combinations of discounted cash flow models and more sophisticated modeling techniques including methods described for OTC-derivatives.

Equity instruments. For non-trading equity instruments which do not have quoted market prices in an active market the fair value is determined by standard valuation models using also unobservable input parameters. These models include the adjusted net asset value method, the simplified income approach, the dividend discount model and the comparable company multiple method.

The adjusted net asset method requires an investor to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date. The resulting fair values of the recognized and unrecognized assets and liabilities should therefore represent the fair value of the investee's equity.

The dividend discount model assumes that the price of equity instruments issued by an entity equals the present value of all its expected future dividends in perpetuity. Similar to the dividend discount model, the simplified income approach estimates the fair value based on the future income. However, it can be used also when only one year planned income is available. The simplified income approach and the dividend discount model discount future income and dividends using the cost of equity. The cost of equity is dependent on the risk-free rate, the market risk premium, the levered beta and the country risk premium. The levered beta is derived from the industry classification which is published and maintained by Damodaran.

In rare cases, techniques for non-trading equity instruments may also include comparable company multiple methods. These are valuation techniques that use prices and other relevant information generated by market transactions involving comparable company peers of an investee to derive a valuation multiple from which the indicated fair value of the investee's equity or enterprise value can be inferred.

Liabilities. For issued debt securities where the fair value cannot be retrieved from quoted market prices, the fair value is calculated by discounting the future cash flows. Significant input factors for the spread adjustment of Erste Group's own credit risk for the respective seniority class are credit spreads derived from liquid benchmark bonds and additional indications from external investments banks, which are provided on a regular basis. The applied spreads are validated on a regular basis from an independent Risk Management unit. In case of issued securities with structured features, optionality is taken into account as well when calculating the fair value.

OTC-derivative financial instruments. Derivative instruments traded in liquid markets (e.g. interest rate swaps and options, foreign exchange forward and options, options on listed securities and indices, credit default swaps and commodity swaps) are valued by using standard valuation models. These models include discounting cash flow models, option models of the Black-Scholes and Hull-White type as well as hazard rate models. Models are calibrated on quoted market data (including implied volatilities). Valuation models for more complex instruments also use Monte-Carlo simulation. For instruments in less liquid markets, data obtained from less frequent transactions or extrapolation techniques are used. For determining the fair value of collateralised derivatives a discounting interest rate reflecting the interest rate of the corresponding cash collateral is used.

Erste Group values derivatives at mid-market levels. To reflect the potential bid-ask-spread of the relevant positions an adjustment based on market liquidity is performed. The adjustment parameters depend on product type, currency, maturity, liquidity and notional size. Parameters are reviewed on a regular basis or in case of significant market moves.

Credit value adjustments (CVA) for counterparty risk and debit value adjustments (DVA) for own default credit risk are applied to OTC derivatives. For the CVA the adjustment is driven by the expected positive exposure of the derivative and the probability of default of the counterparty. The DVA is driven by the expected negative exposure of the derivative and Erste Group's probability of default. The modeling of the expected exposure is based on option replication strategies or Monte-Carlo simulation techniques.

The accumulated CVA-adjustments amounted to EUR 15 million (2023: EUR 14 million) and the total DVA-adjustment amounted to EUR 9 million (2023: EUR 12 million).

Based on an analysis carried out by Erste Group it was decided that for the valuation of OTC derivatives no Funding Value Adjustment ('FVA') would be considered.

VALIDATION AND CONTROL

The responsibility for valuation of financial instruments measured at fair value is independent of the trading units. In addition, Erste Group has implemented an independent validation function in order to ensure separation between units responsible for model development, fair value measurement and validation. The aim of independent model validation is to evaluate model risks arising from the models' theoretical foundation, the appropriateness of input data (market data) and model calibration.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value are categorized under the three levels of the IFRS fair value hierarchy.

LEVEL 1 OF THE FAIR VALUE HIERARCHY

Level 1 measurements include exchange traded derivatives (options), shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

LEVEL 2 OF THE FAIR VALUE HIERARCHY

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as Level 2. If no market prices are available the fair value is measured by using valuation models which are based on observable market data. For Level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters.

Level 2 measurements include OTC derivatives, theoretically priced exchange traded derivatives, less liquid shares, bonds and funds as well as asset backed securities (ABS), collateralized debt obligations (CDO), own issues and deposits.

LEVEL 3 OF THE FAIR VALUE HIERARCHY

If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as Level 3 of the fair value hierarchy. Typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters. Furthermore, internally calculated cost of equity and adjustments made on the equity (in the adjusted net asset value method) are unobservable parameters for the valuation of non-trading equity instruments.

The volume of Level 3 financial assets can be allocated to the following categories:
- Derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs).
- Illiquid bonds, shares, participations and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.
- Loans which do not comply with the contractual cash flow criteria.
- Own issues if price updates are not provided on a regular basis.

The allocation of the appropriate level of positions is determined at the end of the reporting period.

A reclassification from Level 1 into Level 2 or Level 3 as well as vice versa will be performed if the financial instrument does no longer meet the criteria described above for the respective level.

Classification of financial instruments carried at fair value by levels of the fair value hierarchy

	Dec 23				Dec 24			
in EUR million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets HfT	2,816	5,817	139	8,773	4,414	6,985	63	11,463
Derivatives	1	1,186	75	1,262	1	1,184	41	1,226
Other financial assets HfT	2,816	4,631	64	7,511	4,413	5,802	22	10,236
Non-trading financial assets at FVPL	1,404	156	1,444	3,004	1,348	129	1,563	3,040
Equity instruments	65	17	333	415	63	6	396	464
Debt securities	1,339	139	73	1,551	1,285	123	60	1,468
Loans and advances	0	0	1,038	1,038	0	0	1,108	1,108
Financial assets at FVOCI	7,319	1,194	392	8,905	7,543	1,626	329	9,498
Equity instruments	1	0	109	110	0	0	109	109
Debt securities	7,318	1,193	283	8,794	7,543	1,626	220	9,388
Hedge accounting derivatives	0	183	0	183	0	181	0	181
Total assets	**11,540**	**7,350**	**1,975**	**20,864**	**13,305**	**8,921**	**1,956**	**24,181**
Liabilities								
Financial liabilities HfT	607	1,687	10	2,304	605	1,202	14	1,821
Derivatives	3	1,600	10	1,614	2	1,133	14	1,149
Other financial liabilities HfT	603	86	0	690	603	69	0	672
Financial liabilities at FVPL	0	11,152	0	11,152	136	10,145	0	10,281
Deposits from customers	0	593	0	593	0	115	0	115
Debt securities issued	0	10,429	0	10,429	0	10,030	0	10,030
Other financial liabilities	0	130	0	130	136	0	0	136
Hedge accounting derivatives	0	286	0	286	0	194	0	194
Total liabilities	**607**	**13,125**	**10**	**13,742**	**741**	**11,541**	**14**	**12,296**

Derivatives transacted via Clearing Houses are presented after netting in compliance with their balance sheet treatment. The netted derivatives are allocated to Level 2.

VALUATION PROCESS FOR FINANCIAL INSTRUMENTS CATEGORISED AS LEVEL 3

The valuation of financial instruments categorized as Level 3 involves one or more significant inputs that are not directly observable on the market. Additional price verification steps need to be done. These may include reviewing relevant historical data and benchmarking for similar transactions, among others. This involves estimation and expert judgment. Further details regarding input parameters used and the results of the sensitivity analysis are disclosed in the sub-chapter Unobservable inputs and sensitivity analysis for Level 3 measurements below.

CHANGES IN VOLUMES OF LEVEL 1 AND LEVEL 2

Reclassification between Level 1 and Level 2 based on balance sheet positions and instruments

in EUR million	Dec 23		Dec 24	
	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
Financial assets HfT	**28**	**42**	**144**	**11**
Bonds	28	41	144	10
Shares	0	1	0	0
Non-trading financial assets at FVPL	**3**	**16**	**2**	**4**
Bonds	3	16	2	3
Shares	0	0	0	1
Financial assets at FVOCI	**18**	**268**	**258**	**25**
Bonds	18	268	258	25
Total	**49**	**326**	**404**	**40**

Transfers into and out of Level 1 and Level 2 are caused by changes in market activities and consequently due to the quality and observability of valuation parameters.

MOVEMENTS IN LEVEL 3

Development of fair value of financial instruments in Level 3

in EUR million		Gains/losses profit or loss	Gains/losses OCI	Purchases	Sales	Settle-ments	Addition to group	Disposal out of group	Transfer into Level 3	Transfer out of Level 3	Currency translation	
	Jan 24											Dec 24
Assets												
Financial assets HfT	139	13	0	40	-34	0	0	0	19	-114	0	63
Derivatives	75	11	0	0	0	0	0	0	1	-46	0	41
Other financial assets HfT	64	2	0	40	-34	0	0	0	18	-68	0	22
Non-trading financial assets at FVPL	1,444	60	0	254	-15	-69	0	0	2	-33	-80	1,563
Equity instruments	333	34	0	57	-2	0	0	0	0	-25	-2	395
Debt securities	73	10	0	3	-13	-3	0	0	2	-8	-2	61
Loans and advances	1,038	16	0	195	0	-65	0	0	0	0	-76	1,108
Financial assets at FVOCI	392	-1	1	7	0	-15	0	-1	191	-242	-2	329
Equity instruments	109	0	7	0	0	-13	0	4	1	0	0	109
Debt securities	283	-1	-7	7	0	-3	0	-5	190	-242	-2	220
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	**1,975**	**71**	**1**	**301**	**-49**	**-84**	**0**	**-1**	**212**	**-389**	**-81**	**1,956**
Liabilities												
Financial liabilities HfT	10	14	0	0	0	0	0	0	0	-10	0	14
Derivatives	10	14	0	0	0	0	0	0	0	-10	0	14
Other trading financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Financial liabilities at FVPL	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	**10**	**14**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-10**	**0**	**14**
	Jan 23											Dec 23
Assets												
Financial assets HfT	313	26	0	47	-3	-228	0	0	37	-52	0	139
Derivatives	32	22	0	0	0	0	0	0	36	-15	0	75
Other financial assets HfT	281	4	0	47	-3	-228	0	0	1	-36	0	64
Non-trading financial assets at FVPL	1,198	102	0	248	-14	-116	0	0	3	-11	33	1,444
Equity instruments	277	-10	0	77	-9	-1	0	0	1	0	-2	333
Debt securities	82	-5	0	8	-4	0	0	0	1	-9	-1	73
Loans and advances	839	117	0	162	-1	-115	0	0	1	-2	36	1,038
Financial assets at FVOCI	398	0	14	53	0	-43	0	0	89	-118	-2	392
Equity instruments	98	0	10	1	0	0	0	0	0	0	0	109
Debt securities	300	0	4	52	0	-43	0	0	89	-118	-2	283
Hedge accounting derivatives	3	0	0	0	0	0	0	0	0	-3	0	0
Total assets	**1,912**	**129**	**14**	**348**	**-18**	**-387**	**0**	**0**	**128**	**-184**	**31**	**1,975**
Liabilities												
Financial liabilities HfT	12	-3	0	0	0	0	0	0	10	-9	0	10
Derivatives	11	-3	0	0	0	0	0	0	10	-8	0	10
Other trading financial liabilities	1	0	0	0	0	0	0	0	0	-1	0	0
Financial liabilities at FVPL	151	7	0	33	-51	-2	0	-9	0	-130	0	0
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	151	7	0	33	-51	-2	0	-9	0	-130	0	0
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	**163**	**5**	**0**	**33**	**-51**	**-2**	**0**	**-9**	**10**	**-139**	**0**	**10**

Transfers into and out of Level 3 mainly result from changes in valuation models with observable or non-observable parameters and when the non-observable parameters become significant or insignificant.

Gains/losses in profit or loss on Level 3 instruments held at the end of the reporting period

in EUR million	1-12 23	1-12 24
Assets		
Financial assets HfT	35	8
Derivatives	31	11
Other financial assets HfT	4	-2
Non-trading financial assets at FVPL	99	62
Equity instruments	-10	37
Debt securities	-5	10
Loans and advances	114	15
Total	**134**	**70**
Liabilities		
Financial liabilities HfT	9	-14
Derivatives	9	-14
Total	**9**	**-14**

UNOBSERVABLE INPUTS AND SENSITIVITY ANALYSIS FOR LEVEL 3 MEASUREMENTS

In case the fair value measurement of a financial asset is retrieved from input parameters which are not observable in the market, those parameters can be retrieved from a range of alternative parameters. For the preparation of the balance sheet the parameters were chosen to reflect the market situation at the reporting date.

Range of unobservable valuation parameters used in Level 3 measurement

Financial assets / liabilities	Type of instrument	Valuation technique	Fair value in EUR million Dec 23	Fair value in EUR million Dec 24	Significant unobservable inputs	Range of unobservable inputs (weighted average) Dec 23	Range of unobservable inputs (weighted average) Dec 24
Positive / negative fair value of derivatives	Forwards, swaps, options	DCF and option models with CVA adjustment based on potential future exposure	88	29	PD	1.17%-14.87% (2.36%)	0.98%-11.21% (1.81%)
					LGD	60%	60%
Financial assets at FVPL	Fixed and variable coupon bonds	DCF	31	24	Credit Spread	-0.78%-2.50% (-0.26%)	-0.79%-9.54% (1.13%)
	Loans	DCF	1,038	1,108	PD	1.51%-2.59% (2.00%)	0.04%-6.29% (0.19%)
					LGD	3.50%-15.86% (7.58%)	0.06%-40.97% (23.23%)
Financial assets at FVOCI	Fixed and variable coupon bonds	DCF	212	202	Credit Spread	-0.35%-5.21% (1.35%)	0.42%-6.05% (1.69%)
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Dividend Discount Model; Simplified Income Approach	209	240	Beta levered	Industries: 0.71-1.15 (0.97)	Industries: 0.57-1.15 (0.97)
					Country risk premium	0.43%-2.69% (0.58%)	0.38%-2.68% (0.56%)
		Adjusted Net Asset Value	144	132	Adjusted Equity	Depending on accounting equity of investment	Depending on accounting equity of investment

The range of unobservable credit spreads for fixed and variable coupon bonds contains premiums and discounts related to riskless as well as risky, market observable (e.g. industry- and rating-specific spread curves) parameters.

For financial assets at FVOCI/at FVPL, where Beta levered and Country risk premium inputs are being used, the resulting cost of equity based on these inputs is in the range 5.91%-13.40% (2023: 5.92%-13.75%). The majority of financial assets at FVOCI/at FVPL, where Beta levered inputs are being used, is related to Financial Services (Non-bank & Insurance) with 1.00 (2023: Financial Services (Non-bank & Insurance) with 0.99). The majority of financial assets at FVOCI/at FVPL, where Country risk premium inputs are being used, is related to Austria with 0.40% (2023: Austria with 0.43%).

In addition to the information above, equity instruments with a fair value in amount of EUR 51 million (2023: EUR 37 million) are assessed on the basis of expert opinions.

Furthermore, for equity instruments other than participations classified as Level 3, the amount of EUR 23 million (2023: EUR 38 million) is presented in the statement of financial position using the criteria of availability and quality of broker quotes.

Sensitivity analysis using reasonably possible alternatives per product type

	Dec 23		Dec 24	
	Fair value changes		Fair value changes	
in EUR million	Positive	Negative	Positive	Negative
Derivatives	2	-2	2	-3
Income statement	2	-2	2	-3
Debt securities	15	-20	8	-10
Income statement	7	-9	2	-3
Other comprehensive income	8	-11	6	-7
Equity instruments	72	-49	77	-55
Income statement	48	-34	56	-41
Other comprehensive income	24	-15	21	-14
Loans and advances	19	-60	19	-70
Income statement	19	-60	19	-70
Total	**108**	**-131**	**106**	**-138**
Income statement	**76**	**-105**	**79**	**-117**
Other comprehensive income	**32**	**-26**	**27**	**-21**

In estimating these impacts, mainly changes in credit spreads (for bonds), PDs, LGDs (for CVA of derivatives) and market values of comparable equities were considered. An increase (decrease) of spreads, PDs and LGDs result in a decrease (increase) of the corresponding fair values. Positive correlation effects between PDs and LGDs were not taken into account in the sensitivity analysis. For non-trading equity instruments increases (decreases) in any of the inputs used for the cost of equity calculation in isolation would result in a lower (higher) fair value.

The following ranges of reasonably possible alternatives of the unobservable inputs were considered in the sensitivity analysis table:
- for debt securities range of credit spreads between +100 basis points and -75 basis points
- for equity related instruments the price range between -10% and +5%
- for unquoted equity instruments measured by the adjusted net asset value the price range between -10% and +10%
- for unquoted equity instruments measured by dividend discount model/simplified income approach the cost of equity range between -2% and +2%
- for CVA on derivatives PDs rating upgrade/downgrade by one notch, as well as the change of LGD by -5% and +10%
- for loans, the PDs rating upgrade/downgrade by 1%, the change of LGD by -5% and +10% and a range of credit spreads between +100 basis points and 75 basis points.

Financial instruments not carried at fair value with fair value disclosed in the notes

in EUR million	Carrying amount	Fair value	Level 1	Level 2	Level 3
Dec 24					
Assets					
Financial assets at AC	288,894	283,770	47,098	3,635	233,038
Loans and advances to banks	26,972	26,990	0	0	26,990
Loans and advances to customers	209,034	205,972	0	0	205,972
Debt securities	52,889	50,808	47,098	3,635	76
Finance lease receivables	5,248	5,223	0	0	5,223
Trade and other receivables	2,677	2,676	0	0	2,676
Liabilities					
Financial liabilities at AC	305,332	304,790	21,910	16,561	266,319
Deposits from banks	21,261	21,001	0	0	21,001
Deposits from customers	241,535	241,308	0	0	241,308
Debt securities issued	41,859	41,804	21,910	16,561	3,333
Other financial liabilities	676	676	0	0	676
Financial guarantees and commitments					
Financial guarantees	n/a	32	0	0	32
Loan commitments	n/a	1,230	0	0	1,230
Dec 23					
Assets					
Financial assets at AC	264,721	256,767	37,583	3,572	215,612
Loans and advances to banks	21,432	21,395	0	0	21,395
Loans and advances to customers	199,241	193,867	0	0	193,867
Debt securities	44,047	41,506	37,583	3,572	351
Finance lease receivables	4,970	4,956	0	0	4,956
Trade and other receivables	2,579	2,642	0	0	2,642
Liabilities					
Financial liabilities at AC	289,842	288,542	19,042	12,837	256,664
Deposits from banks	22,911	22,581	0	0	22,581
Deposits from customers	232,223	231,584	0	0	231,584
Debt securities issued	33,330	32,999	19,042	12,837	1,121
Other financial liabilities	1,378	1,378	0	0	1,378
Financial guarantees and commitments					
Financial guarantees	n/a	17	0	0	17
Loan commitments	n/a	481	0	0	481

In the table above, positive fair values of financial guarantees and commitments are shown with a positive sign whereas negative fair values are shown with a negative sign.

The fair value of loans and advances to customers and credit institutions has been calculated by discounting future cash flows while taking into consideration interest and credit spread effects. The interest rate impact is based on the movements of market rates, while credit spread changes are derived from PDs and LGDs used for internal risk calculations. Loans and advances were grouped into homogeneous portfolios based on rating method, rating grade, maturity and the country where they were granted. The fair values of debt securities at amortised cost are either taken directly from the market or they are determined by directly observable input parameters (i.e. yield curves).

The fair value of deposits and other liabilities, measured at amortised cost, is estimated by taking into account the current interest rate environment, as well as the own credit spreads. For liabilities without contractual maturities (e.g. demand deposits), the carrying amount represents the minimum of their fair value.

The fair value of issued securities and subordinated liabilities measured at amortized cost is determined based on the same valuation models as described for Liabilities above in the section Financial instruments carried at fair value.

Regarding off-balance sheet liabilities (i.e. financial guarantees and unused loan commitments) the fair value of unused loan commitments is estimated using regulatory credit conversion factors. The resulting loan equivalents are treated like other on-balance sheet assets. The difference between the calculated total fair value and the notional amount of the hypothetical loan equivalents represents the fair value of the unused loan commitments. In case of the total fair value being higher than the notional amount of the hypothetical loan equivalents the unused loan commitments have a positive fair value. The fair value of financial guarantees is estimated in analogy to credit default swaps. The fair value of the guarantee is the sum of the present value of the protection leg and the present value of the premium leg. The value of the protection leg is estimated using the PDs and LGDs of the respective customers, whereas the value of the premium leg is estimated by the present value of the future fee payments to be received. If the protection leg is higher than the premium leg, financial guarantees have a negative fair value.

Trading book disclosure according to §64 section 15 BWG

Erste Group maintained a trading book in accordance with CRR Art. 94 (3) b and c including a market value of EUR 16,937 million as of 31 December 2024 (2023: EUR 27,976 million).

27. Hedge Accounting

Erste Group makes use of derivative instruments to hedge exposures to interest rate risk and foreign currency risk. As permitted by the transitional provisions of IFRS 9, Erste Group has elected to continue to apply the hedge accounting requirements of IAS 39.

On the balance sheet, derivatives designated as hedging instruments are carried at fair value (dirty price). They are presented in the line item 'Hedge accounting derivatives' on the asset or liability side depending on whether their fair value is positive or negative.

i. Fair Value Hedge

For qualifying and designated fair value hedges, the change in the fair value (clean price) of a hedging instrument is recognised in the statement of income under the line item 'Net trading result'. Interest income and expenses on hedging derivatives are reported in the line item 'Other similar income' or 'Other similar expenses' under 'Net interest income'. The change in the fair value of the hedged item attributable to the hedged risk is also recognised in the statement of income under the line item 'Net trading result' and adjusts the carrying amount of the hedged item.

Erste Group also applies portfolio fair value hedges of interest rate risk as regulated by IAS 39.AG114-AG132. For this purpose, Erste Group makes use of the relaxation provided by the EU-carve out for so called 'bottom layer' hedges. More details are discussed in part 'Hedges of interest rate risk' below. The change in the fair value of the hedged items attributable to the hedged interest risk in portfolio fair value hedges is presented on the balance sheet under the line item 'Fair value changes of hedged items in portfolio hedge of interest rate risk'.

For terminated hedges the fair value adjustment of the hedged item is amortised until maturity of the financial instrument. In the statement of income the amortisation is presented under 'Net interest income' in the line item 'Interest income' if the hedged item was a financial asset or in the line item 'Interest expenses' if the hedged item was a financial liability. For portfolio fair value hedges of interest rate risk the fair value adjustment related to the terminated hedge is amortised to the statement of income on a straight-line basis in the line item 'Other similar income' under 'Net interest income'.

ii. Cashflow Hedge

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised as OCI in the line 'Cash flow hedge reserve' of the statement of comprehensive income. The accumulated other comprehensive income is presented under 'Cash flow hedge reserve' in the statement of changes in equity. The ineffective portion of the gain or loss on the hedging instrument is recognised in the statement of income under the line item 'Net trading result'. For determination of the effective and ineffective portions, the derivative is considered at its clean price, i.e. excluding the interest component. When the hedged cash flow affects the statement of income, the gain or loss on the hedging instrument is reclassified from other comprehensive income on the corresponding income or expense line item in the statement of income (mainly 'Other similar income' or 'Other similar expenses' under 'Net interest income'). As far as accounting for hedged items in cash flow hedges is concerned, there is no change compared to the situation when no hedging is applied.

For terminated hedges the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income remains in 'Cash flow hedge reserve' until the transaction occurs.

iii. Net Investment Hedge

For designated and qualifying net investment hedges, the effective portion of the gain or loss on the hedging instrument is recognised as OCI in the line 'Currency reserve' of the statement of comprehensive income. The accumulated other comprehensive income is presented under 'Currency reserve' in the statement of changes in equity.

For terminated hedges the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income remains in 'Currency reserve' until the hedged net investment is disposed of.

If the spot FX rate is designated as the hedged risk, the undesignated part of the hedging instrument is treated as a derivative – held for trading and recognised in the statement of income under the line item 'Net trading result'. However, accruals of forward points on FX swaps are presented in the line item 'Other similar income' or 'Other similar expenses' under 'Net interest income'.

HEDGES OF INTEREST RATE RISK

As an inherent part of its business Erste Group is exposed to interest rate risk arising from the interest characteristics and behavior of assets, liabilities and off-balance sheet items. This relates to the existing balance sheet items as well as to expected development of the balance sheet and banking activities. Interest rate risk can generally be defined as a potential deterioration of a bank's financial condition in reaction to adverse movements in market interest rates.

Hedge accounting activities relate to interest risk bearing exposures in the banking book. The interest rate risk of the banking book is managed by Group Asset Liability Management (ALM). Interest rate risk management actions of ALM are approved as part of the ALM strategy by Group Asset Liability Committee (ALCO). For hedging relationships qualifying for hedge accounting hedge effectiveness is measured by risk management unit which is independent from ALM as the risk taker.

The objective of the interest rate risk management in the banking book is to optimise the risk and return of interest rate risk exposures. For this purpose and for compliance with external and internal regulations and limitations Erste Group manages the interest rate risk from the earnings and economic value perspectives. The focal point of the interest rate risk analysis from the earnings perspective is the variation in earnings, i.e. the net interest income. The changes in interest rates have an impact on the bank's earnings via its distinct impact on interest income and interest expenses accrued on assets and liabilities, respectively. The economic value perspective views the interest rate risk as changes in the economic value of equity. It can be identified as the present value of cash-flows arising from asset, liability and off-balance-sheet items. Change in interest rates alters both the size of future cash-flows and the value of discount rates applied in the calculation.

Existing balance sheet items and contributions of planned or forecast transactions are analysed through the earnings and economic value-based metrics. Erste Group keeps the risk within predefined limits. When actively managing interest rate risk ALM gives preference to entering into bonds and derivatives. In general, the policy of Erste Group is to swap all substantial fixed or structured issued bonds to floating items. In addition of managing the interest rate risk using derivative transactions and investments in bonds, also the intended non-hedging of benchmark issues with derivatives is used for managing the interest rate risk.

Interest rate swaps are the most common derivatives used to manage interest rate. If fixed rate repricing profiles of assets or liabilities do not fit to the interest rate risk management strategy they are swapped into variable rate items (usually 3-month money market rate such as EURIBOR). In other cases, variable rate repricing profiles of assets or liabilities may need to be swapped into fixed rate items.

Erste Group employs hedge accounting to address accounting mismatches resulting from different measurement requirements for derivatives which are measured at fair value through profit or loss and financial assets and liabilities in the banking book measured at amortised cost or at fair value through other comprehensive income. Some of the accounting mismatches are addressed by designating financial assets or financial liabilities as measured at FVPL (fair value option) without the need to use hedge accounting.

Fair value hedges address the risk management activities of swapping fixed rate assets or liabilities into variable rate. On the other hand, cash flow hedges are used when floating rates assets or liabilities are swapped into fixed ones (please refer also to the discussion of proxy hedges below).

For hedges of interest rate risk of portfolios of prepayable fixed rate loans Erste Group applies requirements for portfolio fair value hedges of interest rate risk as regulated by IAS 39.AG114-AG132. For this purpose, Erste Group makes use of the relaxation provided by the EU-carve out and hedges the interest rate risk in respect of so called 'bottom layer' amount. The bottom layer amount is expected not to be affected by prepayments of loans (including a margin of conservatism). Thus, it represents a stable fixed interest rate exposure which is hedged by using interest rate swaps. With this approach, any prepayments, other derecognitions and impairments are attributed to the un-hedged buffer amount above the designated bottom layer. Thus, they do not affect the hedge effectiveness unless their amount hits the designated hedged bottom layer level.

Fair value hedges are designated in respect of the interest rate risk component of the fair value changes of the hedged fixed rate items. The hedged interest rate risk portion in fair value hedges relates to the observed interest rate (swap yield curve) component. I.e. the fair value volatility resulting from changes in the spread of the hedged fixed rate instrument over the swap yield curve is excluded from hedge accounting and is not accounted for.

Similarly, in cash flow hedges the hedged risk is designated in respect of the variable cash flows portion equal to the interest index of the swap (such as EURIBOR). The credit spreads over the swap index are excluded from hedge accounting.

The hedging interest derivatives are economically related to the hedged interest rate risk component of the hedged item. The non-interest components (such as credit spreads) of the hedged items are outside the hedging relationship. As a result, comparable valuation inputs are applied on both sides of the hedging relationship. Thus offsetting effects are recognised to the extent the economic relationship exists without giving rise to artificial volatility in profit or loss. The hedged interest risk component is the most significant factor affecting fair value changes of the hedged item.

For cash flow hedges of deposits with central banks (disclosed under the line 'Interbank loans/repos' below) no forward-looking curve over the hedging period exists for the hedged interest rates (such as DFR of the ECB or two-week repo rate of the CNB). In such cases the hedged risk is replicated by another rate for which the forward-looking curve exists (such as €STR swap curve or 1M PRIBOR swap curve). A proof of a strong correlation between the rates is necessary.

The designated hedging relationships normally correspond to the economic hedges set up by ALM when managing the interest rate risk. However, in some cases, the hedging derivatives may not be directly related to specific assets or liabilities but they manage the overall interest risk position. Also, the derivatives may relate to instruments which do not qualify as hedged items under the IFRS hedge accounting requirements. In order to account for risk mitigating effects of such derivatives Erste Group searches for suitable hedged items providing the best fit to the terms of the derivative and designates an effective hedging relationship (so called proxy hedges). Typically cash flow hedges of variable rate assets are designated on such a basis whereby the actual economically hedged risk may result from modelled fixed rate profile of demand deposit liabilities.
The hedge ratio is chosen in compliance with the rules defined in IAS 39. The volume of the hedging instrument which is designated for the hedge relation can never be greater than the volume of the hedged item. If the notional of a hedging derivative is greater than the notional of the hedged item the respective proportion of the derivative is designated as hedging instrument. Further, the tenor of the hedging instrument is never longer than the tenor of the hedged item.

Sources of hedge ineffectiveness can result from:
— designation of hedging instruments and hedged items during their life rather than from their inception
— different discounting curves applied for hedged item and hedging instrument
— different interest tenors of hedging swaps and hedged variable rate items in cash flow hedges
— volatility of present value of floating leg of hedging swaps in fair value hedges
— different trade dates for the hedging instrument and the hedged item
— real prepayments of a loan portfolio deviating from expected prepayments
— credit risk adjustments (CVA, DVA) on the hedging derivatives

Notional amounts of hedged items – hedges of interest rate risk

		Notional amount	
in EUR million	Type of hedged items	Dec 23	Dec 24
Fair value hedges			
Assets	Portfolios of client loans	234	1,198
Assets	Single loans	270	268
Assets	Bonds at FVOCI	981	838
Assets	Bonds at AC	2,594	5,872
Liabilities	Issued bonds	19,702	22,804
Liabilities	Other liabilities/repos	50	50
Cash flow hedges			
Assets	Interbank loans/repos	1,463	564
Assets	Client loans	1,395	1,608

Portfolio hedges of defined bottom layer amounts (bottom layer hedges) are disclosed in the table with the nominal hedged bottom layer amounts. Client loans hedged in portfolio hedges are disclosed in the balance sheet line item 'Financial assets measured at amortised cost', with a carrying amount of EUR 6,860 million (2023: EUR 577 million).

HEDGES OF FOREIGN EXCHANGE RISK

The objective of foreign exchange risk management in the banking book is to avoid profit or loss impacts of unfavorable market movements of foreign exchange rates. Only a minor part of foreign exchange risk management activities requires using of hedge accounting.

Currently bonds and loans with notional amount of EUR 1,637 million (2023: EUR 1,761 million) are hedged in cash flow hedges by using cross currency swaps as hedging instruments. FX swaps with notional amount of EUR 180 million (2023: EUR 206 million) are used as hedging instrument in hedges of interest accruals on financial assets in foreign currency. Sources of hedge ineffectiveness can result from the hedged cash flows falling under the hedged volume and from credit risk adjustments (CVA, DVA) on the hedging derivatives.

Furthermore, Erste Group mitigates structural FX risk of its subsidiaries with non-EUR functional currency (currently CZK and HUF). The basis for managing this risk are the EBA Guidelines on the treatment of structural FX which require that the risk is either directly mitigated using an FX hedge or a capital requirement is imposed. Erste Group uses a mix of these two approaches. For the hedging part it designates net investment hedges. Hedging instruments are short-term FX swaps which are rolled over as part of the hedging strategy.

QUANTITATIVE DISCLOSURES

In the tables below, detailed information related to hedging instruments and hedged items in fair value and cash flow hedges are reported. The indicated values for fair value hedges include single hedges as well as portfolio hedges, which due to immateriality are not shown separately.

Hedging instruments

	Carrying amount				Timing of the nominal amounts of the instruments			
in EUR million	Assets	Liabilities	Change in FV for the period used for calculating hedge ineffectivness	Notional	≤ 3 m	> 3 m and ≤ 1 y	> 1 y and ≤ 5 y	> 5 y
Dec 24								
Fair value hedges	**621**	**1,101**	**441**	**30,858**	**593**	**1,762**	**14,511**	**13,992**
Interest rate risk	621	1,101	441	30,858	593	1,762	14,511	13,992
Cash flow hedges	**95**	**42**	**78**	**5,450**	**315**	**382**	**3,313**	**1,440**
Interest rate risk	50	12	82	3,751	278	199	2,401	874
Foreign exchange risk	45	30	-4	1,698	37	184	912	566
Hedge of net investments in a foreign operation	**2**	**1**	**3**	**767**	**122**	**645**	**0**	**0**
Total gross amounts	**718**	**1,143**	**522**	**37,074**	**1,029**	**2,790**	**17,824**	**15,431**
Offset	-537	-949						
Total	**181**	**194**	**522**	**37,074**	**1,029**	**2,790**	**17,824**	**15,431**
Dec 23								
Fair value hedges	**495**	**1,458**	**718**	**24,254**	**64**	**2,245**	**12,248**	**9,697**
Interest rate risk	495	1,458	718	24,254	64	2,245	12,248	9,697
Cash flow hedges	**127**	**84**	**375**	**4,667**	**126**	**919**	**3,140**	**482**
Interest rate risk	46	68	306	2,859	0	881	1,978	0
Foreign exchange risk	81	16	69	1,808	126	38	1,162	482
Hedge of net investments in a foreign operation	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total gross amounts	**623**	**1,542**	**1,093**	**28,921**	**190**	**3,163**	**15,388**	**10,179**
Offset	-440	-1,256						
Total	**183**	**286**	**1,093**	**28,921**	**190**	**3,163**	**15,388**	**10,179**

The hedging instruments are presented in the line 'Hedge accounting derivatives' in the balance sheet.

Hedged items in fair value hedges

in EUR million	Carrying amount	Hedge adjustments		
		included in the carrying amount	Thereof: for the period used for recognition of hedge ineffectiveness	Remaining adjustments for terminated hedges
Dec 24				
Financial assets at FVOCI				
Interest rate risk	788	-38	11	2
Financial assets at AC				
Interest rate risk	24,440	-123	41	12
Financial liabilities at AC				
Interest rate risk	23,783	-558	-510	32
Dec 23				
Financial assets at FVOCI				
Interest rate risk	873	-48	27	5
Financial assets at AC				
Interest rate risk	3,406	-165	137	18
Financial liabilities at AC				
Interest rate risk	19,356	-1,040	-879	52

The hedged items are disclosed in the following line items in the balance sheet:
- Financial assets at fair value through other comprehensive income: debt securities
- Financial assets at amortised cost: loans and advances to customers
- Financial assets at amortised cost: debt securities
- Financial liabilities at amortised cost: debt securities issued

Hedged items in cash flow hedges and net investment hedges

in EUR million	Change in FV for the period used for calculating hedge ineffectiveness	Cash flow hedge reserve and foreign currency translation reserve for continuing hedges	Cash flow hedge reserve and foreign currency translation reserve for terminated hedges
Dec 24			
Interest rate risk	-54	-7	-21
Foreign exchange risk	20	20	0
Hedge of net investments in a foreign operation	-3	3	0
Total	**-36**	**16**	**-21**
Dec 23			
Interest rate risk	-324	-29	-28
Foreign exchange risk	-63	20	0
Hedge of net investments in a foreign operation	0	0	0
Total	**-387**	**-9**	**-28**

Effects of hedge accounting in profit or loss and other comprehensive income

in EUR million	Hedge ineffectiveness recognised in P&L	Hedging gains/losses recognized in OCI	Hedging reserve reclassified to profit or loss because: the hedged item has affected profit or loss	Hedging reserve reclassified to profit or loss because: the hedged future cash flows are no longer expected to occur
Dec 24				
Fair value hedges				
Interest rate risk	-18	0	0	0
Cash flow hedges				
Interest rate risk	1	81	-24	0
Foreign exchange risk	1	-5	-31	0
Hedge of net investments in a foreign operation	0	3	0	0
Total	**-16**	**79**	**-55**	**0**
Dec 23				
Fair value hedges				
Interest rate risk	2	0	0	0
Cash flow hedges				
Interest rate risk	0	306	-134	0
Foreign exchange risk	1	67	-44	0
Hedge of net investments in a foreign operation	0	0	0	0
Total	**4**	**373**	**-178**	**0**

Ineffectiveness from both fair value and cash flow hedges is presented under 'Net trading result' in the statement of income. The amounts reclassified from the cash flow hedge reserve are presented in the line 'Other similar income' under 'Net interest income' for hedges of interest rate risk and 'Net trading result' for hedges of foreign exchange risk.

28. Offsetting of financial assets and liabilities

The following table shows netting effects on the balance sheet of Erste Group as well as the impacts of offsetting financial instruments which are subject to offsetting agreements.

Financial assets and liabilities subject to offsetting and potential offsetting agreements

in EUR million	Financial assets/liabilities (gross)	Amounts offset (gross)	Financial assets/liabilities in balance sheet (net)	Potential effects of netting agreements not qualifying for balance sheet offsetting: Financial instruments	Cash collateral received/ pledged	Other financial collateral received/ pledged	Net amount after potential offsetting
Dec 24							
Assets							
Derivatives	5,081	3,674	1,407	609	354	0	444
Variation margin assets	589	585	3	0	0	0	3
Reverse repurchase agreements	24,609	0	24,609	0	109	24,329	171
Total	**30,279**	**4,259**	**26,020**	**609**	**464**	**24,329**	**618**
Liabilities							
Derivatives	5,383	4,040	1,343	609	295	2	437
Variation margin liabilities	221	220	1	0	0	0	1
Repurchase agreements	11,350	0	11,350	0	32	11,309	8
Total	**16,953**	**4,259**	**12,694**	**609**	**327**	**11,311**	**446**

in EUR million	Financial assets/liabilities (gross)	Amounts offset (gross)	Financial assets/liabilities in balance sheet (net)	Potential effects of netting agreements not qualifying for balance sheet offsetting			Net amount after potential offsetting
				Financial instruments	Cash collateral received/ pledged	Other financial collateral received/ pledged	
Dec 23							
Assets							
Derivatives	5,783	4,339	1,445	776	326	0	342
Variation margin assets	870	869	0	0	0	0	0
Reverse repurchase agreements	17,776	0	17,776	0	63	17,208	505
Total	**24,429**	**5,208**	**19,221**	**776**	**389**	**17,208**	**848**
Liabilities							
Derivatives	6,847	4,948	1,900	776	200	72	851
Variation margin liabilities	261	261	0	0	0	0	0
Repurchase agreements	7,352	0	7,352	0	22	7,330	0
Total	**14,460**	**5,208**	**9,251**	**776**	**222**	**7,402**	**851**

The impact of offsetting is shown in the column 'Amounts offset (gross)'.

Erste Group undertakes interest rate derivative transactions via London Clearing House and EUREX by fulfilling all offsetting requirements according to IAS 32. Offsetting is carried out between gross asset and liability derivative positions. The net derivative position is further offset with variation margin amounts. As a result, the offsetting of derivatives has to be viewed in relation to the variation margin assets and liabilities balances. The sum of the amounts offset in the lines 'Derivatives' and 'Variation margin assets' in the table for financial assets equals the sum of the amounts offset in the lines 'Derivatives' and 'Variation margin liabilities' in the table for financial liabilities. The variation margin assets are presented under the balance sheet items 'Cash and cash balances'. The variation margin liabilities are presented under the balance sheet item 'Financial liabilities measured at amortised cost', subitem 'Deposits from banks'.

Erste Group employs master netting agreements and repurchase agreements as a means of reducing credit risk of derivative and financing transactions. They qualify as potential offsetting agreements.

Master netting agreements are relevant for counterparties with multiple derivative contracts. They provide for the net settlement of all the contracts in the event of default of any counterparty. For derivatives transactions the values of assets and liabilities that would be set off as a result of master netting agreements are presented in the column 'Financial instruments'. If the net position is further secured by cash collateral or other financial collaterals the effects are disclosed in columns 'Cash collateral received / pledged' and 'Other financial collateral received / pledged' respectively.

Repurchase agreements are primarily financing transactions. They are structured as a sale and subsequent repurchase of securities at a pre-agreed price and time. This ensures that the securities remain in the hands of the lender as collateral in case the borrower defaults on fulfilling any of its obligations. Offsetting effects from repurchase agreements are disclosed in the column 'Other financial collateral received / pledged' respectively. Collateral is presented at the fair value of the transferred securities. However, if the fair value of collateral exceeds the carrying amount of the receivable/liability from the repo transaction the value is capped at the level of the carrying amount. Remaining position may be secured by cash collateral. Cash and other financial collateral involved in these transactions is restricted from being used by the transferor during the time of the pledge. For further details regarding repurchase and reverse repurchase transactions we refer to Note 29 Transfers of financial assets – repurchase transactions and securities lending.

29. Transfers of financial assets – repurchase transactions and securities lending

Repurchase and reverse repurchase agreements

Transactions involving sales of securities under an agreement to repurchase them at a specified future date are also known as 'repos' or 'sale and repurchase agreements'. Securities sold in such transactions are not derecognised from the balance sheet, as Erste Group retains substantially all risks and rewards of ownership, because the securities are repurchased at a fixed price when the transaction ends. Furthermore, Erste Group is the beneficiary of all coupons and other income payments received on the transferred assets over the period of the transactions. These payments are remitted to Erste Group or are reflected in the repurchase price.

The cash received upon sale of securities is recognised on the balance sheet with a corresponding obligation to return under the line item 'Financial liabilities at amortised cost', sub-items 'Deposits from banks' or 'Deposits from customers' reflecting the transaction's economic substance as a loan to Erste Group. The difference between the sale and repurchase prices is treated as interest expense which is accrued over the life of the agreement and recorded in the statement of income in the line item 'Interest expenses' under 'Net interest income'. Financial assets transferred out by Erste Group under repurchase agreements remain on the Group's balance sheet and are presented separately under the original balance sheet items in the 'thereof pledged as collateral' lines. The measurement category of the transferred financial assets does not change.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised on the balance sheet. Such transactions are also known as 'reverse repos'. The consideration paid is recorded on the balance sheet under the line item 'Financial assets at amortised cost', sub-items 'Loans and advances to banks' and 'Loans and advances to customers' reflecting the transaction's economic substance as a loan by Erste Group. The difference between the purchase and resale prices is treated as interest income and is accrued over the life of the agreement and recorded in the statement of income in the line item 'Interest income' under 'Net interest income'.

Securities lending and borrowing

In securities lending transactions, the lender transfers ownership of securities to the borrower on the condition that the borrower will retransfer, at the end of the agreed loan term, ownership of instruments of the same type, quality and quantity and will pay a fee determined by the duration of the lending. The transfer of the securities to counterparties via securities lending does not result in derecognition. Substantially all the risks and rewards of ownership are retained by Erste Group as a lender because the securities are received at the end of the securities lending transaction. Furthermore, Erste Group is the beneficiary of all the coupons and other income payments received on the transferred assets over the period of the securities lending. Securities lent are presented separately under the original balance sheet items in the 'thereof pledged as collateral' lines. Fee income from securities lending transactions is presented in the statement of income in the line 'Fee and commission income' under 'Net fee and commission income'.

Securities borrowed are not recognised on the balance sheet unless they are then sold to third parties. If such sales occur, the obligation to return the securities is recorded on the balance sheet as a short sale within 'Financial liabilities held for trading', sub-item 'Other financial liabilities'. Fee expense incurred on securities borrowing transactions is presented in the statement of income in the line 'Fee and commission expenses' under 'Net fee and commission income'.

	Dec 23		Dec 24	
in EUR million	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements	**3,026**	**2,665**	**3,870**	**3,593**
Financial assets at AC	2,516	2,209	3,417	3,145
Trading assets	230	204	409	406
Financial assets at FVOCI	280	251	44	42
Securities lendings	**700**	**0**	**786**	**0**
Financial assets at AC	609	0	650	0
Trading assets	15	0	73	0
Financial assets at FVOCI	76	0	63	0
Total	**3,726**	**2,665**	**4,656**	**3,593**

The transferred financial instruments consist of bonds and other interest-bearing securities. The total amount of transferred financial assets represent the carrying amount of financial assets in the respective balance sheet positions for which the transferee has a right to sell or repledge. The associated liabilities from repo transaction, which are measured at amortised cost, represent an obligation to repay the borrowed funds.

The following table shows fair values of the transferred assets and associated liabilities for repo transactions with an existing recourse right only on the transferred assets:

	Dec 23			Dec 24		
in EUR million	Fair value of transferred assets	Fair value of associated liabilities	Net position	Fair value of transferred assets	Fair value of associated liabilities	Net position
Financial assets at AC	2,427	2,214	213	3,299	3,137	162
Trading assets	230	204	26	409	406	3
Financial assets at FVOCI	280	251	28	44	42	2
Total	**2,937**	**2,670**	**267**	**3,752**	**3,585**	**167**

30. Financial assets pledged as collaterals

Carrying amount of financial assets pledged as collaterals

in EUR million	Dec 23	Dec 24
Financial assets at AC	38,449	36,176
Trading assets	301	598
Non-trading financial assets at FVPL	41	48
Financial assets at FVOCI	458	108
Total	**39,249**	**36,929**

The financial assets pledged as collateral consist of loans and advances to customers, bonds and other interest-bearing securities.

Collaterals in the amount of EUR 4,211 million (2023: EUR 10,363 million) were pledged for refinancing transactions shown in line Financial liabilities at amortised cost. Issued mortgage bonds shown in lines Financial liabilities at amortised cost and Financial liabilities at fair value through profit or loss are covered by loans in the amount of EUR 22,917 million (2023: EUR 20,788 million). Financial instruments in the amount of EUR 400 million (2023: EUR 889 million) are used as collateral for derivatives shown in lines Financial liabilities held for trading and Hedge accounting derivatives. Retained covered bonds in the amount of EUR 4,746 million (2023: EUR 3,482 million) were pledged for other collateral arrangements. Financial instruments used in repurchase and securities lending agreements are disclosed in Note 29.

The fair value of collateral received which may be repledged or resold even without the collateral provider's default was EUR 25,258 million (2023: EUR 18,873 million). Collateral with fair value of EUR 6,897 million (2023: EUR 3,982 million) was resold or repledged. The bank is obliged to return the resold and repledged collateral.

31. Securities

	Dec 23					Dec 24				
			Financial assets					Financial assets		
in EUR million	At AC	Trading assets	Mandatorily at FVPL	Designated at FVPL	At FVOCI	At AC	Trading assets	Mandatorily at FVPL	Designated at FVPL	At FVOCI
Bonds and other interest-bearing securities	**44,047**	**7,365**	**1,373**	**178**	**8,794**	**52,889**	**10,095**	**1,424**	**44**	**9,388**
Listed	41,088	2,216	733	16	7,668	47,666	3,240	860	0	7,988
Unlisted	2,959	5,149	640	162	1,126	5,223	6,855	564	44	1,401
Equity-related securities	**0**	**146**	**415**	**0**	**110**	**0**	**141**	**464**	**0**	**109**
Listed	0	139	117	0	1	0	136	117	0	0
Unlisted	0	6	297	0	109	0	5	348	0	109
Total	**44,047**	**7,511**	**1,787**	**178**	**8,905**	**52,889**	**10,236**	**1,889**	**44**	**9,498**

Investment funds units are reported within bonds and other interest-bearing securities. Bonds and other interest-bearing securities in the amount of EUR 13,414 million (2023: EUR 11,894 million) are due in the following year.

Risk and capital management

32. Financial risk management

Risk policy and strategy

Erste Group has developed a risk management framework that is forward-looking and tailored to its business and risk profile. This framework is based on a clear risk strategy that sets out general principles according to which risk taking must be performed across the Group. The risk strategy is consistent with the business strategy and incorporates the expected impact of external environment on the planned business and risk development.

The risk strategy describes the current and targeted risk profile, defines risk management principles, strategic goals, and initiatives for the main risk types as well as sets strategic limits for the significant financial and non-financial risk types as defined in the Risk Materiality Assessment. The risk strategy is executed within a clearly defined governance structure. This structure also applies to monitoring of risk appetite, additional metrics, as well as to the escalation of limit breaches.

Erste Group is publishing online its disclosures under Article 434 of the Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation - CRR) and Regulation (EU) No. 876/2019 amending Regulation (EU) No. 575/2013. Details are available on the website of Erste Group at www.erstegroup.com/ir. Relevant disclosures are included in the annual report in the section 'Reports' or published as separate documents in the section 'Regulatory disclosure'.

Risk management organisation

Risk monitoring and control is achieved through a clear organisational structure with defined roles and responsibilities, delegated authorities, and risk limits.

The management board and in particular Erste Group's Chief Risk Officer (Group CRO) perform the oversight function within Erste Group's risk management structure. Risk control and risk steering within Erste Group are performed based on the business strategy and risk appetite approved by the management board. The Group CRO, working together with the chief risk officers of the subsidiaries, is responsible for the implementation and adherence to the risk control and risk management strategies across all risk types and business lines.

The management board and, in particular the Group CRO, ensure the availability of appropriate infrastructure and staff as well as methods, standards and processes to that effect; the actual identification, measurement, assessment, approval, monitoring, steering and limit setting for the relevant risks are performed on the operating entity level within Erste Group.

At group level, the management board is supported by several divisions established to perform operating risk control functions and exercise strategic risk management responsibilities. The following risk management functions report directly to the Group CRO:
— Group Liquidity and Market Risk Management;
— Enterprise wide & Operational Risk Management;
— Credit Risk Methods;
— Group Compliance;
— Retail Risk Management:
— Credit Risk Portfolio;
— Corporate Risk Management;
— Cyber Risk Management;
— Local Chief Risk Officers.

The management board regularly deals with risk issues of all risk types in its regular board meetings. Actions are discussed and taken when needed.

Furthermore, certain cross-divisional committees were established with the purpose of carrying out risk management activities in the Erste Group.
— Risk Committee of the Supervisory Board;
— CRO Board;
— Holding Credit Committee;
— Market Risk Committee;
— Operative Market Risk Committee;
— Strategic Risk Executive Committee;
— Strategic Risk Management Committee;
— Stress Testing Committee;
— Group Resolution Committee;
— United States Risk Committee;
— Regional Operational Conduct Committee;
— Group IT Risk & Security Committee;
— Group Asset/Liability Committee;
— Operational Liquidity Committee;
— Banking Book Committee.

In addition, committees are established at local level, such as the 'Team Risikomanagement' in Austria. It is responsible for a common risk approach with the Austrian savings banks.

Group-wide risk and capital management

Enterprise-wide Risk Management (ERM) includes as its fundamental component the Internal Capital Adequacy Assessment Process (ICAAP) as required under Pillar 2 of the Basel framework and regulatory guides (e.g., ECB Guide to ICAAP).

The ERM framework is designed to support the management of the bank in managing the risk portfolios as well as the coverage potential and to ensure that the bank always holds adequate capital for the nature and magnitude of its risk profile. The framework is tailored to the Erste Group's business and risk profile and reflects the strategic goal of protecting shareholders and senior debt holders while ensuring the sustainability of the organisation.

ERM framework is a modular and comprehensive management and steering system within Erste Group as well as an essential part of the overall steering and management instruments. The ERM components necessary to ensure all aspects, in particular to fulfil regulatory requirements and to provide an effective internal steering tool, can be clustered as follows:
— Risk Appetite Statement (RAS), limits and risk strategy;
— portfolio and risk analytics including Risk Materiality Assessment (RMA), concentration risk management, and stress testing;
— Risk-bearing Capacity Calculation (RCC);
— capital allocation and performance management;
— planning of key risk indicators;
— recovery and resolution planning.

In addition to the ICAAP's ultimate goal of assuring capital adequacy and sustainability at all times, the ERM components serve to support the bank's management in pursuing its strategy.

RISK APPETITE

Risk appetite defines the maximum level of risk Erste Group is willing to accept in pursuing its business goals. The overall approach includes a risk appetite statement, risk limits, and the roles and responsibilities of those overseeing the implementation and monitoring of the risk appetite framework. Limit framework (i.e., risk appetite framework) of Erste Group includes risk limits set in Risk Appetite Statement and Risk Strategy, industry limits, maximum lending limits and operational limits.

The Group Risk Appetite Statement (Group RAS) represents a strategic statement that expresses the maximum level of risk it is willing to accept in order to deliver its business objectives. The Group RAS acts as a binding constraint to Erste Group's business activities within its overall risk appetite via triggers and limits approved by the management board and the risk committee of the supervisory board and brought to the supervisory board for information. It is integrated and embedded into Erste Group's structural processes, including business and risk strategy, budgeting process, capital and liquidity planning, recovery plan, stress testing and remuneration framework. The Group RAS consists of a set of core risk metrics (capital, liquidity, risk/earnings) providing quantitative direction for overall risk-return steering and qualitative statements in the form of key risk principles that are part of the guidelines for managing risks.

The core risk metrics are set as ultimate boundaries for the Group risk-return target setting. They are also a key part of the annual strategic planning / budgeting process and give an overall picture of capital, liquidity, and risk-return trade-offs. The key objective of the RAS is to:
— ensure that Erste Group has sufficient resources to support its business at any given point in time and absorb stress events;
— set boundaries for the Group's risk target setting;
— support the group's financial strength and the robustness of its systems and controls.

To foster risk-return steering and to ensure proactive management of the risk profile, Erste Group creates its RAS on a forward-looking basis. External constraints such as regulatory requirements create the floor and ceiling for the RAS and therefore the amount of risk Erste Group is willing to accept. To ensure that the group remains within the targeted risk profile, a traffic light system was established and assigned to the core metrics. This approach allows a timely delivery of information to the respective governance and the implementation of effective remediation measures. The RAS traffic light system is defined as follows:
— RAS is green: The target risk profile is within the specified boundaries.
— RAS is amber: The undershooting or overshooting of a pre-defined threshold leads to an escalation to the designated governance and the discussion of potential remediation actions.
— RAS is red: The undershooting or overshooting of a pre-defined limit initiates an immediate escalation to the designated governance and a prompt implementation of remediation actions.

Moreover, stress indicators are defined for selected core metrics and integrated into the assessment of the stress test results. They are reported as early warning signals to the management board to support proactive management of the risk and capital profile.

In addition, supporting metrics and principles are defined by material risk type in the Group Risk Strategy based on Group RAS. These support implementation of the mid- to long-term strategy. Risk management governance ensures full oversight of risk decisions and sound execution of the Group risk strategy. Mitigating actions are undertaken as part of the regular risk management process to ensure that the Group remains within its RAS.

Group RAS is also cascaded to local entities. Local RAS is approved by the management board to ensure compliance with the Group RAS and approved also by the local management board to ensure alignment with local regulatory requirements. The Group may also decide to include further compulsory constraints and limits in local RAS to ensure alignment with Group RAS and Group Risk Strategy.

The Group further developed an aggregated and consolidated risk appetite dashboard, which is part of Group Risk Report (Group Risk Report/Risk Dashboard) illustrating the group and local entities' risk profile developments by comparing the risk exposure and risk limits. The Group Risk Report/Risk Dashboard is regularly presented to the management board and to the supervisory board (including risk committee of supervisory board) to support its review, oversight, and monitoring of the group risk profile and the risk profile of its local entities.

Group RAS 2024-2028 was approved by the management board and the risk committee of the supervisory board and brought to the supervisory board for information in the last quarter of 2023.

ESG risk drivers are embedded in the Risk Appetite Statement and in the risk strategy and are also part of Erste Group's Risk Materiality Assessments. They are integrated into Erste Group's risk taxonomy as general or transversal risks drivers, impacting primary risk types, such as credit, market, liquidity, non-financial and other risks. Erste Group's definition of ESG risk drivers is part of the Group ICAAP Policy and covers a wide range of environmental, social and governance factors.

PORTFOLIO AND RISK ANALYTICS

Erste Group uses dedicated infrastructure, systems and processes to actively identify, measure, control, report and manage risks within its portfolio. Portfolio and risk analytics processes are designed to quantify, qualify, and discuss risks in order to raise awareness to management in a timely manner.

Risk materiality assessment

The Risk Materiality Assessment (RMA) is a regular process for risk identification and assessment of potential impact of those risks on the risk profile of the Group. It serves as a steering tool for the management in deciding on the necessity to allocate economic capital (EC) in Pillar 2/ICAAP or liquidity buffers in ILAAP (Internal Liquidity Adequacy Assessment Process), as well as for defining other risk steering measures. Risk steering and mitigation techniques are customized to the specific characteristics of each individual risk, with general requirements based on the materiality grade.

Moreover, RMA is a crucial input for various risk management activities, such as defining priorities and strategic initiatives for the Group's risk strategy, setting limits within the risk appetite framework, and scenario design for comprehensive- and reverse stress tests.

Risk concentration analysis

Erste Group has implemented a process to identify measure, control and manage risk concentrations. This process is important to ensure the long-term viability of Erste Group, especially in times of an adverse business environment and stressed economic conditions.

The risk concentration analysis at Erste Group is performed on an annual basis covering credit risk, market risk, operational risk, liquidity risk and inter-risk concentrations. Identified risk concentrations are considered in the scenario design of the comprehensive stress test and measured under stressed conditions. The output of the risk concentration analysis additionally contributes to the identification of material risks within the RMA and to the setting/calibration of Erste Group's limit system.

Stress testing

Modelling sensitivities of the group's assets, liabilities and profit or loss provide management steering information and help to optimise Erste Group's risk-return profile. Stress tests help to factor in severe but plausible scenarios providing further robustness to measurement, steering and management. Risk modelling and stress testing are vital forward-looking elements of the ICAAP. Finally, sensitivities and stress scenarios are considered within the group's planning process.

Erste Group's most complex stress testing activities are scenario stress tests that take a comprehensive account of the impact of various economic scenarios. This includes second-round effects on all major risk types (credit, market, liquidity and operational) and effects on the associated volumes of assets and liabilities as well as on profit and loss. In addition to the standard scenario-driven stress testing exercises, reverse stress tests are performed to identify a scenario or a combination of scenarios in which viability of the current business model can be questioned.

Erste Group has developed specific tools to translate macroeconomic variables (e.g., GDP or unemployment rate) into risk parameters to support the stress testing process, which combine bottom-up and top-down approaches. For adapting the stress parameters, Erste Group additionally leverages the experience of its local professionals and uses, where appropriate, their statistical models to simulate the impacts of macroeconomic variables on the risk parameters in the respective portfolios. Special attention is taken to account for the granularity and special characteristics (i.e., countries and industries) when determining the segmentation in which the stressed parameters are defined.

Erste Group has integrated climate risk analysis into the internal stress testing framework. Both physical risk and transition risk from projected climate change are now included in the internal stress testing framework. Further development of climate-based stress analysis will support the Group's overall strategic approach to climate risk.

Results from Erste Group's internal stress tests are analysed in order to decide on appropriate measures and inform the bank steering. The internal comprehensive stress tests performed in 2024 indicated that Erste Group remains within the stressed RAS (early warning threshold was triggered for Tier 1 and Solvency ratios in the first year of the scenario calculation).

RISK-BEARING CAPACITY CALCULATION

The Risk-bearing Capacity Calculation (RCC) describes the methodology of Pillar 2 capital adequacy calculation. In contrast to the normative (regulatory) view of Pillar 1, referring to the Group's ability to fulfil all its capital-related regulatory and supervisory requirements and demands, the RCC is based on an economic view of Pillar 1+ approach, assuming continuation of Erste Group as expected by the ECB Guide to ICAAP. The RCC determines whether the Group has sufficient internal capital for covering all (regulatory and economic) risks it is exposed to. Economic and normative perspectives at Erste Group are set in a way to mutually inform each other and are integrated into all material business steering activities and decisions. In addition, with applied Pillar 1+ approach the Group increases efficiency and ensures comparability with the Pillar 1 calculation. Based on the results of the RMA, the economic capital is considered for relevant risk types as approved by the management board. The economic capital requirement is then compared to internally available capital (coverage potential) to cover the Group's risks in Pillar 2. Both economic capital and cover-age potential are computed on the CRR scope of consolidation of Erste Group as ultimate parent entity based on IFRS accounting standards.

Besides the Pillar 1 risk types (credit, market in trading book, FX in banking book and operational risks), concentration risk, interest rate risk in the banking book, credit spread risk in the banking book as well as business risk are explicitly considered within the economic capital calculated over a horizon of one year and at a confidence level of 99.9%. For the calculation of the economic capital, Erste Group uses, where possible, more risk sensitive/advanced methodologies tailored to its individual risk profile and specificities of the Group's individual risk exposures. Diversification effects between risks (inter-risk diversification) are not considered, reflecting the Group's prudent approach to maintain sufficient internal capital in times when correlations between risks may change dramatically (like in times of stress). The largest portion of economic capital requirements is coming from credit risk, which accounts for 70.8% of total economic capital requirements at the end of 2024.

The calculation of internal capital or coverage potential required to cover Pillar 2 risks/unexpected losses is based on Pillar 1+ approach. Namely, the regulatory own funds are adjusted by internal capital components, i.e. Pillar 2 adjustments, necessary to come to the internally available capital deemed as risk-bearing and loss absorbing from the economic view (e.g. exclusion of Additional

Tier 1 and Tier 2 capital instruments, Pillar 2 IRB expected loss excess/shortfall add-on, year-to-date profit, if it is not already considered in Pillar 1 capital, etc.).

The coverage potential must be sufficient to absorb Pillar 2 risks/unexpected losses resulting from the Group's operations at any point in time (normal and stressed), as reflected in the Group's Risk Appetite through the limits set for Group economic capital adequacy and stressed capital adequacy utilisation. At the end of 2024, the economic capital adequacy was at 63.2%, fully in line with group RAS.

The management board and supervisory board (including risk committee of supervisory board) are briefed quarterly on the results of the ICAAP capital adequacy through the Group Risk Report. The includes risk profile developments, available capital (coverage potential), consideration of potential losses in stress situations, the degree of the risk limit utilisation and the overall status of capital adequacy.

RISK PLANNING

Group Risk Planning framework is essential for the capital allocation and overall financial planning processes and supports the adequate reflection of risks within the strategy, steering and management processes of the group.

Methods and instruments applied

Key risk indicators covered by the Risk Planning framework include indicators that provide an overview of incurred or potential risks, with respect to both portfolio and economic environment developments. Indicators include RWA (and related indicators), portfolio quality indicators (impairments, NPL/NPE and relevant performance indicators, etc.), as well as indicators required by the regulatory authorities under the responsibility of the Risk division.

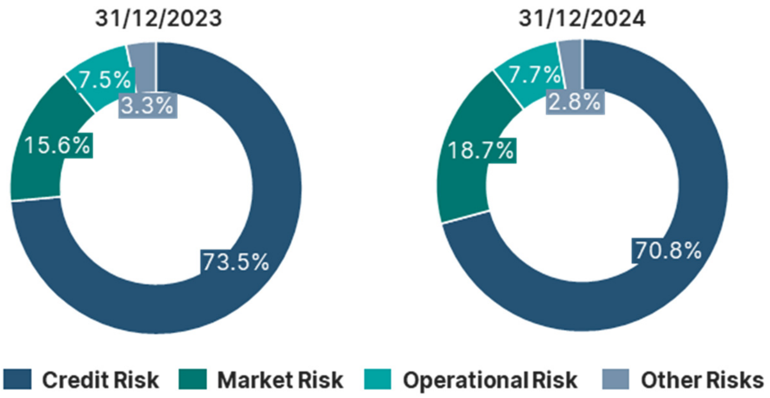
Planning activities are performed in close cooperation with all stakeholders in the group´s overall process and follow a clear governance structure to ensure sound risk planning process.

Capital allocation

An important task integral to the risk planning process is the allocation of capital to entities, business lines and segments. This is done with close cooperation between Risk Management and Controlling. Methodology for allocation reflects risk and controlling processes to allocate capital with risk-return considerations.

ERSTE GROUP'S AGGREGATE CAPITAL REQUIREMENTS BY RISK TYPE

The following diagrams present the composition of the economic capital requirements according to type of risk:



Other risks include business risk.

RECOVERY AND RESOLUTION PLANS

The Directive (EU) 2014/59 as amended (Bank Recovery and Resolution Directive – BRRD) has been implemented in Austria into national law by the Austrian Recovery and Resolution Act ('Sanierungs- und Abwicklungsgesetz – BaSAG'). On 7 June 2019, a legislative package (EU Banking Package) was published in the Official Journal of the EU. The EU Banking Package comprises the Directive (EU) No 2013/36 as amended (CRD IV), and the Regulation (EU) No 575/2013 as amended (CRR) as well as the BRRD as amended, and the Regulation (EU) No 806/2014 as amended (SRMR). The EU Banking Package entered into force on 27 June 2019 and was amended into national legislation in Austria on 28 June 2021.

On 18 April 2023, the European Commission published a legislative package for a framework on a Crisis Management and Depositor Insurance (CMDI). The package consists of amendments to the Bank Recovery and Resolution Directive (BRRD), the Single Resolution Mechanism Regulation (SRMR), the Deposit Guarantee Scheme Directive (DGSD) and the Daisy Chain deduction regime. The CMDI legislative package was endorsed by the European Parliament and the Council and is currently subject to interinstitutional negotiations between these bodies. The amendments to the Daisy Chain deduction regime were implemented through a Directive that was published in the Official Journal of the European Union in April 2024 and is applicable since November 2024. The other parts of the CMDI package could enter into force in 2025 and be applicable in 2027.

Recovery Planning. In compliance with the current Austrian Banking Recovery and Resolution Law ('Bundesgesetz über die Sanierung und Abwicklung von Banken – BaSAG'), Erste Group annually submits a Group Recovery Plan to Joint Supervisory Team (JST). ECB regularly assesses the Group Recovery Plan. The Group Recovery Plan identifies potential options for the replenishment of capital and liquidity resources of the bank in order to cope with a range of severe scenarios including both idiosyncratic and market-wide stress. The Recovery Framework is mainly reconciled with the Risk Appetite Framework across indicators and indicator thresholds, ensuring comprehensive enterprise-wide risk management. It is relevant to demonstrate that in a severe stress, which is close to a failing or likely to fail situation, there is sufficient recovery capacity available to be able to recover back into the recovery green zone. The recovery governance described in the plan ensures timely identification and proper management of a recovery situation of Erste Group. Furthermore, the assessment of the Group Recovery Plan and the assessment of the overall recovery capacity are part of the Supervisory Review and Evaluation Process (SREP) assessment.

Resolution Planning. Erste Group collaborates with the resolution authorities in the drawing up of resolution plans as required by BaSAG and EU Regulation No 806/2014 establishing the Single Resolution Mechanism (SRM Regulation). The legislative framework allows for a multiple-point-of-entry (MPE) or a single-point-of-entry (SPE) resolution strategy. The Resolution Authorities formed a joint decision in the resolution college for Erste Group which defines the MPE approach forming seven separate resolution groups with Erste Group's core CEE subsidiaries and Austria, but with SPE approaches on country level. This results in having resolution groups in AT, CZ, HR, HU, RO, SI and SK. Under the MPE strategy, a group has more than one Resolution Entity Level which is the entry point for resolution. The resolution plans (including resolution strategy and MREL decisions) are regularly updated by the Resolution Authorities and subject to Joint Decision formed in a resolution college by Resolution College Members.

MREL. The Bank Recovery and Resolution Directive (BRRD) introduced the Minimum Requirement for Own Funds and Eligible Liabilities (MREL). MREL notifications are provided by the national resolution authorities on the level of resolution groups and relevant individual subsidiaries of resolution entities, reflecting the resolution strategy, based on the MREL joint decision taken by the resolution college. MREL requirements are expressed as a percentage of the total risk exposure amount (TREA) as well as leverage ratio exposure (LRE).

Based on the MREL joint decisions taken, the National Resolution Authorities provided their legal notifications. In April and May 2024, Erste Group received Joint Decision determining the minimum requirement for own funds and eligible liabilities for its resolution groups and some non-resolution entities (i.e. direct and indirect subsidiaries of resolution entities). The requirement is set including binding requirements applicable from the date of the receipt of the notification of the act of the relevant national resolution authority. Information on MREL targets have been published on the local entities' website based on legal notifications released by the relevant national resolution authorities. MREL metric is integrated into the RAS and Recovery Framework of Erste Group.

33. Own funds and capital requirements

Regulatory Requirements

Since 1 January 2014, Erste Group has been calculating the regulatory own funds and the regulatory capital requirements according to the Capital Requirements Regulation (CRR, Regulation (EU) No. 575/2013)[1] and the Capital Requirement Directive (CRD IV, Directive (EU) 2013/36/EU). Both the CRD IV and CRD V[2] were transposed into national law in the Austrian Banking Act (ABA).

All requirements as defined in the CRR, the ABA and in technical standards issued by the European Banking Authority (EBA) are applied by Erste Group for regulatory purposes.

Furthermore Erste Group also fulfils capital requirements determined in the Supervisory Review and Evaluation Process (SREP).

1 Both CRD IV and CRR have been amended since the entry into force in 2014 inter alia with directive (EU) 2019/878 (CRD V) as well as regulations (EU) 2019/876 (CRR 2) and (EU) 2020/873 (CRR Quick Fix).
2 CRDV has been transposed by an amendment of the ABA (BGBl I 2021/98; BWG-Novelle) which entered into force on 31 May 2021.

Accounting Principles

The financial and regulatory figures published by Erste Group are based on IFRS. Eligible capital components are derived from the balance sheet and income statement which were prepared in accordance with IFRS.

Regulatory scope of consolidation and institutional protection scheme

The consolidated regulatory own funds and the consolidated regulatory capital requirements are calculated based on the scope of consolidation stipulated in the CRR. The definition pursuant to CRR differs from the scope of consolidation according to IFRS, which also includes insurance companies and other entities, that are subject to full consolidation.

Erste Group Bank AG is a member of the Haftungsverbund (cross-guarantee system) of the Austrian savings bank sector. As of the balance sheet date Erste Group Bank AG and Erste Bank der oesterreichischen Sparkassen AG as well as Bausparkasse der österreichischen Sparkassen AG and all Austrian savings banks form this cross-guarantee system. Based on the cross-guarantee contract these entities are included as subsidiaries in Erste Group´s regulatory scope of consolidation.

Furthermore, Erste Group Bank AG together with the Haftungsverbund entities form an institutional protection scheme (IPS) according to Art. 113 para 7 CRR. Disclosure requirements for the institutional protection scheme according to Art. 113 para 7 e CRR are met by the publication of the consolidated financial statements, which cover all entities included in the institutional protection scheme.

Consolidated own funds

Own funds according to CRR consist of Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2). In order to determine the capital ratios, each respective capital component – after application of all regulatory deductions and filters – is considered in relation to the total risk amount.

The items of own funds as disclosed are also used for internal capital management purposes, except AT1 and T2 capital instruments. Erste Group fulfilled the capital requirements throughout the reporting period.

Beside the regulatory minimum capital ratios also capital buffers according to ABA and regulations of the Financial Market Authority (FMA) need to be considered.

In addition to minimum capital ratios and capital buffer requirements, institutions also have to fulfil capital requirements determined in the Supervisory Review and Evaluation Process (SREP). As a result of the 2023 SREP process performed by the European Central Bank (ECB) Erste Group applies a Pillar 2 requirement (P2R) of 1.90% as of 31 December 2024.

Following the SREP 2023, Erste Group is expected to meet a Pillar 2 Guidance (P2G) of 1.0% with CET1, valid as of 1 January 2024 onwards.

Overview of capital requirements and capital buffers

	Dec 23	Dec 24
Pillar 1		
Minimum CET1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum Own Funds requirement	8.00%	8.00%
Combined buffer requirement (CBR)	**5.46%**	**5.63%**
Capital conservation buffer	2.50%	2.50%
Countercyclical capital buffer	0.71%	0.63%
Systemic risk buffer	1.00%	1.00%
O-SII capital buffer	1.25%	1.50%
Minimum CET1 requirement (incl. CBR)	9.96%	10.13%
Minimum Tier 1 requirement (incl. CBR)	11.46%	11.63%
Minimum Own Funds requirement (incl. CBR)	13.46%	13.63%
Pillar 2	**1.75%**	**1.90%**
Minimum CET1 requirement	0.98%	1.07%
Minimum T1 requirement	1.31%	1.43%
Minimum Own Funds requirement	1.75%	1.90%
Total CET1 requirement for Pillar 1 and Pillar 2	**10.95%**	**11.19%**
Total Tier 1 requirement for Pillar 1 and Pillar 2	**12.78%**	**13.05%**
Total Capital requirement for Pillar 1 and Pillar 2	**15.21%**	**15.53%**

Capital structure

in EUR million	Dec 23 Phased-in	Dec 23 Final	Dec 24 Phased-in	Dec 24 Final
Common equity tier 1 capital (CET1)				
Capital instruments eligible as CET1	2,337	2,337	2,337	2,337
Retained earnings	16,911	16,911	16,459	16,459
Accumulated other comprehensive income (and other reserves)	-1,499	-1,499	-691	-691
Minority interest recognised in CET1	6,639	6,639	7,408	7,408
Common equity tier 1 capital (CET1) before regulatory adjustments	**24,388**	**24,388**	**25,513**	**25,513**
Own CET1 instruments	-77	-77	-72	-72
Prudential filter: cash flow hedge reserve	31	31	6	6
Prudential filter: Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	66	66	107	107
Prudential filter: Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-12	-12	-9	-9
Value adjustments due to the requirements for prudent valuation	-96	-96	-95	-95
Securitisation which qualify for a RW of 1250%, where the institution opts for the deduction alternative (deduction from CET1)	-24	-24	-62	-62
Goodwill	-544	-544	-609	-609
Other intangible assets	-333	-333	-357	-357
DTA that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-167	-167	0	0
IRB shortfall of credit risk adjustments to expected losses	0	0	-147	-147
CET1 capital elements or deductions – other	-285	-285	-280	-280
Common equity tier 1 capital (CET1)	**22,945**	**22,945**	**23,996**	**23,996**
Additional tier 1 capital (AT1)				
Capital instruments eligible as AT1	2,405	2,405	2,688	2,688
Instruments issued by subsidiaries that are given recognition in AT1	6	6	12	12
Additional tier 1 capital (AT1) before regulatory adjustments	**2,411**	**2,411**	**2,700**	**2,700**
Own AT1 instruments	-1	-1	-1	-1
Additional tier 1 capital (AT1)	**2,410**	**2,410**	**2,699**	**2,699**
Tier 1 capital = CET1 + AT1	**25,355**	**25,355**	**26,694**	**26,694**
Tier 2 capital (T2)				
Capital instruments eligible as T2	3,056	3,056	3,898	3,898
Instruments issued by subsidiaries recognised in T2	338	338	411	411
IRB excess of provisions over expected losses eligible	413	413	0	0
Tier 2 capital (T2) before regulatory adjustments	**3,806**	**3,806**	**4,309**	**4,309**
Own T2 instruments	-67	-67	-60	-60
Tier 2 capital (T2)	**3,739**	**3,739**	**4,249**	**4,249**
Total own funds	**29,094**	**29,094**	**30,943**	**30,943**
Capital requirement	**11,657**	**11,724**	**12,579**	**12,725**
CET1 capital ratio	**15.7%**	**15.7%**	**15.3%**	**15.1%**
Tier 1 capital ratio	**17.4%**	**17.3%**	**17.0%**	**16.8%**
Total capital ratio	**20.0%**	**19.9%**	**19.7%**	**19.5%**

The column 'Phased-in' shows the amounts considered according to CRR phase-in regulations considering the transitional provisions. The column 'Final' discloses the amounts under full implementation of the CRR.

The position 'CET1 capital elements or deduction – other' includes the development of unaudited risk provisions during the year (EU No 183/2014) and insufficient coverage for non-performing exposures (NPE Backstop) covering the requirements from both Art. 36 para 1 (m) CRR in connection with Art. 47(c) CRR and the Addendum to the ECB Guidance to banks on non-performing loans: supervisory expectations for prudential provisioning of non-performing exposures.

Risk structure

in EUR million	Dec 23 Total risk (phased-in)	Dec 23 Capital requirement (phased-in)	Dec 24 Total risk (phased-in)	Dec 24 Capital requirement (phased-in)
Total Risk Exposure Amount	**145,718**	**11,657**	**157,241**	**12,579**
Risk weighted assets (credit risk)	121,625	9,730	131,492	10,519
Standardised approach	23,872	1,910	25,518	2,041
IRB approach	97,582	7,807	105,296	8,424
Contribution to the default fund of a CCP	9	1	8	1
Securitizations	163	13	670	54
Settlement Risk	2	0	0	0
Trading book, foreign FX risk and commodity risk	6,284	503	6,612	529
Operational Risk	14,770	1,182	16,651	1,332
Exposure for CVA	289	23	383	31
Other exposure amounts (incl. Basel 1 floor)	2,748	220	2,103	168

in EUR million	Dec 23 Total risk (final)	Dec 23 Capital requirement (final)	Dec 24 Total risk (final)	Dec 24 Capital requirement (final)
Total Risk Exposure Amount	**146,545**	**11,724**	**159,066**	**12,725**
Risk weighted assets (credit risk)	122,453	9,796	133,317	10,665
Standardised approach	24,699	1,976	26,661	2,133
IRB approach	97,582	7,807	105,978	8,478
Contribution to the default fund of a CCP	9	1	8	1
Securitizations	163	13	670	54
Settlement Risk	2	0	0	0
Trading book, foreign FX risk and commodity risk	6,284	503	6,612	529
Operational Risk	14,770	1,182	16,651	1,332
Exposure for CVA	289	23	383	31
Other exposure amounts (incl. Basel 1 floor)	2,748	220	2,103	168

The position 'Other exposure amounts (incl. Basel 1 floor)' includes a RWA-add-on in view of the calculation of risk-weighted assets for credit risk in Banca Comercială Română (BCR). This RWA increase front-loads the expected difference in BCR between the treatments of exposures under the Standardised Approach compared to the treatment under IRB and is limited in time. As the authorization of the IRB-approach in BCR has been received (Joint decision ECB-SSM-2024-ATERS-81 from 18th of November 2024), this RWA add-on will be released with the implementation of the IRB approach planned for end of February 2025.

34. Credit risk: credit risk review and monitoring

ESG RISK MANAGEMENT

Erste Group integrates ESG factors in its risk management and industry strategy framework. ESG risk related conclusions from the annual business environment scan are considered together with the Erste Group ESG Factor Heatmap. The ESG Factor Heatmap is used as a screening instrument to identify certain industry segments (out of the existing sub-industries) that may be exposed to ESG risk factors and determine those industries which are more vulnerable to ESG risks. Erste Group establishes industry strategies and lending standards to support the steering of the portfolio under considerations of ESG risks; both are the basis for decisions, which determine which clients and transactions fit into the group's portfolio.

Secondly, the Group has established an ESG risk framework for the assessment of material ESG factors, related risks, and appropriateness of the mitigating strategies in the credit and rating processes. In this manner, the Group takes ESG risk criteria into account when making credit decisions.

For large corporate, commercial real estate and commercial residential real estate transactions, the group conducts a systemic ESG analysis via an internal digital ESG assessment questionnaire. The questionnaire is a mandatory prerequisite in the loan origination and monitoring process. By providing a comprehensive ESG risk assessment, Erste Group can determine how certain ESG factors may have a positive or negative impact on the financial performance of clients. The questionnaire enables the group to identify clients' ESG risks or opportunities.

Particular questions in the questionnaire may also require an in-depth assessment to understand the nature and severity of the ESG risks to which the client is exposed. The questionnaire forms an integral part of the credit application and is updated at least annually, allowing Erste Group to understand the client's business model in the context of carbon transition. To support achieving the group's decarbonization targets, additional lending guidance has been introduced for large corporate, depending on their communicated strategy to align with climate science recommendations.

Furthermore, ESG relevant data is collected for certain types of collateral, as defined in the Group Collateral Management Policy for real estate collateral valuations, documentation and reporting purposes. Environmental aspects which affect the value of the collateral have to be included in the real estate valuations, which can lead to a higher or lower valuation result. Moreover, any risks arising from social (e.g., location and transportation, mass urbanisation – being indicators for easy accessibility for people) and governance factors (such as improper business practices such as tax fraud or bribery of the financed company being the owner of the building serving as collateral) have to be considered as well. For commercial real estate assets, the questionnaire additionally includes an assessment of the building's environmental footprint, including information on land consumption, space efficiency, and the existence of a sustainable building certificate. Similarly to large corporate lending, the bank has introduced additional lending guidance for commercial real estate financing, tied to the carbon footprint of the financed asset.

With regards to credit risk measurement and internal models a respective project to define and collect relevant climate risk drivers for all rating systems has started in 2022 to ensure the explicit consideration of climate risks in future model development initiatives. In 2024, ESG factors are considered in the soft facts assessment in the corporate rating models. In case of sovereigns and banks, the rating is overridden based on the ESG score derived from available sources World Bank / OECD and Bloomberg, respectively. Moreover, if it is concluded that calculated model rating does not reflect the ESG risk properly, then rating can be overridden manually based on ESG assessment questionnaire. For the LGD models, climate risk is indirectly reflected via the collateral value. Additionally, within each new model development, testing of the ESG drivers is obligatory and where it is deemed relevant, the respective information needs to be integrated via model into ECL measurement.

For the assessment and management of physical risks, Erste Group uses Munich Re's Location Risk Intelligence. In 2023 the group has conducted a physical risks materiality assessment together with the University of Graz to identify key hazards and climate change scenarios relevant for its collateral portfolio. The results of the assessment, highlighting the importance of river flood, fire weather stress, drought stress, sea level rise and heat stress, is integrated into the collateral management, incorporating an intermediate climate change scenario of 2-3C by 2100 (Representative Concentration Pathway 4.5 / Shared Socioeconomic Pathway 2, developed by the Intergovernmental Panel on Climate Change) as a reasonable assumption. In case of the existence of very high physical risks of a location, the collateral value would be negatively affected.

To assess the potential impact of physical risk, the internal stress test incorporated an internally developed physical risk model. The risk 'river flood' was determined to be the most relevant risk for Erste Group applying the climate hazard scores provided by Munich Re on EGBs collaterals.

Among the industries presented in the table 'Credit risk exposure by industry and risk category' below in this chapter, Erste Group identified, as part of the strategic climate initiative for the Net Zero Banking Alliance, certain carbon-intensive sectors as important levers for setting interim emission targets for 2030, thereby supporting the migration of 'Transition Risk' in Erste Group financed portfolio. Targets are set for the following sectors: housing mortgages, commercial real estate, electricity production, heat and steam production, cement production, auto manufacturing, oil and gas upstream, iron and steel.

During 2024 significant strides in transition risk management have been made, especially in scenario analysis and materiality assessment. An internal Transition Risk Stress Test was conducted with focus on four scenario analysis based on NGFS (Network for Greening the Financial System) scenarios: 'Net Zero 2050', 'Delayed Transition', 'Below 2°C' and 'Current Policies'. The analysis was informed by the internal sectoral targets and the results are integrated into the bank's Risk Materiality Assessment.

METHODS OF CREDIT RISK MANAGEMENT

Credit risk arises from Erste Group's traditional lending and investment businesses.

Operative credit decisions are made by the credit risk management units in each subsidiary locally and by Corporate Risk Management at the group level.

Credit risk related to retail and corporate loan portfolios is managed at the group and at local entity level with a common interest to ensure regulatory compliant risk management practices and to provide customers with manageable loan facilities that are within their financial capacities and supported by underlying profitability.

INTERNAL RATING SYSTEM

Erste Group has business and risk strategies in place that govern policies for lending and credit approval processes. These policies are reviewed at a minimum on an annual basis and adjusted if necessary. They cover the entire lending business, considering the nature, scope and risk level of the transactions and the counterparties involved. Credit approval considers individual information on the creditworthiness of the customer, the type of credit, collateral, covenant package and other risk mitigation factors involved.

The assessment of credit default risk within Erste Group is based on the customer's probability of default (PD). For each credit exposure and lending decision, Erste Group assigns an internal rating, which is a unique measure of the credit default risk. The internal rating of each customer is updated event-specific, however, at least once a year (annual rating review). Ratings of workout customers are reviewed with a higher frequency.

The main purpose of the internal ratings is to support the decision-making for lending and for the terms of credit facilities. Internal ratings also determine the level of credit approval authority within Erste Group and the monitoring procedures for existing exposures. At a quantitative level, internal ratings influence the level of required risk pricing, loss allowances and, where applicable, risk-weighted assets under Pillar 1 and 2.

For entities of Erste Group that use the internal ratings-based (IRB) approach, internal ratings are key input for the risk-weighted assets calculation. They are also used in the group's assessment of the economic capital requirements according to Pillar 2 and in other relevant model use areas. For these purposes, a distinct PD value is assigned to each rating grade for its IRB portfolios within a calibration process that is performed individually for each rating method. PD values reflect a 12-month probability of default based on long-term average default rates per rating grade. The bank assigns margins of conservatism to the calculated PDs.

Internal ratings consider all available significant information for the assessment of credit default risk. For non-retail borrowers, internal ratings take into account the financial strength of the counterparty, the possibility of external support, flexibility in corporate financing, general company information and external credit history information, where available. For retail clients, internal ratings are based mainly on payment behaviour versus the bank and, where applicable, credit bureau information, supplemented with information provided by the respective client and general demographic information. Rating ceiling rules on credit quality are applied based on membership in a group of economically related entities and the country of main economic activity (applicable to cross-border financing facilities).

Internal specialist teams develop and continuously improve internal rating models and risk parameters in cooperation with risk managers. All Pillar 1 and 2, as well as IFRS9 models are subject of an annual review of their estimates, considering the inclusion of most recent data in the estimation of risk parameters, as well as a regular cycle of full model review. Model development follows an internal group-wide methodological standard and utilises relevant data covering the respective market. In this way, Erste Group ensures the availability of rating models with the best possible prediction and discriminatory ability across its core regions.

The central Model Validation department is responsible for defining the validation methodologies and standards to be applied to all credit risk models within Erste Group as well as for conducting the validation activities across the whole Erste Group. All Pillar 1, material Pillar 2 and IFRS9 models are subject to an annual validation, while for non-material Pillar 2 and IFRS9 models a regular validation cycle is implemented. Model Validation employs qualitative as well as quantitative validation methods to challenge conceptual soundness, performance, and model use aspects. The validation outcomes are approved by the respective model committees and, in case of IRB models, shared with the regulatory bodies. In addition to the validation process, the group applies a regular monitoring process on the performance of IRB models, reflecting developments in new defaults and early delinquencies.

Approvals of all new models, model changes, changes to risk parameters, changes in group-wide methodological standards and other model-related aspects are following a dual approval process within the Group – corresponding Holding and local model committee structures reflect joint responsibilities for decisions on Pillar 1 IRB and Pillar 2 credit risk models as well as on methodologies related to IFRS9 parameters. Responsibilities are assigned depending on model perimeter (group-wide or locally developed model). In this context, the following committees are established: Strategic Risk Executive Committee and Strategic Risk Management Committee. Ultimate responsibility for all models used within the Group (at consolidated level) lies with the Group CRO.

CREDIT RISK CLASSIFICATION

For the disclosure of asset quality Erste Group assigns each customer to one of the following four risk categories:

Low risk. Typically, regional customers with well-established and rather long-standing relationships with Erste Group or large internationally recognised customers. Very good to satisfactory financial position and low likelihood of financial difficulties relative to the respective market in which the customers operate. Retail clients having long relationships with the bank, or clients with a wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally done with clients in this risk category.

Management attention. Vulnerable non-retail clients, who may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term. Retail clients with possible payment problems in the past triggering early collection reminders. These clients typically have a good recent payment history.

Substandard. The borrower is vulnerable to short-term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. As a rule, such loans are managed in specialised risk management departments.

Non-performing. One or more of the default criteria under Article 178 of the CRR are met, which include full repayment unlikely, interest or principal payments on a material exposure more than 90 days past due, restructuring resulting in a loss to the lender, realisation of a loan loss, or initiation of bankruptcy proceedings. Erste Group applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal, then the customer's performing transactions are classified as non-performing as well. All non-performing exposures are also defaulted.

The materiality of 90 days past due credit obligation is applied for on-balance exposure at client level and assessed daily against the group-wide defined materiality threshold (except the local regulator has defined different thresholds) for the:
— retail exposure: as an absolute limit on client level of 100 EUR and relative 1% on client level;
— non-retail exposure: as an absolute limit on client level of 500 EUR and relative 1% on client level.

Based on the calibration of internal PDs (probabilities of default) for regulatory purposes to the default rates published by rating agencies, the equivalent external customer rating is used for the assignment to risk categories. For the agency ratings, average one-year default rates resulting from long-term time series are applied.

CREDIT RISK REVIEW AND MONITORING

Retail Risk Management as well as Credit Risk Portfolio in cooperation with Corporate Risk Management conduct periodical reviews of the loan portfolio for each local entity to ensure an adequate portfolio quality and to monitor the compliance of local portfolios with the principles and parameters as stipulated by Erste Group's credit risk policies.

All credit limits and the transactions booked within the limits are reviewed at least once a year. Counterparty credit risk limits are monitored daily in an internal limit management system with remedial actions taken in case limits are exceeded.

A group-wide standardised early warning monitoring process is implemented to proactively identify negative developments. The early warning monitoring process for corporate clients is managed at group level by Credit Risk Portfolio and, at subsidiary level, by the local units responsible for corporate risk management, retail risk management and collections, for respective segments. When early warning signals are identified and validated, the overall client exposure and creditworthiness is reviewed, and adequate risk mitigating actions are taken if deemed necessary. Watch list review meetings are held on a regular basis to monitor customers with a poor credit standing and to discuss pre-emptive measures. For smaller enterprises (micro) and retail customers, the monitoring and credit review are based on an automated early warning system. In retail risk management, the early warning signals for adverse portfolio developments include, for instance, quality deterioration in new business or a decreasing collections effectiveness and require appropriate countermeasures. Additionally, the monitoring is performed for clients where early warning signals have been identified, even if they are still fulfilling their contractual repayment obligations.

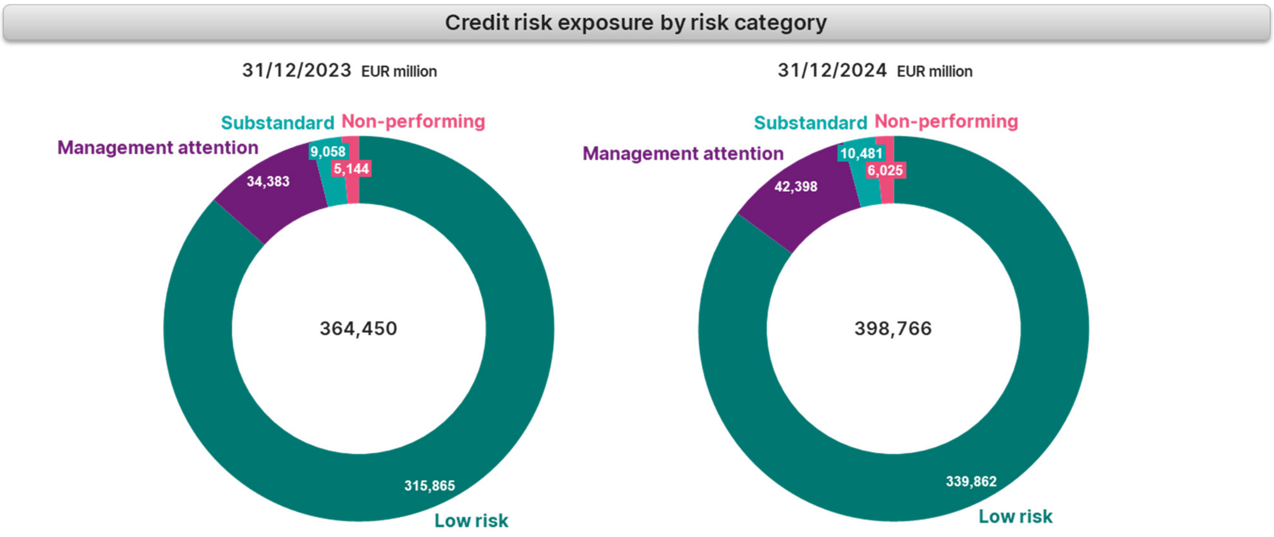
Adverse portfolio developments regarding the non-performing and substandard loans portfolio of Erste Group are monitored, discussed, and reported regularly. In case of further negative developments clients are managed in specialized workout units aiming to maximise recoveries.

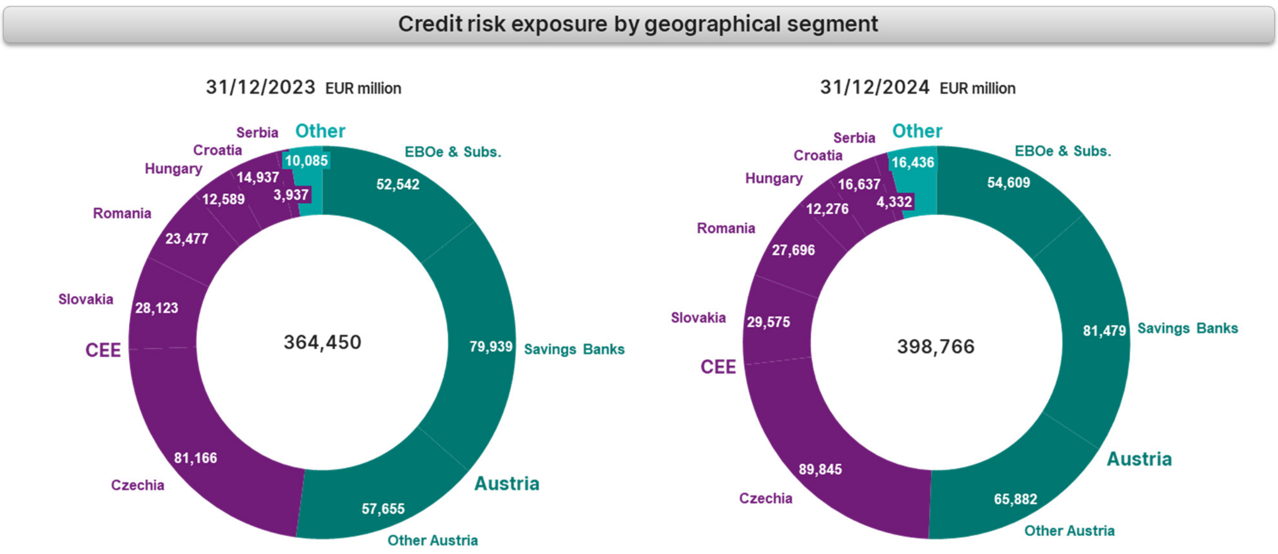
35. Credit risk exposure

Credit risk exposure relates to the sum of the following balance sheet items:
— cash and cash balances - demand deposits to credit institutions;
— instruments (derivatives and debt securities) held for trading (HfT);
— non-trading debt instruments at fair value through profit or loss (FVPL);
— debt instruments at fair value through other comprehensive income (FVOCI);
— debt instruments at amortised cost (AC), other than trade and other receivables;
— trade and other receivables (for disclosure purposes in the tabular summaries below, any contract assets are also included in this category);
— finance lease receivables;
— debt instruments held for sale in disposal groups;
— positive fair value of hedge accounting derivatives;
— off-balance sheet exposures (primarily financial guarantees and undrawn loan commitments).

The credit risk exposure equates the gross carrying amount (or nominal value in the case of off-balance sheet positions) excluding:
— credit loss allowances for financial assets;
— credit loss allowances for loan commitments and financial guarantees;
— provisions for other commitments;
— any collateral held (including risk transfer to guarantors);
— netting effects;
— other credit enhancements;
— credit risk mitigating transactions.

PORTFOLIO OVERVIEW ON TOTAL CREDIT RISK





Between the 31 December 2023 and 31 December 2024, the credit risk exposure increased from EUR 364,450 million to EUR 398,766 million. This is an increase of 9% or EUR 34,316 million.

Reconciliation between the gross carrying amount and the carrying amount of the credit risk exposure components

in EUR million	Credit risk exposure	Credit loss allowances	Adjustments	Net carrying amount
Dec 24				
Cash and cash balances - demand deposits to credit institutions	1,196	-2	0	1,194
Instruments HfT	11,322	0	0	11,322
Non-trading debt instruments at FVPL	2,576	0	0	2,576
Debt securities	1,468	0	0	1,468
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,108	0	0	1,108
Debt instruments at FVOCI	9,398	-13	3	9,388
Debt securities	9,398	-13	3	9,388
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	292,905	-4,011	0	288,894
Debt securities	52,904	-15	0	52,889
Loans and advances to banks	26,978	-6	0	26,972
Loans and advances to customers	213,024	-3,991	0	209,034
Trade and other receivables	2,722	-44	0	2,677
Finance lease receivables	5,331	-83	0	5,248
Debt instruments held for sale in disposal groups	0	0	0	0
Positive fair value of hedge accounting derivatives	181	0	0	181
Off-balance sheet exposures	73,137	-486	0	-
Financial guarantees	7,431	-162	0	-
Loan commitments	50,981	-312	0	-
Other commitments	14,725	-12	0	-
Total	**398,766**	**-4,639**	**3**	**321,479**

in EUR million	Credit risk exposure	Credit loss allowances	Adjustments	Net carrying amount
Dec 23				
Cash and cash balances - demand deposits to credit institutions	901	-2	0	899
Instruments HfT	8,627	0	0	8,627
Non-trading debt instruments at FVPL	2,590	0	0	2,590
Debt securities	1,551	0	0	1,551
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,038	0	0	1,038
Debt instruments at FVOCI	8,851	-14	-43	8,794
Debt securities	8,851	-14	-43	8,794
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	268,664	-3,944	0	264,721
Debt securities	44,064	-17	0	44,047
Loans and advances to banks	21,444	-12	0	21,432
Loans and advances to customers	203,156	-3,915	0	199,241
Trade and other receivables	2,642	-63	0	2,579
Finance lease receivables	5,059	-90	0	4,970
Debt instruments held for sale in disposal groups	153	-4	0	150
Positive fair value of hedge accounting derivatives	183	0	0	183
Off-balance sheet exposures	66,779	-440	0	-
Financial guarantees	8,288	-146	0	-
Loan commitments	45,363	-269	0	-
Other commitments	13,128	-24	0	-
Total	**364,450**	**-4,556**	**-43**	**293,512**

Credit loss allowances comprise impairments for financial assets measured at amortised cost (including finance lease and trade and other receivables) and at fair value through other comprehensive income (FVOCI), as well as credit loss allowances and provisions for off-balance sheet exposures. Adjustments refer to the fair value changes of the carrying amount for financial assets at FVOCI.

BREAKDOWN OF CREDIT RISK EXPOSURE

On the following pages the credit risk exposure is presented according to different segmentation criteria.

Credit risk exposure by industry and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 24					
Natural Resources & Commodities	9,975	2,898	701	377	13,951
Energy	16,612	1,469	375	44	18,499
Construction and building materials	13,735	3,843	865	417	18,860
Automotive	6,259	1,598	300	420	8,576
Cyclical Consumer Products	5,820	1,779	523	343	8,465
Non-Cyclical Consumer Products	9,121	2,049	278	182	11,630
Machinery	5,764	1,291	275	208	7,538
Transportation	8,362	1,615	279	119	10,375
TMT; Telecommunications, Media, Technology	6,622	1,113	125	89	7,949
Healthcare & Services	9,383	2,299	333	175	12,190
Hotels & Leisure	7,477	1,913	497	359	10,246
Real Estate	37,915	6,579	1,698	1,537	47,729
Public Sector	86,294	384	76	76	86,830
Financial Institutions	31,599	1,247	322	24	33,192
Private Households	84,726	12,310	3,729	1,650	102,416
Other	198	13	105	3	318
Total	**339,862**	**42,398**	**10,481**	**6,025**	**398,766**
Dec 23					
Natural Resources & Commodities	10,984	2,219	454	408	14,064
Energy	15,235	1,430	365	47	17,077
Construction and building materials	13,498	2,951	657	376	17,481
Automotive	6,776	1,021	295	134	8,227
Cyclical Consumer Products	6,911	1,562	533	330	9,336
Non-Cyclical Consumer Products	8,822	1,603	302	163	10,891
Machinery	5,719	896	177	226	7,018
Transportation	7,286	1,040	175	132	8,632
TMT; Telecommunications, Media, Technology	6,855	723	144	151	7,873
Healthcare & Services	8,382	1,697	341	226	10,645
Hotels & Leisure	7,272	1,688	420	404	9,784
Real Estate	36,906	6,156	1,157	869	45,089
Public Sector	71,670	370	64	78	72,182
Financial Institutions	26,008	872	686	33	27,599
Private Households	83,309	10,126	3,177	1,562	98,173
Other	233	30	112	5	380
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

With 85%, the low risk exposure has the highest share in total credit risk exposure, while management attention represents 11%. The substandard exposure contributes 3% and the non-performing category 2%.

From industry and financial instrument point of view, the highest exposure is represented by households in loans and advances to customers with EUR 90,830 million, representing 23% from total exposure, followed by real estate and housing in loans and advances to customers with an exposure of EUR 42,245 million representing 11% from total and public sector in debt securities with an exposure of EUR 42,173 million representing 11% from total.

Credit risk exposure by region and risk category

The geographic analysis of credit risk exposure is based on the country of risk of borrowers and counterparties. It also includes obligors domiciled in other countries if the economic risk exists in the respective country of risk. Accordingly, the distribution by regions differs from the composition of the credit risk exposure by geographical segments of Erste Group.

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 24					
Core markets	**279,809**	**39,033**	**9,676**	**5,524**	**334,043**
Austria	121,943	14,194	4,465	3,413	144,016
Czechia	77,158	9,676	1,515	802	89,151
Slovakia	24,621	4,901	1,701	422	31,645
Romania	24,322	3,997	876	389	29,584
Hungary	15,369	2,766	562	138	18,835
Croatia	12,475	2,611	469	298	15,853
Serbia	3,921	889	88	62	4,960
Other EU	**41,585**	**1,686**	**466**	**307**	**44,044**
Other industrialised countries	**12,458**	**245**	**49**	**9**	**12,761**
Emerging markets	**6,010**	**1,434**	**290**	**185**	**7,918**
Southeastern Europe/CIS	3,410	833	255	104	4,602
Asia	1,913	61	6	10	1,990
Latin America	271	1	1	0	273
Middle East/Africa	416	538	28	70	1,053
Total	**339,862**	**42,398**	**10,481**	**6,025**	**398,766**
Dec 23					
Core markets	**267,695**	**31,998**	**7,960**	**4,538**	**312,190**
Austria	120,585	11,701	3,526	2,432	138,245
Czechia	71,296	7,452	1,541	816	81,105
Slovakia	24,871	3,873	1,309	378	30,431
Romania	20,956	3,406	605	373	25,339
Hungary	15,013	2,572	505	191	18,281
Croatia	11,186	2,329	382	287	14,185
Serbia	3,787	665	92	60	4,605
Other EU	**31,179**	**1,268**	**468**	**387**	**33,302**
Other industrialised countries	**11,733**	**156**	**78**	**27**	**11,995**
Emerging markets	**5,258**	**962**	**552**	**192**	**6,963**
Southeastern Europe/CIS	3,036	855	222	113	4,226
Asia	1,628	74	6	10	1,717
Latin America	236	1	1	0	238
Middle East/Africa	358	33	324	68	782
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

The credit risk exposure increased by EUR 5,771 million, or 4% in Austria, and by EUR 16,082 million, or 9% in the CEE core markets. In the other EU member states (EU 27 excluding core markets), the credit risk exposure increased by EUR 10,742 million, or 32%, while in other industrialised countries the increase in exposure amounted to EUR 766 million (6%). The emerging markets registered an increase of EUR 955 million or 14%. In total, Erste Group's core markets and the EU accounted for 95% (2023: 95%) of credit risk exposure. At 2% (2023: 2%), the share of emerging markets remained of minor importance.

Credit risk exposure by reporting segment and risk category

The reporting of segments of Erste Group conforms to the internal management and control structure and is based on geographical segments in order to provide more comprehensive information the segmental reporting also comprises business segments.

Credit risk exposure by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 24					
Austria	**175,979**	**16,889**	**5,231**	**3,872**	**201,970**
EBOe & Subs.	47,675	4,425	1,496	1,013	54,609
Savings Banks	65,012	10,806	3,382	2,279	81,479
Other Austria	63,292	1,657	352	580	65,882
CEE	**147,463**	**25,495**	**5,250**	**2,152**	**180,360**
Czechia	77,312	10,155	1,540	838	89,845
Slovakia	22,493	4,918	1,745	418	29,575
Romania	22,410	4,036	861	389	27,696
Hungary	8,874	2,726	543	132	12,276
Croatia	13,037	2,806	479	315	16,637
Serbia	3,337	853	82	61	4,332
Other	**16,420**	**15**	**1**	**0**	**16,436**
Total	**339,862**	**42,398**	**10,481**	**6,025**	**398,766**
Dec 23					
Austria	**168,910**	**13,815**	**4,414**	**2,997**	**190,136**
EBOe & Subs.	47,230	3,392	1,155	765	52,542
Savings Banks	66,135	9,506	2,478	1,821	79,939
Other Austria	55,545	918	781	411	57,655
CEE	**136,959**	**20,531**	**4,594**	**2,145**	**164,229**
Czechia	71,121	7,596	1,596	853	81,166
Slovakia	22,437	3,914	1,396	375	28,123
Romania	19,065	3,412	618	382	23,477
Hungary	9,402	2,514	489	185	12,589
Croatia	11,782	2,450	415	291	14,937
Serbia	3,152	645	81	59	3,937
Other	**9,997**	**37**	**49**	**2**	**10,085**
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

Credit risk exposure by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 24					
Retail	67,961	13,488	3,864	1,650	86,964
Corporates	107,666	17,253	2,911	2,088	129,919
Group Markets	28,733	746	206	1	29,686
ALM & LCC	70,368	92	117	6	70,583
Savings Banks	65,012	10,806	3,382	2,279	81,479
GCC	122	13	1	0	136
Total	**339,862**	**42,398**	**10,481**	**6,025**	**398,766**
Dec 23					
Retail	65,966	11,588	3,470	1,509	82,533
Corporates	104,163	12,827	2,460	1,805	121,254
Group Markets	23,066	382	520	0	23,967
ALM & LCC	56,433	76	80	6	56,596
Savings Banks	66,135	9,506	2,478	1,821	79,939
GCC	104	4	49	2	160
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

36. Use of collateral

Recognition of credit collateral

Collateral Management is integrated in Collateral Mgmt. and Rating Enhancement department of Credit Risk Portfolio division. The Group Collateral Management Policy Part 1 Credit Collateral defines, among other topics, uniform valuation standards for credit collateral across the entire group. It ensures that the credit risk decision processes are standardised with respect to accepted collateral values.

All collateral types acceptable within the group are contained in the Group Collateral Catalogue. Locally permitted collateral is defined by the respective bank in accordance with applicable national legal provisions. The valuation and revaluation of collateral is done according to the principles defined in the Group Collateral Catalogue broken down by collateral type and based on the internal work instructions in accordance with the individual supervisory requirements. Whether a type of collateral or a specific collateral asset is accepted for credit risk mitigation is decided by Enterprise-wide Risk Management after determining if the applicable regulatory requirements are met. Credit underwriting monitors adherence to the standard processes stipulated for assigning the acceptable collateral assets to the categories available.

Main types of credit collateral

Mostly, the following types of credit collateral are accepted:
- real estate: residential and commercial real estate;
- financial collateral: securities, cash deposits and life insurance policies;
- guarantees: given by sovereigns, public sector entities, financial institutes, companies, and private individuals. All guarantors must have a minimum credit rating, which is reviewed annually;
- movables: equipment, investment goods, machinery, and motor vehicles;
- claims and rights: trade account receivables, leasehold rights and shares in a company's capital.

Collateral valuation and management

Collateral valuation is based on current market prices while considering an amount that can be recovered within a reasonable period. The valuation processes are defined, and their IT-supported technical application is performed by Collateral Management at group level and by authorised staff in each country with the assistance of software applications. The allocated collateral values are capped by the amount of the secured transaction.

Real estate valuation may only be performed by qualified valuators who are independent of the credit decision process. The valuation is to be made according to international, European, or national standards and has to follow valuation methods defined by the bank. Internal guidelines define criteria of qualification and requirements of independence for the selection of valuators. A valuator may only perform two sequential valuations of the same asset, any further valuation has to result in the rotation of the valuator. For quality assurance purposes, real estate valuators and real estate valuations are supervised on an ongoing basis.

The methods and discounts used for valuations are based on empirical data representing past experience of the workout departments and on the collected data on recoveries from realising collateral. The valuation discounts are adjusted regularly – at least once a year – to reflect the recoveries under consideration of foreseeable developments (like expected real estate price changes).

The revaluation of collateral is done periodically and is automated as far as possible. In the case of external data sources, the appropriate interfaces are used. The maximum periods for the revaluation of individual collateral assets are predefined and compliance is monitored by risk management using software applications. Apart from periodic revaluations, collateral is assessed when information becomes available that indicates a decrease in the value of the collateral for exceptional reasons, or when defined triggers are exceeded. Particularly real estate collateral assets in development, showing problems like significant cost or time overrun, as well as assets, collateralizing loans with lower credit quality, are monitored or revalued with higher frequencies.

Concentration risks resulting from credit risk mitigation techniques may affect a single customer, but also a portfolio defined by region, industry, or type of collateral. Erste Group is a retail bank, and, due to its customer structure and the markets in which it operates, it does not have any concentrations with respect to collateral from customers. All guarantee liabilities and loans of a corporate guarantee provider are taken into consideration in the credit application process in order to prevent possible concentrations. Guarantees provided by sovereigns, a public sector entity or financial institutions have to lie within the approved limit of the guarantor. Concerning other areas of a potentially detrimental correlation of risks, the collateral portfolios are analysed using statistical evaluations for, among other things, regional or industry-specific concentrations within the scope of portfolio monitoring. The response to those risks identified includes, above all, the adjustment of volume targets, setting of corresponding limits and modification of the staff's discretionary limits for lending.

Collateral obtained in foreclosure proceedings is made available for sale in an orderly fashion, with the proceeds used to reduce or repay the outstanding claim. Generally, Erste Group does not occupy repossessed properties for its own business use. The main part of assets taken onto its own books is commercial land and buildings. In addition, residential real estate properties and transport vehicles are taken into Erste Group's possession. As of 31 December 2024, the carrying value of these assets obtained during the reporting period amounted to EUR 7 million (2023: EUR 2 million).

Treasury collateral

The department Trading Book Risk Management is responsible for treasury collateral. The Group Collateral Management Policy Part 2 defines, among other things, uniform valuation standards for treasury collateral across the entire group.

Under the framework of treasury collateral, netting agreements (international framework agreements for derivatives of the International Swap and Derivatives Association (ISDA), Austrian or German framework agreements, framework agreements for securities lending transactions and repurchase deals) as well as collateral agreements (e.g., ISDA Credit Support Annex) are used for reducing the credit risk from derivatives.

Netting agreements make it possible to net all amounts due or payable for each individual transaction under a framework agreement in the case of a credit default, with the result that only the net receivables vis-à-vis the business partner are of relevance for credit risk. Within the scope of these collateral agreements, the portfolio with the respective counterparty is revalued periodically, usually daily, and in case of insufficient coverage additional collateral is requested. The policy restrictions on collateral types ensure that collateral received predominantly consists of cash or securities of investment grade quality. In the case of securities used as collateral, an additional valuation discount (haircut) depending on credit quality and residual maturity is applied.

The following table compares the credit risk exposure broken down by financial instrument to the allocated collateral which corresponds to the accepted value after internal haircuts capped by the exposure amount.

Credit risk exposure by financial instrument and collateral

in EUR million	Total credit risk exposure	Collateral total	Collateralised by			Credit risk exposure net of collateral	IFRS 9 impairment relevant		
			Guarantees	Real estate	Other		Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Dec 24									
Cash and cash balances - demand deposits to credit institutions	1,196	475	0	0	475	721	1,195	1	0
Instruments HfT	11,322	0	0	0	0	11,322	0	0	0
Non-trading debt instruments at FVPL	2,576	1,038	785	253	0	1,538	0	0	0
Debt instruments at FVOCI	9,398	556	556	0	0	8,842	9,392	0	5
Debt instruments at AC	**292,905**	**156,397**	**11,756**	**113,541**	**31,100**	**136,508**	**284,315**	**3,060**	**5,531**
Debt securities	52,904	2,304	2,304	0	0	50,599	52,896	0	9
Loans and advances to banks	26,978	25,238	2,054	0	23,185	1,739	26,977	0	0
Loans and advances to customers	213,024	128,854	7,398	113,541	7,915	84,170	204,442	3,060	5,522
Trade and other receivables	2,722	215	211	1	2	2,507	1,545	1,142	35
Finance lease receivables	5,331	3,076	84	158	2,834	2,255	4,957	255	119
Debt instruments held for sale in disposal groups	0	0	0	0	0	0	0	0	0
Positive fair value of hedge accounting derivatives	181	0	0	0	0	181	0	0	0
Off-balance sheet exposures	73,137	8,705	282	3,376	5,047	64,432	58,373	0	228
thereof other commitments	14,725	1,620	0	244	1,376	13,105	189	0	0
Total	**398,766**	**170,460**	**13,673**	**117,329**	**39,458**	**228,306**	**359,776**	**4,458**	**5,917**
Dec 23									
Cash and cash balances - demand deposits to credit institutions	901	170	0	0	170	731	884	18	0
Instruments HfT	8,627	98	98	0	0	8,530	0	0	0
Non-trading debt instruments at FVPL	2,590	1,020	818	202	0	1,569	0	0	0
Debt instruments at FVOCI	8,851	637	637	0	0	8,214	8,848	0	3
Debt instruments at AC	**268,664**	**142,095**	**11,714**	**107,865**	**22,515**	**126,570**	**261,382**	**2,808**	**4,628**
Debt securities	44,064	1,673	1,673	0	0	42,390	44,059	0	5
Loans and advances to banks	21,444	16,987	1,847	0	15,140	4,457	21,444	0	0
Loans and advances to customers	203,156	123,434	8,194	107,865	7,375	79,722	195,879	2,808	4,623
Trade and other receivables	2,642	210	195	1	13	2,433	1,527	1,059	56
Finance lease receivables	5,059	2,922	68	201	2,653	2,137	4,749	207	103
Debt instruments held for sale in disposal groups	153	0	0	0	0	153	0	0	0
Positive fair value of hedge accounting derivatives	183	0	0	0	0	183	0	0	0
Off-balance sheet exposures	66,779	7,376	322	3,412	3,643	59,403	53,298	82	271
thereof other commitments	13,128	1,064	0	245	819	12,064	0	0	0
Total	**364,450**	**154,528**	**13,851**	**111,681**	**28,995**	**209,923**	**330,688**	**4,174**	**5,062**

The collateral attributable to exposures that are credit impaired as of 31 December 2024 amounts to EUR 2,906 million (2023: EUR 2,449 million).

37. Measurement of expected credit loss

The general principles and standards for credit loss allowances are governed by internal policies in Erste Group. According to IFRS 9, credit loss allowances are calculated for all components of credit risk exposures which are measured at amortised cost (AC) or at fair value through other comprehensive income. They include debt securities, loans and advances, demand deposits on nostro accounts with commercial banks as well as finance lease and trade receivables. In addition, credit loss allowances are calculated for loan commitments and financial guarantees if they meet the applicable IFRS 9 definitions.

CLASSIFICATION INTO STAGES AND DEFINITION OF CREDIT-IMPAIRED FINANCIAL INSTRUMENTS

There are three main stages outlined for expected credit loss (ECL) determination. The stages approach applies to financial instruments within the scope of the impairment requirements of IFRS 9 and those that are not categorised as purchased or originated credit impaired financial assets (POCI), which form a category of their own. Depending on the impairment status and the assessment of the development of credit risk, these financial instruments are assigned to one of the three stages, as described in the chapter 'Financial instruments – Material accounting policies', in the section 'Impairment of financial instruments'.

SIGNIFICANT INCREASE IN CREDIT RISK DETERMINATION

Assessment of significant increase in credit risk (SICR) of financial instruments as at the reporting date since initial recognition is one of the key drivers affecting the amount of the ECL recognised based on IFRS 9 requirements. In this respect, across portfolios and product types, quantitative and qualitative indicators are defined for assessing SICR, including the indicator of 30 days-past-due (DPD).

Erste Group methodology allows introduction of the cure periods for migrations back to Stage 1 from Stage 2 in addition to those already established in general credit risk practices (forbearance, watch lists, default). They are rarely applied, only in specific countries for specific criteria without significant effect on the overall expected credit loss or Stage 2.

Quantitative criteria. Quantitative SICR indicators include adverse changes in lifetime probability of default with significance being assessed by comparison to the thresholds. The bank has established thresholds for significant increases in credit risk based on both a percentage (relative) and absolute change in PD compared to initial recognition. SICR occurs for a particular financial instrument, when both the relative and the absolute thresholds are breached.

The relative measure is calculated as a ratio between current annualised LT PD and annualised LT PD value on initial recognition, considering remaining maturity of the instrument. Cumulative LT PD comparison can be used for simplification according to Erste Group methodology; however, such approach is rarely used. The breach means that such ratio has reached or is higher than the established threshold. These relative thresholds for SICR assessment are established at PD segment level or client rating level for each consolidated entity, as necessary, and are subject to initial and on-going validation.

Relative thresholds for SICR assessment by Erste Group main entities

	Dec 23		Dec 24	
Threshold interval (x times)	Min	Max	Min	Max
Austria	**1.13**	**2.37**	**1.02**	**2.37**
EBOe & Subs.	1.13	2.37	1.02	2.37
Savings Banks	1.13	2.37	1.02	2.37
Holding	1.13	2.37	1.02	2.37
CEE	**1.01**	**4.08**	**1.00**	**4.08**
Czechia	1.01	3.59	1.01	3.59
Slovakia	1.13	4.08	1.13	4.08
Romania	1.06	3.37	1.06	3.37
Hungary	1.13	3.21	1.13	3.21
Croatia	1.13	3.13	1.13	3.13
Serbia	1.02	2.58	1.00	2.72
Total	**1.01**	**4.08**	**1.00**	**4.08**

The table shows only relative thresholds applied by main Erste Group entities. The thresholds applied by their subsidiaries can deviate from those shown in the table.

Thresholds might seem to show high dispersion, but they are driven mainly by regional and rating diversity. In general, the maximal thresholds are applied in case of clients with higher credit quality and minimal in case of clients with lower credit quality. The average threshold of the Group is between 2 and 3.

There are certain portfolios where SICR quantitative criteria are assessed based on the ratings rather than PDs. Predefined rating notches' downgrade leads to SICR recognition. These rules are applied primarily to leasing and factoring business receivables.

The relative thresholds are kept stable as one of the most significant estimates in ECL measurement. They are re-estimated due to either significant change of PD models or internal validation finding. In 2024, thresholds were recalibrated due to PD model update:
— in Austria, in case of local retail models, leading to ECL release of EUR 4.3 million, and;
— in Erste Bank Serbia, the model update covered the review of PD and rating model.

The absolute threshold refers to difference of LT PD on initial recognition and current LT PD (annualized or cumulative values). It is set to a maximum of 50 bps and serves as a backstop for migrations between the best ratings (LT PDs considered for remaining maturity). In such cases, relative thresholds may be breached, however overall LT PD is very low, and therefore SICR is not triggered.

Qualitative criteria. Qualitative SICR indicators include forbearance-type flags (identification of regulatory forbearance), work-out transfer flags (when the account starts being monitored by the work-out department), information from the early-warning system and fraud indicators. The assignment of some of the qualitative indicators inherently relies on experienced credit risk judgment being exercised adequately and in a timely manner. The related group-wide and entity-level credit risk controlling policies and procedures (adapted as necessary in the light of transition to IFRS 9) ensure the necessary governance framework. These indicators are used internally for identification of insolvency or increased probability that a borrower will enter bankruptcy and there is increased risk of default in the foreseeable future.

Besides the qualitative indicators defined on a client level, the assessment of a significant increase in credit risk is performed on a portfolio level if the increase in credit risk on individual instruments or at a client level is available only with a certain time lag or is observable exclusively on a portfolio level.

Examples are Stage 2 overrides for parts of Swiss franc retail portfolio or in case of high LTV loans resulting from a specific law in Romania (clients are allowed to give up on real estate collateral against waiver of principal).

Erste Group has introduced additional portfolio level SICR assessment criteria stemming from multiple geopolitical conflicts (implemented with the start of the war in Ukraine in 2022) and related macroeconomic impacts. For more details refer to 'Collective assessment' in the next chapter.

Backstop. A backstop is applied, and the financial instruments are considered to have experienced a SICR if the borrower is more than 30 days past due on contractual payments. As observed during validation, this does not represent a major trigger for Stage 2 classification.

Low credit risk exemption. The 'Low credit risk exemption' allowed by IFRS 9 for 'Investment grade' assets or other assets deemed 'Low risk' (and resulting in 12 months expected credit losses being calculated irrespective of SICR quantitative measures) has been implemented with limitations in Erste Group. Thus, the potential activation of this exemption is limited to particular types of debt instruments and counterparty categories, and only if supported by sufficient 'Low risk' evidence. On this basis, the 'Low risk exemption' is applied in special cases to debt security exposures and only exceptionally to loans.

As of 31 December 2024, low credit risk exemption is applied only to debt securities in the Czech subsidiary (Česká spořitelna) and sovereign exposures in the Romanian subsidiary (Banca Comercială Română). In Česká spořitelna, the corresponding exposure amounted to EUR 17 billion (2023: EUR 16 billion) with PDs interval of 0.01%-0.5%. In Banca Comercială Română, the respective exposure amounted to EUR 8 billion (2023: EUR 7 billion) with PD below 0.1%.

MEASURING ECL – EXPLANATION OF INPUTS AND MEASUREMENT

Credit loss allowances are calculated individually or collectively.

The individual calculation approach is applied in case of exposures to significant defaulted customers in Stage 3 or POCI. It consists in the individual assessment of the difference between the gross carrying amount and the present value of the expected cash flows, which are estimated by workout or risk managers. The discounting of the cash flows is based on the effective interest rate (POCI: credit-adjusted effective interest rate). However, the discount rate for financial guarantees shall reflect the current market assessment of the time value of money and the risks that are specific to the cash flows which in Erste Group's implementation means using a risk-free rate as a proxy.

A defaulted customer is classified as individually significant if the total on- and off-balance exposure exceeds a predefined materiality limit. Otherwise, the customer is considered insignificant, and a rule-based (collective) approach is used for the calculation of the related credit loss allowance as the product of gross carrying amount and LGD, where the LGD depends on characteristics such as time in default or the stage of the workout process.

For exposures to non-defaulted customers (i.e., in Stage 1 and Stage 2), collective allowances are calculated according to a rule-based approach irrespective of the significance of the customer. The calculation of collective allowances requires grouping the related exposures into homogenous clusters based on shared risk characteristics. The grouping criteria may differ based on the customer segment (retail, corporate) and include product type, collateral type, repayment type, loan to value band, and credit rating band.

The calculation of credit loss allowances is done monthly on a single exposure level and in the contractual currency of the exposure. To compute the collective credit loss allowance, Erste Group applies an expected credit loss (ECL) model based on a three-stage approach that leads to either a 12-month ECL or to a lifetime ECL. ECL is the discounted product of exposure at default (EAD) that also includes a credit conversion factor in the case of off-balance sheet exposures, probability of default (PD) and loss given default (LGD), defined as follows:

— PD represents the likelihood of a borrower defaulting on its financial obligation (per definition of default below), either over next 12 months (1Y PD) for Stage 1 exposures or over the remaining lifetime (LT PD) for Stage 2 and 3 and POCI exposures.
— EAD is based on the amounts Erste Group expects to be owed at the time of default, over next 12 months (1Y EAD) for Stage 1 exposures, or over the remaining lifetime (LT EAD) for Stage 2 and 3 and POCI exposures. The estimation includes current balance, expected repayments, and expected drawings up to the current contractual limit by the time of default.
— LGD represents the Erste Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit exposure at the time of default (EAD).

LIFE-TIME PARAMETERS

The LT PD is developed through observation of historical defaults over an available history. The calculated LT PDs are extrapolated, e.g., via matrix multiplication, to ensure that the final lifetime PD covers the lifetime of the loans from initial recognition. It is assumed to be the same across all assets in the same portfolio, rating band, and the country of risk which is an additional relevant PD characteristic considered via forward looking information in case of local specialized lending portfolio in Austria and central models for Group (Large) Corporate.

The 1Y and LT EADs are determined based on the expected payment profiles, which vary by product type. The LT EAD calculation utilises repayment schedule or repayment type (annuity, linear, bullet). In the case of undrawn commitments, credit conversion factor is estimated for reflecting the expected credit exposure in the EAD.

The LGD is estimated as a lifetime curve for any point in time, based on historical loss observations.

The risk parameters used in the ECL calculation consider available information at the reporting date about past events, current conditions, and forecasts on future economic trends. Generally, the risk parameters applied in the calculation of collective allowances differ from the risk parameters compliant with capital requirement regulations, calculated on a through-the-cycle basis, if the characteristics of the respective portfolio in combination with IFRS standards necessitate this.

However, Erste Group harmonized the approach for modeling and selecting the estimation sample for the risk parameters in 2024 in all entities.Together with the update of LGD model and parameters regular review, it led to the decrease of ECL in amount of EUR 54 million. Moreover, in Austria, a new CCF model was implemented, leading to allocation of ECL in amount of EUR 9 million.

38. Credit Risk Exposure by IFRS 9 Stage and ECL

Credit risk exposure according to IFRS 9 by region

in EUR million	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC and FVOCI)	Not subject to IFRS 9 impairment	Total
Dec 24							
Core markets	**270,676**	**37,031**	**5,287**	**364**	**313,359**	**20,685**	**334,043**
Austria	115,203	21,809	3,368	61	140,441	3,575	144,016
Czechia	76,672	7,046	724	74	84,517	4,634	89,151
Slovakia	25,437	2,333	374	128	28,272	3,372	31,645
Romania	24,730	2,598	379	33	27,740	1,844	29,584
Hungary	11,569	1,299	114	32	13,014	5,821	18,835
Croatia	13,212	1,592	285	16	15,105	748	15,853
Serbia	3,853	355	43	20	4,270	691	4,960
Other EU	**37,588**	**1,927**	**272**	**2**	**39,789**	**4,254**	**44,044**
Other industrialised countries	**9,627**	**563**	**9**	**0**	**10,199**	**2,562**	**12,761**
Emerging markets	**5,758**	**866**	**164**	**17**	**6,805**	**1,114**	**7,918**
Southeastern Europe/CIS	3,361	635	98	3	4,097	505	4,602
Asia	1,330	69	10	0	1,410	581	1,990
Latin America	268	5	0	0	273	0	273
Middle East/Africa	798	157	56	15	1,025	28	1,053
Total	**323,649**	**40,387**	**5,732**	**383**	**370,152**	**28,615**	**398,766**
Dec 23							
Core markets	**247,574**	**41,209**	**4,245**	**413**	**293,441**	**18,749**	**312,190**
Austria	108,206	24,066	2,372	64	134,709	3,536	138,245
Czechia	69,234	7,092	722	78	77,126	3,979	81,105
Slovakia	24,887	2,154	352	123	27,515	2,916	30,431
Romania	19,624	4,103	326	73	24,126	1,214	25,339
Hungary	11,142	1,334	163	35	12,674	5,607	18,281
Croatia	11,262	2,050	268	23	13,602	582	14,185
Serbia	3,220	408	43	18	3,689	916	4,605
Other EU	**27,132**	**2,816**	**376**	**7**	**30,331**	**2,971**	**33,302**
Other industrialised countries	**9,156**	**813**	**27**	**0**	**9,997**	**1,998**	**11,995**
Emerging markets	**4,849**	**1,116**	**178**	**11**	**6,154**	**810**	**6,963**
Southeastern Europe/CIS	2,946	819	108	2	3,876	350	4,226
Asia	1,182	73	10	0	1,265	452	1,717
Latin America	230	7	0	0	238	0	238
Middle East/Africa	490	217	60	9	775	7	782
Total	**288,711**	**45,953**	**4,827**	**431**	**339,923**	**24,527**	**364,450**

Stage 1 and Stage 2 comprise not impaired credit risks while Stage 3 includes impaired credit risks. POCI (purchased or originated credit impaired) consists of credit risks already impaired when purchased or originated. The exposure not subject to IFRS 9 impairment is measured at fair value.

The defaulted part of POCI amounted to EUR 186 million (2023: EUR 234 million), the non-defaulted part to EUR 197 million (2023: EUR 197 million).

Credit risk exposure according to IFRS 9 by geographical segment

	Credit risk exposure					Credit loss allowances				NPE coverage ratio		
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Dec 24												
Austria	**156,474**	**25,257**	**3,787**	**64**	**16,387**	**-184**	**-753**	**-1,237**	**0**	**3.0%**	**32.7%**	**0.1%**
EBOe & Subs.	46,276	6,697	996	19	620	-43	-180	-323	0	2.7%	32.4%	0.0%
Savings Banks	61,449	15,360	2,244	45	2,381	-99	-498	-792	0	3.2%	35.3%	0.2%
Other Austria	48,749	3,200	547	0	13,386	-42	-76	-122	0	2.4%	22.3%	0.0%
CEE	**150,805**	**15,127**	**1,944**	**319**	**12,164**	**-328**	**-795**	**-1,248**	**-78**	**5.3%**	**64.2%**	**24.4%**
Czechia	77,490	7,215	740	94	4,305	-97	-286	-458	-26	4.0%	61.8%	27.3%
Slovakia	23,396	2,295	374	125	3,385	-37	-124	-190	-17	5.4%	50.8%	14.0%
Romania	23,631	2,466	379	33	1,187	-121	-243	-314	-6	9.9%	82.8%	18.2%
Hungary	8,986	1,129	107	32	2,021	-24	-50	-73	-9	4.4%	68.3%	28.4%
Croatia	14,026	1,706	301	16	587	-40	-79	-182	-11	4.6%	60.4%	67.0%
Serbia	3,276	316	41	20	680	-11	-13	-30	-9	4.1%	73.3%	44.5%
Other	**16,370**	**3**	**0**	**0**	**63**	**-2**	**-2**	**0**	**0**	**74.5%**	**97.7%**	**0.0%**
Total	**323,649**	**40,387**	**5,732**	**383**	**28,615**	**-514**	**-1,550**	**-2,485**	**-78**	**3.8%**	**43.4%**	**20.3%**
Dec 23												
Austria	**143,871**	**29,852**	**2,923**	**72**	**13,419**	**-167**	**-755**	**-1,049**	**0**	**2.5%**	**35.9%**	**0.1%**
EBOe & Subs.	44,173	7,032	746	21	570	-38	-160	-259	0	2.3%	34.7%	0.1%
Savings Banks	58,970	16,983	1,775	50	2,161	-88	-508	-667	0	3.0%	37.6%	0.1%
Other Austria	40,728	5,837	403	0	10,687	-41	-88	-122	0	1.5%	30.4%	0.0%
CEE	**134,811**	**16,098**	**1,902**	**360**	**11,058**	**-326**	**-911**	**-1,234**	**-88**	**5.7%**	**64.9%**	**24.6%**
Czechia	69,299	7,015	746	90	4,014	-108	-316	-462	-23	4.5%	61.8%	25.2%
Slovakia	22,549	1,993	350	121	3,109	-42	-115	-193	-27	5.8%	55.0%	22.1%
Romania	18,882	3,522	335	73	664	-100	-316	-261	-8	9.0%	77.9%	10.8%
Hungary	9,336	1,105	156	35	1,957	-28	-54	-106	-10	4.9%	67.5%	27.3%
Croatia	12,060	2,125	271	23	458	-36	-94	-182	-13	4.4%	67.2%	55.2%
Serbia	2,685	337	42	18	855	-11	-16	-30	-9	4.7%	71.8%	49.7%
Other	**10,029**	**3**	**2**	**0**	**51**	**-2**	**0**	**0**	**0**	**0.0%**	**7.2%**	**0.0%**
Total	**288,711**	**45,953**	**4,827**	**431**	**24,527**	**-495**	**-1,666**	**-2,283**	**-88**	**3.6%**	**47.3%**	**20.5%**

Credit risk exposure according to IFRS 9 treatment by business segment

	Credit risk exposure					Credit loss allowances				NPE coverage ratio		
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Dec 24												
Retail	74,104	9,906	1,598	103	1,253	-159	-459	-917	-20	4.6%	57.4%	19.9%
Corporates	100,583	14,740	1,883	235	12,477	-229	-579	-768	-57	3.9%	40.8%	24.4%
Group Markets	17,139	292	1	0	12,253	-13	-9	0	0	3.0%	0.4%	0.0%
ALM & LCC	70,300	86	6	0	190	-14	-4	-7	0	4.7%	114.3%	0.0%
Savings Banks	61,449	15,360	2,244	45	2,381	-99	-498	-792	0	3.2%	35.3%	0.2%
GCC	73	3	0	0	59	0	-2	0	0	74.5%	97.7%	0.0%
Total	**323,649**	**40,387**	**5,732**	**383**	**28,615**	**-514**	**-1,550**	**-2,485**	**-78**	**3.8%**	**43.4%**	**20.3%**
Dec 23												
Retail	70,058	9,742	1,446	116	1,172	-163	-547	-851	-27	5.6%	58.9%	23.2%
Corporates	89,235	18,761	1,599	265	11,395	-213	-601	-758	-61	3.2%	47.4%	23.1%
Group Markets	14,086	309	0	0	9,572	-19	-5	0	0	1.5%	30.4%	100.0%
ALM & LCC	56,256	155	6	0	179	-12	-6	-6	0	3.6%	98.1%	94.2%
Savings Banks	58,970	16,983	1,775	50	2,161	-88	-508	-667	0	3.0%	37.6%	0.1%
GCC	106	3	2	0	49	0	0	0	0	0.0%	7.2%	0.0%
Total	**288,711**	**45,953**	**4,827**	**431**	**24,527**	**-495**	**-1,666**	**-2,283**	**-88**	**3.6%**	**47.3%**	**20.5%**

39. Development of credit loss allowances

The following tables give an overview over the development of credit loss allowances per balance sheet line item.

In column 'Additions' increases of CLA due to the initial recognition of financial instruments during the current reporting period are disclosed. Releases of CLA following the derecognition of the related financial instruments are reported in column 'Derecognitions'.

In column 'Transfers between stages' CLA net changes due to changes in credit risk that triggered re-assignments of the related financial instruments from Stage 1 (at 1 January 2024 or initial recognition date) to Stages 2 or 3 at 31 December 2024 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related CLAs are adverse and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related CLAs are favourable and presented in line 'Stage 1'. The P&L-neutral effect from cross-stage transferring of the related CLA amounts recognised prior to stage re-assignments are presented above in column 'Other changes in credit risk (net)'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes in credit risk (net)'.

FINANCIAL INSTRUMENTS HELD AT AMORTISED COST

Movement in credit loss allowances – debt securities

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						**Dec 24**
Stage 1	-10	-2	2	0	0	0	-9
Stage 2	-3	0	0	-1	1	0	-2
Stage 3	-4	0	0	0	1	0	-4
Total	**-17**	**-2**	**2**	**-1**	**2**	**0**	**-15**
	Jan 23						**Dec 23**
Stage 1	-13	-5	3	2	3	0	-10
Stage 2	-5	0	1	-2	4	0	-3
Stage 3	-3	0	0	0	-1	0	-4
Total	**-22**	**-5**	**3**	**1**	**6**	**0**	**-17**

The year-end total GCAs of AC debt securities that were initially recognised (purchased) during the year 2024 and not fully derecognised by 31 December 2024 amounts to EUR 14,623 million (2023: EUR 7,484 million.) The GCA of AC debt securities that were held at 1 January 2024 and derecognised during the year 2024 amounts to EUR 5,212 million (2023: EUR 3,680 million).

Movement in credit loss allowances – loans and advances to banks

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						**Dec 24**
Stage 1	-8	-13	9	0	6	0	-6
Stage 2	-3	0	3	0	0	0	0
Stage 3	0	0	0	0	0	0	0
Total	**-12**	**-13**	**13**	**0**	**7**	**0**	**-6**
	Jan 23						**Dec 23**
Stage 1	-6	-18	11	0	4	0	-8
Stage 2	0	0	1	-2	-2	0	-3
Stage 3	0	0	0	0	0	0	0
Total	**-6**	**-19**	**13**	**-2**	**2**	**0**	**-12**

The year-end total GCA of AC loans and advances to banks that were initially recognised during the year 2024 and not fully derecognised by 31 December 2024 amounts to EUR 25,420 million (2023: EUR 19,207 million). The GCA of AC loans and advances to banks that were held as of 1 January 2024 and fully derecognised during the year 2024 amounts to EUR 18,238 million (2023: 15,179 million).

Movement in credit loss allowances – loans and advances to customers

in EUR million	As of	Additions	Derecog-nitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 24							Dec 24
Stage 1	**-357**	**-301**	**83**	**680**	**-467**	**0**	**-5**	**-366**
General governments	-5	-2	2	3	-3	0	0	-5
Other financial corporations	-9	-12	8	20	-16	0	-1	-12
Non-financial corporations	-188	-170	48	292	-188	0	2	-204
Households	-155	-117	25	366	-259	0	-5	-145
Stage 2	**-1,401**	**-252**	**289**	**-763**	**861**	**0**	**3**	**-1,263**
General governments	-19	0	0	-8	10	0	0	-16
Other financial corporations	-10	-21	4	-15	25	0	0	-17
Non-financial corporations	-835	-206	224	-375	411	0	11	-770
Households	-536	-25	60	-365	416	0	-9	-460
Stage 3	**-2,072**	**-140**	**400**	**-129**	**-746**	**371**	**28**	**-2,289**
General governments	-5	0	0	0	2	0	0	-4
Other financial corporations	-28	-1	2	-8	3	1	3	-28
Non-financial corporations	-1,082	-113	255	-84	-503	241	38	-1,247
Households	-957	-25	143	-37	-248	128	-13	-1,009
POCI	**-85**	**0**	**8**	**0**	**-7**	**12**	**0**	**-73**
General governments	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-60	0	3	0	0	2	2	-54
Households	-25	0	5	0	-7	10	-2	-19
Total	**-3,915**	**-693**	**779**	**-212**	**-359**	**383**	**26**	**-3,991**

	Jan 23							Dec 23
Stage 1	**-335**	**-277**	**66**	**496**	**-314**	**0**	**8**	**-357**
General governments	-4	-2	1	3	-3	0	0	-5
Other financial corporations	-8	-5	3	14	-13	0	1	-9
Non-financial corporations	-162	-170	38	201	-98	0	3	-188
Households	-161	-100	23	277	-199	0	4	-155
Stage 2	**-1,415**	**-192**	**204**	**-847**	**843**	**1**	**5**	**-1,401**
General governments	-28	-2	0	-2	13	0	-1	-19
Other financial corporations	-20	-9	1	-7	26	0	-1	-10
Non-financial corporations	-773	-147	140	-382	323	0	5	-835
Households	-594	-34	63	-456	481	0	2	-536
Stage 3	**-1,994**	**-34**	**268**	**-93**	**-494**	**268**	**6**	**-2,072**
General governments	-1	0	0	0	-5	1	0	-5
Other financial corporations	-37	-1	2	0	2	3	4	-28
Non-financial corporations	-1,043	-20	144	-41	-260	141	-3	-1,082
Households	-913	-13	123	-52	-230	124	5	-957
POCI	**-86**	**0**	**16**	**0**	**-30**	**13**	**2**	**-85**
General governments	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-65	0	13	0	-20	11	1	-60
Households	-22	0	3	0	-10	2	1	-25
Total	**-3,830**	**-504**	**553**	**-444**	**6**	**282**	**22**	**-3,915**

CLAs recognised against drawings from non-revolving loan commitments are deemed as additions for the purpose of presenting current period's movement in CLA. Therefore, additions in Stages 2 and 3 reflect transfers from Stage 1 having occurred between commitment and drawing dates of related credit facilities. They also reflect deals for which the CLA initial recognition in accounting occurred after those deals having been already assigned to Stage 2 as a result of applying the SICR collective assessment overlays further described in Note 40.

The column 'Other changes in credit risk (net)' also captures the passage-of-time adverse effect ('unwinding correction') over the lifetime expected cash shortfalls of AC loans and advances to customers that were assigned to Stage 3 for any period throughout the year, as well as of any POCI loans and advances to customers. This adverse effect amounted to EUR 122 million (2023: EUR 107 million) cumulatively for the year 2024, which also reflects the unrecognised interest income out of the related AC loans and advances to customers throughout the year.

The use of CLA triggered by full or partial write-offs of AC loans and advances to customers is reported in column 'Write-offs'.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different impairment stages. The year-end GCA of AC loans and advances to customers that were assigned at 31 December 2024 to a different stage compared to 1 January 2024 (or to the initial recognition date, if originated during the year) are summarized below:

in EUR million	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
Dec 24								
General governments	415	73	0	0	0	0	0	0
Other financial corporations	471	206	14	0	9	0	0	0
Non-financial corporations	9,139	8,653	1,052	188	595	6	2	10
Households	5,487	3,557	462	169	300	50	2	8
Total	**15,511**	**12,489**	**1,529**	**357**	**904**	**56**	**5**	**19**
Dec 23								
General governments	77	361	41	0	0	0	0	0
Other financial corporations	301	461	4	0	1	0	0	0
Non-financial corporations	10,731	7,442	745	72	427	16	1	91
Households	4,802	3,865	388	144	287	31	3	9
Total	**15,911**	**12,129**	**1,178**	**217**	**715**	**47**	**5**	**100**

The year-end total GCA of the AC loans and advances to customers that were initially recognised during the reporting period and not fully derecognised by 31 December 2024 amounts to EUR 44,600 million (2023: EUR 40,602 million). The GCA of the AC loans and advances to customers that were held at 1 January 2024 and fully derecognised during the reporting period amounts to EUR 16,191 million (2023: EUR 19,578 million).

The undiscounted amount of the lifetime expected credit losses considered in the initial measurement of the AC loans and advances to customers initially recognised and identified as POCI during the year 2024 amounted to EUR 54 million (2023: EUR 58 million).

Movement in credit loss allowances – trade and other receivables

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 24							**Dec 24**
Stage 1	-11	-8	4	2	2	0	0	-10
Stage 2	-10	0	2	-2	2	1	0	-8
Stage 3	-41	0	4	-2	6	8	0	-26
POCI	-1	0	0	0	0	0	0	-1
Total	**-63**	**-8**	**10**	**-2**	**10**	**9**	**0**	**-44**
	Jan 23							**Dec 23**
Stage 1	-9	-10	6	2	0	0	0	-11
Stage 2	-11	0	4	-3	0	0	0	-10
Stage 3	-44	0	4	-3	-6	5	2	-41
POCI	-1	0	0	0	0	0	0	-1
Total	**-65**	**-10**	**15**	**-4**	**-7**	**5**	**3**	**-63**

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – DEBT INSTRUMENTS

Movement in credit loss allowances – debt instrument financial assets

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						**Dec 24**
Stage 1	-5	-1	2	1	0	0	-3
Stage 2	-9	0	0	-1	0	0	-9
Stage 3	-1	0	0	0	0	0	0
Total	**-14**	**-1**	**2**	**0**	**1**	**0**	**-13**
	Jan 23						**Dec 23**
Stage 1	-7	-2	3	6	-4	0	-5
Stage 2	-16	-3	2	-1	9	0	-9
Stage 3	-1	0	0	0	0	0	-1
Total	**-24**	**-5**	**5**	**5**	**6**	**0**	**-14**

One significant driver of the above presented CLA movements for the year has been the transfer of the related instruments across different stages. The year-end GCAs of FVOCI debt securities that were assigned at 31 December 2024 to a different stage compared to 1 January 2024 (or to the initial recognition date, if purchased during the year) are summarized in the table below:

Transfers between stages – debt instrument financial assets

in EUR million	Dec 23	Dec 24
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	25	41
To Stage 1 from Stage 2	373	43
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	0	2

FINANCE LEASE RECEIVABLES

Movement in credit loss allowances – finance lease receivables

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 24							**Dec 24**
Stage 1	-17	-7	1	12	-8	0	0	-20
Stage 2	-33	0	1	-15	15	0	0	-31
Stage3	-40	0	6	-6	1	7	0	-32
POCI	0	0	0	0	0	0	0	0
Total	**-90**	**-8**	**8**	**-8**	**8**	**7**	**0**	**-83**
	Jan 23							**Dec 23**
Stage 1	-17	-7	0	8	-1	0	0	-17
Stage 2	-28	0	1	-12	7	0	0	-33
Stage3	-41	0	7	-5	-3	2	0	-40
POCI	0	0	0	0	0	0	0	0
Total	**-86**	**-7**	**9**	**-9**	**3**	**2**	**0**	**-90**

The column 'Other changes in credit risk (net)' captures the passage-of-time adverse effect ('unwinding correction') over the lifetime expected cash shortfalls of finance lease receivables that were assigned to Stage 3 for any period throughout the year, as well as of any POCI finance lease receivables. This adverse effect amounted to EUR 1 million (2023: EUR 1 million) cumulatively for the year 2024, which also reflects the unrecognised interest income out of the related finance lease receivables throughout the year.

The use of CLA triggered by full or partial write-offs of finance lease receivables is reported in column 'Write-offs'.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across impairment stages. The year-end GCA of finance lease receivables that were assigned at 31 December 2024 to a different stage compared to 1 January 2024 (or to the initial recognition date, if originated during the year) are summarized below:

Transfers between stages – finance lease receivables

in EUR million	Dec 23	Dec 24
Transfers between Stage 1 and Stage 2		
To Stage 2 from Stage 1	355	273
To Stage 1 from Stage 2	227	257
Transfers between Stage 2 and Stage 3		
To Stage 3 from Stage 2	26	27
To Stage 2 from Stage 3	4	28
Transfers between Stage 1 and Stage 3		
To Stage 3 from Stage 1	16	32
To Stage 1 from Stage 3	4	2

The year-end total GCA of the finance lease receivables that were initially recognised during the reporting period and not fully derecognised by 31 December 2024 amounts to EUR 1,260 million (2023: EUR 1,431 million). The GCA of the finance lease receivables that were held at 1 January 2024 and fully derecognised during the year 2024 amounts to EUR 657 million (2023: EUR 499 million).

LOAN COMMITMENTS AND FINANCIAL GUARANTEES

Movement in credit loss allowances – loan commitments and financial guarantees

in EUR million	As of	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Other	As of
	Jan 24						Dec 24
Stage 1	82	190	-52	-138	17	-1	98
Stage 2	208	0	-97	209	-73	-10	237
Stage 3	124	0	-47	27	31	0	135
POCI	2	0	-3	0	4	0	4
Total	**416**	**190**	**-198**	**97**	**-21**	**-10**	**474**
	Jan 23						Dec 23
Stage 1	81	226	-52	-152	-26	4	82
Stage 2	274	0	-91	190	-173	7	208
Stage 3	107	0	-38	37	0	18	124
POCI	6	1	-2	0	-3	0	2
Total	**469**	**227**	**-182**	**75**	**-201**	**29**	**416**

The column 'Other changes in credit risk (net)' captures the passage-of-time adverse effect ('unwinding') over the lifetime expected cash shortfalls of defaulted loan commitments and financial guarantees.

One significant driver of the CLA movements for the year has been the transfer of the related instruments across different stages. The year-end notional amounts of loan commitments and financial guarantees that were assigned at 31 December 2024 to a different stage compared to 1 January 2024 (or to the initial recognition date, if originated during the year) are summarized below:

Transfers between stages – loan commitments and financial guarantees

in EUR million	Dec 23	Dec 24
Transfers between Stage 1 and Stage 2	**7,995**	**6,176**
To Stage 2 from Stage 1	2,273	2,806
To Stage 1 from Stage 2	5,721	3,370
Transfers between Stage 2 and Defaulted	**121**	**78**
To Defaulted from Stage 2	101	50
To Stage 2 from Defaulted	20	28
Transfers between Stage 1 and Defaulted	**21**	**57**
To Defaulted from Stage 1	20	51
To Stage 1 from Defaulted	1	6

The year-end nominal amounts of unused off-balance commitments and financial guarantees that were initially recognised during the year 2024 and not fully derecognised by 31 December 2024 amounts to EUR 21,314 million (2023: EUR 18,964 million). The nominal amounts of unused off-balance commitments or financial guarantees that were held at 1 January 2024 and fully derecognised during the year 2024 amounts to EUR 12,355 million (2023: EUR 11,976 million).

40. Scenarios used in forward looking information and Crises Effects

Overview on scenarios used in forward-looking information

INCORPORATION OF FORWARD-LOOKING INFORMATION

Parameters are determined to reflect the risk as a 'point-in-time' measure and with consideration of forward-looking information (FLI). This results in using a baseline forecast and several alternative scenarios for selected macroeconomic variables. The alternative scenarios are derived, together with their weights of scenario outcome, as a deviation from baseline forecasts. The baseline forecasts are, with few exceptions, internally determined by Erste Group's research department. Given multiple scenarios, the 'neutral' PDs (and partially included in LGDs) are adjusted using macro models that link relevant macroeconomic variables with risk drivers. The same macro-shift models as for external and internal stress test are used. Forward-looking information is incorporated for first three years of ECL measurement. Measurement of the parameters for the remaining lifetime returns to through-the-cycle observations immediately in year four.

Thus, the unbiased scenario weighted ECL considering FLI is derived using the weights representing the outcome of each macroeconomic scenario. Typical macroeconomic variables may include real gross domestic product, unemployment rate, inflation rate, production index as well as market interest rates. The selection of variables also depends on the availability of reliable forecasts for the given local market. The main indicator of the estimated economic development and basis for alternative scenario derivation is the GDP. In addition, economic effects of the ongoing war in Ukraine and the emerging conflicts in the middle east came along with the increases of the inflation and/or the interest rates. Erste Group adjusted macro-shift models to reflect expected effects of those into credit risk parameters.

Macro-shift FLI models are recalibrated regularly to reflect the most relevant macro-variables. The recalibration is performed by the local entities (except for the central models for Group (Large) Corporate) and variables with the highest statistical relevance are included.

In case of central model for Group (Large) Corporates, the Group (dedicated central units) is responsible for the PD review including a FLI model which is based on the country of risk distinguishing the macro development in the different countries.

In 2024, the same FLI model, distinguishing the macro development in the different countries, has been implemented for FLI estimate in case of local specialized lending portfolio in Austria what led to ECL release in amount of EUR 24 million. Moreover, in Austria, FLI model has been implemented for FLI estimate applied in case of LGD, leading to ECL allocation in amount of EUR 6 million.

Erste Group reviewed the FLI in the fourth quarter of 2024 according to the disclosed forecasts for baseline, downside, and upside scenarios. Based on the assessment of conditions (exit triggers) for applying in-model adjustments in FLI models (incorporation of comprehensive stress test (CST) scenario into the downside scenario and expertly set up weights for the downside and upside scenarios), Erste Group decided:

— to keep unchanged the approach of including the CST scenario, updated according to the assumptions considered in comprehensive stress test 2024, into the downside scenario modelling in all local and central models, except local models applied in Austria due to risk materialization observed in 2024 (the removal of CST scenario, based on the internal impact estimate, triggered the decrease of ECL in amount of EUR 15 million);
— to apply the modelled weights for downside and upside scenarios in all entities instead of expertly set weights. In case of Austria, Czechia, and Group (Large) Corporate models, the model weights are applied since December 2023.

The bank is disclosing sensitivity of the staging and ECL on macro scenarios in the 'Collective assessment' section below.

Baseline scenario

Erste Group expects the Eurozone economy to gradually recover in 2025. The main factor supporting the constructive baseline outlook for the Eurozone in 2025 is the ongoing real wage growth which should support private consumption. In addition, further rate cuts by the ECB as the year 2025 progresses should lead to a gradual recovery of investment activity, which in turn should support industrial production.

Due to further easing of inflationary pressures, especially from services, Erste Group expects the ECB to deliver four more rate cuts (25 bp each) in 2025. This should bring the deposit rate down to 2.0% by year end 2025.

RISKS TO THE BASELINE SCENARIO AND COMPREHENSIVE STRESS TEST SCENARIO AS CONSIDERATIONS ADDED TO DOWNSIDE SCENARIO

The ongoing war in Ukraine, including emerging conflicts in the middle east, remains significant risk factor.

In addition, the uncertainty with regard to the trade policy of the new US administration under the President Trump is a further risk factor for the outlook. Substantially raises of tariffs on all imports (the current tariff level is around 2%) would harm global trade and growth to a larger degree than anticipated in our base line scenario. Thus, in particular export and investment growth in the Eurozone would be much slower in 2025 and 2026 than currently forecasted by Erste Group.

Security of energy supplies remains an issue for the EU, considering the ongoing war between Russia and Ukraine. The EU is relying to a rising degree on supplies of liquefied natural gas (LNG) from exporters which are geographically further away such as the USA or Middle Eastern countries. Any disruptions in the global LNG trade could have severe consequences on all energy prices in the EU. Fast rising energy prices, triggered by any kind of supply disruptions, could force the ECB to tighten monetary policy aggressively (affecting the entire yield curve) to keep inflation under control.

In addition, the fast rise of green energy investments adds volatility and instability to an European power grid. Temporary pressure on the power grid from large swings in energy supply from green energy could result in temporary price spikes for electricity which could harm industrial activity and the consumers purchasing power.

The fast rise of interest rates is a threat for the investment activity of companies and consumers. It could lead to lower investments than currently anticipated for our base case scenario. In general, higher Harmonized Index of Consumer Prices (HICP), especially electricity/gas bills, reduces disposable income and contracts consumption. Given the high debt inherited from the pandemic, increasing military spending and expansive fiscal policies (especially in France) could lead investors to question debt sustainability in some countries.

UPSIDE RISK TO THE BASELINE SCENARIO

In case the global industry recovers faster and stronger than it is expected in the baseline scenario, supported by lower or no additional trade measures from the new US administration, it would certainly have an immediate positive impact on the German economy, which is now already for two years in recession. In light of the tight interconnections between Germany and other major countries of the Eurozone, a stronger and faster recovery of German industry would also have an immediate positive impact on the entire industry of the Eurozone. A faster and stronger recovery of European industry would give certainly a positive boost to GDP growth in 2025 and 2026, as the recovery of investment activity would take hold faster and stronger than currently expected in our baseline scenario. We would expect in this scenario that the consumer sentiment would also be impacted positively.

Therefore, private consumption would have a bigger contribution to growth in 2025 and 2026, when comparing to our baseline scenario. The services sector of the economy would benefit from a better and higher consumer sentiment as well. However, a further gradual easing of inflationary pressure (especially in the services sector) is mandatory in this scenario in order not to endanger expected rate cuts by the ECB in 2025.

Overview of Baseline, Upside and Downside scenarios

Below we are summarizing expected development of the GDP for all regions, all scenarios and scenario weights, as main indicator of the macro-economic situation. In case of Group (Large) Corporate clients, the considered GDP scenarios are the same as shown below for the standalone countries, however including GDP predictions for Germany.

Additionally, we are disclosing the most relevant variables for the macro-shift model in the most significant regions.

Austria, Czechia, Slovakia, and Romania are presented as they have the highest share of credit risk exposure, expected credit loss and the highest share of FLI component in the expected credit loss measurement. Macro-shift models are calibrated for the three main sub-portfolios: private individuals, micro enterprises, and another corporate business. Models' calibration and variables disclosed below are incorporated into expected credit loss measurement as of 31 December 2024. The baseline and weighted scenario outcome for the major variables is disclosed in the tabular format for the years 2025-2027.

Baseline, upside and downside scenarios of GDP growth by geographic region

	Scenario	Probability weights	GDP growth in %			
		2025-2027	2024	2025	2026	2027
Dec 24						
Austria	Upside	23%	-	3.3	3.2	3.6
	Baseline	50%	-	0.9	0.8	1.2
	Downside	27%	-	-1.8	-1.9	-1.5
Czechia	Upside	22%	-	4.6	4.7	4.6
	Baseline	50%	-	2.6	2.7	2.6
	Downside	28%	-	-3.9	-2.1	0.1
Slovakia	Upside	28%	-	4.4	4.3	4.6
	Baseline	50%	-	2	1.9	2.2
	Downside	22%	-	-4.9	-2.8	-0.5
Romania	Upside	26%	-	4.4	5.6	5
	Baseline	50%	-	1.2	2.4	1.8
	Downside	24%	-	-3	-1	-0.7
Hungary	Upside	19%	-	4.4	6	5.7
	Baseline	50%	-	2	3.6	3.3
	Downside	31%	-	-4.4	-1.8	0.5
Croatia	Upside	28%	-	4.8	5.5	4.5
	Baseline	50%	-	2.9	2.8	2.5
	Downside	22%	-	-3	-1.2	0.2
Serbia	Upside	21%	-	6.7	6.5	6.7
	Baseline	50%	-	4.5	4.3	4.5
	Downside	29%	-	-0.8	0.5	1.3
Germany	Upside	24%	-	2.8	3.4	3.1
	Baseline	50%	-	0.8	1.4	1.1
	Downside	26%	-	-3.2	-2	-1

Dec 23		**2024-2026**	**2024**	**2025**	**2026**	**2027**
Austria	Upside	28%	3.1	4.1	4.1	-
	Baseline	50%	0.6	1.6	1.6	-
	Downside	22%	-3.3	-1.4	-0.5	-
Czechia	Upside	21%	3.8	5.3	4.8	-
	Baseline	50%	1.8	3.3	2.8	-
	Downside	29%	-2.5	-0.9	0.3	-
Slovakia	Upside	1%	4.7	5.1	4.8	-
	Baseline	50%	2.3	2.7	2.4	-
	Downside	49%	-2.5	-1.3	-0.3	-
Romania	Upside	1%	4.5	6.0	7.2	-
	Baseline	50%	1.4	2.9	4.1	-
	Downside	49%	-3	-1.0	0.6	-
Hungary	Upside	1%	5.5	5.7	5.6	-
	Baseline	50%	3.2	3.4	3.3	-
	Downside	49%	-2	-0.5	0.6	-
Croatia	Upside	1%	4.3	5.2	4.9	-
	Baseline	50%	2.4	2.6	2.5	-
	Downside	49%	-2	-1.2	0.1	-
Serbia	Upside	1%	5.5	5.8	6.0	-
	Baseline	50%	3.3	3.6	3.8	-
	Downside	49%	-1.4	-0.2	0.9	-

Baseline and scenario weighted values of the main variables in the most significant regions

	Baseline scenario				Scenario weighted outcome			
	2024	2025	2026	2027	2024	2025	2026	2027
Dec 24								
Austria								
GDP growth	-	0.9	0.8	1.2	-	0.7	0.6	1
Inflation	-	1.7	1.5	2	-	1.8	1.6	2.1
Yields_10Y	-	2.3	2.3	2.3	-	2.3	2.3	2.3
Czechia								
Unemployment Rate	-	3.4	3.5	3.5	-	3.7	4	4
Inflation (PPI)	-	147.8	151	154.1	-	148.2	151.5	154.6
Slovakia								
Unemployment Rate	-	5.5	5.3	5.1	-	5.4	5.6	5.3
Inflation	-	4.5	3	2.3	-	4.6	3.2	2
Romania								
GDP growth	-	1.2	2.4	1.8	-	1	2.4	2
Interest Rate (ROBOR 3M)	-	5.2	4.4	4.3	-	5.2	4.4	4.2
Inflation (CPI)	-	4.1	3.2	3.1	-	4.5	3.2	2.8
	2023	2024	2025	2026	2023	2024	2025	2026
Dec 23								
Austria								
GDP growth	-	0.6	1.6	1.6	-	0.4	1.6	1.8
Inflation	-	4.0	2.7	2.3	-	3.8	2.5	2.1
Yields_10Y	-	2.9	2.8	2.9	-	3.0	2.9	2.9
Czechia								
Unemployment Rate	-	3.7	4.0	4.0	-	3.7	4.3	4.4
Inflation (PPI)	-	141.8	144.3	147.2	-	142.2	144.7	147.6
Slovakia								
Unemployment Rate	-	6.0	5.7	5.4	-	6.6	6.9	6.6
Inflation	-	5.0	3.5	2.5	-	6.8	5.1	3.8
Romania								
GDP growth	-	1.4	2.9	4.1	-	-0.7	1.0	2.4
Interest Rate (ROBOR 3M)	-	6.3	5.3	4.3	-	7.7	6.7	5.7
Inflation (CPI)	-	6.6	4.3	3.2	-	8.2	5.4	3.8

Collective assessment

In addition to standard SICR assessment, Erste Group applied collective SICR assessment, i.e., transfer into Stage 2 based on pre-defined portfolio characteristics, due to emerging risks not covered by standard models. This approach is aligned with all affected entities and business lines and approved by the respective governance bodies of Erste Group. It requires, after the assessment of the outliers from the common portfolio characteristics, to have exemptions from the collective SICR assessment, if properly documented why they would behave differently than the rest of the portfolio.

In December 2024, Erste Group applied collective staging assessment for specific industries. The collective staging assessment in case of cyclical industries applied in December 2023, identified based on the correlation to economic downturn in case of selected industries from energy sector (production & distribution of energy and heating), including energy intensive industries (Metals and Chemicals), were removed (energy stage overlays) or transformed (cyclical stage overlays):

— the energy stage overlays due to the distortions in the energy market with implications on gas/energy availability and price. In June 2024, energy stage overlays were decommissioned based on the regular evaluation of the conditions (exit triggers) for applying of collective SICR assessment. It was concluded that the risk was mitigated in case of energy sector/energy intensive industries (sufficient gas reserves in Europe, stabilized energy prices). In June 2024 it led to the ECL release in amount of EUR 45 million.

— the cyclical stage overlays due to the war in Ukraine as a combination of industries with correlation to economic downturn (cyclical industries) and one-year IFRS PD. Persistent high inflation and dilution of disposable income continues to dampen private consumption, while the high global uncertainty and high refinancing conditions have adverse effects on investment and industrial activity. While some industries developed better in 2023, confirmed by rating reviewed in 2024, others are still facing high inventories, continuing supply chain issues and cost inflation and additionally lower demand. The latter is not yet reflected in clients' financials, and still a ratings' downshifts are expected. Therefore, in November 2024, the cyclical stage overlays were transformed/re-assessed to ensure the better connection of overlays with internal risk management processes. The new overlays (industry stage overlays) connect collective SICR assessment with industry strategy, that reflects risks and changes in the risk assessment which our portfolio is exposed to, instead of general definition of cyclical industries used before. The industry strategy framework covers all twelve Corporate industries and their subsegments. Industries are systematically assessed in line with Erste

Group risk management framework (industry strategies and main risks); however, potential risks might not yet be spread or crystallized at client level, translated into client financials or rating. In November 2024, it led to ECL release in amount of EUR 38 million.

Out of the overall credit risk exposure of EUR 399 billion (2023: EUR 364 billion), portfolio under collective staging assessment (industry stage overlays) represents EUR 76 billion, thereof EUR 18 billion is in Stage 2 (out of which EUR 7 billion due to applying rules for industry stage overlays).

In 2022, local risk management in Czechia and Croatia assessed that the recalibration of private individuals' macro shift FLI model did not bring feasible results and does not sufficiently address current situation. Therefore, the additional SICR collective assessment on Private individual side was introduced and is still in place. It triggers additional stage 2 exposure of EUR 1 billion as of 31 December 2024 and increase of allocated ECL by EUR 21 million.

In September 2024, because of floods in parts of central Europe, new SICR collective assessment rules were introduced in Czechia to cover the physical risk. It triggered additional Stage 2 exposure of EUR 2 billion as of 31 December 2024 and the increase of allocated ECL by EUR 15 million.

EFFECT ON EXPECTED CREDIT LOSS

The analysis tables below present the effects of the collective SICR assessment and FLI on both exposure migration to Stage 2 and the resulting increase of ECL. Additional sensitivities to the baseline, upside and downside scenarios are simulated. Effects on geographical segments are disclosed.

In December 2024, the exposure in Stage 2 due to the application of the rules for collective SICR assessment (industry stage overlays) stood at EUR 6,559 million (2023: EUR 10,232 million due to cyclical industries and EUR 6,525 million due to energy industries), with additional ECL allocated in the amount of EUR 122 million (2023: EUR 195 million due to cyclical industries and EUR 49 million due to energy industries).

As described above, the FLI were reassessed based on the latest macro-scenarios in the fourth quarter of 2024. Considering the review of in-model adjustments (application of modelled weights assigned to upside and downside scenarios for all models and to apply CST scenario in downside scenario modelling in case of local models applied except in Austria), the Stage 2 exposure triggered by FLI decreased to EUR 3,599 million as of December 2024 (2023: EUR 5,274 million). The decrease of the Stage 2 exposure and PD levels affected the level of ECL allocated in Stage 2 due to FLI: EUR 326 million (2023: EUR 478 million).

Scenario simulation presents sensitivity analyses taking into consideration only changes due to the different values of PDs, if baseline, upside or downside FLI scenarios had 100% weight. Sensitivities of these scenarios are calculated in comparison to current production - weighted scenarios FLI shifted - PDs (weights and scenarios are disclosed in the 'Incorporation of forward-looking information' section above). Both staging and resulting ECL were simulated with the scenario PDs.

The incorporation of 100% baseline scenario instead of the currently applied weighted scenario outcome would lead to a decrease of Stage 2 exposure by EUR 856 million (2023: EUR 598 million), resulting in an ECL drop by EUR 58 million (2023: EUR 77 million).

The downside scenario would lead to additional EUR 5,281 million (2023: EUR 2,402 million) of exposure migration to Stage 2 in comparison with scenario weighted FLI, resulting in ECL increase of EUR 383 million (2023: EUR 207 million).

For the ECL change a positive sign (+) equals a release while a negative sign (-) equals an allocation. Values presented sensitivities are results of internal simulations.

Forward looking information (FLI) and collective SICR assessment

Impact on credit risk exposure by geographical segment

in EUR million	Current status - parameters (FLI shifted)							Simulations - difference to FLI shifts effect		
				Stage 2 impacted by						
				Collective assessment						
	Stage 1	Stage 2	Total	Industry / Cyclical	Energy	PI	FLI shifts	Upside scenario	Baseline scenario	Downside scenario
Dec 24										
Austria	**156,474**	**25,257**	**181,732**	**4,743**	**0**	**0**	**2,394**	**-1,886**	**-525**	**3,530**
EBOe & Subs.	46,276	6,697	52,974	1,297	0	0	809	-635	-170	999
Savings Banks	61,449	15,360	76,809	3,333	0	0	1,340	-1,071	-301	1,620
Other Austria	48,749	3,200	51,949	113	0	0	244	-180	-54	910
CEE	**150,805**	**15,127**	**165,932**	**1,816**	**0**	**1,382**	**1,205**	**-1,016**	**-331**	**1,751**
Czechia	77,490	7,215	84,705	611	0	988	616	-509	-152	882
Slovakia	23,396	2,295	25,692	462	0	0	71	-64	-56	76
Romania	23,631	2,466	26,097	470	0	0	298	-320	-80	610
Hungary	8,986	1,129	10,115	49	0	0	185	-92	-34	108
Croatia	14,026	1,706	15,732	174	0	394	44	-6	-2	39
Serbia	3,276	316	3,592	52	0	0	-9	-25	-8	36
Other	**16,370**	**3**	**16,373**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**323,649**	**40,387**	**364,037**	**6,559**	**0**	**1,382**	**3,599**	**-2,901**	**-856**	**5,281**
Dec 23										
Austria	**143,871**	**29,852**	**173,723**	**7,592**	**3,984**	**0**	**3,699**	**-1,285**	**-273**	**1,492**
EBOe & Subs.	44,173	7,032	51,205	1,849	413	0	906	-301	-73	508
Savings Banks	58,970	16,983	75,953	5,107	1,559	0	1,747	-494	-69	905
Other Austria	40,728	5,837	46,565	636	2,012	0	1,046	-491	-131	78
CEE	**134,811**	**16,098**	**150,910**	**2,639**	**2,541**	**1,577**	**1,574**	**-1,165**	**-326**	**911**
Czechia	69,299	7,015	76,315	1,390	1,156	1,224	621	-346	-36	485
Slovakia	22,549	1,993	24,543	260	16	0	175	-193	-43	19
Romania	18,882	3,522	22,404	582	282	0	514	-469	-162	189
Hungary	9,336	1,105	10,441	60	469	0	110	-100	-50	64
Croatia	12,060	2,125	14,185	308	521	353	28	-13	-5	112
Serbia	2,685	337	3,022	39	97	0	127	-44	-29	43
Other	**10,029**	**3**	**10,032**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**288,711**	**45,953**	**334,664**	**10,232**	**6,525**	**1,577**	**5,274**	**-2,450**	**-598**	**2,402**

Impact on credit loss allowances by geographical segment

	Current status - parameters (FLI shifted)							Simulations - difference to FLI shifts effect		
				Out of which:						
				Collective assessment due to						
in EUR million	Stage 1	Stage 2	Total	Industry / Cyclical	Energy	PI	FLI shifts	Upside scenario	Baseline scenario	Downside scenario
Dec 24										
Austria	**-184**	**-753**	**-937**	**-75**	**0**	**0**	**-169**	**103**	**28**	**-172**
EBOe & Subs.	-43	-180	-223	-19	0	0	-39	27	6	-41
Savings Banks	-99	-498	-597	-53	0	0	-95	62	16	-92
Other Austria	-42	-76	-117	-3	0	0	-35	14	5	-40
CEE	**-328**	**-795**	**-1,123**	**-47**	**0**	**-21**	**-157**	**112**	**30**	**-211**
Czechia	-97	-286	-382	-17	0	-14	-51	30	8	-47
Slovakia	-37	-124	-161	-11	0	0	-6	5	3	-14
Romania	-121	-243	-364	-11	0	0	-61	67	17	-136
Hungary	-24	-50	-74	-1	0	0	-21	6	2	-7
Croatia	-40	-79	-119	-7	0	-7	-17	3	1	-5
Serbia	-11	-13	-24	0	0	0	0	2	1	-3
Other	**-2**	**-2**	**-4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**-514**	**-1,550**	**-2,064**	**-122**	**0**	**-21**	**-326**	**215**	**58**	**-383**
Dec 23										
Austria	**-167**	**-755**	**-923**	**-113**	**-27**	**0**	**-204**	**65**	**15**	**-104**
EBOe & Subs.	-38	-160	-198	-24	-3	0	-43	14	3	-24
Savings Banks	-88	-508	-596	-84	-17	0	-128	31	7	-56
Other Austria	-41	-88	-129	-4	-8	0	-33	20	5	-24
CEE	**-326**	**-911**	**-1,237**	**-82**	**-21**	**-19**	**-274**	**173**	**61**	**-103**
Czechia	-108	-316	-424	-40	-8	-14	-100	28	3	-30
Slovakia	-42	-115	-157	-9	-0	0	-2	8	4	-2
Romania	-100	-316	-416	-22	-2	0	-124	116	44	-52
Hungary	-28	-54	-82	-1	-2	0	-25	15	7	-8
Croatia	-36	-94	-130	-11	-8	-5	-14	3	1	-8
Serbia	-11	-16	-27	-1	-1	0	-9	3	2	-3
Other	**-2**	**0**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**-495**	**-1,666**	**-2,161**	**-195**	**-49**	**-19**	**-478**	**238**	**77**	**-207**

41. Restructuring, renegotiation and forbearance

Restructuring means contractual modification of any of the customer's loan repayment conditions including tenor, interest rate, fees, principal amount due or a combination thereof. Forbearance can be initiated by the bank or by the customer (on account of loss of employment, illness etc.). Components of forbearance can be instalment reduction, tenor extension, interest reduction or forgiveness, principal reduction or forgiveness, revolving exposure change to instalment and/or others.

A restructuring is considered 'forbearance' if it entails a concession towards a customer facing or about to face financial difficulties in meeting their contractual financial commitments. A borrower is in financial difficulties if any of the following conditions are met:
— the customer was more than 30 days past due in the past 3 months;
— the customer would be 30 days past due or more without receiving forbearance;
— the customer is in default;
— the customer would default without receiving forbearance.

Additional criteria for non-retail segment:
— early warning signals for this customer identified;
— customer has deteriorated financial figures, which led to decline of the rating grade;
— customers managed in a workout unit;
— customer has increased probability of default.

Forbearance concession triggers the performing forbearance classification and means that any of the following conditions are met:
— modification/refinancing of the contract would not have been granted, had the customer not been in financial difficulty;
— there is a difference in favour of the customer between the modified/refinanced terms of the contract and the previous terms of the contract;
— the modified/refinanced contract includes more favourable terms than other customers with a similar risk profile would have obtained from the same institution;

— activation of embedded forbearance clause of the contract;
— any waiver of a default relevant covenant.

The performing forbearance classification can be discontinued, and the account can become a non-forborne account when all the following conditions are met:
— a minimum of two years has passed from the date of classifying the exposure as performing forbearance (probation period);
— under the forborne payment plan, at least 50% of the original (pre-forbearance) instalment has been regularly repaid (significant repayment) at least during half of the probation period (in the case of retail customers);
— regular repayments in a significant amount during at least half of the probation period have been made (in the case of non-retail customers);
— significant repayment includes amount previously past-due (if any) or written-off (if no-past due amounts) for both segments retail and non-retail;
— none of the exposure of the customer is more than 30 days past due at the end of the probation period.

Performing forborne exposures become non-performing when one of the following forbearance classifications is fulfilled during the monitoring period of a minimum two years:
— the contract modification involves total or partial cancellation of the debt by (partial) write-off;
— an additional forbearance measure is extended;
— the customer becomes more than 30 days past due on forborne exposure and in the past the customer was in the non-performing forbearance category;
— the customer meets any of the default event criteria defined in the default definition;
— for corporate customers, when a final restructuring agreement cannot be concluded within 18 months after the first forbearance measure.

The non-performing forbearance classification can be discontinued and reclassified as performing under probation when all the following conditions are met:
— the customer is not classified as defaulted according to the definition of default;
— the customer has demonstrated the ability to comply with the post-forbearance conditions;
— one year has passed from the date of classifying the exposure as non-performing forbearance or from the latest of the following events:
  — the moment of extending the restructuring measure;
  — the end of the grace period included in the restructuring agreement;
  — the moment when the exposure has been classified as defaulted;
  — the forbearance has not led the exposure to be classified as non-performing.

Credit risk exposure, forbearance exposure and credit loss allowances

in EUR million	Loans and advances	Debt securities	Other positions	Loan commitments	Total
Dec 24					
Credit exposure	**249,162**	**63,769**	**34,854**	**50,981**	**398,766**
thereof gross forborne exposure	5,502	0	0	264	5,766
Performing exposure	243,481	63,756	34,703	50,801	392,741
thereof performing forborne exposure	3,377	0	0	194	3,571
Credit loss allowances for performing exposure	-1,711	-23	-110	-229	-2,073
thereof credit loss allowances for performing forborne exposure	-157	0	0	-10	-167
Non-performing exposure	5,680	13	151	180	6,025
thereof non-performing forborne exposure	2,126	0	0	70	2,196
Credit loss allowances for non-performing exposure	-2,412	-4	-67	-83	-2,566
thereof credit loss allowances for non-performing forborne exposure	-783	0	0	-30	-813
Dec 23					
Credit exposure	**233,341**	**54,466**	**31,280**	**45,363**	**364,450**
thereof gross forborne exposure	4,227	0	0	220	4,448
Performing exposure	228,555	54,458	31,116	45,176	359,306
thereof performing forborne exposure	2,433	0	0	151	2,584
Credit loss allowances for performing exposure	-1,859	-26	-113	-194	-2,193
thereof credit loss allowances for performing forborne exposure	-113	0	0	-8	-121
Non-performing exposure	4,786	8	164	187	5,144
thereof non-performing forborne exposure	1,794	0	0	69	1,863
Credit loss allowances for non-performing exposure	-2,221	-5	-63	-75	-2,363
thereof credit loss allowances for non-performing forborne exposure	-712	0	0	-23	-735

Types of forbearance exposure

in EUR million	Gross forborne exposure	Modification in terms and conditions	Refinancing
Dec 24			
Loans and advances	5,502	4,799	703
Debt securities	0	0	0
Loan commitments	264	218	46
Total	**5,766**	**5,017**	**749**
Dec 23			
Loans and advances	4,227	3,762	465
Debt securities	0	0	0
Loan commitments	220	198	22
Total	**4,448**	**3,960**	**487**

Loans and advances also include lease, trade and other receivables.

Impact of non-significant contractual modifications of debt instruments AC assigned to Stage 2 and 3

	Dec 23		Dec 24	
in EUR million	Amortised cost before the modification	Net modification gains/losses	Amortised cost before the modification	Net modification gains/losses
Loans and advances				
General governments	172	1	2	0
Other financial corporations	52	0	15	0
Non-financial corporations	2,365	-2	2,609	-6
Households	1,078	-14	1,053	-6
Total	**3,667**	**-15**	**3,679**	**-12**

As of 31 December 2024, the total GCA of Erste Group's debt instruments measured at AC, which were impacted by non-significant contractual modifications while they were assigned to Stage 2 or 3 and re-assigned to Stage 1 during the year 2024 amounted to EUR 1,123 million (2023: EUR 1,212 million).

42. Non-performing credit risk exposure and credit loss allowances

For the definition of credit risk exposure classified as non-performing, please refer to the description of risk categories in the subsection 'Credit risk classification'. Credit risk allowances include credit loss allowances for financial assets, credit loss allowances for loan commitments and financial guarantees (all allowances within the scope of IFRS 9) and provisions for other commitments.

Credit loss allowances (all stages combined) covered 78% (2023: 90%) of the reported non-performing on-balance and off-balance credit risk exposure.

During 2024, the non-performing credit risk exposure increased by EUR 881 million, or 17%, as well as the credit loss allowances for loans and advances together with credit loss allowances for loan commitments and financial guarantees slightly increased by EUR 95 million or 2%. This development resulted in a moderate decrease of 11 percentage points in the coverage of non-performing credit risk exposure by credit risk allowances.

The following tables show the coverage of the non-performing credit risk exposure by credit loss allowances (without taking into consideration collateral). The differences in the credit allowance levels between the reporting segments result from the risk situation in the respective markets, different levels of collateralisation as well as the local legal environment and regulatory requirements.

The non-performing exposure ratio (NPE ratio) is calculated as the non-performing credit risk exposure divided by total credit risk exposure while the NPE coverage ratio is computed as total credit loss allowances (all allowances within the scope of IFRS 9) divided by non-performing credit risk exposure at AC and FVOCI. Collateral is not considered in the NPE coverage ratio.

Non-performing credit risk exposure by geographical segment and coverage by credit loss allowances and collateral

in EUR million	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage ratio	NPE collateralisation ratio	
	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
Dec 24												
Austria	**3,872**	**3,828**	**201,970**	**185,583**	**-2,174**	**2,138**	**2,138**	**1.9%**	**2.1%**	**56.8%**	**55.2%**	**55.9%**
EBOe & Subs.	1,013	1,012	54,609	53,988	-546	615	615	1.9%	1.9%	53.9%	60.8%	60.8%
Savings Banks	2,279	2,268	81,479	79,099	-1,389	1,329	1,329	2.8%	2.9%	61.2%	58.3%	58.6%
Other Austria	580	547	65,882	52,496	-239	194	194	0.9%	1.0%	43.8%	33.5%	35.5%
CEE	**2,152**	**2,090**	**180,360**	**168,196**	**-2,449**	**779**	**768**	**1.2%**	**1.2%**	**117.2%**	**36.2%**	**36.7%**
Czechia	838	811	89,845	85,540	-866	274	268	0.9%	0.9%	106.7%	32.7%	33.1%
Slovakia	418	390	29,575	26,191	-368	189	188	1.4%	1.5%	94.4%	45.2%	48.3%
Romania	389	389	27,696	26,509	-684	128	128	1.4%	1.5%	175.8%	33.0%	33.0%
Hungary	132	125	12,276	10,254	-156	45	40	1.1%	1.2%	124.8%	34.3%	32.1%
Croatia	315	314	16,637	16,050	-312	130	130	1.9%	2.0%	99.3%	41.2%	41.3%
Serbia	61	60	4,332	3,652	-63	13	13	1.4%	1.6%	104.8%	21.1%	21.4%
Other	**0**	**0**	**16,436**	**16,373**	**-4**	**0**	**0**	**0.0%**	**0.0%**	**>500.0%**	**0.0%**	**0.0%**
Total	**6,025**	**5,918**	**398,766**	**370,152**	**-4,627**	**2,917**	**2,906**	**1.5%**	**1.6%**	**78.2%**	**48.4%**	**49.1%**
Dec 23												
Austria	**2,997**	**2,973**	**190,136**	**176,718**	**-1,971**	**1,661**	**1,661**	**1.6%**	**1.7%**	**66.3%**	**55.4%**	**55.9%**
EBOe & Subs.	765	764	52,542	51,972	-457	417	417	1.5%	1.5%	59.7%	54.6%	54.6%
Savings Banks	1,821	1,806	79,939	77,778	-1,264	1,075	1,075	2.3%	2.3%	70.0%	59.0%	59.5%
Other Austria	411	403	57,655	46,968	-251	168	168	0.7%	0.9%	62.3%	40.9%	41.8%
CEE	**2,145**	**2,084**	**164,229**	**153,171**	**-2,559**	**792**	**787**	**1.3%**	**1.4%**	**122.8%**	**36.9%**	**37.8%**
Czechia	853	817	81,166	77,152	-909	276	276	1.1%	1.1%	111.2%	32.4%	33.8%
Slovakia	375	363	28,123	25,013	-376	184	184	1.3%	1.5%	103.6%	48.9%	50.6%
Romania	382	381	23,477	22,812	-685	119	117	1.6%	1.7%	180.1%	31.0%	30.8%
Hungary	185	175	12,589	10,632	-197	68	65	1.5%	1.6%	113.0%	36.9%	37.3%
Croatia	291	290	14,937	14,479	-325	132	132	1.9%	2.0%	112.2%	45.4%	45.5%
Serbia	59	59	3,937	3,082	-66	13	13	1.5%	1.9%	111.7%	22.5%	22.6%
Other	**2**	**2**	**10,085**	**10,034**	**-2**	**0**	**0**	**0.0%**	**0.0%**	**91.8%**	**0.0%**	**0.0%**
Total	**5,144**	**5,060**	**364,450**	**339,923**	**-4,532**	**2,453**	**2,449**	**1.4%**	**1.5%**	**89.6%**	**47.7%**	**48.4%**

Non-performing credit risk exposure by business segment and coverage by credit loss allowances and collateral

in EUR million	Non-performing		Credit risk exposure		Credit loss allowances	Collateral for NPE		NPE ratio		NPE coverage ratio	NPE collateralisation ratio	
	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI	Total	AC and FVOCI	AC and FVOCI	Total	AC and FVOCI
Dec 24												
Retail	1,650	1,645	86,964	85,711	-1,555	619	615	1.9%	1.9%	94.5%	37.5%	37.4%
Corporates	2,088	1,997	129,919	117,441	-1,634	969	962	1.6%	1.7%	81.8%	46.4%	48.2%
Group Markets	1	1	29,686	17,432	-22	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
ALM & LCC	6	6	70,583	70,392	-25	0	0	0.0%	0.0%	404.8%	2.6%	2.6%
Savings Banks	2,279	2,268	81,479	79,099	-1,389	1,329	1,329	2.8%	2.9%	61.2%	58.3%	58.6%
GCC	0	0	136	76	-3	0	0	0.3%	0.5%	>500.0%	0.0%	0.0%
Total	**6,025**	**5,918**	**398,766**	**370,152**	**-4,627**	**2,917**	**2,906**	**1.5%**	**1.6%**	**78.2%**	**48.4%**	**49.1%**
Dec 23												
Retail	1,509	1,506	82,533	81,361	-1,588	609	606	1.8%	1.9%	105.5%	40.3%	40.2%
Corporates	1,805	1,739	121,254	109,860	-1,632	769	767	1.5%	1.6%	93.9%	42.6%	44.1%
Group Markets	0	0	23,967	14,396	-24	0	0	0.0%	0.0%	>500.0%	69.1%	89.0%
ALM & LCC	6	6	56,596	56,417	-24	0	0	0.0%	0.0%	382.9%	0.9%	0.9%
Savings Banks	1,821	1,806	79,939	77,778	-1,264	1,075	1,075	2.3%	2.3%	70.0%	59.0%	59.5%
GCC	2	2	160	111	-1	0	0	1.5%	2.1%	22.2%	0.0%	0.0%
Total	**5,144**	**5,060**	**364,450**	**339,923**	**-4,532**	**2,453**	**2,449**	**1.4%**	**1.5%**	**89.6%**	**47.7%**	**48.4%**

43. Detailed analysis of loans and advances to customers

The tables on the following pages present the structure of the customer loan book, excluding loans to central banks and credit institutions broken down by different categories. Loans and advances to customers comprise:
— loans and advances to customers at FVPL;
— loans and advances to customers at AC;
— finance lease receivables;
— trade and other receivables.

The presentation is by gross carrying amount excluding loan loss allowances and collateral.

Loans and advances to customers by geographical segment and currency

in EUR million	EUR	CEE-LCY	CHF	USD	Other	Total
Dec 24						
Austria	**118,456**	**0**	**1,546**	**3,312**	**2,883**	**126,197**
EBOe & Subs.	41,814	0	628	50	18	42,509
Savings Banks	57,403	0	898	65	1,621	59,988
Other Austria	19,238	0	20	3,197	1,244	23,700
CEE	**45,788**	**49,868**	**10**	**190**	**78**	**95,933**
Czechia	8,933	35,036	2	77	65	44,113
Slovakia	19,779	0	0	9	12	19,800
Romania	3,815	10,116	0	85	0	14,015
Hungary	1,747	4,060	0	7	0	5,815
Croatia	9,917	0	7	11	0	9,935
Serbia	1,599	655	0	1	0	2,255
Other	**11**	**14**	**0**	**0**	**29**	**54**
Total	**164,256**	**49,882**	**1,556**	**3,501**	**2,989**	**222,184**
Dec 23						
Austria	**113,703**	**0**	**1,857**	**2,809**	**2,459**	**120,828**
EBOe & Subs.	40,159	0	780	38	23	41,000
Savings Banks	56,539	0	1,045	57	1,305	58,946
Other Austria	17,006	0	32	2,714	1,131	20,882
CEE	**43,681**	**47,052**	**11**	**183**	**86**	**91,013**
Czechia	7,902	33,685	1	63	69	41,720
Slovakia	19,214	0	0	3	15	19,232
Romania	3,782	8,497	0	105	1	12,386
Hungary	1,698	4,365	0	2	0	6,065
Croatia	9,423	0	8	8	0	9,439
Serbia	1,662	506	0	2	0	2,171
Other	**12**	**0**	**0**	**5**	**39**	**56**
Total	**157,396**	**47,052**	**1,867**	**2,998**	**2,583**	**211,897**

'CEE-LCY' refers to the CEE geographical segment view where the local currency is the currency of the respective country (e.g., CZK in Czechia, RON in Romania etc.).

Loans and advances to customers by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 24					
Austria	**104,481**	**13,443**	**4,606**	**3,668**	**126,197**
EBOe & Subs.	36,435	3,695	1,395	985	42,509
Savings Banks	45,760	9,001	3,048	2,179	59,988
Other Austria	22,286	747	163	504	23,700
CEE	**69,900**	**19,641**	**4,379**	**2,013**	**95,933**
Czechia	34,057	8,007	1,257	792	44,113
Slovakia	14,284	3,738	1,395	382	19,800
Romania	10,095	2,795	759	366	14,015
Hungary	2,810	2,385	509	110	5,815
Croatia	7,033	2,213	385	305	9,935
Serbia	1,621	503	73	58	2,255
Other	51	3	0	0	54
Total	**174,432**	**33,087**	**8,985**	**5,680**	**222,184**
Dec 23					
Austria	**102,984**	**11,568**	**3,473**	**2,803**	**120,828**
EBOe & Subs.	36,303	2,906	1,067	724	41,000
Savings Banks	47,015	8,022	2,177	1,732	58,946
Other Austria	19,667	640	228	347	20,882
CEE	**68,775**	**16,378**	**3,881**	**1,979**	**91,013**
Czechia	33,377	6,255	1,317	771	41,720
Slovakia	14,418	3,258	1,200	357	19,232
Romania	9,324	2,212	496	354	12,386
Hungary	3,344	2,116	449	156	6,065
Croatia	6,694	2,103	361	282	9,439
Serbia	1,619	435	58	59	2,171
Other	35	13	5	2	56
Total	**171,794**	**27,959**	**7,359**	**4,784**	**211,897**

Loans and advances to customers by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Dec 24					
Retail	61,432	12,328	3,656	1,630	79,046
Corporates	64,854	11,705	2,161	1,865	80,585
Group Markets	2,206	25	25	1	2,257
ALM & LCC	172	25	95	6	298
Savings Banks	45,760	9,001	3,048	2,179	59,988
GCC	8	3	0	0	11
Total	**174,432**	**33,087**	**8,985**	**5,680**	**222,184**
Dec 23					
Retail	59,182	10,709	3,268	1,489	74,648
Corporates	64,560	9,170	1,850	1,554	77,135
Group Markets	689	12	6	0	707
ALM & LCC	348	43	52	6	449
Savings Banks	47,015	8,022	2,177	1,732	58,946
GCC	0	4	5	2	12
Total	**171,794**	**27,959**	**7,359**	**4,784**	**211,897**

In the following tables, the non-performing loans and advances to customers divided by segments are contrasted with allowances for customer loans (all allowances for loans and advances to customers within the scope of IFRS 9) and the collateral for non-performing loans (NPL). The NPL ratio, the NPL coverage ratio (excluding collateral), and the NPL collateralisation ratio are also included.

Non-performing loans and advances to customers by geographical segment and coverage by loan loss allowances and collateral

	Non-performing		Customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage ratio	NPL collateralisation ratio	
in EUR million	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Dec 24												
Austria	**3,668**	**3,668**	**126,197**	**126,170**	**-1,856**	**2,105**	**2,105**	**2.9%**	**2.9%**	**50.6%**	**57.4%**	**57.4%**
EBOe & Subs.	985	985	42,509	42,502	-468	608	608	2.3%	2.3%	47.5%	61.7%	61.7%
Savings Banks	2,179	2,179	59,988	59,986	-1,225	1,312	1,312	3.6%	3.6%	56.2%	60.2%	60.2%
Other Austria	504	504	23,700	23,682	-163	185	185	2.1%	2.1%	32.3%	36.7%	36.7%
CEE	**2,013**	**2,008**	**95,933**	**94,853**	**-2,260**	**758**	**754**	**2.1%**	**2.1%**	**112.5%**	**37.7%**	**37.5%**
Czechia	792	792	44,113	44,113	-807	262	262	1.8%	1.8%	101.9%	33.1%	33.1%
Slovakia	382	382	19,800	19,800	-352	187	187	1.9%	1.9%	92.3%	49.1%	49.1%
Romania	366	366	14,015	14,015	-618	127	127	2.6%	2.6%	168.8%	34.6%	34.6%
Hungary	110	106	5,815	4,734	-135	42	38	1.9%	2.2%	128.1%	38.6%	36.3%
Croatia	305	305	9,935	9,935	-287	126	126	3.1%	3.1%	94.2%	41.5%	41.5%
Serbia	58	58	2,255	2,255	-60	13	13	2.6%	2.6%	103.5%	21.9%	21.9%
Other	0	0	54	54	-2	0	0	0.4%	0.4%	>500.0%	0.0%	0.0%
Total	**5,680**	**5,676**	**222,184**	**221,077**	**-4,118**	**2,863**	**2,859**	**2.6%**	**2.6%**	**72.5%**	**50.4%**	**50.4%**
Dec 23												
Austria	**2,803**	**2,803**	**120,828**	**120,800**	**-1,712**	**1,633**	**1,633**	**2.3%**	**2.3%**	**61.1%**	**58.3%**	**58.3%**
EBOe & Subs.	724	724	41,000	40,992	-403	411	411	1.8%	1.8%	55.6%	56.7%	56.7%
Savings Banks	1,732	1,732	58,946	58,944	-1,122	1,057	1,057	2.9%	2.9%	64.8%	61.0%	61.0%
Other Austria	347	347	20,882	20,864	-188	166	166	1.7%	1.7%	54.0%	47.8%	47.8%
CEE	**1,979**	**1,975**	**91,013**	**90,003**	**-2,355**	**763**	**760**	**2.2%**	**2.2%**	**119.2%**	**38.5%**	**38.5%**
Czechia	771	771	41,720	41,719	-857	258	258	1.8%	1.8%	111.1%	33.4%	33.4%
Slovakia	357	357	19,232	19,232	-363	183	183	1.9%	1.9%	101.6%	51.2%	51.2%
Romania	354	354	12,386	12,386	-596	115	115	2.9%	2.9%	168.5%	32.6%	32.6%
Hungary	156	153	6,065	5,056	-172	65	62	2.6%	3.0%	112.8%	41.8%	40.7%
Croatia	282	282	9,439	9,439	-303	129	129	3.0%	3.0%	107.6%	45.6%	45.6%
Serbia	59	59	2,171	2,171	-64	13	13	2.7%	2.7%	108.8%	22.8%	22.8%
Other	2	2	56	56	0	0	0	4.1%	4.1%	20.1%	0.0%	0.0%
Total	**4,784**	**4,781**	**211,897**	**210,858**	**-4,068**	**2,396**	**2,393**	**2.3%**	**2.3%**	**85.1%**	**50.1%**	**50.1%**

Total gross customer loans, total non-performing loans, and total collateral include both AC and FVPL portfolios.

The NPL ratio of loans and advances to customers is calculated by dividing the gross carrying amount of non-performing loans and advances to customers by the total gross carrying amount of loans and advances to customers. Consequently, it differs from the NPE ratio in section 'Credit risk exposure'. Collaterals for non-performing loans mainly consist of real estates.

The NPL coverage ratio is calculated by dividing total loss allowances by the gross carrying amount of the non-performing loans and advances to customers. Collateral is not considered.

Non-performing loans and advances to customers by business segment and coverage by loan loss allowances and collateral

in EUR million	Non-performing		Customer loans		Loan loss allowances	Collateral for NPL		NPL ratio		NPL coverage ratio	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Dec 24												
Retail	1,630	1,625	79,046	77,964	-1,506	616	611	2.1%	2.1%	92.6%	37.8%	37.6%
Corporates	1,865	1,865	80,585	80,560	-1,370	935	935	2.3%	2.3%	73.5%	50.2%	50.2%
Group Markets	1	1	2,257	2,257	-6	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
ALM & LCC	6	6	298	298	-10	0	0	2.1%	2.1%	156.4%	2.4%	2.4%
Savings Banks	2,179	2,179	59,988	59,986	-1,225	1,312	1,312	3.6%	3.6%	56.2%	60.2%	60.2%
GCC	0	0	11	11	-2	0	0	1.8%	1.8%	>500.0%	0.0%	0.0%
Total	**5,680**	**5,676**	**222,184**	**221,077**	**-4,118**	**2,863**	**2,859**	**2.6%**	**2.6%**	**72.5%**	**50.4%**	**50.4%**
Dec 23												
Retail	1,489	1,486	74,648	73,637	-1,543	606	603	2.0%	2.0%	103.8%	40.7%	40.6%
Corporates	1,554	1,554	77,135	77,111	-1,389	734	734	2.0%	2.0%	89.4%	47.2%	47.2%
Group Markets	0	0	707	707	-1	0	0	0.0%	0.0%	>500.0%	0.0%	0.0%
ALM & LCC	6	6	449	448	-13	0	0	1.4%	1.4%	204.9%	0.9%	0.9%
Savings Banks	1,732	1,732	58,946	58,944	-1,122	1,057	1,057	2.9%	2.9%	64.8%	61.0%	61.0%
GCC	2	2	12	12	0	0	0	18.9%	18.9%	16.7%	0.0%	0.0%
Total	**4,784**	**4,781**	**211,897**	**210,858**	**-4,068**	**2,396**	**2,393**	**2.3%**	**2.3%**	**85.1%**	**50.1%**	**50.1%**

Loans and advances to customers at AC and coverage by loan loss allowances by geographical segment and IFRS 9 treatment

in EUR million	Loans to customers					Loan loss allowances				Coverage ratio		
	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Dec 24												
Austria	**100,740**	**21,739**	**3,628**	**63**	**27**	**-127**	**-591**	**-1,137**	**0**	**2.7%**	**31.3%**	**0.0%**
EBOe & Subs.	35,711	5,804	968	19	8	-31	-140	-298	0	2.4%	30.8%	0.0%
Savings Banks	44,377	13,410	2,155	44	1	-76	-409	-740	0	3.0%	34.4%	0.0%
Other Austria	20,652	2,525	504	0	18	-21	-43	-99	0	1.7%	19.6%	0.0%
CEE	**79,868**	**12,806**	**1,871**	**307**	**1,081**	**-268**	**-709**	**-1,209**	**-74**	**5.5%**	**64.6%**	**24.0%**
Czechia	37,296	6,002	722	93	0	-85	-249	-448	-26	4.1%	62.0%	27.6%
Slovakia	17,278	2,032	367	123	0	-33	-113	-189	-17	5.6%	51.5%	14.0%
Romania	11,559	2,069	356	32	0	-92	-219	-300	-6	10.6%	84.2%	18.9%
Hungary	3,579	1,036	95	25	1,080	-19	-46	-65	-6	4.4%	68.3%	22.6%
Croatia	8,234	1,393	292	16	0	-29	-69	-178	-11	4.9%	61.2%	67.0%
Serbia	1,922	274	39	20	0	-10	-13	-29	-9	4.6%	73.5%	44.5%
Other	**51**	**2**	**0**	**0**	**0**	**0**	**-2**	**0**	**0**	**75.6%**	**98.2%**	**0.0%**
Total	**180,659**	**34,548**	**5,499**	**371**	**1,108**	**-396**	**-1,302**	**-2,346**	**-74**	**3.8%**	**42.7%**	**19.9%**
Dec 23												
Austria	**92,808**	**25,167**	**2,754**	**71**	**29**	**-118**	**-621**	**-973**	**0**	**2.5%**	**35.4%**	**0.0%**
EBOe & Subs.	34,236	6,029	706	21	8	-30	-133	-239	0	2.2%	33.9%	0.0%
Savings Banks	42,591	14,603	1,701	50	2	-70	-429	-624	0	2.9%	36.7%	0.0%
Other Austria	15,981	4,536	347	0	19	-19	-59	-110	0	1.3%	31.8%	0.0%
CEE	**74,389**	**13,471**	**1,795**	**349**	**1,010**	**-267**	**-823**	**-1,180**	**-86**	**6.1%**	**65.7%**	**24.7%**
Czechia	34,874	6,055	703	88	1	-96	-298	-441	-23	4.9%	62.7%	25.6%
Slovakia	16,926	1,847	344	115	0	-38	-109	-190	-26	5.9%	55.3%	22.3%
Romania	9,371	2,637	307	71	0	-75	-268	-246	-7	10.2%	80.0%	10.4%
Hungary	4,052	834	136	34	1,009	-21	-48	-94	-9	5.8%	69.4%	26.7%
Croatia	7,351	1,802	263	23	0	-27	-85	-179	-13	4.7%	67.9%	55.2%
Serbia	1,815	297	42	18	0	-10	-15	-30	-9	5.0%	72.2%	49.7%
Other	**50**	**3**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0%**	**3.5%**	**0.0%**
Total	**167,247**	**38,641**	**4,551**	**420**	**1,038**	**-385**	**-1,443**	**-2,153**	**-86**	**3.7%**	**47.3%**	**20.5%**

Stage 1 and Stage 2 comprise not credit impaired loans and advances while Stage 3 includes credit impaired loans and advances. POCI (purchased or originated credit impaired) consists of loans already credit impaired when purchased or originated.

The defaulted part of POCI loans amounted to EUR 177 million (2023: EUR 230 million), the non-defaulted part to EUR 194 million (2023: EUR 189 million).

Loans and advances to customers at AC and coverage by loan loss allowances by business segment and IFRS 9 treatment

	Loans to customers					Loan loss allowances				Coverage ratio		
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Dec 24												
Retail	67,296	8,990	1,579	99	1,082	-148	-428	-909	-20	4.8%	57.6%	20.3%
Corporates	66,648	11,927	1,758	227	25	-169	-456	-691	-54	3.8%	39.3%	23.7%
Group Markets	2,048	208	1	0	0	-2	-3	0	0	1.6%	0.4%	0.0%
ALM & LCC	281	11	6	0	0	0	-4	-5	0	33.0%	89.7%	0.0%
Savings Banks	44,377	13,410	2,155	44	1	-76	-409	-740	0	3.0%	34.4%	0.0%
GCC	9	2	0	0	0	0	-2	0	0	75.6%	98.2%	0.0%
Total	**180,659**	**34,548**	**5,499**	**371**	**1,108**	**-396**	**-1,302**	**-2,346**	**-74**	**3.8%**	**42.7%**	**19.9%**
Dec 23												
Retail	63,169	8,929	1,428	111	1,011	-153	-521	-843	-26	5.8%	59.0%	23.6%
Corporates	60,480	14,958	1,414	259	25	-160	-488	-681	-60	3.3%	48.2%	23.1%
Group Markets	592	115	0	0	0	-1	0	0	0	0.4%	10.7%	100.0%
ALM & LCC	409	33	6	0	1	-2	-5	-6	0	14.9%	97.9%	94.2%
Savings Banks	42,591	14,603	1,701	50	2	-70	-429	-624	0	2.9%	36.7%	0.0%
GCC	7	3	2	0	0	0	0	0	0	0.0%	3.5%	0.0%
Total	**167,247**	**38,641**	**4,551**	**420**	**1,038**	**-385**	**-1,443**	**-2,153**	**-86**	**3.7%**	**47.3%**	**20.5%**

The NPL exposures above exclude any write-offs recognised in accordance with IFRS 9. Erste Group distinguishes between contractual write-offs (debt forgiveness towards the defaulted client, either unconditional or subject to conditions) and technical write-offs (claim removal from the books due to no reasonable expectation of recovery, whereby the legal claim towards the customer remains). Both types of write-offs have as a pre-condition that all reasonable workout measures and late collections tools have been applied for optimal recovery. In case of collateralised loans, write-off prior to the realisation of the collateral is not allowed unless specific circumstances apply. Additional technical write-off triggers include enforcement, worthlessness of claim/collateral, legally binding bankruptcy/liquidation or other economic loss of the rights to claim/sale. The amount written off during 2024, which is still subject to enforcement activity, totals EUR 178 million (2023: EUR 135 million).

44. Market risk

Market risk is the risk of loss that may arise due to adverse changes in market prices and to the parameters derived from them. These market value changes might appear in the profit and loss account, in the statement of comprehensive income or in hidden reserves. At Erste Group, market risk is divided into interest rate risk; credit spread risk, currency risk, equity risk, commodity risk, and volatility risk. This concerns both trading and banking book positions.

METHODS AND INSTRUMENTS EMPLOYED

At Erste Group, potential losses that may arise from market movements are assessed using the value at risk (VaR) methodology. The VaR describes what level of losses may be expected as a maximum at a defined probability – the confidence level – within a certain holding period of the positions under historically observed market conditions.

The VaR calculation for the trading book is based on the methodology of historical simulation with a one-sided confidence level of 99%, a holding period of one day, and a look back period of two years.

Back-testing for the trading book is used to constantly monitor the validity of the internal market risk model. This process is conducted with a one-day delay to monitor if the model projections regarding losses have actually materialised. At a confidence level of 99%, the actual loss on a given day should exceed the VaR estimate statistically only two to three times a year (1% of around 250 workdays).

The VaR calculation for banking book positions (BB-VaR) is based on the methodology used for ICAAP calculation of Erste Group where 250.000 historical scenarios (starting with 2010) are calculated with a theoretical holding period of 1 year and a confidence level of 99.90%. The same calculation is used for the BB-VaR with a 1 day holding period and a 99% confidence level, consistent with the trading book methodology. The results of both calculations, ICAAP and BB-VaR are presented in the Group ALCO to the management board.

A known limitation of the VaR approach is that on the one hand, it estimates losses only up to the confidence level, and on the other hand, the model considers only those market scenarios observed within the look-back period to calculate the VaR for the cur-rent position of the bank. To address this limitation and to investigate any extreme market situations not reflected in the VaR approach, stress tests are conducted at Erste Group. These stress tests are designed to cover market movements of low probability and high impact.

The stress tests are carried out according to several methods: for the trading book, a stressed VaR (SVaR) is derived from the normal VaR calculation. Instead of simulating only over the two most recent years, an analysis of a much longer period is carried out to identify a one-year period that constitutes a relevant period of stress for the current portfolio mix. According to the regulatory framework, that one-year stressed period is used to calculate a VaR with a 99% confidence level. This enables Erste Group to hold sufficient own funds available for the trading book even in periods of elevated market volatility, while also enabling it to incorporate these resulting effects into the management of trading positions.

Standard scenarios are also defined, in which selected market risk factors are subject to extreme movements. Such scenarios are calculated at Erste Group for interest rates, stock prices, exchange rates and volatilities. Historic scenarios are a modification of the concept of standard scenarios. In this case, risk factor movements modelled after certain crisis events such as 'Covid-19 crisis' or 'Lehman bankruptcy' form the basis of the stress calculation. In addition, hypothetical stress test scenarios are defined based on analysis of the current economic environment and projections of adverse developments of key market risk drivers. These analyses are made available to the Market Risk Committee within the scope of the regular market risk reporting. Banking book positions are considered in the comprehensive stress test.

METHODS AND INSTRUMENTS OF RISK MITIGATION

At Erste Group, market risks are controlled in the trading book by setting several layers of limits. The overall limit based on risk-weighted assets (RWAs) for the trading book is allocated by the management board in the Risk Appetite Statement while considering the risk-bearing capacity and projected earnings. A further breakdown in VaR, SVaR, and sensitivity limits is done by the Market Risk Committee on the basis of a proposal from the Trading Book Risk Management unit.

All market risk activities of the trading book are assigned risk limits which are entirely consistent with the overall RWA limit. The RWA limit is broken down into dedicated VaR and SVaR limits and assigned in a top-down procedure to the individual trading units. Additionally, in a bottom-up procedure, sensitivity limits are assigned on trading desk level to control exposures to individual risk drivers and ensure sufficient diversification. These are then aggregated and applied as a second-limit layer to the VaR and SVaR limits.

Limit compliance is verified at two levels: by the appropriate local risk management unit and by the Trading Book Risk Management unit. The monitoring of sensitivity limits is performed on both intraday and end-of-day basis. On demand, limit reports can also be triggered by the trading units or risk management on an ad-hoc basis.

Trading book VaR and SVaR are calculated daily at group level and reported to all key stakeholders including the relevant board members. In case of a limit breach, the escalation procedure ensures the timely remediation of the limit breach.

In Banking Book, limits are implemented top-down from Group to individual entity covering change in economic value and in net interest income as well as limits on market risk Pillar 2 RWA. Limit monitoring is done by respective local risk management and Group Banking Book Risk Management. Dedicated escalation procedure is in place in case of limit breaches.

ANALYSIS OF MARKET RISK

The following tables show the VaR amounts at the 99% confidence level using equally weighted market data and with a holding period of one day. The figures do not cover exposures which are accounted for in the standardized approach (e.g., FX risks in the banking book, specific position risk):

Value at Risk of banking book and trading book

in EUR thousand	Total	Interest	Credit spread	Currency	Shares	Commodity	Volatility
Dec 24							
Erste Group	**118,670**	**119,568**	**18,646**	**731**	**1,060**	**197**	**648**
Banking book	114,849	116,212	18,646	-	-	-	-
Trading book	3,821	3,356	-	731	1,060	197	648
Dec 23							
Erste Group	**80,759**	**81,545**	**16,204**	**1,150**	**962**	**120**	**784**
Banking book	74,250	75,177	16,204	-	-	-	-
Trading book	6,509	6,369	-	1,150	962	120	784

As of year-end 2024 the number of VaR backtesting outliers is zero in the trading book and hence the regulatory multiplier has a value of 3.0. This is marginally lower compared to the one outlier at year-end 2023. The internal model reacted to the increased levels of volatility observed on the market and the overall level of VaR figures increased. The postponed implementation of the new regulatory framework for market risk under the CRR3 to 2026 means that the internal model will be used also in 2025. Increase in VaR figure for Banking Book increased due to higher investments on asset side and methodological updates performed in course of closing OSI findings related to IRRBB (loan commitment inclusion, loan and deposit model recalibration).

Interest rate risk in the banking book (IRRBB)

Interest rate risk is the current and prospective risk of a negative impact to the institution's economic value of equity, or to the institution's net interest income, taking market value changes into account as appropriate, which arise from adverse movements in interest rates affecting interest rate sensitive instruments, including gap risk, basis risk and option risk.

To identify interest rate risk, all financial instruments, including off-balance instruments are used to calculate the impact of certain interest rate scenarios on their economic value and their net interest income. Limits and thresholds are implemented for both aspects of the IRRBB, the change in economic value as well as the change in net interest income. Positions without contractually defined maturity or repricing structures, such as demand deposits or overdrafts are modelled accordingly. For positions where the customer has the right to prepay his debt prepayment models are applied.

During 2024 Erste Group has updated its behavioural models according to the internal Model Risk Management policy and regulatory expectations. Among others, this update comprises extension of data histories, including now the recent developments of interest rates, and extending the models granularity to reflect account specific features.

For internal risk calculations and for the regulatory interest rate risk measures, the maximum downward shock is floored according to the Article 4 (k) of the EBA Regulatory Technical Standard on the supervisory outlier tests (EBA/RTS/2022/10) and the Article 3 (7) of the Commission Delegated Regulation (EU) 2024/856. With increasing yield curves, especially in EUR, USD and CZK, these embedded floors have become less relevant.

For calculating IRRBB measures there is ongoing effort to migrate all relevant Erste Group entities to new BRiTA data infrastructure. During 2024, CSAS was successfully migrated to BRiTA. As a result, improvement in data capture is observed with limited impact on total Group result.

Exchange rate risk

Risk from open foreign exchange positions is the risk related to exchange rates that derives from the mismatch between assets and liabilities, or from currency-related financial derivatives. In the trading book, these risks might originate from customer-related or trading operations and are monitored and managed daily. Foreign currency exposure is subject to regulatory and internal limits. The internal limits for the trading book are set by the Market Risk Committee.

Erste Group separately measures and manages other types of risks relating to the group's balance sheet and earnings structure.
The translation risk related to the valuation of the balance sheet items, earnings, dividends and participations/net investments in local currency or foreign exchange has an impact on consolidated earnings and consolidated capital. Erste Group is also reducing the negative impact related to volatility of foreign exchange rates on asset performance (for example because of foreign exchange lending in the CEE countries that was stopped for clients not having sufficient regular income in the respective loan currency).

In order to manage its multi-currency earnings structure, Erste Group regularly discusses hedging opportunities and takes decisions in the Group Asset Liability Committee (ALCO). Asset and Liability Management (ALM) uses as the usual source of information the current financial results and the financial budget prepared for the upcoming period to obtain as much information as possible on the future foreign currency cash flows. The proposal, which mainly includes the volume, hedging level, hedge ratio and timeline of the hedging, is submitted by ALM to ALCO. The impact of translation on consolidated capital is monitored and reported to ALCO. The ALCO decisions are then implemented by ALM and the implementation status is reported on a monthly basis to ALCO.

The following table shows the largest open foreign currency positions of Erste Group. The inclusion of structural FX positions in the table below as of 2022 is in line with the EBA guideline on the treatment of structural FX (EBA/GL/2020/09) which requires banks to calculate own funds for FX positions resulting from participations in foreign subsidiaries. The inclusion of structural FX positions leads to overall significantly higher open positions in the core market currencies. In 2024 ALCO approved partial hedging of the structural FX positions in CZK and HUF. The hedges are executed using a combination of derivatives and spot positions and are recorded as net investment hedges.

Open foreign currency positions

in EUR thousand	Open Position
Dec 24	
CZK	2,431,289
RON	1,659,256
HUF	768,588
RSD	495,111
MKD	294,404
BAM	226,908
GBP	82,203
CHF	33,372
PLN	25,795
TRY	8,541
Dec 23	
CZK	1,813,213
RON	1,471,317
HUF	1,130,317
RSD	413,652
MKD	258,654
BAM	196,395
USD	84,258
GBP	81,637
PLN	16,053
CNH	10,806

Credit spread risk

Credit spread risk is the risk driven by changes in the market perception about the price of credit risk, liquidity premium and potentially other components of credit-risky instruments. Erste Group is exposed to credit spread risk with respect to its securities portfolio, both in the trading as well as in the banking book.

For the trading book, credit spread risk for government bonds is part of the general market risk covered by VaR and SVaR. Corporate bonds are allocated to benchmark spread curves depending on sector, rating, and currency as part of the general risk covered by VaR and SVaR. The issuer specific risk is covered by the standardised approach for Pillar 1 of regulatory capital requirements. For the issuer specific risk of the trading book in Pillar 2, the spread risk is broken down into a systematic and a residual part risk and reported on an aggregated level.

Quantifying the credit spread risk of the securities in the banking book is based on a historical simulation. The maximum (hypothetical) drawdown that can be attributed to credit related risk factors over a one-year horizon is calculated. It is based on credit spread sensitivities (CR01) and the risk factors used are mainly z-spreads for sovereigns and corporate benchmark bond spreads for financials and corporates. The portfolio included into the calculation comprises all bond measured at fair value and starting with year-end 2024 also bonds measured at-cost which are not eligible for central bank operations. The resulting amount is used as part of the ICAAP calculations to determine the Pillar 2 capital consumption of the banking book portfolio.

For banking book positions, the impacts of changes in credit spreads on the economic value and net interest income are additionally assessed through rating-dependent widening and narrowing shock scenarios derived from historical data.

Hedging

Banking book market risk management consists of optimising Erste Group's risk position by finding the proper trade-off between the economic value of the balance sheet and forecasted earnings. ALM is responsible for the interest rate and FX risk management of the banking book and respective hedging actions. ALCO committee is informed by ALM on a regular basis about the interest rate risk of the banking book and required approvals (e.g., for strategic positions, the ALM strategy,investments, etc.) by the members of the ALCO committee.

To achieve the goals of risk management, hedging activities focus on the two main control variables: net interest income and market value of equity risk. In a broader sense, hedging refers to an economic activity that mitigates risk but does not necessarily qualify for hedge accounting under IFRS rules. IFRS hedge accounting is applied, if possible, to avoid accounting mismatches due to hedging activity. Within the scope of IFRS-compliant hedge accounting, fair value hedges, cash flow, and net investment hedges are used. In addition, the fair value option is used for hedging the market risk from the economic perspective. Most of the hedging within Erste Group concerns hedging of interest rate risk. The remainder is hedging of foreign exchange rate risk using net investment hedges.

45. Liquidity risk

LIQUIDITY STRATEGY

In 2024, customer deposits remained the primary source of funding for Erste Group. The growth in loan volume was financed by inflows of customer deposits and issued securities.

With regards its own issuance, Erste Group Bank AG issued EUR 4.5 billion in bonds in 2024 (2023: EUR 6.1 billion). EUR 1.4 billion (2023: EUR 2.7 billion) was collected by issuing senior preferred bonds, of which EUR 750 million (2023: EUR 1.25 billion) was printed via a benchmark sized transaction. Mortgage bonds issued in amount of EUR 2.2 billion (2023: EUR 3 billion), whereby Tier 2 subordinated debt issuance amounted to EUR 990 million (2023: EUR 400 million). This was offset by repurchases of EUR 9.2 million (2023: EUR 49 million). The average tenor of all new issues in 2024 is approximately 7.2 years (2023: 5.5 years).

Erste Group's total TLTRO participation in 2024 decreased to zero (2023: 6.35 billion).

LIQUIDITY METRICS AND REPORTS

The liquidity risk in Erste Group is defined in line with the principles set out by the Basel Committee on Banking Supervision as well as the European and Austrian regulations Regulation (EU) No 575/2013 (CRR), Regulation (EU) 2015/61 and the Council and the 'Kreditinstitute-Risikomanagement-Verordnung - KI-RMV' in their current versions. Accordingly, a distinction is made between market liquidity risk, which is the risk that the group entities cannot easily offset or close a position at the market price because of inadequate market depth or market disruption, and funding liquidity risk, which is the risk that the banks in the group will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the group members.

Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. The former is the short-term risk that current or future payment obligations cannot be met in full and on time in an economically justified manner, while structural liquidity risk is the long-term risk of losses due to a change in the Group's own refinancing cost or spread.

The regulatory liquidity ratios LCR and NSFR are well implemented in Erste Group which uses the above-mentioned technical environment to calculate the LCR according to Regulation (EU) No 2015/61 as well as the NSFR according to the Regulation (EU) No 575/2013 in their currently valid versions.

Erste Group calculates LCR daily on solo and group level and reports it monthly to the authorities. Furthermore, the LCR is part of the internal Risk Appetite Statement (RAS). LCR limits are defined in the RAS targeting to be well above the regulatory requirement of 100%. Legal lending limits exist in all CEE countries where Erste Group is represented. As they restrict liquidity flows between Erste Group's subsidiaries in different countries they are considered for the assessment of liquidity risk in the survival period model as well as in the calculation of the LCR at group level.

The NSFR is calculated monthly on solo and group level and is reported on a quarterly basis to the authorities. Same as the LCR, the NSFR is part of the internal RAS and limits are defined in the RAS targeting to be well above the regulatory requirement of 100%.

Short-term insolvency risk is monitored by calculating the survival period analysis (SPA) on both entity and group levels. This analysis determines the maximum period during which the entity can survive a set of defined scenarios, including a severe combined market and idiosyncratic crisis while relying on its pool of liquid assets. The monitored worst-case scenario simulates very limited money market and capital market access and at the same time significant client deposit outflows. Furthermore, the simulation assumes increased drawdown on guarantees and loan commitments dependent on the type of customer, as well as the potential out-flows from collateralised derivative transactions estimating the effect of collateral outflows in the case of adverse market movements. The SPA is covering a stress horizon of up to 12 months. It is calculated monthly at entity and group level.
Structural liquidity is monitored with the internal Structural Liquidity Ratio (STRL), depicting the going concern maturity mismatches of the subsidiaries and the group. The STRL is calculated monthly both on solo entity level and on group level.

All above mentioned reports (LCR, NSFR, SPA and STRL) are reported to the Operational Liquidity Committee (OLC) as well as to the management board during the Group ALCO.

Additionally, concentration risks in the funding structure and 'Counterbalancing Capacity' (CBC) are regularly monitored and reported to the regulator. Erste Group's funds transfer pricing (FTP) system has also proven to be an efficient tool for structural liquidity risk management.

METHODS AND INSTRUMENTS OF RISK MITIGATION

Apart from the reporting of liquidity metrics to the OLC and the Group ALCO, another important instrument for managing the liquidity risk within Erste Group and in relation to its subsidiaries is the FTP system. Important information for liquidity management can be obtained by the process of planning funding needs. Therefore, a detailed overview of funding needs is prepared on a quarterly basis for the planning horizon across Erste Group.
The Comprehensive Contingency Plan of the Erste Group ensures the necessary coordination of all parties involved in the liquidity management process in case of crisis and is reviewed on a regular basis. The contingency plans of the subsidiaries are coordinated as part of the plan for Erste Group.

ANALYSIS OF LIQUIDITY RISK

In Erste Group, the liquidity risk is analysed by the following methods.

Liquidity coverage ratio. Erste Group uses the regulatory LCR for internal monitoring and steering of the liquidity position. To keep the LCR according LCR DA above both limits, the regulatory limit and the internal limit, Erste Group closely monitors its short-term liquidity inflows and outflows as well as its available counterbalancing capacity (CBC).

Erste Group's LCR continues to stay stable at a high level despite TLTRO repayments throughout 2024, Erste Group actively manages to keep high liquidity buffer. Thus, Erste Group is having a more than comfortable buffer well above internal and external limits.

Liquidity coverage ratio

in EUR million	Dec 23	Dec 24
Liquidity buffer	81,843	79,810
Net liquidity outflow	53,356	52,642
Liquidity coverage ratio	153.4%	151.6%

Structural liquidity gaps. The long-term liquidity position is managed using structural liquidity gaps based on contractual and partially behavioural cash flows of all liquidity relevant components of the balance sheet (on-balance and off-balance). This liquidity position is calculated for each material currency.

Cash flows are broken down by contractual maturities in accordance with the amortisation schedule and arranged in maturity ranges. All customer products without contractual maturities (such as demand deposits and overdrafts) are included according to a going concern maturity profile using model based on statistically observed client behaviour.

The increased liquidity gap within the first-year time band was driven mostly by an update of the demand deposit model due to customer behaviour (mainly coming from two subsidiaries). Deposits are now distributed over longer time horizons based on the observed client behaviour, which results into an increase of the gap in the first year whereby the gap in the last year time band decreases in comparison to last year.

Structural liquidity gap

	0-12 months		1-3 years		3-5 years		> 5 years	
in EUR million	Dec 23	Dec 24	Dec 23	Dec 24	Dec 23	Dec 24	Dec 23	Dec 24
Liquidity gap	14,918	24,319	1,134	3,113	-1,680	4,103	-20,601	-36,159

An excess of assets over liabilities is indicated by a positive value, while an excess of liabilities over assets is indicated by a negative value. The cash inflows from liquid securities amounting to EUR 64 billion (2023: EUR 56 billion), which are accepted as collateral by the central banks to which Erste Group has access, are considered in the first-time bucket rather than considering them at their contractual maturity.

Counterbalancing capacity. Erste Group regularly monitors its counterbalancing capacity, which consists of cash, excess minimum reserves at the central banks as well as unencumbered central bank eligible assets and other liquid securities, including impacts from repos, reverse repos, and securities lending transactions. These assets can be mobilised in the short term to offset potential cash outflows in a crisis situation.

Term structure of counterbalancing capacity

in EUR million	< 3 months	3-12 months	1-5 years	> 5 years
Dec 24				
Cash, excess reserve	19,927	0	0	0
Liquid assets	57,497	-8,783	-28,657	-20,057
Other central bank eligible assets	14,872	691	-11,525	-4,038
Thereof retained covered bonds	9,877	1,403	-10,418	-862
Thereof credit claims	4,319	0	0	-4,319
Counterbalancing capacity	**92,296**	**-8,092**	**-40,182**	**-24,095**
Dec 23				
Cash, excess reserve	33,705	0	0	0
Liquid assets	45,202	-7,110	-20,206	-17,886
Other central bank eligible assets	14,827	3,024	-10,606	-7,246
Thereof retained covered bonds	10,274	1,098	-8,766	-2,605
Thereof credit claims	4,214	1,140	0	-5,354
Counterbalancing capacity	**93,734**	**-4,086**	**-30,812**	**-25,131**

The figures above show the total amount of potential liquidity available for the group in a going concern situation considering the applicable central bank haircuts. In a crisis situation, adverse market movements can decrease this amount. The initial counterbalancing capacity available at group level is reduced by additional stressed haircuts. Negative figures are maturing positions of the counterbalancing capacity. Positive figures after first time bucket are positions not immediately available as counterbalancing capacity.

Apart from shifting surplus liquidity namely excess minimum reserves to highly liquid assets of quality number one including covered bonds, the counterbalancing capacity volume remains at a high level, ensuring comfortable liquid buffer for Erste Group.

Financial liabilities. The table below shows the undiscounted principal cash flows for all financial liabilities, and it contains interest cash flows.

Financial liabilities

in EUR million	Carrying amounts	Contractual cash flows	< 3 months	3-12 months	1-5 years	> 5 years
Dec 24						
Non-derivative liabilities	**314,801**	**326,531**	**246,509**	**17,033**	**41,005**	**21,984**
Deposits by banks	21,261	24,272	11,833	2,600	6,203	3,636
Customer deposits	241,651	244,305	227,856	9,992	5,051	1,406
Debt securities in issue	46,494	51,779	6,650	4,014	28,144	12,970
Subordinated liabilities	5,395	6,175	169	427	1,608	3,971
Derivative liabilities	**1,343**	**3,804**	**327**	**687**	**2,581**	**208**
Derivatives liabilities with netted Cash Flows	-	2,981	121	523	2,171	166
Derivatives liabilities with gross Cash Flow (net)	-	822	206	164	410	42
Outflows	-	52,221	36,478	5,743	8,809	1,192
Inflows	-	-51,399	-36,271	-5,579	-8,399	-1,150
Contingent liabilities	**-**	**73,137**	**73,137**	**-**	**-**	**-**
Financial guarantees	-	7,431	7,431	-	-	-
Commitments	-	65,706	65,706	-	-	-
Other financial liabilities	**1,484**	**1,484**	**1,484**	**-**	**-**	**-**
Total	**317,628**	**404,956**	**321,458**	**17,719**	**43,587**	**22,192**
Dec 23						
Non-derivative liabilities	**299,486**	**312,728**	**236,301**	**16,671**	**40,212**	**19,544**
Deposits by banks	22,911	27,932	13,400	5,535	6,215	2,783
Customer deposits	232,815	236,578	222,045	7,333	5,626	1,574
Debt securities in issue	39,195	42,913	524	3,553	26,792	12,044
Subordinated liabilities	4,565	5,305	331	251	1,580	3,144
Derivative liabilities	**1,900**	**3,811**	**367**	**900**	**2,291**	**253**
Derivatives liabilities with netted Cash Flows	-	3,406	218	766	2,163	260
Derivatives liabilities with gross Cash Flow (net)	-	404	149	134	128	-6
Outflows	-	66,180	53,671	5,159	6,485	865
Inflows	-	-65,776	-53,522	-5,025	-6,357	-871
Contingent liabilities	**-**	**66,779**	**66,779**	**-**	**-**	**-**
Financial guarantees	-	8,288	8,288	-	-	-
Commitments	-	58,491	58,491	-	-	-
Other financial liabilities	**2,199**	**2,199**	**2,199**	**-**	**-**	**-**
Total	**303,584**	**385,517**	**305,646**	**17,571**	**42,502**	**19,798**

As of year-end 2024, the currency composition of the non-derivative liabilities consisted of approximately 71% EUR, 18% CZK, 4% RON, 3% USD, and 4% in other currencies (2023: 72% EUR, 17% CZK, 4% RON, 3% USD, and 4% in other currencies).

Besides the contingent liabilities from unused credit lines and guarantees, material potential cash outflow is calculated from the collateralised derivative transactions for the stress testing, following a historical lookback approach, which amounted to EUR 1 billion (2023: EUR 2 billion) in the severe combined idiosyncratic and market crisis scenario as of 31 December 2024.

As of 31 December 2024, the volume of customer deposits due on demand amounted to EUR 171 billion (2023: EUR 161 billion). According to customer segments, the customer demand deposits are composed as follows: 65% private individuals, 19% small and medium-sized enterprises, 8% large corporates, 5% public sector, and 3% non-banking financial institutions (2023: 65% private individuals, 20% small and medium-sized enterprises, 8% large corporates, 4% public sector, and 3% non-banking financial institutions).

46. Operational risk

In line with point (52) of Article 4(1) of regulation (EU) No 575/2013 (CRR), Erste Group defines Operational Risk (OpRisk) as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational risk. Non-Financial Risks (NFR) comprise both operational and reputational risks. Erste Group's operational risk appetite sets the limits and escalation levels in line with the group risk strategy for risk-taking because of doing business. The OpRisk Framework is a modular, interrelated, and comprehensive approach integrated into the banks and the group's steering and risk management system. It is designed to fulfil internal risk management and external regulatory requirements.

ORGANISATION AND GOVERNANCE

The roles and responsibilities for OpRisk management is defined by the 'Three Lines of Defence' model. The day-to-day management of operational risk is the primary responsibility of Business Line Management (BLM). BLM is responsible for identifying, assessing, and managing the risks residual in the products, activities, processes, and systems on an ongoing basis by using operational risk management instruments. Group Operational and Non-Financial Risk independently oversees the Group-wide management of operational risks, identifies and reports risks on the Group-level. The NFR function defines the NFR Framework, promotes a consistent application across the group, develops and maintains the OpRisk capital model.

Regional Operational Conduct Committee (ROCC) decides on strategic steering topics based on NFR reporting, serves as a sounding board for risk decisions concerning non-financial risks and decides on escalations to the Holding Board of Erste Group.

NON-FINANCIAL RISK FRAMEWORK AND MEASUREMENT

Erste Group implemented Advanced Measurement Approach (AMA) in 2009 and uses partially Basic Indicator Approach (BIA).

The OpRisk Framework consists of various elements in the AMA. Risk identification takes place through the collection of internal loss data and Key Risk Indicators (KRI) to measure the risk level changes. Risk indicators are reviewed periodically to ensure early detection of risk potentials to cause losses. The risk identification process includes an on-going mechanism to identify new sub-risk types, risk drivers and emerging risks. Risk evaluation is an ongoing process in which the Business Line Management (BLM) proactively identifies and analyses relevant non-financial risks and assesses the effectiveness of the controls to mitigate those risks, both for the run and change the bank processes (e.g., new product approval, outsourcings). BLM evaluates the risks in line with the risk appetite and reports the residual risks to senior management or risk committees for risk response. The acceptance level of NFR is managed by using the Group Operational Risk Scaling Matrix which is setting the limits of the residual operational risk tolerated by Erste Group. Risk monitoring via corrective measures is performed on a regular basis. Regular risk reporting provides detailed information to business and risk management units, senior management and the board of directors, most importantly the quarterly Group Risk Re-port, which informs on recent losses, loss trends, qualitative information derived from Risk Control Self-Assessments, NFR decisions, risk indicators, key ratios and the Erste Group VaR for operational risk. Entities following Basic Indicator Approach (BIA) implemented internal loss data collection, new product approval and outsourcing risk management instruments.

Erste Group measures the regulatory and economic capital requirements for operational risk using the AMA for fourteen entities and the rest of the Group uses BIA on the group level. The basis for calculating the BIA capital is the three-year average of the gross income which is multiplied by a fixed rate of 15%. Pursuant to AMA, the required capital is calculated using an internal VaR model, considering internal data, external data (Operational Riskdata eXchange Association consortium data), scenario analysis, business environment and internal risk control factors. The AMA capital calculation is based on the loss distribution approach. The single distributions of loss frequency and loss severity are computed, and these distributions are compounded to the loss distribution applying Monte-Carlo-Simulation.

Additionally, Erste Group received the approval to use the Group Insurance program including the captive insurance subsidiary (Erste Reinsurance s.a.) for risk transfer and recognition as a mitigant in the capital requirement calculation within the AMA.

Non-current assets and other investments

47. Property, equipment and investment properties

PROPERTY AND EQUIPMENT

Depreciation of property and equipment is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Depreciation is recognised in the statement of income in the line item 'Depreciation and amortisation' and impairment in the line item 'Other operating result'.

	Useful lives in years
Buildings	30-50
Re-buildings on own and foreign real estates	15-50
Office furniture and equipment	4-10
Passenger cars	4-8
Computer hardware	4-6

Land is not depreciated.

Any impairment losses including their reversals and gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the statement of income under the line item 'Other operating result'.

INVESTMENT PROPERTIES

Investment property is property (land and buildings or part of a building or both) held for the purpose of earning rental income or for capital appreciation or both.

Investment property is presented on the balance sheet in the line item 'Investment properties'.

Rental income is recognised in the statement of income in the line item 'Rental income from investment properties and other operating leases'. Depreciation is presented in the statement of income in the line item 'Depreciation and amortisation' using the straight-line method over an estimated useful life. The useful lives of investment properties are in the range of 15-100 years. Any impairment losses, as well as their reversals, are recognised under the line item 'Other operating result'.

IMPAIRMENT

The bank assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. Testing for impairment is done at individual asset level if the asset generates cash inflows that are largely independent of those from other assets. The typical case is investment property. Otherwise, the impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs.

ACQUISITION AND PRODUCTION COSTS

Own property, equipment and investment properties

in EUR million	Land and buildings	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Jan 23	**2,538**	**980**	**591**	**309**	**4,419**	**1,788**
Additions	105	81	85	53	324	157
Disposals	-76	-64	-60	-46	-246	-26
Acquisition of subsidiaries	0	0	0	0	0	0
Disposal of subsidiaries	0	0	0	0	-1	0
Reclassification	-60	-1	3	-1	-58	70
Assets held for sale	-12	0	0	0	-12	0
Currency translation	-15	-2	-1	-3	-22	-2
Dec 23	**2,481**	**994**	**617**	**312**	**4,405**	**1,987**
Additions	261	84	96	63	504	141
Disposals	-52	-82	-64	-136	-335	-27
Acquisition of subsidiaries	0	1	0	0	1	106
Disposal of subsidiaries	-16	0	-1	0	-17	0
Reclassification	-2	1	1	0	0	0
Assets held for sale	-10	0	-10	0	-20	0
Currency translation	-17	-3	-5	2	-24	-6
Dec 24	**2,645**	**995**	**634**	**240**	**4,514**	**2,199**

ACCUMULATED DEPRECIATION

Own property, equipment and investment properties

in EUR million	Land and buildings	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Jan 23	**-1,143**	**-658**	**-396**	**-145**	**-2,342**	**-506**
Amortisation and depreciation	-72	-57	-69	-33	-231	-29
Disposals	56	60	57	27	201	10
Acquisition of subsidiaries	0	0	0	0	0	0
Disposal of subsidiaries	0	0	0	0	0	0
Impairment	-20	-1	0	-1	-23	-4
Reversal of impairment	17	0	0	0	17	3
Reclassification	21	0	0	0	21	-30
Assets held for sale	9	0	0	0	9	0
Currency translation	9	2	1	2	14	2
Dec 23	**-1,123**	**-655**	**-407**	**-150**	**-2,334**	**-554**
Amortisation and depreciation	-71	-62	-72	-29	-234	-30
Disposals	42	77	62	80	261	11
Acquisition of subsidiaries	0	0	0	0	0	-2
Disposal of subsidiaries	5	0	0	0	5	0
Impairment	-3	-1	0	-4	-7	-1
Reversal of impairment	11	0	0	0	11	1
Reclassification	1	1	0	0	1	-1
Assets held for sale	-70	0	9	0	-61	-68
Currency translation	60	2	3	-3	62	2
Dec 24	**-1,147**	**-637**	**-405**	**-107**	**-2,296**	**-642**

CARRYING AMOUNTS

Own property, equipment and investment properties

in EUR million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Dec 23	1,358	340	211	162	2,070	1,433
Dec 24	1,498	358	229	134	2,218	1,557

Rights of use: property, equipment and investment properties

in EUR million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Dec 23	509	5	0	20	534	91
Dec 24	501	3	0	33	537	121

Total carrying amounts

in EUR million	Land and buildings (used by the Group)	Office and plant equipment/other fixed assets	IT assets (hardware)	Movable other property	Property and equipment	Investment properties
Dec 23	1,868	345	211	181	2,605	1,524
Dec 24	1,999	360	229	167	2,754	1,678

For details related to right of use assets capitalized in balance sheet arising from leases where Erste Group is lessee, please see Note 51 Leases where the Group is a lessee.

The carrying amount of investment properties include properties subject to operating leases in the amount of EUR 1,179 million (2023: EUR 1,468 million). Investment properties with a carrying amount of EUR 741 million (2023: EUR 674 million) are pledged as collaterals. Investment properties with a carrying amount of EUR 761 million (2023: EUR 716 million) are subject to the Austrian Non-Profit Housing Act (Wohnungsgemeinnützigkeitsgesetz) and hence are subject to the specific rules in respect of sale and use of these properties. The carrying amount of property and equipment includes properties subject to operating leases in the amount of EUR 161 million (2023: EUR 200 million).

In the reporting period, expenditures in the amount of EUR 111 million (2023: EUR 87 million) are capitalised in the carrying amount of fixed assets and investment properties during their construction. The contractual commitments for purchase of fixed assets are EUR 2 million (2023: EUR 5 million).

In 2024, for land and buildings reversal of impairment losses in the amount of EUR 4 million in Czech Republic (2023: EUR 13 million impairment loss) was realized. As of 31 December 2024, the recoverable amount of these impaired assets amounted to EUR 4 million (2023: EUR 23 million).

As of 31 December 2024 the fair value of investment properties with a carrying amount of EUR 1,678 million (2023: EUR 1,524 million) amounts to EUR 2,122 million (2023: EUR 1,962 million) and is classified as level 3 of the fair value hierarchy.

The fair values are determined by experts with recognised and relevant professional qualification. Fair values of commercial real estate in Austria and CEE owned by Erste Group through Austrian companies are based on valuation reports relying essentially, but not solely, on observable market inputs (such as selling price per square meter charged in recent market observable transactions for similar assets). For all other property owned by Erste Group through subsidiaries located in CEE countries the valuations are carried out mainly using the comparative and investment methods. Assessment is made on the basis of a comparison and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the relevant property. The characteristics of such similar transactions are then applied to the asset, taking into account size, location, terms, covenant and other material factors.

48. Intangible assets

Erste Group's intangible assets include goodwill (see Note 57 Subsidiaries), computer software, customer relationships and other intangible assets.

Intangible assets with finite lives are amortised over their useful economic lives using the straight-line method. The amortisation expense is recognised in the statement of income under the line item 'Depreciation and amortisation'.

	Useful lives in years
Computer software	4-10
Customer relationships	10-20

IMPAIRMENT OF INTANGIBLE ASSETS INCLUDING GOODWILL

It is typical of intangible assets that they do not generate cash inflows that are largely independent of those from other assets. As a result, the impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs. For CGUs to which goodwill has been allocated the impairment test is carried out annually in November, or whenever there is an indication of possible impairment during the year.

For CGUs at Erste Group the recoverable amount for determining the potential impairment loss is typically based on value in use which is the present value of the future cash flows expected to be derived from the CGU. The calculation starts with estimation of future earnings distributable to shareholders. In this respect financial plans for the CGUs as agreed by the management while taking into account the fulfilment of the respective regulatory capital requirements are used. The planning period is five years. Any forecasted earnings beyond the planning period are derived on the basis of the last year of the planning period and a long-term growth rate. The present value of such perpetual earnings growing at a stable rate (referred to as terminal value) takes into consideration macroeconomic parameters and economically sustainable cash flows for each CGU.

The cash flows are determined by subtracting the annual capital requirement generated by a change in the amount of risk-weighted assets from the estimated future earnings. The capital requirement was defined through the target tier 1 ratio in light of the expected future minimum regulatory capital requirements.

The discount rates reflect risks specific to the CGU and have been determined based on the capital asset pricing model (CAPM). According to the CAPM, the discount rate comprises a risk-free interest rate together with a market risk premium that itself is multiplied by a factor that represents the systematic market risk (beta factor). Furthermore, a country-risk premium component is considered in calculation of the discount rate. The values used to establish the discount rates are determined using external sources of information.

When the recoverable amount of a CGU is less than its carrying amount, the difference is recognised as an impairment loss in the statement of income under the line item ‘Other operating result’.

The analysis on the recoverability of non-financial assets is explained in section ‘Material accounting policies’ in the chapter ‘Material accounting judgements, assumptions and estimates’.

Acquisition and production costs

in EUR million	Goodwill	Customer relationships	Software acquired	Self-constructed software within the Group	Others (licenses, patents, etc.)	Total
Jan 23	**671**	**157**	**1,815**	**614**	**338**	**3,596**
Additions	0	0	173	33	16	221
Disposals	-9	0	-74	-6	-3	-91
Acquisition of subsidiaries	0	0	0	0	0	0
Disposal of subsidiaries	0	0	-1	0	0	-1
Reclassification	0	0	6	-9	-9	-12
Assets held for sale	0	0	0	0	0	0
Currency translation	1	1	-11	0	-2	-11
Dec 23	**663**	**158**	**1,908**	**632**	**341**	**3,701**
Additions	0	0	155	25	5	185
Disposals	0	0	-64	-19	-24	-108
Acquisition of subsidiaries	66	30	0	0	2	98
Disposal of subsidiaries	0	0	0	0	0	0
Reclassification	0	0	10	-9	-1	0
Assets held for sale	0	0	-1	0	-12	-12
Exchange-rate changes	-1	-2	-32	0	-1	-36
Dec 24	**727**	**186**	**1,976**	**629**	**309**	**3,827**

Accumulated depreciation

in EUR million	Goodwill	Customer relationships	Software acquired	Self-constructed software within the Group	Others (licenses, patents, etc.)	Total
Jan 23	**-115**	**-129**	**-1,313**	**-409**	**-282**	**-2,248**
Amortisation and depreciation	0	-7	-103	-64	-24	-197
Disposals	5	0	68	6	2	81
Acquisition of subsidiaries	0	0	0	0	0	0
Disposal of subsidiaries	0	0	1	0	0	1
Impairment	-9	0	-33	0	-1	-43
Reversal of impairment	0	0	0	0	0	0
Reclassification	0	0	4	0	5	9
Assets held for sale	0	0	0	0	0	0
Currency translation	0	-1	8	0	1	9
Dec 23	**-118**	**-138**	**-1,368**	**-467**	**-297**	**-2,388**
Amortisation and depreciation	0	-4	-107	-59	-13	-183
Disposals	0	0	59	19	24	103
Acquisition of subsidiaries	-1	0	0	0	-2	-4
Disposal of subsidiaries	0	0	0	0	0	0
Impairment	0	0	-9	0	0	-10
Reversal of impairment	0	0	0	0	0	0
Reclassification	0	0	-5	0	5	0
Assets held for sale	0	0	1	0	11	12
Currency translation	1	2	22	0	1	25
Dec 24	**-119**	**-140**	**-1,408**	**-507**	**-271**	**-2,445**

Carrying amounts

in EUR million	Goodwill	Customer relationships	Software acquired	Self-constructed software within the Group	Others (licenses, patents, etc.)	Total
Dec 23	**544**	**20**	**540**	**165**	**44**	**1,313**
Dec 24	**609**	**45**	**568**	**122**	**38**	**1,382**

The contractual commitments for the purchase of intangible assets amounted to EUR 2 million (2023: EUR 3 million). As of 31 December 2024 the customer relationship Ringturm Kapitalanlagegesellschaft m.b.H. amounted to EUR 16 million (2023: EUR 20 million). The remaining amortization period of the customer relationship in Ringturm Kapitalanlagegesellschaft m.b.H. was 3.8 years. In addition, a customer relationship of Impact Asset Management GmbH in the amount of EUR 30 million was recognised at the end of 2024. Amortization is spread over the next 10 years for 3 customer segments and over 16 years for one customer segment.

GOODWILL

The addition to goodwill includes EUR 64 million from the acquisition of Impact Asset Management GmbH. For further details, see section 'Scope of consolidation'.

The goodwill of Česká spořitelna a.s. ('CSAS') was tested for objective evidence of impairment on a quarterly basis during 2024. The annual goodwill impairment test was performed as of 31 October 2024. With regards to the ongoing planning uncertainty caused by the unpredictable economic environment due to several global conflicts (Israel, Ukraine), Erste Group derived an additional planning scenario for the impairment test. In addition to the base case scenario, which was weighted as the most likely scenario with 60% probability, a downside scenario with 40% probability weighting was also defined. The recoverable amount was higher than the carrying amount, thus no impairment was required.

In 2023 the goodwill of Commerzbank Zrt. was impaired in the amount of EUR 9 million.

Carrying amount and material parameters used for the impairment test per subsidiary (CGU) for significant goodwills

	CSAS
Carrying amount of goodwill as of 1 January 2024 (in EUR million)	544
Effect of exchange rate changes for the year 2024 (in EUR million)	0
Basis upon which recoverable amount has been determined	Value in Use (discounted cash flow model based)
Key interest input parameters into the discounted cash flow model	Risk Free Rate has been set at 2,60% p.a. throughout relevant Group's CGUs based on relevant financial statistics published by Deutsche Bundesbank as at the reference date 31 October 2024.
Description of approach to determining value assigned to risk free rate	For non-Austrian (CEE) CGUs: Terminal Growth Rate has been equated to 3%, representing the recommended cap level for the Terminal Growth Rate, as per the report ESMA/2013/2 'European Enforcers Review of Impairment of Goodwill and Other Intangible Assets in the IFRS Financial Statements' published by the European Securities and Markets Authority (ESMA).
Description of approach to determining values assigned to terminal growth rate	For non-Austrian (CEE) CGUs: Terminal Growth Rate has been equated to 3%, representing the recommended cap level for the Terminal Growth Rate, as per the report ESMA/2013/2 'European Enforcers Review of Impairment of Goodwill and Other Intangible Assets in the IFRS Financial Statements' published by the European Securities and Markets Authority (ESMA).
Description of approach to determining values assigned to β factor	Set as the median value of a group of levered β factors attributable to a sample of 'peer banks' representative of the tested banks (CGUs), as published by Capital IQ as of the reference date 31 October 2024.
Description of approach to determining values assigned to market risk premium	Set at 6.87% throughout relevant Group's CGUs based on published evaluations by the Austrian Chamber of Commerce (Kammer der Steuerberater und Wirtschaftsprüfer).
Period of cash flow projection (years)	5 years (2025 - 2029); extrapolation to perpetuity based on Terminal Growth Rate
Discount rate applied to cash flow projections (pre-tax)	13.8%
The value assigned to β Factor	1.19
Amount of goodwill impairment loss recognised in profit or loss for the year 2024 (in EUR million)	0
Post-impairment carrying amount of goodwill as of 31 December 2024 (in EUR million)	544

Carrying amount of goodwill as of 1 January 2023 (in EUR million)	544
Effect of exchange rate changes for the year 2023 (in EUR million)	0
Basis upon which recoverable amount has been determined	Value in Use (discounted cash flow model based)
Key interest input parameters into the discounted cash flow model	Risk Free Rate, Terminal Growth Rate, β Factor, Market Risk Premium
Description of approach to determining value assigned to risk free rate	Risk Free Rate has been set at 3.02% p.a. throughout relevant Group's CGUs based on relevant financial statistics published by Deutsche Bundesbank as at the reference date 31 October 2023.
Description of approach to determining values assigned to terminal growth rate	For non-Austrian (CEE) CGUs: Terminal Growth Rate has been equated to 3%, representing the recommended cap level for the Terminal Growth Rate, as per the report ESMA/2013/2 'European Enforcers Review of Impairment of Goodwill and Other Intangible Assets in the IFRS Financial Statements' published by the European Securities and Markets Authority (ESMA).
Description of approach to determining values assigned to β factor	Set as the median value of a group of levered β factors attributable to a sample of 'peer banks' representative of the tested banks (CGUs), as published by Capital IQ as of the reference date 31 October 2023.
Description of approach to determining values assigned to market risk premium	Set at 6.57% throughout relevant Group's CGUs based on published evaluations by the Austrian Chamber of Commerce (Kammer der Steuerberater und Wirtschaftsprüfer).
Period of cash flow projection (years)	5 years (2024 - 2028); extrapolation to perpetuity based on Terminal Growth Rate
Discount rate applied to cash flow projections (pre-tax)	14.2%
The value assigned to β Factor	1.19
Amount of goodwill impairment loss recognised in profit or loss for the year 2023 (in EUR million)	0
Post-impairment carrying amount of goodwill as of 31 December 2023 (in EUR million)	544

For cash generating units outside the euro-zone, an inflation differential has been considered when determining the discount rates applicable to the related 2025-2029 cash flow projections.

The outcome of the sensitivity analysis shows by how much the key input parameters into the applied discounted cash flow models would need to vary in order to cause the unit's calculated recoverable amount to equal its related carrying amount:

Dec 24	CSAS
Amount by which recoverable amount exceeds/fall short the carrying amount (in EUR million)	3,916
Risk free rate increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	650
Terminal growth rate increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	-6,033
β factor increase/decrease that would cause recoverable amount to equal carrying amount (coefficient value)	0.945
Market risk premium increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	547

Dec 23	
Amount by which recoverable amount exceeds/fall short the carrying amount (in EUR million)	2,499
Risk free rate increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	432
Terminal growth rate increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	-4,581
β factor increase/decrease that would cause recoverable amount to equal carrying amount (coefficient value)	0.658
Market risk premium increase/decrease that would cause recoverable amount to equal carrying amount (basis points)	364

49. Other assets

in EUR million	Dec 23	Dec 24
Prepayments	135	162
Inventories	98	108
Sundry assets	742	796
Other assets	**976**	**1,066**

In the line 'Inventories' real estate project developments and repossessed assets (mainly real estate) are disclosed.

The impairment of inventories, shown as expense in the reporting period amounts to EUR 5 million (2023: EUR 2 million). The carrying amount of inventories carried at fair value less costs to sell amounts to EUR 25 million (2023: EUR 29 million). The cost of inventories recognised as expense in the reporting period amounts to EUR 3 million (2023: EUR 21 million).

FIDUCIARY ASSETS

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of Erste Group.

Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

50. Erste Group as a lessor

On the side of the lessor, a distinction is made between finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. In the case of a finance lease, Erste Group reports a receivable from the lessee under the line item 'Finance lease receivables'. The receivable is equal to the present value of the contractually agreed payments taking into account any residual value. Interest income on the receivable is reported in the statement of income in the line item 'Other similar income' under 'Net interest income'.

In the case of operating leases, which are leases other than finance leases, the leased asset is reported in 'Property and equipment' or in 'Investment properties' and is depreciated in accordance with the principles applicable to the assets involved. Lease income is recognised on a straight-line basis over the lease term in the statement of income under the line item 'Rental income from investment properties and other operating leases'.

Erste Group is mitigating the risk associated with any rights it retains in underlying assets. This is achieved especially by means of residual value guarantees, variable lease payments for use in excess of specified limits and buy-back agreements with third parties.

Erste Group (intermediate lessor) accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The vast majority of lease agreements in which Erste Group operates as a lessor are finance leases.

FINANCE LEASES

Erste Group leases both movable property and real estate to other parties under finance lease arrangements. For finance lease receivables included in this item, the reconciliation of the gross investment in leases to the present value of the minimum lease payments is as follows:

in EUR million	Dec 23	Dec 24
Outstanding lease payments	5,571	5,789
Non-guaranteed residual values	182	165
Gross investment	**5,754**	**5,954**
Unrealised financial income	692	623
Net investment	**5,062**	**5,331**
Present value of non-guaranteed residual values	130	116
Present value of outstanding lease payments	**4,931**	**5,215**

Maturity analysis by residual maturities

	Dec 23		Dec 24	
in EUR million	Gross investment	Present value of outstanding lease payments	Gross investment	Present value of outstanding lease payments
< 1 year	1,487	1,301	1,630	1,438
1-2 years	1,249	1,108	1,266	1,125
2-3 years	1,021	893	1,034	932
3-4 years	750	676	797	724
4-5 years	478	429	524	472
> 5 years	769	526	702	524
Total	**5,754**	**4,931**	**5,954**	**5,215**

During 2024, Erste Group recognised interest income on finance lease receivables in the amount of EUR 290 million (2023: EUR 244 million). Gains/losses from derecognition of finance lease receivables are recognised in line item 'Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss' (see Note 10).

Finance lease receivables

Gross carrying amounts and credit loss allowances per impairment buckets

	Gross carrying amount					Credit loss allowances					
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Dec 24											
General governments	248	5	0	0	253	-1	-1	0	0	-2	251
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	234	4	18	0	255	-1	0	0	0	-1	254
Non-financial corporations	3,123	724	87	1	3,934	-14	-28	-26	0	-68	3,866
Households	800	73	13	0	886	-4	-2	-5	0	-11	875
Total	**4,405**	**806**	**119**	**1**	**5,331**	**-20**	**-31**	**-32**	**0**	**-83**	**5,248**
Dec 23											
General governments	254	9	0	0	263	-1	-1	0	0	-2	261
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	159	14	0	0	174	0	0	0	0	-1	173
Non-financial corporations	2,865	810	87	0	3,762	-11	-30	-34	0	-75	3,687
Households	776	68	15	0	860	-5	-2	-6	0	-12	847
Total	**4,055**	**901**	**103**	**0**	**5,059**	**-17**	**-33**	**-40**	**0**	**-90**	**4,970**

For information about development of credit loss allowances refer to Note 39 Development of credit loss allowances.

OPERATING LEASES

Under operating leases, Erste Group leases both real estate and movable property to other parties.

Maturity analysis of lease payments from operating leases

in EUR million	Dec 23	Dec 24
< 1 year	331	167
1-2 years	307	151
2-3 years	210	145
3-4 years	122	147
4-5 years	115	149
> 5 years	116	147
Total	**1,200**	**905**

During 2024, Erste Group recognised income relating to variable lease payments in the amount of EUR 3 million (2023: EUR 3 million). For information about rental income please refer to Note 7 Rental income from investment properties and other operating leases.

51. Leases where the Group is a lessee

Under IFRS 16, Erste Group as a lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The right-of-use asset is depreciated to the earlier of the end of its useful life or the end of the lease term. Erste Group uses the straight-line method of depreciation. The right-of-use assets are presented on the balance sheet as part of 'Property and equipment' or, if they are sub-leased to third parties, for operating leases as part of 'Investment properties' and for finance leases as a 'Finance lease receivable'.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments also include the exercise price under a purchase option and consider lease payments in an optional renewal period if Erste Group is reasonably certain to exercise the options. Extension and termination options are included in a number of real estate leases across Erste Group. The use of extension and termination options gives Erste Group added flexibility in case more suitable premises in terms of costs and/or location are identified or in case it is considered favourable to remain in a location beyond the original lease term.

When determining the present value of lease payment Erste Group typically uses the incremental borrowing rate as the discount rate. For movables it consists of EURIBOR as a base rate, adjusted by a surcharge based on the entity's rating, the amount of funds borrowed, the term of the lease and the collateral provided. The determination of the incremental borrowing rate for property leases is based on two components, the market rate and the single property rate. The market rate considers the lease term, creditworthiness and the base rate EURIBOR and is derived from existing bank data. The single property rate represents a surcharge to the market rate based on the quality of the single property. On the balance sheet the lease liabilities are presented in the line item 'Lease liabilities'.

Erste Group primarily rents real estates such as buildings and land for headquarters, branches and parking lots. In addition, movables such as IT equipment and ATMs are rented for business operations.

Rights of Use Assets

in EUR million	Land and buildings	Property and equipment
Dec 24		
Carrying amount	501	537
Additions	97	116
Depreciation	-91	-97
Dec 23		
Carrying amount	509	534
Additions	127	135
Depreciation	-96	-100

Maturity analysis of lease liabilities based on undiscounted cash flows

in EUR million	Dec 23	Dec 24
< 1 year	103	103
1-5 years	281	342
> 5 years	340	362
Total	**724**	**807**

During 2024, interest expenses on lease liabilities were recognised in the amount of EUR 13 million (2023: EUR 12 million). In addition, expenses in the amount of EUR 4 million (2023: EUR 4 million) relating to short term leases and expenses amounting to EUR 7 million (2023: EUR 7 million) relating to leases of low value items, for which the recognition exemption of IFSR 16 applies, were recognised. Gains arising from sale and leaseback transactions in the amount of EUR 5 million (2023: EUR 1 million) were recognised. During 2024, income from subleasing right-of-use assets was recognised in the amount of EUR 2 million (2023: EUR 9 million). Total cash outflow for leases in 2024 was EUR 111 million (2023: EUR 123 million).

Accruals, provisions, contingent liabilities and legal proceedings

52. Other liabilities

in EUR million	Dec 23	Dec 24
Deferred income	114	124
Sundry liabilities	2,282	2,534
Other liabilities	**2,396**	**2,658**

Deferred income outstanding at 31 December 2024 includes 'contract liabilities' in accordance with IFRS 15 in amount of EUR 110 million (2023: EUR 101 million). Revenue recognised in the reporting year 2024 that was included in the contract liability balance at the beginning of the period amounts to EUR 47 million (2023: EUR 59 million).

The item 'Sundry liabilities' mainly contains outstanding settlement liabilities as well as other liabilities from employee benefits.

53. Provisions

Provisions are liabilities with uncertain timing or amount. The balance sheet line item 'Provisions' includes:
- provisions for defined employee benefit plans recognised based on requirements of IAS 19
- provisions for expected credit losses from loan commitments and financial guarantees recognised based on requirements of IFRS 9; and
- remaining classes of provisions recognised in accordance with IAS 37 such as provisions or litigation, restructuring, commitments and guarantees not in scope of IFRS 9.

MATERIAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

Recognition of provisions requires judgement with respect to whether Erste Group has a present obligation as a result of a past event and whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Furthermore, estimates are necessary with respect to the amount and timing of future cash flows when determining the amount of provisions. Further details on provisions for off-balance credit risk exposures are explained in Note 35 Credit risk exposure and 39 Development of credit loss allowances. Legal proceedings that do not meet the criteria for recognition of provisions are described in Note 54 Contingent liabilities.

Following classes of provision can be distinguished in the business of Erste Group:

in EUR million	Dec 23	Dec 24
Defined employee benefit plans	812	746
Loan commitments and financial guarantees given in scope of IFRS 9	416	474
Pending legal issues and tax litigation	289	258
Commitments and guarantees given out of scope of IFRS 9	24	12
Other provisions	71	136
Provisions	**1,612**	**1,626**

DEFINED EMPLOYEE BENEFIT PLANS

Defined employee benefit plans operated by Erste Group are for pensions, severance and jubilee benefits. They largely relate to plans operated in Austria which are described below. In addition, there are defined employee benefit plans for foreign subsidiaries in Romania, Croatia, Serbia and Slovakia and the New York branch.

In Austria, the defined benefit pension plans relate largely to retired employees before 2000. The pension obligations for current employees or those who retired after 2000 were transferred to external pension funds.

Employees of Austrian entities who started their employment before 1 January 2003, are entitled to receive a severance payment if their employment is terminated by the employer or if they retire. The amount depends on the number of years of service and the employee's salary at termination of the employment. For other employees a contribution-based system is provided. The contributions to external employee pension funds are recognised as expenses.

Jubilee provisions are special one-off payments stipulated in the collective agreement which are dependent on remuneration and duration of service. Eligibility is conditioned on a certain minimum duration of the employment.

From IAS 19 categorisation perspective, pension and severance benefits qualify as post-employment defined benefits plans whereas jubilee benefits are other long-term employee benefits.

Obligations ensuing from defined employee benefit plans are determined using the projected unit credit method. The calculation involves actuarial assumptions which are further discussed below.

The liability recognised under a defined benefit plan represents the present value of the defined benefit obligation less the fair value of the plan assets available for the direct settlement of obligations. The resulting defined benefit liability is reported on the balance sheet under the line item ‘Provisions’. At Erste Group, the plan assets consist of qualifying insurance policies purchased to back severance and jubilee benefit provisions. Plan assets for pension provision are held by a long-term employee benefit fund.

Remeasurements consist of actuarial gains and losses on the defined benefit obligations and the return on plan assets. Remeasurements of pension and severance defined benefit plans are recognised as accumulated OCI in equity specifically under ‘Remeasurement of defined benefit plans’ in the statement of changes in equity. The change for the period is reported as OCI in the statement of comprehensive income in the line ‘Remeasurement of defined benefit plans’. Remeasurements of jubilee defined benefit plans are recognised in the statement of income under the line item ‘Personnel expenses’.

Long-term employee provisions

in EUR million	Pensions	Severance payments	Jubilee benefits	Total
Present value of long-term employee benefit obligations – Dec 20	**774**	**493**	**119**	**1,386**
Present value of long-term employee benefit obligations – Dec 21	**720**	**447**	**115**	**1,282**
Present value of long-term employee benefit obligations – Dec 22	**609**	**367**	**98**	**1,074**
Settlements/curtailments	1	0	0	0
Service cost	1	10	6	17
Interest cost	22	14	4	39
Payments	-62	-44	-5	-111
Exchange rate difference	-1	0	0	-1
Actuarial gains/losses recognised in OCI	**29**	**29**	**0**	**58**
Actuarial gains/losses recognised in PL	**0**	**0**	**5**	**5**
Present value of long-term employee benefit obligations – Dec 23	**599**	**375**	**108**	**1,082**
Obligations covered by plan assets	30	180	60	270
Obligations covered by provisions	569	195	48	811
Less fair value of plan assets	**30**	**180**	**60**	**270**
Provisions – Dec 23	**570**	**195**	**48**	**812**
Present value of long-term employee benefit obligations – Dec 23	**599**	**375**	**108**	**1,082**
Settlements/curtailments	1	0	0	1
Service cost	1	9	6	17
Interest cost	19	12	3	35
Payments	-61	-32	-6	-99
Exchange rate difference	3	0	0	3
Actuarial gains/losses recognised in OCI	**-9**	**-3**	**0**	**-11**
Actuarial gains/losses recognised in PL	**0**	**0**	**-3**	**-3**
Present value of long-term employee benefit obligations – Dec 24	**553**	**362**	**108**	**1,023**
Obligations covered by plan assets	31	182	62	275
Obligations covered by provisions	521	180	46	748
Less fair value of plan assets	**31**	**182**	**62**	**275**
Provisions – Dec 24	**521**	**180**	**46**	**748**

ACTUARIAL ASSUMPTIONS

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about interest rates, future pension increases, future salary increases and mortality rates.

For Austrian entities the actuarial calculation of pension obligations is based on the following assumptions:

in %	Dec 23	Dec 24
Interest rate	3.27	3.48
Expected increase in retirement benefits	3.10	3.10

The expected retirement age for each employee was individually calculated on the basis of the changes set out in the Budget Implementation Act of 2003 (Austrian Federal Law Gazette Vol. I No. 71/2003) regarding the increase in the minimum retirement age. The currently applicable legislation on the gradual raising of the retirement age for women to 65 was taken into consideration.

For Austrian entities the actuarial calculation of severance payment and jubilee benefits is based on the following assumptions:

in %	Dec 23	Dec 24
Interest rate	3.27	3.48
Average increase in salary (incl. career trend and collective agreement trend)	4.00	4.00

The interest rate applied for the calculation of the long-term employee provisions is derived from the yield of a portfolio of AA-rated corporate bonds. For this purpose the weighted average yield of the underlying portfolio with a corresponding duration is determined.

For the non-Austrian subsidiaries and branches interest rates between 2.0% (2023: 1.2%) and 6.9% (2023: 6.5%) were used.

Obligations were calculated based on mortality tables entitled 'AVÖ 2018–P – Rechnungsgrundlagen für die Pensionsversicherung' or comparable mortality tables.

The following table presents a sensitivity analysis for each significant actuarial assumptions showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the balance sheet.

	Dec 23			Dec 24		
in EUR million	Pensions	Severance payments	Total	Pensions	Severance payments	Total
Change in discount rate +0.5%	578	356	934	535	345	880
Change in discount rate -0.5%	621	394	1,015	573	380	953
Change in future salary increases +0.5%	599	393	992	553	380	933
Change in future salary increases -0.5%	599	356	955	553	345	898
Change in future benefit increases +0.5%	635	375	1,010	584	362	946
Change in future benefit increases -0.5%	565	375	940	523	362	885
Increase in survival rate by approx. 10%	647	375	1,022	598	362	960

INVESTMENT STRATEGY

Erste Group's severance payments and jubilee payments are partially covered by the fair value of plan assets, while large majority of the defined benefit pension plans are unfunded.

The primary investment strategy of Erste Group is the continuous optimization of plan assets and the effective coverage of existing entitlements. The Group works with professional fund managers for the investment of plan assets. The Investment Fund Act applies as a requirement with respect to specific investment guidelines relating to the investment of plan assets. Additionally, the Investment Committee is responsible for monitoring the mandate guidelines and the investment structure, the supervision, which may arise from regulatory or other legal requirements, as well as the monitoring of demographic changes. It is composed of senior staff in the financial sector and representatives of the S-Versicherung and Erste Asset Management.

Movements in plan assets

in EUR million	Pensions	Severance payments	Jubilee benefits	Total
Fair value of plan assets – Dec 22	**27**	**205**	**60**	**293**
Addition	0	1	0	1
Interest income on plan assets	1	8	2	11
Contributions by the employer	0	5	6	11
Benefits paid	-1	-31	-8	-40
Return on plan assets recognised in OCI	3	-4	0	-2
Return on plan assets recognised in PL	0	0	-1	-1
Fair value of plan assets – Dec 23	**30**	**183**	**60**	**273**
Addition	0	0	0	0
Interest income on plan assets	2	6	2	9
Contributions by the employer	1	12	6	20
Benefits paid	-1	-19	-6	-27
Return on plan assets recognised in OCI	1	6	0	7
Return on plan assets recognised in PL	0	0	0	0
Fair value of plan assets – Dec 24	**31**	**189**	**62**	**283**

In 2025, the expected contributions for the severance and jubilee benefit obligations will amount to EUR 6 million (2024: EUR 7 million). The contributions shown in the table include not only regular contributions but also one-time payments at the end of the year. The total gain on plan assets amounted to EUR 17 million (2023: gain EUR 8 million).

Asset allocation in the different asset classes

	Dec 23					Dec 24				
in EUR million	Europe-EMU	Europe-non EMU	USA	Other countries	Total	Europe-EMU	Europe-non EMU	USA	Other countries	Total
Cash and cash equivalents					22					48
Equity instruments	2	2	36	13	54	1	1	34	12	49
Investment-grade bonds										
Government	71	3	1	8	83	72	2	0	4	78
Non-government bonds	31	12	11	12	65	19	9	11	10	50
Non-investment-grade bonds										
Government	0	0	0	6	6	0	0	0	6	6
Non-government bonds	19	5	8	10	42	13	5	7	10	35
Alternatives										
Other	0	0	0	0	0	4	3	0	13	19
Derivatives (market risk)										
Other					1					0
Plan assets					**273**					**285**

In the table above, Investment-grade refers to BBB and above. The plan assets shown in the table above include mainly assets that are quoted and traded on active markets.

For the yearly pension payments of the unfunded defined benefit plans and the unfunded part of severance payments Erste Group generally takes care within its asset-liability management strategy covering the funding plan and interest rate risk position of the Group.

Effects of defined post-employment benefit plans in profit or loss and other long-term employee benefits

in EUR million	Dec 23	Dec 24
Settlements/curtailments	0	-1
Service cost	-17	-17
Net interest	-28	-26
Total	**-45**	**-43**

Settlements and curtailments as well as service costs are included in the income statement in the line item 'Personnel expenses'. Net interest includes interest expenses for long-term employee benefits as well as the expected return on plan assets. These are disclosed in the income statement in the line item 'Other similar income' and 'Other similar expense' under 'Net interest income'. As of 31 December 2024, the cumulative amount of remeasurement from defined benefit plans, recognised in other comprehensive income amounted to EUR 756 million before tax (2023: EUR 775 million).

IMPACT ON CASH FLOWS

Benefits expected to be paid by the defined benefit plans in each of the respective periods

in EUR million	Pensions	Severance payments	Total
2025	57	20	77
2026	54	14	68
2027	50	18	68
2028	47	20	67
2029	44	20	64
2030-2034	174	141	315

DURATION

Weighted average duration of the defined benefit obligations

in years	Dec 23	Dec 24
Pensions	7.25	6.97
Severance payments	9.63	9.89
Total	8.17	8.12

The weighted average duration is affected by changes in longevity and in the mortality table.

LOAN COMMITMENTS AND FINANCIAL GUARANTEES GIVEN IN SCOPE OF IFRS 9

In the ordinary course of business, Erste Group provides financial guarantees, consisting of various types of letters of credit and guarantees. A financial guarantee is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs in case a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument.

For financial guarantees provisions are recognised based on the expected credit loss impairment model if the amount is higher than the unamortised balance of the initial premium.

Loan commitments are firm commitments to provide credit under prespecified terms and conditions. Loan commitments are generally not recognised in the balance sheet before they are drawn. If it is probable that the bank will enter into the loan agreement loan commitment fees received are deferred and adjust the effective interest rate of the loan when the commitment is drawn. Loan commitments result in recognition of provisions based on the expected credit loss impairment model.

Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statement of income under the line item 'Impairment result from financial instruments'.

For information about development of credit loss allowances for provision for financial guarantees and loan commitments refer to Note 39 Development of credit loss allowances, part 'Loan commitments and financial guarantees': table 'Movement in credit loss allowances – loan commitments and financial guarantees'.

PROVISIONS RECOGNISED IN ACCORDANCE WITH IAS 37

Expenses or income related to provisions which are in scope of IAS 37 are reported in the statement of income under the line item 'Other operating result'.

Following table provides the information about the development of the IAS 37 provisions

in EUR million	As of	Allocations	Use	Releases	Unwind of discount	Exchange rate and other changes	As of
	Jan 24						Dec 24
Pending legal issues and tax litigation	289	32	-15	-44	0	-3	258
Commitments and guarantees given out of scope of IFRS9	24	13	0	-25	0	0	12
Other provisions	71	108	-30	-4	1	-11	136
Provisions	**384**	**154**	**-44**	**-74**	**1**	**-14**	**406**
	Jan 23						Dec 23
Pending legal issues and tax litigation	288	55	-28	-25	0	-2	289
Commitments and guarantees given out of scope of IFRS9	65	97	0	-108	0	-30	24
Other provisions	53	27	-3	-7	0	2	71
Provisions	**406**	**179**	**-31**	**-140**	**0**	**-30**	**384**

Under position 'Pending legal issues and tax litigation' provisions related to litigations from lending business, asset management or litigations related to customer protection topics, which normally occur in banking business, are disclosed. In 2024, an allocation of provisions for risks related to Romanian Consumer Protection Claims Act was recognised in the income statement in the amount of EUR 1 million (2023: EUR 8 million). The total amount of the provision as of 31 December 2024 was EUR 66 million (2023: EUR 65 million).

With respect to the business activities of the Romanian building society subsidiary BCR Banca pentru Locuinte SA (BPL) the recognition of a penalty (in relation to whether state subsidies had been disbursed to building society's clients in accordance with the applicable legal provisions) amounting in total to EUR 78 million (2023: EUR 79 million) remains and is recognized as liability.

In Croatia, the Supreme Court, in a proceeding initiated by a local consumer protection association against several credit institutions ('Collective Case'), among them Erste Bank Croatia ('EBC'), declared in 2015 that Swiss Franc (CHF) clauses in loan agreements with consumers are valid, but contractual provisions permitting unilateral change of the variable interest rates in CHF denominated consumer loans, used by the majority of credit institutions until 2008, are null and void. In 2016, the Croatian Constitutional Court rescinded the part of the Supreme Court of Croatia decision relating to the validity of CHF clauses. After the case had been returned for a retrial with respect to the CHF clause to the court of second instance, such court delivered its decision in 2018, declaring in essence the nullification of the CHF currency clause, holding that collective and individual consumer rights were breached.

In the course of the aforementioned pending Collective Case, EBC was forced to offer a statutory conversion in 2015, allowing clients to convert their CHF denominated loans to EUR denominated loans based on respective conversion agreements. A certain number of CHF denominated loans concluded between 2004 and 2008 are subject of individual court proceedings initiated by clients arguing to be entitled to restitution on the account of partial nullity of their initial loan agreement although the conversion was conducted. A final legal standing on the issue of restitution claims for converted loans is currently under consideration on the level of the Supreme Court. Due to the uncertainty on the final legal standing and the continuous non-uniform judicial practice of courts in Croatia in regards to converted loans, respective provisions for individual cases were adjusted accordingly.

In July 2024, the Federal Fiscal Court raised the question whether Art 6 sec 1 subsec 28 (2nd sentence) Austrian VAT Act constitutes state aid pursuant to Article 107 (1) of the Treaty on the Functioning of the European Union (TFEU) to the ECJ in proceedings brought by an Austrian bank. A decision can be expected in around one to two years. From today's perspective, we believe there is a high probability that the ECJ will affirm the existence of state aid in its decision. The calculation of the provision is based on a best estimate. The resulting provision amounts to EUR 102 million.

54. Contingent liabilities

To meet the financial needs of customers, the bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the balance sheet, they do involve credit risk and are therefore part of the overall risk of the Bank (see Note 35 Credit risk exposure and 39 Development of Credit loss allowances).

Legal proceedings

Erste Group Bank AG and some of its subsidiaries are involved in legal disputes, most of which have arisen in the course of ordinary banking business. These proceedings are not expected to have a significant negative impact on the financial position or profitability of Erste Group or Erste Group Bank AG. Erste Group is also subject to the following ongoing proceedings, some of which, if adversely adjudicated, may have a significant impact on the financial position or profitability of Erste Group or Erste Group Bank AG. Any possible financial impacts of these proceedings are not disclosed, as neither the duration nor the outcome can be reliably estimated and to avoid influencing the outcome of the various proceedings.

CONSUMER PROTECTION CLAIMS

Several subsidiaries of Erste Group have been named in their respective jurisdictions as defendants in a number of lawsuits and in regulatory proceedings, filed by individual customers, regulatory authorities or consumer protection agencies and associations. Some of the lawsuits are class actions. The proceedings mainly relate to allegations that certain contractual provisions, particularly in respect of consumer loans, violate mandatory consumer protection laws and regulations and principles of general civil law and that certain fees or parts of interest payments charged to customers in the past must be repaid. The allegations relate to the enforceability of certain fees as well as to contractual provisions for the adjustment of interest rates and currencies. In some jurisdictions, the legal risks in connection with loans granted in the past are also increased by the enactment of politically-motivated laws impacting existing lending relationships, which may result in repayment obligations towards customers. The following consumer protection issues are deemed noteworthy.

In Romania, BCR is - aside from being a defendant in a number of individual lawsuits initiated by consumers regarding alleged violations of applicable consumer protection laws - among several local credit institutions pursued by the consumer protection authority for allegedly abusive clauses pertaining to pre-2010 lending practices. In connection therewith, BCR is currently a defendant in an individual litigation claim filed by the local consumer protection authority on behalf of or several borrowers. The court proceeding is still pending. A potential adverse judgment on the validity of certain contractual clauses may have an impact of invalidating such clauses also in other similar agreements concluded by BCR with other consumers.

CSAS MINORITY SHAREHOLDERS CLAIMS

Following the completion of a squeeze-out procedure in CSAS resulting in Erste Group Bank AG becoming the sole shareholder of CSAS, some former minority shareholders of CSAS filed legal actions with the courts in Prague against Erste Group Bank AG. In that proceedings the plaintiffs allege in essence that the share price of 1,328 CZK (then approx. EUR 51 per share) paid by Erste Group Bank AG in the squeeze-out of the CSAS minority shareholders in 2018 was unfair and too low and should be increased. In case the courts find there should be an increase, this would affect all minority shareholders squeezed-out. In the squeeze-out performed in 2018 Erste Group Bank AG acquired a total of 1.03% of minority shares for a consideration of approx. EUR 80 million. Erste Group Bank AG views that the purchase price, established by a valuation done by professional external experts and in the course of the ongoing proceeding supported by another external expert valuation appointed by Erste Group Bank AG, was correct and fair. The competent first instance court in Prague confirmed the view of Erste Group Bank AG of having paid a fair and correct share price to the former minority shareholders and ruled against the plaintiffs in its first instance judgement, rejecting their claims for an increase of the share price being paid out. The judgement was appealed by several plaintiffs. The appellate proceeding is still pending.

Capital instruments, equity and reserves

55. Total equity

in EUR million	Dec 23	Dec 24
Subscribed capital	843	821
Additional paid-in capital	1,494	1,516
Retained earnings and other reserves	16,906	18,110
Owners of the parent	**19,243**	**20,447**
Additional equity instruments	2,405	2,688
Non-controlling interests	6,853	7,633
Total	**28,502**	**30,767**

As of 31 December 2024, subscribed capital (also known as registered capital) consists of 410,514,384 (2023: 429,800,000) voting bearer shares (ordinary shares). The pro rata amount of registered capital, per no-par value share, was EUR 2.00. Additional paid-in capital (or share premium) represents the amount by which the issue price of the shares exceeded their par value. Retained earnings and other reserves represent accumulated net profit brought forward, as well as income and expenses recognised in other comprehensive income.

SHARE BUYBACK PROGRAM

At the Annual General Meeting of Erste Group on 22 May 2024, the management board was authorized, with the approval of the supervisory board, to repurchase own shares up to 10% of the share capital within a period of 30 months and to cancel own shares pursuant to section 65 (1) 8 in conjunction with section 192 of the Austrian Stock Corporation Act. After approval by the ECB on 4 June 2024, the management board and supervisory board of Erste Group decided to launch a share buyback program with a volume of up to EUR 500 million. The share buyback program was carried out by a bank commissioned by Erste Group. The program started on 28 June 2024 and was completed on 28 November 2024. 10,398,524 shares and 2.47% of the share capital have been redeemed.

In the frame of the share buyback program launched in 2023, in total 8,887,092 shares representing 2.07% of the share capital were repurchased, of which 8,137,141 shares in 2023 and 749,951 shares in 2024.

Capital decrease out of both share buyback programs was entered in the commercial register during 2024.

ADDITIONAL EQUITY INSTRUMENTS

In addition, Erste Group Bank AG issued additional tier 1 capital (AT1 bonds). AT1 bonds are unsecured and subordinated bonds. AT1 bonds are perpetual and can be cancelled only by the issuer at predetermined dates. The bonds include discretionary non-cumulative coupon payments. Due to these features, they are classified as equity under IFRS.

AT1 bonds issued

Nominal value	Currency	Issue	Initial fixed rate	Reset rate after the first call date	Coupon payments	First and subsequent call dates
203 million	EUR	March 2019	5.125%	5Y swap +4.851%	Semi-annually on 15th April and 15th October	15.10.2025 + coupon dates thereafter
500 million	EUR	January 2020	3.375%	5Y swap +3.433%	Semi-annually on 15th April and 15th October	15.04.2027 + coupon dates thereafter
750 million	EUR	November 2020	4.25%	5Y swap +4.646%	Semi-annually on 15th April and 15th October	15.10.2027 + daily until 18.04.2028 + subsequent coupon dates thereafter
500 million	EUR	September 2023	8.50%	5Y swap +5.463%	Semi-annually on 15th April and 15th October	16.10.2028 + monthly on 15th until coupon payment + subsequent coupon dates thereafter
750 million	EUR	May 2024	7.00%	5Y swap +4.646%	Semi-annually on 15th April and 15th October	15.04.2031 + coupon dates thereafter

If common equity tier 1 ratio of Erste Group or Erste Group Bank AG falls below 5.125% (i.e. a trigger event occurs) the principal amount will be written down (fully or partially) on a temporary basis. The issuer may, at its sole discretion, write up the amount (fully or partially) provided a positive profit has been recorded and the trigger event no longer exists.

In 2024 the bank issued a new AT1 bond in the amount of EUR 750 million, redeemed a 2017 issuance and partially bought back a 2019 issuance worth EUR 297 million.

DISTRIBUTIONS ON OWN EQUITY INSTRUMENTS

Distributions on own equity instruments are recognised as a liability and deducted from equity when their payment is confirmed. For dividends on common shares the decision is taken by the Annual General Meeting. For coupons on additional tier 1 instruments the payouts do not need approvals but an event of non-payment would require a decision of Erste Group Bank AG Board.

Changes in number of outstanding shares

	Dec 23	Dec 24
Shares outstanding as of 1 January	**407,175,838**	**399,294,699**
Acquisition of treasury shares	-12,439,308	-14,698,790
Disposal of treasury shares	4,558,169	14,678,790
Capital increase/Capital decrease	0	-11,148,475
Shares outstanding as of 31 December	**399,294,699**	**388,126,224**
Treasury shares	30,505,301	22,388,160
Number of shares issued as of 31 December	**429,800,000**	**410,514,384**
Weighted average undiluted number of outstanding shares	425,951,928	415,854,514
Weighted average diluted number of outstanding shares	426,324,432	416,176,925

In addition to the calculation of the annual average number of shares outstanding by incorporation of acquisitions and disposals of treasury shares during the year, the line items 'weighted average number of outstanding shares' and 'weighted average diluted number of outstanding shares' consider a proportionate allocation of the treasury shares held by non-controlling interests.

TREASURY SHARES AND CONTRACTS ON TREASURY SHARES

Equity instruments of Erste Group that it or any of its subsidiaries acquire (referred to as treasury shares) are deducted from equity.

TRANSACTIONS AND SHARES HELD BY THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The shares of management- and supervisory board member, whose office term began or ended during the financial year, held as at the date of inception or termination of their term in office were recognised as additions or disposals.

Shares and related dividends held by management board

Managing board member	Dec 23	Additions	Disposals	Dec 24	Dividends received in 2024 (in EUR)
Bosek Peter (Chairman) (since 1 July 2024)	0	10,351	0	10,351	0
Cernko Willibald (Chairman) (until 30 June 2024)	10,517	3,654	14,171	0	38,240
Bleier Ingo	6,494	5,080	0	11,574	31,250
Dörfler Stefan	9,970	5,245	0	15,215	40,635
Habeler-Drabek Alexandra	6,842	5,080	0	11,922	32,189
O'Mahony David (until 30 June 2024)	10,970	5,126	16,096	0	43,014
Poletto Maurizio	4,294	3,893	0	8,187	22,083

Shares and related dividends held by supervisory board

Supervisory board member	Dec 23	Additions	Disposals	Dec 24	Dividends received in 2024 (in EUR)
Rödler Friedrich (Chairman)	3,802	0	0	3,802	10,265
Hardegg Maximilian (1st Vice Chairman) (until 22 May 2024)	240	0	240	0	0
Krainer Senger-Weiss Elisabeth (1st Vise Chairwoman since 22 May 2024, before 2nd Vice Chairwoman)	0	1,592	0	1,592	0
Catasta Christine (2nd Vice Chairwoman since 22 May 2024)	0	0	0	0	0
Egerth-Stadlhuber Henrietta	0	0	0	0	0
Flatz Alois	0	0	0	0	0
Grießer Martin	180	42	0	222	486
Haag Markus	377	49	0	426	1,018
Haberhauer Regina	354	42	0	396	956
Hofstädter Jakob (since 8 May 2024)	0	701	0	701	1,712
Khüny Marion	0	0	0	0	0
Kuhnert Caroline (since 1 August 2024)	0	0	0	0	0
Kühnel Mariana	593	0	593	0	842
Lachs Andreas (until 8 May 2024)	166	0	166	0	0
Pichler Barbara	675	67	0	742	1,823
Pinter Jozef (until 16 January 2024)	166	0	166	0	0
Santner Friedrich	0	0	0	0	0
Schuster Michael	30	0	0	30	81
Schuster Walter (since 22 May 2024)	0	0	0	0	0
Simor András (until 15 January 2024)	0	0	0	0	0
Sutter-Rüdisser Michèle F. (until 22 May 2024)	2,222	0	2,222	0	0
Tusek Christiane	0	0	0	0	0
Zeisel Karin	114	8	0	122	308

For further details on shares held by supervisory board refer to the published 'Director's Dealings' of Erste Group Bank AG.

As of 31 December 2024, supervisory board members did not receive any Erste Group Bank AG shares or options for such shares as part of their remuneration. Persons related to members of the management board or supervisory board held 1,690 shares (2023: 1,640 shares) of Erste Group Bank AG.

REMAINING AUTHORISED AND CONTINGENT CAPITAL AS OF 31 DECEMBER 2024

Clause 5 of the articles of association authorises the management board to increase the registered capital with the consent of the supervisory board until 18 May 2027 – also in several tranches – by an amount of up to EUR 343,600,000 by issuing up to 171,800,000 voting no-par value bearer shares in return for contributions in cash and/or in kind, with the issue price and the issuing conditions being determined by the management board with the consent of the supervisory board. Furthermore, the management board is authorized to fully or partly exclude the statutory subscription right of the shareholders with the consent of the supervisory board if the capital increase is in return for contributions in kind or if the capital increase is in return for cash and the pro rata amount of the share capital attributable to the shares issued under exclusion of subscription rights in both cases (section 5.1.1 capital increase against contribution in kind and section 5.1.2 capital increase against cash contribution) does not exceed EUR 85,960,000.

The measures in sections 5.1.1 (capital increase against contribution in kind) to 5.1.2 (capital increase against cash contribution) can also be combined. The aggregate pro rata amount of registered capital represented by new shares in respect of which the shareholders' subscription rights are excluded under this authorization in section 5.1 (authorized capital), together with the pro rata amount of registered capital attributable to new shares which serve to fulfill subscription rights, conversion rights, and conversion obligations arising from convertible bonds issued with the exclusion of subscription rights from 18 May 2022 onwards pursuant to section 8.3, and which are issued from conditional capital pursuant to section 6.3 to satisfy share options of employees, senior employees and members of the Management Board of the Company or of a group company, must not exceed the proportionate amount of 10% of the share capital in total.

Clause 6.3 of the articles of association states that conditional capital based on the resolutions of the management board in 2002 and 2010 (both approved by the supervisory board) with a nominal value of EUR 21,923,264 persists that can be consumed by issuing up to 10,961,632 ordinary bearer shares or ordinary registered shares (ordinary share) with an issue price of at least EUR 2.00 per share against cash contribution and by excluding the subscription rights of the current shareholders. This conditional capital is used for granting options to staff, management and members of the management board of the entity of one of its related undertakings.

Under clause 6.4 of the articles of association, the company has conditional capital of EUR 124,700,000.00 available, which may be utilized by issuing up to 62,350,000 pieces bearer shares. This conditional capital can be used for granting conversion or subscription rights to holders of convertible bonds. In case the terms and conditions of the convertible bonds provide for a mandatory conversion, it shall also serve to cover the mandatory conversion. The issue price and exchange ratio shall be determined pursuant to a recognised pricing method on the basis of accepted finance-mathematical methods and the share price of the company.

According to clause 7 of the articles of association, currently no authorized conditional capital exists.

56. Non-controlling interest

	Haftungsverbund Savings Banks, thereof:			
in EUR million	Total	Sparkasse Oberösterreich	Sparkasse Steiermark	Sparkasse Kärnten
Dec 24				
Country of incorporation	Austria	Austria	Austria	Austria
Place of business	Austria	Austria	Austria	Austria
Main business activity	Banking	Banking	Banking	Banking
Ownership% held by NCI	50.1%-100%	90%	75%	75%
Reporting currency	EUR	EUR	EUR	EUR
Dividends paid to equity holders of the parent	106	48	19	18
Net result attributable to non-controlling interests	694	73	192	25
Accumulated NCI	6,750	893	1,727	266
Subsidiary-level stand-alone key financial information				
Current assets	26,056	6,028	6,051	1,390
Non-current assets	62,248	9,527	13,156	3,808
Current liabilities	66,518	11,489	14,803	4,513
Non-current liabilities	11,951	2,901	1,777	207
Operating income	2,592	345	677	144
Profit or loss from continuing operations	974	81	367	31
Total comprehensive income	**1,461**	**118**	**417**	**71**
Dec 23				
Country of incorporation	Austria	Austria	Austria	Austria
Place of business	Austria	Austria	Austria	Austria
Main business activity	Banking	Banking	Banking	Banking
Ownership% held by NCI	50.1%-100%	83%	75%	75%
Reporting currency	EUR	EUR	EUR	EUR
Dividends paid to equity holders of the parent	54	18	15	9
Net result attributable to non-controlling interests	796	97	208	33
Accumulated NCI	6,049	795	1,505	258
Subsidiary-level stand-alone key financial information				
Current assets	25,369	5,628	4,835	1,449
Non-current assets	58,989	9,460	13,543	3,565
Current liabilities	61,104	10,046	14,319	4,122
Non-current liabilities	14,719	3,932	1,823	461
Operating income	2,765	404	671	158
Profit or loss from continuing operations	1,343	162	477	60
Total comprehensive income	**1,222**	**137**	**404**	**57**

Scope of consolidation

The IFRS scope of consolidation of Erste Group as of 31 December 2024 comprises 299 companies including Erste Group Bank AG as the parent company (31 December 2023: 301). These comprise a total of 50 entities, which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings bank sector. Alongside Erste Group Bank AG, local savings banks, Bausparkasse der österreichischen Sparkassen Aktiengesellschaft, Erste Bank der oesterreichischen Sparkassen AG and Zweite Wiener Vereins-Sparcasse are members of the Haftungsverbund (cross-guarantee system). The scope of consolidation also includes 'ex-ante fund' IPS GesbR which can be used solely for the purpose to cover loss events of members of the cross-guarantee system. It was established in 2014 and the members are required to pay into the fund until 31 December 2031.

Additions and disposals 2024. On 11 September 2024 Erste Asset Management GmbH (EAM) has signed a purchase agreement to acquire 100% of Impact Asset Management GmbH (IAM), which was previously majority-owned by Cubic (London) Ltd. IAM is an Investment Management company focused on ESG- and Impact Investing. This acquisition enables EAM to strengthen its existing market position as leading provider of ESG- and sustainable investments and expand the presence on the German market. The transaction was effectuated as of 3 December 2024 with the approval of the financial market authority and the responsible competition authorities.

For the assessment of the purchase price allocation, an external expert opinion has been commissioned. The expert opinion provides a goodwill of EUR 64 million and a customer relationship of EUR 30 million. The goodwill was calculated as the difference between the adjusted net asset and the purchase price allocation and is not tax-deductible. No other significant assets and liabilities were identified during the purchase price allocation.

Assets and liabilities recognized in first consolidation are as follows:

in EUR million	Carrying Amount
Cash and cash balances at central banks	3
Financial assets at fair value through profit or loss	5
Property and equipment	0
Intangible assets – Goodwill	64
Intangible assets – Customer relationships	30
Trade and other receivables	1
Tax assets	0
Other assets	1
Total Assets	**104**
Other financial liabilities	1
Tax liabilities	7
Other liabilities	2
Total Liabilities	**9**
Capital	95
Total Equity	**95**
Total Liabilities and Equity	**104**

The fair value of the total consideration amounts to EUR 95 million. It consists of the cash purchase price of EUR 91 million and the seller's right to 65% of the distributable annual profit at the time of dividend payment for the fiscal year 2024.

Since the transaction was completed just before 31 December 2024, no contribution from IAM is included in the annual results 2024 of Erste Group. If IAM had been included in Erste Group's consolidated financial statements as of 1 January 2024, the contribution to the operating income would have been EUR 15 million and the contribution to net result for the period would have been EUR 5 million.

Other additions and disposals had no material impact on the financial position and performance of Erste Group.

Additions and disposals 2023. Additions and disposals had no material impact on the financial position and performance of the Group.

57. Subsidiaries

A subsidiary is an entity controlled by another entity. All entities directly or indirectly controlled by Erste Group Bank AG are consolidated in the Group financial statements on the basis of their annual accounts as of 31 December 2024, and for the year then ended.

Non-controlling interests represent those portions of total comprehensive income and net assets that are neither directly nor indirectly attributable to the owners of Erste Group Bank AG. Non-controlling interests are presented separately in the consolidated statement of income, in the consolidated statement of comprehensive income and within equity on the consolidated balance sheet.

CONTROL

Assessing the existence of control may require considerable accounting judgements, assumptions and estimates, notably in non-standard situations such as:
- power stemming both from voting rights and from contractual arrangements (or mostly from the latter);
- exposure to variable returns from the involvement with the investee stemming from on-balance investments and from off-balance commitments or guarantees (or mostly from the latter); or from readily identifiable income streams (e.g. dividends, interest, fees) and from cost savings, economies of scale and/or operational synergies (or mostly from the latter).

In the case of Erste Group, such accounting judgements, assumptions and estimates have been primarily relevant for the assessment of the following cases:

i. The savings bank members of the Austrian cross-guarantee system (Haftungsverbund)

Erste Group Bank AG is a member of the Haftungsverbund (cross-guarantee system) of the Austrian savings bank sector. As of the balance sheet date, all of Austria's savings banks, in addition to Erste Group Bank AG, Erste Bank der oesterreichischen Sparkassen AG and Bausparkasse der österreichischen Sparkassen Aktiengesellschaft, formed part of this cross-guarantee system. The provisions of the agreement governing the Haftungsverbund are implemented by the steering company Haftungsverbund GmbH. Erste Group Bank AG always holds directly and indirectly at least 51% of the voting rights of the steering company. The indirect voting rights are held through Erste Bank der oesterreichischen Sparkassen AG and through other savings banks in which companies of Erste Group hold the majority of voting rights.

For all savings banks in which Erste Group holds less than 50% of the voting rights, an assessment of whether control is achieved through the provisions of the Haftungsverbund agreement has been performed.

Based on the contractual agreement, Haftungsverbund GmbH as the steering company is vested with the following substantive rights related to the savings banks:
- participation in the appointment of board members;
- approval of budgets including capital decisions;
- provision of binding guidelines in the areas of risk and liquidity management as well as internal audit; and
- determination of thresholds for capital requirement including the payment of dividends.

Furthermore, taking into account the magnitude of Erste Group's involvement with the member banks – whether in the form of synergies, investments, commitments, guarantees, or access to common resources – the Group has significant exposure to each of the member banks' variable returns. As Haftungsverbund GmbH is able to affect the variable returns through its power, it has been assessed that Haftungsverbund GmbH has control over the savings banks.

As Erste Group Bank AG controls the steering company, it exercises control over the members of the cross-guarantee system.

ii. Investment funds under own management

The Group has assessed whether the investment funds it manages through its asset management subsidiaries are controlled and hence shall be consolidated. This assessment has been made on the basis that power over such investment funds is generally conferred based on the contractual arrangements appointing an Erste Group subsidiary as fund manager without any substantive removal rights by fund's investors. Furthermore, Erste Group made the conclusive judgement that its exposure to such own-managed funds' variable returns is basically considered as significant if, additionally to the exposure through management fees, Erste Group is also exposed in the form of at least 20% investment in the fund. Furthermore, in its capacity as fund manager, Erste Group is also able to affect the returns of the funds through its power. Following this assessment, investment funds under own management in which Erste Group – directly or through its subsidiaries – has significant unit holdings (i.e. holds at least 20% of the units issued by the fund) are deemed to be controlled and included in the scope of consolidation.

iii. Pension funds under own management

The Group has assessed whether the contractual arrangements appointing an Erste Group subsidiary as pension fund manager (with no substantive removal rights by the fund's participants) are generally expected to confer power over such funds, followed by an assessment of the Group's exposure/rights to the pension fund's variable returns. The relevant legal requirements regulating the activities of such pension funds in their respective jurisdictions were also considered, notably in assessing the significance of the rights to variable returns from management fees, as well as of the exposure to losses from any guarantees that the fund manager may be legally bound to. As a result of this review, the Czech pension fund 'Transformovaný fond penzijního připojištění se státním příspěvkem Česká spořitelna – penzijní společnost, a.s.' (the 'Transformed pension fund') is not consolidated. There are no further cases of application in Erste Group.

58. Investments in associates and joint ventures

In the case of Erste Group, all equity method investments are direct or indirect investments in associates and joint ventures over which the Group exercises significant influence or joint control stemming from voting power greater than 20% up to 50%.

Carrying amounts of at equity measured entities

in EUR million	Dec 23	Dec 24
Credit institutions	44	47
Financial institutions	93	120
Others	105	114
Total	**241**	**280**

Aggregated financial information of at equity measured entities

in EUR million	Dec 23	Dec 24
Total assets	5,234	5,591
Total liabilities	4,383	4,619
Income	546	745
Profit/loss	52	73

None of Erste Group's investments accounted for using the equity method published price quotations.

Selected equity method investments where the Erste Group has strategic interest

	Dec 23			Dec 24		
in EUR million	Global Payments s.r.o.	Prvá stavebná	VBV - Betriebliche Altersvorsorge AG	Global Payments s.r.o.	Prvá stavebná	VBV - Betriebliche Altersvorsorge AG
Country of Incorporation	Czechia	Slovakia	Austria	Czechia	Slovakia	Austria
Place of business	Czechia	Slovakia	Austria	Czechia	Slovakia	Austria
Main business activity	Payment services	Financing building society	Insurance	Payment services	Financing building society	Insurance
Ownership held %	49%	35%	32%	49%	35%	32%
Voting rights held %	49%	35%	29%	49%	35%	29%
IFRS Classification (JV/A)	Associate	Associate	Associate	Associate	Associate	Associate
Reporting currency	CZK	EUR	EUR	CZK	EUR	EUR
Investee's financial information for the reporting year						
Cash and cash balances	37	1	9	52	1	0
Other current assets	148	180	114	112	107	46
Non-current assets	122	2,925	48	127	2,906	48
Current liabilities	158	2,473	0	121	2,341	0
Non-current liabilities	15	321	86	18	351	27
Operating Income	80	71	18	90	72	18
Post-tax result from continuing operations	17	18	18	19	12	-5
Total comprehensive income	17	18	18	19	12	-5
Depreciation and amortization	-7	-6	0	-9	-7	0
Interest income	1	98	8	1	104	18
Interest expense	-3	-34	0	-3	-42	0
Tax expense/income	-1	-5	0	-2	-8	0
Reconciliation of investee's net assets against equity investment's carrying amount						
Net assets attributable to Erste Group	66	109	28	74	113	21
Accumulated impairment	0	-68	0	0	-69	0
Carrying amount	66	41	28	74	44	21

The classification of current and non-current financial assets and liabilities is based on the expected remaining maturities of assets and liabilities.

In 2024 carrying amount of Prvá stavebná was impaired in the amount of EUR 1 million (2023: impairment of EUR 5 million).

Aggregated financial information of other equity method investments

	Dec 23		Dec 24	
in EUR million	Associates	Joint Ventures	Associates	Joint Ventures
Total comprehensive income	**-3**	**3**	**8**	**22**
Carrying amount	**49**	**33**	**89**	**38**

59. Unconsolidated structured entities

INTERESTS IN STRUCTURED ENTITIES

Assessing which entities are structured entities, and which involvements in such entities are interests, may require considerable accounting judgements and assumptions. In the case of Erste Group, such accounting judgements, assumptions and estimates have been primarily relevant for assessing involvements with investment funds and securitisation vehicles.

For investment funds, Erste Group reached the conclusion that direct Group exposure would typically indicate an interest in these structured entities, irrespective of whether such exposure comes from on-balance financial assets – mostly in the form of units held in such funds, off-balance commitments given or management fees varying in relation to the assets under management (for own-managed funds in general). As described under Note 57 Subsidiaries above, own-managed funds where the Group cumulatively holds less than 20% of the related fund units in issue are not consolidated due to lack of control and thus are subject to specific disclosures for unconsolidated structured entities. Erste Group uses following structured entities in the course of its business activity.

INVESTMENT FUNDS

Direct investments in own-managed and third-party-managed investment funds as well as management fees earned for the management of investment funds by subsidiaries of Erste Group are classified as interests in unconsolidated structured entities, if they are not consolidated.

Direct investments in investment funds. Erste Group is invested in several mutual funds as well as in private investment funds which are registered in Austria, Central- and Eastern Europe or other countries. The majority of those funds is managed by subsidiaries of Erste Group, the smaller part of the funds being managed by independent third parties. The investments in funds held by Erste Group do not constitute material investments (basically below 20%) and mostly take the form of redeemable fund unit investments. They are measured at fair value on the Group's balance sheet and are disclosed as debt securities either under line item 'Non-trading financial assets at fair value through profit or loss' or 'Financial assets held for trading'.

Management fees. Moreover, Erste Group earns management fees for providing investment management services as fund manager (by subsidiaries of Erste Group); meaning for making the investment decision for the funds under management of the relevant investment fund.

Beside the management fees for the services as fund manager Erste Group also receives distributions for their investments in fund units. On the other side stand expenses for the administration of investment funds and fees for the business activity of investment funds, especially custodian fees and fees for securities trading transactions. In the normal course of business activity Erste Group enters into derivative transactions with own-managed unconsolidated investment funds. Moreover, own-managed unconsolidated investment funds are also invested - over different time periods - in debt securities issued by or deposits of Erste Group. In restricted cases Erste Group offers capital guarantees for own-managed unconsolidated investment funds.

The magnitude of the Group's equity interests in unconsolidated investment funds may vary in the future depending on the future performance of their respective underlying assets, relevant market circumstances and opportunities, or regulatory requirements.

OTHERS

To a lesser extent, Erste Group is also exposed (notably as lender) to unconsolidated structured entities having other business activities. The respective loans and advances are either measured at amortised cost or at fair value through profit or loss, depending whether they are SPPI-compliant or not. Debt securities include investments in Collateralised Mortgage Obligations as well as securitizations.

MAXIMUM EXPOSURE TO UNCONSOLIDATED STRUCTURED ENTITIES

Erste Group's maximum exposure to losses from its interests in unconsolidated structured entities is equal to the total fair value of its fund units, bond investments, trading derivative assets, provided loans and off-balance sheet commitments and guarantees as of the respective balance sheet date. The maximum exposure corresponds to the carrying amounts after risk provisions as of the balance sheet date. For off-balance sheet loan commitments and guarantees the maximum exposure corresponds to the respective nominal value.

The table below summarises the Group's business relations to unconsolidated structured entities per balance sheet line item, business activity and business location. The summary includes the assets identified as impaired at year-end, as well as related net impairment losses/gains incurred during the year. The carrying amounts of the exposures summarized below are mostly referring to assets already measured at fair value in the balance sheet of the Group. The carrying amounts of the remaining exposures (notably 'Loans and advances') are materially similar to their fair values.

in EUR million	Investment Funds Own-managed	Investment Funds Third-party managed	Investment Funds Total	Other	Total
Dec 24					
Assets					
Equity instruments, thereof:	0	0	0	39	39
at FVPL	0	0	0	39	39
Debt securities, thereof:	625	320	944	20	964
Financial assets HfT	1	249	250	0	250
at FVPL	624	70	695	20	715
Loans and advances	192	0	192	213	405
Trading derivatives	61	0	61	1	63
Total assets	**879**	**320**	**1,198**	**272**	**1,471**
thereof impaired	0	0	0	0	0
On-balance sheet exposure analysis per jurisdiction					
Austria	846	0	846	0	846
Central and Eastern Europe	33	13	46	252	298
Other jurisdictions	0	307	307	20	327
Liabilities					
Equity instruments	155	0	155	0	155
Debt securities issued	350	0	350	0	350
Deposits	1,601	0	1,601	30	1,631
Trading derivatives	3	0	3	1	4
Total liabilities	**2,109**	**0**	**2,109**	**30**	**2,139**
Off balance-sheet commitments	**261**	**0**	**261**	**192**	**453**
Dec 23					
Assets					
Equity instruments, thereof:	0	0	0	60	60
at FVPL	0	0	0	60	60
Debt securities, thereof:	607	253	860	24	884
Financial assets HfT	1	203	204	0	204
at FVPL	607	49	656	24	681
Loans and advances	209	0	209	202	411
Trading derivatives	8	0	8	0	8
Total assets	**825**	**253**	**1,077**	**286**	**1,363**
thereof impaired	0	0	0	0	0
On-balance sheet exposure analysis per jurisdiction					
Austria	815	0	815	0	815
Central and Eastern Europe	10	11	21	261	282
Other jurisdictions	0	242	242	24	266
Liabilities					
Equity instruments	155	0	155	0	155
Debt securities issued	408	0	408	0	408
Deposits	1,567	0	1,567	7	1,574
Trading derivatives	56	0	56	1	58
Total liabilities	**2,187**	**0**	**2,187**	**9**	**2,195**
Off balance-sheet commitments	**212**	**0**	**212**	**98**	**311**

Other disclosure matters

60. Related-party transactions

In the course of its ordinary business activity Erste Group enters into business relationships with related persons and entities. Shareholders of Erste Group Bank AG are classified as related parties if they have significant influence over Erste Group. In addition, Erste Group also defines as related parties subsidiaries that are controlled but not consolidated due to non-materiality as well as associated entities and joint ventures that are included in the consolidated financial statements by the equity method. Transactions between Erste Group Bank AG and fully consolidated companies are not recognised in the consolidated financial statements as they have been eliminated. Furthermore, related persons consist of key management personnel, i.e. management and supervisory board members of Erste Group Bank AG. Moreover, Erste Group defines close family members of management and supervisory board members of Erste Group Bank AG, as well as companies which are controlled or significantly influenced by management and supervisory board members of Erste Group Bank AG, as other related parties. Banking transactions with related persons and entities are done at arm's length.

TRANSACTIONS WITH SHAREHOLDERS OF ERSTE GROUP BANK AG

Erste österreichische Spar-Casse Privatstiftung

In addition to its shareholding of the subscribed capital of Erste Group Bank AG, there are other factors giving Erste österreichische Spar-Casse Privatstiftung (ERSTE Stiftung) significant influence over Erste Group. As of 31 December 2024, Erste Group had liabilities toward ERSTE Foundation of EUR 28 million (2023: EUR 16 million). In addition, ERSTE Foundation held bonds issued by Erste Group Bank AG in the amount of EUR 46 million (2023: EUR 0 million). The mentioned transactions resulted in interest expenses of EUR 2 million (2023: EUR 0 million). Erste Group did not receive fee and commission income or rental income in 2023 and 2024. In 2024, ERSTE Foundation received a dividend of EUR 136 million (2023: EUR 95 million) on its shareholding in Erste Group Bank AG.

Under article 15.1 of the articles of association of Erste Group Bank AG, for the duration of its assumption of liability for all current and future debts in the event of default on payment by Erste Group Bank AG, the ERSTE Foundation is entitled, pursuant to Section 92 (9) of the Austrian Banking Act, to delegate up to one-third of the supervisory board members to be elected at the Annual General Meeting of Erste Group Bank AG.

TRANSACTIONS WITH NOT CONSOLIDATED SUBSIDIARIES, ASSOCIATED ENTITIES AND JOINT VENTURES

Balances and off-balance exposures

	Dec 23			Dec 24		
in EUR million	Subsidiaries, not consolidated	Associated entities	Joint ventures	Subsidiaries, not consolidated	Associated entities	Joint ventures
Financial assets	**80**	**712**	**442**	**88**	**633**	**472**
Equity instruments	55	92	19	55	99	20
Debt securities	0	5	0	0	5	0
Loans and advances	25	614	423	34	528	451
Loans and advances credit institutions	0	10	0	0	10	0
Loans and advances customers	25	604	423	34	518	451
of which impaired	0	0	0	0	0	0
Financial liabilities	**30**	**177**	**25**	**28**	**230**	**14**
Deposits	30	177	25	28	230	14
Deposits from banks	1	0	1	0	0	0
Deposits from customers	29	177	25	28	230	14
Other financial instruments						
Loan commitments, financial guarantees and other commitments given (notional amount)	3	273	125	2	307	92
of which defaulted	0	0	0	0	0	0
Loan commitments, financial guarantees and other commitments received (notional amount)	0	0	0	0	1	0
Credit loss allowances and provisions	3	0	0	0	0	0

Expenses and income

	1-12 23			1-12 24		
in EUR million	Subsidiaries, not consolidated	Associated entities	Joint ventures	Subsidiaries, not consolidated	Associated entities	Joint ventures
Interest income	1	21	11	1	25	14
Fee and commission income	0	1	2	0	2	2
Dividend income	7	5	1	4	10	3
Interest expenses	0	-1	0	0	-2	0
Fee and commission expenses	-2	-2	0	-2	-2	0
Impairment result from financial instruments	0	0	0	0	-1	0

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Remuneration of management and supervisory board members

The following table shows total remuneration of the members of the management and supervisory board. The expenses were recognised on an accrual basis in line with the respective rules of the underlying standards IAS 19 and IFRS 2. The amounts disclosed correspond to the estimated disbursement as of the balance sheet date and may deviate from the ones which will be finally paid.

	1-12 23			1-12 24		
in EUR million	Management board	Supervisory board	Total	Management board	Supervisory board	Total
Short-term employee benefits	8	2	10	8	2	10
Post-employment benefits	1		1	1		1
Other long-term benefits	2		2	2		2
Share-based payment	4		4	5		5
Total	**15**	**2**	**16**	**16**	**2**	**18**

Short-term employee benefits. Under this category salaries, benefits in kind, social security contributions and other short-term benefits are included. Further, this category includes variable remuneration to be settled in cash within one year. Disclosed remuneration for supervisory board members comprises supervisory board compensation, meeting fees as well as remuneration for board functions in fully consolidated subsidiaries.

Post-employment benefits. The members of the management board participate in the defined contribution pension plan of Erste Group according to the same principles as the employees of the Group (see Note 53 Provisions). Post-employment benefits shown in the table above contain contribution payments to pension schemes and to severance schemes ('Mitarbeitervorsorgekasse').

Other long-term benefits. This category includes variable remuneration to be settled in cash, but payable - deferred over several years - only after one year. In addition, net allocations to provisions for jubilee payments (see Note 53 Provisions) are also reported under this category.

Share-based payment transactions. Expenses for variable share-based payments are disclosed under this line (refer to Note 61 Share-based payments, Share-based payment for the management board of Erste Group Bank AG).

On 31 December 2024 the outstanding amount of liability for variable remuneration towards members of the management board amounts to EUR 10 million (2023: EUR 8 million). This amount includes liabilities resulting from the Share-based Payment Program for the management board of Erste Group Bank AG (for the performance year 2021 for the first time) and liabilities from unpaid deferred tranches from the Phantom Shares Program (for performance years up to 2021). For further details please refer to Note 61 Share-based payments.

The members of the management board of Erste Group were granted a remuneration of 0.5% (2023: 0.5%) of the total personnel expenses for their activities in the financial year 2024.

In 2024, EUR 3 million (2023: EUR 3 million) was paid in cash and 40,607 (2023: 43,651) share-equivalents were assigned to former board members and their dependents.

BANKING TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

As of the end of 2024, loans and advances granted to members of the management board and supervisory board totalled EUR 2 million (2023: EUR 2 million). Deposits of members of the management board and supervisory board at Erste Group amounted to EUR 14 million (2023: EUR 18 million) in total. Members of the management and supervisory board held bonds issued by Erste Group of EUR 0 million (2023: EUR 0 million). Loan commitments and financial guarantees, issued in favour of members of the management and supervisory board totalled EUR 0 million (2023: EUR 0 million) as of the end of 2024. From banking transactions with members of the management board and supervisory board Erste Group received interest income and fee income of EUR 0 million (2023: EUR 0 million) in total. The interest expenses amounted to EUR 1 million (2023: EUR 0 million).

TRANSACTIONS WITH OTHER RELATED PARTIES

Loans and advances to close family members of key management employees and companies over which key management employees have control or significant influence (hereinafter referred to 'other related parties') totalled EUR 1 million (2023: EUR 1 million) as of 31 December 2024. As of the end of 2024, deposits of other related parties at Erste Group amounted to EUR 6 million (2023: EUR 14 million) in total. Loan commitments and financial guarantees, issued in favour of other related parties totalled EUR 0 million (2023: EUR 0 million) as of the end of 2024. From banking transactions with other related parties Erste Group received interest income and fee income of EUR 0 million (2023: EUR 0 million) in total, and paid interest and fee expenses of EUR 0 million (2023: EUR 0 million).

61. Share-based payments

The total expense recognised during the reporting period arising from share-based payment transactions amounts to EUR 58 million (2023: EUR 45 million), thereof EUR 32 million (2023: EUR 31 million) relate to equity-settled share-based payment transactions. At the end of the reporting period the liability arising from share-based payment transactions amounts to EUR 56 million (2023: EUR 40 million). The intrinsic value of the liability is EUR 70 million (2023: EUR 45 million).

SHARE-BASED PAYMENT FOR THE MANAGEMENT BOARD OF ERSTE GROUP BANK AG

The share-based remuneration plan for the executive board of Erste Group Bank AG comprises short-term and long-term variable remuneration components. The total amount of variable compensation is determined in the following year by a resolution of the supervisory board.

Upfront share-based remuneration. 20% of the bonus will be converted into shares on the date of the supervisory board resolution and is transferred to the participant's securities deposit after one year.

Deferred share-based remuneration. 30% of the bonus is converted into performance share units (PSUs) on the day of the supervisory board resolution using the average share price of the last 30 trading days. A PSU represents an unsecured, conditional right to receive shares of Erste Group Bank AG in the future. In the following five years, the initial number of PSUs is adjusted in a range from 120% to 0% to the group's performance based on performance criteria, which the supervisory board reviews on a yearly basis and adjusts in exceptional cases. The final number of PSUs corresponds to the number of shares, which is transferred to the participant's securities deposit after a retention period of another year.

The awarded shares and PSUs are equity-settled share-based payments that vest by the end of the performance year. The determination of the grant date requires an assessment of all the circumstances. As the supervisory board has significant discretionary powers in connection with the assessment of the performance in the performance year, the grant is made with the resolution of the supervisory board on the bonus awarded for the past performance year.

For the performance year 2024, it is expected that 20,630 shares and 30,944 PSUs (2023: 29,571 shares and 44,356 PSUs) will be granted to participants. The fair value of PSUs on the measurement date is calculated based on a Monte Carlo simulation model considering the achievement level of Erste Group performance over the next five years and the share price of Erste Group Bank AG. The estimated fair value on the balance sheet date is EUR 3 million (2023: EUR 2 million). In 2024 in total personnel expenses of EUR 4 million (2023: EUR 3 million) and a corresponding retained earnings reserve were recognised.

PHANTOM SHARES PROGRAM

Erste Group grants selected employees every year a bonus for services rendered in the past year (vesting period). If the individual bonus exceeds a certain limit, the final payout amount of at least 25% depends on the development of the average, volume-weighted, daily price of Erste Group shares in subsequent years (phantom share program). The program applies to Erste Group entities in different countries, with different amounts and share equivalents. The share equivalents (phantom shares) are divided into several tranches, which differ in the duration of the observation period for the development of the Erste Group share price.

The phantom share program meets the criteria for cash-settled share-based payments in accordance with IFRS 2.

The estimated fair value of variable compensation for share equivalents is recognised in profit or loss. The liability for stock equivalents that have not yet been paid out is continuously measured at fair value until payment is made. Fair value changes and changes of the final allocation in subsequent years are recognised in profit or loss. To determine the fair value, the number of share equivalents not yet paid out as at the balance sheet date is multiplied by the estimated average price of Erste Group shares for the respective payout year. The fair values of the share equivalents for the respective payout year are determined using an option pricing model (Black-Scholes model). The main parameters are the share price of the Erste Group share on the balance sheet date and the dividend payments expected until payment.

For 2024, it is expected that 233,980 (2023: 280,079) share equivalents with a fair value of EUR 13 million (2023: EUR 10 million) will be granted to eligible employees. The total expense recognised in the reporting period for the phantom share program amounts to EUR 26 million (2023: EUR 13 million), the carrying amount of the liability as at the balance sheet date is EUR 56 million (2023: EUR 40 million). The intrinsic value of the liability from unpaid share equivalents is EUR 70 million (2023: EUR 45 million).

WESHARE BY ERSTE GROUP PROGRAM

The WeShare by Erste Group-Participation program and the WeShare by Erste Group-Investment Plus program are equity-settled share-based payment transactions. Both programs are offered to employees of Erste Group provided that specific requirements (e.g. capital and liquidity requirements, payment of dividends, ECB approval) are met.

Under the WeShare by Erste Group-Investment Plus program all employees, who had been employed by an entity of the Erste Group, from March/April 2024 until June 2024 could voluntarily invest in Erste Group shares and receive free shares depending on the amount of their personal investment. The WeShare by Erste Group-Investment Plus program was settled in June 2024. The number of free shares, which were granted under this program for the reporting period, is 349,019 (2023: 506,947). Personnel expenses in the amount of EUR 16 million (2023: EUR 16 million) were recorded.

Under the WeShare by Erste Group-Participation program all employees, who have been employed by an entity of the Erste Group for at least six months in year 2024 and are still employed until the transfer of the shares to the employees in June 2025 are entitled to receive shares in an equivalent amount of EUR 350. The expected number of free shares, which are granted under this program for the period, is 295,569 (2023: 389,884). Based on the number of entitled employees, personnel expenses in the amount of EUR 7 million (2023: EUR 7 million) were recorded and a corresponding reserve in retained earnings was created. Furthermore, during 2024 an expense of EUR 6 million was booked, which is related to the active employment requirement of the WeShare by Erste Group-Participation that was offered to employees in 2023.

62. Fees of the Auditors

The following table contains fees charged by the auditors of Erste Group Bank AG and subsidiaries for the financial years 2024 and 2023; the auditors being Sparkassen-Prüfungsverband (auditing agency) and Price Waterhouse Coopers. The values for PricewaterhouseCoopers comprise the services of 'PwC Wirtschaftsprüfung GmbH' as well as the PwC network. The amounts in the table include value-added tax.

in EUR million	Dec 23	Dec 24
Statutory audit of financial statements/consolidated financial statements	**15**	**17**
Audit fees - PwC	8	7
Audit fees - Sparkassen-Prüfungsverband	8	10
Other assurance services	**3**	**5**
Other assurance services - PwC	2	3
Other assurance services - Sparkassen-Prüfungsverband	1	2
Tax consulting	**0**	**0**
Tax consulting - PwC	0	0
Tax consulting - Sparkassen-Prüfungsverband	0	0
Other services	**1**	**1**
Other services - PwC	1	1
Other services - Sparkassen-Prüfungsverband	0	0
Total	**19**	**24**

The Sparkassen-Prüfungsverband (Austrian Savings Bank Auditing Association) provided audit services for an amount of EUR 2 million (2023: EUR 2 million) to Erste Group Bank AG and EUR 8 million (2023: EUR 6 million) for the subsidiaries. For other assurance services EUR 0 million (2023: EUR 0 million) were charged to the subsidiaries of Erste Group Bank AG while EUR 0 million (2023: EUR 0 million) is the amount for other services provided to the subsidiaries. The amounts in the table above also include fees for services provided by SPV Wirtschaftsprüfungsges.m.b.H..

The auditor 'PwC Wirtschaftsprüfung GmbH' provided audit services to Erste Group Bank AG for EUR 2 million (2023: EUR 2 million) and to the subsidiaries for EUR 1 million (2023: EUR 1 million). An amount of EUR 5 million (2023: EUR 5 million) was charged for audit services of the PricewaterhouseCoopers network to the subsidiaries. The total amount for other assurance services provided by 'PwC Wirtschaftsprüfung GmbH' is EUR 1 million (2023: EUR 1 million).

63. Assets held for sale and liabilities associated with assets held for sale

Assets classified as held for sale and assets belonging to disposal groups held for sale are reported under the balance sheet line item 'Assets held for sale'. Liabilities belonging to the disposal groups held for sale are presented on the balance sheet under the line item 'Liabilities associated with assets held for sale'.

Non-current assets and disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Should the impairment loss in a disposal group exceed the carrying amount of the assets that are within the scope of IFRS 5 measurement requirements, there is no specific guidance on how to treat such a difference. Erste Group recognises this difference as a provision under the balance sheet line item 'Provisions'.

in EUR million	Dec 23	Dec 24
Assets held for sale	163	154
Liabilities associated with assets held for sale	113	93

As of the end of 2024, 'Assets held for sale' other than those belonging to the disposal group held for sale include mainly land and buildings in amount of EUR 147 million (2023: EUR 12 million). This includes an amount of EUR 142 million classified as 'Assets held for sale' by Česká spořitelna and mainly relates to the planned sale of the current headquarter. In addition, financial assets and liabilities of Erste Card Club in Croatia were classified as held for sale.

As of the end of 2023, Banca Comerciala Romana Chisinau S.A. was classified as a disposal group held for sale. It consisted of assets held for sale in the amount of EUR 153 million and liabilities associated with assets held for sale in the amount of EUR 113 million. The fair value less costs to sell was lower than the carrying amount of the disposal group. The difference was first allocated to nonfinancial assets in scope of IFRS 5 measurement requirements and resulted in an overall impairment loss of EUR 3 million since initial recognition. The remaining amount of EUR 23 million was recognised as a provision. The transaction was completed on 15th January 2024.

Assets held for sale are measured at fair value on non-recurring basis when their carrying amount is impaired down to fair value less costs to sell. The fair values are determined by experts with recognised and relevant professional qualification.

Fair values and fair value hierarchy

in EUR million	Carrying amount	Fair value	Level 1	Level 2	Level 3
Dec 24					
Assets for which the FV is presented in the balance sheet					
Assets held for sale	151	151	0	0	151
Dec 23					
Assets for which the FV is presented in the balance sheet					
Assets held for sale	10	11	0	0	11

64. Assets and liabilities denominated in foreign currencies and outside Austria and return on assets

Assets and liabilities not denominated in EUR

in EUR million	Dec 23	Dec 24
Assets	116,241	125,825
Liabilities	92,498	97,546

Assets and liabilities outside Austria

in EUR million	Dec 23	Dec 24
Assets	197,405	220,770
Liabilities	156,857	163,110

Return on assets (net profit after tax for the year divided by total assets at the reporting period) was 1.12% at 31 December 2024 (2023: 1.16%).

65. Analysis of remaining maturities

Expected remaining maturities of assets and liabilities

in EUR million	Dec 23		Dec 24	
	< 1 year	> 1 year	< 1 year	> 1 year
Cash and cash balances	36,685	0	25,129	0
Financial assets HfT	5,992	2,781	7,860	3,602
Derivatives	611	651	699	528
Other financial assets held for trading	5,381	2,130	7,162	3,074
Non-trading financial assets at FVPL	527	2,477	501	2,539
Equity instruments	190	225	7	458
Debt securities	335	1,216	475	993
Loans and advances to customers	1	1,037	19	1,089
Financial assets at FVOCI	1,366	7,538	1,455	8,043
Equity instruments	12	98	-9	118
Debt securities	1,354	7,440	1,463	7,925
Financial assets at AC	53,739	210,981	56,156	232,738
Debt securities	4,725	39,322	4,581	48,307
Loans and advances to banks	18,350	3,082	22,793	4,178
Loans and advances to customers	30,664	168,577	28,781	180,252
Finance lease receivables	559	4,410	642	4,606
Hedge accounting derivatives	21	162	3	177
Fair value changes of hedged items in portfolio hedge of interest rate risk	-1	-24	-410	390
Property and equipment	0	2,605	0	2,754
Investment properties	0	1,524	0	1,678
Intangible assets	0	1,313	0	1,382
Investments in associates and joint ventures	0	241	0	280
Current tax assets	72	0	45	0
Deferred tax assets	0	468	0	266
Assets held for sale	163	0	154	0
Trade and other receivables	2,484	95	2,582	95
Other assets	874	101	1,006	61
Total Assets	**102,483**	**234,673**	**95,123**	**258,613**
Financial liabilities HfT	1,051	1,252	595	1,226
Derivatives	872	742	519	630
Other trading liabilities	179	511	77	596
Financial liabilities at FVPL	2,150	9,002	2,200	8,081
Deposits	498	95	44	71
Debt securities issued	1,522	8,907	2,020	8,010
Other financial liabilities	130	0	136	0
Financial liabilities at AC	216,004	73,838	224,981	80,351
Deposits from banks	16,598	6,313	14,697	6,564
Deposits from customers	194,190	38,033	201,724	39,811
Debt securities issued	3,858	29,472	7,863	33,996
Other financial liabilities	1,358	21	697	-20
Lease liabilities	50	620	46	645
Hedge accounting derivatives	8	278	10	184
Provisions	406	1,206	458	1,168
Current tax liabilities	265	0	241	0
Deferred tax liabilities	0	14	0	31
Liabilities associated with assets held for sale	113	0	93	0
Other liabilities	2,043	353	2,337	321
Total Liabilities	**222,089**	**86,565**	**230,961**	**92,007**

66. Events after the balance sheet date

There are no significant events after the balance sheet date.

67. Country by country reporting

The following country by country breakdown complies with the disclosure requirements of Article 89 of the EU Capital Requirements Directive IV:

in EUR million	Operating income	Pre-tax result from continuing operations	Taxes on income	Taxes paid
Dec 24				
Austria	4,539	1,114	-404	-219
Croatia	585	333	-58	-62
Czech Republic	2,608	1,661	-224	-169
Hungary	926	492	-64	-38
Romania	1,189	681	-105	-106
Serbia	202	103	-8	-6
Slovakia	810	460	-169	-200
Other locations	320	153	-21	-7
Total	**11,178**	**4,997**	**-1,053**	**-807**
Dec 23				
Austria	3,730	699	-364	-191
Croatia	562	312	-50	-64
Czech Republic	2,341	1,307	-158	124
Hungary	1,471	1,035	-43	-23
Romania	1,059	661	-136	-73
Serbia	178	76	-4	-1
Slovakia	788	457	-92	-77
Other locations	424	247	-27	-9
Total	**10,552**	**4,795**	**-874**	**-315**

The table above presents consolidated figures after consideration of intercompany transaction eliminations and all consolidation adjustments. Income tax represents the expenses arising split to each individual tax jurisdiction where the Group is present.

For information regarding the country of residence of each fully consolidated entity refer to Note 69 Details of the companies wholly or partly owned by Erste Group as of 31 December 2024. Information about the geographical split of the average number of head-counts employed in Erste Group throughout 2024 is disclosed in Note 8 General administrative expenses.

68. Government grants

A government grant is recognised in Erste Group's financial statements, when there is reasonable assurance that it will be received and that Erste Group will comply with the conditions attached to it. Grants that compensate for the acquisition of assets are presented as deduction from the cost of the related asset and are recognised in profit or loss over the periods and in the proportions, in which depreciation and amortisation expenses on those assets are recognised. Grants that compensate for expenses incurred are presented as deduction of relevant expenses in the period in which the expenses are incurred.

The total amount of government grants recognised in the group adds up to EUR 7 million (2023: EUR 8 million). Out of this total amount, EUR 1 Mio (2023: EUR 0 Mio) is related to government grants from a Czech entity. The remaining government grants have been reported by Austrian entities.

69. Details of the companies wholly or partly owned by Erste Group as of 31 December 2024

The table below presents material, fully consolidated subsidiaries, investments in associates accounted for at equity and other investments.

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
Fully consolidated subsidiaries			
Credit institutions			
Bausparkasse der österreichischen Sparkassen Aktiengesellschaft	Wien	100.0	100.0
Ceska sporitelna, a.s.	Praha	100.0	100.0
Erste Bank Hungary Zrt	Budapest	100.0	100.0
Erste & Steiermärkische Bank d.d.	Rijeka	69.3	69.3
Slovenska sporitelna, a. s.	Bratislava	100.0	100.0
Sparkasse der Stadt Amstetten AG	Amstetten	0.0	0.0
Sparkasse Salzkammergut AG	Bad Ischl	0.0	0.0
Sparkasse Baden	Baden	0.0	0.0
Sparkasse Bludenz Bank AG	Bludenz	0.0	0.0
Sparkasse Bregenz Bank Aktiengesellschaft	Bregenz	0.0	0.0
Dornbirner Sparkasse Bank AG	Dornbirn	0.0	0.0
Sparkasse Eferding-Peuerbach-Waizenkirchen	Eferding	0.0	0.0
Sparkasse der Gemeinde Egg	Egg	0.0	0.0
Sparkasse der Stadt Feldkirch	Feldkirch	0.0	0.0
Sparkasse Feldkirchen/Kärnten	Feldkirchen	0.0	0.0
SPARKASSE FRANKENMARKT AKTIENGESELLSCHAFT	Frankenmarkt	0.0	0.0
Sparkasse Hainburg-Bruck-Neusiedl Aktiengesellschaft	Hainburg	75.0	75.0
Sparkasse Haugsdorf	Haugsdorf	0.0	0.0
Sparkasse Herzogenburg-Neulengbach Bank Aktiengesellschaft	Herzogenburg	0.0	0.0
Sparkasse Horn-Ravelsbach-Kirchberg Aktiengesellschaft	Horn	0.0	0.0
Sparkasse Imst AG	Imst	0.0	0.0
Sparkasse der Stadt Kitzbühel	Kitzbühel	0.0	0.0
Sparkasse Korneuburg AG	Korneuburg	0.0	0.0
KREMSER BANK UND SPARKASSEN AKTIENGESELLSCHAFT	Krems	0.0	0.0
Sparkasse Kufstein Tiroler Sparkasse von 1877	Kufstein	0.0	0.0
Kärntner Sparkasse Aktiengesellschaft	Klagenfurt	25.0	25.0
Sparkasse Lambach Bank Aktiengesellschaft	Lambach	0.0	0.0
Sparkasse Langenlois	Langenlois	0.0	0.0
Lienzer Sparkasse AG	Lienz	0.0	0.0
Sparkasse Oberösterreich Bank AG	Linz	16.8	10.0
Sparkasse Mittersill Bank AG	Mittersill	0.0	0.0
Sparkasse Mühlviertel-West Bank Aktiengesellschaft	Rohrbach	40.0	40.0
Sparkasse Mürzzuschlag Aktiengesellschaft	Mürzzuschlag	0.0	0.0
Sparkasse Neuhofen Bank Aktiengesellschaft	Neuhofen	0.0	0.0
Sparkasse Neunkirchen	Neunkirchen	0.0	0.0
SPARKASSE NIEDERÖSTERREICH MITTE WEST AKTIENGESELLSCHAFT	St. Pölten	0.0	0.0
Sparkasse Pottenstein N.Ö.	Pottenstein	0.0	0.0
Sparkasse Poysdorf AG	Poysdorf	0.0	0.0
Sparkasse Pregarten - Unterweißenbach AG	Pregarten	0.0	0.0
Sparkasse Pöllau AG	Pöllau	0.0	0.0
Sparkasse Rattenberg Bank AG	Rattenberg	0.0	0.0
Sparkasse Reutte AG	Reutte	0.0	0.0
Sparkasse Ried im Innkreis-Haag am Hausruck	Ried	0.0	0.0
Salzburger Sparkasse Bank Aktiengesellschaft	Salzburg	100.0	100.0
Sparkasse Scheibbs AG	Scheibbs	0.0	0.0
Sparkasse Schwaz AG	Schwaz	0.0	0.0
Steiermärkische Bank und Sparkassen Aktiengesellschaft	Graz	25.0	25.0
Tiroler Sparkasse Bankaktiengesellschaft Innsbruck	Innsbruck	75.0	75.0
Sparkasse Voitsberg-Köflach Bankaktiengesellschaft	Voitsberg	4.2	4.2
Waldviertler Sparkasse Bank AG	Zwettl	0.0	0.0
Wiener Neustädter Sparkasse	Wiener Neustadt	0.0	0.0
Stavebni sporitelna Ceske sporitelny, a.s.	Praha	100.0	100.0
Erste Group Bank AG	Wien	0.0	0.0
ERSTE BANK AKCIONARSKO DRUŠTVO, NOVI SAD	Novi Sad	80.5	80.5
Banca Comerciala Romana SA	Bucharest	99.9	99.9
Banka Sparkasse d.d.	Ljubljana	28.0	28.0
Die Zweite Wiener Vereins-Sparcasse	Wien	0.0	0.0
Sparkasse Bank dd Bosna i Hercegovina	Sarajevo	25.0	25.0
Erste Bank der oesterreichischen Sparkassen AG	Wien	100.0	100.0
BCR Banca pentru Locuinte SA	Bucharest	99.9	99.9

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
Sparkasse Bank AD Skopje	Skopje	24.1	24.1
ERSTE BANK AD PODGORICA	Podgorica	69.3	69.3
Erste Lakas-Takarekpenztar Zartkoruen Mukodo Reszvenytarsasag	Budapest	100.0	100.0
ERSTE Jelzálogbank Zártkörüen Müködö Részvénytársaság	Budapest	100.0	100.0
Financial institutions			
"Die Kärntner" Trust-Vermögensverwaltungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
ACP Financial Solutions GmbH	Wien	75.0	75.0
Alea-Grundstückverwaltung Gesellschaft m.b.H.	Wien	100.0	100.0
BCR Leasing IFN SA	Bucharest	99.9	99.9
BCR Payments Services SRL	Sibiu	99.9	99.9
BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA	Bucharest	99.9	99.9
CEE Property Development Portfolio 2 a.s.	Praha	100.0	100.0
CEE Property Development Portfolio B.V.	Amsterdam	20.0	20.0
Ceska sporitelna - penzijni spolecnost, a.s.	Praha	100.0	100.0
DENAR-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5
DIE ERSTE Leasing Grundstückverwaltungsgesellschaft m.b.H.	Wien	100.0	100.0
Društvo za leasing Sparkase Lizing d.o.o. Skopje	Skopje	24.6	24.6
EB Erste Bank Internationale Beteiligungen GmbH	Wien	100.0	100.0
Erste & Steiermärkische S-Leasing drustvo s ogranicenom odgovornoscu za leasing vozila i strojeva	Zagreb	47.1	47.1
Erste Alapkezelo Zrt. (Erste Asset Management Ltd.)	Budapest	91.1	91.1
Erste Asset Management d.o.o.	Zagreb	91.1	91.1
Erste Asset Management GmbH	Wien	91.1	91.1
Erste Befektetesi Zrt.	Budapest	100.0	100.0
ERSTE CARD CLUB d.o.o.	Zagreb	69.3	69.3
Erste Finance (Delaware) LLC	Wilmington	100.0	100.0
Erste Group Immorent CR s.r.o.	Praha	100.0	100.0
Erste Group Immorent International Holding GmbH	Wien	100.0	100.0
Erste Group Immorent Lízing Zártkörüen Müködö Részvénytársaság	Budapest	100.0	100.0
ERSTE GROUP IMMORENT LJUBLJANA, financne storitve, d.o.o.	Ljubljana	100.0	100.0
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	Wien	68.7	68.7
Erste Reinsurance S.A.	Luxembourg	100.0	100.0
Erste Securities Polska S.A.	Warsaw	100.0	100.0
Factoring Ceske sporitelny a.s.	Praha	100.0	100.0
GIROLEASING-Mobilienvermietungsgesellschaft m.b.H.	Wien	62.5	62.5
Gladiator Leasing Limited	Pieta	100.0	100.0
Hotel- und Sportstätten-Beteiligungs-, Errichtungs- und Betriebsgesellschaft m.b.H. Leasing KG	St. Pölten	54.6	54.6
ImmoRent Einkaufszentren Verwaltungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Clio-Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Gamma-Grundstücksverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-GREKO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-MOMO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-NERO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-Raiffeisen Fachhochschule Errichtungs- und BetriebsgmbH	Wien	55.0	55.0
IMMORENT-RASTA Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RIO Grundverwertungsgesellschaft m.b.H.	Wien	55.0	55.0
IMMORENT-RIWA Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-Theta-Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-TRIAS Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5
IMNA-Immorent Immobilienleasing GmbH	Wien	100.0	100.0
Impact Asset Management GmbH	Wien	0.0	91.1
Intermarket Bank AG	Wien	93.8	93.8
IPS Fonds Gesellschaft bürgerlichen Rechts	Wien	62.5	65.2
IR REAL ESTATE LEASING d.o.o. u likvidaciji	Zagreb	92.5	92.5
Leasing Ceské sporitelny, a.s.	Praha	100.0	100.0
MEKLA Leasing Gesellschaft m.b.H.	Wien	100.0	100.0
NAXOS-Immorent Immobilienleasing GmbH	Wien	100.0	100.0
OREST-Immorent Leasing GmbH	Wien	100.0	100.0
PAROS-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
PREDUZECE ZA FINANSIJSKI LIZING ERSTE LEASING DOO, BEOGRAD	Belgrade	66.6	66.6
REICO investicni spolecnost Erste Asset Management, a.s.	Praha	100.0	91.1
RHEA-Immorent Holding GmbH	Wien	100.0	100.0
s ASG Sparkassen Abwicklungs- und Servicegesellschaft mbH	Graz	25.0	25.0
s Autoleasing SK, s.r.o.	Bratislava	100.0	100.0
s Wohnbaubank AG	Wien	100.0	100.0
s Wohnfinanzierung Beratungs GmbH	Wien	100.0	100.0
SAI Erste Asset Management S.A.	Bucharest	91.1	91.1

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
sBAU Holding GmbH	Wien	100.0	100.0
SCIENTIA Immorent GmbH	Wien	100.0	100.0
Sieben Tiroler Sparkassen Beteiligungsgesellschaft m.b.H.	Kufstein	0.0	0.0
S-Leasing Immobilienvermietungsgesellschaft m.b.H.	Wiener Neustadt	33.3	33.3
SPARKASSE IMMORENT Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Sparkasse Leasing društvo sa ogranicenom odgovornošcu za leasing nekretnina, vozila, brodova i mašina, Sarajevo	Sarajevo	25.0	25.0
Sparkasse Leasing S, družba za financiranje d.o.o.	Ljubljana	28.0	28.0
Sparkasse Oberösterreich Kapitalanlagegesellschaft m.b.H.	Linz	18.9	14.1
Sparkasse Pay poslovanje s kreditnimi karticami, d.o.o.	Ljubljana	28.0	28.0
TAURIS-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Theuthras-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5
VIA Immobilien Errichtungsgesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
WIESTA-Immorent Immobilienleasing GmbH	Wien	100.0	100.0
Other			
DIE EVA-Immobilienleasing und -erwerb Gesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
"DIE EVA" Grundstückverwaltungsgesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
"Die Kärntner" Trust- Vermögensverwaltungsgesellschaft m.b.H. & Co KG	Klagenfurt	25.0	25.0
"Nare" Grundstücksverwertungs-Gesellschaft m.b.H.	Wien	100.0	100.0
AVION-Grundverwertungsgesellschaft m.b.H.	Wien	51.0	51.0
BCR Fleet Management SRL	Bucharest	99.9	99.9
BOOTES-Immorent Grundverwertungs-Gesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
BP Antal, s.r.o.	Praha	0.0	100.0
BP Budejovicka, s. r. o.	Praha	100.0	100.0
BP Olbrachtova, s. r. o.	Praha	100.0	100.0
BP Polackova, s. r. o.	Praha	100.0	100.0
BTV-Beteiligungs-, Treuhand-, Vermögens-Verwaltungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
Budejovicka development, s. r. o.	Praha	100.0	100.0
Cinci-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Collat-real Korlátolt Felelösségü Társaság	Budapest	100.0	100.0
Commerzbank Zrt. "v.a."	Budapest	100.0	100.0
CPDP 2003 s.r.o.	Praha	100.0	100.0
CPP Lux S. 'ar.l. in liquidation	Luxembourg	20.0	20.0
CS NHQ, s.r.o.	Praha	100.0	100.0
CS Seed Starter, a.s.	Praha	100.0	100.0
DBCS Cerny Most, s.r.o.	Praha	100.0	100.0
DBCS Opatov, s.r.o.	Praha	0.0	100.0
DBCS Prosek, s.r.o.	Praha	0.0	100.0
DBCS Zdar s.r.o.	Praha	100.0	100.0
DIE ERSTE Leasing Grundbesitzgesellschaft m.b.H.	Wien	100.0	100.0
DIE ERSTE Leasing Immobilienbesitzgesellschaft m.b.H.	Wien	100.0	100.0
DIE ERSTE Leasing Immobilienverwaltungs- und -vermietungsgesellschaft m.b.H.	Wien	100.0	100.0
DIE EVA - Liegenschaftsverwaltungsgesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
DIE EVA-Gebäudeleasinggesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
Dienstleistungszentrum Leoben GmbH	Wien	51.0	51.0
Dostupné bydlení Ceské sporitelny, a.s.	Praha	100.0	100.0
EBB Beteiligungen GmbH	Wien	100.0	100.0
EB-Grundstücksbeteiligungen GmbH	Wien	100.0	100.0
EB-Restaurantsbetriebe Ges.m.b.H.	Wien	100.0	100.0
EKZ-Immorent Vermietung GmbH	Wien	100.0	100.0
Erste Bank und Sparkassen Leasing GmbH	Wien	100.0	100.0
ERSTE CAMPUS Immobilien AG & Co KG	Wien	100.0	100.0
Erste Digital GmbH	Wien	82.1	81.8
Erste Grantika Advisory, a.s.	Brno	100.0	100.0
Erste Group Card Processor d.o.o.	Zagreb	100.0	100.0
Erste Group Immorent GmbH	Wien	100.0	100.0
ERSTE GROUP IMMORENT HRVATSKA drustvo s ogranicenom odgovornoscu za upravljanje	Zagreb	100.0	100.0
Erste Group Immorent Slovensko s.r.o.	Bratislava	100.0	100.0
Erste Group Services GmbH	Wien	100.0	100.0
ERSTE Immobilien Alpha Lemböckgasse 59 GmbH & Co KG	Wien	0.0	90.0
ERSTE Immobilien Alpha Ulmgasse GmbH & Co. KG	Wien	0.0	0.0
ERSTE Immobilien Gamma Lemböckgasse GmbH & Co KG	Wien	0.0	90.0
ERSTE Immobilien Gamma Seepark Campus West GmbH & Co KG	Wien	90.0	90.0
Erste Ingatlan Fejleszto, Hasznosito es Mernoki Kft.	Budapest	100.0	100.0
ERSTE NEKRETNINE d.o.o. za poslovanje nekretninama	Zagreb	69.3	69.3
Erste Operations GmbH	Wien	100.0	100.0
ERSTE Tower Kft.	Budapest	0.0	100.0

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
Eva-Immobilienverwaltungsgesellschaft m.b.H.	Wien	100.0	100.0
Eva-Realitätenverwaltungsgesellschaft m.b.H.	Wien	100.0	100.0
F & S Leasing GmbH	Klagenfurt	100.0	100.0
FUKO-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
George Labs GmbH	Wien	100.0	100.0
GLADIATOR LEASING IRELAND DESIGNATED ACTIVITY COMPANY (in Liqui.)	Dublin	100.0	100.0
GLL A319 AS LIMITED	Pieta	100.0	100.0
GLL MSN 2118 DESIGNATED ACTIVITY COMPANY (in Liqui)	Dublin	100.0	100.0
Graben 21 Liegenschaftsverwaltung GmbH	Wien	100.0	100.0
Haftungsverbund GmbH	Wien	63.6	63.1
HBM Immobilien Kamp GmbH	Wien	100.0	100.0
Holding Card Service s.r.o.	Praha	100.0	100.0
HP Immobilien Psi GmbH	Wien	100.0	100.0
HT Immobilien Tau GmbH	Wien	100.0	100.0
HT Immobilien Theta GmbH	Wien	100.0	100.0
HV Immobilien Hohenems GmbH	Wien	100.0	100.0
IBF-Anlagenleasing 95 Gesellschaft m.b.H.	Wien	100.0	100.0
IGP Industrie und Gewerbepark Wörgl Gesellschaft m.b.H.	Kufstein	0.0	0.0
ILGES - Immobilien- und Leasing - Gesellschaft m.b.H.	Rohrbach	40.0	40.0
Immo Smaragd GmbH	Schwaz	0.0	0.0
Immobilienverwertungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
Immorent - Immobilienleasing Gesellschaft m.b.H.	Wien	100.0	100.0
Immorent Oktatási Ingatlanhasznosító és Szolgáltató Kft.	Budapest	56.0	100.0
IMMORENT Österreich GmbH	Wien	100.0	100.0
IMMORENT RIED GmbH	Wien	100.0	100.0
Immorent Singidunum d.o.o.	Belgrade	100.0	100.0
IMMORENT Térinvest Ingatlanhasznosító és Szolgáltató Korlátolt Felelösségü Társaság	Budapest	100.0	100.0
IMMORENT-ANUBIS Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-ASTRA Grundverwertungsgesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
IMMORENT-HATHOR Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5
Immorent-Kappa Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-KRABA Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-LEANDER Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-Objektvermietungsgesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
IMMORENT-PAN Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RAMON Grundverwertungsgesellschaft m.b.H.	Wien	62.5	62.5
IMMORENT-REMUS Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RIALTO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RONDO Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
IMMORENT-RUBIN Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
Immorent-WBV Grundverwertungsgesellschaft m.b.H.	Wien	50.0	50.0
IR Beteiligungsverwaltungsgesellschaft mbH	Wien	100.0	100.0
IR CEE Project Development Holding GmbH	Wien	100.0	100.0
IZBOR NEKRETNINA D.O.O. ZA USLUGE	Zagreb	69.3	69.3
Jura GrundverwertungsgmbH	Graz	25.0	25.0
Kärntner Sparkasse Vermögensverwaltungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
KS - Dienstleistungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
KS-Beteiligungs- und Vermögens-Verwaltungsgesellschaft m.b.H.	Klagenfurt	25.0	25.0
LANED a.s.	Bratislava	100.0	100.0
Lassallestraße 7b Immobilienverwaltung GmbH	Wien	100.0	100.0
LIEGESA Immobilienvermietung GmbH Nfg OG	Graz	25.0	25.0
MCS 14 Projektentwicklung GmbH & Co KG	Wien	100.0	100.0
NÖ-Sparkassen Beteiligungsgesellschaft m.b.H.	St. Pölten	2.5	2.5
Oktatási Solutions PPP Korlátolt Felelosségu Társaság	Budapest	70.0	100.0
Ölim-Grundverwertungsgesellschaft m.b.H.	Graz	25.0	25.0
OM Objektmanagement GmbH	Wien	100.0	100.0
OMEGA IMMORENT s.r.o. v likvidaci	Praha	100.0	100.0
Österreichische Sparkassenakademie GmbH	Wien	44.3	43.8
Österreichisches Volkswohnungswerk, Gemeinnützige Gesellschaft mit beschränkter Haftung	Wien	100.0	100.0
ÖVW Bauträger GmbH	Wien	100.0	100.0
Procurement Services CZ s.r.o.	Praha	99.9	99.9
Procurement Services GmbH	Wien	99.9	99.9
Procurement Services HR d.o.o.	Zagreb	99.9	99.9
Procurement Services HU Kft.	Budapest	99.9	99.9
Procurement Services RO srl	Bucharest	99.9	99.9
Procurement Services SK, s.r.o.	Bratislava	99.9	99.9
QBC Management und Beteiligungen GmbH	Wien	65.0	65.0
QBC Management und Beteiligungen GmbH & Co KG	Wien	65.0	65.0
Real-Service für oberösterreichische Sparkassen Realitätenvermittlungsgesellschaft m.b.H.	Linz	59.0	56.1

Company name, registered office		Interest of Erste Group in %	
		Dec 23	Dec 24
Real-Service für steirische Sparkassen, Realitätenvermittlungsgesellschaft m.b.H.	Graz	61.7	61.7
s IM Immobilien Management GmbH	Graz	25.0	25.0
S IMMORENT OMIKRON drustvo s ogranicenom odgovornoscu za poslovanje nekretninama	Zagreb	100.0	100.0
s REAL Immobilienvermittlung GmbH	Wien	100.0	100.0
s ServiceCenter GmbH	Wien	56.0	55.2
s Wohnbauträger GmbH	Wien	100.0	100.0
S-Invest Beteiligungsgesellschaft m.b.H.	Wien	70.0	70.0
SK - Immobiliengesellschaft m.b.H.	Krems	0.0	0.0
SK Immobilien Epsilon GmbH	Wien	100.0	100.0
SKT Immobilien GmbH	Kufstein	0.0	0.0
SKT Immobilien GmbH & Co KG	Kufstein	0.0	0.0
SLSP Seed Starter, s.r.o.	Bratislava	100.0	100.0
SLSP Social Finance, s.r.o.	Bratislava	79.8	79.8
sMS Marktservice für Sparkassen GmbH	Krems	0.0	0.0
SPARDAT - Bürohauserrichtungs- und Vermietungsgesellschaft m.b.H. in Liqu.	Wien	100.0	100.0
Sparfinanz-, Vermögens-, Verwaltungs- und Beratungs- Gesellschaft m.b.H.	Wiener Neustadt	0.0	0.0
Sparkasse Mühlviertel-West Holding GmbH	Rohrbach	40.0	40.0
Sparkassen IT Holding AG	Wien	28.5	27.5
Sparkassen Leasing Süd GmbH	Graz	25.0	25.0
Sparkassen Real Vorarlberg Immobilienvermittlung GmbH	Dornbirn	50.0	50.0
Sparkassen-Haftungs GmbH	Wien	63.6	63.1
Sparkassen-Real-Service für Kärnten und Osttirol Realitätenvermittlungs-Gesellschaft m.b.H.	Klagenfurt	57.6	57.6
Sparkassen-Real-Service -Tirol Realitätenvermittlungs-Gesellschaft m.b.H.	Innsbruck	68.7	68.7
SPK OÖ Beteiligungsholding GmbH	Linz	16.8	10.0
SPK OÖ Immobilien GmbH	Linz	16.8	10.0
S-Real, Realitätenvermittlungs- und -verwaltungs Gesellschaft m.b.H.	Wiener Neustadt	0.0	0.0
S-RENT DOO BEOGRAD	Belgrade	35.5	35.5
Steiermärkische Verwaltungssparkasse Immobilien & Co KG	Graz	25.0	25.0
Subholding Immorent GmbH	Wien	100.0	100.0
Suport Colect SRL	Bucharest	99.9	99.9
UBG-Unternehmensbeteiligungsgesellschaft m.b.H.	Wien	100.0	100.0
Vorarlberger Sparkassen Beteiligungs GmbH	Dornbirn	0.0	0.0
XENIA-Immorent Grundverwertungsgesellschaft m.b.H.	Wien	100.0	100.0
ZWETTLER LEASING Gesellschaft m.b.H.	Zwettl	0.0	0.0
Funds			
ERSTE RESERVE CORPORATE	Wien	0.0	0.0
IPS Fonds II	Wien	0.0	0.0
SPARKASSEN 4	Wien	0.0	0.0
SPARKASSEN 5	Wien	0.0	0.0
SPARKASSEN 8	Wien	0.0	0.0

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
Equity method investments			
Credit institutions			
Prva stavebna sporitelna, a.s.	Bratislava	35.0	35.0
SPAR-FINANZ BANK AG	Salzburg	50.0	50.0
Financial institutions			
BCR Social Finance IFN S.A.	Bucharest	73.9	73.9
ERSTE d.o.o.	Zagreb	45.2	45.2
Erste Social Finance Holding GmbH	Wien	49.0	49.0
Esquilin Grundstücksverwaltungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
FORIS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
Global Payments s.r.o.	Praha	49.0	49.0
HOSPES-Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	33.3	33.3
Immorent-Hypo-Rent Grundverwertungsgesellschaft m.b.H.	Innsbruck	49.0	49.0
LITUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
NÖ Bürgschaften und Beteiligungen GmbH	Wien	14.4	14.4
NÖ-KL Kommunalgebäudeleasing Gesellschaft m.b.H.	Wien	33.4	33.4
PSA Payment Services Austria GmbH	Wien	18.5	18.5
Quirinal Grundstücksverwaltungs Gesellschaft m.b.H.	Wien	33.3	33.3
TKL VIII Grundverwertungsgesellschaft m.b.H.	Innsbruck	24.5	24.5
VALET-Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
VBV - Betriebliche Altersvorsorge AG	Wien	29.4	29.3
VOLUNTAS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	35.0	35.0
Other			
Adoria Grundstückvermietungs Gesellschaft m.b.H. in Liqu.	St. Pölten	24.5	24.5
APHRODITE Bauträger GmbH	Wien	50.0	50.0
CIT ONE SA	Bucharest	33.3	33.3
Dostupny Domov j.s.a.	Nitra	39.8	39.9
Dostupny Najom j.s.a.	Nitra	39.8	39.8
Epsilon - Grundverwertungsgesellschaft m.b.H. in Liqu.	Wien	50.0	50.0
Erste ÖSW Wohnbauträger GmbH	Wien	50.5	50.1
Flottenmanagement GmbH	Wien	51.0	51.0
GELUP GmbH	Wien	33.3	33.3
Gemdat Niederösterreichische Gemeinde-Datenservice Gesellschaft m. b. H.	Korneuburg	0.8	0.8
Hochkönig Bergbahnen GmbH	Mühlbach	49.2	49.2
Investown Technologies s.r.o.	Zlatniky-Hodkovice	25.0	24.1
KWC Campus Errichtungsgesellschaft m.b.H.	Klagenfurt	13.6	13.6
Monilogi s.r.o.	Bratislava	26.0	28.0
Neue Eisenstädter gemeinnützige Bau-, Wohn- und Siedlungsgesellschaft m.b.H.	Eisenstadt	50.0	50.0
O.Ö. Kommunalgebäude-Leasing Gesellschaft m.b.H.	Linz	40.0	40.0
Slovak Banking Credit Bureau, s.r.o.	Bratislava	33.3	33.3
Steirische Gemeindegebäude Leasing Gesellschaft m.b.H.	Wien	50.0	50.0
Steirische Kommunalgebäudeleasing Gesellschaft m.b.H.	Wien	50.0	50.0
Steirische Leasing für Gebietskörperschaften Gesellschaft m.b.H.	Wien	50.0	50.0
Steirische Leasing für öffentliche Bauten Gesellschaft m.b.H. in Liqu.	Wien	50.0	50.0
STUWO Gemeinnützige Studentenwohnbau Aktiengesellschaft	Wien	50.5	50.0
SWO Kommunalgebäudeleasing Gesellschaft m.b.H.	Wien	50.0	50.0
TKL V Grundverwertungsgesellschaft m.b.H. in Liqu.	Innsbruck	33.3	33.3
TRABITUS Grundstückvermietungs Gesellschaft m.b.H.	Wien	25.0	25.0
Other investments			
Credit institutions			
ALTA BANKA AD BEOGRAD	Belgrade	0.0	0.0
EUROAXIS BANK AD Moskva	Moscow	1.6	1.6
Oesterreichische Kontrollbank Aktiengesellschaft	Wien	12.9	12.9
Public Joint-stock company commercial Bank "Center-Invest"	Rostov	9.1	9.1
Südtiroler Sparkasse AG	Bozen	0.1	0.1
Financial institutions			
Burza cennych papierov v Bratislave, a.s.	Bratislava	3.9	3.9
CULINA Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	25.0	25.0
EUROPEAN INVESTMENT FUND	Luxembourg	0.1	0.1
EWU Wohnbau Unternehmensbeteiligungs-GmbH	St. Pölten	20.2	20.2
Garantiqa Hitelgarancia Zrt.	Budapest	2.3	2.3
WKBG Wiener Kreditbürgschafts- und Beteiligungsbank AG (vorm.Kapital-Beteiligungs Aktiengesellschaft)	Wien	14.4	14.4
"Die Kärntner" - Förderungs- und Beteiligungsgesellschaft für die Stadt Friesach Gesellschaft m.b.H.	Friesach	25.0	25.0
"Die Kärntner" - Förderungsgesellschaft für das Gurktal Gesellschaft m.b.H.	Gurk	25.0	25.0
"Die Kärntner"-Förderungs- und Beteiligungsgesellschaft für den Bezirk Wolfsberg Gesellschaft m.b.H.	Wolfsberg	25.0	25.0
Fund of Excellence Förderungs GmbH	Wien	45.0	45.0
Oberösterreichische Kreditgarantiegesellschaft m.b.H.	Linz	3.0	2.3

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
SVB Lambach Versicherungsmakler GmbH	Lambach	0.0	0.0
Society for Worldwide Interbank Financial Telecommunication scrl	La Hulpe	0.3	0.3
TKL VI Grundverwertungsgesellschaft m.b.H.	Innsbruck	33.3	33.3
TKL VII Grundverwertungsgesellschaft m.b.H.	Innsbruck	33.3	33.3
Wiener Börse AG	Wien	11.7	11.6
SREDISNJE KLIRINSKO DEPOZITARNO DRUSTVO D.D.(CENTRAL DEPOZITORY & CLEARING COMPANY Inc.)	Zagreb	0.1	0.1
Omniasig Vienna Insurance Group SA	Bucharest	0.1	0.1
BCR Asigurari de Viata Vienna Insurance Group SA	Bucharest	5.5	5.5
SOCIETATEA DE TRANSFER DE FONDURI SI DECONTARI TRANSFOND SA	Bucharest	3.2	3.2
Finanzpartner GmbH in Liqu.	Wien	51.1	51.1
Erste Asset Management Deutschland GmbH	Haar	91.1	91.1
Zweite Beteiligungsgesellschaft Reefer-Flottenfonds mbH & Co KG	Hamburg	0.0	0.0
KERES-Immorent Immobilienleasing GmbH	Wien	25.0	25.0
UNION Vienna Insurance Group Biztosito Zrt.	Budapest	1.4	1.4
S Servis, s.r.o.	Znojmo	100.0	100.0
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Wien	2.2	2.2
Neo Investment B.V.	Amsterdam	0.0	0.0
ERSTE Immobilien Beta GmbH	Wien	68.7	68.7
KOOPERATIVA poistovna, a.s. Vienna Insurance Group	Bratislava	1.5	1.5
Wiener osiguranje Vienna Insurance Group dionicko društvo za osiguranje	Zagreb	1.1	1.1
Kooperativa pojistovna, a.s. Vienna Insurance Group	Praha	1.6	1.6
capital300 EuVECA GmbH & Co KG	Wien	1.1	0.7
Fortenova Group STAK Stichting	Amsterdam	0.3	0.3
Speedinvest III EuVECA GmbH & Co KG	Wien	1.8	1.8
WB & VC Sparkasse Korneuburg GmbH	Korneuburg	0.0	0.0
Clearing House KIBS AD Skopje	Skopje	4.5	4.5
Central Securities Depository AD Skopje	Skopje	4.6	4.6
ASEF S.C.Sp.	Senningerberg	5.3	5.3
Web Value GmbH	Wien	6.5	6.5
Q-ENERGY V, FCR	Madrid	1.3	1.3
AMC V SCA SICAV-RAIF	Luxembourg	2.9	2.9
Speedinvest IV EuVECA GmbH & Co KG	Wien	1.6	1.6
BCR SEED STARTER SRL	Bucharest	99.9	99.9
EBA CLEARING (ABE CLEARING S.A.S.)	Paris	0.0	2.1
Round2 Capital Partners II SCSp RAIF	Howald	0.0	5.2
Crowdberry Investment Platform j.s.a.	Bratislava	0.0	20.0
Centar banka d.d. in bankruptcy	Zagreb	0.0	0.6
Other			
"Gasthof Löwen" Liegenschaftsverwaltung GmbH & Co., KG	Feldkirch	0.0	0.0
"Photovoltaik-Gemeinschaftsanlage" der Marktgemeinde Wolfurt	Wolfurt	0.0	0.0
"S-PREMIUM" Drustvo sa ogranicenom odgovornoscu za posredovanje i zastupanje u osiguranju d.o.o. Sarajevo	Sarajevo	25.0	25.0
"Stolz auf Wien" Beteiligungs GmbH	Wien	0.0	0.0
"TBG" Thermenzentrum Geinberg Betriebsgesellschaft m.b.H.	Geinberg	0.6	0.4
"THG" Thermenzentrum Geinberg Errichtungs-GmbH	Linz	0.6	0.4
"Wohnungseigentümer" Gemeinnützige Wohnbaugesellschaft m.b.H.	Mödling	20.3	20.3
AB Banka, a.s. v likvidaci	Mladá Boleslav	4.5	4.5
Achenseebahn-Aktiengesellschaft in Abwicklung	Jenbach	0.0	0.0
Achtundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co KG	Hamburg	0.0	0.0
AD SPORTSKO POSLOVNI CENTAR MILLENNIUM VRŠAC	Vršac	0.2	0.2
Agrargemeinschaft Kirchschlag	Kirchschlag	0.0	0.0
Alpbacher Bergbahn Gesellschaft m.b.H. & Co.KG.	Alpbach	0.0	0.0
AREALIS Liegenschaftsmanagement GmbH	Wien	50.0	50.0
ARWAG Holding-Aktiengesellschaft	Wien	19.3	19.3
AS LEASING Gesellschaft m.b.H.	Linz	16.8	10.0
AS Support GmbH	Linz	16.8	10.0
Austrian Reporting Services GmbH	Wien	14.3	14.3
aws Gründerfonds Beteiligungs GmbH & Co KG	Wien	5.1	5.1
Bankovní identita, a.s.	Praha	17.0	17.0
Bäuerliches Blockheizkraftwerk Kautzen registrierte Genossenschaft mit beschränkter Haftung	Kautzen	0.0	0.0
beeex GmbH	Pöllau	0.0	0.0
Berg- und Schilift Schwaz-Pill Gesellschaft m.b.H.	Schwaz	0.0	0.0
Bergbahn Aktiengesellschaft Kitzbühel	Kitzbühel	0.0	0.0
Bergbahn Lofer GmbH	Lofer	7.1	7.1

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
Bergbahnen Oetz Gesellschaft m.b.H.	Oetz	0.0	0.0
Bergbahnen Westendorf Gesellschaft m.b.H.	Westendorf	0.0	0.0
BGM - EB-Grundstücksbeteiligungen GmbH & Co KG	Wien	0.0	0.0
Biogenrohstoffgenossenschaft Kamptal und Umgebung registrierte Genossenschaft mit beschränkter Haftung	Maiersch	0.0	0.0
Biomasse Heizwerk Zürs GmbH	Zürs	0.0	0.0
Biroul de Credit SA	Bucharest	19.4	19.4
Born Digital s.r.o.	Praha	4.4	7.5
Brauerei Murau eGen	Murau	0.7	0.7
Bregenz Tourismus & Stadtmarketing GmbH	Bregenz	0.0	0.0
Budapesti Értéktozsde Zártköruen Muködo Részvénytársaság	Budapest	2.3	2.3
Camelot Informatik und Consulting Gesellschaft m.b.H.	Wien	4.1	4.1
CAMPUS 02 Fachhochschule der Wirtschaft GmbH	Graz	1.5	1.5
CANCOM Banking Services GmbH	Wien	0.3	0.3
Capriel Investment S.A.	Luxembourg	9.4	9.4
Cargo-Center-Graz Betriebsgesellschaft m.b.H	Werndorf	1.6	1.6
Cargo-Center-Graz Betriebsgesellschaft m.b.H. & Co KG	Werndorf	1.6	1.6
Casa Romana de Compensatie Sibiu	Sibiu	0.4	0.4
CBCB-Czech Banking Credit Bureau, a.s.	Praha	20.0	20.0
CONATUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	24.5	24.5
CRNOMEREC CENTAR D.O.O. ZA PROJEKTIRANJE GRAĐENJE I NADZOR	Zagreb	0.0	0.0
Dachstein Tourismus AG	Gosau	0.0	0.0
Dateio s.r.o.	Praha	31.0	31.0
Die Kärntner Sparkasse - Förderungsgesellschaft für den Bezirk Hermagor Gesellschaft m.b.H.	Hermagor	25.0	25.0
Digital factory s.r.o.	Brno	15.0	15.0
Dornbirner Seilbahn AG	Dornbirn	0.0	0.0
DRUŠTVO ZA KONSALTING I MENADŽMENT POSLOVE TRŽIŠTE NOVCA A.D. BEOGRAD (SAVSKI VENAC)	Belgrade	0.8	0.8
EBB-Delta Holding GmbH	Wien	100.0	100.0
EBV-Leasing Gesellschaft m.b.H.	Wien	51.0	51.0
EC Energie Center Lipizzanerheimat GmbH	Bärnbach	0.0	0.0
Egg Investment GmbH	Egg	0.0	0.0
E-H Liegenschaftsverwaltungs-GmbH	Etsdorf	0.0	0.0
EHKS74 Projektentwicklung GmbH & Co KG	Korneuburg	0.0	0.0
Einlagensicherung AUSTRIA Ges.m.b.H.	Wien	1.8	1.8
EKS74 GmbH	Korneuburg	0.0	0.0
ELAG Immobilien AG	Linz	0.7	0.4
encall s.r.o.	Praha	10.0	10.0
Energie AG Oberösterreich	Linz	0.1	0.1
Energiegemeinschaft Kamptal eGen	Langenlois	0.0	0.0
EPCBT Beteiligungs GmbH in Liqu.	Wien	91.1	91.1
Erste Diversified Private Equity I	Senningerberg	0.0	0.0
ERSTE Immobilien Alpha "WE-Objekte" GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha APS 85 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Baufeld Omega GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Brünner Straße 124 Liegenschaftsverwaltung GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Eggenberger Gürtel GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Favoritenstraße 92 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha GmbH	Wien	68.7	68.7
ERSTE Immobilien Alpha Hirschstettner Straße 61 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Kerensstraße GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Monte Laa GmbH & Co. KG	Wien	0.0	0.0
ERSTE Immobilien Alpha Paragonstraße GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Alpha W175 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Aspernbrückengasse 2 GmbH & Co KG	Wien	0.1	0.1
ERSTE Immobilien Beta GS 131 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Gamma Breitenfurter Straße 235 GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Gamma GmbH	Wien	68.7	68.7
ERSTE Immobilien Gamma Hilde-Spiel-Gasse GmbH & Co KG	Wien	0.0	0.0
ERSTE Immobilien Gamma Poststraße 1 GmbH & Co KG	Wien	0.0	0.0
Erste PEWO Immobilienverwaltung GmbH	Wien	96.9	96.9
Erste Private Capital S.a r.l.	Senningerberg	91.1	91.1
Erste Private Capital S.C.A. SICAV-RAIF	Senningerberg	0.0	0.0
Erste Sparkassen Services GmbH	Wien	0.0	100.0
FLiP GmbH - gemeinnützige Gesellschaft zur Förderung finanzieller Bildung	Wien	49.0	49.0
FLiP Linz GmbH - Gemeinnützige Gesellschaft zur Förderung finanzieller Bildung	Linz	0.0	10.0
Flourish d.o.o Podgorica	Podgorica	3.5	3.5
Förstergasse 7 Immobilien GmbH	Zwettl	0.0	0.0

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
Fortenova STAK Stichting	Amsterdam	0.0	0.2
Freizeitpark Zell GmbH	Zell	0.0	0.0
Freizeitzentrum Zillertal GmbH	Fügen	0.0	0.0
FWG-Fernwärmeversorgung Raabs a.d. Thaya registrierte Genossenschaft mit beschränkter Haftung	Raabs	0.0	0.0
Gasteiner Bergbahnen Aktiengesellschaft	Bad Hofgastein	13.4	13.4
GEBAU-NIOBAU Gemeinnützige Baugesellschaft m.b.H.	Mödling	19.2	19.2
GEMDAT OÖ GmbH	Linz	5.8	4.3
GEMDAT OÖ GmbH & Co KG	Linz	6.4	4.7
Gemeinnützige Bau- und Siedlungsgenossenschaft "Waldviertel" registrierte Genossenschaft mit beschränkter Haftung	Raabs	0.0	0.0
Gemeinnützige Wohn- und Siedlungsgesellschaft Schönere Zukunft, Gesellschaft m.b.H.	Wien	15.0	15.0
Gemeinnützige Wohnungsgesellschaft "Austria" Aktiengesellschaft	Mödling	20.0	20.0
Gerlitzen - Kanzelbahn - Touristik Gesellschaft m.b.H. & Co KG	Sattendorf	0.0	0.0
Gewerbe- und Dienstleistungspark der Stadtgemeinde Bad Radkersburg KG	Bad Radkersburg	12.5	12.5
Gladiator Aircraft Management Limited (in Liqui.)	Pieta	100.0	100.0
Golfclub Bludenz-Braz GmbH	Bludenz-Braz	0.0	0.0
Golfclub Brand GmbH	Brand	0.0	0.0
Golfclub Pfarrkirchen im Mühlviertel GesmbH	Pfarrkirchen	0.2	0.2
Golfplatz Hohe Salve - Brixental Errichtergesellschaft m.b.H. & Co KG	Westendorf	0.0	0.0
Golfresort Haugschlag GmbH & Co KG	Litschau	0.0	0.0
Großarler Bergbahnen Gesellschaft mit beschränkter Haftung & Co. KG.	Großarl	0.2	0.1
GW St. Pölten Integrative Betriebe GmbH	St. Pölten	0.0	0.0
GWS Gemeinnützige Alpenländische Gesellschaft für Wohnungsbau und Siedlungswesen m.b.H.	Graz	7.5	7.5
GXT Vermögensverwaltung GmbH & Co KG	Wien	0.4	0.4
Harkin Limited	Dublin	100.0	100.0
Haus für Senioren 1 Fischamend Errichtungsgesellschaft m.b.H. & Co KG	Wien	0.0	0.0
Hauser Kaibling Seilbahn- und Liftgesellschaft m.b.H. & Co. KG.	Haus	0.4	0.4
HDL Fiecht GmbH	Vomp	0.0	0.0
Heiltherme Bad Waltersdorf GmbH	Bad Waltersdorf	4.5	4.5
Heiltherme Bad Waltersdorf GmbH & Co KG	Bad Waltersdorf	4.1	4.1
Hinterstoder-Wurzeralm Bergbahnen Aktiengesellschaft	Hinterstoder	0.2	0.1
Hrvatski olimpijski centar Bjelolosica d.o.o. (Kroatisches Olympiazentrum) in bankruptcy	Jesenak	1.2	1.2
Hrvatski registar obveza po kreditima d.o.o. (HROK)	Zagreb	7.3	7.3
HV-Veranstaltungsservice GmbH	St. Lorenzen	100.0	100.0
IMMORENT S-Immobilienmanagement GesmbH	Wien	100.0	100.0
Innova/7 SCA SICAV-RAIF	Senningerberg	2.9	2.9
Innovations.Raum Kufstein eGen	Kufstein	0.0	0.0
JAVNO SKLADIŠTE SLOBODNA CARINSKA ZONA NOVI SAD AD NOVI SAD	Novi Sad	4.1	4.1
Juchgasse 10 Immobilien GmbH	Zwettl	0.0	0.0
JUGOALAT-JAL AD NOVI SAD	Novi Sad	5.0	5.0
Kaiser-Ebersdorfer Straße 8 GmbH & Co KG	Wien	0.0	0.0
Kapruner Freizeitzentrum Betriebs GmbH	Kaprun	0.0	0.0
Kapruner Promotion und Lifte GmbH	Kaprun	6.5	6.5
Kitzbüheler Anzeiger Gesellschaft m.b.H.	Kitzbühel	0.0	0.0
Kleinkraftwerke-Betriebsgesellschaft m.b.H.	Wien	100.0	100.0
Kur- und Fremdenverkehrsbetriebe Bad Radkersburg Gesellschaft m.b.H.	Bad Radkersburg	0.3	0.3
ländleticket marketing gmbh	Dornbirn	0.0	0.0
Langenloiser Liegenschaftsverwaltungs-Gesellschaft m.b.H.	Langenlois	0.0	0.0
LBH Liegenschafts- und Beteiligungsholding GmbH	Innsbruck	75.0	75.0
Lebens.Resort & Gesundheitszentrum GmbH	Ottenschlag	0.0	0.0
Lienzer-Bergbahnen-Aktiengesellschaft	Gaimberg	0.0	0.0
Liezener Bezirksnachrichten Gesellschaft m.b.H.	Liezen	1.1	1.1
LOCO 597 Investment GmbH	Egg	0.0	0.0
Lorit Kommunalgebäudeleasing Gesellschaft m.b.H.	Wien	26.7	26.7
LV Holding GmbH	Linz	19.2	14.2
Macedonian Stock Exchange AD	Skopje	5.9	4.7
Magma d.d. in bankruptcy	Zagreb	0.0	0.6
Maissauer Amethyst GmbH	Maissau	0.0	0.0
MAJEVICA HOLDING AKCIONARSKO DRUŠTVO, BACKA PALANKA	Bacčka Palanka	5.2	5.2
Mayer Property Alpha d.o.o.	Zagreb	100.0	100.0
Mayrhofner Bergbahnen Aktiengesellschaft	Mayrhofen	0.0	0.0
MCG Graz e.gen.	Graz	1.4	1.4
MEG Hausgemeinschaft "Bahnhofstraße 1, 4481 Asten"	Asten	0.0	0.0
MIGRA Gemeinnützige Wohnungsges.m.b.H.	Wien	19.8	19.8
Mittersiller Golf- und Freizeitanlagen Gesellschaft m.b.H.	Mittersill	0.0	0.0
Montfort Investment GmbH	Götzis	0.0	0.0
Mühlbachgasse 8 Immobilien GmbH	Langenlois	0.0	0.0
MUNDO FM & S GmbH	Wien	100.0	100.0

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Murauer WM Halle Betriebsgesellschaft m.b.H.	Murau	3.1	3.1
Nahwärme Frankenmarkt eGen	Frankenmarkt	0.0	0.0
Neuhofner Bauträger GmbH	Neuhofen	0.0	0.0
O.Ö. Kommunal-Immobilienleasing GmbH	Linz	40.0	40.0
Oberösterreichische Unternehmensbeteiligungsgesellschaft m.b.H.	Linz	3.0	2.3
Oberpinzgauer Fremdenverkehrsförderungs- und Bergbahnen - Aktiengesellschaft	Neukirchen	0.0	0.0
Obertilliacher Bergbahnen-Gesellschaft m.b.H.	Obertilliach	0.0	0.0
ÖKO-Heizkraftwerk Pöllau GmbH	Pöllau	0.0	0.0
ÖKO-Heizkraftwerk Pöllau GmbH & Co KG	Pöllau	0.0	0.0
OÖ HightechFonds GmbH	Linz	4.2	3.1
Ortswärme Fügen GmbH	Fügen	0.0	0.0
Österreichische Wertpapierdaten Service GmbH	Wien	32.6	32.6
Osttiroler Wirtschaftspark GesmbH	Lienz	0.0	0.0
ÖSW Wohnbauvereinigung Gemeinnützige Gesellschaft m.b.H.	Salzburg	15.6	15.0
ÖWB Gemeinnützige Wohnungsaktiengesellschaft	Innsbruck	26.3	25.8
ÖWGES Gemeinnützige Wohnbaugesellschaft m.b.H.	Graz	2.5	2.5
PalmApp Tech s.r.o.	Praha	0.0	12.7
Planai - Hochwurzen - Bahnen Gesellschaft m.b.H.	Schladming	0.7	0.7
Planung und Errichtung von Kleinkraftwerken GmbH	Wien	100.0	100.0
POSLOVNO UDRUŽENJE DAVAOCA LIZINGA "ALCS" BEOGRAD	Belgrade	8.3	8.3
PREDUZECE ZA PRUŽANJE CONSULTING USLUGA BANCOR CONSULTING GROUP DOO NOVI SAD	Novi Sad	2.6	2.6
Prvni certifikacni autorita, a.s.	Praha	23.3	23.3
Radio Osttirol GesmbH	Lienz	0.0	0.0
Rätikon-Center Errichtungs- und Betriebsgesellschaft m.b.H.	Bludenz	0.0	0.0
RDS43 Immobilien GmbH	Zwettl	0.0	0.0
Realitäten und Wohnungsservice Gesellschaft m.b.H.	Köflach	4.0	4.0
REGIONALNA AGENCIJA ZA RAZVOJ MALIH I SREDNJIH PREDUZECA ALMA MONS D.O.O.	Novi Sad	3.3	3.3
Rekenber s.r.o.	Praha	0.0	20.0
Riesneralm - Bergbahnen Gesellschaft m.b.H. & Co. KG.	Irdning-Donnersbachtal	0.0	0.0
Rolling Stock Lease s.r.o.	Bratislava	3.0	3.0
RTG Tiefgaragenerrichtungs und -vermietungs GmbH	Graz	25.0	25.0
S - Leasing und Vermögensverwaltung - Gesellschaft m.b.H.	Peuerbach	0.0	0.0
S IMMOKO Leasing GesmbH	Korneuburg	0.0	0.0
SALIX-Grundstückserwerbs Ges.m.b.H.	Eisenstadt	50.0	50.0
SALZBURG INNENSTADT, Vereinigung zur Förderung selbständiger Unternehmer der Salzburger Innenstadt, registrierte Genossenschaft mit beschränkter Haftung in Liquidation	Salzburg	2.0	2.0
S-AMC1 DOOEL Skopje	Skopje	24.1	24.1
Schweighofer Gesellschaft m.b.H. & Co KG	Friedersbach	0.0	0.0
S-City Center Wirtschaftsgütervermietungsgesellschaft m.b.H.	Wiener Neustadt	0.0	0.0
S-COMMERZ Immobilienvermittlung GmbH	Neunkirchen	0.0	0.0
SEG Sport Event GmbH	Hohenems	0.0	0.0
Seilbahnleasing GmbH	Innsbruck	33.3	33.3
Seniorenresidenz "Am Steinberg" GmbH	Graz	25.0	25.0
S-Finanzservice Gesellschaft m.b.H.	Baden	0.0	0.0
SILO II Komplementärgesellschaft m.b.H.	Wien	49.0	49.0
Silvrettaseilbahn Aktiengesellschaft	Ischgl	0.0	0.0
SK 2 Properties s.r.o.	Bratislava	0.0	0.0
Skilifte Unken - Heutal Gesellschaft m.b.H. & Co, KG	Unken	0.0	0.0
Skilifte Unken Heutal Gesellschaft m.b.H.	Unken	2.2	2.2
Smart City GmbH	Eferding	0.0	0.0
SmartHead Co. s.r.o.	Bratislava	13.8	13.8
Snow Space Salzburg Bergbahnen AG	Wagrain	0.0	0.0
Sparkasse Amstetten Service- und Verwaltungsgesellschaft m. b. H.	Amstetten	0.0	0.0
Sparkasse Bludenz Beteiligungsgesellschaft mbH	Bludenz	0.0	0.0
Sparkasse Bludenz Immobilienverwaltungsgesellschaft mbH	Bludenz	0.0	0.0
Sparkasse Imst Immobilienverwaltung GmbH	Imst	0.0	0.0
Sparkasse Imst Immobilienverwaltung GmbH & Co KG	Imst	0.0	0.0
Sparkassen Bankbeteiligungs GmbH	Dornbirn	0.0	0.0
Sparkassen Beteiligungs GmbH & Co KG	Wien	3.3	3.0
Sparkassen Facility Management GmbH	Innsbruck	75.0	75.0
SPES GmbH & Co. KG	Schlierbach	0.0	0.0
SPK OÖ City Immobilien GmbH	Linz	16.8	10.0
SPK OÖ Investment GmbH	Linz	16.8	10.0
SPK OÖ M2 Immobilien GmbH	Linz	0.0	10.0
SPK OÖ R6-8 Immobilien GmbH & Co KG	Linz	0.0	10.0
SPKR Liegenschaftsverwertungs GmbH	Reutte	0.0	0.0
Sport- und Freizeitanlagen Gesellschaft m.b.H.	Schwanenstadt	5.6	3.3
SPRON ehf.	Reykjavik	4.9	4.9

Company name, registered office		Interest of Erste Group in % Dec 23	Dec 24
Stadtgemeinde Weiz - Wirtschaftsentwicklungs KG	Weiz	0.0	0.0
Stadtmarketing-Ternitz GmbH	Ternitz	0.0	0.0
Sternstein Sessellift Gesellschaft m.b.H.	Bad Leonfelden	7.2	7.2
Stoderzinken - Liftgesellschaft m.b.H. & Co. KG.	Gröbming	0.4	0.4
SZG-Dienstleistungsgesellschaft m.b.H.	Salzburg	100.0	100.0
Tannheimer Bergbahnen GmbH & Co KG	Tannheim	0.0	0.0
Tauern SPA World Betriebs- Gmbh & Co KG	Kaprun	11.1	11.1
Tauern SPA World Betriebs-GmbH	Kaprun	12.2	12.2
Tauern SPA World Errichtungs- GmbH & Co KG	Kaprun	11.1	11.1
Tauern SPA World Errichtungs-GmbH	Kaprun	12.2	12.2
TAUROS Capital Investment GmbH & Co KG	Wien	40.4	40.4
TAUROS Capital Investment Zwei GmbH & Co KG	Wien	0.0	48.1
TAUROS Capital Management GmbH	Wien	44.6	44.6
TDG Techn. Dienstleistungs- und Objektservicegesellschaft m.b.H.	Wien	100.0	100.0
TECH21 Bürohaus und Gewerbehof Errichtungs- und Betriebsgesellschaft mbH & Co KG	Wien	0.1	0.1
Technologie- und Dienstleistungszentrum Ennstal GmbH	Reichraming	0.0	0.0
TECHNOLOGIE- und GRÜNDERPARK ROSENTAL GmbH	Rosental	0.3	0.3
Technologie- und Innovationszentrum Kirchdorf GmbH	Schlierbach	0.0	0.0
Technologiezentrum Inneres Salzkammergut GmbH	Bad Ischl	0.0	0.0
Technologiezentrum Salzkammergut GmbH	Gmunden	0.3	0.2
Technologiezentrum Salzkammergut-Bezirk Vöcklabruck GmbH	Attnang-Puchheim	0.0	0.0
Techno-Z Ried Technologiezentrum GmbH	Ried	0.0	0.0
Tennis-Center Hofkirchen i. M. GmbH	Hofkirchen	7.3	7.3
Therme Wien Ges.m.b.H.	Wien	15.3	15.3
Therme Wien GmbH & Co KG	Wien	15.3	15.3
Tiefgarage Anger, Gesellschaft m.b.H. & Co. KG.	Lech	0.0	0.0
TIZ Landl - Grieskirchen GmbH	Grieskirchen	0.0	0.0
TKL II. Grundverwertungsgesellschaft m.b.H.	Wien	26.7	26.7
Tourismus- u. Freizeitanlagen GmbH	Hinterstoder	0.0	0.0
Tourismusgenossenschaft Ramsau am Dachstein eGen	Ramsau am Dachstein	0.5	0.4
TSG EDV-Terminal-Service Ges.m.b.H.	Wien	0.1	0.1
VERMREAL Liegenschaftserwerbs- und -betriebs GmbH	Wien	25.6	25.6
Vestberry Holding, j.s.a.	Bratislava	0.0	4.4
VISA INC.	San Francisco	0.0	0.0
VIVEA Bad Schönau GmbH	Bad Schönau	0.0	0.0
VIVIThv GmbH	St. Pölten	20.0	19.9
VIVITimmo GmbH	St. Pölten	20.0	14.9
Waldviertler Leasing s.r.o.	Praha	0.0	0.0
Wassergenossenschaft Mayrhofen	Mayrhofen	0.0	0.0
WBV Beteiligungs- und Vermögensverwaltungsgesellschaft m.b.H.	Feldkirch	0.0	0.0
we - Gemeinnützige Tiroler Wohnbau GmbH	Innsbruck	19.1	19.1
WE.TRADE INNOVATION DESIGNATED ACTIVITY COMPANY	Dublin	3.2	3.2
WEB Windenergie AG	Pfaffenschlag	0.0	0.0
Weißsee-Gletscherwelt GmbH	Uttendorf	0.0	0.0
WET Wohnbaugruppe Service GmbH	Mödling	19.9	19.9
wflow.com Czech Republic s.r.o.	Praha	17.0	17.0
Wien 3420 Aspern Development AG	Wien	24.5	24.5
WIEPA-Vermögensverwaltungsgesellschaft m.b.H.	Dornbirn	0.0	0.0
Wirtschaftspark Kleinregion Fehring Errichtungs- und Betriebsgesellschaft m.b.H.	Fehring	1.3	1.3
WNI Wiener Neustädter Immobilienleasing Ges.m.b.H.	Wiener Neustadt	0.0	0.0
WVR Immobilien GmbH	Zwettl	0.0	0.0
WW Wohnpark Wehlistraße GmbH	Wien	100.0	100.0
Yokoy Holding AG	Zürich	1.6	1.6
Zagreb Stock Exchange, Inc.	Zagreb	2.3	2.3
Zwettler Immobilien und Projekt GmbH	Zwettl	0.0	0.0

Additional information

GLOSSARY

Book value per share
Equity (attributable to owners of the parent) divided by the number of outstanding shares at the end of the period.

Cash return on equity (cash RoE)
Net profit for the period attributable to the owners of the parent less dividends for Additional Tier 1 capital (AT1), adjusted for non-cash items such as goodwill amortisation and amortisation of customer relationship as a percentage of the average equity attributable to the owners of the parent. The average is calculated on the basis of final quarterly values.

Cash earnings per share
Net profit for the period attributable to owners of the parent, less dividends for Additional Tier 1 capital (AT1), adjusted for non-cash items such as goodwill impairment and amortisation of customer relationship divided by the weighted average number of outstanding shares.

CEE (Central and Eastern Europe)
Abbreviation for the economic area Central and Eastern Europe. Includes the new EU member states of the enlargement rounds 2004 and 2007 as well as the successor states of Yugoslavia and the Soviet Union as well as Albania.

CET1
Common equity Tier 1.

CET1 ratio
Common equity Tier 1 as a percentage of the total risk (according to CRR).

CRR
Capital Requirements Regulation: one of the two legal acts containing the new Capital Requirements.

Cost/income ratio
General administrative expenses or operating expenses as a percentage of operating income.

Dividend yield
Dividend distribution of the financial year as a percentage of the year-end closing price or the most recent price of the share.

Earnings per share
Net profit for the period attributable to owners of the parent, less dividends for Additional Tier 1 capital (AT1), divided by the weighted average number of outstanding shares.

Interest-bearing assets
Total assets less cash and cash balances, derivatives – held for trading, hedge accounting derivatives, property and equipment, investment properties, intangible assets, current and deferred tax assets, assets held for sale and other assets.

Loan to deposit ratio
Loans and receivables to customers (net) in relation to deposits from customers

Miscellaneous assets
The total of hedge accounting derivatives, property and equipment, investment properties, investments in associates and joint ventures associates, current and deferred tax assets, assets held for sale and other assets.

Miscellaneous liabilities
The total of other financial liabilities at fair value through profit or loss, other financial liabilities at amortised cost, hedge accounting derivatives, changes in fair value of portfolio hedged items, provisions, current and deferred tax liabilities, liabilities associated with assets held for sale and other liabilities.

Net interest margin
Net interest income as a percentage of average interest-bearing assets. The average is calculated on the basis of quarterly values.

Operating expenses (general administrative expenses)
The total of personnel expenses, other administrative expenses and depreciation and amortisation.

Operating income
Total of net interest income, net fee and commission income, dividend income, net trading result, gains/losses from financial instruments measured at fair value through profit or loss, net result from equity method investments and rental income from investment properties & other operating leases.

Operating result
Operating income less operating expenses.

Own funds
Own funds according to CRR consist of Common equity Tier 1 (CET1), Additional Tier 1 capital (AT1) and the supplementary capital (T2).

Price/earnings ratio
Ratio between closing price of the financial year and earnings per share of the financial year.

Non-performing exposure (NPE) collateralisation ratio
Collateral for non-performing credit risk exposure as a percentage of non-performing credit risk exposure.

Non-performing exposure (NPE) coverage ratio
Credit risk allowances for credit risk exposure (all allowances in scope of IFRS 9 and provisions for other commitments) as a percentage of non-performing credit risk exposure.

Non-performing exposure (NPE) ratio
Non-performing credit risk exposure as a percentage of total credit risk exposure.

Non-performing loans (NPL) collateralisation ratio
Collateral for non-performing loans and advances to customers as a percentage of non-performing loans and advances to customers.

Non-performing loans (NPL) coverage ratio
Credit risk allowances for loans and advances to customers as a percentage of non-performing loans and advances to customers.

Non-performing loans (NPL) ratio
Non-performing loans and advances to customers as a percentage of total loans and advances to customers.

Return on equity (RoE)
Net profit for the period attributable to owners of the parent, less dividends for Additional Tier 1 capital (AT1) as a percentage of the average equity attributable to the owners of the parent. The average is calculated on the basis of final quarterly figures.

Return on equity excluding intangible assets (ROTE)
Net profit for the period attributable to owners of the parent, less dividends for Additional Tier 1 capital (AT1) as a percentage of average equity attributable to owners of the parent and adjusted for intangible assets. The average is calculated on the basis of quarterly final values.

Risk Appetite Statement (RAS)
The RAS is a strategic document, which concludes the maximum risk an organization is willing to take in order to reach any given target.

Risk categories
Risk categories classify the risk exposures of Erste Group based on the internal ratings of Erste Group. There exist three risk categories for performing risk exposures and one risk category for non-performing risk exposures.

Risk category – low risk
Typically regional customers with well-established and rather long-standing relationships with Erste Group or large, internationally recognised customers. Very good to satisfactory financial position and low likelihood of financial difficulties relative to the respective market in which the customers operate. Retail clients having long relationships with the bank, or clients with a wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally done with clients in this risk category.

Risk category – management attention
Vulnerable non-retail clients, which may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term. Retail clients with possible payment problems in the past triggering early collection reminders. These clients typically have a good recent payment history.

Risk category – substandard
The borrower is vulnerable to short term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. As a rule, such loans are managed in specialised risk management departments.

Risk category – non-performing
One or more of the default criteria under Article 178 of the CRR are met: among others, full repayment unlikely, interest or principal payments on a material exposure more than 90 days past due, restructuring resulting in a loss to the lender, realisation of a loan loss, or initiation of bankruptcy proceedings. Erste Group applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal then the customer's performing transactions are classified as non-performing as well. Furthermore, non-performing exposures also comprise non-performing forborne transactions even in cases where the client has not defaulted.

Share capital
Total equity attributable to owners of the parent subscribed by the shareholders.

Tax ratio
Taxes on income as a percentage of pre-tax profit from continuing operations.

Texas ratio
Total capital according to IFRS dividends for Additional Tier 1 capital (AT1), and intangible assets plus allowances for loans and advances to customers as a percentage of non-performing loans.

T 1 ratio
Tier 1 as a percentage of the total risk (according to CRR).

Total capital ratio
Total of own funds as a percentage of the total risk (according to CRR).

Total risk (risk-weighted assets, RWA)
Includes credit, market and operational risk (according to CRR).

Total shareholder return
Performance of an investment in Erste Group Bank AG shares within one year including all distributions, such as dividends, as a percentage of the share price at the end of the previous year.

ABBREVIATIONS

ABA	Austrian Banking Act
AC	Amortised cost
ALCO	Asset Liability Committee
ALM	Asset Liability Management
AMA	Advanced Measurement Approach
AT1	Additional Tier 1
BCR	Banca Comercială Română S.A.
CEE	Central and Eastern Europe
CET1	Common Equity Tier 1
CGU	Cash-Generating Unit
CLA	Credit Loss Allowance
CMO	Collateralised Mortgage Obligation
CRD	Capital Requirements Directive
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSAS	Česká spořitelna, a.s.
CVA	Credit Value Adjustments
DFR	Deposit Facility Rate
DTA	Deferred Tax Asset
DVA	Debit Value Adjustment
EAD	Exposure At Default
EBA	European Banking Authority
EBC	Erste Bank Croatia
EBH	Erste Bank Hungary Zrt.
EBOe	Erste Bank Oesterreich
ECB	European Central Bank
ECL	Expected Credit Loss
EIR	Effective interest rate
eop	end of period
ERM	Enterprise wide Risk Management
ESG	Environmental Social Governance
ESMA	European Security and Markets Authority
FLI	Forward Looking Information
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
FX	Foreign exchange
GCA	Gross Carrying Amount
GCC	Group Corporate Markets
HFT	Held for trading
IAS	International Accounting Standards
IC	Intercompany
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
LCC	Local Corporate Center
LGD	Loss Given Default
LT PD	Lifetime Probability of Default
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NCI	Non-controlling Interest
NFR	Non-financial Risk
NPE	Non-performing Exposure
NPL	Non-performing Loans
OCI	Other comprehensive income
O-SII	Other Systemic Important Institution
OTC	Over the Counter
P&L	Profit or loss
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirement
PD	Probability of Default
POCI	Purchased or originated credit impaired
PSU	Performance Share Unit
RAS	Risk Appetite Statement
RWA	Risk Weighted Assets
SICR	Significant increase in credit risk
SLSP	Slovenská sporiteľňa
Sparkasse Kärnten	Kärntner Sparkasse Aktiengesellschaft
Sparkasse Oberösterreich	Sparkasse Oberösterreich Bank AG
Sparkasse Steiermark	Steiermärkische Bank und Sparkassen Aktiengesellschaft
SPPI	Solely payments of principal and interest
SREP	Supervisory Review and Evaluation Process

T1	Tier 1
T2	Tier 2
TLTRO	Target Longer-Term Refinancing Operations
UGB	Unternehmensgesetzbuch; Austrian Company Code
VAR	Value at Risk

Management Board	
Peter Bosek mp, Chairman	Ingo Bleier mp, Member
Stefan Dörfler mp, Member	Alexandra Habeler-Drabek mp, Member
Maurizio Poletto mp, Member	

Vienna, 28 February 2025

STATEMENT OF ALL MEMBERS OF THE MANAGEMENT BOARD

We confirm that to the best of our knowledge the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties to which the Group is exposed.

Management Board	
Peter Bosek mp, Chairman	Ingo Bleier mp, Member
Stefan Dörfler mp, Member	Alexandra Habeler-Drabek mp, Member
Maurizio Poletto mp, Member	

Vienna, 28 February 2025

AUDITOR'S REPORT

AUDIT OPINION

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OPINION

Sparkassen-Prüfungsverband (Prüfungsstelle) and PwC Wirtschaftsprüfung GmbH, Vienna, – hereinafter referred to as 'we' – have audited the group consolidated financial statements of Erste Group Bank AG, Vienna, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended, and the notes to the group financial statements of Erste Group Bank AG.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 59a Austrian Banking Act (BWG) in conjunction with Section 64 BWG and Section 245a Austrian Company Code (UGB).

BASIS FOR OPINION

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter 'EU Regulation') and Austrian generally accepted auditing standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles, the provisions of the Austrian Banking Act and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:
— Description
— Audit approach
— Reference to related disclosures

Impairments of Loans and Advances to Customers (expected credit losses)

DESCRIPTION

Impairments of Loans and Advances represent management's best estimate of the credit losses expected with respect to the loan portfolio at balance sheet date.

For loans and advances to customers in the amount of EUR 209.0 billion, measured at amortized cost, Erste Group Bank AG has recognized credit loss allowances in the amount of EUR 4.0 billion as of December 31, 2024.

For the estimation of expected credit losses Erste Group Bank AG has implemented internal guidelines and specific processes.

As part of these processes to estimate expected credit losses the management relies significantly on complex criteria and judgements subject to considerable discretion.

The models used for determining loss allowances are specific to the types of loan portfolios. There are country-specific and forward-looking features both with regard to products and economic environment that are relevant to the respective loss estimate resulting in heightened complexity of models and input factors.

The uncertainty inherent in the estimation of impairments of loans and advances, in particular the consideration of future economic conditions, are in 2024 significant due to the geopolitical and economic developments.

Erste Group Bank AG has taken this into account by collective staging and in-model adjustments (overlays).

Details on the methodology are presented in Note 40.

Due to
- the volume of risk provisions
- the complexity of models and interdependent assumptions and the resulting audit effort
- a high degree of uncertainty of future economic developments, which led to a high degree of auditor judgement and
- the substantial judgement to be applied by the management in designing overlays, incl. determination and definition of weights for future macroeconomic scenarios

we identified this area to be a key audit matter.

AUDIT APPROACH

To assess the appropriateness of impairments of loans and advances to customers, we:
- updated our understanding of the Expected Credit Loss calculation methodology applied by Erste Group Bank AG based on policies, documentation and interviews and assessed its compliance with the requirements of IFRS 9. We focused specifically on adjustments to methods and processes made in order to capture the increased uncertainties of the present and future environment in expected credit losses.
- evaluated the control activities in credit risk management and lending business processes and tested key controls, in particular with respect to the approval of loans, ongoing monitoring and the early warning system as well as the processes around the early identification of default, as well as understood and evaluated the UTP assessment (unlikeness to pay assessment).
- evaluated control activities and tested key controls in the area of rating models and collateral valuation and critically assessed the valuation of collaterals based on risk adjusted sampling.
- assessed model governance and validation processes and critically reviewed the information brought to the attention of the management. We evaluated, with the support from our internal credit risk modelling experts, the results of back-testing and model validations.
- examined and critically assessed the appropriateness of credit risk parameters and models, taking into account possible structural breaks in the observable data, and assessed the plausibility of expectations and estimates made on the basis of such biases, to identify significant increases in the credit risk of individual customers or groups of customers.
- assessed the correctness of the stage allocation for selected portfolios based on applicable policies.
- analyzed sensitivities and impacts of IFRS 9 specific model aspects.
- evaluated whether key components of the calculation of expected credit losses are correctly incorporated in the models by performing walkthroughs and reviewing steering tables.
- assessed the correctness of the expected credit loss calculation (ECL calculation) for selected portfolios.
- evaluated the adequacy and plausibility of forward-looking information integrated into the estimates. In particular, we have compared the underlying macro-economic forecasts with external sources of information and critically assessed the individual weights attributed to scenarios.
- tested, on a sample basis, whether default events have been identified in accordance with applicable policies, and evaluated whether events occurred that significantly affect the borrower's ability to repay loans and advances. Furthermore, we tested, on a sample basis, the adequacy of individual loan loss allowances assessing the scenarios adopted and the estimation of expected cash flows made.

REFERENCE TO RELATED DISCLOSURES

For further details regarding the process of determining loss allowances as well as regarding the design of the models involved, we refer to the management's disclosures in section significant accounting policies point c) Significant judgements, assumptions and estimates and Note 37. Measurement of expected credit loss.

Other Information

Management is responsible for other information. Other information comprises any information included in the annual report, but does not include the consolidated financial statements, the management report for the Group and the auditor's report.

We obtained the consolidated corporate governance report in accordance with Section 267b UGB as well as the consolidated non-financial declaration in accordance with Section 267a UGB prior to the date of this auditor`s report, all other parts of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover other information and we will not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements under Section 59a BWG in conjunction with Section 64 BWG and Section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian generally accepted auditing standards, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian generally accepted auditing standards, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:
— identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
— conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Legal and Regulatory Requirements

REPORT ON THE MANAGEMENT REPORT

Pursuant to the Austrian Company Code, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal requirements. Regarding the consolidated non-financial statement included in the group management report, our responsibility is to check whether it has been prepared, to read it and to assess whether this other information shows material discrepancies with the consolidated financial statements or with our knowledge obtained during the audit, or otherwise appears to be misrepresented.

Management is responsible for the preparation of the management report for the Group in accordance with the Austrian Company Code and the special legal requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

OPINION

In our opinion, the management report for the Group was prepared in accordance with the applicable legal requirements, includes accurate statement pursuant to Section 243a UGB and is consistent with the consolidated financial statements.

STATEMENT

Based on the findings during the audit of the consolidated financial statements and the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 OF THE EU REGULATION

Pursuant to Sections 23 and 24 Austrian Savings Bank Act (SpG), Sparkassen-Prüfungsverband (Prüfungsstelle) is the statutory auditor of Erste Group Bank AG, Vienna. In accordance with Section 23 (3) SpG in conjunction with Sections 60 and 61 BWG, this comprises the audit of the consolidated financial statements.

At the general meeting dated May 12, 2023 and pursuant to Section 1 (1) of the Auditing Rules for Savings Banks, Annex to Section 24 SpG, PwC Wirtschaftsprüfung GmbH, Vienna, was appointed as additional auditor for the financial year 2024 and, subsequently, was engaged by the supervisory board. At the general meeting dated May 22, 2024 PwC Wirtschaftsprüfung GmbH, Vienna, was appointed as additional auditor for the financial year 2025 and, subsequently, was engaged by the Supervisory Board. Since 2017 PwC Wirtschaftsprüfung GmbH, Vienna, has constantly been appointed as additional auditor.

We confirm that the audit opinion in the 'Report on the Consolidated Financial Statements' section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that we did not provide any prohibited non-audit services (Article 5 (1) of the EU Regulation) and that we remained independent of the audited company in conducting the audit.

Responsible Engagement Partner

Responsible for the proper performance of the engagement are Mr. Herwig Hierzer, Austrian Certified Public Accountant (Prüfungsstelle des Sparkassen-Prüfungsverbandes), Mr. Gregor Seisser, Austrian Certified Public Accountant (appointed auditor within the meaning of Section 3 (1) of the Auditing Rules for Savings Banks), and Mr. Marius Richter, Austrian Certified Public Accountant (PwC Wirtschaftsprüfung GmbH, Vienna).

Vienna, February 28, 2025

Sparkassen-Prüfungsverband

(Prüfungsstelle)
(Bank Auditor)

Herwig Hierzer
Austrian Certified Public Accountant

Gregor Seisser
Austrian Certified Public Accountant

PwC Wirtschaftsprüfung GmbH

Marius Richter
Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. For deviating versions, the provisions of Section 281 (2) UGB apply.

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON ERSTE GROUP BANK AG'S CONSOLIDATED SUSTAINABILITY REPORTING

We have conducted a limited assurance engagement on the consolidated sustainability reporting of Erste Group Bank AG, Vienna, for the financial year ending on 31 December 2024, included in the section 'Sustainability Statement' of the Management report.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability reporting included in the section 'Sustainability Statement' of the Management report is not prepared, in all material respects, in accordance with the requirements of Art. 29a (1) to (5), of the Directive 2013/34/EU, including

- compliance with the European Sustainability Reporting Standards (ESRS),
- the process carried out to determine the information to be reported pursuant to ESRS (hereinafter the 'materiality assessment process') and its description set out in chapter 'IRO-1 - Description of the processes for determining and evaluating material climate-related impacts, risks and opportunities', and
- compliance with the reporting requirements pursuant to Art. 8 of the Taxonomy Regulation (EU) 2020/852 (hereinafter 'EU Taxonomy Regulation').

BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with the legal requirements and professional standards and complementary guidance applicable in Austria with regard to other assurance engagements. In a limited assurance engagement, the assurance procedures performed are less in extent than for a reasonable assurance engagement, and, consequently, the level of assurance obtained is lower than in a reasonable assurance engagement.

Our responsibilities under those regulations and standards are further described in the 'Practitioners' responsibilities for the limited assurance engagement of the 'consolidated sustainability reporting' section of our report.

We are independent of the group in accordance with Austrian professional regulations and Art. 22ff AP-RL, to the extent applicable, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firms are subject to the requirements of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, applying a comprehensive quality management system, including documented guidelines and procedures to adhere to ethical requirements, professional standards as well as applicable legal and regulatory requirements.

We believe that the evidence we have obtained as of the date of this assurance report is sufficient and appropriate to provide a basis for our conclusion as at that date.

COMPARATIVE INFORMATION AS AT 31 DECEMBER 2023

Comparative information was not subject to a comparable assurance engagement.

Other information

Management is responsible for other information. Other information comprises any information included in the group consolidated financial statements, the Management report for the Group, the annual report, except the Sustainability Statement and our assurance report.

We obtained the group consolidated financial statements, the Management report for the Group, and the consolidated corporate governance report in accordance with Section 267b UGB prior to the date of this auditor`s report, all other parts of the annual report are expected to be made available to us after that date.

Our limited assurance conclusion on the consolidated sustainability reporting included in the section 'Sustainability Statement' of the Management report does not cover the other information and we do not express any form of assurance thereon. In connection with our limited assurance engagement on the consolidated sustainability reporting included in the 'Sustainability Statement' section of the Management report, our responsibility is to read the other information identified above and, in doing so, to consider whether it is materially inconsistent with the sustainability reporting included in the 'Sustainability Statement' section of the Management report or our knowledge obtained in the limited assurance engagement or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management

Management is responsible for preparing the Sustainability Statement, including designing and implementing the process of materiality assessment process in accordance with the applicable requirements and standards. This responsibility includes

— identifying actual and potential impacts, risks and opportunities related to sustainability matters and assessing the materiality of these impacts, risks and opportunities,
— preparing the sustainability reporting included in the 'Sustainability Statement' section of the Management report in accordance with the requirements of Article 29a (1) to (5) of Directive 2013/34/EC, including compliance with the ESRS,
— including disclosures in accordance with the EU Taxonomy Regulation in the Sustainability Statement, and
— designing, implementing and maintaining such internal controls management determines is necessary to enable the preparation of a Sustainability Statement' section of the Management report that is free from material misstatement due to fraud or error, and to enable the implementation of the materiality assessment process in accordance with the requirements of the ESRS.

This responsibility also includes selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates with respect to individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

Reporting on sustainability matters in accordance with the ESRS requires to incorporate value chain information that may not be easily available. As described in chapter 'BP-2 – Disclosures in relation to specific circumstances, time horizons and data methodology for reporting', section 'General information – Basis for preparation' of the Sustainability Statement, management therefore needs to use data and information provided by third parties or make assumptions and estimates, as part of the materiality assessment as well as to determine metrics that are disclosed in the sustainability statement. Such metrics are therefore subject to considerable uncertainty.

Likewise, reporting on future-oriented information is based on expectations and assumptions about future events and about future actions by the group. Since events often turn out differently than expected, actual outcomes will most likely be different.

Practitioners' responsibilities for the limited assurance engagement of the consolidated sustainability reporting

Our responsibility is to plan and perform a limited assurance engagement to obtain limited assurance about whether the consolidated sustainability statement including the materiality assessment process and the reporting pursuant to the EU Taxonomy Regulation, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability statement.

We exercise professional judgement and maintain professional scepticism throughout the limited assurance engagement.

Our responsibilities include:

— Performing risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the group's internal controls, and
— developing and performing procedures regarding disclosures in the sustainability statement where material misstatements are likely to arise.

The risk of material misstatements resulting from fraud not being detected is higher than that of material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of work performed

A limited assurance engagement requires performing procedures to obtain evidence about the consolidated sustainability reporting included in the section 'Sustainability Statement' of the Management report. The nature, timing and scope of the procedures selected depend on professional judgement, including identifying disclosures in the sustainability statement where material misstatements are likely to arise, whether due to fraud or error.

In conducting our limited assurance engagement with respect to the sustainability reporting included in the section 'Sustainability Statement', we proceed as follows:

- We obtain an understanding of the materiality assessment process, in particular through:
  - inquiries to understand the sources of the information used by the management; and
  - reviews of internal documentation of the process performed; and
- we evaluate, based on the evidence obtained from our procedures performed, whether the materiality assessment process complied with the requirements of the ESRS and with the description of the process in the chapter 'IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities'.
- We evaluate whether all relevant information identified by the materiality assessment process has been included in the 'Sustainability Statement'.
- We obtain an understanding of the company's procedures relevant for the preparation of the 'Sustainability Statement'.
- We evaluate whether the structure and presentation of the consolidated sustainability reporting included in the section 'Sustainability Statement' are in accordance with the ESRS.
- We performed inquiries with relevant personnel and analytical procedures on selected information in the 'Sustainability Statement'.
- We perform sample-based substantive procedures on selected information in the 'Sustainability Statement'.
- We obtain evidence regarding the methods for developing estimates and forward-looking information presented in the 'Sustainability Statement'.
- We obtain an understanding of the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and for preparing the corresponding disclosures in the 'Sustainability Statement',
- evaluate whether these processes are, based on our understanding, in accordance with the EU Taxonomy Regulation and the related Delegated Regulations,
- and test, on a sample basis, the input data and computational logics applied.
- We compare selected information in the 'Sustainability Statement' with corresponding information in the consolidated financial statements and the other sections of the group Management report.

Limitation of liability

Our limited assurance engagement on the Sustainability Statement is a voluntary engagement. Since our report is solely intended to inform the Company about the results of the limited assurance engagement, it may not be suitable for any other purpose. Thus, the report is not intended to be relied upon by third parties for making (financial) decisions. Our responsibility lies solely with the Company. We do not assume any responsibility towards third parties.

We issue this limited assurance report on the basis of the engagement letters concluded with the Company, which are governed by the General Terms and Conditions for the Public Accounting Professions (AAB 2018) enclosed to this report, which are also effective with respect to third parties. Notwithstanding Section 7 (2) of the AAB 2018, a maximum liability limit of EUR 12 million is agreed in the event of gross negligence.

Responsible Engagement Partners

Responsible for the proper performance of the engagement are Mr. Herwig Hierzer, Austrian Certified Public Accountant (Prüfungsstelle des Sparkassen-Prüfungsverbandes), Mr. Gregor Seisser, Austrian Certified Public Accountant (appointed auditor within the meaning of Section 3 (1) of the Auditing Rules for Savings Banks), and Mrs. Dorotea-E. Rebmann, Austrian Certified Public Accountant (PwC Wirtschaftsprüfung GmbH, Vienna).

Vienna, February 28, 2025

Sparkassen-Prüfungsverband

(Prüfungsstelle)

Herwig Hierzer
Austrian Certified Public Accountant

Gregor Seisser
Austrian Certified Public Accountant

PwC Wirtschaftsprüfung GmbH

Dorotea-E. Rebmann
Austrian Certified Public Accountant

This report is a translation of the original report in German language, which is solely valid. Publication and sharing with third parties of the consolidated sustainability reporting included ed in the section 'Sustainability Statement' of the group Management report together with our limited assurance report is only allowed if the sustainability statement is identical with the German version which was subject to our engagement. This limited assurance report only refers toto complete German language Sustainability Statement. For deviating versions, the provisions of Section 281 (2) UGB shall apply accordingly.

Your notes

Important addresses

ERSTE GROUP BANK AG
Am Belvedere 1
A-1100 Vienna
Tel: +43 (0) 50100 10100
SWIFT/BIC: GIBAATWGXXX
E-Mail: contact@erstegroup.com
Website: www.erstegroup.com

AUSTRIA
Erste Bank der oesterreichischen Sparkassen AG
(Erste Bank Oesterreich)
Am Belvedere 1
A-1100 Vienna
Tel: +43 (0) 50100 20111
SWIFT/BIC: GIBAATWWXXX
E-Mail: service@s-servicecenter.at
Website: www.erstebank.at

CZECH REPUBLIC
Česká spořitelna, a.s.
Olbrachtova 1929/62
CZ-140 00 Prague 4
Tel: + 420 277 207 207
SWIFT/BIC: GIBACZPX
E-Mail: csas@csas.cz
Website: www.csas.cz

SLOVAKIA
Slovenská sporiteľňa, a.s.
Tomášikova 48
SK-832 37 Bratislava
Tel: +421 2 582681 11
SWIFT/BIC: GIBASKBX
E-Mail: info@slsp.sk
Website: www.slsp.sk

ROMANIA
Banca Comercială Română S.A.
15D Orhideelor Road, the Bridge 1 Building,
2nd Floor, 6th District
RO-060071 Bucharest
Tel: +40 21 4074200
SWIFT/BIC: RNCBROBU
E-Mail: contact.center@bcr.ro
Website: www.bcr.ro

HUNGARY
Erste Bank Hungary Zrt.
Népfürdő u. 24-26
H-1138 Budapest
Tel: +36 12980222
SWIFT/BIC: GIBAHUHB
E-Mail: erste@erstebank.hu
Website: www.erstebank.hu

CROATIA
Erste&Steiermärkische Bank d.d.
(Erste Bank Croatia)
Jadranski trg 3A
HR-51000 Rijeka
Tel: +385 51 365591
SWIFT/BIC: ESBCHR22
E-Mail: erstebank@erstebank.hr
Website: www.erstebank.hr

SERBIA
Erste Bank a.d. Novi Sad
(Erste Bank Serbia)
Bulevar oslobođenja 5
SRB-21000 Novi Sad
Tel: +381 0800 201 201
SWIFT/BIC: GIBARS22XXX
E-Mail: info@erstebank.rs
Website: www.erstebank.rs

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Contact

Erste Group Bank AG
Am Belvedere 1, A-1100 Vienna
Phone: +43 (0)5 0100 - 17731
E-Mail: investor.relations@erstegroup.com
Internet: www.erstegroup.com/investorrelations

Thomas Sommerauer
Phone: +43 (0)5 0100 - 17326
E-Mail: thomas.sommerauer@erstegroup.com

Peter Makray
Phone: +43 (0)5 0100 - 16878
E-Mail: peter.makray@erstegroup.com

Simone Pilz
Phone: +43 (0)5 0100 - 13036
E-Mail: simone.pilz@erstegroup.com

Gerald Krames
Phone: +43 (0)50100 - 12751
E-Mail: gerald.krames@erstegroup.com

www.erstegroup.com