Half-year financial report 2025

Key financial data

Income statement					
in EUR million	**Q2 24**	**Q1 25**	**Q2 25**	**1-6 24**	**1-6 25**
Net interest income	1,835	1,872	1,914	3,687	3,786
Net fee and commission income	711	780	762	1,423	1,542
Net trading result and gains/losses from financial instruments at FVPL	109	97	104	248	200
Operating income	2,734	2,802	2,866	5,522	5,668
Operating expenses	-1,265	-1,345	-1,361	-2,548	-2,706
Operating result	**1,468**	**1,458**	**1,505**	**2,974**	**2,963**
Impairment result from financial instruments	-31	-85	-97	-126	-182
Post-provision operating result	**1,437**	**1,372**	**1,408**	**2,848**	**2,781**
Other operating result	-131	-184	1	-254	-183
Levies on banking activities	-48	-121	-76	-134	-197
Pre-tax result from continuing operations	1,308	1,182	1,400	2,592	2,583
Taxes on income	-275	-242	-287	-531	-529
Net result for the period	1,033	940	1,113	2,061	2,053
Net result attributable to non-controlling interests	187	197	192	431	389
Net result attributable to owners of the parent	**846**	**743**	**921**	**1,629**	**1,665**
Earnings per share	1.87	1.82	2.11	3.73	3.93
Return on tangible equity	17.2%	15.2%	17.5%	17.3%	16.4%
Net interest margin (on average interest-bearing assets)	2.43%	2.33%	2.41%	2.47%	2.38%
Cost/income ratio	46.3%	48.0%	47.5%	46.1%	47.7%
Provisioning ratio (on average gross customer loans)	0.06%	0.15%	0.17%	0.12%	0.16%
Tax rate	21.0%	20.5%	20.5%	20.5%	20.5%

Balance sheet					
in EUR million	**Jun 24**	**Mar 25**	**Jun 25**	**Dec 24**	**Jun 25**
Cash and cash balances	26,231	23,940	27,652	25,129	27,652
Trading, financial assets	64,161	79,156	78,448	75,781	78,448
Loans and advances to banks	34,966	26,770	22,818	26,972	22,818
Loans and advances to customers	211,276	220,069	223,983	218,067	223,983
Intangible assets	1,282	1,366	1,387	1,382	1,387
Miscellaneous assets	6,225	6,702	6,785	6,405	6,785
Total assets	**344,141**	**358,003**	**361,072**	**353,736**	**361,072**
Financial liabilities held for trading	2,003	2,094	2,729	1,821	2,729
Deposits from banks	17,484	16,588	15,368	21,261	15,368
Deposits from customers	240,238	246,149	248,499	241,651	248,499
Debt securities issued	47,917	54,293	54,809	51,889	54,809
Miscellaneous liabilities	7,527	7,053	7,064	6,346	7,064
Total equity	**28,973**	**31,826**	**32,603**	**30,767**	**32,603**
Total liabilities and equity	**344,141**	**358,003**	**361,072**	**353,736**	**361,072**
Loan/deposit ratio	87.9%	89.4%	90.1%	90.2%	90.1%
NPL ratio	2.4%	2.5%	2.5%	2.6%	2.5%
NPL coverage ratio (based on AC loans, ex collateral)	80.6%	74.6%	73.6%	72.5%	73.6%
CET1 ratio (phased-in)	15.5%	15.9%	17.4%	15.3%	17.4%

Ratings	Jun 24	Mar 25	Jun 25
Fitch			
Long-term	A	A	A
Short-term	F1	F1	F1
Outlook	Stable	Stable	Stable
Moody´s			
Long-term	A1	A1	A1
Short-term	P-1	P-1	P-1
Outlook	Stable	Stable	Stable
Standard & Poor´s			
Long-term	A+	A+	A+
Short-term	A-1	A-1	A-1
Outlook	Stable	Positive	Stable

Letter from the CEO

Dear shareholders,

Let me start with the good news regarding Erste Group's future. In early May, we announced the acquisition of a 49% controlling stake in Santander Bank Polska, the third-largest bank in Poland. We are currently right on schedule and expect the closing of the transaction and first-time consolidation around year-end 2025. By establishing a presence in one of Europe's most dynamic and profitable banking markets we are meeting a long-standing strategic goal: we are strengthening our position as the leading financial institution in Central and Eastern Europe. At the same time, we sustainably increase our growth potential and improve our profitability long-term and hence our ability to distribute dividends, which ultimately should also lead to even more attractive yields for our shareholders.

And the good news does not stop here! The existing business of Erste Group is also in very good shape. Let's start with the business environment: Globally, it continued to be marked by geopolitical and economic tensions. For our region, though, economic forecasts have hardly been changed despite the uncertainty surrounding US tariff policies and potential beneficial effects from the German fiscal package. Overall, we expect continuing robust economic growth in the CEE core markets. Forecasts for Austria have been slightly revised upward. Inflation rates are expected in the low to mid-single digit range. And, finally, the interest rate environment remained favourable for banking business in the quarter ended, despite interest rate cuts.

Against this backdrop, Erste Group posted a solid net profit of EUR 1,665 million for the first six months of 2025. Operating income improved by 2.7% on the back of higher net interest income and strong net fee and commission income. Net interest income was up 2.7% year-on-year, most notably in the CEE and the Holding business. This was supported by 2.7% loan growth to EUR 224 billion, with higher demand in the retail business than in the corporate business. The best loan growth rates were recorded in the Czech Republic, Slovakia, Croatia and Serbia; more demand for loans was also seen in Austria in the second quarter. Even though all product categories contributed to the 8.3% rise in net fee and commission income, I do want to highlight that the positive momentum in the securities business and in insurance brokerage has continued. These are in fact the very business areas for which we are seeing strong growth potential over the long term. The key factors behind the 6.2% growth in costs were once again higher personnel expenses driven by inflation and investments in IT. The cost/income ratio amounted to a sound 47.7%. At EUR 182 million, which equals a provisioning ratio (based on average gross customer loans) of 16 basis points, risk costs remained at a moderate level in the first half of the year. This was not driven by releases of forward-looking economic indicator (FLI) or industry overlay provisions. A few brief words on regulatory costs: while contributions to deposit insurance schemes and resolution funds declined, this did not fully compensate for the rise in banking levies, most notably the two-year additional tax imposed in Austria.

Against the backdrop of the sound operating performance, we have upgraded the financial outlook for the current financial year: given better-than-expected loan demand we have raised the growth outlook to above 5% (instead of the previously around 5%). For the full year, we therefore now expect a slight increase in (instead of stable) net interest income. Combined with expected net fee and commission income (up more than 5%, as already revised upward in the past quarter) this should have a positive impact on the cost/income ratio, which we project to come in below 50%. As asset quality remained solid, with an NPL ratio of 2.5% at the end of June, we have reduced the risk cost forecast to around 20 basis points (instead of around 25 basis points). This will, overall, result in a return on tangible equity (ROTE) of more than 15% (instead of around 15%).

Finally, on the strong capital position of Erste Group: the common equity tier 1 ratio (CET1) made a massive leap to 17.4% as of the end of June. We are thus perfectly on track for the first-time consolidation of Santander Bank Polska around year-end and, in the run-up, should reach a CET1 ratio of more than 18.25%. We will fund the acquisition – with a volume of EUR 7 billion, after all – fully from our own resources, as previously announced. From this, our shareholders stand to benefit the most as any additional profit will be distributed to the same number of shares.

I would like to thank all our employees for their commitment. I am pleased that they have invested in Erste Group under the employee share programme again this year, even though the share price has gone up significantly. In line with our statement of purpose – to foster prosperity and financial health – we are working together to support our customers in all financial matters, soon in eight core markets in Central and Eastern Europe.

Peter Bosek m.p.

Erste Group on the capital markets

EQUITY MARKET REVIEW

In the quarter ended, rising volatility was driven by geopolitical tension as well as protectionist trends and erratic trade policies in the US and the resulting uncertainties regarding global economic growth. In early April, the announcement of broader than expected tariffs on imports of goods into the US triggered a selloff in the markets resulting in a decline of more than 10% in share prices, a significant rise in US bond yields and a weakening of the US dollar. The 90-day suspension of tariffs and the US-China agreement on key principles of a trade deal led to a market recovery. This development was supported by a positive corporate reporting season in the US and Europe, the prospect of looser monetary policies and hope for a diplomatic settlement in the Middle East. Key indices in Europe (DAX and FTSE 100) and the US indices S&P 500 and Nasdaq Composite finally hit new record highs towards the end of the second quarter. The broader Standard & Poor's 500 Index ended the reporting period at a new high at 6,204.95 points, up 10.6%. The Nasdaq Composite technology index closed the quarter up 17.7% at 20,369.73 points, likewise marking a new high. Both indices gained a total of 5.5% year-to-date. The Dow Jones Industrial Average, at 44,094.77 points, was below its December 2024 all-time high but rose 5% in the second quarter and 3.6% year-to-date. In Europe, equity markets received fresh momentum from further rate cuts by the European Central Bank (ECB) and the announcement of the EU's massive infrastructure and defence investment programme. Both the German DAX Index (+20.1%) and the British FTSE 100 recorded new all-time highs towards the end of the quarter. The ATX (Austrian Traded Index) climbed to 4,430.29 points at the end of the quarter, up 20.9%. The Dow Jones Euro Stoxx Banks Index, which is composed of the leading European bank shares, continued its uptrend and rose to 200.99 points in the reporting period. With a total gain of 37.6% year-to-date, the Index outperformed all other sectors in Europe.

SHARE PERFORMANCE

The Erste Group share continued its uptrend in the second quarter, gaining 13.5% on the back of positive sentiment towards European bank shares and, most importantly, the planned acquisition of a 49% controlling stake in Santander Bank Polska announced in early May. Gaining access to one of the fastest growing and most profitable banking markets in Europe was widely welcomed by market participants. On 6 June, the share marked its highest closing price in the second quarter at EUR 73.25, which, as of the end of June, also represented its all-time high closing price. The lowest closing price in the second quarter was EUR 54.95 on 9 April. At the end of the quarter, the share traded at EUR 72.30, having gained 21.2% year-to-date. Market capitalisation amounted to EUR 29.7 billion. The Erste Group share is listed on the stock exchanges Vienna, Prague and Bucharest. Its main stock exchange is Vienna. In the quarter ended, trading volume there averaged 558,031 shares per day.

ISSUING ACTIVITIES

Due to geopolitical and macroeconomic uncertainties, a major portion of 2025 funding needs was already covered in the first half of the year. In the first quarter, the focus had been on a EUR 1 billion mortgage bond (7.25y at MS+52bps) as well as two green Senior Preferred Bonds, each with a volume of EUR 750 million (8NC7 at MS+98bps and 6.25NC5.25 at MS+88bps, respectively). The second quarter was marked by the issuance of a EUR 1 billion AT1 note (6.375%, perpNC2032), followed in the second half of May by another EUR 1 billion mortgage covered bond with a ten-year tenor (MS+52bps), which covered the longer end of the maturity spectrum.

INVESTOR RELATIONS

In the second quarter, Erste Group's management and the investor relations team held a large number of one-on-one and group meetings. Questions raised by investors and analysts were answered both at in-person events as well as during telephone and video conferences. The economic development and the strategy of Erste Group against the backdrop of the current economic environment were presented at the spring roadshow held in Europe after the presentation of first quarter 2025 results and at international banking and investor conferences hosted by Wood, RBI, UBS, Bank of America Merrill Lynch, Deutsche Bank, Goldman Sachs, Kepler Cheuvreux and Danske Bank. At the 18th Vienna Stock Exchange Awards, Erste Group Bank AG was again presented, as it had been in the previous year, with the prestigious ATX Award in recognition of its heavyweight position in the leading Austrian index and, in addition, received the Media Relations Award.

Interim management report

In the interim management report, financial results from January to June 2025 are compared with those from January to June 2024 and balance sheet positions as of 30 June 2025 with those as of 31 December 2024.

EARNINGS PERFORMANCE IN BRIEF

Net interest income increased to EUR 3,786 million (+2.7%; EUR 3,687 million), primarily in the Czech Republic, Romania and Slovakia, on the back of lower interest expenses on customer deposits. **Net fee and commission income** rose to EUR 1,542 million (+8.3%; EUR 1,423 million). Growth was registered across all core markets and income categories. **Net trading result** grew to EUR 141 million (EUR 137 million); the line item **gains/losses from financial instruments measured at fair value through profit or loss** decreased to EUR 59 million (EUR 111 million). The development of both line items was mostly attributable to valuation effects. **Operating income** rose to EUR 5,668 million (+2.7%; EUR 5,522 million). **General administrative expenses** were up at EUR 2,706 million (+6.2%; EUR 2,548 million). Personnel expenses increased to EUR 1,624 million (+5.9%; EUR 1,534 million) driven by collectively agreed salary increases. Other administrative expenses were higher at EUR 808 million (+8.5%; EUR 745 million). While contributions to deposit insurance schemes included in other administrative expenses – mostly already posted upfront for the full year of 2025 – declined to EUR 55 million (EUR 69 million), IT expenses increased to EUR 344 million (EUR 301 million). Amortisation and depreciation amounted to EUR 274 million (+1.5%; EUR 270 million). Overall, the **operating result** decreased moderately to EUR 2,963 million (-0.4%; EUR 2,974 million), the **cost/income ratio** stood at 47.7% (46.1%).

The **impairment result from financial instruments** amounted to EUR -182 million or 16 basis points of average gross customer loans (EUR -126 million or 12 basis points). Allocations to provisions for loans and advances were posted primarily in Austria. The **NPL ratio** based on gross customer loans improved to 2.5% (2.6%). The **NPL coverage ratio** (excluding collateral) increased to 73.6% (72.5%).

Other operating result amounted to EUR -183 million (EUR -254 million). Expenses for annual contributions to resolution funds included in this line item already for the full year of 2025 declined to EUR 15 million (EUR 28 million). Banking levies – currently payable in four core markets – went up, though. EUR 197 million (EUR 134 million) are reflected in other operating result: thereof, EUR 109 million (EUR 96 million) were charged in Hungary. In Austria, banking tax rose to EUR 68 million (EUR 20 million) on the back of a temporary tax increase, in Romania it amounted to EUR 20 million (EUR 18 million). The banking tax in Slovakia of EUR 32 million (EUR 46 million) is posted in the line item taxes on income.

Taxes on income amounted to EUR 529 million (EUR 531 million). The decline in the minority charge to EUR 389 million (EUR 431 million) was attributable to lower profitability at the savings banks. The **net result attributable to owners of the parent** rose to EUR 1,665 million (+ 2.2%; EUR 1,629 million).

Total equity not including AT1 instruments rose to EUR 28.9 billion (EUR 28.1 billion). After regulatory deductions and filtering in accordance with the Capital Requirements Regulation (CRR), **common equity tier 1 capital** (CET1, phased-in) increased to EUR 26.6 billion (EUR 24.0 billion), total **own funds** to EUR 34.5 billion (EUR 30.9 billion). Total risk (**risk-weighted assets** including credit, market and operational risk, phased-in) declined to EUR 152.6 billion (EUR 157.2 billion). The **common equity tier 1 ratio** (CET1, phased-in) stood at 17.4% (15.3%), the **total capital ratio** at 22.6% (19.7%).

Total assets increased to EUR 361.1 billion (+2.1%; EUR 353.7 billion). On the asset side, cash and cash balances rose to EUR 27.7 billion (EUR 25.1 billion); loans and advances to banks were lower at EUR 22.8 billion (EUR 27.0 billion). Year to date, **loans and advances to customers** rose to EUR 224.0 billion (+2.7%; EUR 218.1 billion), primarily in the CEE markets. On the liability side, deposits from banks declined to EUR 15.4 billion (EUR 21.3 billion). **Customer deposits** rose – most strongly in the Czech Republic, Hungary and Austria – to EUR 248.5 billion (+2.8%; EUR 241.7 billion). While core deposits (retail customers, SMEs and savings banks) were 1.8% higher, the public sector especially in the Czech Republic saw extraordinarily strong deposit growth. The **loan-to-deposit** ratio stood at 90.1% (90.2%)

OUTLOOK

Following the good business development in the first half of the year, Erste Group has raised the financial outlook for 2025. Erste Group now expects to achieve a return on tangible equity (ROTE) of more than 15% reflecting better loan volume and P&L dynamics. 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. Based on good growth dynamics almost across the entire group in the first half of 2025, Erste Group now expects robust loan growth of more than 5% in 2025. Secondly, operating result is expected broadly unchanged to only slightly down versus 2024, as net interest income is now projected to actually increase somewhat in 2025 (versus remain flat), net fee and commission income is set to grow by more than 5% (upgraded already in the first quarter), net trading and fair value result stays flat versus 2024, and operating expenses likely rise in the order of 5%. The cost/income ratio is forecast at less than 50%. Given the good credit risk performance in the first half of 2025, the full-year risk costs guidance is tightened to about 20 basis points from previously about 25 basis points. 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 through P&L is challenging, this combined item is likely to improve versus 2024 in the absence of significant negative 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 higher than 15% in 2025.

Based on the faster than expected capital build already in the first half of the year and the projected strong profit performance, the CET1 ratio is expected to further increase to above 18.25% prior to the first-time consolidation of Santander Bank Polska around year end of 2025.

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.

PERFORMANCE IN DETAIL

in EUR million	1-6 24	1-6 25	Change
Net interest income	3,687	3,786	2.7%
Net fee and commission income	1,423	1,542	8.3%
Net trading result and gains/losses from financial instruments at FVPL	248	200	-19.3%
Operating income	5,522	5,668	2.7%
Operating expenses	-2,548	-2,706	6.2%
Operating result	**2,974**	**2,963**	**-0.4%**
Impairment result from financial instruments	-126	-182	44.6%
Other operating result	-254	-183	-28.1%
Levies on banking activities	-134	-197	46.7%
Pre-tax result from continuing operations	**2,592**	**2,583**	**-0.4%**
Taxes on income	-531	-529	-0.4%
Net result for the period	**2,061**	**2,053**	**-0.4%**
Net result attributable to non-controlling interests	431	389	-9.8%
Net result attributable to owners of the parent	**1,629**	**1,665**	**2.2%**

Net interest income

Net interest income rose especially in the CEE markets. Increases were recorded primarily in the Czech Republic, Romania and Slovakia and were mainly attributable to lower interest expenses on customer deposits. 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) declined to 2.38% (2.47%).

Net fee and commission income

Growth was achieved across all core markets and income categories. Asset management, the securities business and insurance brokerage showed a strong development. The significant rise in the lending business was mostly attributable to a reclassification from payment services.

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 (fair value result) 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 improved to EUR 141 million (EUR 137 million) on the back of a strong foreign exchange business, despite negative valuation effects 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 deteriorated to EUR 59 million (EUR 111 million), most notably due to lower gains from the valuation of debt securities in issue at fair value.

General administrative expenses

in EUR million	1-6 24	1-6 25	Change
Personnel expenses	1,534	1,624	5.9%
Other administrative expenses	745	808	8.5%
Depreciation and amortisation	270	274	1.5%
General administrative expenses	**2,548**	**2,706**	**6.2%**

Personnel expenses increased in all core markets – most significantly in Austria – driven mostly by collectively agreed salary increases. The rise in **other administrative expenses** was primarily attributable to higher IT, marketing and consulting expenses. Contributions to deposit insurance schemes declined to EUR 55 million (EUR 69 million). In Austria, contributions fell to EUR 20 million (EUR 35 million). In the Czech Republic, contributions amounted to EUR 16 million (EUR 16 million), in Hungary to EUR 8 million (EUR 8 million).

The **cost/income ratio** stood at 47.7% (46.1%).

Headcount as of end of the period

	Dec 24	Jun 25	Change
Austria	**16,726**	**16,842**	**0.7%**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	9,387	9,462	0.8%
Haftungsverbund savings banks	7,339	7,381	0.6%
Outside Austria	**28,992**	**29,100**	**0.4%**
Česká spořitelna Group	9,674	9,629	-0.5%
Banca Comercială Română Group	5,158	5,155	-0.1%
Slovenská sporiteľňa Group	3,491	3,548	1.6%
Erste Bank Hungary Group	3,386	3,413	0.8%
Erste Bank Croatia Group	3,248	3,198	-1.5%
Erste Bank Serbia Group	1,259	1,275	1.3%
Savings banks subsidiaries	1,554	1,576	1.4%
Other subsidiaries and foreign branch offices	1,221	1,306	6.9%
Total	**45,717**	**45,942**	**0.5%**

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -182 million (EUR -126 million). Net allocations to provisions for loans and advances rose to EUR 188 million (EUR 154 million), most notably in Austria.

Other operating result

Other operating result is significantly affected by taxes and levies on banking activities and contributions to resolution funds. Taxes and levies on banking activities included in this line item rose to EUR 197 million (EUR 134 million). In Austria, banking tax increased to EUR 68 million (EUR 20 million) on the back of a temporary tax increase in the amount of EUR 40 million. In Hungary, banking levies rose to a total of EUR 109 million (EUR 96 million): in addition to regular Hungarian banking tax of EUR 19 million (EUR 22 million), a windfall tax based on the previous year's net revenues was posted in the amount of EUR 28 million (EUR 36 million). Financial transaction tax amounted to EUR 61 million (EUR 37 million). In Romania, banking levies were posted in the amount of EUR 20 million (EUR 18 million). The rise in banking taxes was partly offset by lower contributions to resolution funds, which dropped to EUR 15 million (EUR 28 million), most notably in the Czech Republic. In 2025, credit institutions in the euro zone are again not being charged regular contributions. In total, other operating result improved due to a positive one-off effect of EUR 88 million related to a technical change in the inclusion of an associated company. In addition, an allocation in the amount of EUR 90 million had been posted to a provision relating to the interbank exemption pursuant to Art 6 sec 1 subsec 28 (2nd sentence) Austrian

VAT Act in the comparative period. The result from other operating expenses/income hence improved to EUR 71 million (EUR -133 million). The balance of allocations/releases of other provisions deteriorated to EUR -44 million (EUR 27 million). This includes an allocation to a provision for legal risks in the amount of EUR 41 million.

Net result for the period

Taxes on income amounted to EUR 529 million (EUR 531 million). The decline in the minority charge to EUR 389 million (EUR 431 million) was attributable to lower profitability at the savings banks. The net result attributable to owners of the parent rose to EUR 1,665 million (+ 2.2%; EUR 1,629 million). The return on tangible equity (ROTE) was 16.4% (17.3%).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Second quarter of 2025 compared with first quarter of 2025

in EUR million	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Income statement					
Net interest income	1,835	1,903	1,938	1,872	1,914
Net fee and commission income	711	735	780	780	762
Dividend income	24	7	5	3	26
Net trading result	31	291	91	47	94
Gains/losses from financial instruments measured at fair value through profit or loss	78	-181	-12	50	10
Net result from equity method investments	8	4	11	7	16
Rental income from investment properties & other operating leases	47	39	47	43	45
Personnel expenses	-787	-785	-884	-794	-830
Other administrative expenses	-343	-341	-443	-414	-393
Depreciation and amortisation	-135	-136	-142	-136	-138
Gains/losses from derecognition of financial assets at AC	0	-25	-63	-6	-7
Other gains/losses from derecognition of financial instruments not at FVPL	2	3	-4	0	-1
Impairment result from financial instruments	-31	-86	-186	-85	-97
Other operating result	-131	-35	-125	-184	1
Levies on banking activities	-48	-59	-51	-121	-76
Pre-tax result from continuing operations	**1,308**	**1,394**	**1,011**	**1,182**	**1,400**
Taxes on income	-275	-286	-235	-242	-287
Net result for the period	**1,033**	**1,108**	**776**	**940**	**1,113**
Net result attributable to non-controlling interests	187	222	166	197	192
Net result attributable to owners of the parent	**846**	**886**	**609**	**743**	**921**

Net interest income increased by 2.3%, most notably in Austria, due to lower deposit costs and slowing downward repricing of variable rate mortgages. **Net fee and commission income** declined by 2.4%, driven by the securities business in Austria. **Net trading result** improved primarily due to a rise in foreign exchange business. **Gains/losses from financial instruments measured at fair value through profit or loss** deteriorated mainly due to valuation losses of debt securities in issue measured at fair value in Austria.

General administrative expenses increased by 1.2%. While personnel expenses were up by 4.5% primarily driven by collectively agreed salary increases, other administrative expenses were down by 5.1%, mainly due contributions to deposit insurance systems, which in nearly all markets had already been posted upfront for the full financial year in the first quarter. The operating result improved to EUR 1,505 million (EUR 1,458 million). The **cost/income ratio** stood at 47.5% (48.0%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss and from financial assets measured at amortised cost amounted to EUR -9 million (EUR -6 million).

The deterioration in the **impairment result from financial instruments** was mainly attributable to net allocations to commitments and guarantees in the lending business, most notably in Austria and the Czech Republic. This was partly offset by lower allocations to credit loss allowances, mainly due to releases in the Czech Republic.

Other operating result improved primarily due to a positive one-off effect of EUR 88 million resulting from a technical change in the inclusion of an associated company. In addition, allocations to a provision for legal risks had been made in the amount of EUR 41 million in the comparative quarter. The balance of allocations/releases of other provisions improved to EUR -3 million (EUR -41 million). Additional positive effects came from taxes and levies on banking activities, which declined to EUR 76 million (EUR 121 million). Thereof, EUR 31 million (EUR 78 million) were charged in Hungary (transaction tax, the banking tax had already been posted upfront for the full year in the first quarter). In Austria, banking tax amounted to EUR 34 million (EUR 34 million), in Romania banking tax stood at EUR 10 million (EUR 10 million).

The **net result attributable to owners of the parent** rose to EUR 921 million (+24.0%; EUR 743 million). The **return on tangible equity (ROTE)** improved to 17.5% (15.2%).

DEVELOPMENT OF THE BALANCE SHEET

in EUR million	Dec 24	Jun 25	Change
Assets			
Cash and cash balances	25,129	27,652	10.0%
Trading, financial assets	75,781	78,448	3.5%
Loans and advances to banks	26,972	22,818	-15.4%
Loans and advances to customers	218,067	223,983	2.7%
Intangible assets	1,382	1,387	0.3%
Miscellaneous assets	6,405	6,785	5.9%
Total assets	**353,736**	**361,072**	**2.1%**
Liabilities and equity			
Financial liabilities held for trading	1,821	2,729	49.8%
Deposits from banks	21,261	15,368	-27.7%
Deposits from customers	241,651	248,499	2.8%
Debt securities issued	51,889	54,809	5.6%
Miscellaneous liabilities	6,346	7,064	11.3%
Total equity	30,767	32,603	6.0%
Total liabilities and equity	**353,736**	**361,072**	**2.1%**

The rise in **cash and cash balances** to EUR 27.7 billion (EUR 25.1 billion) was primarily due to higher cash balances at central banks. **Trading and investment securities** held in various categories of financial assets increased to EUR 78.4 billion (EUR 75.8 billion).

Loans and advances to credit institutions (net), including demand deposits other than overnight deposits, declined to EUR 22.8 billion (EUR 27.0 billion). **Loans and advances to customers (net)** increased to EUR 224.0 billion (EUR 218.1 billion), most notably in the Czech Republic and in Austria where loan demand picked up in the second quarter. Growth was recorded in both, retail and corporate business.

Loan loss allowances for loans to customers were almost unchanged at EUR 4.2 billion (EUR 4.1 billion). The **NPL ratio** – non–performing loans as a percentage of gross customer loans – improved to 2.5% (2.6%), the **NPL coverage ratio** (based on gross customer loans) rose to 73.6% (72.5%).

Financial liabilities – held for trading amounted to EUR 2.7 billion (EUR 1.8 billion). **Deposits from banks** declined to EUR 15.4 billion (EUR 21.3 billion); **deposits from customers** increased to EUR 248.5 billion (EUR 241.7 billion), most notably in the Czech Republic. The **loan-to-deposit ratio** stood at 90.1% (90.2%). **Debt securities in issue** rose to EUR 54.8 billion (EUR 51.9 billion) on increased issuance activity.

Total assets rose to EUR 361.1 billion (EUR 353.7 billion). **Total equity** increased to EUR 32.6 billion (EUR 30.8 billion). This includes AT1 instruments in the amount of EUR 3.7 billion. After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR), **common equity tier 1 capital** (CET1, phased-in) equaled EUR 26.6 billion (EUR 24.0 billion), **total own funds** EUR 34.5 billion (EUR 30.9 billion). Total risk – **risk-weighted assets** (RWA, phased-in) including credit, market and operational risk – decreased to EUR 152.6 billion (EUR 157.2 billion).

The **total capital ratio**, total eligible qualifying capital in relation to total risk, was well above the legal minimum requirement at 22.6% (19.7%). The **tier 1 ratio** stood at 19.9% (17.0%), the **common equity tier 1 ratio** at 17.4% (15.3%). All ratios are calculated according to CRR phased-in.

BUSINESS DEVELOPMENT IN THE CORE MARKETS

January- June 2025 compared with January- June 2024

The tables and information below provide a brief overview of the development in the core markets by geographical segments (operating segments) focusing on selected and summarized items. For more details please see Note 28 Segment reporting. At www.erstegroup.com/investorrelations additional information is available in Excel format.

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 summarized 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 summarizes 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

ERSTE BANK OESTERREICH & SUBSIDIARIES

in EUR million	1-6 24	1-6 25	Change
Net interest income	562	510	-9.2%
Net fee and commission income	264	287	9.0%
Net trading result and gains/losses from financial instruments at FVPL	8	10	23.8%
Operating income	876	850	-2.9%
Operating expenses	-382	-405	6.1%
Operating result	494	445	-9.9%
Cost/income ratio	43.6%	47.6%	
Impairment result from financial instruments	-51	-52	3.1%
Other result	-29	-39	37.6%
Net result attributable to owners of the parent	293	262	-10.8%
Return on allocated capital	26.8%	20.7%	

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 variable rate customer loans and lower income from placements at central bank, driven by the decreased interest rate environment. This was only partially compensated by lower expenses for customer deposits. Net fee and commission income rose mainly on the back of higher payment, insurance brokerage and securities fees. Net trading result and gains/losses from financial instruments at FVPL increased on valuation effects. Operating expenses increased due to higher personnel, IT and marketing expenses, which was partly compensated by the lower contribution to the deposit insurance fund of EUR 6 million (EUR 12 million). Overall, operating result decreased, and the cost/income ratio worsened. Impairment result from financial instruments worsened due to parameter changes, higher allocations for non-performing customers and new defaults. Other result worsened due to allocation of provisions for legal risks and higher banking tax of EUR 11 million (EUR 3 million). This was only partially compensated by higher real estate selling gains. Overall, the net result attributable to owners of the parent decreased.

SAVINGS BANKS

in EUR million	1-6 24	1-6 25	Change
Net interest income	920	855	-7.1%
Net fee and commission income	350	379	8.1%
Net trading result and gains/losses from financial instruments at FVPL	15	20	30.7%
Operating income	1,308	1,275	-2.6%
Operating expenses	-642	-681	6.1%
Operating result	666	593	-11.0%
Cost/income ratio	49.1%	53.5%	
Impairment result from financial instruments	-84	-97	15.1%
Other result	-45	-34	-25.2%
Net result attributable to owners of the parent	55	49	-10.9%
Return on allocated capital	16.6%	12.6%	

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 variable rate customer loans and lower income from placements at central bank, driven by the decreased interest rate environment. This was only partially compensated by lower expenses for customer deposits. Net fee and commission income increased on the back of higher securities fees. The net trading result and gains/losses from financial instruments at FVPL increased on 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 14 million (EUR 22 million). Overall, operating result decreased and the cost/income ratio went up. Impairment result from financial instruments worsened mainly due to parameter changes and higher allocations to non-performing customers. The improvement of other result was driven mainly by the non-recurrence of the last year's provision for interbank VAT exemption, partially offset by provisions for legal risks. Banking tax increased to EUR 10 million (EUR 3 million). Overall, the net result attributable to the owners of the parent decreased.

OTHER AUSTRIA

in EUR million	1-6 24	1-6 25	Change
Net interest income	282	302	6.9%
Net fee and commission income	179	209	16.7%
Net trading result and gains/losses from financial instruments at FVPL	24	10	-59.9%
Operating income	518	555	7.1%
Operating expenses	-204	-222	8.6%
Operating result	314	334	6.2%
Cost/income ratio	39.4%	39.9%	
Impairment result from financial instruments	24	-1	n/a
Other result	-8	12	n/a
Net result attributable to owners of the parent	250	262	4.7%
Return on allocated capital	17.9%	18.7%	

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 increased primarily due to a higher contribution of interest rate derivatives, fixed income products and deposits in Group Markets. Net fee and commission income improved mainly due to higher asset management fees, supported by new entities acquired by Erste Asset Management, as well as higher securities fees in Group Markets business. Net trading result and gains/losses from financial instruments at FVPL deteriorated on valuation effects. Operating expenses increased on the back of higher IT and project related costs as well as the impact from the newly acquired companies. Despite higher costs, operating result improved, while the cost/income ratio increased marginally. The impairment result from financial instruments deteriorated mostly due lower impairment releases and new defaults. Other result improved due to the non-recurrence of last year's provision for interbank VAT exemption in Erste Asset Management and higher selling gains in Erste Group Immorent. Overall, the net result attributable to owners of the parent improved.

Central and Eastern Europe

CZECH REPUBLIC

in EUR million	1-6 24	1-6 25	Change
Net interest income	702	746	6,3%
Net fee and commission income	245	251	2,6%
Net trading result and gains/losses from financial instruments at FVPL	67	60	–9,8%
Operating income	1.023	1.068	4,4%
Operating expenses	–474	–502	5,9%
Operating result	549	566	3,0%
Cost/income ratio	46,3%	47,0%	
Impairment result from financial instruments	9	8	–13,4%
Other result	–11	–33	>100,0%
Net result attributable to owners of the parent	451	452	0,2%
Return on allocated capital	20,8%	21,3%	

The segment analysis is done on a constant currency basis. The CZK remained stable against the EUR in the reporting period. Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) increased on the positive contribution of lending business and lower expenses for customer deposits. The increase in net fee and commission income was mainly driven by higher fees from securities and insurance brokerage. Net trading result and gains/losses from financial instruments at FVPL deteriorated on negative valuation effects. Operating expenses increased due to higher personnel as well as marketing and IT costs. Contributions into the deposit insurance fund remained by and large stable at EUR 16 million. Overall, the operating result increased, while the cost/income ratio deteriorated. Impairment result from financial instruments benefitted again from net releases and remained by and large stable. Other result deteriorated as a lower contribution to the resolution fund of EUR 6 million (EUR 20 million) was offset by selling losses from bonds and a negative impact from the deconsolidation of a subsidiary. Altogether, these developments resulted in a stable net result attributable to the owners of the parent.

SLOVAKIA

in EUR million	1-6 24	1-6 25	Change
Net interest income	269	295	9.7%
Net fee and commission income	113	121	6.6%
Net trading result and gains/losses from financial instruments at FVPL	9	8	-9.4%
Operating income	394	428	8.6%
Operating expenses	-175	-187	7.0%
Operating result	219	241	9.9%
Cost/income ratio	44.4%	43.7%	
Impairment result from financial instruments	-23	-32	42.2%
Other result	0	1	78.7%
Net result attributable to owners of the parent	119	141	18.5%
Return on allocated capital	15.6%	20.1%	

Net interest income in the Slovakia segment (comprising Slovenská sporitel'ňa Group) increased due to higher customer loan volumes and repricing of fixed rate loans as well as lower expense for customer deposits. These effects were only partially offset by lower income from central bank placements. Net fee and commission income increased on the back of higher insurance brokerage and securities fees. Net trading result and gains/losses from financial instruments at FVPL remained largely stable. Operating expenses went up mainly due to higher personnel, IT and marketing expenses. The contributions into the deposit insurance fund amounted to EUR 2 million (EUR 3 million). Operating result increased and the cost/income ratio improved. Impairment result from financial instruments worsened due to higher allocations in the retail business. Other result improved due to real estate selling gains. The banking tax, booked in the taxes on income line, amounted to EUR 32 million (EUR 46 million). Overall, the net result attributable to the owners of the parent increased.

ROMANIA

in EUR million	1-6 24	1-6 25	Change
Net interest income	370	397	7.3%
Net fee and commission income	106	109	3.7%
Net trading result and gains/losses from financial instruments at FVPL	51	55	8.4%
Operating income	532	566	6.3%
Operating expenses	-209	-226	8.1%
Operating result	323	340	5.1%
Cost/income ratio	39.3%	40.0%	
Impairment result from financial instruments	-19	-21	9.5%
Other result	-37	-47	25.5%
Net result attributable to owners of the parent	221	230	4.1%
Return on allocated capital	21.9%	20.1%	

The segment analysis is done on a constant currency basis. The RON depreciated by 0.6% against the EUR in the reporting period. Net interest income in the Romania segment (comprising Banca Comercială Română Group) was positively impacted by higher loan volumes, higher income from securities investments as well as lower expense for customer deposits. Net fee and commission income went up mainly on higher advisory, payment and securities fees. The increase of net trading result and gains/losses from financial instruments at FVPL was primarily attributable to better result from FX trading. Operating expenses increased mainly due to higher personnel, marketing and IT expenses. The deposit insurance contribution remained at EUR 4 million. Overall, operating result improved, while the cost/income ratio increased. The impairment result from financial instruments worsened mostly due to new defaults in the corporate business. Other result was negatively impacted by a higher banking tax of EUR 20 million (EUR 18 million), as well as a higher contribution into the resolution fund of EUR 8 million (EUR 6 million). Overall, the net result attributable to the owners of the parent increased.

HUNGARY

in EUR million	1-6 24	1-6 25	Change
Net interest income	223	205	-8.3%
Net fee and commission income	143	170	18.9%
Net trading result and gains/losses from financial instruments at FVPL	58	45	-23.4%
Operating income	431	423	-1.8%
Operating expenses	-147	-158	7.9%
Operating result	284	265	-6.8%
Cost/income ratio	34.1%	37.4%	
Impairment result from financial instruments	9	0	n/a
Other result	-99	-107	8.5%
Net result attributable to owners of the parent	168	136	-18.9%
Return on allocated capital	25.0%	22.3%	

The segment analysis is done on a constant currency basis. The HUF depreciated by 3.8% against the EUR in the reporting period. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) decreased on a lower contribution from loans and central bank placements driven by lower market interest rates. Net fee and commission income rose mainly on higher 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 contribution into the deposit insurance fund remained stable at EUR 8 million. Consequently, both operating result and the cost/income ratio deteriorated. Impairment result from financial instruments worsened due to higher allocations in the corporate business. The deterioration of the other result was primarily driven by the higher financial transaction tax of EUR 61 million (EUR 37 million). The banking tax amounted to EUR 48 million (EUR 60 million), it comprised the regular banking tax and a windfall profit tax of EUR 28 million (EUR 36 million) – both already for the full year 2025. The contribution to the resolution fund decreased to EUR 1 million (EUR 2 million). Overall, the net result attributable to the owners of the parent decreased.

CROATIA

in EUR million	1-6 24	1-6 25	Change
Net interest income	208	203	-2.1%
Net fee and commission income	64	68	7.3%
Net trading result and gains/losses from financial instruments at FVPL	9	9	5.2%
Operating income	284	285	0.3%
Operating expenses	-137	-145	5.6%
Operating result	147	140	-4.7%
Cost/income ratio	48.2%	50.8%	
Impairment result from financial instruments	17	15	-12.6%
Other result	-2	0	-86.6%
Net result attributable to owners of the parent	88	87	-0.3%
Return on allocated capital	26.2%	22.5%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) decreased on lower income from customer loans driven by the decreasing interest rate environment and higher expenses on customer deposits. Net fee and commission income went up mainly on higher payment fees. Net trading result and gains/losses from financial instruments at FVPL was by and large stable. Operating expenses went up on the back of higher personnel, IT, as well as legal and consultancy costs. The contribution into the deposit insurance fund amounted to EUR 2 million (EUR 1 million). Both operating result and the cost/income ratio worsened. Impairment result from financial instruments still benefited from net releases, albeit at a lower level. Other result improved marginally. Overall, the net result attributable to the owners of the parent remained stable, driven among others by the non-recurrence of an additional windfall tax in the amount of EUR 6 million booked in the taxes on income line.

SERBIA

in EUR million	1-6 24	1-6 25	Change
Net interest income	57	56	-1.1%
Net fee and commission income	14	14	5.9%
Net trading result and gains/losses from financial instruments at FVPL	6	6	-1.2%
Operating income	78	79	1.7%
Operating expenses	-43	-48	11.9%
Operating result	35	32	-10.8%
Cost/income ratio	54.8%	60.3%	
Impairment result from financial instruments	-6	-2	-67.2%
Other result	0	0	-49.8%
Net result attributable to owners of the parent	21	21	-0.2%
Return on allocated capital	14.8%	15.5%	

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) was largely stable against the EUR in the reporting period. Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) declined due to lower contribution of lending business largely offset by lower expenses for deposits. Net fee and commission income increased slightly driven by securities and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL remained stable. Operating expenses rose mainly due to higher IT expenses and depreciation. The deposit insurance contribution marginally increased to EUR 3 million. Consequently, operating result decreased, and the cost/income ratio worsened. Impairment result from financial instruments improved due to rating upgrades in the corporate business. Other result remained unchanged. Overall, the net result attributable to owners of the parent remained stable.

Condensed interim consolidated financial statements

Interim report – 1 January to 30 June 2025

Consolidated statement of income

in EUR million	Notes	1-6 24	1-6 25
Net interest income	1	3,687	3,786
Interest income	1	7,851	7,037
Other similar income	1	2,037	1,497
Interest expenses	1	-3,934	-3,264
Other similar expenses	1	-2,266	-1,484
Net fee and commission income	2	1,423	1,542
Fee and commission income	2	1,668	1,839
Fee and commission expenses	2	-245	-297
Dividend income	3	28	29
Net trading result	4	137	141
Gains/losses from financial instruments measured at fair value through profit or loss	5	111	59
Net result from equity method investments		12	23
Rental income from investment properties & other operating leases	6	124	88
Personnel expenses	7	-1,534	-1,624
Other administrative expenses	7	-745	-808
Depreciation and amortisation	7	-270	-274
Gains/losses from derecognition of financial assets measured at amortised cost	8	-2	-13
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	9	0	-2
Impairment result from financial instruments	10	-126	-182
Other operating result	11	-254	-183
Levies on banking activities	11	-134	-197
Pre-tax result from continuing operations		**2,592**	**2,583**
Taxes on income	12	-531	-529
Net result for the period		**2,061**	**2,053**
Net result attributable to non-controlling interests		431	389
Net result attributable to owners of the parent		**1,629**	**1,665**

Earnings per share

		1-6 24	1-6 25
Net result attributable to owners of the parent	in EUR million	1.629.467	1.664.667
Dividend on AT1 capital (after tax effect)	in EUR million	–63.860	–59.357
Net result for the period attributable to owners of the parent after deduction of AT1 capital dividend	in EUR million	1.565.608	1.605.310
Weighted average undiluted number of outstanding shares		419.460.551	408.943.215
Earnings per share	**in EUR**	**3,73**	**3,93**
Weighted average diluted number of outstanding shares		419.879.776	409.322.763
Diluted earnings per share	**in EUR**	**3,73**	**3,92**

Development of the number of shares

	1-6 24	1-6 25
Shares outstanding at the beginning of the period	399.294.699	388.126.224
Acquisition of treasury shares	–3.912.877	–2.181.851
Disposal of treasury shares	3.142.926	2.181.851
Capital increases/ decreases	0	0
Shares outstanding at the end of the period	**398.524.748**	**388.126.224**
Treasury shares	22.388.160	22.388.160
Number of shares issued at the end of the period	420.912.908	410.514.384
Weighted average undiluted number of outstanding shares	419.460.551	408.943.215
Weighted average diluted number of outstanding shares	419.879.776	409.322.763

Consolidated statement of comprehensive income

in EUR million	1-6 24	1-6 25
Net result for the period	**2,061**	**2,053**
Other comprehensive income		
Items that may not be reclassified to profit or loss	**-56**	**38**
Remeasurement of defined benefit plans	8	37
Fair value reserve of equity instruments	-2	-6
Own credit risk reserve	-77	17
Deferred taxes relating to items that may not be reclassified	16	-11
Items that may be reclassified to profit or loss	**-76**	**91**
Fair value reserve of debt instruments	-6	16
Gains/losses during the period	-8	24
Reclassification adjustments	2	-7
Credit loss allowances	0	-1
Cashflow hedge reserve	41	16
Gains/losses during the period	85	-17
Reclassification adjustments	-43	33
Currency reserve	-103	67
Gains/losses during the period	-103	93
Net investment hedge gains/losses during the period	0	-27
Deferred taxes relating to items that may be reclassified	-9	-8
Gains/losses during the period	-18	-2
Reclassification adjustments	9	-6
Total other comprehensive income	**-132**	**128**
Total comprehensive income	**1,929**	**2,182**
Total comprehensive income attributable to non-controlling interests	431	410
Total comprehensive income attributable to owners of the parent	**1,498**	**1,772**

Quarterly results

in EUR million	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Income statement					
Net interest income	1,835	1,903	1,938	1,872	1,914
Interest income	3,885	3,819	3,683	3,549	3,489
Other similar income	956	896	823	770	728
Interest expenses	-1,952	-1,874	-1,741	-1,675	-1,589
Other similar expenses	-1,054	-939	-828	-772	-713
Net fee and commission income	711	735	780	780	762
Fee and commission income	832	872	914	918	921
Fee and commission expenses	-122	-137	-134	-138	-159
Dividend income	24	7	5	3	26
Net trading result	31	291	91	47	94
Gains/losses from financial instruments measured at fair value through profit or loss	78	-181	-12	50	10
Net result from equity method investments	8	4	11	7	16
Rental income from investment properties & other operating leases	47	39	47	43	45
Personnel expenses	-787	-785	-884	-794	-830
Other administrative expenses	-343	-341	-443	-414	-393
Depreciation and amortisation	-135	-136	-142	-136	-138
Gains/losses from derecognition of financial assets at AC	0	-25	-63	-6	-7
Other gains/losses from derecognition of financial instruments not at FVPL	2	3	-4	0	-1
Impairment result from financial instruments	-31	-86	-186	-85	-97
Other operating result	-131	-35	-125	-184	1
Levies on banking activities	-48	-59	-51	-121	-76
Pre-tax result from continuing operations	**1,308**	**1,394**	**1,011**	**1,182**	**1,400**
Taxes on income	-275	-286	-235	-242	-287
Net result for the period	**1,033**	**1,108**	**776**	**940**	**1,113**
Net result attributable to non-controlling interests	187	222	166	197	192
Net result attributable to owners of the parent	**846**	**886**	**609**	**743**	**921**

Statement of comprehensive income					
Net result for the period	**1,033**	**1,108**	**776**	**940**	**1,113**
Other comprehensive income					
Items that may not be reclassified to profit or loss	**-11**	**-10**	**46**	**26**	**12**
Remeasurement of defined benefit plans	7	-21	32	20	18
Fair value reserve of equity instruments	-3	0	10	2	-7
Own credit risk reserve	-19	1	17	12	5
Deferred taxes relating to items that may not be reclassified	3	10	-13	-7	-4
Items that may be reclassified to profit or loss	**68**	**37**	**-100**	**94**	**-4**
Fair value reserve of debt instruments	-24	82	-31	3	13
Gains/losses during the period	-23	81	-36	4	20
Reclassification adjustments	0	2	6	0	-7
Credit loss allowances	0	-1	-1	0	-1
Cashflow hedge reserve	15	18	-30	24	-8
Gains/losses during the period	5	31	-39	8	-25
Reclassification adjustments	10	-12	8	16	17
Currency reserve	78	-40	-51	75	-8
Gains/losses during the period	78	-42	-53	90	3
Net investment hedge gains/losses during the period	0	2	1	-16	-11
Deferred taxes relating to items that may be reclassified	-1	-24	13	-8	0
Gains/losses during the period	2	-26	14	-4	2
Reclassification adjustments	-2	2	0	-3	-2
Total	**56**	**27**	**-53**	**120**	**8**
Total comprehensive income	**1,090**	**1,135**	**723**	**1,060**	**1,121**
Total comprehensive income attributable to non-controlling interests	183	221	177	207	204
Total comprehensive income attributable to owners of the parent	**907**	**914**	**546**	**854**	**918**

Consolidated balance sheet

in EUR million	Notes	Dec 24	Jun 25
Assets			
Cash and cash balances	13	25,129	27,652
Financial assets held for trading		11,463	8,688
Derivatives	19	1,226	1,230
Other financial assets held for trading	20	10,236	7,459
Pledged as collateral		483	97
Non-trading financial assets at fair value through profit and loss	21	3,040	3,171
Pledged as collateral		0	0
Equity instruments		464	474
Debt securities		1,468	1,479
Loans and advances to customers		1,108	1,218
Financial assets at fair value through other comprehensive income	17	9,498	9,870
Pledged as collateral		107	122
Equity instruments		109	104
Debt securities		9,388	9,767
Financial assets at amortised cost	14	288,894	295,280
Pledged as collateral		4,066	3,100
Debt securities		52,889	57,937
Loans and advances to banks		26,972	22,818
Loans and advances to customers		209,034	214,526
Finance lease receivables	18	5,248	5,328
Hedge accounting derivatives	22	181	205
Fair value changes of hedged items in portfolio hedge of interest rate risk		-19	-25
Property and equipment		2,754	2,749
Investment properties		1,678	1,823
Intangible assets		1,382	1,387
Investments in associates and joint ventures		280	390
Current tax assets		45	67
Deferred tax assets		266	212
Assets held for sale		154	254
Trade and other receivables	15	2,677	2,910
Other assets	23	1,066	1,109
Total assets		**353,736**	**361,072**
Liabilities			
Financial liabilities held for trading		1,821	2,729
Derivatives	19	1,149	1,384
Other financial liabilities held for trading	24	672	1,345
Financial liabilities at fair value through profit or loss		10,281	10,199
Deposits from customers		115	158
Debt securities issued	25	10,030	9,911
Other financial liabilities		136	131
Financial liabilities at amortised cost		305,332	309,614
Deposits from banks	16	21,261	15,368
Deposits from customers	16	241,535	248,341
Debt securities issued	16	41,859	44,898
Other financial liabilities		676	1,007
Lease liabilities		691	708
Hedge accounting derivatives	22	194	188
Provisions	26	1,626	1,622
Current tax liabilities		241	310
Deferred tax liabilities		31	42
Liabilities associated with assets held for sale		93	114
Other liabilities	27	2,658	2,944
Total equity		**30,767**	**32,603**
Equity attributable to non-controlling interests		7,633	7,956
Additional equity instruments		2,688	3,682
Equity attributable to owners of the parent		20,447	20,965
Subscribed capital		821	821
Additional paid-in capital		1,516	1,516
Retained earnings and other reserves		18,110	18,627
Total liabilities and equity		**353,736**	**361,072**

Consolidated statement of changes in equity

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings	Cashflow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeasure-ment 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 2025	**821**	**1,516**	**19,517**	**-6**	**69**	**-102**	**-889**	**-480**	**20,447**	**2,688**	**7,633**	**30,767**
Changes in treasury shares	0	0	-3	0	0	0	0	0	-3	0	0	-3
Dividends paid	0	0	-1,241	0	0	0	0	0	-1,241	0	-87	-1,328
Capital increase/decrease	0	0	0	0	0	0	0	0	0	994	0	994
Changes in scope of consolidation and ownership interest	0	0	1	0	0	0	0	0	1	0	0	1
Reclassification from other comprehensive income to retained earnings	0	0	0	0	0	0	0	0	0	0	0	0
Share-based payments	0	0	-10	0	0	0	0	0	-10	0	0	-10
Other changes	0	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	1,665	12	-1	14	66	15	1,772	0	410	2,182
Net result for the period	0	0	1,665	0	0	0	0	0	1,665	0	389	2,053
Other comprehensive income	0	0	0	12	-1	14	66	15	107	0	22	128
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	15	15	0	14	29
Change in fair value reserve	0	0	0	0	-1	0	0	0	-1	0	9	7
Change in cashflow hedge reserve	0	0	0	12	0	0	0	0	12	0	0	12
Change in currency reserve	0	0	0	0	0	0	66	0	66	0	0	67
Change in own credit risk reserve	0	0	0	0	0	14	0	0	14	0	-1	13
As of 30 June 2025	**821**	**1,516**	**19,927**	**6**	**68**	**-87**	**-823**	**-464**	**20,965**	**3,682**	**7,956**	**32,603**

	Subscribed capital	Additional paid-in capital	Retained earnings	Cashflow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeasure-ment 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	-3	0	0	0	0	0	-3	0	0	-3
Dividends paid	0	0	-1,144	0	0	0	0	0	-1,144	0	-124	-1,268
Capital increase/decrease	-1	1	-7	0	0	0	0	0	-7	283	-4	272
Changes in scope of consolidation and ownership interest	0	0	-30	0	0	0	0	0	-30	0	82	52
Reclassification from other comprehensive income to retained earnings	0	0	3	0	-3	-1	0	0	0	0	0	0
Share-based payments	0	0	-6	0	0	0	0	0	-6	0	0	-6
Other changes	0	0	-503	0	0	0	0	0	-503	0	0	-503
Total comprehensive income	0	0	1,629	33	-12	-56	-103	7	1,498	0	431	1,929
Net result for the period	0	0	1,629	0	0	0	0	0	1,629	0	431	2,061
Other comprehensive income	0	0	0	33	-12	-56	-103	7	-131	0	0	-132
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	7	7	0	-1	6
Change in fair value reserve	0	0	0	0	-12	0	0	0	-12	0	4	-8
Change in cashflow hedge reserve	0	0	0	33	0	0	0	0	33	0	0	33
Change in currency reserve	0	0	0	0	0	0	-103	0	-103	0	1	-103
Change in own credit risk reserve	0	0	0	0	0	-56	0	0	-56	0	-4	-60
As of 30 June 2024	**842**	**1,495**	**18,081**	**2**	**36**	**-125**	**-797**	**-488**	**19,047**	**2,688**	**7,238**	**28,973**

Consolidated statement of cash flows

in EUR million	1-6 24	1-6 25
Net result for the period	**2,061**	**2,053**
Non-cash adjustments for items in net profit/loss for the year		
Depreciation, amortisation and net impairment of non-financial assets	266	266
Net allocation to credit loss allowances and other provisions	117	253
Gains/losses from measurement and derecognition of financial assets and financial liabilities	-1,378	765
Other adjustments	-105	-41
Changes in assets and liabilities from operating activities after adjustment for non-cash components		
Financial assets held for trading	1,265	2,806
Non-trading financial assets at fair value through profit and loss		
Equity instruments	-74	-9
Debt securities	713	-1
Loans and advances to banks	0	0
Loans and advances to customers	-25	-102
Financial assets at fair value through other comprehensive income: debt securities	155	-372
Financial assets at amortised cost		
Debt securities	-1,919	-5,063
Loans and advances to banks	-13,545	4,148
Loans and advances to customers	-3,385	-5,680
Finance lease receivables	-228	-79
Hedge accounting derivatives - assets	47	-12
Other assets from operating activities	139	-331
Financial liabilities held for trading	369	92
Financial liabilities at fair value through profit or loss	-589	-59
Financial liabilities at amortised cost		
Deposits from banks	-5,427	-5,894
Deposits from customers	7,908	6,806
Debt securities issued	4,266	3,039
Other financial liabilities	-83	331
Hedge accounting derivatives - liabilities	-64	-6
Other liabilities from operating activities	273	280
Cash flow from operating activities	**-9,242**	**3,189**
Proceeds of disposal		
Financial assets at fair value through other comprehensive income: equity instruments	0	0
Investments in associates and joint ventures	-21	2
Property and equipment and intangible assets	30	35
Investment properties	3	8
Acquisition of		
Financial assets at fair value through other comprehensive income: equity instruments	0	0
Property and equipment and intangible assets	-173	-206
Investment properties	-43	-152
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	0	-21
Cash flow from investing activities	**-204**	**-335**
Capital increase/decrease	269	994
Changes in ownership interests that do not result in a loss of control	52	1
Dividends paid to equity holders of the parent	-1,144	-1,241
Dividends paid to non-controlling interests	-124	-87
Cash flow from financing activities	**-948**	**-333**
Cash and cash equivalents at the beginning of the period	**36,685**	**25,129**
Cash flow from operating activities	-9,242	3,189
Cash flow from investing activities	-204	-335
Cash flow from financing activities	-948	-333
Effect of currency translation	-59	1
Cash and cash equivalents at the end of period	**26,231**	**27,652**
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)	3,793	3,631
Payments for taxes on income	-369	-337
Interest received	11,770	10,263
Dividends received	28	29
Interest paid	-7,635	-6,324

Cash and cash equivalents are equal to cash in hand, cash balances at central banks and other demand deposits.

Condensed notes to the interim consolidated financial statements

1 January to 30 June 2025

BASIS OF PREPARATION

The condensed consolidated interim financial statements ("interim financial statements") of the group of Erste Group Bank AG ("Erste Group") for the period from 1 January to 30 June 2025 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and are presented in accordance with the requirements of IAS 34 "Interim Financial Reporting".

These interim financial statements were neither audited nor reviewed by an auditor.

CONSOLIDATION SCOPE

IFRS consolidation scope - evolvement of number of entities and funds included

As of 31 December 2024	**299**
Additions	
Entities newly added to the scope of consolidation	4
Disposals	
Companies sold or liquidated	-7
Mergers	0
As of 30 June 2025	**296**

The additions and disposals had no material impact on the financial position and performance of Erste Group.

AGREEMENT ON THE ACQUISITION OF SANTANDER BANK POLSKA GROUP S.A.

In May 2025, Erste Group Bank AG and Banco Santander S.A. entered into an agreement under which Erste Group will acquire a 49% stake in Santander Bank Polska Group S.A. ("Santander Bank Polska") and a 50% stake in the asset management company Santander Towarzystwo Funduszy Inwestycyjnych S.A. ("Santander TFI"). The consideration will be paid in cash in EUR and was set at a price of PLN 584 per share of Santander Bank Polska. It is converted to EUR at a fixed rate, resulting in a payment of approximately EUR 6.8 billion. In addition, around EUR 0.2 billion will be paid for Santander TFI, bringing the total cash consideration to EUR 7.0 billion.

Erste Group assessed whether the 49.00% stake in Santander Bank Polska, despite not representing a majority of the voting rights, would result in a controlling interest. After the acquisition, Banco Santander S.A. will hold 13.20% and Nationale-Nederlanden PTE S.A. 5.01% of the share capital in Santander Bank Polska. The remaining 32.79% of the share capital is in free float. There are around 100 institutional investors each holding less than a 0.5% stake. The remaining free float is held by individual investors. There is no information regarding voting agreements among the shareholders. Over the last four years the participation rate at general meetings of Santander Bank Polska was stable between 82% to 86%. The critical participation rate at which shareholders, acting in a mutual agreement, could theoretically outvote Erste Group exceeds 98%. As a result, Erste Group concluded that due to the wide dispersion of shareholdings of the other vote holders it will exercise control over Santander Bank Polska.

Regarding Santander TFI, the other 50% stake is held directly by Santander Bank Polska which will grant Erste Group control over 100% of the voting rights.

As a result, the acquisitions are treated as business combinations under IFRS 3. They will be recognised at the acquisition date (i.e. the closing date) once Erste Group obtains control. In the period until the closing date the transaction is not accounted for under IFRS 9.

Regarding conditions precedent for the closing Erste Group has to obtain necessary regulatory approvals. The transaction also involves a sale of Santander Consumer Bank S.A. by Santander Bank Polska to Banco Santander S.A. This sale also has to be completed before the closing date.

Erste Group manages the liquidity risk associated with the purchase price payable at the closing of the transaction, so that the funds are available at the lowest possible costs. The acquisition will also have significant impact on Erste Group´s capital position. The bank is taking necessary measures to ensure that its CET1 ratio exceeds the new target level of at least 14.25% in the course of 2026 (or at least 13.5% in 2025 provided that the acquisition is closed by YE 2025).

Santander Bank Polska is the third-largest bank in Poland by assets, with market share of 8% (based on transaction perimeter as of December 2024), and is also one of the most profitable in the country. It offers a full suite of commercial banking products to retail, SME and corporate clients. Santander TFI is an asset management company with EUR 6 billion in assets under management as of December 2024.

ACCOUNTING AND MEASUREMENT METHODS

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and are presented in euro, which is the functional currency of the parent company. The interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Therefore, the interim financial statements should be read in conjunction with Erste Group's consolidated financial statements as of 31 December 2024.

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results. Judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the group's last annual financial statements for the year ended 31 December 2024, with the exception of the calculation of the current income taxes for the interim reporting period for which the estimated effective tax rate for the group is applied.

1. Net interest income

in EUR million	1-6 24	1-6 25
Financial assets at AC	7,659	6,833
Financial assets at FVOCI	192	204
Interest income	7,851	7,037
Non-trading financial assets at FVPL	46	54
Financial assets HfT	1,831	1,289
Derivatives - hedge accounting, interest rate risk	7	11
Other assets	146	138
Negative interest from financial liabilities	7	5
Other similar income	2,037	1,497
Interest and other similar income	**9,888**	**8,535**
Financial liabilities at AC	-3,934	-3,264
Interest expenses	-3,934	-3,264
Financial liabilities at FVPL	-185	-156
Financial liabilities HfT	-1,750	-1,166
Derivatives - hedge accounting, interest rate risk	-307	-137
Other liabilities	-24	-24
Negative Interest from financial assets	-1	-1
Other similar expenses	-2,266	-1,484
Interest and other similar expenses	**-6,200**	**-4,748**
Net interest income	**3,687**	**3,786**

An amount of EUR 80 million (EUR 87 million) relating to impaired financial assets is included in various line items of net interest income.

2. Net fee and commission income

	1-6 24		1-6 25	
in EUR million	Income	Expenses	Income	Expenses
Securities	163	-29	190	-32
Issues	30	-1	40	-1
Transfer orders	127	-22	143	-25
Other	6	-6	7	-7
Clearing and settlement	1	0	1	0
Asset management	321	-21	353	-25
Custody	73	-9	76	-11
Fiduciary transactions	1	0	0	0
Payment services	774	-139	810	-166
Card business	233	-91	253	-109
Current accounts from customers	329	0	411	0
Other	212	-49	146	-57
Customer resources distributed but not managed	150	-6	169	-8
Collective investment	14	-1	17	0
Insurance products	121	-1	138	-1
Foreign exchange transactions	13	-1	14	-1
Other	2	-3	2	-6
Structured finance	2	0	5	0
Servicing fees from securitization activities	0	-1	0	-8
Lending business	123	-21	164	-24
Guarantees given, guarantees received	51	-2	48	-2
Loan commitments given, loan commitments received	27	0	38	-1
Other lending business	45	-18	79	-22
Other	61	-19	70	-22
Total fee and commission income and expenses	**1,668**	**-245**	**1,839**	**-297**
Net fee and commission income	**1,423**		**1,542**	

Asset management, custody and fiduciary transactions fees relate to fees earned by Erste Group on trust and fiduciary activities in which Erste Group holds or invests assets on behalf of its customers.

3. Dividend income

in EUR million	1-6 24	1-6 25
Financial assets HfT	6	5
Non-trading financial assets at FVPL	12	11
Financial assets at FVOCI	10	12
Dividend income	**28**	**29**

4. Net trading result

in EUR million	1-6 24	1-6 25
Securities and derivatives trading	9	−41
Foreign exchange transactions	137	183
Result from hedge accounting	−8	−1
Net trading result	**137**	**141**

5. Gains/losses from financial instruments measured at fair value through profit or loss

in EUR million	1-6 24	1-6 25
Result from measurement/sale of financial assets designated at FVPL	2	0
Result from measurement/repurchase of financial liabilities designated at FVPL	58	8
Result from financial assets and liabilities designated at FVPL	**60**	**9**
Result from measurement/sale of financial assets mandatorily at FVPL	51	51
Gains/losses from financial instruments measured at fair value through profit or loss	**111**	**59**

6. Rental income from investment properties & other operating leases

in EUR million	1-6 24	1-6 25
Investment properties	69	68
Other operating leases	54	20
Rental income from investment properties & other operating leases	**124**	**88**

7. General administrative expenses

in EUR million	1-6 24	1-6 25
Personnel expenses	**-1,534**	**-1,624**
Wages and salaries	-1,186	-1,248
Compulsory social security	-282	-301
Long-term employee provisions	-6	-4
Other personnel expenses	-59	-71
Other administrative expenses	**-745**	**-808**
Deposit insurance contribution	-69	-55
IT expenses	-301	-344
Expenses for office space	-98	-98
Office operating expenses	-80	-85
Advertising/marketing	-93	-110
Legal and consulting costs	-63	-72
Sundry administrative expenses	-40	-43
Depreciation and amortisation	**-270**	**-274**
Software and other intangible assets	-88	-86
Owner occupied real estate	-82	-81
Investment properties	-17	-18
Customer relationships	-2	-3
Office furniture and equipment and sundry property and equipment	-81	-86
General administrative expenses	**-2,548**	**-2,706**

8. Gains/losses from derecognition of financial assets measured at amortised cost

in EUR million	1-6 24	1-6 25
Gains from derecognition of financial assets at AC	0	0
Losses from derecognition of financial assets at AC	-2	-13
Gains/losses from derecognition of financial assets measured at amortised cost	**-2**	**-13**

9. Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss

in EUR million	1-6 24	1-6 25
Sale of financial assets at FVOCI	–1	0
Derecognition of financial liabilities at AC	1	–2
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	**0**	**–2**

10. Impairment result from financial instruments

in EUR million	1-6 24	1-6 25
Financial assets at FVOCI	–1	8
Financial assets at AC	–137	–160
Allocation/reversal to credit loss allowances (net)	–154	–190
Direct write-offs	–3	–2
Recoveries recorded directly to the income statement	30	37
Modification gains or losses	–10	–5
Finance lease receivables	1	2
Allocation/reversal to credit loss allowances (net)	0	2
Recoveries recorded directly to the income statement	1	0
Credit loss allowances for loan commitments and financial guarantees given	11	–31
Impairment result from financial instruments	**–126**	**–182**

11. Other operating result

in EUR million	1-6 24	1-6 25
Other operating expenses	**–194**	**–283**
Allocation to other provisions	–24	–56
Levies on banking activities	–134	–197
Banking tax	–98	–136
Financial transaction tax	–37	–61
Other taxes	–8	–16
Resolution fund contributions	–28	–15
Impairment of goodwill	0	0
Other operating income	**51**	**12**
Release of other provisions	51	12
Result from properties and equipment, investment properties and other intangible assets	22	17
Result from other operating expenses/income	–133	71
Other operating result	**–254**	**–183**

12. Taxes on income

The consolidated net tax expenses for the reporting period amounted to EUR 529 million (EUR 531 million), including EUR 46 million (EUR 70 million) of deferred tax expenses.

13. Cash and cash balances

in EUR million	Dec 24	Jun 25
Cash on hand	3,122	3,053
Cash balances at central banks	20,813	23,145
Other demand deposits at credit institutions	1,194	1,454
Cash and cash balances	**25,129**	**27,652**

14. Financial assets at amortised cost

Debt securities

	Gross carrying amount				Credit loss allowances				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
Jun 25									
Central banks	25	0	0	25	0	0	0	0	25
General governments	46,963	73	0	47,036	-5	0	0	-5	47,031
Credit institutions	9,175	5	0	9,179	-3	0	0	-4	9,176
Other financial corporations	661	13	0	674	0	0	0	-1	674
Non-financial corporations	1,001	26	9	1,037	-1	-1	-4	-5	1,031
Total	**57,825**	**117**	**9**	**57,951**	**-9**	**-2**	**-4**	**-15**	**57,937**
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**

Loans and advances to banks

	Gross carrying amount				Credit loss allowances				
in EUR million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Carrying amount
Jun 25									
Central banks	14,031	0	0	14,031	0	0	0	0	14,031
Credit institutions	8,782	8	0	8,791	-3	0	0	-3	8,787
Total	**22,813**	**8**	**0**	**22,821**	**-3**	**0**	**0**	**-3**	**22,818**
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**

Loans and advances to customers

	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
Jun 25											
General governments	7,930	611	59	17	8,617	-4	-8	-3	-1	-16	8,601
Other financial corporations	5,749	420	60	0	6,228	-11	-11	-30	0	-53	6,175
Non-financial corporations	75,298	19,742	3,164	230	98,435	-218	-770	-1,334	-55	-2,377	96,058
Households	92,625	10,499	2,096	110	105,331	-153	-428	-1,043	-16	-1,640	103,691
Total	**181,602**	**31,272**	**5,379**	**357**	**218,610**	**-386**	**-1,217**	**-2,411**	**-71**	**-4,085**	**214,526**
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**

15. Trade and other receivables

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	
Jun 25											
Central banks	7	0	0	0	7	0	0	0	0	0	7
General governments	78	28	0	0	106	0	0	0	0	0	106
Credit institutions	43	2	0	0	45	0	0	0	0	0	45
Other financial corporations	138	7	0	0	144	-1	0	0	0	-1	143
Non-financial corporations	1,722	794	23	1	2,540	-10	-3	-17	-1	-31	2,510
Households	58	44	15	0	117	0	-4	-13	0	-18	99
Total	**2,046**	**874**	**39**	**1**	**2,960**	**-11**	**-7**	**-31**	**-1**	**-50**	**2,910**
Dec 24											
Central banks	0	0	0	0	0	0	0	0	0	0	0
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**

16. Financial liabilities at amortised costs

Deposits from banks

in EUR million	Dec 24	Jun 25
Deposits repayable on demand	2,853	2,656
Term deposits	10,720	9,531
Repurchase agreements	7,688	3,181
Deposits from banks	**21,261**	**15,368**

Deposits from customers

in EUR million	Dec 24	Jun 25
Deposits repayable on demand	**170,533**	**175,357**
Savings deposits	56,356	60,476
Other financial corporations	196	219
Non-financial corporations	3,689	4,210
Households	52,472	56,046
Non-savings deposits	114,177	114,881
General governments	9,234	9,109
Other financial corporations	5,307	6,273
Non-financial corporations	32,386	31,310
Households	67,250	68,190
Term deposits	**67,341**	**64,609**
Deposits with agreed maturity	66,073	61,377
Savings deposits	27,018	25,347
Other financial corporations	120	67
Non-financial corporations	1,277	971
Households	25,622	24,309
Non-savings deposits	39,055	36,030
General governments	3,955	3,358
Other financial corporations	8,507	6,745
Non-financial corporations	11,407	10,998
Households	15,186	14,929
Deposits redeemable at notice	1,268	3,232
General governments	0	4
Other financial corporations	0	45
Non-financial corporations	1	815
Households	1,267	2,368
Repurchase agreements	**3,661**	**8,375**
General governments	1,418	4,427
Other financial corporations	2,244	2,876
Non-financial corporations	0	1,072
Deposits from customers	**241,535**	**248,341**
General governments	14,607	16,898
Other financial corporations	16,373	16,225
Non-financial corporations	48,759	49,376
Households	161,797	165,842

Debt securites issued

in EUR million	Dec 24	Jun 25
Subordinated debt securities issued	3,410	2,949
Senior non-preferred bonds	5,066	4,985
Other debt securities issued	33,383	36,964
Bonds	12,300	13,959
Certificates of deposit	5,713	5,604
Other certificates of deposits/name certificates	94	94
Mortgage covered bonds	15,277	17,308
Debt securities issued	**41,859**	**44,898**

17. Financial assets at fair value through other comprehensive income

Equity instruments

The carrying amount of Erste Group's equity instruments FVOCI as of 30 June 2025 amounted to EUR 104 million (EUR 109 million), the cumulative fair value change for equity instruments FVOCI before taxes recognized in other comprehensive income amounted to EUR 63 million (EUR 69 million).

Debt instruments

Debt securities

	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
Jun 25											
General governments	7,403	0	0	7,403	-2	0	0	-2	7,401	1	7,402
Credit institutions	1,352	0	0	1,352	-1	0	0	-1	1,352	24	1,375
Other financial corporations	150	2	0	152	0	0	0	0	152	-1	150
Non-financial corporations	699	143	4	847	-1	-1	0	-2	844	-6	839
Total	**9,604**	**145**	**5**	**9,754**	**-3**	**-1**	**-1**	**-5**	**9,749**	**18**	**9,767**
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**

As defined in IFRS 9, the gross carrying amount of debt instruments at FVOCI equals the amortised cost before deducting any credit loss allowances.

18. Finance lease receivables

	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
Jun 25											
General governments	235	10	0	0	244	-1	-1	0	0	-2	242
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	242	3	17	0	262	-1	0	-1	0	-2	260
Non-financial corporations	3,240	664	94	1	3,999	-17	-21	-26	0	-64	3,936
Households	822	65	13	0	900	-4	-2	-5	0	-11	889
Total	**4,540**	**741**	**125**	**1**	**5,407**	**-23**	**-24**	**-31**	**0**	**-78**	**5,328**
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**

19. Derivatives held for trading

in EUR million	Dec 24			Jun 25		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	**235,383**	**3,892**	**3,704**	**251,944**	**3,659**	**3,883**
Interest rate	180,233	3,303	3,249	192,703	3,055	3,017
Equity	380	5	5	496	4	10
Foreign exchange	54,245	579	441	58,065	592	842
Credit	189	1	6	300	0	12
Commodity	7	0	0	8	0	0
Other	328	5	2	373	8	2
Derivatives held in the banking book	**30,760**	**471**	**535**	**36,109**	**513**	**389**
Interest rate	23,102	353	299	28,203	328	267
Equity	965	72	52	881	55	45
Foreign exchange	6,476	47	180	6,832	130	73
Credit	46	0	0	19	0	0
Other	170	0	4	174	0	4
Total gross amounts	**266,143**	**4,363**	**4,239**	**288,053**	**4,172**	**4,271**
Offset		-3,137	-3,090		-2,943	-2,887
Total		**1,226**	**1,149**		**1,230**	**1,384**

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.

20. Other financial assets held for trading

in EUR million	Dec 24	Jun 25
Equity instruments	141	188
Debt securities	10,095	7,270
Central banks	3,539	51
General governments	3,941	4,503
Credit institutions	2,135	2,444
Other financial corporations	324	155
Non-financial corporations	155	116
Other financial assets held for trading	**10,236**	**7,459**

21. Non-trading financial assets at fair value through profit and loss

in EUR million	Dec 24		Jun 25	
	Designated	Mandatorily	Designated	Mandatorily
Equity instruments	0	464	0	474
Debt securities	44	1,424	13	1,466
General governments	0	364	0	423
Credit institutions	44	144	13	125
Other financial corporations	0	847	0	845
Non-financial corporations	0	69	0	73
Loans and advances to customers	0	1,108	0	1,218
General governments	0	0	0	0
Non-financial corporations	0	26	0	7
Households	0	1,081	0	1,211
Financial assets designated and mandatorily at FVPL	44	2,996	13	3,158
Non-trading financial assets at fair value through profit and loss	**3,040**		**3,171**	

22. Hedge accounting derivatives

in EUR million	Dec 24 Notional value	Dec 24 Positive fair value	Dec 24 Negative fair value	Jun 25 Notional value	Jun 25 Positive fair value	Jun 25 Negative fair value
Fair value hedges	**30,858**	**621**	**1,101**	**34,516**	**643**	**959**
Interest rate	30,858	621	1,101	34,516	643	959
Cashflow hedges	**5,450**	**95**	**42**	**6,610**	**115**	**24**
Interest rate	3,751	50	12	4,928	61	6
Foreign exchange	1,698	45	30	1,683	55	18
Hedge of net investments in a foreign operation	**767**	**2**	**1**	**1,381**	**0**	**21**
Total gross amounts	**37,074**	**718**	**1,143**	**42,507**	**758**	**1,004**
Offset		-537	-949		-554	-815
Total		**181**	**194**		**205**	**188**

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.

23. Other assets

in EUR million	Dec 24	Jun 25
Prepayments	162	225
Inventories	108	113
Sundry assets	796	771
Other assets	**1,066**	**1,109**

24. Other financial liabilities held for trading

in EUR million	Dec 24	Jun 25
Short positions	603	1,267
Equity instruments	61	83
Debt securities	543	1,184
Debt securities issued	69	78
Other financial liabilities held for trading	**672**	**1,345**

25. Financial liabilities at fair value through profit and loss

Debt securities issued

in EUR million	Dec 24	Jun 25
Subordinated debt securities issued	1,985	1,945
Other debt securities issued	8,045	7,966
Bonds	5,557	5,441
Other certificates of deposits/name certificates	1,143	1,101
Mortgage covered bonds	1,269	1,351
Public sector covered bonds	74	73
Debt securities issued	**10,030**	**9,911**

26. Provisions

in EUR million	Dec 24	Jun 25
Defined employee benefit plans	746	685
Loan commitments and financial guarantees given in scope of IFRS 9	474	477
Pending legal issues and tax litigation	258	297
Commitments and guarantees given out of scope of IFRS 9	12	10
Other provisions	136	152
Provisions	**1,626**	**1,622**

Effects from the change in material valuation parameters. For the calculation of the defined benefit obligation for pension and severance payment provisions as well as for jubilee provisions, the interest rate used has been increased to 3.78% p.a. as of 30 June 2025 (31 December 2024: 3.48% p.a.) to reflect the actual interest rate levels. All other calculation parameters remained unchanged in principle. However, the social insurance trend was increased once by 1.85% p.a. respectively to compensate for inflation. According to IAS 19 the resulting measurement adjustments have been recognised as an income in other comprehensive income amounting to EUR 37 million for pension and severance payment provisions while for jubilee provisions an income of EUR 4 million has been considered in the income statement.

27. Other liabilities

in EUR million	Dec 24	Jun 25
Deferred income	124	129
Sundry liabilities	2,534	2,815
Other liabilities	**2,658**	**2,944**

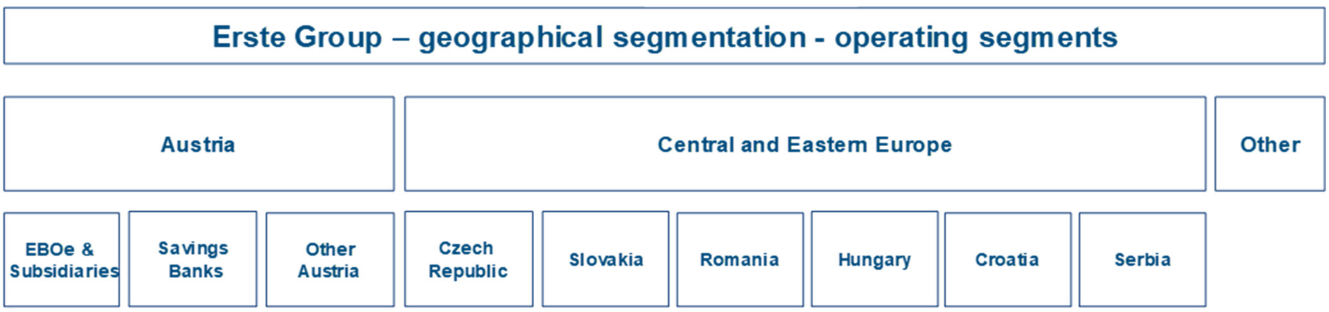
28. Segment reporting

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 sporiteľňa 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 a 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. The 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. For the same reason, net fee and commission income and other operating result are also reported on a net basis.

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		Total Group	
in EUR million	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25
Net interest income	1,764	1,667	1,829	1,903	95	217	3,687	3,786
Net fee and commission income	793	875	684	734	-54	-67	1,423	1,542
Dividend income	18	18	4	3	6	7	28	29
Net trading result	34	23	181	171	-77	-53	137	141
Gains/losses from financial instruments at FVPL	13	16	19	12	79	31	111	59
Net result from equity method investments	3	4	7	9	2	10	12	23
Rental income from investment properties & other operating leases	78	77	21	18	24	-8	124	88
General administrative expenses	-1,228	-1,308	-1,185	-1,266	-135	-131	-2,548	-2,706
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	-1	0	0	-13	-1	0	-2	-13
Other gains/losses from derecognition of financial instruments not at FVPL	-2	0	1	-1	1	-1	0	-2
Impairment result from financial instruments	-111	-150	-12	-33	-3	1	-126	-182
Other operating result	-79	-61	-149	-172	-27	50	-254	-183
Levies on banking activities	-7	-22	-114	-129	-13	-46	-134	-197
Pre-tax result from continuing operations	**1,283**	**1,161**	**1,398**	**1,365**	**-89**	**57**	**2,592**	**2,583**
Taxes on income	-303	-267	-286	-252	58	-10	-531	-529
Net result for the period	**979**	**894**	**1,112**	**1,113**	**-31**	**47**	**2,061**	**2,053**
Net result attributable to non-controlling interests	381	322	45	46	4	21	431	389
Net result attributable to owners of the parent	**598**	**572**	**1,067**	**1,067**	**-35**	**26**	**1,629**	**1,665**
Operating income	2,703	2,680	2,744	2,850	75	138	5,522	5,668
Operating expenses	-1,228	-1,308	-1,185	-1,266	-135	-131	-2,548	-2,706
Operating result	**1,475**	**1,372**	**1,559**	**1,584**	**-60**	**7**	**2,974**	**2,963**
Risk-weighted assets (credit risk, eop)	66,171	65,380	59,102	59,681	2,851	1,003	128,124	126,064
Average allocated capital	10,235	11,183	10,598	10,712	8,229	9,906	29,063	31,802
Cost/income ratio	45.4%	48.8%	43.2%	44.4%	>100%	95.1%	46.1%	47.7%
Return on allocated capital	19.2%	16.1%	21.1%	21.0%	-0.8%	1.0%	14.3%	13.0%
Total assets (eop)	209,632	208,065	161,587	168,354	-27,078	-15,346	344,141	361,072
Total liabilities excluding equity (eop)	160,408	156,502	147,387	153,545	7,374	18,422	315,169	328,469
Impairments	**-111**	**-150**	**4**	**-25**	**-3**	**1**	**-109**	**-174**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-108	-132	-28	-19	-2	0	-137	-151
Net impairment loss on commitments and guarantees given	-3	-18	15	-14	-1	0	11	-31
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	17	8	0	0	17	8

Operating segments: Geographical area Austria

in EUR million	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria	
	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25
Net interest income	562	510	920	855	282	302	1,764	1,667
Net fee and commission income	264	287	350	379	179	209	793	875
Dividend income	6	8	4	3	8	7	18	18
Net trading result	5	15	4	2	25	6	34	23
Gains/losses from financial instruments at FVPL	3	-5	11	18	-1	4	13	16
Net result from equity method investments	3	5	0	0	0	0	3	4
Rental income from investment properties & other operating leases	33	30	19	18	26	29	78	77
General administrative expenses	-382	-405	-642	-681	-204	-222	-1,228	-1,308
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	0	0	0	-1	0	-1	0
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	-2	0	0	0	-2	0
Impairment result from financial instruments	-51	-52	-84	-97	24	-1	-111	-150
Other operating result	-29	-39	-43	-34	-7	12	-79	-61
Levies on banking activities	-3	-11	-3	-10	0	0	-7	-22
Pre-tax result from continuing operations	**415**	**354**	**537**	**463**	**331**	**345**	**1,283**	**1,161**
Taxes on income	-111	-78	-117	-112	-75	-77	-303	-267
Net result for the period	**304**	**276**	**420**	**351**	**256**	**267**	**979**	**894**
Net result attributable to non-controlling interests	10	14	365	302	6	6	381	322
Net result attributable to owners of the parent	**293**	**262**	**55**	**49**	**250**	**262**	**598**	**572**
Operating income	876	850	1,308	1,275	518	555	2,703	2,680
Operating expenses	-382	-405	-642	-681	-204	-222	-1,228	-1,308
Operating result	**494**	**445**	**666**	**593**	**314**	**334**	**1,475**	**1,372**
Risk-weighted assets (credit risk, eop)	15,855	16,200	28,700	29,286	21,617	19,895	66,171	65,380
Average allocated capital	2,278	2,692	5,081	5,605	2,876	2,887	10,235	11,183
Cost/income ratio	43.6%	47.6%	49.1%	53.5%	39.4%	39.9%	45.4%	48.8%
Return on allocated capital	26.8%	20.7%	16.6%	12.6%	17.9%	18.7%	19.2%	16.1%
Total assets (eop)	57,092	58,339	83,345	87,403	69,196	62,323	209,632	208,065
Total liabilities excluding equity (eop)	54,020	55,193	75,926	79,106	30,461	22,203	160,408	156,502
Impairments	**-51**	**-52**	**-84**	**-97**	**24**	**-1**	**-111**	**-150**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-56	-43	-74	-72	22	-17	-108	-132
Net impairment loss on commitments and guarantees given	6	-9	-10	-25	2	16	-3	-18
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	0	0	0	0	0	0

Operating segments: Geographical area Central and Eastern Europe

	Czech Republic		Slovakia		Romania		Hungary		Croatia		Serbia		Central and Eastern Europe	
in EUR million	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25
Net interest income	702	746	269	295	370	397	223	205	208	203	57	56	1,829	1,903
Net fee and commission income	245	251	113	121	106	109	143	170	64	68	14	14	684	734
Dividend income	2	1	0	1	1	1	0	0	0	0	0	0	4	3
Net trading result	71	61	8	11	49	53	38	31	8	9	6	6	181	171
Gains/losses from financial instruments at FVPL	-4	-1	1	-2	2	2	20	13	1	0	0	0	19	12
Net result from equity method investments	3	4	2	4	1	1	0	0	1	1	0	0	7	9
Rental income from investment properties & other operating leases	5	5	0	0	4	2	7	4	4	3	2	3	21	18
General administrative expenses	-474	-502	-175	-187	-209	-226	-147	-158	-137	-145	-43	-48	-1,185	-1,266
Gains/losses from financial assets and liabilities not at FVPL, net														
Gains/losses from derecognition of financial assets at AC	0	-13	0	0	0	0	0	0	0	0	0	0	0	-13
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	-1	0	2	0	0	0	0	0	1	-1
Impairment result from financial instruments	9	8	-23	-32	-19	-21	9	0	17	15	-6	-2	-12	-33
Other operating result	-10	-19	0	1	-36	-46	-100	-107	-2	0	0	0	-149	-172
Levies on banking activities	0	0	0	0	-18	-20	-96	-109	0	0	0	0	-114	-129
Pre-tax result from continuing operations	**548**	**541**	**197**	**210**	**267**	**272**	**195**	**157**	**162**	**155**	**30**	**30**	**1,398**	**1,365**
Taxes on income	-97	-90	-78	-69	-46	-43	-27	-21	-34	-27	-3	-3	-286	-252
Net result for the period	**451**	**452**	**119**	**141**	**221**	**230**	**168**	**136**	**128**	**128**	**26**	**27**	**1,112**	**1,113**
Net result attributable to non-controlling interests	0	0	0	0	0	0	0	0	40	40	5	6	45	46
Net result attributable to owners of the parent	**451**	**452**	**119**	**141**	**221**	**230**	**168**	**136**	**88**	**87**	**21**	**21**	**1,067**	**1,067**
Operating income	1,023	1,068	394	428	532	566	431	423	284	285	78	79	2,744	2,850
Operating expenses	-474	-502	-175	-187	-209	-226	-147	-158	-137	-145	-43	-48	-1,185	-1,266
Operating result	**549**	**566**	**219**	**241**	**323**	**340**	**284**	**265**	**147**	**140**	**35**	**32**	**1,559**	**1,584**
Risk-weighted assets (credit risk, eop)	25,892	24,290	9,859	9,873	9,632	11,687	4,828	4,705	6,808	6,788	2,083	2,337	59,102	59,681
Average allocated capital	4,355	4,275	1,533	1,412	2,024	2,305	1,350	1,230	980	1,144	356	346	10,598	10,712
Cost/income ratio	46.3%	47.0%	44.4%	43.7%	39.3%	40.0%	34.1%	37.4%	48.2%	50.8%	54.8%	60.3%	43.2%	44.4%
Return on allocated capital	20.8%	21.3%	15.6%	20.1%	21.9%	20.1%	25.0%	22.3%	26.2%	22.5%	14.8%	15.5%	21.1%	21.0%
Total assets (eop)	82,094	84,101	26,104	26,979	22,292	23,818	12,725	12,760	14,826	16,914	3,546	3,782	161,587	168,354
Total liabilities excluding equity (eop)	76,433	78,635	23,756	24,561	19,767	20,697	11,206	11,232	13,136	15,164	3,090	3,256	147,387	153,545
Impairments	**23**	**8**	**-23**	**-32**	**-19**	**-21**	**13**	**8**	**17**	**15**	**-6**	**-2**	**4**	**-25**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	5	23	-23	-31	-36	-29	8	2	23	19	-5	-2	-28	-19
Net impairment loss on commitments and guarantees given	5	-15	0	-1	17	9	1	-2	-7	-4	-1	0	15	-14
Impairment of goodwill	0	0	0	0	0	0	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	0	0	0	0	0	0
Net impairment on other non-financial assets	13	0	0	0	-1	-1	4	8	0	0	0	0	17	8

Business segments (1)

in EUR million	Retail		Corporates		Group Markets		ALM&LCC	
	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25	1-6 24	1-6 25
Net interest income	1,582	1,568	943	890	165	195	-111	40
Net fee and commission income	759	810	206	236	165	190	-47	-54
Dividend income	0	0	2	2	6	5	10	12
Net trading result	81	93	60	60	68	35	-73	-51
Gains/losses from financial instruments at FVPL	19	11	-4	1	3	3	57	-2
Net result from equity method investments	3	5	0	1	0	0	7	7
Rental income from investment properties & other operating leases	5	6	89	52	0	0	18	19
General administrative expenses	-1,234	-1,311	-328	-355	-137	-150	-80	-85
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	0	-1	0	0	0	-1	-13
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	0	0	1	-2
Impairment result from financial instruments	-52	-65	9	-19	0	-4	5	3
Other operating result	-45	-75	-44	-47	-8	-7	-87	-71
Levies on banking activities	-42	-59	-26	-37	-5	-5	-45	-40
Pre-tax result from continuing operations	**1,119**	**1,044**	**931**	**821**	**263**	**266**	**-301**	**-198**
Taxes on income	-217	-208	-174	-162	-53	-55	9	47
Net result for the period	**902**	**835**	**757**	**660**	**210**	**212**	**-292**	**-150**
Net result attributable to non-controlling interests	21	17	31	34	2	3	8	11
Net result attributable to owners of the parent	**881**	**818**	**726**	**626**	**208**	**208**	**-300**	**-162**
Operating income	2,449	2,494	1,295	1,243	407	428	-138	-29
Operating expenses	-1,234	-1,311	-328	-355	-137	-150	-80	-85
Operating result	**1,215**	**1,183**	**967**	**888**	**271**	**278**	**-218**	**-115**
Risk-weighted assets (credit risk, eop)	25,652	28,516	60,152	57,465	4,445	4,329	7,234	6,419
Average allocated capital	3,909	4,044	6,653	6,624	1,037	1,065	6,142	6,825
Cost/income ratio	50.4%	52.6%	25.3%	28.6%	33.6%	35.1%	-57.9%	>100%
Return on allocated capital	46.4%	41.7%	22.9%	20.1%	40.7%	40.1%	-9.6%	-4.4%
Total assets (eop)	78,306	83,726	81,348	86,937	52,241	41,578	91,687	99,225
Total liabilities excluding equity (eop)	115,509	122,347	47,516	49,161	46,323	36,610	73,223	79,946
Impairments	**-52**	**-65**	**9**	**-20**	**0**	**-4**	**22**	**11**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-57	-61	-10	-22	1	3	4	1
Net impairment loss on commitments and guarantees given	5	-4	19	3	-2	-7	1	1
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	-1	0	0	0	17	8

Business segments (2)

in EUR million	Savings Banks 1-6 24	Savings Banks 1-6 25	Group Corporate Center 1-6 24	Group Corporate Center 1-6 25	Intragroup Elimination 1-6 24	Intragroup Elimination 1-6 25	Total Group 1-6 24	Total Group 1-6 25
Net interest income	920	855	173	227	16	11	3,687	3,786
Net fee and commission income	350	379	8	-4	-18	-16	1,423	1,542
Dividend income	4	3	6	7	0	0	28	29
Net trading result	4	2	2	3	-5	-2	137	141
Gains/losses from financial instruments at FVPL	11	18	24	29	0	0	111	59
Net result from equity method investments	0	0	2	10	0	0	12	23
Rental income from investment properties & other operating leases	19	18	-7	4	-1	-12	124	88
General administrative expenses	-642	-681	-584	-642	457	519	-2,548	-2,706
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	0	0	0	0	0	-2	-13
Other gains/losses from derecognition of financial instruments not at FVPL	-2	0	1	0	0	0	0	-2
Impairment result from financial instruments	-84	-97	-3	1	0	0	-126	-182
Other operating result	-43	-34	421	550	-448	-501	-254	-183
Levies on banking activities	-3	-10	-13	-46	0	0	-134	-197
Pre-tax result from continuing operations	**537**	**463**	**43**	**186**	**0**	**0**	**2,592**	**2,583**
Taxes on income	-117	-112	20	-40	0	0	-531	-529
Net result for the period	**420**	**351**	**64**	**146**	**0**	**0**	**2,061**	**2,053**
Net result attributable to non-controlling interests	365	302	4	21	0	0	431	389
Net result attributable to owners of the parent	**55**	**49**	**59**	**126**	**0**	**0**	**1,629**	**1,665**
Operating income	1,308	1,275	209	277	-9	-19	5,522	5,668
Operating expenses	-642	-681	-584	-642	457	519	-2,548	-2,706
Operating result	**666**	**593**	**-375**	**-365**	**448**	**501**	**2,974**	**2,963**
Risk-weighted assets (credit risk, eop)	28,700	29,286	1,942	48	0	0	128,124	126,064
Average allocated capital	5,081	5,605	6,240	7,638	0	0	29,063	31,802
Cost/income ratio	49.1%	53.5%	>100%	>100%	>100%	>100%	46.1%	47.7%
Return on allocated capital	16.6%	12.6%	2.1%	3.9%			14.3%	13.0%
Total assets (eop)	83,345	87,403	4,106	3,895	-46,892	-41,692	344,141	361,072
Total liabilities excluding equity (eop)	75,926	79,106	3,591	3,012	-46,920	-41,712	315,169	328,469
Impairments	**-84**	**-97**	**-3**	**1**	**0**	**0**	**-109**	**-174**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-74	-72	-2	0	0	0	-137	-151
Net impairment loss on commitments and guarantees given	-10	-25	-2	0	0	0	11	-31
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	0	0	0	0	17	8

29. Risk management

A core function of a bank is taking risks in a conscious and selective manner and professionally steering those risks. Adequate risk policy and risk strategy is essential to a bank's fundamental financial health and operational business success. Concerning risk policy and strategy as well as regarding risk management organisation, reference is made to the note of the same name in the annual report 2024.

Credit risk

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.

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.

In the reporting period, the credit risk exposure increased by 2% or EUR 9,3 billion.

Reconciliation between gross carrying amount and carrying amount of the credit risk exposure components

in EUR million	Credit risk exposure	Allowances	Adjustments	Carrying amount
Jun 25				
Cash and cash balances - demand deposits to credit institutions	1,456	-2	0	1,454
Instruments HfT	8,500	0	0	8,500
Non-trading debt instruments at FVPL	2,697	0	0	2,697
Debt securities	1,479	0	0	1,479
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,218	0	0	1,218
Debt instruments at FVOCI	9,754	-5	18	9,767
Debt securities	9,754	-5	18	9,767
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	299,383	-4,103	0	295,280
Debt securities	57,951	-15	0	57,937
Loans and advances to banks	22,821	-3	0	22,818
Loans and advances to customers	218,610	-4,085	0	214,526
Trade and other receivables	2,960	-50	0	2,910
Finance lease receivables	5,407	-78	0	5,328
Debt instruments held for sale in disposal groups	0	0	0	0
Positive fair value of hedge accounting derivatives	205	0	0	205
Off balance-sheet exposures	77,707	-487	0	0
Total	**408,068**	**-4,726**	**18**	**326,141**
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	0
Total	**398,766**	**-4,639**	**3**	**321,479**

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.

Credit risk exposure by industry and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Jun 25					
Natural resources & commodities	9,825	3,048	849	498	14,219
Energy	17,017	1,343	254	47	18,661
Construction and building materials	13,816	4,178	909	445	19,349
Automotive	6,662	1,432	334	275	8,703
Cyclical consumer products	6,083	1,955	515	332	8,885
Non-cyclical consumer products	9,374	2,036	290	187	11,887
Machinery	6,623	1,356	302	159	8,440
Transportation	8,545	1,506	305	121	10,478
TMT	6,635	1,210	143	76	8,065
Healthcare & services	10,958	2,367	377	159	13,861
Hotels & leisure industry	8,156	1,781	491	347	10,775
Real estate	38,804	6,719	1,857	1,544	48,924
Public sector	85,071	599	85	74	85,830
Financial institutions	32,146	704	235	28	33,112
Private households	88,791	12,352	3,809	1,709	106,661
Other	213	2	1	3	219
Total	**348,720**	**42,588**	**10,756**	**6,004**	**408,068**
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	6,622	1,113	125	89	7,949
Healthcare & services	9,383	2,299	333	175	12,190
Hotels & leisure industry	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**

Credit risk exposure by region and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Jun 25					
Core markets	**284,484**	**39,620**	**9,895**	**5,553**	**339,552**
Austria	126,697	14,309	4,792	3,277	149,076
Czech Republic	77,995	9,999	1,475	811	90,281
Romania	24,017	4,090	705	530	29,342
Slovakia	26,043	4,805	1,873	442	33,164
Hungary	12,166	2,831	639	135	15,771
Croatia	13,541	2,577	333	293	16,745
Serbia	4,023	1,008	78	65	5,175
Other EU	**41,490**	**1,389**	**527**	**259**	**43,665**
Other industrialised countries	**16,602**	**235**	**60**	**10**	**16,906**
Emerging markets	**6,144**	**1,345**	**275**	**182**	**7,945**
Southeastern Europe/CIS	3,632	854	242	103	4,831
Asia	1,501	55	7	10	1,573
Latin America	230	2	1	0	233
Middle East/Africa	781	434	25	68	1,309
Total	**348,720**	**42,588**	**10,756**	**6,004**	**408,068**
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
Czech Republic	77,158	9,676	1,515	802	89,151
Romania	24,322	3,997	876	389	29,584
Slovakia	24,621	4,901	1,701	422	31,645
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**

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.

Credit risk exposure by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Jun 25					
Austria	**179,314**	**16,898**	**5,448**	**3,703**	**205,363**
EBOe & Subsidiaries	49,468	4,623	1,552	1,105	56,749
Savings Banks	66,985	10,956	3,602	2,256	83,799
Other Austria	62,861	1,319	293	343	64,815
Central and Eastern Europe	**151,370**	**25,681**	**5,301**	**2,300**	**184,653**
Czech Republic	78,123	10,244	1,584	852	90,803
Romania	22,223	4,104	706	507	27,540
Slovakia	24,043	4,826	1,925	443	31,237
Hungary	9,710	2,763	615	128	13,216
Croatia	13,800	2,770	399	309	17,278
Serbia	3,471	973	71	62	4,578
Other	**18,035**	**10**	**8**	**0**	**18,053**
Total	**348,720**	**42,588**	**10,756**	**6,004**	**408,068**
Dec 24					
Austria	**175,979**	**16,889**	**5,231**	**3,872**	**201,970**
EBOe & Subsidiaries	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
Central and Eastern Europe	**147,463**	**25,495**	**5,250**	**2,152**	**180,360**
Czech Republic	77,312	10,155	1,540	838	89,845
Romania	22,410	4,036	861	389	27,696
Slovakia	22,493	4,918	1,745	418	29,575
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**

Credit risk exposure by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Jun 25					
Retail	71,862	13,458	3,852	1,741	90,913
Corporates	112,241	17,800	3,042	2,001	135,084
Group Markets	25,860	273	138	0	26,272
ALM & LCC	71,649	94	115	6	71,863
Savings Banks	66,985	10,956	3,602	2,256	83,799
GCC	122	9	8	0	138
Total	**348,720**	**42,588**	**10,756**	**6,004**	**408,068**
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**

Credit risk exposure by geographical segment and IFRS 9 treatment

in EUR million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total
Jun 25						
Austria	**161,448**	**25,973**	**3,634**	**64**	**14,243**	**205,363**
EBOe & Subsidiaries	47,884	6,895	1,083	19	868	56,749
Savings Banks	62,684	16,165	2,218	46	2,686	83,799
Other Austria	50,880	2,913	333	0	10,690	64,815
Central and Eastern Europe	**156,321**	**12,597**	**2,095**	**305**	**13,335**	**184,653**
Czech Republic	80,435	5,189	764	90	4,326	90,803
Romania	23,525	1,842	494	37	1,642	27,540
Slovakia	25,022	2,226	399	115	3,476	31,237
Hungary	9,365	1,241	103	27	2,479	13,216
Croatia	14,502	1,826	293	18	639	17,278
Serbia	3,472	273	42	18	772	4,578
Other	**17,968**	**2**	**0**	**0**	**82**	**18,053**
Total	**335,737**	**38,572**	**5,729**	**370**	**27,660**	**408,068**
Dec 24						
Austria	**156,474**	**25,257**	**3,787**	**64**	**16,387**	**201,970**
EBOe & Subsidiaries	46,276	6,697	996	19	620	54,609
Savings Banks	61,449	15,360	2,244	45	2,381	81,479
Other Austria	48,749	3,200	547	0	13,386	65,882
Central and Eastern Europe	**150,805**	**15,127**	**1,944**	**319**	**12,164**	**180,360**
Czech Republic	77,490	7,215	740	94	4,305	89,845
Romania	23,631	2,466	379	33	1,187	27,696
Slovakia	23,396	2,295	374	125	3,385	29,575
Hungary	8,986	1,129	107	32	2,021	12,276
Croatia	14,026	1,706	301	16	587	16,637
Serbia	3,276	316	41	20	680	4,332
Other	**16,370**	**3**	**0**	**0**	**63**	**16,436**
Total	**323,649**	**40,387**	**5,732**	**383**	**28,615**	**398,766**

Credit risk exposure by business segment and IFRS 9 treatment

in EUR million	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total
Jun 25						
Retail	79,035	8,635	1,689	98	1,456	90,913
Corporates	105,883	13,399	1,816	226	13,761	135,084
Group Markets	16,472	288	0	0	9,512	26,272
ALM & LCC	71,606	83	5	0	168	71,863
Savings Banks	62,684	16,165	2,218	46	2,686	83,799
GCC	58	2	0	0	78	138
Total	**335,737**	**38,572**	**5,729**	**370**	**27,660**	**408,068**
Dec 24						
Retail	74,104	9,906	1,598	103	1,253	86,964
Corporates	100,583	14,740	1,883	235	12,477	129,919
Group Markets	17,139	292	1	0	12,253	29,686
ALM & LCC	70,300	86	6	0	190	70,583
Savings Banks	61,449	15,360	2,244	45	2,381	81,479
GCC	73	3	0	0	59	136
Total	**323,649**	**40,387**	**5,732**	**383**	**28,615**	**398,766**

Stage 1 and Stage 2 comprise not impaired credit risks, while Stage 3 includes impaired credit risks. POCI (purchased or originated credit impaired) exposure consists of credit risks already impaired when purchased or originated.

The defaulted part of POCI amounted to EUR 186 million (EUR 186 million), the non-defaulted part to EUR 184 million (EUR 197 million).

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.

For more details, please refer to Erste Group's annual report 2024, group consolidated financial statements, risk and capital management notes.

Development of credit loss allowances

Development of credit loss allowances for debt securities

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Other	As of
	Jan 25						Jun 25
Stage 1	-9	-1	1	0	0	0	-9
Stage 2	-2	0	0	0	1	0	-2
Stage 3	-4	0	0	0	0	0	-4
Total	**-15**	**-1**	**1**	**0**	**0**	**0**	**-15**
	Jan 24						Jun 24
Stage 1	-10	-1	2	0	0	0	-9
Stage 2	-3	0	0	-1	1	0	-3
Stage 3	-4	0	0	0	0	0	-4
Total	**-17**	**-1**	**2**	**-1**	**0**	**0**	**-17**

Development of credit loss allowances for loans and advances to banks

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Other	As of
	Jan 25						Jun 25
Stage 1	-6	-5	4	0	3	0	-3
Stage 2	0	0	0	0	0	0	0
Stage 3	0	0	0	0	0	0	0
Total	**-6**	**-5**	**4**	**0**	**3**	**0**	**-3**
	Jan 24						Jun 24
Stage 1	-8	-8	5	0	3	0	-8
Stage 2	-3	0	3	0	0	0	0
Stage 3	0	0	0	0	0	0	0
Total	**-12**	**-9**	**8**	**0**	**4**	**0**	**-9**

Development of credit loss allowances for loans and advances to customers

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 25							Jun 25
Stage 1	**-366**	**-143**	**42**	**294**	**-212**	**0**	**-1**	**-386**
General governments	-5	-3	2	3	-3	0	2	-4
Other financial corporations	-12	-9	8	5	-4	0	1	-11
Non-financial corporations	-204	-77	20	126	-81	0	-3	-218
Households	-145	-54	12	160	-125	0	-1	-153
Stage 2	**-1,263**	**-70**	**115**	**-318**	**326**	**0**	**-7**	**-1,217**
General governments	-16	0	0	-2	4	0	5	-8
Other financial corporations	-17	-3	19	-25	15	0	0	-11
Non-financial corporations	-770	-58	69	-137	136	0	-10	-770
Households	-460	-9	26	-154	171	0	-3	-428
Stage 3	**-2,289**	**-38**	**143**	**-30**	**-347**	**146**	**4**	**-2,411**
General governments	-4	0	0	0	1	0	0	-3
Other financial corporations	-28	-1	2	0	-3	0	0	-30
Non-financial corporations	-1,247	-24	80	-10	-213	75	5	-1,334
Households	-1,009	-13	61	-20	-132	71	-1	-1,043
POCI	**-73**	**0**	**2**	**0**	**-4**	**5**	**-1**	**-71**
General governments	0	0	0	0	-1	0	0	-1
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-54	0	1	0	-4	3	0	-55
Households	-19	0	1	0	1	2	-1	-16
Total	**-3,991**	**-251**	**302**	**-54**	**-237**	**151**	**-6**	**-4,085**
	Jan 24							Jun 24
Stage 1	**-357**	**-151**	**43**	**382**	**-299**	**0**	**-2**	**-384**
General governments	-5	-1	1	1	-1	0	0	-5
Other financial corporations	-9	-6	3	8	-6	0	0	-10
Non-financial corporations	-188	-81	26	167	-121	0	-1	-198
Households	-155	-63	13	206	-172	0	-1	-171
Stage 2	**-1,401**	**-153**	**154**	**-395**	**446**	**0**	**9**	**-1,339**
General governments	-19	0	0	-1	0	0	0	-20
Other financial corporations	-10	-12	1	-10	15	0	0	-16
Non-financial corporations	-835	-124	121	-196	216	0	3	-816
Households	-536	-16	32	-188	215	0	6	-488
Stage 3	**-2,072**	**-117**	**229**	**-46**	**-330**	**133**	**17**	**-2,186**
General governments	-5	0	0	0	1	0	0	-5
Other financial corporations	-28	-1	1	0	-1	1	0	-29
Non-financial corporations	-1,082	-90	163	-26	-205	75	8	-1,159
Households	-957	-26	66	-20	-124	58	10	-994
POCI	**-85**	**0**	**4**	**0**	**-7**	**5**	**0**	**-83**
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	2	0	-4	2	0	-60
Households	-25	0	2	0	-3	3	0	-23
Total	**-3,915**	**-421**	**429**	**-59**	**-189**	**138**	**24**	**-3,993**

Development of credit loss allowances for trade and other receivables

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 25							Jun 25
Stage 1	-10	-4	1	1	1	1	0	-11
Stage 2	-8	0	1	-1	-1	1	0	-7
Stage 3	-26	0	1	-7	-1	2	0	-31
POCI	-1	0	0	0	0	0	0	-1
Total	**-44**	**-4**	**4**	**-7**	**-1**	**3**	**-1**	**-50**
	Jan 24							Jun 24
Stage 1	-11	-6	3	1	1	0	0	-12
Stage 2	-10	0	2	-1	0	0	0	-9
Stage 3	-41	0	2	0	8	3	0	-28
POCI	-1	0	0	0	0	0	0	-1
Total	**-63**	**-6**	**7**	**0**	**9**	**3**	**0**	**-50**

Development of credit loss allowances for debt instruments held

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Other	As of
	Jan 25						Jun 25
Stage 1	-3	-1	0	1	-2	0	-3
Stage 2	-9	0	0	0	8	0	-1
Stage 3	0	0	0	0	0	0	-1
Total	**-13**	**-1**	**0**	**1**	**6**	**0**	**-5**
	Jan 24						Jun 24
Stage 1	-5	-1	1	0	0	0	-4
Stage 2	-9	0	0	-1	0	0	-9
Stage 3	-1	0	0	0	0	0	-1
Total	**-14**	**-1**	**2**	**0**	**-1**	**0**	**-14**

Development of credit loss allowances for finance lease receivables

in EUR million	As of	Additions	Derecog-nitions	Transfer between stages	Other changes in credit risk (net)	Write-offs	Other	As of
	Jan 25							Jun 25
Stage 1	-20	-4	1	6	-6	0	0	-23
Stage 2	-31	0	1	-7	14	0	0	-24
Stage 3	-32	0	3	-2	-2	1	0	-31
POCI	0	0	0	0	0	0	0	0
Total	**-83**	**-4**	**5**	**-4**	**6**	**1**	**0**	**-78**
	Jan 24							Jun 24
Stage 1	-17	-4	0	6	-5	0	0	-19
Stage 2	-33	0	0	-7	7	0	0	-32
Stage 3	-40	0	3	-3	2	4	0	-34
POCI	0	0	0	0	0	0	0	0
Total	**-90**	**-4**	**3**	**-4**	**5**	**4**	**0**	**-86**

Scenarios used in forward looking information and crises effects

Overview on scenarios used in 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 alter-native scenarios (upside and downside) are derived, together with their weights of scenario outcome, as a deviation from baseline forecasts. The base-line forecasts are, with a 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.

For more details, please refer to Erste Group's annual report 2024, group consolidated financial statements, risk and capital management notes.

Erste Group, reviewed the FLI in the second quarter of 2025 according to the disclosed forecasts for baseline, downside, and upside scenarios. In case of Erste Bank Croatia's (EBC) local models, FLI applied at year-end 2024 were kept due to immaterial impact of new macros' forecasts on ECL. Based on the assessment of conditions (exit triggers) for applying FLI in-model adjustments, Erste Group decided to keep unchanged the approach of including the Comprehensive Stress Test (CST) scenario into the downside scenario modelling in all local and central models. Local models applied in Austria were adjusted in 2024 due to risk materialization observed. CST scenario was therefore excluded for those.

The bank is disclosing sensitivity of the staging and ECL on macro scenarios in the 'Collective assessment' section below.

Baseline Scenario

Erste Group anticipates a moderate deceleration in eurozone economic growth in 2025, primarily driven by the escalation of global trade tensions originating from the United States. Despite this, supportive factors such as real wage growth and persistently low financing costs are expected to cushion the impact, resulting in a slight decline in GDP growth to 0.8%.

Over the midterm, growth prospects have improved marginally, supported by Germany's announcement of a EUR 500 billion fiscal stimulus package over the next decade and the relaxation of EU fiscal rules to accommodate increased defense spending across member states. Following a 25 basis point rate cut in June, the European Central Bank (ECB) has positioned itself to navigate the current economic uncertainty, with the deposit rate now at 2%. While no further rate cuts are currently expected by Erste Group, downside risks to the interest rate outlook have increased. Nevertheless, as long as macroeconomic fundamentals remain stable and financing conditions favorable, additional monetary easing by the ECB is not anticipated.

Risks to the Baseline Scenario and comprehensive stress test scenario as considerations added to downside scenario

Key downside risks include the ongoing conflict in Ukraine and escalating tensions in the Middle East. Additionally, uncertainty surrounding the trade policy direction of the new U.S. administration under President Trump poses further challenges. The recent announcement of significant tariffs on countries and ongoing negotiations with the EU, could escalate. Should the U.S. increase tariffs on EU imports beyond the current temporary 10% level, the resulting impact on trade and investment could be more severe than currently projected in the base line scenario, particularly affecting Eurozone export and investment growth in 2025 and 2026.

In the light of the ongoing war between Russia and Ukraine, energy security remains a critical concern for the EU, given its increasing reliance on liquefied natural gas (LNG) imports from geographically distant suppliers such as the U.S. and Middle Eastern nations. Any disruption in global LNG supply chains could lead to sharp increases in energy prices, potentially prompting the ECB to adopt a more aggressive monetary tightening stance to contain inflation, thereby affecting the entire yield curve.

Moreover, the rapid expansion of green energy investments introduces volatility into the European power grid. Fluctuations in renewable energy supply can lead to temporary electricity price spikes—as recently observed in Spain negatively impacting industrial output and consumer purchasing power.

A sharp rise in interest rates would pose a risk to both corporate and household investment activity. Although the likelihood of such increase has recently diminished, it could still result in lower investment levels than currently assumed in the baseline scenario.

Higher Harmonized Index of Consumer Prices (HICP), particularly in energy-related costs, would reduce disposable income and dampen consumption. Coupled with high post-pandemic debt levels, increased military expenditures, and expansive fiscal policies especially in France, investor concerns regarding debt sustainability in certain member states could intensify.

Upside risk to the baseline scenario

A more robust and accelerated recovery in global industrial activity particularly if the new U.S. administration refrains from implementing additional trade restrictions could significantly benefit the Eurozone. This would be especially impactful for Germany, which has been in recession for two consecutive years. Given Germany's strong economic linkages with other major Eurozone economies, a rebound in German industry would likely have a positive spillover effect across the region.

Under such a scenario, Eurozone GDP growth in 2025 and 2026 would receive a notable uplift, driven by a stronger-than-expected recovery in investment activity. Improved consumer sentiment would further support private consumption, enhancing its contribution to overall growth, more than expected in the baseline scenario. The services sector would also benefit from increased consumer confidence.

However, for this optimistic scenario to materialize, a continued and gradual decline in inflation—particularly within the services sector—is essential to avoid jeopardizing the ECB's anticipated rate cuts 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 30 June 2025. 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 2025-2027	2025	2026	2027
Jun 25					
Austria	Upside	24%	2.2	3.0	3.7
	Baseline	50%	-0.5	0.3	1.0
	Downside	26%	-3.3	-2.5	-1.8
Czechia	Upside	24%	3.5	4.7	4.7
	Baseline	50%	1.4	2.6	2.6
	Downside	26%	-4.5	-2.1	0.1
Slovakia	Upside	28%	4.3	4.0	4.3
	Baseline	50%	1.8	1.5	1.8
	Downside	22%	-5.0	-3.0	-0.7
Romania	Upside	24%	5.2	6.5	6.4
	Baseline	50%	1.8	3.1	3.0
	Downside	26%	-2.8	-0.7	-0.1
Hungary	Upside	22%	3.2	5.4	5.3
	Baseline	50%	0.8	3.0	2.9
	Downside	28%	-5.2	-2.0	0.1
Croatia	Upside	28%	4.8	5.5	4.5
	Baseline	50%	2.9	2.8	2.5
	Downside	22%	-3.0	-1.2	0.2
Serbia	Upside	26%	5.2	6.0	6.6
	Baseline	50%	3.1	3.9	4.5
	Downside	24%	-1.5	0.3	1.4
Germany	Upside	26%	2.1	3.0	3.6
	Baseline	50%	0.0	0.9	1.5
	Downside	24%	-3.3	-2.3	-0.9
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%	2.0	1.9	2.2
	Downside	22%	-4.9	-2.8	-0.5
Romania	Upside	26%	4.4	5.6	5.0
	Baseline	50%	1.2	2.4	1.8
	Downside	24%	-3.0	-1.0	-0.7
Hungary	Upside	19%	4.4	6.0	5.7
	Baseline	50%	2.0	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%	-3.0	-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	-2.0	-1.0

Baseline and scenario weighted values of the main variables in the most significant regions

	Baseline scenario			Scenario weighted outcome		
	2025	2026	2027	2025	2026	2027
Jun 25						
Austria						
GDP growth	-0.5	0.3	1.0	-0.6	0.2	0.9
Inflation	2.4	2.1	2.0	2.4	2.1	2.0
Yields_10Y	2.8	2.7	2.7	2.9	2.7	2.7
Czechia						
Unemployment Rate	3.3	3.5	3.5	3.6	3.9	3.9
Inflation (PPI)	147.3	150.3	154.0	147.5	150.4	154.2
Slovakia						
Unemployment Rate	5.3	5.7	5.6	5.2	5.9	5.8
Inflation	3.8	3.0	2.3	4.0	3.1	2.0
Romania						
GDP growth	1.8	3.1	3.0	1.4	2.9	3.0
Interest Rate (ROBOR 3M)	5.6	4.7	4.4	5.6	4.8	4.4
Inflation (CPI)	4.7	3.5	2.7	5.2	3.6	2.6
Dec 24						
Austria						
GDP growth	0.9	0.8	1.2	0.7	0.6	1.0
Inflation	1.7	1.5	2.0	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	4.0	4.0
Inflation (PPI)	147.8	151.0	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	3.0	2.3	4.6	3.2	2.0
Romania						
GDP growth	1.2	2.4	1.8	1.0	2.4	2.0
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

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 June 2025, Erste Group applied collective staging assessment (industry stage overlays) in case of industries selected in line with industry strategy to ensure that it reflects risks and changes in the risk assessment which our portfolio is exposed to. For more details, please refer to the annual report 2024, Risk and capital management, Measurement of expected credit loss.

Out of the overall credit risk exposure of EUR 408 billion (EUR 399 billion), portfolio under collective staging assessment (industry stage overlays) represents EUR 83 billion, thereof EUR 18 billion 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 the current situation. Therefore, the additional SICR collective assessment on the Private individual side was introduced and is still in place. It triggers additional Stage 2 exposure of EUR 1 billion as of 30 June 2025 and an increase of allocated ECL by EUR 17 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. In the second quarter of 2025, these rules were decommissioned – the evaluation of the exit trigger showed no deterioration of the affected portfolio since September 2024. It triggered the release 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 June 2025, the exposure in Stage 2 due to the application of the rules for collective SICR assessment (industry stage overlays) stood at EUR 6,687 million (EUR 6,559 million), with additional ECL allocated in the amount of EUR 121 million (EUR 122 million).

As described above, FLI was updated in the second quarter of 2025. As a result, the Stage 2 exposure triggered by FLI, increased to EUR 3,756 million as of June 2025 (EUR 3,599 million reported in December 2024). The overall level of ECL allocated in Stage 2 due to FLI is EUR 343 million as of June 2025 (EUR 326 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 1 billion (EUR 856 million), resulting in an ECL drop by EUR 84 million (EUR 58 million).

The downside scenario would lead to additional EUR 4,056 million of exposure migration to Stage 2 in comparison with scenario weighted FLI (EUR 5,281 million), resulting in an ECL increase of EUR 261 million (EUR 383 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

	Current status - parameters (FLI shifted)						Simulations - difference to FLI shifts effect		
				Stage 2 impacted by					
				Collective assessment		FLI shifts			
in EUR million	Stage 1	Stage 2	Total	Industry / cyclical	Private individuals		Upside scenario	Baseline scenario	Downside scenario
Jun 25									
Austria	**161,448**	**25,973**	**187,421**	**5,061**	**0**	**2,709**	**-2,205**	**-991**	**2,630**
EBOe & Subs.	47,884	6,895	54,779	1,394	0	910	-732	-318	832
Savings Banks	62,684	16,165	78,849	3,440	0	1,593	-1,369	-640	973
Other Austria	50,880	2,913	53,793	226	0	206	-104	-34	825
CEE	**156,321**	**12,597**	**168,917**	**1,627**	**1,206**	**1,047**	**-919**	**-148**	**1,426**
Czechia	80,435	5,189	85,624	559	802	538	-535	-114	954
Slovakia	25,022	2,226	27,247	545	0	44	-58	0	89
Romania	23,525	1,842	25,367	239	0	104	-133	-14	227
Hungary	9,365	1,241	10,607	75	0	310	-178	-14	118
Croatia	14,502	1,826	16,327	176	404	52	-9	-5	18
Serbia	3,472	273	3,745	34	0	0	-6	-1	21
Other	**17,968**	**2**	**17,971**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**335,737**	**38,572**	**374,310**	**6,687**	**1,206**	**3,756**	**-3,124**	**-1,139**	**4,056**
Dec 24									
Austria	**156,474**	**25,257**	**181,732**	**4,743**	**0**	**2,394**	**-1,886**	**-525**	**3,530**
EBOe & Subs.	46,276	6,697	52,974	1,297	0	809	-635	-170	999
Savings Banks	61,449	15,360	76,809	3,333	0	1,340	-1,071	-301	1,620
Other Austria	48,749	3,200	51,949	113	0	244	-180	-54	910
CEE	**150,805**	**15,127**	**165,932**	**1,816**	**1,382**	**1,205**	**-1,016**	**-331**	**1,751**
Czechia	77,490	7,215	84,705	611	988	616	-509	-152	882
Slovakia	23,396	2,295	25,692	462	0	71	-64	-56	76
Romania	23,631	2,466	26,097	470	0	298	-320	-80	610
Hungary	8,986	1,129	10,115	49	0	185	-92	-34	108
Croatia	14,026	1,706	15,732	174	394	44	-6	-2	39
Serbia	3,276	316	3,592	52	0	-9	-25	-8	36
Other	**16,370**	**3**	**16,373**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**323,649**	**40,387**	**364,037**	**6,559**	**1,382**	**3,599**	**-2,901**	**-856**	**5,281**

Impact on credit loss allowances by geographical segment

in EUR million	Current status - parameters (FLI shifted)						Simulations - difference to FLI shifts effect		
				Out of which					
				Collective assessment due to		FLI shifts			
	Stage 1	Stage 2	Total	Industry/ Cyclical	Private individuals		Upside scenario	Baseline scenario	Downside scenario
Jun 25									
Austria	**-195**	**-808**	**-1,003**	**-79**	**0**	**-219**	**161**	**71**	**-135**
EBOe & Subs.	-46	-199	-245	-20	0	-55	44	20	-30
Savings Banks	-100	-545	-646	-57	0	-126	98	44	-65
Other Austria	-49	-63	-112	-2	0	-38	19	7	-39
CEE	**-345**	**-699**	**-1,043**	**-42**	**-17**	**-124**	**86**	**13**	**-126**
Czechia	-103	-270	-372	-17	-10	-46	30	6	-47
Slovakia	-38	-121	-159	-12	0	-6	10	0	-13
Romania	-130	-168	-298	-4	0	-32	35	4	-52
Hungary	-23	-54	-77	-1	0	-23	7	1	-8
Croatia	-38	-75	-113	-7	-7	-16	3	1	-6
Serbia	-13	-11	-24	0	0	-1	1	0	-2
Other	**-2**	**-2**	**-4**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**-542**	**-1,509**	**-2,050**	**-121**	**-17**	**-343**	**246**	**84**	**-261**
Dec 24									
Austria	**-184**	**-753**	**-937**	-75	0	-169	103	28	-172
EBOe & Subs.	-43	-180	-223	-19	0	-39	27	6	-41
Savings Banks	-99	-498	-597	-53	0	-95	62	16	-92
Other Austria	-42	-76	-117	-3	0	-35	14	5	-40
CEE	**-328**	**-795**	**-1,123**	-47	-21	-157	112	30	-211
Czechia	-97	-286	-382	-17	-14	-51	30	8	-47
Slovakia	-37	-124	-161	-11	0	-6	5	3	-14
Romania	-121	-243	-364	-11	0	-61	67	17	-136
Hungary	-24	-50	-74	-1	0	-21	6	2	-7
Croatia	-40	-79	-119	-7	-7	-17	3	1	-5
Serbia	-11	-13	-24	0	0	0	2	1	-3
Other	**-2**	**-2**	**-4**	0	0	0	0	0	0
Total	**-514**	**-1,550**	**-2,064**	-122	-21	-326	215	58	-383

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 not taking into consideration loan loss allowances and collateral.

Loans and advances to customers by geographical segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Jun 25					
Austria	**106,193**	**13,689**	**4,863**	**3,558**	**128,304**
EBOe & Subsidiaries	36,754	3,833	1,445	1,076	43,109
Savings Banks	46,588	9,072	3,269	2,161	61,089
Other Austria	22,850	785	149	321	24,105
Central and Eastern Europe	**73,162**	**20,084**	**4,413**	**2,167**	**99,826**
Czech Republic	36,064	8,222	1,362	810	46,459
Romania	9,693	2,877	644	483	13,698
Slovakia	14,862	3,847	1,456	411	20,577
Hungary	3,123	2,412	569	104	6,208
Croatia	7,564	2,167	317	301	10,349
Serbia	1,855	558	65	58	2,536
Other	59	5	1	0	66
Total	**179,413**	**33,779**	**9,278**	**5,725**	**228,196**
Dec 24					
Austria	**104,481**	**13,443**	**4,606**	**3,668**	**126,197**
Erste Bank Oesterreich & Subsidiaries	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
Central and Eastern Europe	**69,900**	**19,641**	**4,379**	**2,013**	**95,933**
Czech Republic	34,057	8,007	1,257	792	44,113
Romania	10,095	2,795	759	366	14,015
Slovakia	14,284	3,738	1,395	382	19,800
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**	**222,185**

Loans and advances to customers by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Jun 25					
Retail	64,720	12,310	3,663	1,719	82,412
Corporates	66,429	12,308	2,259	1,840	82,836
Group Markets	1,460	22	26	0	1,507
ALM & LCC	211	62	60	5	338
Savings Banks	46,588	9,072	3,269	2,161	61,089
GCC	6	5	1	0	13
Total	**179,413**	**33,779**	**9,278**	**5,725**	**228,196**
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**	**222,185**

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.

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 geographical segment and coverage by loan loss allowances and collateral

	Non-performing		Customer loans		Allowances	Collateral for NPL		NPL ratio		NPL coverage ratio (exc collateral)	NPL collateralisation ratio	
in EUR million	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Jun 25												
Austria	**3,558**	**3,558**	**128,304**	**128,295**	**-1,946**	**2,079**	**2,079**	**2.8%**	**2.8%**	**54.7%**	**58.4%**	**58.4%**
EBOe & Subs	1,076	1,076	43,109	43,102	-501	666	666	2.5%	2.5%	46.6%	61.9%	61.9%
Savings Banks	2,161	2,161	61,089	61,088	-1,257	1,309	1,309	3.5%	3.5%	58.2%	60.6%	60.6%
Other Austria	321	321	24,105	24,105	-188	104	104	1.3%	1.3%	58.5%	32.5%	32.5%
CEE	**2,167**	**2,163**	**99,826**	**98,616**	**-2,264**	**752**	**748**	**2.2%**	**2.2%**	**104.7%**	**34.7%**	**34.6%**
Czech Republic	810	810	46,459	46,458	-793	254	254	1.7%	1.7%	97.9%	31.4%	31.4%
Romania	483	483	13,698	13,698	-630	132	132	3.5%	3.5%	130.4%	27.3%	27.3%
Slovakia	411	411	20,577	20,577	-372	195	195	2.0%	2.0%	90.5%	47.4%	47.4%
Hungary	104	100	6,208	4,998	-134	39	35	1.7%	2.0%	134.9%	37.6%	34.9%
Croatia	301	301	10,349	10,349	-275	117	117	2.9%	2.9%	91.2%	38.9%	38.9%
Serbia	58	58	2,536	2,536	-61	15	15	2.3%	2.3%	103.9%	26.1%	26.1%
Other	0	0	66	66	-3	0	0	0.0%	0.0%	>500%	0.0%	0.0%
Total	**5,725**	**5,721**	**228,196**	**226,977**	**-4,213**	**2,831**	**2,827**	**2.5%**	**2.5%**	**73.6%**	**49.4%**	**49.4%**
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%**
Czech Republic	792	792	44,113	44,113	-807	262	262	1.8%	1.8%	101.9%	33.1%	33.1%
Romania	366	366	14,015	14,015	-618	127	127	2.6%	2.6%	168.8%	34.6%	34.6%
Slovakia	382	382	19,800	19,800	-352	187	187	1.9%	1.9%	92.3%	49.1%	49.1%
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%	1171.6%	0.0%	0.0%
Total	**5,680**	**5,676**	**222,185**	**221,077**	**-4,118**	**2,863**	**2,859**	**2.6%**	**2.6%**	**72.5%**	**50.4%**	**50.4%**

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		Allowances	Collateral for NPL		NPL ratio		NPL coverage ratio (exc collateral)	NPL collateralisation ratio	
	Total	AC	Total	AC	AC	Total	AC	Total	AC	AC	Total	AC
Jun 25												
Retail	1,719	1,715	82,412	81,201	-1,528	627	623	2.1%	2.1%	89.1%	36.5%	36.3%
Corporates	1,840	1,840	82,836	82,830	-1,410	895	895	2.2%	2.2%	76.6%	48.6%	48.6%
Group Markets	0	0	1,507	1,507	-5	0	0	0.0%	0.0%	>500%	0.0%	0.0%
ALM & LCC	5	5	338	338	-10	0	0	1.6%	1.6%	198.8%	8.7%	8.7%
Savings Banks	2,161	2,161	61,089	61,088	-1,257	1,309	1,309	3.5%	3.5%	58.2%	60.6%	60.6%
GCC	0	0	13	13	-3	0	0	0.0%	0.0%	>500%	0.0%	0.0%
Total	**5,725**	**5,721**	**228,196**	**226,977**	**-4,213**	**2,831**	**2,827**	**2.5%**	**2.5%**	**73.6%**	**49.4%**	**49.4%**
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%	729.8%	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%	1156.5%	0.0%	0.0%
Total	**5,680**	**5,676**	**222,185**	**221,077**	**-4,118**	**2,863**	**2,859**	**2.6%**	**2.6%**	**72.5%**	**50.4%**	**50.4%**

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				Allowances				Coverage ratio		
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Jun 25											
Austria	**102,403**	**22,309**	**3,519**	**64**	**-135**	**-633**	**-1,179**	**0**	**2.8%**	**33.5%**	**0.0%**
EBOe & Subs	36,078	5,944	1,061	18	-33	-153	-316	0	2.6%	29.8%	0.0%
Savings Banks	44,780	14,125	2,137	46	-76	-448	-734	0	3.2%	34.3%	0.0%
Other AT	21,545	2,240	321	0	-26	-32	-129	0	1.4%	40.3%	0.0%
CEE	**85,722**	**10,576**	**2,023**	**295**	**-285**	**-613**	**-1,294**	**-72**	**5.8%**	**64.0%**	**24.4%**
Czech Republic	41,282	4,346	742	89	-90	-227	-451	-25	5.2%	60.7%	28.2%
Romania	11,689	1,504	470	35	-102	-153	-369	-5	10.2%	78.6%	13.3%
Slovakia	18,045	2,026	393	114	-33	-112	-208	-19	5.5%	53.0%	16.7%
Hungary	3,849	1,037	91	21	-18	-48	-65	-3	4.6%	71.2%	14.4%
Croatia	8,621	1,425	286	18	-29	-63	-172	-11	4.4%	60.1%	63.2%
Serbia	2,237	240	41	18	-12	-11	-29	-9	4.5%	71.5%	47.1%
Other	**63**	**2**	**0**	**0**	**0**	**-2**	**0**	**0**	**90.9%**	**0.0%**	**0.0%**
Total	**188,188**	**32,887**	**5,542**	**359**	**-420**	**-1,248**	**-2,473**	**-72**	**3.8%**	**44.6%**	**20.0%**
Dec 24											
Austria	**100,740**	**21,739**	**3,628**	**63**	**-127**	**-591**	**-1,137**	**0**	**2.7%**	**31.3%**	**0.0%**
EBOe & Subs	35,711	5,804	968	19	-31	-140	-298	0	2.4%	30.8%	0.0%
Savings Banks	44,377	13,410	2,155	44	-76	-409	-740	0	3.0%	34.4%	0.0%
Other AT	20,652	2,525	504	0	-21	-43	-99	0	1.7%	19.6%	0.0%
CEE	**79,868**	**12,806**	**1,871**	**307**	**-268**	**-709**	**-1,209**	**-74**	**5.5%**	**64.6%**	**24.0%**
Czech Republic	37,296	6,002	722	93	-85	-249	-448	-26	4.1%	62.0%	27.6%
Romania	11,559	2,069	356	32	-92	-219	-300	-6	10.6%	84.2%	18.9%
Slovakia	17,278	2,032	367	123	-33	-113	-189	-17	5.6%	51.5%	14.0%
Hungary	3,579	1,036	95	25	-19	-46	-65	-6	4.4%	68.3%	22.6%
Croatia	8,234	1,393	292	16	-29	-69	-178	-11	4.9%	61.2%	67.0%
Serbia	1,922	274	39	20	-10	-13	-29	-9	4.6%	73.5%	44.5%
Other	**51**	**2**	**0**	**0**	**0**	**-2**	**0**	**0**	**75.6%**	**98.2%**	**0.0%**
Total	**180,659**	**34,548**	**5,499**	**371**	**-396**	**-1,302**	**-2,346**	**-74**	**3.8%**	**42.7%**	**19.9%**

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 179 million (EUR 177 million), the non-defaulted part to EUR 181 million (EUR 194 million).

Loans and advances to customers at AC and coverage by loan loss allowances by business segment and IFRS 9 treatment

	Loans to customers				Allowances				Coverage ratio		
in EUR million	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	Stage 2	Stage 3	POCI
Jun 25											
Retail	71,662	7,772	1,672	95	-159	-387	-964	-17	5.0%	57.7%	17.9%
Corporates	69,981	10,901	1,728	219	-179	-405	-771	-55	3.7%	44.6%	25.1%
Group Markets	1,436	71	0	0	-3	-2	0	0	2.8%	54.8%	0.0%
ALM & LCC	318	15	5	0	-2	-4	-4	0	24.8%	82.0%	69.7%
Savings Banks	44,780	14,125	2,137	46	-76	-448	-734	0	3.2%	34.3%	0.0%
GCC	11	2	0	0	0	-2	0	0	90.9%	0.0%	0.0%
Total	**188,188**	**32,887**	**5,542**	**359**	**-420**	**-1,248**	**-2,473**	**-72**	**3.8%**	**44.6%**	**20.0%**
Dec 24											
Retail	67,296	8,990	1,579	99	-148	-428	-909	-20	4.8%	57.6%	20.3%
Corporates	66,648	11,927	1,758	227	-169	-456	-691	-54	3.8%	39.3%	23.7%
Group Markets	2,048	208	1	0	-2	-3	0	0	1.6%	0.4%	0.0%
ALM & LCC	281	11	6	0	0	-4	-5	0	33.0%	89.7%	0.0%
Savings Banks	44,377	13,410	2,155	44	-76	-409	-740	0	3.0%	34.4%	0.0%
GCC	9	2	0	0	0	-2	0	0	75.6%	98.2%	0.0%
Total	**180,659**	**34,548**	**5,499**	**371**	**-396**	**-1,302**	**-2,346**	**-74**	**3.8%**	**42.7%**	**19.9%**

Loans and advances to customers by geographical segment and currency

in EUR million	EUR	CEE-LCY	CHF	USD	Other	Total
Jun 25						
Austria	**120,917**	**0**	**1,501**	**3,327**	**2,558**	**128,304**
Erste Bank Oesterreich & Subsidiaries	42,473	0	573	49	15	43,109
Savings Banks	58,425	0	880	37	1,748	61,089
Other Austria	20,020	0	49	3,242	795	24,105
Central and Eastern Europe	**47,402**	**52,152**	**8**	**187**	**76**	**99,826**
Czech Republic	9,079	37,225	2	90	63	46,459
Romania	3,957	9,696	0	45	0	13,698
Slovakia	20,559	0	0	6	12	20,577
Hungary	1,718	4,484	0	5	1	6,208
Croatia	10,303	0	6	41	0	10,349
Serbia	1,787	748	0	1	0	2,536
Other	**13**	**25**	**0**	**0**	**28**	**66**
Total	**168,333**	**52,177**	**1,510**	**3,515**	**2,661**	**228,196**
Dec 24						
Austria	**118,456**	**0**	**1,546**	**3,312**	**2,883**	**126,197**
Erste Bank Oesterreich & Subsidiaries	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
Central and Eastern Europe	**45,788**	**49,868**	**10**	**190**	**78**	**95,933**
Czech Republic	8,933	35,036	2	77	65	44,113
Romania	3,815	10,116	0	85	0	14,015
Slovakia	19,779	0	0	9	12	19,800
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**	**2,990**	**222,185**

Market risk

The following table shows the value at risk of the trading book at the 99% confidence level using equally weighted market data and with a holding period of one day.

in EUR million	Dec 24	Jun 25
Interest	3.4	3.5
Currency	0.7	0.6
Shares	1.1	0.9
Commodity	0.2	0.2
Volatility	0.6	0.7
Total	**3.8**	**3.5**

The method used is subject to limitations that may result in the information not fully reflecting the fair value of the assets and liabilities involved. This restriction applies to the inclusion of credit spreads in the calculation of the VaR. Issuer specific spreads are applied to sovereign issuers, while sector specific spreads are applied to non-sovereign issuers.

Liquidity risk

For 2025, Erste Group Bank AG budgeted long-term issuance in the amount of EUR 3.2 billion. However, the issuance plan was revised and increased to EUR 5.2 billion. In the first six months of 2025 about EUR 4 billion were issued, thereof four benchmarks (two covered bonds and two senior preferred bonds). The liquidity situation remained stable also in the CEE entities and did not show any significant negative impacts.

Leverage ratio

The leverage ratio represents the relationship between core capital (tier 1) and the leverage exposure according to Article 429 Capital Requirements Regulation (CRR). Essentially, the leverage exposure represents the sum of unweighted on- and off-balance-sheet positions considering valuation and risk adjustments as defined within the CRR.

As of 30 June 2025, the leverage ratio for Erste Group Bank AG at consolidated level amounted to 7.9%, comfortably above the 3.0% minimum requirement defined in Article 92 Capital Requirements Regulation (CRR). Tier 1 capital amounted to EUR 30.3 billion at the reference date, while total leverage exposure stood at EUR 381.4 billion.

The calculation and disclosure of the leverage ratio are based on the European Commission's Delegated Regulation (EU) 2015/62 of 10 October 2014 and on the Regulation (EU) 2024/1623 (CRR3) of the European Parliament and of the Council of 31 May 2024.

30. Related party transactions

The foundation DIE ERSTE oesterreichische Spar-Casse Privatstiftung (Privatstiftung) controls a total of 26.44% interest in Erste Group Bank AG. Privatstiftung is the largest single investor in Erste Group Bank AG. At the end of the reporting period, Erste Group had, in relation to Privatstiftung, accounts payable of EUR 99 million (EUR 28 million) and no accounts receivable. Privatstiftung held bonds issued by Erste Group of EUR 46 million (EUR 46 million). From the mentioned transactions, interest expenses for Erste Group amounted to EUR 1 million (EUR 0 million). Erste Group did not receive fee and commission income or rental income.

31. Contingent liabilities – legal proceedings

There have not been any material changes since year-end 2024 in the assessment of the influence of the outcome of the litigation cases in which Erste Group Bank AG and some of its subsidiaries are involved with respect of the financial and/or earnings situation of Erste Group.

32. 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 14 million (2024: EUR 15 million) and the total DVA-adjustment amounted to EUR 10 million (2024: EUR 9 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

in EUR million	Dec 24				Jun 25			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets HfT	4,414	6,985	63	11,463	5,141	3,446	101	8,688
Derivatives	1	1,184	41	1,226	1	1,179	50	1,230
Other financial assets held for trading	4,413	5,802	22	10,236	5,140	2,267	52	7,459
Non trading financial assets - FVPL	1,348	129	1,563	3,040	1,427	66	1,678	3,171
Equity instruments	63	6	396	464	70	6	398	474
Debt securities	1,285	123	60	1,468	1,358	60	61	1,479
Loans and advances	0	0	1,108	1,108	0	0	1,218	1,218
Financial assets at FVOCI	7,543	1,626	329	9,498	7,769	1,711	390	9,870
Hedge accounting derivatives	0	181	0	181	0	205	0	205
Total assets	**13,305**	**8,921**	**1,956**	**24,181**	**14,338**	**5,428**	**2,169**	**21,934**
Liabilities								
Financial liabilities HfT	605	1,202	14	1,821	1,230	1,496	3	2,729
Derivatives	2	1,133	14	1,149	2	1,379	3	1,384
Other financial liabilities held for trading	603	69	0	672	1,228	117	0	1,345
Financial liabilities at FVPL	136	10,145	0	10,281	131	10,069	0	10,199
Deposits from customers	0	115	0	115	0	158	0	158
Debt securities issued	0	10,030	0	10,030	0	9,911	0	9,911
Other financial liabilities	136	0	0	136	131	0	0	131
Hedge accounting derivatives	0	194	0	194	0	188	0	188
Total liabilities	**741**	**11,541**	**14**	**12,296**	**1,361**	**11,753**	**3**	**13,117**

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 24		Jun 25	
	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
Financial assets HfT	**144**	**11**	**45**	**16**
Bonds	144	10	45	15
Funds	0	0	0	0
Shares	0	0	0	1
Non-trading financial assets at FVPL	**2**	**4**	**1**	**39**
Bonds	2	3	1	38
Funds	0	0	0	0
Shares	0	1	0	1
Financial assets at FVOCI	**258**	**25**	**25**	**98**
Bonds	258	25	25	98
Total	**404**	**40**	**71**	**153**

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 in profit or loss	Gains/losses in OCI	Purchases	Sales	Settle-ments	Additions to Group	Disposal out of Group	Transfer into Level 3	Transfer out of Level 3	Currency translation	
	Jan 25											**Jun 25**
Assets												
Financial assets HfT	63	27	0	8	-15	0	0	0	36	-17	0	101
Derivatives	41	25	0	0	0	0	0	0	0	-17	0	50
Other financial assets held for trading	22	1	0	8	-15	0	0	0	36	0	0	52
Non-trading financial assets at FVPL	1,563	27	0	161	-9	-53	5	0	2	-52	33	1,678
Equity instruments	395	23	0	34	-8	0	5	0	0	-52	1	398
Debt securities	61	-5	0	6	-1	-1	0	0	2	0	0	61
Loans and advances	1,108	9	0	121	0	-52	0	0	0	0	32	1,218
Financial assets at FVOCI	329	8	-9	21	0	-3	0	0	66	-23	2	390
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	**1,956**	**61**	**-9**	**190**	**-25**	**-56**	**5**	**0**	**104**	**-92**	**35**	**2,169**
Liabilities												
Financial liabilities HfT	14	-12	0	0	0	0	0	0	1	0	0	3
Derivatives	14	-12	0	0	0	0	0	0	1	0	0	3
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	**14**	**-12**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**3**
	Jan 24											**Jun 24**
Assets												
Financial assets HfT	139	-9	0	36	-6	0	0	0	11	-75	0	96
Derivatives	75	-7	0	0	0	0	0	0	1	-48	0	22
Other financial assets held for trading	64	-2	0	36	-6	0	0	0	10	-27	0	74
Non-trading financial assets at FVPL	1,444	47	0	152	-5	-36	0	0	1	-7	-34	1,563
Equity instruments	333	25	0	57	0	0	0	0	0	-1	-1	412
Debt securities	73	3	0	1	-4	0	0	0	1	-5	-1	68
Loans and advances	1,038	19	0	94	0	-36	0	0	0	0	-32	1,082
Financial assets at FVOCI	392	0	-4	14	0	-25	0	-1	53	-217	-1	212
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	**1,975**	**39**	**-4**	**201**	**-11**	**-60**	**0**	**-1**	**66**	**-299**	**-35**	**1,871**
Liabilities												
Financial liabilities HfT	10	4	0	0	0	0	0	0	0	-10	0	4
Derivatives	10	4	0	0	0	0	0	0	0	-10	0	4
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**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-10**	**0**	**4**

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	1-6 24	1-6 25
Assets		
Financial assets HfT	–7	41
Derivatives	–5	39
Other financial assets held for trading	–1	1
Non-trading financial assets at FVPL	48	27
Equity instruments	26	23
Debt securities	3	–5
Loans and advances	18	9
Financial assets at FVOCI	0	6
Debt securities	0	6
Total	**41**	**74**
Liabilities		
Financial liabilities HfT	–5	–4
Derivatives	–5	–4
Total	**–5**	**–4**

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

			Fair value in EUR million			Range of unobservable inputs (weighted average)	
Financial assets / liabilities	Type of instrument	Valuation technique	Dec 24	Jun 25	Significant unobservable inputs	Dec 24	Jun 25
Positive / negative fair value of derivatives	Forwards, swaps, options	DCF and option models with CVA adjustment based on potential future exposure	29	47	PD	0.98%-11.21% (1.81%)	0.67%-6.06% (2.90%)
					LGD	60%	60%
Financial assets at FVPL	Fixed and variable coupon bonds	DCF	24	52	Credit Spread	-0.79%-9.54% (1.13%)	−0.88%-3.25% (1.23%)
	Loans	DCF	1,108	1,218	PD	0.04%-6.29% (0.19%)	0.02%-32.82% (0.33%)
					LGD	0.06%-40.97% (23.23%)	14.50%-61.63% (22.49%)
Financial assets at FVOCI	Fixed and variable coupon bonds	DCF	202	286	Credit Spread	0.42%-6.05% (1.69%)	0.41%-13.33% (1.13%)
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Dividend Discount Model; Simplified Income Approach	240	257	Beta levered	Industries: 0.57-1.15 (0.97)	Industries: 0.57-1.22 (0.93)
					Country risk premium	0.38%-2.68% (0.56%)	0.38%-2.68% (0.57%)
		Adjusted Net Asset Value	132	131	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 6.02%-13.40% (2024: 5.91%-13.40%). 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 1.02 (2024: Financial Services (Non-bank & Insurance) with 1.00). The majority of financial assets at FVOCI/at FVPL, where Country risk premium inputs are being used, is related to Austria with 0.39% (2024: Austria with 0.40%).

In addition to the information above, equity instruments with a fair value in amount of EUR 62 million (2024: EUR 51 million) are assessed on the basis of expert opinions.

Furthermore, for equity instruments other than participations classified as Level 3, the amount of EUR 17 million (2024: EUR 23 million) is presented in the statement of financial position using the criteria of availability and quality of broker quotes.

Sensitivity analysis – Fair value changes per product type using reasonably possible alternatives

	Dec 24		Jun 25	
in EUR million	Positive	Negative	Positive	Negative
Derivatives	2	–3	2	–3
Income statement	2	–3	2	–3
Debt securities	8	–10	13	–17
Income statement	2	–3	7	–9
Other comprehensive income	6	–7	6	–8
Equity instruments	77	–55	95	–63
Income statement	56	–41	73	–49
Other comprehensive income	21	–14	22	–14
Loans and advances	19	–70	21	–85
Income statement	19	–70	21	–85
Total	**106**	**–138**	**131**	**–168**
Income statement	79	–117	103	–146
Other comprehensive income	27	–21	28	–22

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
Jun 25					
Assets					
Financial assets at AC	295,280	291,368	52,569	3,579	235,219
Loans and advances to banks	22,818	22,769	0	0	22,769
Loans and advances to customers	214,526	212,349	0	0	212,349
Debt securities	57,937	56,250	52,569	3,579	102
Finance lease receivables	5,328	5,330	0	0	5,330
Trade and other receivables	2,910	2,908	0	0	2,908
Liabilities					
Financial liabilities at AC	309,614	308,962	25,138	18,474	265,350
Deposits from banks	15,368	15,274	0	0	15,274
Deposits from customers	248,341	247,746	0	0	247,746
Debt securities issued	44,898	44,936	25,138	18,474	1,324
Other financial liabilities	1,007	1,007	0	0	1,007
Financial guarantees and commitments					
Financial guarantees	n/a	25	0	0	25
Loan commitments	n/a	93	0	0	93
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

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.

33. Average number of employees during the financial period (weighted according to the level of employment)

	1-6 24	1-6 25
Austria	**16,336**	**16,761**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	9,095	9,450
Savings banks	7,241	7,311
Outside Austria	**29,123**	**29,051**
Česká spořitelna Group	9,607	9,636
Banca Comercială Română Group	5,262	5,138
Slovenská sporiteľňa Group	3,504	3,549
Erste Bank Hungary Group	3,339	3,411
Erste Bank Croatia Group	3,288	3,202
Erste Bank Serbia Group	1,296	1,274
Savings banks subsidiaries	1,536	1,560
Other subsidiaries and foreign branch offices	1,292	1,281
Total	**45,459**	**45,812**

34. 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 and disclosure purposes.

Furthermore Erste Group also fulfils capital requirements determined in the Supervisory Review and Evaluation Process (SREP).

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.

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), directive (EU) 2024/1619 (CRD VI;, expected to be implemented into Austrian law in Q4 2025), as well as regulations (EU) 2019/876 (CRR 2), (EU) 2020/873 (CRR Quick Fix) and regulation (EU) 2024/1623 (CRR3)

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.

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. 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 2024 SREP process performed by the European Central Bank (ECB) Erste Group applies a Pillar 2 requirement (P2R) of 2.00% as of 30 June 2025. Following the SREP 2024, Erste Group is expected to meet a Pillar 2 Guidance (P2G) of 1.0% with CET1.

Overview of capital requirements and capital buffers

	Dec 24	Jun 25
Pillar 1		
Minimum CET1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum Own Funds requirements	8.00%	8.00%
Combined buffer requirement (CBR)	**5.63%**	**5.89%**
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical capital buffer	0.63%	0.64%
Systemic risk buffer (SRB)	1.00%	1.00%
O-SII capital buffer	1.50%	1.75%
Minimum CET 1 requirement (incl. CBR)	10.13%	10.39%
Minimum Tier 1 requirement (incl. CBR)	11.63%	11.89%
Minimum Own Funds requirement (incl. CBR)	13.63%	13.89%
Pillar2		
Minimum CET1 requirement	1.07%	1.13%
Minimum T1 requirement	1.43%	1.50%
Minimum Own Funds requirement	1.90%	2.00%
Pillar 2 requirement (P2R)	1.90%	2.00%
Total CET1 requirement for Pillar 1 and Pillar 2	**11.19%**	**11.51%**
Total Tier 1 requirement for Pillar 1 and Pillar 2	**13.05%**	**13.39%**
Total Own Funds requirement for Pillar 1 and Pillar 2	**15.53%**	**15.89%**

Capital structure (phased-in)

in EUR million	Dec 24	Jun 25
Common equity tier 1 capital (CET1)		
Capital instruments eligible as CET1	2,337	2,337
Retained earnings	16,459	17,214
Interim profit	0	1,365
Accumulated other comprehensive income (and other reserve)	-691	-543
Minority interest recognised in CET1	7,408	7,703
Common equity tier 1 capital (CET1) before regulatory adjustments	**25,513**	**28,076**
Own CET1 instruments	-72	-90
Prudential filter: cashflow hedge reserve	6	-6
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	107	93
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-9	-10
Value adjustments due to the requirements for prudent valuation	-95	-104
Securitisations which qualify for a risk weight of 1,250%, where the institution opts for the deduction alternative (deduction from CET1)	-62	-59
Goodwill	-609	-609
Other intangible assets	-357	-350
Deferred tax assets dependent upon future profitability and not temporary differences net of associated tax liabilities	0	-1
IRB shortfall of credit risk adjustments to expected losses	-147	0
CET1 capital elements or deductions – other	-280	-317
Common equity tier 1 capital (CET1)	**23,996**	**26,624**
Additional tier 1 capital (AT1)		
Capital instruments eligible as AT1	2,688	3,674
Instruments issued by subsidiaries that are given recognition in AT1	12	10
Additional tier 1 capital (AT1) before regulatory adjustments	**2,700**	**3,684**
Own AT1 instruments	-1	-1
Additional tier 1 capital (AT1)	**2,699**	**3,683**
Tier 1 capital - total of common equity tier 1 (CET1) and additional tier 1 (AT1)	**26,694**	**30,306**
Tier 2 capital (T2)		
Capital instruments eligible as T2	3,898	3,409
Instruments issued by subsidiaries recognised in T2	411	442
IRB excess of provisions over expected losses eligible	0	417
Tier 2 capital (T2) before regulatory adjustments	**4,309**	**4,268**
Own T2 instruments	-60	-59
Tier 2 capital (T2)	**4,249**	**4,209**
Total own funds	**30,943**	**34,516**
Capital requirement	**12,579**	**12,207**
CET1 capital ratio	**15.3%**	**17.4%**
Tier 1 capital ratio	**17.0%**	**19.9%**
Total capital ratio	**19.7%**	**22.6%**

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 (phased-in)

	Dec 24		Jun 25	
in EUR million	Total risk	Capital requirement	Total risk	Capital requirement
Total risk exposure amount	**157,241**	**12,579**	**152,586**	**12,207**
Risk-weighted assets (credit risk)	131,492	10,519	125,514	10,041
Standardised approach	25,518	2,041	24,773	1,982
IRB approach	105,296	8,424	99,656	7,972
Contribution to the default fund of a CCP	8	1	7	1
Securitisation	670	54	1,078	86
Settlement risk	0	0	2	0
Trading book, foreign FX risk and commodity risk	6,612	529	5,384	431
Operational risk	16,651	1,332	21,137	1,691
Exposure for CVA	383	31	550	44
Other exposure amounts (including Basel 1 floor)	2,103	168	0	0

Following the receipt of the regulatory approval, the IRB approach has been implemented in Banca Comercială Română (BCR) in the first quarter of 2025 leading to the release of the previously imposed RWA add-on on Group level, which was part of the position "Other exposure amounts (including Basel 1 floor)".

35. Events after the reporting date

There are no significant events after the balance sheet date.

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	Allgemeine Sparkasse Oberösterreich Bankaktiengesellschaft

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

Statement of all Legal Representatives

We confirm to the best of our knowledge that the interim 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 important events that have occurred during the first six months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

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

Vienna, 1 August 2025

Note regarding forward-looking statements

FINANCIAL CALENDAR

31 October 2025	Results for the first three quarters of 2025

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

GROUP INVESTOR RELATIONS

Erste Group Bank AG
Am Belvedere 1
1100 Vienna
Austria

Email:	investor.relations@erstegroup.com
Phone:	+43 (0)5 0100 17731
Internet:	www.erstegroup.com/investorrelations

Thomas Sommerauer

Phone:	+43 (0)5 0100 17326
Email:	thomas.sommerauer@erstegroup.com

Peter Makray

Phone:	+43 (0)5 0100 16878
Email:	peter.makray@erstegroup.com

Simone Pilz

Phone:	+43 (0)5 0100 13036
Email:	simone.pilz@erstegroup.com

Gerald Krames

Phone:	+43 (0)5 0100 12751
Email:	gerald.krames@erstegroup.com

TICKER SYMBOLS

Reuters:	ERST.VI
Bloomberg:	EBS AV
Datastream:	0:ERS
ISIN:	AT0000652011

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