

Erste Group: Preliminary results 2022

Erste Group posts net profit of EUR 2,164.7 million in 2022; proposes dividend of EUR 1.9 per share

Financial data

Income statement

| in EUR million | Q4 21 | Q3 22 | Q4 22 | 2021 | 2022 |
|--|--------------|--------------|--------------|----------------|----------------|
| Net interest income | 1,306.2 | 1,548.2 | 1,565.4 | 4,975.7 | 5,950.6 |
| Net fee and commission income | 613.3 | 615.1 | 622.5 | 2,303.7 | 2,452.4 |
| Net trading result and gains/losses from financial instruments at FVPL | 30.9 | -89.5 | 57.9 | 231.8 | -47.3 |
| Operating income | 2,007.0 | 2,124.0 | 2,299.9 | 7,742.0 | 8,570.6 |
| Operating expenses | -1,165.5 | -1,096.0 | -1,193.5 | -4,306.5 | -4,574.9 |
| Operating result | 841.5 | 1,028.1 | 1,106.4 | 3,435.5 | 3,995.8 |
| Impairment result from financial instruments | -107.2 | -184.3 | -141.3 | -158.8 | -299.5 |
| Post-provision operating result | 734.3 | 843.8 | 965.1 | 3,276.7 | 3,696.2 |
| Net result attributable to owners of the parent | 472.0 | 510.0 | 517.7 | 1,923.4 | 2,164.7 |
| Net interest margin (on average interest-bearing assets) | 2.08% | 2.24% | 2.25% | 2.05% | 2.21% |
| Cost/income ratio | 58.1% | 51.6% | 51.9% | 55.6% | 53.4% |
| Provisioning ratio (on average gross customer loans) | 0.24% | 0.37% | 0.28% | 0.09% | 0.15% |
| Tax rate | 14.1% | 15.8% | 15.0% | 17.9% | 17.3% |
| Return on equity | 10.1% | 12.5% | 11.2% | 11.6% | 12.6% |

Balance sheet

| in EUR million | Dec 21 | Sep 22 | Dec 22 | Dec 21 | Dec 22 |
|---|----------------|----------------|----------------|----------------|----------------|
| Cash and cash balances | 45,495 | 44,552 | 35,685 | 45,495 | 35,685 |
| Trading, financial assets | 53,211 | 57,902 | 59,833 | 53,211 | 59,833 |
| Loans and advances to banks | 21,001 | 26,721 | 18,435 | 21,001 | 18,435 |
| Loans and advances to customers | 180,268 | 198,794 | 202,109 | 180,268 | 202,109 |
| Intangible assets | 1,362 | 1,300 | 1,347 | 1,362 | 1,347 |
| Miscellaneous assets | 6,090 | 6,028 | 6,456 | 6,090 | 6,456 |
| Total assets | 307,428 | 335,297 | 323,865 | 307,428 | 323,865 |
| Financial liabilities held for trading | 2,474 | 3,175 | 3,264 | 2,474 | 3,264 |
| Deposits from banks | 31,886 | 36,158 | 28,821 | 31,886 | 28,821 |
| Deposits from customers | 210,523 | 232,450 | 223,973 | 210,523 | 223,973 |
| Debt securities issued | 32,130 | 32,331 | 35,904 | 32,130 | 35,904 |
| Miscellaneous liabilities | 6,902 | 6,598 | 6,599 | 6,902 | 6,599 |
| Total equity | 23,513 | 24,584 | 25,305 | 23,513 | 25,305 |
| Total liabilities and equity | 307,428 | 335,297 | 323,865 | 307,428 | 323,865 |
| Loan/deposit ratio | 85.6% | 85.5% | 90.2% | 85.6% | 90.2% |
| NPL ratio | 2.4% | 2.0% | 2.0% | 2.4% | 2.0% |
| NPL coverage ratio (based on AC loans, ex collateral) | 90.9% | 96.8% | 94.6% | 90.9% | 94.6% |
| Texas ratio | 18.3% | 16.2% | 16.4% | 18.3% | 16.4% |
| CET1 ratio (final) | 14.5% | 13.8% | 14.2% | 14.5% | 14.2% |

HIGHLIGHTS

P&L 2022 compared with 2021; balance sheet as of 31 December 2022 compared with 31 December 2021

Net interest income increased to EUR 5,950.6 million (+19.6%; EUR 4,975.7 million) driven by rate hikes and strong loan growth across all of the seven core markets. **Net fee and commission income** rose to EUR 2,452.4 million (+6.5%; EUR 2,303.7 million). Increases were posted across nearly all fee and commission income categories and all core markets, with significant growth seen in particular in payment services and asset management. **Net trading result** declined to EUR -778.6 million (EUR 58.6 million); the line item **gains/losses from financial instruments measured at fair value through profit or loss** rose to EUR 731.3 million (EUR 173.2 million). The development of these two line items was mostly attributable to valuation effects resulting from movements in interest rates. **Operating income** increased to EUR 8,570.6 million (+10.7%; EUR 7,742.0 million). **General administrative expenses** were up at EUR 4,574.9 million (+6.2%; EUR 4,306.5 million). Personnel expenses rose to EUR 2,668.0 million (+3.5%; EUR 2,578.1 million), other administrative expenses to EUR 1,356.2 million (+14.9%; EUR 1,180.3 million). Payments into deposit insurance schemes included in other administrative expenses were higher at EUR 142.9 million (EUR 122.4 million). Depreciation and amortisation rose to EUR 550.7 million (+0.5%; EUR 548.0 million). Overall, the **operating result** improved significantly to EUR 3,995.8 million (+16.3%; EUR 3,435.5 million) as did the **cost/income ratio** to 53.4% (55.6%).

Due to net allocations, the **impairment result from financial instruments** amounted to EUR -299.5 million or 15 basis points of average gross customers loans (EUR -158.8 million or 9 basis points). Net allocations to credit loss allowances were posted in all core markets, with the exception of Croatia; provisions were driven mainly by updated credit risk parameters based on the latest macro-scenarios (FLIs) as well as portfolio stage overlays for cyclical and energy intense industries. At the end of December, crisis-induced performing risk provisions stood at EUR 928 million. The **NPL ratio** based on gross customer loans improved to a historic low at 2.0% (2.4%). The **NPL coverage ratio** (excluding collateral) increased to 94.6% (90.9%).

Other operating result amounted to EUR -398.5 million (EUR -310.5 million). This deterioration was due to higher banking levies and increased annual contributions to resolution funds. Banking levies – currently payable in two core markets – increased to EUR 187.1 million (EUR 73.5 million). Thereof, EUR 124.1 million were charged in Hungary. Banking levies included regular banking tax in the amount of EUR 15.1 million (EUR 15.0 million), transaction tax in the amount of EUR 59.1 million (EUR 47.9 million) and a new windfall profit tax of EUR 49.9 million based on the net revenues of the preceding year. In Austria, banking tax equalled EUR 63.0 million (EUR 10.5 million). Half of this rise is due to a one-off effect in 2022. The annual contributions to resolution funds rose – most markedly in Austria and the Czech Republic – to EUR 139.1 million (EUR 108.6 million).

Taxes on income increased to EUR 556.1 million (EUR 525.2 million). The non-controlling interests charge improved further to a record level of EUR 501.6 million (EUR 484.8 million) due to significantly higher earnings contributions of the savings banks. The **net result attributable to owners of the parent** rose to EUR 2,164.7 million (EUR 1,923.4 million) on the back of the strong operating result and low risk costs.

Total equity not including AT1 instruments rose to EUR 23.1 billion (EUR 21.3 billion). After regulatory deductions and filtering in accordance with the CRR, **common equity tier 1 capital** (CET1, final) rose to EUR 20.4 billion (EUR 18.8 billion), as were total **own funds** (final) to EUR 26.2 billion (EUR 24.8 billion).

Total risk – **risk-weighted assets** including credit, market and operational risk (CRR, final) – increased to EUR 143.9 billion (EUR 129.6 billion). The **common equity tier 1 ratio** (CET1, final) stood at 14.2% (14.5%), the **total capital ratio** declined to 18.2% (19.1%).

Total assets increased to EUR 323.9 billion (+5.4%; EUR 307.4 billion). On the asset side, cash and cash balances declined, primarily in Austria, to EUR 35.7 billion (EUR 45.5 billion) due to the repayment of TLTRO III funds. Loans and advances to banks were lower at EUR 18.4 billion (EUR 21.0 billion). **Loans and advances to customers** (net) rose to EUR 202.1 billion (+12.1%; EUR 180.3 billion). On the liability side, deposits from banks declined to EUR 28.8 billion (EUR 31.9 billion). **Customer deposits** increased in all core markets – most strongly in Austria and the Czech Republic – to EUR 224.0 billion (+6.4%; EUR 210.5 billion). The **loan-to-deposit ratio** rose to 90.2% (85.6%).

OUTLOOK 2023

Erste Group's goal for 2023 is to achieve a return on tangible equity (ROTE) in the range of 13 to 15%. Four key factors will support achievement of this goal: firstly, positive economic growth in all core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia) despite significant geopolitical and political risks, which, should they materialise, would likely negatively impact economic performance; secondly, an interest rate environment that is characterised by broadly stable central bank rates in such countries as the Czech Republic, Romania and Hungary, as well as euro zone interest rates that rise in line with market expectations (as per mid-February 2023); thirdly, a credit risk environment marked by low default rates as in 2022; and, finally, the continuous ability of Erste Group to innovate and successfully expand its digital offering. Assuming that these conditions are met, operating result and the cost/income ratio are projected to improve, putting Erste Group on a path to achieve its cost/income ratio target of approximately 52% by 2024.

The current expectation (as per mid-February 2023) by economists is for Erste Group's core markets to avoid recession in 2023 and, in fact, to post real GDP growth in the order of 0 to 3% in 2023. Inflationary pressures are expected to subside in 2023, following double digit-levels in 2022 as a result of exceptionally high energy prices. Continued strong labour markets should be supportive of economic performance in all of Erste Group's markets. Current account balances, which suffered significantly during 2022 on the back of exceptionally high energy prices, are expected to improve again in 2023 benefiting from a reversal in energy prices. Fiscal balances should likewise consolidate again after significant budget deficits in 2022. Public debt to GDP in all Erste Group markets is projected to be broadly stable, and hence remain materially below the euro zone average.

Against this backdrop, Erste Group expects net loan growth in the mid-single digits. Retail and corporate business should contribute in all markets of Erste Group towards the aim to grow in line with the banking markets. Loan growth as well as interest rate tailwinds, as detailed above, should result in an increase of net interest income of approximately 10%. The second most important income component – net fee and commission income – is expected to rise in the mid-single digits. As in 2022, positive growth momentum should again come from payment services and insurance brokerage fees, while additional contributions from asset management and securities business are dependent on a constructive capital markets environment. The net trading and fair value result, which suffered significantly in 2022 from negative valuation effects tied to strongly rising interest rates mostly in the CEE region but also in the eurozone, should normalise again in 2023 due to less steep interest rate increases in the eurozone. This, however, will depend substantially on the actual interest rate environment. The remaining income components are forecast to remain, by and large, stable. Overall, operating income should increase in 2023.

Operating expenses are expected to rise by 7-8%, and thus at a lower level than operating income – although this is dependent on the foreign-currency developments in the CEE region – resulting in a further cost/income ratio improvement compared to 2022.

Based on the robust macro outlook described above, risk costs should remain at a low level in 2023. While precise forecasting is hard at current low risk cost levels, Erste Group believes that in 2023 risk costs will be below 35 basis points of average gross customer loans.

Other operating result is expected to remain by and large unchanged in the absence of significant one-off effects. Assuming an effective group tax rate of below 20% and similar minority charges as in 2022, Erste Group aims to achieve a ROTE in the range of 13 to 15%. Erste Group's CET1 ratio is expected to remain strong. Consequently, Erste Group will propose a dividend of EUR 1.90 per share for the 2022 fiscal year to the 2023 AGM. In addition, Erste Group targets a share buy-back in a volume of up to EUR 300 million in 2023, subject to regulatory approval.

Potential risks to the guidance include (geo)political and economic (including monetary and fiscal policy impacts) developments, regulatory measures as well as global health risks and changes to the competitive environment. The evolving Russia-Ukraine conflict does not impact Erste Group directly, as it has no operating presence in those countries. Indirect effects, such as financial market volatility, sanctions-related knock-on effects 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

January–December 2022 compared with January–December 2021

| in EUR million | 2021 | 2022 | Change |
|--|----------------|----------------|--------------|
| Net interest income | 4,975.7 | 5,950.6 | 19.6% |
| Net fee and commission income | 2,303.7 | 2,452.4 | 6.5% |
| Net trading result and gains/losses from financial instruments at FVPL | 231.8 | -47.3 | n/a |
| Operating income | 7,742.0 | 8,570.6 | 10.7% |
| Operating expenses | -4,306.5 | -4,574.9 | 6.2% |
| Operating result | 3,435.5 | 3,995.8 | 16.3% |
| Impairment result from financial instruments | -158.8 | -299.5 | 88.6% |
| Other operating result | -310.5 | -398.5 | 28.3% |
| Levies on banking activities | -73.5 | -187.1 | >100.0% |
| Pre-tax result from continuing operations | 2,933.4 | 3,222.4 | 9.9% |
| Taxes on income | -525.2 | -556.1 | 5.9% |
| Net result for the period | 2,408.1 | 2,666.3 | 10.7% |
| Net result attributable to non-controlling interests | 484.8 | 501.6 | 3.5% |
| Net result attributable to owners of the parent | 1,923.4 | 2,164.7 | 12.5% |

Net interest income

Net interest income rose significantly in both private and corporate business. The increase in retail business was due to higher market rates in the Czech Republic, Hungary, Romania, Austria and Slovakia as well as growth of loan volumes predominantly in the Czech Republic, Slovakia and Austria driven by housing loans. In the corporate business it improved markedly on the back of continued loan growth in all markets and, most importantly, higher interest rates in particular in the Czech Republic, Hungary and Romania. Group Market's net interest income also increased due to higher market interest rates, favorable market positioning in interest rate derivatives and higher volumes of money market placements. Despite one-off effects from the take-up of TLTRO III funds in the amount of EUR -123.2 million (EUR +93.0 million), net interest income was also up in Austria and Slovakia.

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) stood at 2.21% (2.05%).

Net fee and commission income

Growth was recorded across all core markets and nearly all fee and commission categories.

In all markets, the strongest rises were seen in payment services (based on a higher number of transactions as well as price increases) and in asset management, most significantly in Austria and the Czech Republic.

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, while the valuation of corresponding hedges is shown in the net trading result.

Due to valuation effects resulting from interest rate developments in the derivatives business, net trading result deteriorated to EUR -778.6 million (EUR 58.6 million). Gains/losses from financial instruments measured at fair value through profit or loss trended in the opposite direction and rose to EUR 731.3 million (EUR 173.2 million). With long-term interest rates up, losses from the valuation of the securities portfolio in Austria (in the Savings Banks segment) and the loan portfolio measured at fair value in Hungary were offset by significantly higher gains from the valuation of debt securities in issue.

General administrative expenses

| in EUR million | 2021 | 2022 | Change |
|--|----------------|----------------|-------------|
| Personnel expenses | 2,578.1 | 2,668.0 | 3.5% |
| Other administrative expenses | 1,180.3 | 1,356.2 | 14.9% |
| Depreciation and amortisation | 548.0 | 550.7 | 0.5% |
| General administrative expenses | 4,306.5 | 4,574.9 | 6.2% |

Personnel expenses increased most significantly in the Czech Republic but also in Romania and Croatia.

General administrative expenses rose across all cost categories. In addition to markedly higher IT expenses in Austria on the back of continuing digitalisation efforts, expenses for office space were up in all core markets due to significantly higher energy costs. Contributions to deposit insurance systems increased to EUR 142.9 million (EUR 122.4 million). In Hungary, expenses rose to EUR 18.2 million (EUR 7.1 million) mainly due to a deposit insurance case (Sberbank Europe AG). In Romania, contributions increased to EUR 9.3 million (EUR 3.4 million), in Croatia to EUR 7.5 million (EUR 1.9 million). In Austria, contributions declined to EUR 79.7 million (EUR 85.5 million). The **cost/income ratio** improved to 53.4% (55.6%).

Headcount as of end of the period

| | Dec 21 | Dec 22 | Change |
|---|---------------|---------------|-------------|
| Austria | 15,606 | 15,790 | 1.2% |
| Erste Group, EB Oesterreich and subsidiaries | 8,538 | 8,687 | 1.7% |
| Haftungsverbund savings banks | 7,068 | 7,103 | 0.5% |
| Outside Austria | 28,990 | 29,696 | 2.4% |
| Česká spořitelna Group | 9,711 | 10,010 | 3.1% |
| Banca Comercială Română Group | 5,342 | 5,430 | 1.6% |
| Slovenská sporiteľňa Group | 3,644 | 3,585 | -1.6% |
| Erste Bank Hungary Group | 3,238 | 3,352 | 3.5% |
| Erste Bank Croatia Group | 3,220 | 3,319 | 3.1% |
| Erste Bank Serbia Group | 1,197 | 1,260 | 5.2% |
| Savings banks subsidiaries | 1,461 | 1,507 | 3.1% |
| Other subsidiaries and foreign branch offices | 1,177 | 1,233 | 4.7% |
| Total | 44,596 | 45,485 | 2.0% |

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

Losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR 75.3 million (EUR 32.8 million). This line item includes primarily losses from the sale of securities in the Czech Republic.

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -299.5 million (EUR -158.8 million). Net allocations to provisions for loans and advances rose, primarily on the back of allocations in Austria, to EUR 336.4 million (EUR 119.1 million). Positive contributions came from continued high income from the recovery of loans already written off in all segments – primarily in the Czech Republic, Austria and Croatia – in the amount of EUR 82.1 million (EUR 90.8 million). Net allocations for commitments and guarantees declined to EUR 27.6 million (EUR 104.8 million).

Net allocations to credit loss allowances were driven mainly by updated credit risk parameters based on the latest macro-scenarios (FLIs) as well as portfolio stage overlays for cyclical and energy intense industries. At the end of December, crisis-induced performing risk provisions stood at EUR 928 million.

Other operating result

Other operating result was largely affected by levies on banking activities in the amount of EUR 187.1 million (EUR 73.5 million). Banking levies payable in Austria were up at EUR 63.0 million (EUR 10.5 million). Half of this rise is due to a one-off effect in 2022. Regular Hungarian banking tax rose marginally to EUR 15.1 million (EUR 15.0 million). Together with financial transaction tax in the amount of EUR 59.1 million (EUR 47.9 million) and a new windfall profit tax of EUR 49.9 million based on the net revenues of the preceding year, banking levies in Hungary totalled EUR 124.1 million (EUR 63.0 million).

The balance of allocations/releases of other provisions improved to EUR 46.3 million (EUR 5.1 million). Legal risks relating to the Romanian building society resulted in expenses in the amount of EUR 46.9 million. In addition, a provision in the amount of EUR 20.1 million was set aside following the held-for-sale classification of a Romanian subsidiary. These negative effects in Romania were partly offset by the release of provisions in the amount of EUR 54.3 million for risks resulting from consumer protection claims. In addition, other operating result also reflects the annual contributions to resolution funds in the amount of EUR 139.1 million (EUR 108.6 million). Increases were recorded above all in Austria, to EUR 73.9 million (EUR 51.5 million), and in the Czech Republic, to EUR 39.2 million (EUR 31.9 million).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Fourth quarter of 2022 compared to third quarter of 2022

| in EUR million | Q4 21 | Q1 22 | Q2 22 | Q3 22 | Q4 22 |
|---|--------------|--------------|----------------|--------------|--------------|
| Income statement | | | | | |
| Net interest income | 1,306.2 | 1,392.1 | 1,444.9 | 1,548.2 | 1,565.4 |
| Net fee and commission income | 613.3 | 615.3 | 599.5 | 615.1 | 622.5 |
| Dividend income | 5.0 | 2.4 | 17.7 | 2.8 | 6.2 |
| Net trading result | -8.8 | -256.6 | -275.9 | -316.0 | 69.9 |
| Gains/losses from financial instruments measured at fair value through profit or loss | 39.7 | 239.7 | 277.1 | 226.5 | -12.0 |
| Net result from equity method investments | 5.4 | 3.0 | 5.1 | 6.2 | 3.8 |
| Rental income from investment properties & other operating leases | 46.2 | 40.2 | 42.1 | 41.3 | 44.2 |
| Personnel expenses | -696.8 | -630.7 | -663.9 | -672.5 | -700.8 |
| Other administrative expenses | -333.8 | -468.1 | -249.6 | -285.7 | -352.8 |
| Depreciation and amortisation | -134.9 | -136.4 | -136.6 | -137.7 | -140.0 |
| Gains/losses from derecognition of financial assets at AC | -9.5 | -0.9 | -29.9 | -16.5 | -4.7 |
| Other gains/losses from derecognition of financial instruments not at FVPL | -6.4 | 1.9 | 0.1 | -25.2 | -0.1 |
| Impairment result from financial instruments | -107.2 | -59.1 | 85.1 | -184.3 | -141.3 |
| Other operating result | -67.2 | -132.7 | -66.5 | -47.3 | -152.1 |
| Levies on banking activities | -1.9 | -40.2 | -70.7 | -22.3 | -53.9 |
| Pre-tax result from continuing operations | 651.2 | 610.1 | 1,049.2 | 754.9 | 808.3 |
| Taxes on income | -91.6 | -115.6 | -199.7 | -119.3 | -121.6 |
| Net result for the period | 559.6 | 494.5 | 849.5 | 635.6 | 686.7 |
| Net result attributable to non-controlling interests | 87.6 | 45.7 | 161.3 | 125.6 | 169.0 |
| Net result attributable to owners of the parent | 472.0 | 448.8 | 688.2 | 510.0 | 517.7 |

Net interest income rose by 1.1%. Significant increases were recorded in Austria and Romania as a result of interest rate hikes. One-off effects from the take-up of TLTRO III funds in the amount of EUR -123.2 million had an adverse impact in Austria and Slovakia. In Hungary, legislative measures were weighing on net interest income in the retail and SME segments. **Net fee and commission income** rose by 1.2%. Increased income from the lending business (primarily in Austria) and from brokerage commissions (mainly in the Czech Republic) more than offset declines in income from payment services (mostly in Austria and Croatia). Net trading result improved: A rise in foreign exchange trading was offset by negative valuation effects in derivatives trading due to interest rate developments. Gains/losses from financial instruments measured at fair value through profit or loss declined, primarily due to valuation losses of debt securities in issue driven by interest rate developments. The loan portfolio measured at fair value in Hungary and the securities portfolio in Austria (Savings Banks segment) posted gains versus the third quarter.

General administrative expenses rose by 8.9%. Personnel expenses increased mostly due to seasonal factors such as provisions for bonuses by 4.2%. The rise in other administrative expenses (+23.5%) is primarily due to higher marketing expenditure in Austria. The **cost/income ratio** stood at 51.9% (51.6%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR -4.8 million (EUR -41.7 million). This line item includes losses from the sale of securities in the Czech Republic. The **impairment result from financial instruments** improved, increases were posted in net allocations to provisions for commitments and guarantees, in Austria as well as in CEE.

Other operating result deteriorated. Levies on banking activities rose to EUR 53.9 million (EUR 22.3 million). Thereof, EUR 15.7 million (EUR 13.8 million) were charged in Hungary (transaction taxes). In Austria, banking tax amounted to EUR 38.2 million (EUR 8.5 million). This rise is due to a one-off effect. In the fourth quarter, legal risks relating to the Romanian building society resulted in expenditure in the amount of EUR 46.9 million. In addition, a provision in the amount of EUR 20.1 million was set aside following the held-for-sale classification of a Romanian subsidiary.

DEVELOPMENT OF THE BALANCE SHEET

31 December 2022 compared with 31 December 2021

| in EUR million | Dec 21 | Dec 22 | Change |
|--|----------------|----------------|-------------|
| Assets | | | |
| Cash and cash balances | 45,495 | 35,685 | -21.6% |
| Trading, financial assets | 53,211 | 59,833 | 12.4% |
| Loans and advances to banks | 21,001 | 18,435 | -12.2% |
| Loans and advances to customers | 180,268 | 202,109 | 12.1% |
| Intangible assets | 1,362 | 1,347 | -1.1% |
| Miscellaneous assets | 6,090 | 6,456 | 6.0% |
| Total assets | 307,428 | 323,865 | 5.3% |
| Liabilities and equity | | | |
| Financial liabilities held for trading | 2,474 | 3,264 | 31.9% |
| Deposits from banks | 31,886 | 28,821 | -9.6% |
| Deposits from customers | 210,523 | 223,973 | 6.4% |
| Debt securities issued | 32,130 | 35,904 | 11.7% |
| Miscellaneous liabilities | 6,902 | 6,599 | -4.4% |
| Total equity | 23,513 | 25,305 | 7.6% |
| Total liabilities and equity | 307,428 | 323,865 | 5.3% |

Cash and cash balances declined to EUR 35.7 billion (EUR 45.5 billion), mostly due to the early repayment of TLTRO III funds. **Trading and investment securities** held in various categories of financial assets increased to EUR 59.8 billion (EUR 53.2 billion).

Loans and advances to banks (net), including demand deposits other than overnight deposits, declined to EUR 18.4 billion (EUR 21.0 billion). **Loans and advances to customers (net)** increased – primarily in Austria and the Czech Republic – to EUR 202.1 billion (EUR 180.3 billion).

Loan loss allowances for loans to customers amounted to EUR 4.0 billion (EUR 3.9 billion). The **NPL ratio** – non-performing loans as a percentage of gross customer loans – improved to 2.0% (2.4%), the **NPL coverage ratio** (based on gross customer loans) rose to 94.6% (90.9%)

Financial liabilities – held for trading increased to EUR 3.3 billion (EUR 2.5 billion). The decline in **deposits from banks** to EUR 28.9 billion (EUR 31.9 billion) is primarily due to the early repayment of TLTRO III liabilities, the end-of-year carrying value of which was EUR 15.6 billion (EUR 20.9 billion). **Deposits from customers** rose to EUR 224.0 billion (EUR 210.5 billion), mostly on the back of strong growth in term deposits. The **loan-to-deposit ratio** stood at 90.2% (85.6%). Debt securities in issue increased to EUR 35.9 billion (EUR 32.1 billion).

Total assets rose to EUR 323.9 billion (EUR 307.4 billion). **Total equity** increased to EUR 25.3 billion (EUR 23.5 billion). This includes AT1 instruments in the amount of EUR 2.2 billion from four issuances (April 2017, March 2019, January 2020 and November 2020). After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR) **common equity tier 1 capital** (CET1, CRR final) rose to EUR 20.4 billion (EUR 18.8 billion) as were total **own funds** (CRR final) to EUR 26.2 billion (EUR 24.8 billion). Total risk – **risk-weighted assets** including credit, market and operational risk (CRR final) – increased to EUR 143.9 billion (EUR 129.6 billion).

The **total capital ratio**, total eligible qualifying capital in relation to total risk (CRR final), declined to 18.2% (19.1%), but remained well above the legal minimum requirement. The **tier 1 ratio** stood at 15.8% (16.2%), the **common equity tier 1 ratio** stood at 14.2% (14.5%) (both ratios CRR final).

BUSINESS DEVELOPMENT

January-December 2022 compared with January-December 2021

The tables and information below provide a brief overview allowing you to assess the performance of Erste Group's geographical segments (operating segments) as well as business segments with the focus on selected and summarized items. 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.

By geographical (operating) segments

Erste Bank Oesterreich & Subsidiaries

| in EUR million | 2021 | 2022 | Change |
|--|---------|---------|--------|
| Net interest income | 646.4 | 708.9 | 9.7% |
| Net fee and commission income | 460.1 | 480.1 | 4.3% |
| Net trading result and gains/losses from financial instruments at FVPL | 17.0 | -0.8 | n/a |
| Operating income | 1,193.3 | 1,250.4 | 4.8% |
| Operating expenses | -702.7 | -688.6 | -2.0% |
| Operating result | 490.6 | 561.7 | 14.5% |
| Cost/income ratio | 58.9% | 55.1% | |
| Impairment result from financial instruments | -31.5 | -31.1 | -1.3% |
| Other result | -34.8 | -35.8 | 3.0% |
| Net result attributable to owners of the parent | 306.6 | 320.1 | 4.4% |
| Return on allocated capital | 16.4% | 14.6% | |

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).

Net interest income increased due to higher loan volumes and higher market interest rates, partially offset by a negative impact of one-off bookings in an amount of EUR -40.5 million related to TLTRO III refinancing with ECB (EUR 20.1 million). Net fee and commission income rose on the back of higher income from payment fees. The decrease in net trading result and gains/losses from financial instruments at FVPL was driven by valuation effects. The deconsolidation of a subsidiary was the main driver for the decline in rental income from investment properties & other operating leases. The deconsolidation led also to lower operating expenses, which was partially offset by higher IT and personnel costs. Deposit insurance contribution amounted to EUR 32.1 million (EUR 33.8 million).

Overall, operating result went up and the cost/income ratio improved. Impairment result from financial instruments remained stable as the release of Covid-related provisions was offset by provisions related to geopolitical risks and macroeconomic deterioration. Other result deteriorated mainly due to higher banking tax of EUR 23.3 million (EUR 4.3 million) driven by a one-off effect of EUR 18.0 million and higher payments into the resolution fund of EUR 17.2 million (EUR 12.3 million), partially compensated by higher real estate selling gains. Overall, the net result attributable to owners of the parent increased.

Savings Banks

| in EUR million | 2021 | 2022 | Change |
|--|----------|----------|--------|
| Net interest income | 1,080.3 | 1,222.5 | 13.2% |
| Net fee and commission income | 584.5 | 623.1 | 6.6% |
| Net trading result and gains/losses from financial instruments at FVPL | 42.6 | -53.4 | n/a |
| Operating income | 1,754.3 | 1,843.9 | 5.1% |
| Operating expenses | -1,108.8 | -1,143.4 | 3.1% |
| Operating result | 645.5 | 700.5 | 8.5% |
| Cost/income ratio | 63.2% | 62.0% | |
| Impairment result from financial instruments | 23.8 | -62.2 | n/a |
| Other result | -15.9 | -24.8 | 56.1% |
| Net result attributable to owners of the parent | 83.2 | 56.9 | -31.6% |
| Return on allocated capital | 12.5% | 9.8% | |

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 increased due to higher interest rates, partially offset by customer deposit repricing and a negative impact of one-off bookings related to TLTRO III refinancing with ECB in an amount of EUR -17.1 million (EUR 13.6 million). Net fee and commission income increased mainly on the back of higher payment fees. The deterioration of net trading result and gains/losses from financial instruments at FVPL was primarily driven by valuation effects. Operating expenses increased mainly due to higher expenses for personnel, IT, marketing and office space. Payments into the deposit insurance fund decreased to EUR 47.6 million (EUR 51.6 million). Consequently, operating result increased and the cost/income ratio improved. Impairment result from financial instruments deteriorated due to non-recurrence of the last year's recoveries and overlays applied for cyclical and energy industries leading to higher allocations. Other result worsened mainly due to the higher banking tax of EUR 17.7 million (EUR 5.1 million), driven by an one-off effect of EUR 12.0 million, and higher contributions to resolution fund EUR 14.9 million (EUR 11.2 million) partially compensated by lower provisions for legal issues. Overall, the net result attributable to the owners of the parent decreased.

Other Austria

| in EUR million | 2021 | 2022 | Change |
|--|--------|--------|--------|
| Net interest income | 417.2 | 634.3 | 52.1% |
| Net fee and commission income | 301.3 | 293.1 | -2.7% |
| Net trading result and gains/losses from financial instruments at FVPL | 48.6 | -21.7 | n/a |
| Operating income | 813.3 | 953.9 | 17.3% |
| Operating expenses | -352.0 | -363.2 | 3.2% |
| Operating result | 461.3 | 590.6 | 28.0% |
| Cost/income ratio | 43.3% | 38.1% | |
| Impairment result from financial instruments | 3.4 | -64.3 | n/a |
| Other result | 7.1 | 4.0 | -42.9% |
| Net result attributable to owners of the parent | 351.1 | 401.7 | 14.4% |
| Return on allocated capital | 14.6% | 15.7% | |

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 improved significantly on the back of interest rate hikes in several non-eurozone core markets, resulting in a significantly higher contribution of money market and interest related derivatives in Group Markets business of the Holding. In addition, the substantial increase in corporate loan volumes contributed positively. Net fee and commission income deteriorated due to lower fee income in Erste Group Immorent on the non-recurrence of the positive one-off effects and lower fees from origination activities in the Holding, compensated only partially by lending business related income in corporate business in the Holding. Net trading result and gains/losses from financial instruments at FVPL deteriorated on valuation effects. Although operating expenses increased, operating result improved notably as did the cost/income ratio. The impairment result from financial instruments deteriorated due to overlays in the corporate portfolio of Holding and a new corporate rating model, partially compensated by lower provisions in the Erste Group Immorent portfolio. Other result declined due to lower selling gains and higher provisions for legal expenses. Other result included the resolution fund contribution of EUR 8.4 million (EUR 8.0 million). Overall, the net result attributable to owners of the parent improved.

Czech Republic

| in EUR million | 2021 | 2022 | Change |
|--|---------|---------|---------|
| Net interest income | 1,150.5 | 1,416.7 | 23.1% |
| Net fee and commission income | 358.2 | 386.9 | 8.0% |
| Net trading result and gains/losses from financial instruments at FVPL | 63.5 | 134.4 | >100.0% |
| Operating income | 1,589.9 | 1,952.3 | 22.8% |
| Operating expenses | -795.3 | -868.5 | 9.2% |
| Operating result | 794.6 | 1,083.8 | 36.4% |
| Cost/income ratio | 50.0% | 44.5% | |
| Impairment result from financial instruments | -69.4 | -25.9 | -62.7% |
| Other result | -75.9 | -143.4 | 88.9% |
| Net result attributable to owners of the parent | 504.1 | 758.5 | 50.5% |
| Return on allocated capital | 16.6% | 19.7% | |

The segment analysis is done on a constant currency basis. The CZK appreciated by 4.2% against the EUR in the reporting period. Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) increased due to significantly higher interest rates combined with higher business volumes partially offset by customer deposit repricing. The increase in net fee and commission income was mainly driven by higher lending and insurance brokerage fees. Higher income from foreign currency transactions as well as from bonds, money market instruments and interest rate derivatives resulted in a notably improved net trading result and gains/losses from financial instruments at FVPL. Operating expenses increased due to higher personnel, office space as well as marketing costs. Contributions into the deposit insurance fund rose to EUR 13.4 million (EUR 10.8 million). Overall, the operating result increased and the cost/income ratio improved. Impairment result from financial instruments improved notably on the back of fewer defaults and high income from the recovery of loans already written off. Other result deteriorated mainly on selling losses from bonds. Contributions to the resolution fund increased to EUR 39.2 million (EUR 31.9 million). Altogether, these developments led to a significant increase in the net result attributable to the owners of the parent.

Slovakia

| in EUR million | 2021 | 2022 | Change |
|--|--------|--------|---------|
| Net interest income | 434.9 | 449.5 | 3.4% |
| Net fee and commission income | 174.3 | 192.2 | 10.3% |
| Net trading result and gains/losses from financial instruments at FVPL | 9.0 | 25.9 | >100.0% |
| Operating income | 625.0 | 671.3 | 7.4% |
| Operating expenses | -292.4 | -307.1 | 5.0% |
| Operating result | 332.6 | 364.2 | 9.5% |
| Cost/income ratio | 46.8% | 45.8% | |
| Impairment result from financial instruments | -1.1 | -32.1 | >100.0% |
| Other result | -18.2 | -11.9 | -34.6% |
| Net result attributable to owners of the parent | 237.9 | 249.3 | 4.8% |
| Return on allocated capital | 18.6% | 16.8% | |

Net interest income in the Slovakia segment (comprising Slovenská sporiteľňa Group) increased due to higher loan volumes and market interest rates, partially offset by negative one-off bookings of EUR -4,0 million (EUR 12.9 million) related to TLTRO III refinancing with ECB. Net fee and commission income increased on the back of higher income from payment, securities and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL went up due to valuation effects. The increase in operating expenses was due to higher IT and office space costs as well as higher personnel expenses. Contributions into the deposit insurance fund amounted to EUR 9.9 million (EUR 9.4 million). Consequently, operating result increased and the cost/income ratio improved. Impairment result from financial instruments worsened due to overlays for cyclical and energy industries as well as defaults in the corporate business. Despite a higher payment into the resolution fund of EUR 5.9 million (EUR 4.7 million), other result improved on lower provisions for legal expenses. Overall, the net result attributable to the owners of the parent increased.

Romania

| in EUR million | 2021 | 2022 | Change |
|--|--------|--------|--------|
| Net interest income | 432.6 | 530.0 | 22.5% |
| Net fee and commission income | 176.4 | 191.5 | 8.6% |
| Net trading result and gains/losses from financial instruments at FVPL | 77.9 | 127.8 | 63.9% |
| Operating income | 710.9 | 867.9 | 22.1% |
| Operating expenses | -339.7 | -381.2 | 12.2% |
| Operating result | 371.2 | 486.7 | 31.1% |
| Cost/income ratio | 47.8% | 43.9% | |
| Impairment result from financial instruments | -46.4 | -79.8 | 72.1% |
| Other result | -32.8 | -37.3 | 13.7% |
| Net result attributable to owners of the parent | 236.1 | 296.6 | 25.6% |
| Return on allocated capital | 13.7% | 16.5% | |

The segment analysis is done on a constant currency basis. The RON depreciated by 0.2% against the EUR in the reporting period. Net interest income in the Romania segment (comprising Banca Comercială Română Group) was positively impacted by interest rate hikes combined with higher business volumes. Net fee and commission income improved mainly due to higher payment fees in retail and corporate business. Documentary and insurance brokerage fees went up as well. The increase of net trading result and gains/losses from financial instruments at FVPL was attributable to an improved contribution from FX business as well as higher income from bonds, money market instruments and interest rate derivatives. Operating expenses went up mainly due to a higher deposit insurance contribution of EUR 9.3 million (EUR 3.4 million) as well as higher personnel expenses, office space and business operations costs. Overall, operating result increased and the cost/income ratio improved. Impairment result from financial instruments deteriorated on rating downgrades, update of parameters and overlays for cyclical and energy industries. Provisions in the amount of EUR 46.9 million in relation to business activities of the local building society and the sale of another subsidiary were not entirely compensated by the release of provisions for legal expenses and led to a worsening of the other result.

The payment into the resolution fund amounted to EUR 11.9 million (EUR 11.4 million). Overall, the net result attributable to the owners of the parent increased.

Hungary

| in EUR million | 2021 | 2022 | Change |
|--|--------|--------|---------|
| Net interest income | 257.2 | 395.8 | 53.9% |
| Net fee and commission income | 207.4 | 222.8 | 7.4% |
| Net trading result and gains/losses from financial instruments at FVPL | 10.0 | -72.5 | n/a |
| Operating income | 482.7 | 553.8 | 14.7% |
| Operating expenses | -230.7 | -246.8 | 7.0% |
| Operating result | 252.0 | 306.9 | 21.8% |
| Cost/income ratio | 47.8% | 44.6% | |
| Impairment result from financial instruments | -16.2 | -18.4 | 14.0% |
| Other result | -56.9 | -137.9 | >100.0% |
| Net result attributable to owners of the parent | 156.0 | 125.1 | -19.9% |
| Return on allocated capital | 13.0% | 10.0% | |

The segment analysis is done on a constant currency basis. The HUF depreciated by 9.0% against the EUR in the reporting period. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) increased on the back of significantly higher interest rates supported by higher loan volumes and money market placements, despite the negative impact from modification losses related to the mortgage interest cap prolongation and SME loans interest cap. Net fee and commission income rose on higher payment and securities fees. Net trading result and gains/losses from financial instruments at FVPL deteriorated due to by and large temporary valuation effects. Operating expenses went up on the back of higher personnel and IT costs as well as a substantially higher contribution into the deposit insurance fund of EUR 18.2 million (EUR 7.1 million). This increase was predominantly driven by the Sberbank Europe AG deposit insurance case. Overall operating result increased and the cost/income ratio improved. Impairment result from financial instruments deteriorated on rating downgrades, update of parameters and impairments allocations related to the newly integrated Commerzbank portfolio. The worsening of the other result was predominantly driven by higher regulatory charges: the banking tax rose to EUR 65.0 million (EUR 15.0 million), it included the regular banking tax and a windfall profit tax of EUR 49.9 million. The transaction tax went up to EUR 59.1 million (EUR 47.9 million). The contribution to the resolution fund decreased to EUR 3.6 million (EUR 5.6 million). Consequently, the net result attributable to the owners of the parent declined.

Croatia

| in EUR million | 2021 | 2022 | Change |
|--|--------|--------|--------|
| Net interest income | 269.5 | 284.7 | 5.6% |
| Net fee and commission income | 107.5 | 117.2 | 9.1% |
| Net trading result and gains/losses from financial instruments at FVPL | 30.0 | 37.9 | 26.5% |
| Operating income | 416.9 | 448.7 | 7.6% |
| Operating expenses | -217.8 | -239.6 | 10.0% |
| Operating result | 199.1 | 209.2 | 5.1% |
| Cost/income ratio | 52.2% | 53.4% | |
| Impairment result from financial instruments | -22.2 | 42.2 | n/a |
| Other result | 5.3 | -27.0 | n/a |
| Net result attributable to owners of the parent | 103.7 | 120.4 | 16.1% |
| Return on allocated capital | 14.1% | 14.2% | |

The segment analysis is done on a constant currency basis. The HRK remained largely stable against the EUR in the reporting period. Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to higher income from securities and lower refinancing costs, while the impact from loan growth was offset by the lower interest rate environment. Net fee and commission income went up mainly due to higher payment fees. Securities, documentary and insurance brokerage fees increased as well. Net trading result and gains/losses from financial instruments at FVPL improved driven by a higher

result from foreign currency transactions. Operating expenses went up due to higher personnel and IT costs. Contribution into the deposit insurance fund rose to EUR 7.5 million (EUR 1.9 million). While the operating result improved, the cost/income ratio went up. The significant improvement of the impairment result from financial instruments was a consequence of releases due to rating upgrades and recoveries. Other result worsened mainly due to provisions for legal expenses and the higher resolution fund contribution of EUR 4.6 million (EUR 3.4 million). Overall, the net result attributable to the owners of the parent increased.

Serbia

| in EUR million | 2021 | 2022 | Change |
|--|-------|-------|---------|
| Net interest income | 72.8 | 83.0 | 13.9% |
| Net fee and commission income | 20.2 | 23.0 | 14.1% |
| Net trading result and gains/losses from financial instruments at FVPL | 4.7 | 5.6 | 19.3% |
| Operating income | 97.9 | 111.9 | 14.4% |
| Operating expenses | -65.4 | -74.4 | 13.7% |
| Operating result | 32.4 | 37.5 | 15.8% |
| Cost/income ratio | 66.9% | 66.5% | |
| Impairment result from financial instruments | -8.2 | -20.0 | >100.0% |
| Other result | -5.8 | -2.9 | -50.3% |
| Net result attributable to owners of the parent | 13.9 | 11.2 | -18.9% |
| Return on allocated capital | 6.7% | 4.7% | |

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) remained largely stable against the EUR in the reporting period. Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) increased due to higher loan volumes and market interest rates. Net fee and commission income went up on higher payment fees. The net trading result and gains/losses from financial instruments at FVPL improved driven by a higher result from foreign currency transactions. Operating expenses rose mainly due to higher personnel, IT as well as legal and consultancy costs. The deposit insurance contribution rose to EUR 4.8 million (EUR 4.3 million). Overall, operating result increased and the cost/income ratio improved. Impairment result from financial instruments worsened on rating downgrades and parameters update in corporate business. Other result improved mainly due to lower provisions for legal expenses. Overall, the net result attributable to owners of the parent decreased.

Other

| in EUR million | 2021 | 2022 | Change |
|--|---------|---------|---------|
| Net interest income | 214.3 | 225.2 | 5.1% |
| Net fee and commission income | -86.1 | -77.5 | -10.0% |
| Net trading result and gains/losses from financial instruments at FVPL | -71.4 | -230.3 | >100.0% |
| Operating income | 57.8 | -83.4 | n/a |
| Operating expenses | -201.7 | -262.0 | 29.9% |
| Operating result | -143.9 | -345.4 | >100.0% |
| Cost/income ratio | >100.0% | >100.0% | |
| Impairment result from financial instruments | 9.0 | -7.8 | n/a |
| Other result | -115.4 | -57.0 | -50.6% |
| Net result attributable to owners of the parent | -69.3 | -175.2 | >100.0% |
| Return on allocated capital | -1.1% | -3.7% | |

The residual segment Other consists mainly of internal service providers, the Group Asset/Liability Management and the Corporate Center of Erste Group Bank AG as well as the reconciliation to the consolidated accounting result (e.g. intercompany elimination, dividend elimination) and free capital.

Operating income deteriorated primarily due to a lower valuation result, while operating expenses went up on higher IT costs. Consequently, operating result deteriorated. Other result improved on the back of positive valuation effects. The tax charge developed positively. Overall, the net result attributable to owners of the parent deteriorated.

By business segments

Retail

| in EUR million | 2021 | 2022 | Change |
|--|----------|----------|--------|
| Net interest income | 2,102.4 | 2,643.0 | 25.7% |
| Net fee and commission income | 1,206.6 | 1,270.2 | 5.3% |
| Net trading result and gains/losses from financial instruments at FVPL | 90.7 | 99.5 | 9.7% |
| Operating income | 3,431.1 | 4,021.8 | 17.2% |
| Operating expenses | -2,111.8 | -2,227.1 | 5.5% |
| Operating result | 1,319.3 | 1,794.7 | 36.0% |
| Cost/income ratio | 61.5% | 55.4% | |
| Impairment result from financial instruments | -122.4 | -135.0 | 10.3% |
| Other result | -58.2 | -102.6 | 76.3% |
| Net result attributable to owners of the parent | 889.7 | 1,217.7 | 36.9% |
| Return on allocated capital | 25.3% | 33.0% | |

The Retail segment comprises the entire business with private individuals, free professionals and micros in the responsibility of account managers in the retail network of the local banks cooperating with their specialised subsidiaries (such as leasing and asset management companies).

The increase in net interest income was due to the impact of higher market rates in the Czech Republic, Hungary, Romania, Austria and Slovakia as well as growth of loan volumes predominantly in the Czech Republic, Slovakia and Austria driven by housing loans. Deposit volumes grew mainly in the Czech Republic driven by term deposits as well as in Austria and Croatia driven by current accounts. Net fee and commission income increased on the back of higher payment and securities fees across the markets as well as improved insurance brokerage fees mainly in the Czech Republic and Slovakia. Net trading result and gains/losses from financial instruments FVPL increased due to a higher result from foreign currency transactions in the Czech Republic, Romania, Hungary, Austria and Croatia, partially offset by largely temporary negative valuation effects in Hungary. Operating expenses increased mainly due to higher personnel and IT expenses as well as higher contributions into the deposit insurance funds mainly in Hungary (driven by the Sberbank Europe deposit insurance case), Croatia and Romania. Overall, operating result increased and the cost/income ratio improved. The impairment result from financial instruments worsened on the update of risk parameters in Romania, partially offset by lower risk provisioning in the Czech Republic and Croatia. Other result worsened due to the new windfall profit tax booked in Hungary as well as a provision related to the Romanian building society only partially compensated by the release of provisions for legal expenses in Romania. Overall, the net result attributable to the owners of the parent increased significantly.

Corporates

| in EUR million | 2021 | 2022 | Change |
|--|---------|---------|---------|
| Net interest income | 1,190.7 | 1,541.8 | 29.5% |
| Net fee and commission income | 332.5 | 369.9 | 11.3% |
| Net trading result and gains/losses from financial instruments at FVPL | 99.8 | 152.9 | 53.2% |
| Operating income | 1,733.1 | 2,179.1 | 25.7% |
| Operating expenses | -543.7 | -592.4 | 9.0% |
| Operating result | 1,189.4 | 1,586.7 | 33.4% |
| Cost/income ratio | 31.4% | 27.2% | |
| Impairment result from financial instruments | -60.0 | -105.0 | 74.9% |
| Other result | -11.7 | -56.1 | >100.0% |
| Net result attributable to owners of the parent | 858.4 | 1,082.5 | 26.1% |
| Return on allocated capital | 16.9% | 19.6% | |

The Corporates segment comprises business done with SMEs (small and medium sized enterprises), Large Corporate customers, as well as commercial real estate and public sector business.

Net interest income improved primarily due to higher market rates in the Czech Republic, Hungary, Romania, Austria and Slovakia as well as higher loan volumes. Net fee and commission income increased on higher payment, documentary and lending fees. Net trading result and gains/losses from financial instruments at FVPL improved due to higher foreign currency transactions and valuation effects. Operating expenses went up mainly on higher personnel, IT and office space costs. Overall, operating result went up and the cost/income ratio improved. The impairment result from financial instruments worsened on the back of overlays for energy, metals and chemicals industries and rating changes. Other result deteriorated due to higher regulatory charges predominantly in Hungary, building impairment in the Czech Republic and the non-recurrence of releases of provisions for legal expenses in Croatia. The net result attributable to the owners of the parent increased.

Group Markets

| in EUR million | 2021 | 2022 | Change |
|--|--------|--------|---------|
| Net interest income | 205.8 | 526.3 | >100.0% |
| Net fee and commission income | 289.9 | 289.0 | -0.3% |
| Net trading result and gains/losses from financial instruments at FVPL | 110.1 | 22.3 | -79.7% |
| Operating income | 606.3 | 840.7 | 38.7% |
| Operating expenses | -237.3 | -245.9 | 3.6% |
| Operating result | 369.0 | 594.8 | 61.2% |
| Cost/income ratio | 39.1% | 29.2% | |
| Impairment result from financial instruments | -5.6 | 0.7 | n/a |
| Other result | -27.6 | -34.4 | 24.9% |
| Net result attributable to owners of the parent | 260.6 | 443.9 | 70.3% |
| Return on allocated capital | 24.0% | 40.7% | |

The Group Markets segment comprises trading and markets services as well as business done with financial institutions.

Net interest income increased significantly on the back of higher market interest rates, favorable market positioning in interest rate derivatives and higher volumes of money market placements. Net fee and commission income decreased slightly due to the lower contribution of the securities business. Net trading result and gains/losses from financial instruments at FVPL declined as a result of valuation effects. Overall, operating income increased notably. Operating expenses went up on higher personnel and IT costs. Consequently, operating result increased significantly, and the cost/income ratio improved. Other result deteriorated on the back of higher provisions for legal expenses in Austria and higher banking taxes in Hungary. Consequently, the net result attributable to the owners of the parent improved significantly.

Asset/Liability Management & Local Corporate Center

| in EUR million | 2021 | 2022 | Change |
|--|--------|--------|---------|
| Net interest income | 223.2 | -282.6 | n/a |
| Net fee and commission income | -85.6 | -84.0 | -1.9% |
| Net trading result and gains/losses from financial instruments at FVPL | -26.5 | -96.6 | >100.0% |
| Operating income | 155.1 | -422.3 | n/a |
| Operating expenses | -124.1 | -122.3 | -1.4% |
| Operating result | 31.0 | -544.6 | n/a |
| Cost/income ratio | 80.0% | -29.0% | |
| Impairment result from financial instruments | -2.3 | 6.3 | n/a |
| Other result | -137.7 | -231.2 | 67.9% |
| Net result attributable to owners of the parent | -135.6 | -644.2 | >100.0% |
| Return on allocated capital | -3.1% | -10.9% | |

The 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 internal service providers and reconciliation items to local entity results.

Net interest income declined primarily due to one-off bookings related to TLTRO III refinancing with ECB in an amount of EUR -106.1 million (EUR 79.3 million), higher volumes and transfer prices for current accounts mainly in Czech Republic, Hungary and Romania leading correspondingly to a positive impact in the retail and corporate segment and a negative effect in ALM & LCC. This effect was only partially compensated by the impact of higher market interest rates on transfer prices on the asset side, placements of excess liquidity at central banks with higher rates and more favourable investment yields. Net fee and commission income remained largely unchanged. The deterioration of net trading result and gains/losses from financial instruments at FVPL was driven by valuation effects. Operating expenses decreased slightly, as the costs for the employee share programme were more than compensated by lower personnel expenses in Erste Bank Oesterreich and a different cost allocation to business lines in other entities. Overall, operating result worsened. Impairment result from financial instruments improved due to a net release of risk costs in the Czech Republic. Other result deteriorated mainly due to higher regulatory charges (resolution funds contributions in Erste Bank Oesterreich, Holding and the Czech Republic and banking taxes in Erste Bank Oesterreich and Hungary) as well as higher selling losses from bonds in the Czech Republic. Consequently, the net result attributable to the owners of the parent deteriorated.

Savings Banks

The business segment Savings Banks is identical to the geographical (operating) segment Savings Banks.

Group Corporate Center

| in EUR million | 2021 | 2022 | Change |
|--|---------|---------|---------|
| Net interest income | 100.5 | 137.7 | 37.0% |
| Net fee and commission income | 5.9 | 12.4 | >100.0% |
| Net trading result and gains/losses from financial instruments at FVPL | -27.8 | -32.1 | 15.3% |
| Operating income | 76.9 | 114.7 | 49.2% |
| Operating expenses | -904.2 | -963.9 | 6.6% |
| Operating result | -827.3 | -849.1 | 2.6% |
| Cost/income ratio | >100.0% | >100.0% | |
| Impairment result from financial instruments | 7.7 | -4.3 | n/a |
| Other result | 616.3 | 688.2 | 11.7% |
| Net result attributable to owners of the parent | -32.9 | 7.9 | n/a |
| Return on allocated capital | -0.6% | 0.3% | |

The Group Corporate Center segment covers mainly centrally managed activities and items that are not directly allocated to other segments. It includes the Corporate Center of Erste Group Bank AG as well as internal service providers, therefore in particular the line items other operating result and general administrative expenses should be considered together with intragroup eliminations. Furthermore, the free capital of Erste Group is included.

Operating income increased on the back of higher interest rate environment reflected in higher net interest income. Operating expenses went up mainly due to higher IT costs. Operating result went down. Other result improved due to positive valuation effects. Overall, the net result attributable to owners of the parent improved.

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APPENDIX

Preliminary results 2022 of Erste Group Bank AG (IFRS)

Consolidated income statement

| in EUR thousand | 2021 | 2022 |
|--|------------------|------------------|
| Net interest income | 4,975,680 | 5,950,570 |
| Interest income | 5,108,894 | 8,622,708 |
| Other similar income | 1,476,470 | 2,617,564 |
| Interest expenses | -483,793 | -2,569,224 |
| Other similar expenses | -1,125,891 | -2,720,478 |
| Net fee and commission income | 2,303,667 | 2,452,402 |
| Fee and commission income | 2,722,133 | 2,888,731 |
| Fee and commission expenses | -418,466 | -436,329 |
| Dividend income | 33,162 | 29,128 |
| Net trading result | 58,617 | -778,633 |
| Gains/losses from financial instruments measured at fair value through profit or loss | 173,218 | 731,320 |
| Net result from equity method investments | 15,385 | 18,023 |
| Rental income from investment properties & other operating leases | 182,313 | 167,810 |
| Personnel expenses | -2,578,141 | -2,667,955 |
| Other administrative expenses | -1,180,342 | -1,356,243 |
| Depreciation and amortisation | -548,040 | -550,667 |
| Gains/losses from derecognition of financial assets measured at amortised cost | -7,632 | -52,014 |
| Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss | -25,170 | -23,273 |
| Impairment result from financial instruments | -158,822 | -299,541 |
| Other operating result | -310,541 | -398,543 |
| Levies on banking activities | -73,488 | -187,148 |
| Pre-tax result from continuing operations | 2,933,354 | 3,222,384 |
| Taxes on income | -525,213 | -556,108 |
| Net result for the period | 2,408,141 | 2,666,275 |
| Net result attributable to non-controlling interests | 484,761 | 501,558 |
| Net result attributable to owners of the parent | 1,923,380 | 2,164,718 |

Consolidated statement of comprehensive income

| in EUR thousand | 2021 | 2022 |
|---|------------------|------------------|
| Net result for the period | 2,408,141 | 2,666,275 |
| Other comprehensive income | | |
| Items that may not be reclassified to profit or loss | 116,082 | 240,152 |
| Remeasurement of defined benefit plans | 28,618 | 99,253 |
| Fair value reserve of equity instruments | 20,445 | -33,107 |
| Own credit risk reserve | 82,274 | 239,290 |
| Deferred taxes relating to items that may not be reclassified | -15,256 | -65,284 |
| Items that may be reclassified to profit or loss | -122,213 | -359,468 |
| Fair value reserve of debt instruments | -188,262 | -560,430 |
| Gain/loss during the period | -191,190 | -586,164 |
| Reclassification adjustments | 4,840 | 24,699 |
| Credit loss allowances | -1,912 | 1,035 |
| Cash flow hedge reserve | -298,420 | 9,886 |
| Gain/loss during the period | -295,345 | 63,313 |
| Reclassification adjustments | -3,075 | -53,427 |
| Currency reserve | 270,990 | 79,011 |
| Gain/loss during the period | 270,990 | 79,011 |
| Deferred taxes relating to items that may be reclassified | 93,527 | 112,455 |
| Gain/loss during the period | 94,172 | 107,220 |
| Reclassification adjustments | -644 | 5,236 |
| Share of other comprehensive income of associates and joint ventures accounted for by the equity method | -48 | -390 |
| Total other comprehensive income | -6,131 | -119,317 |
| Total comprehensive income | 2,402,009 | 2,546,958 |
| Total comprehensive income attributable to non-controlling interests | 475,908 | 426,659 |
| Total comprehensive income attributable to owners of the parent | 1,926,102 | 2,120,299 |

Group balance sheet

| in EUR thousand | Dec 21 | Dec 22 |
|---|--------------------|--------------------|
| Assets | | |
| Cash and cash balances | 45,495,440 | 35,684,789 |
| Financial assets held for trading | 6,472,965 | 7,765,560 |
| Derivatives | 2,263,372 | 1,718,677 |
| Other financial assets held for trading | 4,209,593 | 6,046,883 |
| Pledged as collateral | 372,719 | 94,419 |
| Non-trading financial assets at fair value through profit and loss | 3,124,389 | 2,735,267 |
| Pledged as collateral | 0 | 0 |
| Equity instruments | 331,871 | 346,644 |
| Debt securities | 1,974,670 | 1,549,323 |
| Loans and advances to banks | 9,879 | 0 |
| Loans and advances to customers | 807,969 | 839,299 |
| Financial assets at fair value through other comprehensive income | 8,881,173 | 9,559,536 |
| Pledged as collateral | 130,235 | 698,497 |
| Equity instruments | 132,371 | 99,157 |
| Debt securities | 8,748,802 | 9,460,379 |
| Financial assets at amortised cost | 229,641,245 | 253,360,015 |
| Pledged as collateral | 1,232,365 | 1,760,916 |
| Debt securities | 35,550,769 | 40,611,716 |
| Loans and advances to banks | 20,991,402 | 18,435,476 |
| Loans and advances to customers | 173,099,074 | 194,312,823 |
| Finance lease receivables | 4,208,530 | 4,552,932 |
| Hedge accounting derivatives | 78,604 | 158,741 |
| Fair value changes of hedged items in portfolio hedge of interest rate risk | -3,925 | -37,836 |
| Property and equipment | 2,645,175 | 2,617,998 |
| Investment properties | 1,344,174 | 1,372,160 |
| Intangible assets | 1,362,299 | 1,347,143 |
| Investments in associates and joint ventures | 210,857 | 208,572 |
| Current tax assets | 135,118 | 108,939 |
| Deferred tax assets | 562,081 | 628,721 |
| Assets held for sale | 73,030 | 167,188 |
| Trade and other receivables | 2,152,453 | 2,403,677 |
| Other assets | 1,044,577 | 1,231,555 |
| Total assets | 307,428,186 | 323,864,958 |
| Liabilities and equity | | |
| Financial liabilities held for trading | 2,473,696 | 3,263,683 |
| Derivatives | 1,623,819 | 2,626,452 |
| Other financial liabilities held for trading | 849,877 | 637,231 |
| Financial liabilities at fair value through profit or loss | 10,464,062 | 10,814,460 |
| Deposits from customers | 494,749 | 1,352,821 |
| Debt securities issued | 9,778,385 | 9,310,409 |
| Other financial liabilities | 190,927 | 151,230 |
| Financial liabilities at amortised cost | 265,415,463 | 278,932,459 |
| Deposits from banks | 31,885,634 | 28,820,800 |
| Deposits from customers | 210,028,718 | 222,619,717 |
| Debt securities issued | 22,351,729 | 26,593,433 |
| Other financial liabilities | 1,149,382 | 898,509 |
| Lease liabilities | 588,071 | 662,107 |
| Hedge accounting derivatives | 309,405 | 372,463 |
| Fair value changes of hedged items in portfolio hedge of interest rate risk | 0 | 0 |
| Provisions | 1,985,871 | 1,676,010 |
| Current tax liabilities | 143,593 | 127,296 |
| Deferred tax liabilities | 18,742 | 15,569 |
| Liabilities associated with assets held for sale | 0 | 114,862 |
| Other liabilities | 2,515,870 | 2,581,311 |
| Total equity | 23,513,414 | 25,304,739 |
| Equity attributable to non-controlling interests | 5,516,031 | 5,957,142 |
| Additional equity instruments | 2,236,194 | 2,236,153 |
| Equity attributable to owners of the parent | 15,761,190 | 17,111,444 |
| Subscribed capital | 859,600 | 859,600 |
| Additional paid-in capital | 1,477,720 | 1,477,720 |
| Retained earnings and other reserves | 13,423,870 | 14,774,123 |
| Total liabilities and equity | 307,428,186 | 323,864,958 |

Operating segments: Geographical segmentation – overview

| in EUR million | Austria | | Central and Eastern Europe | | Other | | Total Group | |
|--|----------------|----------------|----------------------------|----------------|---------------|---------------|----------------|----------------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Net interest income | 2,143.9 | 2,565.7 | 2,617.5 | 3,159.7 | 214.3 | 225.2 | 4,975.7 | 5,950.6 |
| Net fee and commission income | 1,345.9 | 1,396.3 | 1,043.9 | 1,133.6 | -86.1 | -77.5 | 2,303.7 | 2,452.4 |
| Dividend income | 14.4 | 18.3 | 7.9 | 4.3 | 10.9 | 6.6 | 33.2 | 29.1 |
| Net trading result | 33.9 | -127.5 | 226.7 | 325.8 | -201.9 | -976.9 | 58.6 | -778.6 |
| Gains/losses from financial instruments at FVPL | 74.3 | 51.6 | -31.6 | -66.8 | 130.5 | 746.5 | 173.2 | 731.3 |
| Net result from equity method investments | -0.6 | 2.9 | 10.8 | 7.1 | 5.2 | 8.0 | 15.4 | 18.0 |
| Rental income from investment properties & other operating leases | 149.3 | 140.9 | 48.1 | 42.3 | -15.1 | -15.4 | 182.3 | 167.8 |
| General administrative expenses | -2,163.5 | -2,195.2 | -1,941.3 | -2,117.6 | -201.7 | -262.0 | -4,306.5 | -4,574.9 |
| Gains/losses from derecognition of financial assets at AC | -0.8 | -0.6 | -7.0 | -50.5 | 0.2 | -1.0 | -7.6 | -52.0 |
| Other gains/losses from derecognition of financial instruments not at FVPL | -21.7 | -0.3 | -1.9 | -25.0 | -1.5 | 2.0 | -25.2 | -23.3 |
| Impairment result from financial instruments | -4.3 | -157.6 | -163.5 | -134.1 | 9.0 | -7.8 | -158.8 | -299.5 |
| Other operating result | -21.1 | -55.8 | -175.4 | -284.8 | -114.0 | -58.0 | -310.5 | -398.5 |
| Levies on banking activities | -9.6 | -41.1 | -63.0 | -124.1 | -0.9 | -21.9 | -73.5 | -187.1 |
| Pre-tax result from continuing operations | 1,549.5 | 1,638.7 | 1,634.2 | 1,994.0 | -250.3 | -410.3 | 2,933.4 | 3,222.4 |
| Taxes on income | -377.6 | -417.7 | -330.9 | -375.5 | 183.3 | 237.1 | -525.2 | -556.1 |
| Net result for the period | 1,171.9 | 1,221.0 | 1,303.3 | 1,618.4 | -67.0 | -173.2 | 2,408.1 | 2,666.3 |
| Net result attributable to non-controlling interests | 431.0 | 442.2 | 51.5 | 57.3 | 2.2 | 2.0 | 484.8 | 501.6 |
| Net result attributable to owners of the parent | 740.9 | 778.8 | 1,251.7 | 1,561.1 | -69.3 | -175.2 | 1,923.4 | 2,164.7 |
| Operating income | 3,760.9 | 4,048.1 | 3,923.3 | 4,605.9 | 57.8 | -83.4 | 7,742.0 | 8,570.6 |
| Operating expenses | -2,163.5 | -2,195.2 | -1,941.3 | -2,117.6 | -201.7 | -262.0 | -4,306.5 | -4,574.9 |
| Operating result | 1,597.5 | 1,852.9 | 1,982.0 | 2,488.3 | -143.9 | -345.4 | 3,435.5 | 3,995.8 |
| Risk-weighted assets (credit risk, eop) | 58,570 | 62,673 | 47,178 | 53,151 | 2,711 | 3,458 | 108,459 | 119,282 |
| Average allocated capital | 8,348 | 9,712 | 8,573 | 9,913 | 6,308 | 4,660 | 23,229 | 24,284 |
| Cost/income ratio | 57.5% | 54.2% | 49.5% | 46.0% | >100% | >100% | 55.6% | 53.4% |
| Return on allocated capital | 14.0% | 12.6% | 15.2% | 16.3% | -1.1% | -3.7% | 10.4% | 11.0% |
| Total assets (eop) | 199,308 | 204,979 | 134,082 | 142,554 | -25,962 | -23,669 | 307,428 | 323,865 |
| Total liabilities excluding equity (eop) | 161,679 | 166,197 | 121,281 | 129,479 | 954 | 2,884 | 283,915 | 298,560 |
| Impairments | -9.1 | -157.3 | -216.2 | -196.1 | -3.9 | -24.0 | -229.1 | -377.4 |
| Net impairment loss on financial assets AC/FVOCI and finance lease receivables | 34.9 | -159.1 | -109.5 | -93.3 | 20.6 | -19.5 | -54.1 | -272.0 |
| Net impairment loss on commitments and guarantees given | -39.2 | 1.5 | -54.0 | -40.7 | -11.6 | 11.7 | -104.8 | -27.6 |
| Impairment of goodwill | 0.0 | 0.0 | 0.0 | -5.4 | 0.0 | 0.0 | 0.0 | -5.4 |
| Net impairment on investments in subsidiaries, joint ventures and associates | 0.0 | 0.0 | -3.9 | -5.9 | -9.8 | -14.7 | -13.7 | -20.6 |
| Net impairment on other non-financial assets | -4.8 | 0.4 | -48.8 | -50.7 | -3.1 | -1.5 | -56.7 | -51.8 |

Operating segments: Geographical area – Austria

| in EUR million | EBOe & Subsidiaries | | Savings Banks | | Other Austria | | Austria | |
|--|---------------------|--------------|---------------|--------------|---------------|--------------|----------------|----------------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Net interest income | 646.4 | 708.9 | 1,080.3 | 1,222.5 | 417.2 | 634.3 | 2,143.9 | 2,565.7 |
| Net fee and commission income | 460.1 | 480.1 | 584.5 | 623.1 | 301.3 | 293.1 | 1,345.9 | 1,396.3 |
| Dividend income | 6.2 | 6.5 | 5.2 | 8.5 | 2.9 | 3.3 | 14.4 | 18.3 |
| Net trading result | -19.4 | -58.2 | -8.6 | -69.7 | 61.8 | 0.4 | 33.9 | -127.5 |
| Gains/losses from financial instruments at FVPL | 36.4 | 57.3 | 51.1 | 16.4 | -13.3 | -22.1 | 74.3 | 51.6 |
| Net result from equity method investments | -0.1 | 3.3 | 0.0 | 0.0 | -0.5 | -0.4 | -0.6 | 2.9 |
| Rental income from investment properties & other operating leases | 63.7 | 52.4 | 41.7 | 43.1 | 43.9 | 45.3 | 149.3 | 140.9 |
| General administrative expenses | -702.7 | -688.6 | -1,108.8 | -1,143.4 | -352.0 | -363.2 | -2,163.5 | -2,195.2 |
| Gains/losses from derecognition of financial assets at AC | -2.0 | -0.7 | 1.2 | 0.2 | 0.0 | 0.0 | -0.8 | -0.6 |
| Other gains/losses from derecognition of financial instruments not at FVPL | -0.5 | 0.1 | -0.8 | 0.5 | -20.4 | -0.9 | -21.7 | -0.3 |
| Impairment result from financial instruments | -31.5 | -31.1 | 23.8 | -62.2 | 3.4 | -64.3 | -4.3 | -157.6 |
| Other operating result | -32.2 | -35.1 | -16.3 | -25.5 | 27.4 | 4.9 | -21.1 | -55.8 |
| Levies on banking activities | -4.3 | -23.3 | -5.2 | -17.7 | -0.1 | -0.1 | -9.6 | -41.1 |
| Pre-tax result from continuing operations | 424.3 | 494.8 | 653.4 | 613.6 | 471.8 | 530.3 | 1,549.5 | 1,638.7 |
| Taxes on income | -97.3 | -139.7 | -167.8 | -157.2 | -112.4 | -120.8 | -377.6 | -417.7 |
| Net result for the period | 326.9 | 355.1 | 485.6 | 456.4 | 359.3 | 409.6 | 1,171.9 | 1,221.0 |
| Net result attributable to non-controlling interests | 20.3 | 34.9 | 402.4 | 399.5 | 8.2 | 7.9 | 431.0 | 442.2 |
| Net result attributable to owners of the parent | 306.6 | 320.1 | 83.2 | 56.9 | 351.1 | 401.7 | 740.9 | 778.8 |
| Operating income | 1,193.3 | 1,250.4 | 1,754.3 | 1,843.9 | 813.3 | 953.9 | 3,760.9 | 4,048.1 |
| Operating expenses | -702.7 | -688.6 | -1,108.8 | -1,143.4 | -352.0 | -363.2 | -2,163.5 | -2,195.2 |
| Operating result | 490.6 | 561.7 | 645.5 | 700.5 | 461.3 | 590.6 | 1,597.5 | 1,852.9 |
| Risk-weighted assets (credit risk, eop) | 15,206 | 15,454 | 26,903 | 27,280 | 16,461 | 19,939 | 58,570 | 62,673 |
| Average allocated capital | 1,995 | 2,433 | 3,891 | 4,665 | 2,462 | 2,615 | 8,348 | 9,712 |
| Cost/income ratio | 58.9% | 55.1% | 63.2% | 62.0% | 43.3% | 38.1% | 57.5% | 54.2% |
| Return on allocated capital | 16.4% | 14.6% | 12.5% | 9.8% | 14.6% | 15.7% | 14.0% | 12.6% |
| Total assets (eop) | 59,824 | 59,249 | 78,539 | 80,471 | 60,945 | 65,259 | 199,308 | 204,979 |
| Total liabilities excluding equity (eop) | 57,324 | 56,574 | 72,828 | 74,399 | 31,527 | 35,223 | 161,679 | 166,197 |
| Impairments | -31.5 | -30.8 | 23.0 | -61.9 | -0.6 | -64.5 | -9.1 | -157.3 |
| Net impairment loss on financial assets AC/FVOCI and finance lease receivables | -25.8 | -33.8 | 45.5 | -67.4 | 15.2 | -57.8 | 34.9 | -159.1 |
| Net impairment loss on commitments and guarantees given | -5.7 | 2.7 | -21.7 | 5.3 | -11.8 | -6.5 | -39.2 | 1.5 |
| Impairment of goodwill | 0.0 | 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 | 0.0 |
| Net impairment on other non-financial assets | 0.0 | 0.3 | -0.8 | 0.3 | -4.0 | -0.2 | -4.8 | 0.4 |

Operating segments: Geographical area – Central and Eastern Europe

| in EUR million | Czech Republic | | Slovakia | | Romania | | Hungary | | Croatia | | Serbia | | Central and Eastern Europe | |
|--|----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|----------------------------|----------------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Net interest income | 1,150.5 | 1,416.7 | 434.9 | 449.5 | 432.6 | 530.0 | 257.2 | 395.8 | 269.5 | 284.7 | 72.8 | 83.0 | 2,617.5 | 3,159.7 |
| Net fee and commission income | 358.2 | 386.9 | 174.3 | 192.2 | 176.4 | 191.5 | 207.4 | 222.8 | 107.5 | 117.2 | 20.2 | 23.0 | 1,043.9 | 1,133.6 |
| Dividend income | 6.5 | 2.7 | 0.6 | 0.6 | 0.7 | 0.8 | 0.1 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 7.9 | 4.3 |
| Net trading result | 67.5 | 152.2 | 9.8 | 23.6 | 77.4 | 123.3 | 37.9 | -18.4 | 29.4 | 39.5 | 4.7 | 5.6 | 226.7 | 325.8 |
| Gains/losses from financial instruments at FVPL | -4.0 | -17.8 | -0.8 | 2.3 | 0.5 | 4.5 | -27.9 | -54.1 | 0.6 | -1.6 | 0.0 | 0.0 | -31.6 | -66.8 |
| Net result from equity method investments | 3.0 | 3.0 | 5.9 | 2.7 | 0.7 | 0.2 | 0.0 | 0.0 | 1.1 | 1.0 | 0.1 | 0.2 | 10.8 | 7.1 |
| Rental income from investment properties & other operating leases | 8.3 | 8.5 | 0.3 | 0.4 | 22.7 | 17.8 | 8.1 | 7.6 | 8.7 | 7.9 | 0.1 | 0.2 | 48.1 | 42.3 |
| General administrative expenses | -795.3 | -868.5 | -292.4 | -307.1 | -339.7 | -381.2 | -230.7 | -246.8 | -217.8 | -239.6 | -65.4 | -74.4 | -1,941.3 | -2,117.6 |
| Gains/losses from derecognition of financial assets at AC | -9.3 | -49.7 | 0.0 | 0.0 | 0.0 | 0.0 | 2.4 | -0.4 | 0.0 | 0.0 | -0.1 | -0.3 | -7.0 | -50.5 |
| Other gains/losses from derecognition of financial instruments not at FVPL | -0.2 | -25.8 | -2.6 | -0.5 | 0.0 | 0.0 | 0.8 | 1.1 | 0.1 | 0.1 | 0.0 | 0.0 | -1.9 | -25.0 |
| Impairment result from financial instruments | -69.4 | -25.9 | -1.1 | -32.1 | -46.4 | -79.8 | -16.2 | -18.4 | -22.2 | 42.2 | -8.2 | -20.0 | -163.5 | -134.1 |
| Other operating result | -66.5 | -67.9 | -15.5 | -11.4 | -32.8 | -37.3 | -60.2 | -138.6 | 5.2 | -27.1 | -5.6 | -2.5 | -175.4 | -284.8 |
| Levies on banking activities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -63.0 | -124.1 | 0.0 | 0.0 | 0.0 | 0.0 | -63.0 | -124.1 |
| Pre-tax result from continuing operations | 649.3 | 914.4 | 313.3 | 320.2 | 292.0 | 369.6 | 178.9 | 150.6 | 182.2 | 224.4 | 18.4 | 14.7 | 1,634.2 | 1,994.0 |
| Taxes on income | -145.1 | -155.9 | -75.4 | -70.9 | -55.6 | -72.7 | -22.9 | -25.6 | -30.9 | -49.9 | -1.0 | -0.6 | -330.9 | -375.5 |
| Net result for the period | 504.2 | 758.6 | 237.9 | 249.3 | 236.4 | 297.0 | 156.0 | 125.1 | 151.3 | 174.5 | 17.4 | 14.1 | 1,303.3 | 1,618.4 |
| Net result attributable to non-controlling interests | 0.1 | 0.1 | 0.0 | 0.0 | 0.3 | 0.3 | 0.0 | 0.0 | 47.6 | 54.1 | 3.6 | 2.8 | 51.5 | 57.3 |
| Net result attributable to owners of the parent | 504.1 | 758.5 | 237.9 | 249.3 | 236.1 | 296.6 | 156.0 | 125.1 | 103.7 | 120.4 | 13.9 | 11.2 | 1,251.7 | 1,561.1 |
| Operating income | 1,589.9 | 1,952.3 | 625.0 | 671.3 | 710.9 | 867.9 | 482.7 | 553.8 | 416.9 | 448.7 | 97.9 | 111.9 | 3,923.3 | 4,605.9 |
| Operating expenses | -795.3 | -868.5 | -292.4 | -307.1 | -339.7 | -381.2 | -230.7 | -246.8 | -217.8 | -239.6 | -65.4 | -74.4 | -1,941.3 | -2,117.6 |
| Operating result | 794.6 | 1,083.8 | 332.6 | 364.2 | 371.2 | 486.7 | 252.0 | 306.9 | 199.1 | 209.2 | 32.4 | 37.5 | 1,982.0 | 2,488.3 |
| Risk-weighted assets (credit risk, eop) | 19,634 | 22,374 | 8,105 | 9,232 | 7,319 | 8,529 | 4,272 | 5,116 | 6,168 | 6,071 | 1,680 | 1,829 | 47,178 | 53,151 |
| Average allocated capital | 3,034 | 3,848 | 1,282 | 1,488 | 1,723 | 1,800 | 1,205 | 1,248 | 1,071 | 1,232 | 259 | 297 | 8,573 | 9,913 |
| Cost/income ratio | 50.0% | 44.5% | 46.8% | 45.8% | 47.8% | 43.9% | 47.8% | 44.6% | 52.2% | 53.4% | 66.9% | 66.5% | 49.5% | 46.0% |
| Return on allocated capital | 16.6% | 19.7% | 18.6% | 16.8% | 13.7% | 16.5% | 13.0% | 10.0% | 14.1% | 14.2% | 6.7% | 4.7% | 15.2% | 16.3% |
| Total assets (eop) | 66,045 | 68,002 | 23,157 | 23,752 | 18,238 | 19,972 | 11,569 | 12,717 | 12,262 | 14,980 | 2,812 | 3,132 | 134,082 | 142,554 |
| Total liabilities excluding equity (eop) | 60,284 | 62,292 | 21,104 | 21,566 | 16,273 | 17,738 | 10,339 | 11,601 | 10,792 | 13,519 | 2,489 | 2,763 | 121,281 | 129,479 |
| Impairments | -92.6 | -71.7 | -3.5 | -35.8 | -68.8 | -85.9 | -15.6 | -24.2 | -27.4 | 41.4 | -8.2 | -20.0 | -216.2 | -196.1 |
| Net impairment loss on financial assets AC/FVOCI and finance lease receivables | -57.2 | -29.6 | 7.3 | -35.8 | -34.1 | -66.7 | -16.5 | -14.4 | -1.0 | 70.5 | -8.0 | -17.3 | -109.5 | -93.3 |
| Net impairment loss on commitments and guarantees given | -12.2 | 3.7 | -8.4 | 3.7 | -12.3 | -13.1 | 0.4 | -4.1 | -21.2 | -28.3 | -0.2 | -2.7 | -54.0 | -40.7 |
| Impairment of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -5.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -5.4 |
| Net impairment on investments in subsidiaries, joint ventures and associates | 0.0 | 0.0 | -3.9 | -5.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -3.9 | -5.9 |
| Net impairment on other non-financial assets | -23.2 | -45.8 | 1.5 | 2.2 | -22.4 | -6.0 | 0.6 | -0.4 | -5.2 | -0.7 | 0.0 | 0.0 | -48.8 | -50.7 |

Business segments (1)

| in EUR million | Retail | | Corporates | | Group Markets | | ALM&LCC | |
|--|----------------|----------------|----------------|----------------|---------------|--------------|---------------|---------------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Net interest income | 2,102.4 | 2,643.0 | 1,190.7 | 1,541.8 | 205.8 | 526.3 | 223.2 | -282.6 |
| Net fee and commission income | 1,206.6 | 1,270.2 | 332.5 | 369.9 | 289.9 | 289.0 | -85.6 | -84.0 |
| Dividend income | 0.4 | 0.0 | 0.5 | 0.0 | 0.1 | 2.7 | 16.1 | 11.4 |
| Net trading result | 121.6 | 158.1 | 100.5 | 149.2 | 120.2 | 55.7 | -206.2 | -914.9 |
| Gains/losses from financial instruments at FVPL | -30.9 | -58.6 | -0.7 | 3.7 | -10.1 | -33.4 | 179.8 | 818.3 |
| Net result from equity method investments | 7.0 | 3.4 | 0.0 | 3.3 | 0.0 | 0.0 | 3.1 | 3.2 |
| Rental income from investment properties & other operating leases | 24.0 | 5.7 | 109.6 | 111.1 | 0.4 | 0.4 | 24.7 | 26.1 |
| General administrative expenses | -2,111.8 | -2,227.1 | -543.7 | -592.4 | -237.3 | -245.9 | -124.1 | -122.3 |
| Gains/losses from derecognition of financial assets at AC | -2.6 | -1.7 | 0.2 | 0.0 | 0.0 | 0.0 | -4.3 | -50.0 |
| Other gains/losses from derecognition of financial instruments not at FVPL | 0.0 | 0.0 | 0.6 | 0.8 | -0.1 | -0.2 | -28.0 | -26.1 |
| Impairment result from financial instruments | -122.4 | -135.0 | -60.0 | -105.0 | -5.6 | 0.7 | -2.3 | 6.3 |
| Other operating result | -55.6 | -100.9 | -12.5 | -56.9 | -27.5 | -34.3 | -105.5 | -155.1 |
| Levies on banking activities | -41.0 | -80.1 | -23.2 | -39.2 | -4.9 | -10.1 | 1.7 | -18.1 |
| Pre-tax result from continuing operations | 1,138.7 | 1,557.1 | 1,117.7 | 1,425.6 | 335.8 | 561.1 | -109.0 | -769.6 |
| Taxes on income | -217.6 | -306.2 | -214.9 | -280.6 | -70.5 | -112.6 | -27.0 | 125.2 |
| Net result for the period | 921.1 | 1,251.0 | 902.8 | 1,145.0 | 265.4 | 448.5 | -136.0 | -644.4 |
| Net result attributable to non-controlling interests | 31.3 | 33.2 | 44.4 | 62.5 | 4.8 | 4.6 | -0.4 | -0.2 |
| Net result attributable to owners of the parent | 889.7 | 1,217.7 | 858.4 | 1,082.5 | 260.6 | 443.9 | -135.6 | -644.2 |
| Operating income | 3,431.1 | 4,021.8 | 1,733.1 | 2,179.1 | 606.3 | 840.7 | 155.1 | -422.3 |
| Operating expenses | -2,111.8 | -2,227.1 | -543.7 | -592.4 | -237.3 | -245.9 | -124.1 | -122.3 |
| Operating result | 1,319.3 | 1,794.7 | 1,189.4 | 1,586.7 | 369.0 | 594.8 | 31.0 | -544.6 |
| Risk-weighted assets (credit risk, eop) | 21,808 | 22,458 | 47,329 | 55,858 | 3,305 | 3,600 | 6,704 | 7,269 |
| Average allocated capital | 3,641 | 3,791 | 5,330 | 5,841 | 1,104 | 1,102 | 4,420 | 5,917 |
| Cost/income ratio | 61.5% | 55.4% | 31.4% | 27.2% | 39.1% | 29.2% | 80.0% | -29.0% |
| Return on allocated capital | 25.3% | 33.0% | 16.9% | 19.6% | 24.0% | 40.7% | -3.1% | -10.9% |
| Total assets (eop) | 71,408 | 74,941 | 64,742 | 76,016 | 47,772 | 47,665 | 84,054 | 84,692 |
| Total liabilities excluding equity (eop) | 111,352 | 113,825 | 36,989 | 41,625 | 41,902 | 44,638 | 60,682 | 65,218 |
| Impairments | -121.6 | -154.0 | -83.8 | -121.1 | -5.6 | 0.7 | -36.8 | -20.5 |
| Net impairment loss on financial assets AC/FVOCI and finance lease receivables | -123.7 | -148.4 | 5.7 | -44.5 | 0.1 | 1.5 | -0.8 | 3.0 |
| Net impairment loss on commitments and guarantees given | 1.4 | 13.4 | -65.7 | -60.5 | -5.8 | -0.8 | -1.5 | 3.2 |
| Impairment of goodwill | 0.0 | -5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.4 |
| Net impairment on investments in subsidiaries, joint ventures and associates | 0.0 | -0.2 | 0.2 | -0.1 | 0.0 | 0.0 | -4.1 | -5.6 |
| Net impairment on other non-financial assets | 0.8 | -13.9 | -24.0 | -16.0 | 0.0 | 0.0 | -30.4 | -20.7 |

Business segments (2)

| in EUR million | Savings Banks | | Group Corporate Center | | Intragroup Elimination | | Total Group | |
|--|---------------|--------------|------------------------|---------------|------------------------|--------------|----------------|----------------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Net interest income | 1,080.3 | 1,222.5 | 100.5 | 137.7 | 72.7 | 161.8 | 4,975.7 | 5,950.6 |
| Net fee and commission income | 584.5 | 623.1 | 5.9 | 12.4 | -30.1 | -28.3 | 2,303.7 | 2,452.4 |
| Dividend income | 5.2 | 8.5 | 10.9 | 6.6 | 0.0 | 0.0 | 33.2 | 29.1 |
| Net trading result | -8.6 | -69.7 | -11.9 | -17.0 | -57.1 | -140.0 | 58.6 | -778.6 |
| Gains/losses from financial instruments at FVPL | 51.1 | 16.4 | -15.9 | -15.1 | 0.0 | 0.0 | 173.2 | 731.3 |
| Net result from equity method investments | 0.0 | 0.0 | 5.2 | 8.0 | 0.0 | 0.0 | 15.4 | 18.0 |
| Rental income from investment properties & other operating leases | 41.7 | 43.1 | -17.7 | -17.9 | -0.4 | -0.8 | 182.3 | 167.8 |
| General administrative expenses | -1,108.8 | -1,143.4 | -904.2 | -963.9 | 723.4 | 720.1 | -4,306.5 | -4,574.9 |
| Gains/losses from derecognition of financial assets at AC | 1.2 | 0.2 | 1.2 | -0.4 | -3.4 | -0.1 | -7.6 | -52.0 |
| Other gains/losses from derecognition of financial instruments not at FVPL | -0.8 | 0.5 | 0.0 | 1.6 | 3.2 | 0.1 | -25.2 | -23.3 |
| Impairment result from financial instruments | 23.8 | -62.2 | 7.7 | -4.3 | 0.0 | 0.0 | -158.8 | -299.5 |
| Other operating result | -16.3 | -25.5 | 615.2 | 687.0 | -708.3 | -712.8 | -310.5 | -398.5 |
| Levies on banking activities | -5.2 | -17.7 | -0.9 | -21.9 | 0.0 | 0.0 | -73.5 | -187.1 |
| Pre-tax result from continuing operations | 653.4 | 613.6 | -203.3 | -165.3 | 0.0 | 0.0 | 2,933.4 | 3,222.4 |
| Taxes on income | -167.8 | -157.2 | 172.6 | 175.2 | 0.0 | 0.0 | -525.2 | -556.1 |
| Net result for the period | 485.6 | 456.4 | -30.7 | 9.9 | 0.0 | 0.0 | 2,408.1 | 2,666.3 |
| Net result attributable to non-controlling interests | 402.4 | 399.5 | 2.2 | 2.0 | 0.0 | 0.0 | 484.8 | 501.6 |
| Net result attributable to owners of the parent | 83.2 | 56.9 | -32.9 | 7.9 | 0.0 | 0.0 | 1,923.4 | 2,164.7 |
| Operating income | 1,754.3 | 1,843.9 | 76.9 | 114.7 | -14.8 | -7.3 | 7,742.0 | 8,570.6 |
| Operating expenses | -1,108.8 | -1,143.4 | -904.2 | -963.9 | 723.4 | 720.1 | -4,306.5 | -4,574.9 |
| Operating result | 645.5 | 700.5 | -827.3 | -849.1 | 708.5 | 712.8 | 3,435.5 | 3,995.8 |
| Risk-weighted assets (credit risk, eop) | 26,903 | 27,280 | 2,411 | 2,818 | 0 | 0 | 108,459 | 119,282 |
| Average allocated capital | 3,891 | 4,665 | 4,843 | 2,968 | 0 | 0 | 23,229 | 24,284 |
| Cost/income ratio | 63.2% | 62.0% | >100% | >100% | >100% | >100% | 55.6% | 53.4% |
| Return on allocated capital | 12.5% | 9.8% | -0.6% | 0.3% | | | 10.4% | 11.0% |
| Total assets (eop) | 78,539 | 80,471 | 3,597 | 5,464 | -42,684 | -45,385 | 307,428 | 323,865 |
| Total liabilities excluding equity (eop) | 72,828 | 74,399 | 2,903 | 4,281 | -42,741 | -45,426 | 283,915 | 298,560 |
| Impairments | 23.0 | -61.9 | -4.4 | -20.5 | 0.0 | 0.0 | -229.1 | -377.4 |
| Net impairment loss on financial assets AC/FVOCI and finance lease receivables | 45.5 | -67.4 | 19.1 | -16.2 | 0.0 | 0.0 | -54.1 | -272.0 |
| Net impairment loss on commitments and guarantees given | -21.7 | 5.3 | -11.4 | 11.8 | 0.0 | 0.0 | -104.8 | -27.6 |
| Impairment of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -5.4 |
| Net impairment on investments in subsidiaries, joint ventures and associates | 0.0 | 0.0 | -9.8 | -14.7 | 0.0 | 0.0 | -13.7 | -20.6 |
| Net impairment on other non-financial assets | -0.8 | 0.3 | -2.3 | -1.5 | 0.0 | 0.0 | -56.7 | -51.8 |