ERSTE Group

Interim Report
First quarter 2024

Key financial data

Income statement					
in EUR million	**Q1 23**	**Q4 23**	**Q1 24**	**1-3 23**	**1-3 24**
Net interest income	1,769	1,806	1,852	1,769	1,852
Net fee and commission income	643	702	712	643	712
Net trading result and gains/losses from financial instruments at FVPL	35	129	139	35	139
Operating income	2,499	2,699	2,788	2,499	2,788
Operating expenses	-1,242	-1,345	-1,283	-1,242	-1,283
Operating result	**1,257**	**1,354**	**1,505**	**1,257**	**1,505**
Impairment result from financial instruments	21	0	-95	21	-95
Post-provision operating result	**1,277**	**1,354**	**1,411**	**1,277**	**1,411**
Other operating result	-274	-141	-123	-274	-123
Levies on banking activities	-99	-36	-86	-99	-86
Pre-tax result from continuing operations	1,003	1,075	1,284	1,003	1,284
Taxes on income	-186	-205	-257	-186	-257
Net result for the period	818	870	1,027	818	1,027
Net result attributable to non-controlling interests	224	182	244	224	244
Net result attributable to owners of the parent	**594**	**688**	**783**	**594**	**783**
Earnings per share	1.39	1.54	1.87	1.39	1.87
Return on equity	13.5%	13.7%	16.0%	13.5%	16.0%
Net interest margin (on average interest-bearing assets)	2.50%	2.47%	2.49%	2.50%	2.49%
Cost/income ratio	49.7%	49.8%	46.0%	49.7%	46.0%
Provisioning ratio (on average gross customer loans)	-0.04%	0.00%	0.18%	-0.04%	0.18%
Tax rate	18.5%	19.0%	20.0%	18.5%	20.0%

Balance sheet					
in EUR million	**Mar 23**	**Dec 23**	**Mar 24**	**Dec 23**	**Mar 24**
Cash and cash balances	43,305	36,685	29,425	36,685	29,425
Trading, financial assets	61,683	63,690	66,630	63,690	66,630
Loans and advances to banks	27,299	21,432	30,874	21,432	30,874
Loans and advances to customers	202,668	207,828	208,086	207,828	208,086
Intangible assets	1,335	1,313	1,281	1,313	1,281
Miscellaneous assets	6,631	6,206	6,404	6,206	6,404
Total assets	**342,921**	**337,155**	**342,699**	**337,155**	**342,699**
Financial liabilities held for trading	3,139	2,304	1,805	2,304	1,805
Deposits from banks	29,876	22,911	19,737	22,911	19,737
Deposits from customers	238,074	232,815	235,336	232,815	235,336
Debt securities issued	38,246	43,759	48,566	43,759	48,566
Miscellaneous liabilities	7,103	6,864	7,932	6,864	7,932
Total equity	**26,483**	**28,502**	**29,322**	**28,502**	**29,322**
Total liabilities and equity	**342,921**	**337,155**	**342,699**	**337,155**	**342,699**
Loan/deposit ratio	85.1%	89.3%	88.4%	89.3%	88.4%
NPL ratio	2.1%	2.3%	2.3%	2.3%	2.3%
NPL coverage ratio (based on AC loans, ex collateral)	94.3%	85.1%	83.7%	85.1%	83.7%
CET1 ratio (final)	14.0%	15.7%	15.2%	15.7%	15.2%

Ratings	Mar 23	Dec 23	Mar 24
Fitch			
Long-term	A	A	A
Short-term	F1	F1	F1
Outlook	Stable	Stable	Stable
Moody´s			
Long-term	A2	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	Stable	Stable

Letter from the CEO

Dear shareholders,

Erste Group had a highly successful start to the year 2024, posting a net profit of EUR 783 million for the first quarter. This was attributable first and foremost to strong operating performance on the back of continued solid income growth and a moderate rise in costs. Risk costs also developed as projected. On this basis, we confirm our outlook for 2024.

Forecasts for the economic environment did not change in the first quarter. In general, 2024 is expected to see slightly accelerating economic growth and subsiding inflationary pressure. In the euro zone, the policy rate currently stands at 4.5%. In the Eastern European markets, key interest rates range from 5.75% in the Czech Republic to 7.75% in Hungary.

How did these fundamentals impact our business in the first three months of the year? Loan growth was still subdued, as had been expected. In the retail segment, mortgage lending was adversely affected by market interest rates and regulatory constraints as well as expectations of government measures in support of the Austrian construction sector. Demand for consumer loans was up, though. Corporate loan growth was initially still weak, but there have already been signs suggesting that demand for financing is set to pick up. Total customer loan volume hence remained stable for the time being at EUR 208.1 billion. We are leaving our outlook for loan growth unchanged at about 5%, as we expect increased demand for loans in the second half of the year. At this point, a few words on asset quality which, overall, was again more than satisfactory across all of our core markets. The NPL ratio was unchanged at 2.3%. In the first three months, risk costs amounted to EUR 95 million. This is equivalent to a provisioning ratio (on average gross customer loans) of 18 basis points and comfortably in line with our expectations for the full year.

Because of its business model, Erste Group has a sound deposit mix with a large proportion of stable deposits from retail customers and SMEs. Overall, retail customers' deposit volumes remained stable, while the interest rate environment led to a further shift from overnight deposits to term deposits. Deposit volume from corporate customers, including in particular large corporates, remained high. The continued rise in customer deposits to EUR 235.3 billion caused the loan-to-deposit ratio to decline to 88.4%.

As regards our strong operating result, the following points should be mentioned: year on year, net interest income rose 4.7%, primarily on the back of excellent results in Central and Eastern Europe. The 10.8% increase in net fee and commission income was mainly supported by asset management – as assets under management kept rising last but not least as a result of investment savings plans – and payment services. Operating expenses were up 3.3%, driven by personnel expenses as well as higher IT costs. Investing in the digital transformation is essential to secure the long-term success of our business model. On the other hand, lower contributions to deposit insurance systems helped to contain costs.

What is new in digitalisation? – The number of users of our popular digital platform George and digital transactions has been rising continuously, with as many as ten million users already registered across the Group. The share of products that are bought digitally has climbed to 51%. New functionalities are being added in an ongoing process. Like George, George Business has been designed as a cloud-based digital platform serving business customers in multiple markets. At present, it can be accessed in Austria and Romania.

A few words on Erste Group's capitalisation: the common equity tier-1 ratio (final, pro-forma) of 15.5% as of the end of March substantially exceeds our 14% target. Provided the consent of the annual general meeting scheduled for 22 May 2024, we will distribute a dividend of EUR 2.70 per share for the fiscal year 2023. In addition, Erste Group has applied for approval of a further share buyback with a volume of EUR 500 million.

I should like to take this opportunity to thank all employees once again for their hard work. It is a privilege to steer, as CEO, the affairs of Erste Group – doubtless one of the leading financial institutions in Central and Eastern Europe – until the end of June. From 1 July, Peter Bosek will succeed me as CEO of a bank that is valued by its customers, economically successful and strongly capitalised. With him, one of the founding fathers of George will return to Erste Group, with a deep understanding of what constitutes the basis of Erste Group's long-term business success: our clear commitment to the customer business in our seven core markets, the consistent focus on digitalisation and innovation and the willingness to meet the financial needs of retail and corporate customers by providing competent advice.

Willi Cernko m.p.

Erste Group on the capital markets

EQUITY MARKET REVIEW

In the first quarter of 2024, international equity markets continued their uptrend after having posted substantial gains in the previous year. Moderate global growth and the solid reporting season supported positive sentiment, as a result of which a number of the indices covered posted new record highs or double-digit gains despite geopolitical risks (specifically the war in Ukraine and the conflict in the Middle East). The US stock markets once again performed particularly well. This development was reflected primarily by the US S&P500 and Nasdaq indices. The Standard & Poor's 500 Index rose 10.2% to 5,254.35 points. The Nasdaq Composite technology index was up 9.1% at 16,379.46 points at the end of March, the Dow Jones Industrial Average Index had gained 5.6% at 39,807.37 points. Both marked new record highs. In Europe, the Euro Stoxx 600 Index increased by 7.0% to 512.67 points in the first quarter. Bank shares, which had already been among the best-performing industries in 2023, recorded double-digit gains in the first quarter. The Dow Jones Euro Stoxx Banks Index, which is composed of the leading European bank shares, continued its upward trajectory and rose 17.7% to 139.31 points. After gaining 9.9% in the past year, the Austrian Traded Index (ATX) was moving sideways. With a gain of 2.9% to 3,535.79 points, the ATX lagged behind the other markets covered despite the solid performance of financial shares. The central banks' tight rate policies have had an impact and brought down price inflation. However, inflation rates are still above the 2% target of the Federal Reserve (Fed) and the European Central Bank (ECB). Major central banks have indicated an end to their rate hike cycles and signalled first rate cuts for 2024. Both refrained from rate cuts in the first quarter and left rates unchanged (the range for the effective policy rate in the US is 5.25% to 5.50%, the euro zone's policy rate is 4.50%). In CEE, a number of national banks started cutting rates in the last 2023.

SHARE PERFORMANCE

The Erste Group share continued its uptrend after having risen by nearly 23% in the previous year. It ended the reporting period with a closing price of EUR 41.30 on 28 March, up 12.4% year-to-date. This also marked the highest closing price of the quarter. The lowest closing price of the Erste Group share was recorded on 3 January at EUR 36.46. The focus of market participants was on the outlook for 2024, in particular on forecasts of net interest income, operating expenses, risk costs and return on tangible equity. The share buyback programme 2023 – approved by the European Central Bank (ECB) in August 2023 – was completed on 16 February 2024. Overall, 8,887,092 Erste Group Bank AG shares were repurchased at a total price of close to EUR 300 million. Upon cancellation of the repurchased shares as of 24 February 2024, the registered capital amounts to EUR 841,825,816, divided into 420,912,908 no-par value bearer shares (ordinary shares). 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 999,114 shares per day.

ISSUING ACTIVITIES

Erste Group opened up the covered bonds segment for European issuers in early January by issuing a EUR 1 billion mortgage covered bond (7-year tenor, MS+50 bps). After some slight clouding of the market environment in the middle of the first quarter, Erste Group issued another EUR 1 billion mortgage covered bond (9.75-year tenor, MS+55 bps). In addition, the first quarter was marked by successful private placements. With these issuing activities Erste Group already fulfilled a major portion of its funding plan, affirming its comfortable liquidity position. In the months ahead, the focus will be primarily on other seniority classes.

INVESTOR RELATIONS

In the first quarter of 2024, Erste Group's management and the investor relations team held a large number of one-on-one and group meetings, in which questions raised by investors and analysts were answered. The presentation of the 2023 annual results in Vienna was followed by the analysts' dinner and a roadshow day with investor meetings in London. Erste Group's performance and strategy were presented against the backdrop of the current economic environment at international banking and investor conferences hosted by Unicredit jointly with Kepler, the Vienna Stock Exchange, BNP, UBS, Morgan Stanley and Citi.

Interim management report

In the interim management report, financial results from January to March 2024 are compared with those from January to March 2023 and balance sheet positions as of 31 March 2024 with those as of 31 December 2023.

EARNINGS PERFORMANCE IN BRIEF

Net interest income increased to EUR 1,852 million (+4.7%; EUR 1,769 million), most strongly in Austria, on the back of higher market interest rates and larger loan volume. **Net fee and commission income** rose to EUR 712 million (+10.8%; EUR 643 million). Growth was registered across all core markets, most notably in asset management and payment services. **Net trading result** declined to EUR 106 million (EUR 117 million); the line item **gains/losses from financial instruments measured at fair value through profit or loss** increased to EUR 33 million (EUR -81 million). The development of these two line items was mostly attributable to valuation effects. **Operating income** increased to EUR 2,788 million (+11.6%; EUR 2,499 million). **General administrative expenses** were up at EUR 1,283 million (+3.3%; EUR 1,242 million). Personnel expenses rose to EUR 746 million (+7.0%; EUR 698 million) driven by salary increases. Other administrative expenses declined to EUR 402 million (-1.6%; EUR 409 million) as contributions to deposit insurance schemes – mostly already posted upfront for the full year of 2024 – declined to EUR 76 million (EUR 113 million), most notably in Austria; IT expenses were up at EUR 143 million (EUR 124 million). Amortisation and depreciation amounted to EUR 134 million (-1.3%; EUR 136 million). Overall, the **operating result** increased markedly to EUR 1,505 million (+19.8%; EUR 1,257 million), the **cost/income ratio** improved to 46.0% (49.7%).

The **impairment result from financial instruments** amounted to EUR -95 million or 18 basis points of average gross customers loans (EUR 21 million or 4 basis points). Allocations to provisions for loans and advances were posted in all core markets with the exception of Croatia and Hungary. Positive contributions came from the recovery of loans already written off, most notably in Austria. The **NPL ratio** based on gross customer loans was stable at 2.3% (2.3%). The **NPL coverage ratio** (excluding collateral) declined slightly to 83.7% (85.1%).

Other operating result amounted to EUR -123 million (EUR -274 million). Expenses for annual contributions to resolution funds included in this line item already for the full year of 2024 declined significantly to EUR 27 million (EUR 138 million), as no regular annual contributions will be collected in the euro zone in 2024. Banking levies are currently payable in four core markets. EUR 86 million (EUR 99 million) are reflected in other operating result: Thereof, EUR 67 million (EUR 89 million) were charged in Hungary. In Austria, banking tax equaled EUR 10 million (EUR 10 million), in Romania EUR 9 million (newly introduced). The banking tax in Slovakia of EUR 21 million is booked directly in the line item taxes on income.

Taxes on income amounted to EUR 257 million (EUR 186 million). The rise in the minority charge to EUR 244 million (EUR 224 million) was attributable to better results from the savings banks – primarily due to higher net interest income and no contributions to the resolution fund. The **net result attributable to owners of the parent** rose to EUR 783 million (EUR 594 million) on the back of the strong operating result and improved other operating result.

Total equity not including AT1 instruments rose to EUR 26.9 billion (EUR 26.1 billion). After regulatory deductions and filtering in accordance with the Capital Requirements Regulation (CRR), **common equity tier 1 capital** (CET1, final) equalled EUR 22.7 billion (EUR 22.9 billion), total **own funds** (final) EUR 28.7 billion (EUR 29.1 billion). Interim profit for the first quarter of the year is not included in the above figures, risk costs are deducted. Total risk (**risk-weighted assets** including credit, market and operational risk, CRR final) rose to EUR 149.9 billion (EUR 146.5 billion). The **common equity tier 1 ratio** (CET1, final) stood at 15.2% (15.7%), the **total capital ratio** at 19.2% (19.9%).

Total assets increased to EUR 342.7 billion (+1.6%; EUR 337.2 billion). On the asset side, cash and cash balances declined to EUR 29.4 billion (EUR 36.7 billion); loans and advances to banks rose – most notably in Austria and the Czech Republic – to EUR 30.9 billion (EUR 21.4 billion). **Loans and advances to customers** were largely unchanged versus year-end 2023 at EUR 208.1 billion (+0.1%; EUR 207.8 billion). On the liability side, deposits from banks declined to EUR 19.7 billion (EUR 22.9 billion). **Customer deposits** rose – most strongly in the Czech Republic and Romania – to EUR 235.3 billion (+1.1%; EUR 232.8 billion). The **loan-to-deposit ratio** stood at 88.4% (89.3%)

OUTLOOK

Erste Group's goal for 2024 is to achieve a return on tangible equity (ROTE) of about 15%. Three key factors will support achievement of this goal: firstly, a moderate improvement in economic growth compared to 2023 in Erste Group's seven core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia) despite continued geopolitical risks, which, should they materialise, would likely negatively impact economic performance; secondly, a continued broadly positive, even if slightly deteriorating credit risk environment; and, finally, the continuous ability of Erste Group to attract new and retain existing customers through continuous development of its product portfolio and its brand. The key headwind to achievement of this goal is the magnitude and timing of the expected central bank rate cuts in all of Erste Group's markets. Overall, Erste Group expects a slight decline in operating result, which hit a historic high in 2023, and, consequently, a moderate deterioration in the cost/income ratio to a level of about 50%, also from a historic best in 2023 of 47.6%.

The expectation by economists is for Erste Group's core markets to post improved real GDP growth in 2024. Inflationary pressures are expected to continue their downward trend in 2024. Continued strong labour markets should be supportive of economic performance in all of Erste Group's markets. Current account balances are projected to remain at sustainable levels in most countries, while fiscal deficits should continue their path of consolidation. 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 of about 5%. Retail and corporate business should contribute in all markets towards the achievement of this goal. Loan growth is projected to offset some of the interest rate headwinds detailed above, resulting in a moderate decline of about 3% in net interest income versus 2023, following a historic upswing over the past two years. The second most important income component – net fee and commission income – is expected to rise by about 5%. As in 2023, growth momentum should again come from payment services, insurance brokerage fees as well as asset management and securities business with the latter being dependent on a constructive capital markets environment. The net trading and fair value result, which recovered significantly in 2023, is expected to normalise at historically observed levels in 2024. This, however, will depend substantially on the actual short- and long-term interest rate environment.

The remaining income components are forecast to remain, by and large, stable. Overall, operating income is therefore expected to decrease slightly in 2024, albeit from a historic high in 2023. Operating expenses are expected to rise by approximately 5%. With this the cost/income ratio should remain at a solid level of about 50%.

Based on the macro-outlook presented above, risk costs should remain at a low level in 2024. While precise forecasting is hard at current low risk cost levels, Erste Group believes that in 2024 risk costs will be below 25 basis points of average gross customer loans.

While a forecast for other operating result and various categories of gains and losses from financial instruments not measured at fair value is challenging, this combined item is likely to improve versus 2023 in the absence of significant one-off effects. Assuming an effective group tax rate of below 20% and lower minority charges compared to 2023, Erste Group aims to achieve a ROTE of about 15% in 2024. The CET1 ratio is expected to remain strong, providing enhanced capital return and/or M&A flexibility, despite Erste Group targeting the execution of a share buyback in the amount of EUR 500 million in 2024.

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 Mid 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	1-3 23	1-3 24	Change
Net interest income	1,769	1,852	4.7%
Net fee and commission income	643	712	10.8%
Net trading result and gains/losses from financial instruments at FVPL	35	139	>100.0%
Operating income	2,499	2,788	11.6%
Operating expenses	-1,242	-1,283	3.3%
Operating result	**1,257**	**1,505**	**19.8%**
Impairment result from financial instruments	21	-95	n/a
Other operating result	-274	-123	-55.0%
Levies on banking activities	-99	-86	-13.2%
Pre-tax result from continuing operations	**1,003**	**1,284**	**28.0%**
Taxes on income	-186	-257	38.4%
Net result for the period	**818**	**1,027**	**25.6%**
Net result attributable to non-controlling interests	224	244	8.9%
Net result attributable to owners of the parent	**594**	**783**	**32.0%**

Net interest income

Net interest income rose in both the retail and the corporate customer business. Increases were recorded in nearly all core markets due to higher market rates as well as higher loan volumes. The net interest margin (calculated as the annualised sum of net interest income, dividend income and net result from equity method investments over average interest-bearing assets) remained stable at 2.49% (2.50%).

Net fee and commission income

Growth was achieved across all core markets and income categories. Significant rises were recorded in asset management and in payment services in nearly all business segments, driven by a larger number of transactions and repricing.

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

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

Due to valuation effects resulting from interest rate developments in the securities and derivatives business, net trading result declined to EUR 106 million (EUR 117 million) despite a strong foreign exchange business. Gains/losses from financial instruments measured at fair value through profit or loss trended in the opposite direction and improved to EUR 33 million (EUR -81 million), primarily due to gains from the valuation of debt securities in issue.

General administrative expenses

in EUR million	1-3 23	1-3 24	Change
Personnel expenses	698	746	7.0%
Other administrative expenses	409	402	-1.6%
Depreciation and amortisation	136	134	-1.3%
General administrative expenses	**1,242**	**1,283**	**3.3%**

Personnel expenses increased in nearly all core markets – most significantly in Austria – driven mostly by higher collective salary agreements. The decrease in **other administrative expenses** was primarily attributable to the decline in contributions to deposit insurance schemes to EUR 76 million (EUR 113 million). In Austria, contributions fell to EUR 45 million (EUR 78 million), in Croatia to EUR 0 million (EUR 4 million). IT expenses rose to EUR 143 million (EUR 124 million).

The **cost/income ratio** improved to 46.0% (49.7%).

Headcount as of end of the period

	Dec 23	Mar 24	Change
Austria	**16,188**	**16,380**	**1.2%**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	9,019	9,153	1.5%
Haftungsverbund savings banks	7,168	7,227	0.8%
Outside Austria	**29,535**	**29,157**	**-1.3%**
Česká spořitelna Group	9,829	9,627	-2.0%
Banca Comercială Română Group	5,444	5,278	-3.0%
Slovenská sporiteľňa Group	3,520	3,509	-0.3%
Erste Bank Hungary Group	3,359	3,345	-0.4%
Erste Bank Croatia Group	3,291	3,282	-0.3%
Erste Bank Serbia Group	1,310	1,304	-0.5%
Savings banks subsidiaries	1,539	1,525	-0.9%
Other subsidiaries and foreign branch offices	1,242	1,285	3.4%
Total	**45,723**	**45,537**	**-0.4%**

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -95 million (EUR 21 million). Net allocations to provisions for loans and advances rose to EUR 86 million (EUR 36 million), most notably in Austria (in particular the minority owned savings banks) and Slovakia. Positive contributions came from income from the recovery of loans already written off, most notably in Austria, in the amount of EUR 15 million (EUR 18 million).

Other operating result

Other operating result is significantly affected by contributions to resolution funds and taxes and levies on banking activities. Contributions to resolution funds declined in all markets to EUR 27 million (EUR 138 million). The sharp decline is mainly due to the discontinuation of annual regular contributions from credit institutions in the euro zone in 2024. Taxes and levies on banking activities included in this line item declined to EUR 86 million (EUR 99 million). Thereof, EUR 10 million (EUR 10 million) were payable by Austrian entities. In Hungary, banking levies declined to a total of EUR 67 million (EUR 89 million): in addition to regular Hungarian banking tax of EUR 22 million (EUR 19 million), a windfall tax based on the previous year's net revenues was posted in the amount of EUR 26 million (EUR 53 million). Financial transaction tax amounted to EUR 18 million (EUR 17 million). In Romania, the newly introduced banking tax amounted to EUR 9 million. The balance of allocations/releases of other provisions improved to EUR 12 million (EUR 2 million).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

First quarter of 2024 compared with fourth quarter of 2023

in EUR million	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Income statement					
Net interest income	1,769	1,792	1,861	1,806	1,852
Net fee and commission income	643	632	663	702	712
Dividend income	6	17	6	9	4
Net trading result	117	154	67	417	106
Gains/losses from financial instruments measured at fair value through profit or loss	-81	18	46	-288	33
Net result from equity method investments	5	9	4	5	4
Rental income from investment properties & other operating leases	41	41	44	48	77
Personnel expenses	-698	-762	-736	-796	-746
Other administrative expenses	-409	-330	-324	-406	-402
Depreciation and amortisation	-136	-139	-142	-143	-134
Gains/losses from derecognition of financial assets at AC	-1	0	-2	-10	-2
Other gains/losses from derecognition of financial instruments not at FVPL	1	2	-3	-128	-1
Impairment result from financial instruments	21	8	-156	0	-95
Other operating result	-274	-9	-44	-141	-123
Levies on banking activities	-99	-22	-27	-36	-86
Pre-tax result from continuing operations	**1,003**	**1,433**	**1,283**	**1,075**	**1,284**
Taxes on income	-186	-253	-231	-205	-257
Net result for the period	**818**	**1,180**	**1,052**	**870**	**1,027**
Net result attributable to non-controlling interests	224	284	233	182	244
Net result attributable to owners of the parent	**594**	**896**	**820**	**688**	**783**

Net interest income rose by 2.6%, most strongly in Hungary. **Net fee and commission income** was up 1.5%. While income from securities and asset management increased, income from payment services and the custody business declined.

Net trading result deteriorated primarily due to negative valuation effects in derivatives trading. **Gains/losses from financial instruments measured at fair value through profit or loss** improved primarily on the back of valuation gains of debt securities in issue driven by market rate developments. Gains from the valuation of the loan portfolio measured at fair value in Hungary decreased to EUR 6 million (EUR 32 million).

General administrative expenses declined by 4.6%. Personnel expenses were down 6.2%, primarily driven by seasonality, other administrative expenses were 1.1% lower. As a result, the operating result rose to EUR 1,505 million (EUR 1,354 million) and the **cost/income ratio** improved to 46.0% (49.8%).

Gains/losses from derecognition of financial instruments not measured at fair value through profit or loss amounted to EUR -3 million (EUR -138 million). In the previous quarter losses from the sale of securities in Austria, Hungary and Croatia were included.

The deterioration in the **impairment result from financial instruments** was attributable in particular to allocations to provisions for credit risks in Austria and Romania as a result of parameter updates rather than defaults.

Other operating result improved. Taxes and levies on banking activities amounted to EUR 86 million (EUR 36 million). Thereof, EUR 67 million (EUR 18 million) were charged in Hungary. In Austria, banking tax amounted to EUR 10 million (EUR 17 million), in Romania to EUR 9 million. The balance of allocations/releases of other provisions improved to EUR 12 million (EUR -42 million). Further positive impacts were related to the decline of impairment losses on tangible and intangible assets. Overall, the positive developments more than offset the resolution fund contributions booked already for the full year.

DEVELOPMENT OF THE BALANCE SHEET

in EUR million	Dec 23	Mar 24	Change
Assets			
Cash and cash balances	36,685	29,425	-19.8%
Trading, financial assets	63,690	66,630	4.6%
Loans and advances to banks	21,432	30,874	44.1%
Loans and advances to customers	207,828	208,086	0.1%
Intangible assets	1,313	1,281	-2.5%
Miscellaneous assets	6,206	6,404	3.2%
Total assets	**337,155**	**342,699**	**1.6%**
Liabilities and equity			
Financial liabilities held for trading	2,304	1,805	-21.6%
Deposits from banks	22,911	19,737	-13.9%
Deposits from customers	232,815	235,336	1.1%
Debt securities issued	43,759	48,566	11.0%
Miscellaneous liabilities	6,864	7,932	15.6%
Total equity	28,502	29,322	2.9%
Total liabilities and equity	**337,155**	**342,699**	**1.6%**

Cash and cash balances amounted to EUR 29.4 billion (EUR 36.7 billion). **Trading and investment securities** held in various categories of financial assets increased to EUR 66.6 billion (EUR 63.7 billion).

Loans and advances to credit institutions (net), including demand deposits other than overnight deposits, grew – primarily in Austria and in the Czech Republic – to EUR 30.9 billion (EUR 21.4 billion). **Loans and advances to customers (net)** increased moderately to EUR 208.1 billion (EUR 207.8 billion), most notably in Austria. Growth was recorded in corporate loan volumes.

Loan loss allowances for loans to customers were nearly unchanged at EUR 4.1 billion (EUR 4.1 billion). The **NPL ratio** – non–performing loans as a percentage of gross customer loans – remained stable at 2.3% (2.3%), the **NPL coverage ratio** (based on gross customer loans) declined slightly to 83.7% (85.1%).

Financial liabilities – held for trading amounted to EUR 1.8 billion (EUR 2.3 billion). **Deposits from banks**, including term deposits of TLTRO III funds with a carrying amount of EUR 2.6 billion (EUR 6.4 billion), declined to EUR 19.7 billion (EUR 22.9 billion); **deposits from customers** increased to EUR 235.3 billion (EUR 232.8 billion) due to strong growth in term deposits of retail and corporate customers. The **loan-to-deposit ratio** stood at 88.4% (89.3%). **Debt securities in issue** rose to EUR 48.6 billion (EUR 43.8 billion) on increased start-of-year issuance activity.

Total assets rose to EUR 342.7 billion (EUR 337.2 billion). **Total equity** increased to EUR 29.3 billion (EUR 28.5 billion). This includes AT1 instruments in the amount of EUR 2.4 billion. After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR), **common equity tier 1 capital** (CET1, CRR final) equalled EUR 22.7 billion (EUR 22.9 billion), **total own funds** (CRR final) EUR 28.7 billion (EUR 29.1 billion). The interim profit for the first quarter of the year is not included in the above figures, risk costs are deducted though. Total risk – **risk-weighted assets** including credit, market and operational risk (CRR final) – increased to EUR 149.9 billion (EUR 146.5 billion).

The **total capital ratio**, total eligible qualifying capital in relation to total risk, was well above the legal minimum requirement at 19.2% (19.9%). The **tier 1 ratio** stood at 16.7% (17.3%), the **common equity tier 1 ratio** at 15.2% (15.7%). All ratios are CRR final.

BUSINESS DEVELOPMENT IN THE CORE MARKETS

January-March 2024 compared with January-March 2023

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	1-3 23	1-3 24	Change
Net interest income	273	281	3.1%
Net fee and commission income	126	133	5.5%
Net trading result and gains/losses from financial instruments at FVPL	2	4	>100.0%
Operating income	415	435	4.9%
Operating expenses	-201	-196	-2.4%
Operating result	214	239	11.8%
Cost/income ratio	48.4%	45.1%	
Impairment result from financial instruments	2	-23	n/a
Other result	-26	-7	-74.6%
Net result attributable to owners of the parent	138	151	8.8%
Return on allocated capital	26.9%	28.6%	

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 market interest rates leading to significant repricing of the asset side and higher customer loan volumes, which was partially offset by repricing of liabilities and a moderate shift of customer deposits to term deposits and savings accounts. Net fee and commission income rose mainly on the back of higher payment fees. Net trading result and gains/losses from financial instruments at FVPL increased on valuation effects. The decrease of operating expenses was driven by a lower contribution to the deposit insurance fund of EUR 18 million (EUR 32 million), which was partially offset by higher personnel and IT expenses. Overall, operating result and the cost/income ratio improved. Impairment result from financial instruments worsened due to rating downgrades and new defaults. Other result improved mainly on the discontinuation of payments into the resolution fund as the target level was reached (2023: EUR 18 million). Banking tax remained unchanged at EUR 2 million (EUR 2 million). Overall, the net result attributable to owners of the parent increased.

SAVINGS BANKS

in EUR million	1-3 23	1-3 24	Change
Net interest income	443	462	4.4%
Net fee and commission income	167	178	6.5%
Net trading result and gains/losses from financial instruments at FVPL	15	11	-29.4%
Operating income	637	663	4.0%
Operating expenses	-319	-328	3.0%
Operating result	318	334	5.0%
Cost/income ratio	50.0%	49.6%	
Impairment result from financial instruments	-17	-44	>100.0%
Other result	-19	3	n/a
Net result attributable to owners of the parent	31	30	-4.0%
Return on allocated capital	20.8%	19.5%	

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 market interest rates and higher customer loan volumes, partially offset by higher interest expenses for repriced customer deposits and a moderate shift from current accounts to term deposits and savings accounts. Net fee and commission income increased on the back of higher payment fees and securities fees. Valuation effects led to a worsening of the net trading result and gains/losses from financial instruments at FVPL. Operating expenses increased due to higher personnel and IT expenses, partially compensated by a lower contribution to the deposit insurance fund of EUR 27 million (EUR 46 million). Consequently, operating result as well as the cost/income ratio improved. Impairment result from financial instruments deteriorated mainly due to higher defaults. Other result improved on the back of the discontinuation of payments into the resolution fund in 2024 (2023: EUR 15 million) – the target level was reached –as well as releases of provisions for commitments. Banking tax were unchanged at EUR 2 million (EUR 2 million). Overall, the net result attributable to the owners of the parent decreased slightly.

OTHER AUSTRIA

in EUR million	1-3 23	1-3 24	Change
Net interest income	147	145	-1.2%
Net fee and commission income	79	95	18.9%
Net trading result and gains/losses from financial instruments at FVPL	10	15	51.3%
Operating income	250	270	7.9%
Operating expenses	-94	-101	7.4%
Operating result	156	169	8.2%
Cost/income ratio	37.6%	37.4%	
Impairment result from financial instruments	27	-1	n/a
Other result	0	2	n/a
Net result attributable to owners of the parent	136	130	-5.0%
Return on allocated capital	20.6%	18.8%	

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

Net interest income decreased primarily due to a lower contribution of money market and interest related derivatives business in Group Markets, partially compensated by higher loan volumes and higher customer deposit margins in the corporate portfolio of the Holding. Net fee and commission income improved due to higher securities fees in Group Markets, as well as higher asset management fees, and higher lending fees in the corporate business of the Holding. Net trading result and gains/losses from financial instruments at FVPL improved on valuation effects. Although operating expenses increased on the back of higher personnel and project related costs, operating result as well as the cost/income ratio improved. The impairment result from financial instruments deteriorated, mostly due to fewer rating upgrades and recoveries. Other result improved due to lower provisions for other commitments and the discontinuation from payments into the resolution fund in 2024 (2023: 2 million), partially offset by the non-recurrence of a litigation provision release. Overall, the net result attributable to owners of the parent declined.

Central and Eastern Europe

CZECH REPUBLIC

in EUR million	1-3 23	1-3 24	Change
Net interest income	315	355	12.6%
Net fee and commission income	107	118	10.7%
Net trading result and gains/losses from financial instruments at FVPL	32	35	10.9%
Operating income	457	511	11.9%
Operating expenses	-247	-238	-3.5%
Operating result	210	273	30.1%
Cost/income ratio	54.1%	46.6%	
Impairment result from financial instruments	-10	-3	-70.0%
Other result	-36	-20	-45.9%
Net result attributable to owners of the parent	116	206	77.3%
Return on allocated capital	11.0%	19.0%	

The segment analysis is done on a constant currency basis. The CZK depreciated by 5.4% 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 supported by the newly acquired portfolios of Sberbank and Hellobank. The increase in net fee and commission income was mainly driven by higher securities fees. Positive valuation effects led to the improvement of net trading result and gains/losses from financial instruments at FVPL. Operating expenses increased moderately in FX-adjusted terms mainly due to higher personnel as well as IT costs. Contributions into the deposit insurance fund remained by and large stable at EUR 15 million (EUR 15 million). Overall, the operating result increased, and the cost/income ratio improved. Impairment result from financial instruments improved due to extraordinary releases in the amount of EUR 10 million. Other result improved on lower contribution to the resolution fund of EUR 18 million (EUR 37 million). Altogether, these developments led to an increase in the net result attributable to the owners of the parent.

SLOVAKIA

in EUR million	1-3 23	1-3 24	Change
Net interest income	124	135	8.3%
Net fee and commission income	50	55	10.0%
Net trading result and gains/losses from financial instruments at FVPL	5	3	-30.6%
Operating income	180	194	8.1%
Operating expenses	-82	-89	9.3%
Operating result	98	105	7.1%
Cost/income ratio	45.6%	46.1%	
Impairment result from financial instruments	-2	-15	>100.0%
Other result	-8	-1	-86.9%
Net result attributable to owners of the parent	68	53	-21.8%
Return on allocated capital	18.4%	13.8%	

Net interest income in the Slovakia segment (comprising Slovenská sporitel'ňa Group) increased due to higher customer loan volumes and higher market interest rates, which was partially offset by the repricing of liabilities and a shift within customer deposits to term deposits and savings accounts as well as higher expenses for issued bonds. Net fee and commission income increased on the back of higher securities, insurance brokerage, and payment fees. Net trading result and gains/losses from financial instruments at FVPL decreased on valuation effects. Operating expenses increased due to higher personnel and IT expenses. The contributions into the deposit insurance fund amounted to EUR 3 million (EUR 2 million). Despite the increase of the operating result the cost/income ratio worsened slightly. Impairment result from financial instruments worsened due to higher new defaults in retail and rating downgrades in corporate business. Other result improved mainly due to the discontinuation of the payments into the resolution fund as the target level was reached (2023: EUR 7 million). Overall, the net result attributable to the owners of the parent declined, which was primarily driven by the allocation for the banking levy in the amount of EUR 21 million booked in the taxes on income line.

ROMANIA

in EUR million	1-3 23	1-3 24	Change
Net interest income	155	182	17.6%
Net fee and commission income	45	51	14.1%
Net trading result and gains/losses from financial instruments at FVPL	28	25	-10.3%
Operating income	230	261	13.3%
Operating expenses	-100	-101	1.9%
Operating result	131	159	21.9%
Cost/income ratio	43.3%	38.9%	
Impairment result from financial instruments	0	-14	n/a
Other result	-19	-21	8.1%
Net result attributable to owners of the parent	94	103	9.8%
Return on allocated capital	20.3%	20.9%	

The segment analysis is done on a constant currency basis. The RON depreciated by 1.1% against the EUR in the reporting period. Net interest income in the Romania segment (comprising Banca Comercială Română Group) was positively impacted by higher market interest rates and higher business volumes. Net fee and commission income went up mainly on higher payment, insurance brokerage and securities fees. The decrease of the net trading result and gains/losses from financial instruments at FVPL was attributable to lower trading result from bonds, money market instruments and interest rate derivatives. Operating expenses went up mainly due to higher personnel, marketing and IT expenses, while contributions to the deposit insurance fund decreased to EUR 4 million (EUR 6 million). Overall, operating result increased and the cost/income ratio improved. Impairment result from financial instruments worsened due to rating downgrades. The deterioration of other result was driven by allocations to the new banking tax of EUR 9 million, partially offset by lower contributions to the resolution fund of EUR 6 million (EUR 11 million). Overall, the net result attributable to the owners of the parent increased.

HUNGARY

in EUR million	1-3 23	1-3 24	Change
Net interest income	148	121	-18.2%
Net fee and commission income	57	69	22.1%
Net trading result and gains/losses from financial instruments at FVPL	-32	36	n/a
Operating income	175	229	31.0%
Operating expenses	-66	-77	16.2%
Operating result	108	152	40.1%
Cost/income ratio	37.9%	33.7%	
Impairment result from financial instruments	5	-4	n/a
Other result	-97	-74	-23.3%
Net result attributable to owners of the parent	10	64	>100.0%
Return on allocated capital	2.6%	18.8%	

The segment analysis is done on a constant currency basis. The HUF remained largely stable against the EUR in the reporting period. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) was negatively impacted by a P&L neutral shift from net trading result to interest expense (mainly intra-group transactions) as well as lower market interest rates. Net fee and commission income rose on higher securities and payment fees. Net trading result and gains/losses from financial instruments at FVPL improved due to valuation effects as well as the positive impact of the P&L neutral shift to net interest income. Operating expenses increased due to higher personnel and IT expenses. The contributions into the deposit insurance fund amounted to EUR 8 million (EUR 7 million). Consequently, both operating result and the cost/income ratio improved. Impairment result from financial instruments worsened due to new defaults and rating downgrades in corporate business. The improvement of the other result was driven by lower regulatory charges: the banking tax decreased to EUR 49 million (EUR 72 million), it included the regular banking tax and a windfall profit tax of EUR 26 million, both already for the full year 2024. Financial transaction tax went up to EUR 18 million (EUR 17 million). The contribution to the resolution fund decreased to EUR 3 million (EUR 5 million). Overall, the net result attributable to the owners of the parent increased.

CROATIA

in EUR million	1-3 23	1-3 24	Change
Net interest income	93	105	13.0%
Net fee and commission income	28	31	8.5%
Net trading result and gains/losses from financial instruments at FVPL	4	4	-2.2%
Operating income	128	142	11.3%
Operating expenses	-65	-70	6.6%
Operating result	62	72	16.2%
Cost/income ratio	51.2%	49.0%	
Impairment result from financial instruments	16	12	-22.4%
Other result	-4	0	-91.1%
Net result attributable to owners of the parent	42	44	5.1%
Return on allocated capital	18.5%	26.2%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to higher market interest rates, higher customer loan volumes as well as higher income from securities. Net fee and commission income went up mainly on higher payment fees. Net trading result and gains/losses from financial instruments at FVPL remained largely stable. Operating expenses went up on the back of higher personnel, legal, consultancy and IT costs. The contribution into the deposit insurance fund decreased to EUR 1 million (EUR 4 million). Overall, operating result increased and the cost/income ratio improved. Impairment result from financial instruments still benefited from net releases, albeit at a lower level. Other result improved mainly due to a lower resolution fund contribution of EUR 0.2 million (EUR 3 million). Consequently, the net result attributable to the owners of the parent increased.

SERBIA

in EUR million	1-3 23	1-3 24	Change
Net interest income	25	29	15.5%
Net fee and commission income	6	6	12.9%
Net trading result and gains/losses from financial instruments at FVPL	2	2	25.2%
Operating income	32	38	17.6%
Operating expenses	-19	-20	5.3%
Operating result	13	18	35.9%
Cost/income ratio	59.7%	53.5%	
Impairment result from financial instruments	0	-2	n/a
Other result	0	0	-25.9%
Net result attributable to owners of the parent	10	13	21.5%
Return on allocated capital	17.3%	18.2%	

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) was 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 increased mainly due to higher securities fees. The net trading result and gains/losses from financial instruments at FVPL improved on higher contribution of foreign currency transactions. Operating expenses rose mainly due to higher personnel expenses and depreciation. Deposit insurance contribution remained almost unchanged at EUR 1 million (EUR 1 million). Consequently, operating result increased and the cost/income ratio improved significantly. Impairment result from financial instruments worsened due to rating downgrades. Other result remained largely stable. Overall, the net result attributable to owners of the parent increased.

Condensed interim consolidated financial statements

Interim report – 1 January to 31 March 2024

Consolidated statement of income

in EUR thousand	Notes	1-3 23	1-3 24
Net interest income	1	1,768,959	1,852,450
Interest income	1	3,388,229	3,966,001
Other similar income	1	1,068,201	1,080,534
Interest expenses	1	-1,412,110	-1,981,769
Other similar expenses	1	-1,275,361	-1,212,316
Net fee and commission income	2	642,712	712,213
Fee and commission income	2	746,550	835,959
Fee and commission expenses	2	-103,838	-123,746
Dividend income	3	6,259	3,597
Net trading result	4	116,683	106,443
Gains/losses from financial instruments measured at fair value through profit or loss	5	-81,416	32,995
Net result from equity method investments		4,610	3,512
Rental income from investment properties & other operating leases	6	40,915	76,685
Personnel expenses	7	-697,513	-746,460
Other administrative expenses	7	-408,619	-401,935
Depreciation and amortisation	7	-135,916	-134,135
Gains/losses from derecognition of financial assets measured at amortised cost	8	-903	-2,066
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	9	1,077	-1,145
Impairment result from financial instruments	10	20,661	-94,836
Other operating result	11	-274,342	-123,407
Levies on banking activities	11	-99,112	-86,045
Pre-tax result from continuing operations		**1,003,167**	**1,283,912**
Taxes on income	12	-185,586	-256,782
Net result for the period		**817,581**	**1,027,130**
Net result attributable to non-controlling interests		223,970	243,856
Net result attributable to owners of the parent		**593,611**	**783,274**

Earnings per share

		1-3 23	1-3 24
Net result attributable to owners of the parent	in EUR thousand	593,611	783,274
Dividend on AT1 capital (after tax effect)	in EUR thousand	0	0
Net result for the period attributable to owners of the parent after deduction of AT1 capital dividend	in EUR thousand	593,611	783,274
Weighted average undiluted number of outstanding shares		427,968,044	419,626,415
Earnings per share	in EUR	**1.39**	**1.87**
Weighted average diluted number of outstanding shares		428,053,502	419,759,334
Diluted earnings per share	in EUR	**1.39**	**1.87**

Development of the number of shares

	1-3 23	1-3 24
Shares outstanding at the beginning of the period	407,175,838	399,294,699
Acquisition of treasury shares	-1,048,371	-2,078,304
Disposal of treasury shares	803,371	1,308,353
Shares outstanding at the end of the period	406,930,838	398,524,748
Treasury shares	22,869,162	22,388,160
Number of shares issued at the end of the period	**429,800,000**	**420,912,908**
Weighted average undiluted number of outstanding shares	427,968,044	419,626,415
Weighted average diluted number of outstanding shares	428,053,502	419,759,334

As of 24 February, 8,887,092 treasury shares have been withdrawn via capital reduction

Consolidated statement of comprehensive income

in EUR thousand	1-3 23	1-3 24
Net result for the period	**817,581**	**1,027,130**
Other comprehensive income		
Items that may not be reclassified to profit or loss	**61,644**	**-44,107**
Remeasurement of defined benefit plans	10,806	235
Fair value reserve of equity instruments	-476	1,049
Own credit risk reserve	70,080	-58,504
Deferred taxes relating to items that may not be reclassified	-18,765	13,113
Items that may be reclassified to profit or loss	**304,898**	**-143,929**
Fair value reserve of debt instruments	58,108	18,083
Gain/loss during the period	55,831	15,487
Reclassification adjustments	3,206	2,296
Credit loss allowances	-929	300
Cash flow hedge reserve	39,231	26,594
Gain/loss during the period	30,464	79,766
Reclassification adjustments	8,767	-53,172
Currency reserve	224,029	-180,341
Gain/loss during the period	224,029	-180,341
Deferred taxes relating to items that may be reclassified	-16,170	-8,263
Gain/loss during the period	-14,504	-19,424
Reclassification adjustments	-1,666	11,161
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	-300	-3
Total other comprehensive income	**366,542**	**-188,037**
Total comprehensive income	**1,184,123**	**839,093**
Total comprehensive income attributable to non-controlling interests	237,029	247,884
Total comprehensive income attributable to owners of the parent	**947,094**	**591,209**

Quarterly results

in EUR million	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Income statement					
Net interest income	1,769	1,792	1,861	1,806	1,852
Interest income	3,388	3,765	3,972	3,919	3,966
Other similar income	1,068	1,162	1,112	1,103	1,081
Interest expenses	-1,412	-1,712	-1,855	-1,894	-1,982
Other similar expenses	-1,275	-1,423	-1,368	-1,323	-1,212
Net fee and commission income	643	632	663	702	712
Fee and commission income	747	754	790	814	836
Fee and commission expenses	-104	-122	-127	-112	-124
Dividend income	6	17	6	9	4
Net trading result	117	154	67	417	106
Gains/losses from financial instruments measured at fair value through profit or loss	-81	18	46	-288	33
Net result from equity method investments	5	9	4	5	4
Rental income from investment properties & other operating leases	41	41	44	48	77
Personnel expenses	-698	-762	-736	-796	-746
Other administrative expenses	-409	-330	-324	-406	-402
Depreciation and amortisation	-136	-139	-142	-143	-134
Gains/losses from derecognition of financial assets at AC	-1	0	-2	-10	-2
Other gains/losses from derecognition of financial instruments not at FVPL	1	2	-3	-128	-1
Impairment result from financial instruments	21	8	-156	0	-95
Other operating result	-274	-9	-44	-141	-123
Levies on banking activities	-99	-22	-27	-36	-86
Pre-tax result from continuing operations	**1,003**	**1,433**	**1,283**	**1,075**	**1,284**
Taxes on income	-186	-253	-231	-205	-257
Net result for the period	**818**	**1,180**	**1,052**	**870**	**1,027**
Net result attributable to non-controlling interests	224	284	233	182	244
Net result attributable to owners of the parent	**594**	**896**	**820**	**688**	**783**
Statement of comprehensive income					
Net result for the period	**818**	**1,180**	**1,052**	**870**	**1,027**
Other comprehensive income					
Items that may not be reclassified to profit or loss	**62**	**-106**	**19**	**-54**	**-44**
Remeasurement of defined benefit plans	11	-45	38	-63	0
Fair value reserve of equity instruments	0	-3	2	12	1
Own credit risk reserve	70	-74	-11	-35	-59
Deferred taxes relating to items that may not be reclassified	-19	16	-9	32	13
Items that may be reclassified to profit or loss	**305**	**39**	**-143**	**199**	**-144**
Fair value reserve of debt instruments	58	43	26	274	18
Gain/loss during the period	56	44	20	154	15
Reclassification adjustments	3	0	5	131	2
Credit loss allowances	-1	0	2	-11	0
Cash flow hedge reserve	39	66	41	59	27
Gain/loss during the period	30	120	122	107	80
Reclassification adjustments	9	-54	-80	-48	-53
Currency reserve	224	-49	-208	-68	-180
Gain/loss during the period	224	-49	-208	-68	-180
Deferred taxes relating to items that may be reclassified	-16	-21	-2	-66	-8
Gain/loss during the period	-15	-31	-17	-49	-19
Reclassification adjustments	-2	10	15	-17	11
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	0	0	0	0	0
Total	**367**	**-67**	**-124**	**145**	**-188**
Total comprehensive income	**1,184**	**1,114**	**929**	**1,015**	**839**
Total comprehensive income attributable to non-controlling interests	237	265	250	178	248
Total comprehensive income attributable to owners of the parent	**947**	**848**	**678**	**837**	**591**

Consolidated balance sheet

in EUR thousand	Notes	Dec 23	Mar 24
Assets			
Cash and cash balances	13	36,684,966	29,424,902
Financial assets held for trading		8,773,018	9,342,145
Derivatives	19	1,261,941	1,105,123
Other financial assets held for trading	20	7,511,077	8,237,022
Pledged as collateral		245,224	126,157
Non-trading financial assets at fair value through profit and loss	21	3,004,081	2,964,581
Pledged as collateral		0	0
Equity instruments		414,550	430,499
Debt securities		1,551,270	1,499,511
Loans and advances to customers		1,038,261	1,034,571
Financial assets at fair value through other comprehensive income	17	8,904,590	8,710,026
Pledged as collateral		355,595	233,534
Equity instruments		110,384	98,754
Debt securities		8,794,207	8,611,271
Financial assets at amortised cost	14	264,720,569	277,091,769
Pledged as collateral		3,125,186	3,762,144
Debt securities		44,046,951	46,647,415
Loans and advances to banks		21,432,389	30,874,347
Loans and advances to customers		199,241,229	199,570,007
Finance lease receivables	18	4,969,505	5,060,219
Hedge accounting derivatives	22	182,582	157,199
Fair value changes of hedged items in portfolio hedge of interest rate risk		-24,981	-25,600
Property and equipment		2,604,853	2,660,103
Investment properties		1,523,833	1,533,844
Intangible assets		1,313,389	1,280,582
Investments in associates and joint ventures		241,236	269,467
Current tax assets		71,956	72,435
Deferred tax assets		467,652	440,636
Assets held for sale		163,296	13,988
Trade and other receivables	15	2,579,306	2,421,050
Other assets	23	975,528	1,281,593
Total assets		**337,155,380**	**342,698,940**

Liabilities and equity			
Financial liabilities held for trading		2,303,932	1,805,294
Derivatives	19	1,614,035	1,228,304
Other financial liabilities held for trading	24	689,897	576,989
Financial liabilities at fair value through profit or loss		11,152,382	10,864,549
Deposits from customers		592,782	157,576
Debt securities issued	25	10,429,227	10,572,060
Other financial liabilities		130,373	134,913
Financial liabilities at amortised cost		289,841,790	294,019,748
Deposits from banks	16	22,910,686	19,736,862
Deposits from customers	16	232,222,669	235,177,970
Debt securities issued	16	33,330,090	37,994,415
Other financial liabilities		1,378,346	1,110,501
Lease liabilities		670,293	689,555
Hedge accounting derivatives	22	285,520	268,921
Provisions	26	1,612,034	1,663,558
Current tax liabilities		264,505	284,339
Deferred tax liabilities		14,329	49,583
Liabilities associated with assets held for sale		112,679	0
Other liabilities	27	2,396,364	3,731,073
Total equity		**28,501,554**	**29,322,318**
Equity attributable to non-controlling interests		6,853,486	7,087,995
Additional equity instruments		2,405,135	2,405,135
Equity attributable to owners of the parent		19,242,932	19,829,188
Subscribed capital		843,326	841,826
Additional paid-in capital		1,493,995	1,495,495
Retained earnings and other reserves		16,905,614	17,491,867
Total liabilities and equity		**337,155,380**	**342,698,940**

Consolidated statement of changes in equity

in EUR million	Subscribed capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeas-urement 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	-2	0	0	0	0	0	-2	0	0	-2
Dividends paid	0	0	0	0	0	0	0	0	0	0	-13	-13
Capital increase/decrease	-1	1	-7	0	0	0	0	0	-7	0	0	-7
Changes in scope of consolidation and ownership interest	0	0	0	0	0	0	0	0	0	0	0	0
Reclassification from other comprehensive income to retained earnings	0	0	2	0	-3	0	0	0	0	0	0	0
Share-based payments	0	0	6	0	0	0	0	0	6	0	0	6
Other changes	0	0	-1	0	0	0	0	0	-1	0	-1	-2
Total comprehensive income	0	0	783	21	13	-45	-181	0	591	0	248	839
Net result for the period	0	0	783	0	0	0	0	0	783	0	244	1,027
Other comprehensive income	0	0	0	21	13	-45	-181	0	-192	0	4	-188
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	0	0	0	0	0
Change in fair value reserve	0	0	0	0	13	0	0	0	13	0	3	16
Change in cash flow hedge reserve	0	0	0	21	0	0	0	0	21	0	0	21
Change in currency reserve	0	0	0	0	0	0	-181	0	-181	0	0	-180
Change in own credit risk reserve	0	0	0	0	0	-45	0	0	-45	0	0	-45
As of 31 March 2024	**842**	**1,495**	**18,924**	**-9**	**61**	**-114**	**-875**	**-495**	**19,829**	**2,405**	**7,088**	**29,322**

	Subscribed capital	Additional paid-in capital	Retained earnings	Cash flow hedge reserve	Fair value reserve	Own credit risk reserve	Currency reserve	Remeas-urement of defined benefit plans	Equity attributable to owners of the parent	Additional equity instruments	Equity attributable to non-controlling interests	Total equity
As of 1 January 2023	**860**	**1,478**	**16,324**	**-197**	**-264**	**-24**	**-594**	**-471**	**17,111**	**2,236**	**5,957**	**25,305**
Changes in treasury shares	0	0	-7	0	0	0	0	0	-7	0	0	-7
Dividends paid	0	0	0	0	0	0	0	0	0	0	-5	-5
Capital increase/decrease	0	0	0	0	0	0	0	0	0	0	0	0
Changes in scope of consolidation and ownership interest	0	0	0	0	0	0	0	0	0	0	-1	-1
Reclassification from other comprehensive income to retained earnings	0	0	2	0	0	-2	0	0	0	0	0	0
Share-based payments	0	0	7	0	0	0	0	0	7	0	0	7
Other changes	0	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	594	32	42	54	224	2	947	0	237	1,184
Net result for the period	0	0	594	0	0	0	0	0	594	0	224	818
Other comprehensive income	0	0	0	32	42	54	224	2	353	0	13	367
Change from remeasurement of defined benefit plans	0	0	0	0	0	0	0	2	2	0	6	8
Change in fair value reserve	0	0	0	0	42	0	0	0	42	0	7	49
Change in cash flow hedge reserve	0	0	0	32	0	0	0	0	32	0	0	32
Change in currency reserve	0	0	0	0	0	0	224	0	224	0	0	224
Change in own credit risk reserve	0	0	0	0	0	54	0	0	54	0	0	54
As of 31 March 2023	**860**	**1,478**	**16,919**	**-165**	**-222**	**28**	**-370**	**-470**	**18,059**	**2,236**	**6,188**	**26,483**

Consolidated statement of cash flows

in EUR million	1-3 23	1-3 24
Net result for the period	**818**	**1,027**
Non-cash adjustments for items in net profit/loss for the year		
Depreciation, amortisation and net impairment of non-financial assets	136	134
Net allocation to credit loss allowances and other provisions	-2	91
Gains/losses from measurement and derecognition of financial assets and financial liabilities	239	-1,563
Other adjustments	107	-150
Changes in assets and liabilities from operating activities after adjustment for non-cash components		
Financial assets held for trading	1,321	-563
Non-trading financial assets at fair value through profit and loss		
Equity instruments	-19	-16
Debt securities	-72	671
Loans and advances to banks	0	0
Loans and advances to customers	-20	11
Financial assets at fair value through other comprehensive income: debt securities	-212	193
Financial assets at amortised cost		
Debt securities	-2,785	-2,601
Loans and advances to banks	-8,860	-9,448
Loans and advances to customers	-478	-412
Finance lease receivables	-88	-93
Hedge accounting derivatives	-27	47
Other assets from operating activities	-31	29
Financial liabilities held for trading	-313	412
Financial liabilities at fair value through profit or loss	359	-311
Financial liabilities at amortised cost		
Deposits from banks	1,055	-3,174
Deposits from customers	14,070	2,955
Debt securities issued	1,945	4,664
Other financial liabilities	-111	-238
Hedge accounting derivatives	-8	-17
Other liabilities from operating activities	613	1,294
Cash flow from operating activities	**7,636**	**-7,057**
Proceeds of disposal		
Financial assets at fair value through other comprehensive income: equity instruments	0	0
Investments in associates and joint ventures	-4	-25
Property and equipment and intangible assets	46	24
Investment properties	1	2
Acquisition of		
Financial assets at fair value through other comprehensive income: equity instruments	0	0
Property and equipment and intangible assets	-159	-59
Investment properties	-2	-22
Cash flow from investing activities	**-117**	**-80**
Capital increases	0	-39
Changes in ownership interests that do not result in a loss of control	-1	0
Dividends paid to equity holders of the parent	0	0
Dividends paid to non-controlling interests	-5	-13
Cash flow from financing activities	**-6**	**-51**
Cash and cash equivalents at the beginning of the period	**35,685**	**36,685**
Cash flow from operating activities	7,636	-7,057
Cash flow from investing activities	-117	-80
Cash flow from financing activities	-6	-51
Effect of currency translation	107	-72
Cash and cash equivalents at the end of period	**43,305**	**29,425**
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)	1,901	1,693
Payments for taxes on income	-125	-150
Interest received	4,695	5,649
Dividends received	6	4
Interest paid	-2,675	-3,811

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 31 March 2024

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 31 March 2024 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 2023	**301**
Additions	
Entities newly added to the scope of consolidation	1
Disposals	
Companies sold or liquidated	-3
Mergers	-1
As of 31 March 2024	**298**

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 2023.

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 2023, 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	1-3 23	1-3 24
Financial assets at AC	3,303	3,868
Financial assets at FVOCI	86	98
Interest income	3,388	3,966
Non-trading financial assets at FVPL	20	23
Financial assets HfT	1,023	982
Derivatives - hedge accounting, interest rate risk	-32	0
Other assets	51	72
Negative interest from financial liabilities	6	3
Other similar income	1,068	1,081
Interest and other similar income	**4,456**	**5,047**
Financial liabilities at AC	-1,412	-1,982
Interest expenses	-1,412	-1,982
Financial liabilities at FVPL	-79	-94
Financial liabilities HfT	-1,112	-951
Derivatives - hedge accounting, interest rate risk	-71	-156
Other liabilities	-13	-12
Negative Interest from financial assets	-1	0
Other similar expenses	-1,275	-1,212
Interest and other similar expenses	**-2,687**	**-3,194**
Net interest income	**1,769**	**1,852**

An amount of EUR 51 million (EUR 25 million) relating to impaired financial assets is included in various line items of net interest income.

2. Net fee and commission income

	1-3 23		1-3 24	
in EUR million	Income	Expenses	Income	Expenses
Securities	80	-14	84	-14
Issues	19	0	15	0
Transfer orders	56	-10	67	-11
Other	5	-3	3	-3
Clearing and settlement	0	0	1	0
Asset management	136	-12	161	-10
Custody	29	-4	36	-5
Fiduciary transactions	0	0	1	0
Payment services	343	-62	375	-72
Card business	100	-40	112	-49
Other	243	-22	264	-23
Customer resources distributed but not managed	67	-2	77	-3
Collective investment	5	-1	7	-1
Insurance products	55	0	62	0
Foreign exchange transactions	6	-1	7	0
Other	1	-1	1	-1
Structured finance	0	0	1	0
Servicing fees from securitization activities	0	0	0	-1
Lending business	60	-6	65	-10
Guarantees given, guarantees received	25	-1	28	-1
Loan commitments given, loan commitments received	12	0	13	0
Other lending business	23	-4	24	-9
Other	31	-4	35	-9
Total fee and commission income and expenses	**747**	**-104**	**836**	**-124**
Net fee and commission income	**643**		**712**	

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	1-3 23	1-3 24
Financial assets HfT	0	1
Non-trading financial assets at FVPL	6	3
Dividend income	**6**	**4**

4. Net trading result

in EUR million	1-3 23	1-3 24
Securities and derivatives trading	121	-14
Foreign exchange transactions	4	126
Result from hedge accounting	-9	-6
Net trading result	**117**	**106**

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

in EUR million	1-3 23	1-3 24
Result from measurement/sale of financial assets designated at FVPL	2	1
Result from measurement/repurchase of financial liabilities designated at FVPL	-107	22
Result from financial assets and liabilities designated at FVPL	**-106**	**23**
Result from measurement/sale of financial assets mandatorily at FVPL	24	10
Gains/losses from financial instruments measured at fair value through profit or loss	**-81**	**33**

6. Rental income from investment properties & other operating leases

in EUR million	1-3 23	1-3 24
Investment properties	29	33
Other operating leases	12	43
Rental income from investment properties & other operating leases	**41**	**77**

7. General administrative expenses

in EUR million	1-3 23	1-3 24
Personnel expenses	**-698**	**-746**
Wages and salaries	-535	-575
Compulsory social security	-129	-138
Long-term employee provisions	-2	-5
Other personnel expenses	-32	-29
Other administrative expenses	**-409**	**-402**
Deposit insurance contribution	-113	-76
IT expenses	-124	-143
Expenses for office space	-54	-53
Office operating expenses	-35	-40
Advertising/marketing	-36	-40
Legal and consulting costs	-27	-30
Sundry administrative expenses	-18	-19
Depreciation and amortisation	**-136**	**-134**
Software and other intangible assets	-46	-44
Owner occupied real estate	-41	-41
Investment properties	-7	-8
Customer relationships	-2	-1
Office furniture and equipment and sundry property and equipment	-40	-40
General administrative expenses	**-1,242**	**-1,283**

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

in EUR million	1-3 23	1-3 24
Gains from derecognition of financial assets at AC	0	0
Losses from derecognition of financial assets at AC	-1	-2
Gains/losses from derecognition of financial assets measured at amortised cost	**-1**	**-2**

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

in EUR million	1-3 23	1-3 24
Sale of financial assets at FVOCI	-3	-2
Derecognition of financial liabilities at AC	4	1
Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss	**1**	**-1**

10. Impairment result from financial instruments

in EUR million	1-3 23	1-3 24
Financial assets at FVOCI	1	0
Financial assets at AC	-15	-75
Allocation/reversal to credit loss allowances (net)	-36	-83
Direct write-offs	-2	-1
Recoveries recorded directly to the income statement	18	14
Modification gains or losses	4	-5
Finance lease receivables	0	-2
Allocation/reversal to credit loss allowances (net)	0	-2
Recoveries recorded directly to the income statement	0	0
Credit loss allowances for loan commitments and financial guarantees given	35	-17
Impairment result from financial instruments	**21**	**-95**

11. Other operating result

in EUR million	1-3 23	1-3 24
Other operating expenses	**-272**	**-135**
Allocation to other provisions	-32	-15
Levies on banking activities	-99	-86
Banking tax	-82	-68
Financial transaction tax	-17	-18
Other taxes	-3	-7
Resolution fund contributions	-138	-27
Impairment of goodwill	0	0
Other operating income	**34**	**27**
Release of other provisions	34	27
Result from properties and equipment, investment properties and other intangible assets	1	5
Result from other operating expenses/income	-38	-21
Other operating result	**-274**	**-123**

12. Taxes on income

The consolidated net tax expenses for the reporting period amounted to EUR 257 million (EUR 186 million), thereof EUR 53 million (EUR 17 million) deferred tax expenses.

13. Cash and cash balances

in EUR million	Dec 23	Mar 24
Cash on hand	3,200	2,793
Cash balances at central banks	32,586	24,573
Other demand deposits at credit institutions	899	2,058
Cash and cash balances	**36,685**	**29,425**

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
Mar 24									
Central banks	15	0	0	15	0	0	0	0	15
General governments	36,566	98	0	36,664	-5	0	0	-5	36,659
Credit institutions	8,528	1	0	8,528	-4	0	0	-4	8,524
Other financial corporations	331	25	1	358	0	-1	-1	-3	355
Non-financial corporations	1,001	95	3	1,099	-1	-2	-3	-6	1,093
Total	**46,441**	**219**	**4**	**46,665**	**-10**	**-3**	**-4**	**-17**	**46,647**
Dec 23									
Central banks	15	0	0	15	0	0	0	0	15
General governments	34,693	100	0	34,793	-4	0	0	-5	34,788
Credit institutions	7,813	11	0	7,824	-4	0	0	-4	7,820
Other financial corporations	364	30	1	395	0	-1	-1	-2	392
Non-financial corporations	949	84	4	1,037	-1	-2	-3	-6	1,031
Total	**43,834**	**225**	**5**	**44,064**	**-10**	**-3**	**-4**	**-17**	**44,047**

There are no POCI assets in this balance sheet item as of 31 March 2024.

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
Mar 24									
Central banks	24,183	0	0	24,183	0	0	0	0	24,183
Credit institutions	6,666	38	0	6,704	-11	-1	0	-12	6,692
Total	**30,849**	**38**	**0**	**30,887**	**-12**	**-1**	**0**	**-12**	**30,874**
Dec 23									
Central banks	14,741	0	0	14,741	0	0	0	0	14,741
Credit institutions	6,541	162	0	6,703	-8	-3	0	-12	6,692
Total	**21,282**	**162**	**0**	**21,444**	**-8**	**-3**	**0**	**-12**	**21,432**

There are no POCI assets in this balance sheet item as of 31 March 2024.

Loans and advances to customers

in EUR million	Gross carrying amount Stage 1	Stage 2	Stage 3	POCI	Total	Credit loss allowances Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Mar 24											
General governments	7,822	259	63	13	8,158	-5	-19	-5	0	-29	8,129
Other financial corporations	4,428	854	61	0	5,342	-10	-13	-27	0	-51	5,291
Non-financial corporations	66,806	24,268	2,597	241	93,911	-186	-883	-1,095	-59	-2,222	91,689
Households	83,597	10,553	1,867	124	96,141	-159	-520	-975	-26	-1,680	94,461
Total	**162,653**	**35,933**	**4,587**	**379**	**203,552**	**-360**	**-1,435**	**-2,102**	**-85**	**-3,982**	**199,570**
Dec 23											
General governments	7,706	302	59	10	8,077	-5	-19	-5	0	-29	8,048
Other financial corporations	4,475	697	61	0	5,233	-9	-10	-28	0	-47	5,186
Non-financial corporations	65,767	24,730	2,452	287	93,235	-188	-835	-1,082	-60	-2,165	91,070
Households	83,524	11,144	1,821	121	96,611	-155	-536	-957	-25	-1,673	94,938
Total	**161,472**	**36,873**	**4,393**	**418**	**203,156**	**-357**	**-1,401**	**-2,072**	**-85**	**-3,915**	**199,241**

15. Trade and other receivables

in EUR million	Gross carrying amount Stage 1	Stage 2	Stage 3	POCI	Total	Credit loss allowances Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Mar 24											
Central banks	0	0	0	0	0	0	0	0	0	0	0
General governments	42	19	0	0	61	0	0	0	0	0	61
Credit institutions	34	4	0	0	38	0	0	0	0	0	38
Other financial corporations	51	18	0	0	69	0	0	0	0	0	69
Non-financial corporations	1,276	868	33	1	2,178	-10	-4	-18	-1	-33	2,145
Households	95	19	13	0	127	-2	-4	-12	0	-19	108
Total	**1,499**	**927**	**46**	**1**	**2,473**	**-12**	**-9**	**-31**	**-1**	**-52**	**2,421**
Dec 23											
Central banks	0	0	0	0	0	0	0	0	0	0	0
General governments	48	18	0	0	66	0	0	0	0	0	66
Credit institutions	35	4	0	0	39	0	0	0	0	0	39
Other financial corporations	66	20	0	0	87	0	0	0	0	0	86
Non-financial corporations	1,504	781	41	1	2,326	-9	-5	-29	-1	-44	2,283
Households	91	20	13	0	125	-2	-5	-12	0	-19	106
Total	**1,743**	**843**	**55**	**1**	**2,642**	**-11**	**-10**	**-41**	**-1**	**-63**	**2,579**

16. Financial liabilities at amortised costs

Deposits from banks

in EUR million	Dec 23	Mar 24
Overnight deposits	1,969	2,168
Term deposits	16,934	13,610
Repurchase agreements	4,007	3,958
Deposits from banks	**22,911**	**19,737**

Deposits from customers

in EUR million	Dec 23	Mar 24
Overnight deposits	**161,382**	**158,319**
Savings deposits	51,650	52,439
Other financial corporations	270	297
Non-financial corporations	3,268	3,729
Households	48,112	48,412
Non-savings deposits	109,732	105,880
General governments	7,532	8,289
Other financial corporations	5,421	4,614
Non-financial corporations	32,531	30,285
Households	64,248	62,692
Term deposits	**67,496**	**72,406**
Deposits with agreed maturity	65,384	70,331
Savings deposits	29,643	31,488
Other financial corporations	783	1,113
Non-financial corporations	2,997	3,372
Households	25,864	27,004
Non-savings deposits	35,741	38,842
General governments	4,225	4,566
Other financial corporations	11,480	12,226
Non-financial corporations	9,723	10,757
Households	10,313	11,293
Deposits redeemable at notice	2,112	2,075
General governments	1	5
Other financial corporations	132	136
Non-financial corporations	292	303
Households	1,687	1,632
Repurchase agreements	**3,345**	**4,453**
General governments	845	2,176
Other financial corporations	2,484	2,277
Non-financial corporations	16	0
Deposits from customers	**232,223**	**235,178**
General governments	12,603	15,036
Other financial corporations	20,570	20,664
Non-financial corporations	48,826	48,446
Households	150,223	151,033

The carrying amount of the TLTRO III liabilities as of 31 March 2024 was EUR 2.6 billion (EUR 6.4 billion).

Debt securites issued

in EUR million	Dec 23	Mar 24
Subordinated debt securities issued	2,549	2,568
Senior non-preferred bonds	4,393	4,908
Other debt securities issued	26,388	30,519
Bonds	10,517	11,169
Certificates of deposit	1,988	3,549
Other certificates of deposits/name certificates	113	113
Mortgage covered bonds	13,769	15,688
Debt securities issued	**33,330**	**37,994**

17. Financial assets at fair value through other comprehensive income

Equity instruments

The carrying amount of Erste Group's equity instruments FVOCI as of 31 March 2024 amounted to EUR 99 million (EUR 110 million), the cumulative fair value change for equity instruments FVOCI before taxes recognized in other comprehensive income amounted to EUR 63 million (EUR 66 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
Mar 24											
General governments	6,156	13	0	6,169	-2	0	0	-2	6,167	-12	6,155
Credit institutions	1,455	0	0	1,455	-1	0	0	-1	1,454	8	1,462
Other financial corporations	181	3	1	185	0	0	-1	-1	184	-5	179
Non-financial corporations	604	235	2	841	0	-9	-1	-10	831	-15	815
Total	**8,395**	**251**	**3**	**8,649**	**-3**	**-9**	**-2**	**-14**	**8,636**	**-25**	**8,611**
Dec 23											
General governments	6,259	14	0	6,273	-2	0	0	-2	6,271	-31	6,240
Credit institutions	1,465	5	0	1,470	-2	0	0	-2	1,469	11	1,479
Other financial corporations	226	4	1	231	0	0	-1	-1	230	-5	225
Non-financial corporations	626	248	2	877	0	-9	0	-9	867	-18	850
Total	**8,577**	**271**	**3**	**8,851**	**-5**	**-9**	**-1**	**-14**	**8,837**	**-43**	**8,794**

As defined in IFRS 9, the gross carrying amount of debt instruments at FVOCI equals the amortised cost before deducting any credit loss allowances. There are no POCI assets in this balance sheet item as of 31 March 2024.

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
Mar 24											
General governments	253	9	0	0	262	-1	-1	0	0	-2	260
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	162	3	0	0	165	0	0	0	0	-1	165
Non-financial corporations	2,936	826	89	0	3,852	-12	-30	-35	0	-77	3,775
Households	789	68	15	0	872	-5	-2	-6	0	-12	860
Total	**4,141**	**906**	**105**	**0**	**5,152**	**-17**	**-33**	**-41**	**0**	**-92**	**5,060**
Dec 23											
General governments	254	9	0	0	263	-1	-1	0	0	-2	261
Credit institutions	1	0	0	0	1	0	0	0	0	0	1
Other financial corporations	159	14	0	0	174	0	0	0	0	-1	173
Non-financial corporations	2,865	810	87	0	3,762	-11	-30	-34	0	-75	3,687
Households	776	68	15	0	860	-5	-2	-6	0	-12	847
Total	**4,055**	**901**	**103**	**0**	**5,059**	**-17**	**-33**	**-40**	**0**	**-90**	**4,970**

19. Derivatives held for trading

in EUR million	Dec 23			Mar 24		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	**224,717**	**4,699**	**4,737**	**255,341**	**4,460**	**4,205**
Interest rate	165,404	4,017	3,959	195,019	4,002	3,791
Equity	468	7	22	666	12	21
Foreign exchange	58,384	668	744	59,028	435	376
Credit	229	4	11	356	8	16
Commodity	7	0	0	7	0	0
Other	225	3	1	266	3	1
Derivatives held in the banking book	**23,988**	**462**	**568**	**23,628**	**441**	**553**
Interest rate	17,760	346	458	18,105	329	450
Equity	1,257	66	43	1,188	82	45
Foreign exchange	4,663	49	63	4,072	30	54
Credit	118	1	0	91	0	0
Other	190	0	4	170	0	4
Total gross amounts	**248,706**	**5,161**	**5,305**	**278,968**	**4,901**	**4,758**
Offset		-3,899	-3,691		-3,796	-3,529
Total		**1,262**	**1,614**		**1,105**	**1,228**

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 23	Mar 24
Equity instruments	146	240
Debt securities	7,365	7,997
Central banks	3,129	3,507
General governments	2,200	2,086
Credit institutions	1,670	1,944
Other financial corporations	286	376
Non-financial corporations	80	84
Other financial assets held for trading	**7,511**	**8,237**

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

in EUR million	Dec 23		Mar 24	
	Designated	Mandatorily	Designated	Mandatorily
Equity instruments	0	415	0	430
Debt securities	178	1,373	107	1,393
General governments	0	308	0	319
Credit institutions	146	125	107	126
Other financial corporations	33	869	0	869
Non-financial corporations	0	71	0	79
Loans and advances to customers	0	1,038	0	1,035
General governments	0	1	0	1
Other financial corporations	0	0	0	0
Non-financial corporations	0	27	0	27
Households	0	1,010	0	1,007
Financial assets designated and mandatorily at FVPL	178	2,826	107	2,858
Non-trading financial assets at fair value through profit and loss	**3,004**		**2,965**	

22. Hedge accounting derivatives

in EUR million	Dec 23			Mar 24		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Fair value hedges	**24,254**	**495**	**1,458**	**25,366**	**427**	**1,467**
Interest rate	24,254	495	1,458	25,366	427	1,467
Cash flow hedges	**4,667**	**127**	**84**	**4,340**	**99**	**91**
Interest rate	2,859	46	68	2,703	43	61
Foreign exchange	1,808	81	16	1,637	56	30
Total gross amounts	**28,921**	**623**	**1,542**	**29,706**	**525**	**1,558**
Offset		-440	-1,256		-368	-1,289
Total		**183**	**286**		**157**	**269**

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 23	Mar 24
Prepayments	135	188
Inventories	98	99
Sundry assets	742	995
Other assets	**976**	**1,282**

24. Other financial liabilities held for trading

in EUR million	Dec 23	Mar 24
Short positions	637	517
Equity instruments	95	46
Debt securities	542	471
Debt securities issued	53	59
Other financial liabilities held for trading	**690**	**577**

25. Financial liabilities at fair value through profit and loss

Debt securities issued

in EUR million	Dec 23	Mar 24
Subordinated debt securities issued	2,016	1,937
Other debt securities issued	8,413	8,635
Bonds	6,128	6,281
Other certificates of deposits/name certificates	1,069	1,121
Mortgage covered bonds	1,089	1,123
Public sector covered bonds	126	110
Debt securities issued	**10,429**	**10,572**

26. Provisions

in EUR million	Dec 23	Mar 24
Defined employee benefit plans	812	804
Loan commitments and financial guarantees given in scope of IFRS 9	416	427
Pending legal issues and tax litigation	289	283
Commitments and guarantees given out of scope of IFRS 9	24	13
Other provisions	71	137
Provisions	**1,612**	**1,664**

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 remained unchanged compared to 31 December 2023 (3.27% p.a.). All other calculation parameters remained unchanged as well.

27. Other liabilities

in EUR million	Dec 23	Mar 24
Deferred income	114	122
Sundry liabilities	2,282	3,609
Other liabilities	**2,396**	**3,731**

28. Segment reporting

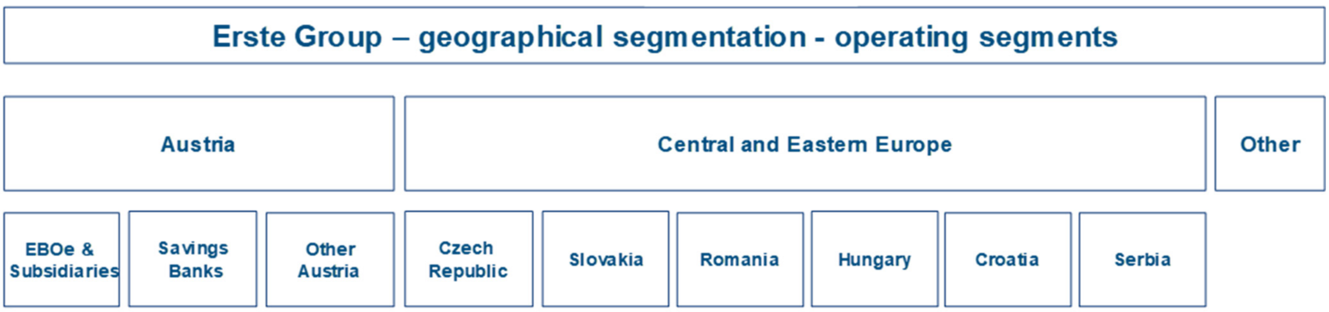
Erste Group's segment reporting is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments 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.

Erste Group – business segments

Retail	Corporates	Group Markets	Asset/Liability Management & Local Corporate Center	Savings Banks	Group Corporate Center	Intragroup Elimination

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

in EUR million	Austria		Central and Eastern Europe		Other		Total Group	
	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24
Net interest income	863	889	860	926	46	37	1,769	1,852
Net fee and commission income	373	406	292	331	-23	-25	643	712
Dividend income	3	4	0	0	3	0	6	4
Net trading result	25	27	38	102	53	-22	117	106
Gains/losses from financial instruments at FVPL	1	3	0	5	-83	25	-81	33
Net result from equity method investments	1	0	2	3	2	1	5	4
Rental income from investment properties & other operating leases	35	39	9	9	-4	28	41	77
General administrative expenses	-614	-626	-579	-596	-49	-61	-1,242	-1,283
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	-1	0	0	0	-1	-1	-2
Other gains/losses from derecognition of financial instruments not at FVPL	-3	-2	0	0	4	1	1	-1
Impairment result from financial instruments	12	-68	9	-25	-1	-2	21	-95
Other operating result	-42	1	-164	-115	-68	-9	-274	-123
Levies on banking activities	-3	-3	-89	-76	-6	-7	-99	-86
Pre-tax result from continuing operations	**654**	**672**	**467**	**637**	**-118**	**-26**	**1,003**	**1,284**
Taxes on income	-149	-145	-105	-132	69	20	-186	-257
Net result for the period	**505**	**528**	**361**	**506**	**-49**	**-6**	**818**	**1,027**
Net result attributable to non-controlling interests	199	217	22	23	3	3	224	244
Net result attributable to owners of the parent	**306**	**310**	**340**	**483**	**-52**	**-10**	**594**	**783**
Operating income	1,302	1,368	1,201	1,375	-5	45	2,499	2,788
Operating expenses	-614	-626	-579	-596	-49	-61	-1,242	-1,283
Operating result	**688**	**742**	**622**	**779**	**-53**	**-15**	**1,257**	**1,505**
Risk-weighted assets (credit risk, eop)	64,105	64,021	55,213	57,422	2,976	2,711	122,295	124,154
Average allocated capital	9,247	9,953	10,816	10,580	5,891	8,388	25,953	28,920
Cost/income ratio	47.1%	45.7%	48.2%	43.4%	>100%	>100%	49.7%	46.0%
Return on allocated capital	22.2%	21.3%	13.6%	19.2%	-3.4%	-0.3%	12.8%	14.3%
Total assets (eop)	215,393	210,628	154,491	160,175	-26,963	-28,104	342,921	342,699
Total liabilities excluding equity (eop)	172,293	160,604	140,820	145,588	3,326	7,184	316,438	313,377
Impairments	**12**	**-68**	**9**	**-25**	**-1**	**-2**	**20**	**-95**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-7	-49	-6	-27	-1	-2	-15	-78
Net impairment loss on commitments and guarantees given	19	-19	15	2	1	0	35	-17
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	0	0

Operating segments: Geographical area Austria

	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria	
in EUR million	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24
Net interest income	273	281	443	462	147	145	863	889
Net fee and commission income	126	133	167	178	79	95	373	406
Dividend income	0	0	1	1	2	2	3	4
Net trading result	5	1	12	7	8	19	25	27
Gains/losses from financial instruments at FVPL	-4	3	3	4	2	-4	1	3
Net result from equity method investments	1	0	0	0	0	0	1	0
Rental income from investment properties & other operating leases	13	16	10	10	12	13	35	39
General administrative expenses	-201	-196	-319	-328	-94	-101	-614	-626
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	-1	0	-1
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	-3	-2	0	0	-3	-2
Impairment result from financial instruments	2	-23	-17	-44	27	-1	12	-68
Other operating result	-27	-7	-15	5	0	3	-42	1
Levies on banking activities	-2	-2	-2	-2	0	0	-3	-3
Pre-tax result from continuing operations	**189**	**209**	**283**	**293**	**182**	**171**	**654**	**672**
Taxes on income	-45	-53	-60	-54	-44	-39	-149	-145
Net result for the period	**144**	**157**	**223**	**239**	**138**	**132**	**505**	**528**
Net result attributable to non-controlling interests	6	6	192	209	2	3	199	217
Net result attributable to owners of the parent	**138**	**151**	**31**	**30**	**136**	**130**	**306**	**310**
Operating income	415	435	637	663	250	270	1,302	1,368
Operating expenses	-201	-196	-319	-328	-94	-101	-614	-626
Operating result	**214**	**239**	**318**	**334**	**156**	**169**	**688**	**742**
Risk-weighted assets (credit risk, eop)	15,881	15,277	27,807	27,573	20,417	21,171	64,105	64,021
Average allocated capital	2,179	2,205	4,355	4,922	2,712	2,826	9,247	9,953
Cost/income ratio	48.4%	45.1%	50.0%	49.6%	37.6%	37.4%	47.1%	45.7%
Return on allocated capital	26.9%	28.6%	20.8%	19.5%	20.6%	18.8%	22.2%	21.3%
Total assets (eop)	58,776	57,483	80,444	82,295	76,174	70,850	215,393	210,628
Total liabilities excluding equity (eop)	55,946	54,159	74,139	75,045	42,208	31,400	172,293	160,604
Impairments	**2**	**-23**	**-17**	**-44**	**27**	**-1**	**12**	**-68**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-3	-23	-26	-35	22	9	-7	-49
Net impairment loss on commitments and guarantees given	5	0	10	-10	5	-9	19	-19
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

in EUR million	Czech Republic		Slovakia		Romania		Hungary		Croatia		Serbia		Central and Eastern Europe	
	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24
Net interest income	315	355	124	135	155	182	148	121	93	105	25	29	860	926
Net fee and commission income	107	118	50	55	45	51	57	69	28	31	6	6	292	331
Dividend income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net trading result	45	38	4	3	27	25	-44	30	4	4	2	2	38	102
Gains/losses from financial instruments at FVPL	-13	-2	0	0	0	0	12	6	0	0	0	0	0	5
Net result from equity method investments	1	1	0	1	0	1	0	0	0	0	0	0	2	3
Rental income from investment properties & other operating leases	2	2	0	0	2	2	3	2	2	2	0	1	9	9
General administrative expenses	-247	-238	-82	-89	-100	-101	-66	-77	-65	-70	-19	-20	-579	-596
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	0	0	0	0	0	0	0	0
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment result from financial instruments	-10	-3	-2	-15	0	-14	5	-4	16	12	0	-2	9	-25
Other operating result	-36	-19	-8	-1	-19	-20	-97	-74	-4	0	0	0	-164	-115
Levies on banking activities	0	0	0	0	0	-9	-89	-67	0	0	0	0	-89	-76
Pre-tax result from continuing operations	**164**	**250**	**87**	**88**	**112**	**125**	**17**	**74**	**74**	**84**	**13**	**16**	**467**	**637**
Taxes on income	-48	-44	-20	-35	-18	-22	-7	-10	-13	-20	0	0	-105	-132
Net result for the period	**116**	**206**	**68**	**53**	**94**	**103**	**10**	**64**	**61**	**64**	**13**	**16**	**361**	**506**
Net result attributable to non-controlling interests	0	0	0	0	0	0	0	0	19	20	2	3	22	23
Net result attributable to owners of the parent	**116**	**206**	**68**	**53**	**94**	**103**	**10**	**64**	**42**	**44**	**10**	**13**	**340**	**483**
Operating income	457	511	180	194	230	261	175	229	128	142	32	38	1,201	1,375
Operating expenses	-247	-238	-82	-89	-100	-101	-66	-77	-65	-70	-19	-20	-579	-596
Operating result	**210**	**273**	**98**	**105**	**131**	**159**	**108**	**152**	**62**	**72**	**13**	**18**	**622**	**779**
Risk-weighted assets (credit risk, eop)	23,621	25,270	9,663	9,585	8,765	9,177	5,356	4,995	5,937	6,338	1,872	2,058	55,213	57,422
Average allocated capital	4,268	4,355	1,495	1,544	1,874	1,982	1,544	1,369	1,333	980	301	349	10,816	10,580
Cost/income ratio	54.1%	46.6%	45.6%	46.1%	43.3%	38.9%	37.9%	33.7%	51.2%	49.0%	59.7%	53.5%	48.2%	43.4%
Return on allocated capital	11.0%	19.0%	18.4%	13.8%	20.3%	20.9%	2.6%	18.8%	18.5%	26.2%	17.3%	18.2%	13.6%	19.2%
Total assets (eop)	78,614	79,895	24,595	25,753	20,245	22,517	14,202	13,579	13,606	14,970	3,228	3,461	154,491	160,175
Total liabilities excluding equity (eop)	72,555	73,941	22,451	23,445	17,886	19,875	13,005	12,079	12,080	13,227	2,842	3,021	140,820	145,588
Impairments	**-10**	**-3**	**-2**	**-15**	**0**	**-14**	**4**	**-4**	**16**	**12**	**0**	**-2**	**9**	**-25**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-8	-6	-5	-16	-10	-19	4	0	15	15	-1	-1	-6	-27
Net impairment loss on commitments and guarantees given	-2	3	3	0	11	5	1	-4	1	-2	1	0	15	2
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	0	0	0	0	-1	0	0	0	0	0	0	0	-1	0

Business segments (1)

	Retail		Corporates		Group Markets		ALM&LCC	
in EUR million	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24
Net interest income	795	798	455	479	138	85	-122	-62
Net fee and commission income	326	372	95	103	77	87	-17	-26
Dividend income	0	0	2	2	0	1	0	0
Net trading result	40	38	27	29	-1	47	48	-13
Gains/losses from financial instruments at FVPL	11	6	0	-6	2	2	-101	27
Net result from equity method investments	1	1	0	0	0	0	1	1
Rental income from investment properties & other operating leases	2	3	26	59	0	0	7	9
General administrative expenses	-574	-606	-155	-161	-64	-67	-86	-63
Gains/losses from financial assets and liabilities not at FVPL, net								
Gains/losses from derecognition of financial assets at AC	0	0	0	-1	0	0	0	-1
Other gains/losses from derecognition of financial instruments not at FVPL	0	0	0	0	0	0	4	0
Impairment result from financial instruments	-26	-58	65	9	-4	0	3	0
Other operating result	-29	-20	-23	-18	-7	-4	-139	-79
Levies on banking activities	-21	-17	-12	-11	-4	-2	-54	-48
Pre-tax result from continuing operations	**545**	**536**	**491**	**495**	**142**	**151**	**-403**	**-206**
Taxes on income	-95	-104	-93	-90	-28	-30	36	18
Net result for the period	**451**	**432**	**399**	**405**	**114**	**121**	**-367**	**-188**
Net result attributable to non-controlling interests	9	10	14	17	1	1	5	3
Net result attributable to owners of the parent	**441**	**421**	**384**	**388**	**113**	**120**	**-372**	**-191**
Operating income	1,175	1,219	605	665	217	222	-185	-63
Operating expenses	-574	-606	-155	-161	-64	-67	-86	-63
Operating result	**601**	**614**	**450**	**504**	**153**	**155**	**-271**	**-127**
Risk-weighted assets (credit risk, eop)	23,334	24,398	57,184	58,581	4,337	4,381	7,797	7,385
Average allocated capital	3,804	3,738	6,180	6,588	1,053	1,008	6,760	6,269
Cost/income ratio	48.9%	49.7%	25.6%	24.2%	29.4%	30.2%	-46.5%	>100%
Return on allocated capital	48.0%	46.5%	26.2%	24.7%	43.8%	48.2%	-22.0%	-12.1%
Total assets (eop)	74,996	76,732	77,483	80,136	58,705	52,757	93,856	94,981
Total liabilities excluding equity (eop)	112,995	112,682	49,281	46,516	56,115	47,441	67,600	77,028
Impairments	**-26**	**-58**	**65**	**9**	**-4**	**0**	**3**	**0**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-29	-59	43	20	-3	-1	1	-1
Net impairment loss on commitments and guarantees given	3	1	22	-11	-2	1	2	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	0	0	0	0	0	0

Business segments (2)

in EUR million	Savings Banks		Group Corporate Center		Intragroup Elimination		Total Group	
	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24	1-3 23	1-3 24
Net interest income	443	462	44	80	15	9	1,769	1,852
Net fee and commission income	167	178	1	5	-7	-8	643	712
Dividend income	1	1	3	0	0	0	6	4
Net trading result	12	7	3	2	-12	-4	117	106
Gains/losses from financial instruments at FVPL	3	4	4	0	0	0	-81	33
Net result from equity method investments	0	0	2	1	0	0	5	4
Rental income from investment properties & other operating leases	10	10	-4	-3	0	-1	41	77
General administrative expenses	-319	-328	-242	-280	198	223	-1,242	-1,283
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	-1	-2
Other gains/losses from derecognition of financial instruments not at FVPL	-3	-2	0	1	0	0	1	-1
Impairment result from financial instruments	-17	-44	0	-1	0	0	21	-95
Other operating result	-15	5	134	211	-194	-220	-274	-123
Levies on banking activities	-2	-2	-6	-7	0	0	-99	-86
Pre-tax result from continuing operations	**283**	**293**	**-55**	**16**	**0**	**0**	**1,003**	**1,284**
Taxes on income	-60	-54	54	3	0	0	-186	-257
Net result for the period	**223**	**239**	**-1**	**19**	**0**	**0**	**818**	**1,027**
Net result attributable to non-controlling interests	192	209	3	3	0	0	224	244
Net result attributable to owners of the parent	**31**	**30**	**-4**	**15**	**0**	**0**	**594**	**783**
Operating income	637	663	53	85	-3	-3	2,499	2,788
Operating expenses	-319	-328	-242	-280	198	223	-1,242	-1,283
Operating result	**318**	**334**	**-190**	**-195**	**194**	**220**	**1,257**	**1,505**
Risk-weighted assets (credit risk, eop)	27,807	27,573	1,836	1,836	0	0	122,295	124,154
Average allocated capital	4,355	4,922	3,801	6,396	0	0	25,953	28,920
Cost/income ratio	50.0%	49.6%	>100%	>100%	>100%	>100%	49.7%	46.0%
Return on allocated capital	20.8%	19.5%	-0.1%	1.2%			12.8%	14.3%
Total assets (eop)	80,444	82,295	4,610	4,173	-47,173	-48,376	342,921	342,699
Total liabilities excluding equity (eop)	74,139	75,045	3,530	3,084	-47,222	-48,420	316,438	313,377
Impairments	**-17**	**-44**	**0**	**-1**	**0**	**0**	**20**	**-95**
Net impairment loss on financial assets AC/FVOCI and finance lease receivables	-26	-35	-1	-2	0	0	-15	-78
Net impairment loss on commitments and guarantees given	10	-10	1	0	0	0	35	-17
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

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 2023.

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.

Between the 31 December 2023 and 31 March 2024, the credit risk exposure increased by 4% or EUR 15,254 million.

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

in EUR million	Credit risk exposure	Allowances	Adjustments	Carrying amount
Mar 24				
Cash and cash balances - demand deposits to credit institutions	2,059	-1	0	2,058
Instruments HfT	9,103	0	0	9,103
Non-trading debt instruments at FVPL	2,534	0	0	2,534
Debt securities	1,500	0	0	1,500
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,035	0	0	1,035
Debt instruments at FVOCI	8,649	-14	-25	8,611
Debt securities	8,649	-14	-25	8,611
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	281,104	-4,012	0	277,092
Debt securities	46,665	-17	0	46,647
Loans and advances to banks	30,887	-12	0	30,874
Loans and advances to customers	203,552	-3,982	0	199,570
Trade and other receivables	2,473	-52	0	2,421
Finance lease receivables	5,152	-92	0	5,060
Debt instruments held for sale in disposal groups	0	0	0	0
Positive fair value of hedge accounting derivatives	157	0	0	157
Off balance-sheet exposures	68,473	-439	0	0
Total	**379,704**	**-4,610**	**-25**	**307,036**
Dec 23				
Cash and cash balances - demand deposits to credit institutions	901	-2	0	899
Instruments HfT	8,627	0	0	8,627
Non-trading debt instruments at FVPL	2,590	0	0	2,590
Debt securities	1,551	0	0	1,551
Loans and advances to banks	0	0	0	0
Loans and advances to customers	1,038	0	0	1,038
Debt instruments at FVOCI	8,851	-14	-43	8,794
Debt securities	8,851	-14	-43	8,794
Loans and advances to banks	0	0	0	0
Loans and advances to customers	0	0	0	0
Debt instruments at AC	268,664	-3,944	0	264,721
Debt securities	44,064	-17	0	44,047
Loans and advances to banks	21,444	-12	0	21,432
Loans and advances to customers	203,156	-3,915	0	199,241
Trade and other receivables	2,642	-63	0	2,579
Finance lease receivables	5,059	-90	0	4,970
Debt instruments held for sale in disposal groups	153	-4	0	150
Positive fair value of hedge accounting derivatives	183	0	0	183
Off balance-sheet exposures	66,779	-440	0	0
Total	**364,450**	**-4,556**	**-43**	**293,512**

Credit loss allowances comprise impairments for financial assets measured at amortised cost (including finance lease and trade and other receivables) and at fair value through other comprehensive income (FVOCI), as well as credit loss allowances and provisions for off-balance sheet exposures. Adjustments refer to the fair value changes of the carrying amount for financial assets at FVOCI.

Credit risk exposure by industry and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Mar 24					
Natural resources & commodities	10,778	2,403	469	363	14,013
Energy	16,553	1,110	345	39	18,048
Construction and building materials	13,344	3,161	720	363	17,589
Automotive	6,567	1,042	344	130	8,083
Cyclical cconsumer products	6,501	1,520	534	346	8,901
Non-cyclical consumer products	8,896	1,625	295	153	10,969
Machinery	5,767	1,002	187	231	7,187
Transportation	7,487	1,149	221	135	8,992
TMT	6,743	893	138	155	7,929
Healthcare & services	9,181	1,723	373	223	11,500
Hotels & leisure industry	7,343	1,658	431	394	9,826
Real estate	36,673	6,057	1,357	1,016	45,103
Public sector	83,962	334	72	77	84,445
Financial institutions	27,612	972	657	31	29,273
Private households	82,659	10,128	3,139	1,608	97,534
Other	204	15	90	3	312
Total	**330,272**	**34,792**	**9,373**	**5,267**	**379,704**

Dec 23					
Natural resources & commodities	10,984	2,219	454	408	14,064
Energy	15,235	1,430	365	47	17,077
Construction and building materials	13,498	2,951	657	376	17,481
Automotive	6,776	1,021	295	134	8,227
Cyclical cconsumer products	6,911	1,562	533	330	9,336
Non-cyclical consumer products	8,822	1,603	302	163	10,891
Machinery	5,719	896	177	226	7,018
Transportation	7,286	1,040	175	132	8,632
TMT	6,855	723	144	151	7,873
Healthcare & services	8,382	1,697	341	226	10,645
Hotels & leisure industry	7,272	1,688	420	404	9,784
Real estate	36,906	6,156	1,157	869	45,089
Public sector	71,670	370	64	78	72,182
Financial institutions	26,008	872	686	33	27,599
Private households	83,309	10,126	3,177	1,562	98,173
Other	233	30	112	5	380
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

Credit risk exposure by region and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Mar 24					
Core markets	**277,342**	**32,251**	**8,220**	**4,667**	**322,481**
Austria	121,214	11,884	3,617	2,631	139,346
Czech Republic	78,480	7,446	1,569	787	88,281
Romania	22,048	3,407	668	349	26,471
Slovakia	24,989	3,933	1,353	391	30,666
Hungary	15,018	2,718	537	180	18,453
Croatia	11,760	2,147	380	273	14,560
Serbia	3,833	716	97	58	4,704
Other EU	**32,765**	**1,415**	**512**	**380**	**35,072**
Other industrialised countries	**14,647**	**181**	**78**	**28**	**14,934**
Emerging markets	**5,518**	**946**	**562**	**192**	**7,217**
Southeastern Europe/CIS	3,088	839	213	114	4,254
Asia	1,778	69	9	10	1,866
Latin America	282	1	1	0	284
Middle East/Africa	369	37	340	68	813
Total	**330,272**	**34,792**	**9,373**	**5,267**	**379,704**
Dec 23					
Core markets	**267,695**	**31,998**	**7,960**	**4,538**	**312,190**
Austria	120,585	11,701	3,526	2,432	138,245
Czech Republic	71,296	7,452	1,541	816	81,105
Romania	20,956	3,406	605	373	25,339
Slovakia	24,871	3,873	1,309	378	30,431
Hungary	15,013	2,572	505	191	18,281
Croatia	11,186	2,329	382	287	14,185
Serbia	3,787	665	92	60	4,605
Other EU	**31,179**	**1,268**	**468**	**387**	**33,302**
Other industrialised countries	**11,733**	**156**	**78**	**27**	**11,995**
Emerging markets	**5,258**	**962**	**552**	**192**	**6,963**
Southeastern Europe/CIS	3,036	855	222	113	4,226
Asia	1,628	74	6	10	1,717
Latin America	236	1	1	0	238
Middle East/Africa	358	33	324	68	782
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

The 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
Mar 24					
Austria	**173,370**	**14,115**	**4,587**	**3,197**	**195,268**
EBOe & Subsidiaries	47,504	3,382	1,159	841	52,887
Savings Banks	65,921	9,605	2,636	1,941	80,102
Other Austria	59,945	1,127	793	415	62,280
Central and Eastern Europe	**145,324**	**20,629**	**4,760**	**2,071**	**172,784**
Czech Republic	78,255	7,605	1,653	825	88,337
Romania	19,967	3,371	676	352	24,366
Slovakia	22,488	4,028	1,413	388	28,317
Hungary	8,970	2,656	529	173	12,328
Croatia	12,409	2,289	404	275	15,377
Serbia	3,235	681	86	57	4,058
Other	**11,578**	**48**	**26**	**0**	**11,652**
Total	**330,272**	**34,792**	**9,373**	**5,267**	**379,704**
Dec 23					
Austria	**168,910**	**13,815**	**4,414**	**2,997**	**190,136**
EBOe & Subsidiaries	47,230	3,392	1,155	765	52,542
Savings Banks	66,135	9,506	2,478	1,821	79,939
Other Austria	55,545	918	781	411	57,655
Central and Eastern Europe	**136,959**	**20,531**	**4,594**	**2,145**	**164,229**
Czech Republic	71,121	7,596	1,596	853	81,166
Romania	19,065	3,412	618	382	23,477
Slovakia	22,437	3,914	1,396	375	28,123
Hungary	9,402	2,514	489	185	12,589
Croatia	11,782	2,450	415	291	14,937
Serbia	3,152	645	81	59	3,937
Other	**9,997**	**37**	**49**	**2**	**10,085**
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

Credit risk exposure by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Mar 24					
Retail	65,713	11,481	3,505	1,545	82,244
Corporates	105,752	13,161	2,588	1,775	123,276
Group Markets	26,908	470	541	0	27,920
ALM & LCC	65,887	72	79	6	66,045
Savings Banks	65,921	9,605	2,636	1,941	80,102
GCC	89	2	26	0	118
Total	**330,272**	**34,792**	**9,373**	**5,267**	**379,704**
Dec 23					
Retail	65,966	11,588	3,470	1,509	82,533
Corporates	104,163	12,827	2,460	1,805	121,254
Group Markets	23,066	382	520	0	23,967
ALM & LCC	56,433	76	80	6	56,596
Savings Banks	66,135	9,506	2,478	1,821	79,939
GCC	104	4	49	2	160
Total	**315,865**	**34,383**	**9,058**	**5,144**	**364,450**

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
Mar 24						
Austria	**148,523**	**29,451**	**3,118**	**66**	**14,111**	**195,268**
EBOe & Subsidiaries	44,326	7,109	827	16	609	52,887
Savings Banks	59,596	16,338	1,896	50	2,221	80,102
Other Austria	44,600	6,005	394	0	11,281	62,280
Central and Eastern Europe	**143,140**	**16,066**	**1,864**	**324**	**11,389**	**172,784**
Czech Republic	76,174	7,230	715	93	4,125	88,337
Romania	19,601	3,319	340	38	1,069	24,366
Slovakia	22,763	1,943	362	123	3,125	28,317
Hungary	9,029	1,155	149	33	1,962	12,328
Croatia	12,528	2,077	259	19	494	15,377
Serbia	3,045	342	39	18	614	4,058
Other	**11,599**	**1**	**0**	**0**	**52**	**11,652**
Total	**303,262**	**45,519**	**4,982**	**391**	**25,552**	**379,704**
Dec 23						
Austria	**143,871**	**29,852**	**2,923**	**72**	**13,419**	**190,136**
EBOe & Subsidiaries	44,173	7,032	746	21	570	52,542
Savings Banks	58,970	16,983	1,775	50	2,161	79,939
Other Austria	40,728	5,837	403	0	10,687	57,655
Central and Eastern Europe	**134,811**	**16,098**	**1,902**	**360**	**11,058**	**164,229**
Czech Republic	69,299	7,015	746	90	4,014	81,166
Romania	18,882	3,522	335	73	664	23,477
Slovakia	22,549	1,993	350	121	3,109	28,123
Hungary	9,336	1,105	156	35	1,957	12,589
Croatia	12,060	2,125	271	23	458	14,937
Serbia	2,685	337	42	18	855	3,937
Other	**10,029**	**3**	**2**	**0**	**51**	**10,085**
Total	**288,711**	**45,953**	**4,827**	**431**	**24,527**	**364,450**

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
Mar 24						
Retail	70,088	9,385	1,480	117	1,173	82,244
Corporates	90,166	19,327	1,599	223	11,962	123,276
Group Markets	17,614	344	0	0	9,962	27,920
ALM & LCC	65,730	124	6	0	184	66,045
Savings Banks	59,596	16,338	1,896	50	2,221	80,102
GCC	67	1	0	0	49	118
Total	**303,262**	**45,519**	**4,982**	**391**	**25,552**	**379,704**
Dec 23						
Retail	70,058	9,742	1,446	116	1,172	82,533
Corporates	89,235	18,761	1,599	265	11,395	121,254
Group Markets	14,086	309	0	0	9,572	23,967
ALM & LCC	56,256	155	6	0	179	56,596
Savings Banks	58,970	16,983	1,775	50	2,161	79,939
GCC	106	3	2	0	49	160
Total	**288,711**	**45,953**	**4,827**	**431**	**24,527**	**364,450**

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

The defaulted part of POCI amounted to EUR 195 million (EUR 234 million), the non-defaulted part to EUR 196 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 2023, 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 24						**Mar 24**
Stage 1	-10	-1	1	0	0	0	-10
Stage 2	-3	0	0	-1	0	0	-3
Stage 3	-4	0	0	0	0	0	-4
Total	**-17**	**-1**	**1**	**-1**	**0**	**0**	**-17**
	Jan 23						**Mar 23**
Stage 1	-13	-2	1	0	0	0	-14
Stage 2	-5	0	0	0	0	0	-6
Stage 3	-3	0	0	0	-1	0	-4
Total	**-22**	**-2**	**1**	**0**	**-1**	**0**	**-24**

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 24						**Mar 24**
Stage 1	-8	-5	1	0	0	0	-12
Stage 2	-3	0	2	0	1	0	-1
Stage 3	0	0	0	0	0	0	0
Total	**-12**	**-5**	**3**	**0**	**1**	**0**	**-12**
	Jan 23						**Mar 23**
Stage 1	-6	-6	3	0	2	0	-7
Stage 2	0	0	0	0	-3	0	-3
Stage 3	0	0	0	0	0	0	0
Total	**-6**	**-6**	**3**	**0**	**-1**	**0**	**-10**

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 24							Mar 24
Stage 1	**-357**	**-75**	**26**	**195**	**-151**	**0**	**2**	**-360**
General governments	-5	-1	0	1	0	0	0	-5
Other financial corporations	-9	-3	1	7	-7	0	0	-10
Non-financial corporations	-188	-44	17	72	-44	0	1	-186
Households	-155	-28	7	115	-100	0	2	-159
Stage 2	**-1,401**	**-126**	**107**	**-225**	**202**	**0**	**7**	**-1,435**
General governments	-19	0	0	-1	1	0	0	-19
Other financial corporations	-10	-9	1	-6	11	0	0	-13
Non-financial corporations	-835	-106	86	-104	74	0	2	-883
Households	-536	-11	20	-114	117	0	5	-520
Stage 3	**-2,072**	**-61**	**127**	**-31**	**-126**	**40**	**20**	**-2,102**
General governments	-5	0	0	0	1	0	0	-5
Other financial corporations	-28	0	0	0	0	1	0	-27
Non-financial corporations	-1,082	-47	98	-20	-60	7	9	-1,095
Households	-957	-13	29	-11	-67	33	11	-975
POCI	**-85**	**0**	**2**	**0**	**-3**	**1**	**1**	**-85**
General governments	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-60	0	1	0	0	0	0	-59
Households	-25	0	1	0	-3	1	0	-26
Total	**-3,915**	**-262**	**262**	**-61**	**-78**	**42**	**30**	**-3,982**
	Jan 23							Mar 23
Stage 1	**-335**	**-54**	**16**	**156**	**-109**	**0**	**-4**	**-330**
General governments	-4	-1	0	1	0	0	0	-4
Other financial corporations	-8	-1	0	5	-4	0	0	-8
Non-financial corporations	-162	-32	10	63	-37	0	-1	-159
Households	-161	-20	6	86	-67	0	-3	-159
Stage 2	**-1,415**	**-53**	**43**	**-222**	**243**	**0**	**-6**	**-1,409**
General governments	-28	-2	0	0	11	0	0	-18
Other financial corporations	-20	-1	0	-5	9	0	0	-18
Non-financial corporations	-773	-42	28	-110	115	0	-1	-784
Households	-594	-8	15	-106	108	0	-4	-589
Stage 3	**-1,994**	**-6**	**72**	**-28**	**-113**	**52**	**-13**	**-2,030**
General governments	-1	0	0	0	-5	0	0	-6
Other financial corporations	-37	0	1	0	-2	2	0	-36
Non-financial corporations	-1,043	-5	40	-9	-41	16	-6	-1,047
Households	-913	-2	31	-20	-64	35	-8	-941
POCI	**-86**	**0**	**2**	**0**	**-4**	**0**	**-1**	**-90**
General governments	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	-65	0	0	0	-4	0	0	-68
Households	-22	0	1	0	0	0	-1	-21
Total	**-3,830**	**-114**	**133**	**-95**	**18**	**53**	**-24**	**-3,859**

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 24							**Mar 24**
Stage 1	-11	-3	2	1	0	0	0	-12
Stage 2	-10	0	1	-1	0	0	0	-9
Stage 3	-41	0	1	-2	11	1	0	-31
POCI	-1	0	0	0	0	0	0	-1
Total	**-63**	**-3**	**4**	**-2**	**11**	**1**	**0**	**-52**
	Jan 23							**Mar 23**
Stage 1	-9	-3	2	1	0	0	0	-9
Stage 2	-11	0	1	-1	0	0	0	-11
Stage 3	-44	0	2	0	-3	1	0	-45
POCI	-1	0	0	0	0	0	0	-1
Total	**-65**	**-3**	**4**	**0**	**-2**	**1**	**0**	**-65**

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 24						**Mar 24**
Stage 1	-5	0	1	0	0	0	-3
Stage 2	-9	0	0	0	0	0	-9
Stage 3	-1	0	0	0	-1	0	-2
Total	**-14**	**0**	**1**	**0**	**0**	**0**	**-14**
	Jan 23						**Mar 23**
Stage 1	-7	-1	1	0	0	0	-7
Stage 2	-16	0	0	0	0	0	-16
Stage 3	-1	0	0	-1	1	0	-1
Total	**-24**	**-1**	**1**	**-1**	**1**	**0**	**-24**

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 24							**Mar 24**
Stage 1	-17	-2	0	3	-2	0	0	-17
Stage 2	-33	0	0	-4	4	0	0	-33
Stage 3	-40	0	1	-2	-1	0	0	-41
POCI	0	0	0	0	0	0	0	0
Total	**-90**	**-2**	**1**	**-3**	**1**	**0**	**0**	**-92**
	Jan 23							**Mar 23**
Stage 1	-17	-2	0	2	-1	0	0	-17
Stage 2	-28	0	0	-3	3	0	0	-28
Stage 3	-41	0	2	-1	-2	2	0	-40
POCI	0	0	0	0	0	0	0	0
Total	**-86**	**-2**	**2**	**-1**	**1**	**2**	**0**	**-85**

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 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 2023, group consolidated financial statements, risk and capital management notes.

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 March 2024, Erste Group applied collective staging assessment in case of cyclical industries, identified based on the correlation to economic downturn and in case of selected industries from energy sector (production & distribution of energy and heating), including energy intensive industries (Metals and Chemicals). For more details please refer to the annual report 2023, group consolidated financial statements, risk and capital management, Note 37 Measurement of expected credit loss.

Erste Group evaluates on a quarterly basis the conditions (exit triggers) for applying of collective SICR assessment. Based on this assessment it was concluded that the risk neither passed nor materialized. Therefore, in March 2024, the same rules for collective SICR assessment were applied as in December 2023.

Out of the overall credit risk exposure of EUR 380 billion (EUR 364 billion), portfolio under collective staging assessment represents:
_ EUR 96 billion of cyclical industries, out of which EUR 22 billion is in Stage 2;
_ EUR 17 billion of energy intensive industries, out of which EUR 7 billion is in Stage 2.

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 (EUR 2 billion) and an increase of allocated ECL by EUR 16 million (EUR 19 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 March 2024, the exposure in Stage 2 due to the application of the rules for Ukraine war collective SICR assessment stood for cyclical industries at EUR 9,770 million (EUR 10,232 million) and for energy (intensive) industries at EUR 5,798 million (EUR 6,525 million), with additional ECL allocated in the amount of EUR 191 million (EUR 195 million) for cyclical industries and EUR 46 million (EUR 49 million) for energy (intensive) industries.

As described above, FLI were reassessed in the fourth quarter of 2023. The Stage 2 exposure triggered by FLI slightly increased to EUR 5,432 million as of March 2024 (EUR 5,274 million). The increase of the Stage 2 exposure affected the level of ECL allocated in Stage 2 due to FLI amounted to EUR 501 million as of March 2024 versus EUR 478 million as of December 2023.

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 845 million (EUR 598 million), resulting in an ECL drop by EUR 89 million (EUR 77 million).
The downside scenario would lead to additional EUR 2,356 million of exposure migration to Stage 2 in comparison with scenario weighted FLI (EUR 2,402 million), resulting in an ECL increase of EUR 208 million (EUR 207 million).

For the ECL change a positive sign (+) equals a release while a negative sign (-) equals an allocation. Values presented sensitivities are results of internal simulations.

Forward looking information (FLI) and collective SICR assessment

Impact on credit risk exposure by geographical segment

	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	Cyclical	Energy	PI		Upside scenario	Baseline scenario	Downside scenario
Mar 24										
Austria	**148,523**	**29,451**	**177,974**	**7,093**	**3,284**	**0**	**3,521**	**-1,345**	**-225**	**1,551**
EBOe & Subs.	44,326	7,109	51,435	1,659	402	0	888	-335	-79	456
Savings Banks	59,596	16,338	75,934	4,865	813	0	1,718	-517	-83	854
Other Austria	44,600	6,005	50,605	569	2,068	0	915	-494	-64	242
CEE	**143,140**	**16,066**	**159,206**	**2,677**	**2,514**	**1,277**	**1,911**	**-1,540**	**-620**	**804**
Czechia	76,174	7,230	83,404	1,356	1,247	917	928	-638	-221	486
Slovakia	22,763	1,943	24,706	267	7	0	193	-206	-86	30
Romania	19,601	3,319	22,920	544	289	0	550	-536	-228	184
Hungary	9,029	1,155	10,184	127	427	0	106	-97	-42	59
Croatia	12,528	2,077	14,605	341	467	360	9	-5	-3	4
Serbia	3,045	342	3,387	42	77	0	126	-58	-40	41
Other	**11,599**	**01**	**11,600**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**303,262**	**45,519**	**348,780**	**9,770**	**5,798**	**1,277**	**5,432**	**-2,885**	**-845**	**2,356**
Dec 23										
Austria	**143,871**	**29,852**	**173,723**	**7,592**	**3,984**	**0**	**3,699**	**-1,285**	**-273**	**1,492**
EBOe & Subs.	44,173	7,032	51,205	1,849	413	0	906	-301	-73	508
Savings Banks	58,970	16,983	75,953	5,107	1,559	0	1,747	-494	-69	905
Other Austria	40,728	5,837	46,565	636	2,012	0	1,046	-491	-131	78
CEE	**134,811**	**16,098**	**150,910**	**2,639**	**2,541**	**1,577**	**1,574**	**-1,165**	**-326**	**911**
Czechia	69,299	7,015	76,315	1,390	1,156	1,224	621	-346	-36	485
Slovakia	22,549	1,993	24,543	260	16	0	175	-193	-43	19
Romania	18,882	3,522	22,404	582	282	0	514	-469	-162	189
Hungary	9,336	1,105	10,441	60	469	0	110	-100	-50	64
Croatia	12,060	2,125	14,185	308	521	353	28	-13	-5	112
Serbia	2,685	337	3,022	39	97	0	127	-44	-29	43
Other	**10,029**	**3**	**10,032**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**288,711**	**45,953**	**334,664**	**10,232**	**6,525**	**1,577**	**5,274**	**-2,450**	**-598**	**2,402**

Impact on credit loss allowances by geographical segment

in EUR million	Stage 1	Stage 2	Total	Cyclical	Energy	PI	FLI shifts	Upside scenario	Baseline scenario	Downside scenario
	Current status - parameters (FLI shifted)			Out of which: Collective assessment due to			Out of which: FLI shifts	Simulations - difference to FLI shifts effect		
Mar 24										
Austria	**-169**	**-798**	**-967**	**-108**	**-26**	**0**	**-217**	**70**	**17**	**-110**
EBOe & Subs.	-36	-176	-213	-25	-3	0	-48	16	4	-26
Savings Banks	-90	-529	-620	-78	-12	0	-137	34	7	-59
Other Austria	-42	-93	-135	-5	-11	0	-31	21	6	-26
CEE	**-327**	**-917**	**-1,244**	**-83**	**-21**	**-16**	**-285**	**185**	**72**	**-97**
Czechia	-108	-320	-428	-39	-10	-11	-110	37	10	-31
Slovakia	-43	-114	-158	-8	-0	0	-1	7	4	-2
Romania	-99	-321	-420	-19	-3	0	-128	122	50	-52
Hungary	-28	-55	-83	-2	-2	0	-23	15	7	-8
Croatia	-37	-90	-127	-13	-5	-5	-13	2	1	-1
Serbia	-12	-16	-28	-1	-1	0	-9	2	1	-3
Other	**-2**	**0**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**-498**	**-1,716**	**-2,214**	**-191**	**-46**	**-16**	**-501**	**255**	**89**	**-208**
Dec 23										
Austria	**-167**	**-755**	**-923**	**-113**	**-27**	**0**	**-204**	**65**	**15**	**-104**
EBOe & Subs.	-38	-160	-198	-24	-3	0	-43	14	3	-24
Savings Banks	-88	-508	-596	-84	-17	0	-128	31	7	-56
Other Austria	-41	-88	-129	-4	-8	0	-33	20	5	-24
CEE	**-326**	**-911**	**-1,237**	**-82**	**-21**	**-19**	**-274**	**173**	**61**	**-103**
Czechia	-108	-316	-424	-40	-8	-14	-100	28	3	-30
Slovakia	-42	-115	-157	-9	-0	0	-2	8	4	-2
Romania	-100	-316	-416	-22	-2	0	-124	116	44	-52
Hungary	-28	-54	-82	-1	-2	0	-25	15	7	-8
Croatia	-36	-94	-130	-11	-8	-5	-14	3	1	-8
Serbia	-11	-16	-27	-1	-1	0	-9	3	2	-3
Other	**-2**	**0**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**-495**	**-1,666**	**-2,161**	**-195**	**-49**	**-19**	**-478**	**238**	**77**	**-207**

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
Mar 24					
Austria	**103,201**	**11,519**	**3,638**	**3,002**	**121,360**
EBOe & Subsidiaries	36,608	2,897	1,064	804	41,372
Savings Banks	46,479	8,038	2,358	1,854	58,728
Other Austria	20,115	585	216	344	21,260
Central and Eastern Europe	**68,482**	**16,310**	**4,059**	**1,931**	**90,782**
Czech Republic	33,033	6,229	1,384	758	41,404
Romania	9,445	2,190	556	330	12,522
Slovakia	14,332	3,311	1,237	370	19,250
Hungary	2,995	2,258	473	149	5,875
Croatia	7,037	1,922	349	268	9,576
Serbia	1,640	400	60	56	2,155
Other	35	22	13	0	70
Total	**171,718**	**27,851**	**7,710**	**4,933**	**212,212**
Dec 23					
Austria	**102,984**	**11,568**	**3,473**	**2,803**	**120,828**
Erste Bank Oesterreich & Subsidiaries	36,303	2,906	1,067	724	41,000
Savings Banks	47,015	8,022	2,177	1,732	58,946
Other Austria	19,667	640	228	347	20,882
Central and Eastern Europe	**68,775**	**16,378**	**3,881**	**1,979**	**91,013**
Czech Republic	33,377	6,255	1,317	771	41,720
Romania	9,324	2,212	496	354	12,386
Slovakia	14,418	3,258	1,200	357	19,232
Hungary	3,344	2,116	449	156	6,065
Croatia	6,694	2,103	361	282	9,439
Serbia	1,619	435	58	59	2,171
Other	35	13	5	2	56
Total	**171,794**	**27,959**	**7,359**	**4,784**	**211,898**

Loans and advances to customers by business segment and risk category

in EUR million	Low risk	Management attention	Substandard	Non-performing	Total
Mar 24					
Retail	59,071	10,605	3,293	1,525	74,495
Corporates	64,901	9,147	1,990	1,547	77,585
Group Markets	1,030	32	7	0	1,069
ALM & LCC	234	28	50	6	318
Savings Banks	46,479	8,038	2,358	1,854	58,728
GCC	2	2	13	0	17
Total	**171,718**	**27,851**	**7,710**	**4,933**	**212,212**
Dec 23					
Retail	59,182	10,709	3,268	1,489	74,648
Corporates	64,560	9,170	1,850	1,554	77,135
Group Markets	689	12	6	0	707
ALM & LCC	348	43	52	6	449
Savings Banks	47,015	8,022	2,177	1,732	58,946
GCC	0	4	5	2	12
Total	**171,794**	**27,959**	**7,359**	**4,784**	**211,898**

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
Mar 24												
Austria	**3,002**	**3,002**	**121,360**	**121,332**	**-1,765**	**1,765**	**1,765**	**2.5%**	**2.5%**	**58.8%**	**58.8%**	**58.8%**
EBOe & Subs	804	804	41,372	41,364	-419	484	484	1.9%	1.9%	52.1%	60.2%	60.2%
Savings Banks	1,854	1,854	58,728	58,727	-1,161	1,120	1,120	3.2%	3.2%	62.6%	60.4%	60.4%
Other Austria	344	344	21,260	21,241	-185	161	161	1.6%	1.6%	53.7%	46.8%	46.8%
CEE	**1,931**	**1,928**	**90,782**	**89,776**	**-2,361**	**745**	**742**	**2.1%**	**2.1%**	**122.5%**	**38.6%**	**38.5%**
Czech Republic	758	758	41,404	41,404	-846	254	254	1.8%	1.8%	111.6%	33.4%	33.4%
Romania	330	330	12,522	12,522	-618	110	110	2.6%	2.6%	187.0%	33.2%	33.2%
Slovakia	370	370	19,250	19,250	-377	183	183	1.9%	1.9%	101.7%	49.5%	49.5%
Hungary	149	145	5,875	4,869	-170	60	57	2.5%	3.0%	116.9%	40.6%	39.1%
Croatia	268	268	9,576	9,576	-289	125	125	2.8%	2.8%	108.0%	46.7%	46.7%
Serbia	56	56	2,155	2,155	-62	13	13	2.6%	2.6%	110.5%	23.2%	23.2%
Other	0	0	70	70	-1	0	0	0.2%	0.2%	340.9%	0.0%	0.0%
Total	**4,933**	**4,929**	**212,212**	**211,178**	**-4,126**	**2,510**	**2,506**	**2.3%**	**2.3%**	**83.7%**	**50.9%**	**50.8%**
Dec 23												
Austria	**2,803**	**2,803**	**120,828**	**120,800**	**-1,712**	**1,633**	**1,633**	**2.3%**	**2.3%**	**61.1%**	**58.3%**	**58.3%**
EBOe & Subs	724	724	41,000	40,992	-403	411	411	1.8%	1.8%	55.6%	56.7%	56.7%
Savings Banks	1,732	1,732	58,946	58,944	-1,122	1,057	1,057	2.9%	2.9%	64.8%	61.0%	61.0%
Other Austria	347	347	20,882	20,864	-188	166	166	1.7%	1.7%	54.0%	47.8%	47.8%
CEE	**1,979**	**1,975**	**91,013**	**90,003**	**-2,355**	**763**	**760**	**2.2%**	**2.2%**	**119.2%**	**38.5%**	**38.5%**
Czech Republic	771	771	41,720	41,719	-857	258	258	1.8%	1.8%	111.1%	33.4%	33.4%
Romania	354	354	12,386	12,386	-596	115	115	2.9%	2.9%	168.5%	32.6%	32.6%
Slovakia	357	357	19,232	19,232	-363	183	183	1.9%	1.9%	101.6%	51.2%	51.2%
Hungary	156	153	6,065	5,056	-172	65	62	2.6%	3.0%	112.8%	41.8%	40.7%
Croatia	282	282	9,439	9,439	-303	129	129	3.0%	3.0%	107.6%	45.6%	45.6%
Serbia	59	59	2,171	2,171	-64	13	13	2.7%	2.7%	108.8%	22.8%	22.8%
Other	2	2	56	56	0	0	0	4.1%	4.1%	20.1%	0.0%	0.0%
Total	**4,784**	**4,781**	**211,898**	**210,858**	**-4,068**	**2,396**	**2,393**	**2.3%**	**2.3%**	**85.1%**	**50.1%**	**50.1%**

Non-performing loans and advances to customers by business 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
Mar 24												
Retail	1,525	1,522	74,495	73,487	-1,569	612	609	2.0%	2.1%	103.1%	40.2%	40.0%
Corporates	1,547	1,547	77,585	77,560	-1,379	777	777	2.0%	2.0%	89.1%	50.2%	50.2%
Group Markets	0	0	1,069	1,069	-4	0	0	0.0%	0.0%	108188.0%	0.0%	0.0%
ALM & LCC	6	6	318	318	-13	0	0	1.9%	1.9%	210.3%	0.9%	0.9%
Savings Banks	1,854	1,854	58,728	58,727	-1,161	1,120	1,120	3.2%	3.2%	62.6%	60.4%	60.4%
GCC	0	0	17	17	0	0	0	0.9%	0.9%	272.0%	0.0%	0.0%
Total	**4,933**	**4,929**	**212,212**	**211,178**	**-4,126**	**2,510**	**2,506**	**2.3%**	**2.3%**	**83.7%**	**50.9%**	**50.8%**
Dec 23												
Retail	1,489	1,486	74,648	73,637	-1,543	606	603	2.0%	2.0%	103.8%	40.7%	40.6%
Corporates	1,554	1,554	77,135	77,111	-1,389	734	734	2.0%	2.0%	89.4%	47.2%	47.2%
Group Markets	0	0	707	707	-1	0	0	0.0%	0.0%	6865.9%	0.0%	0.0%
ALM & LCC	6	6	449	448	-13	0	0	1.4%	1.4%	204.9%	0.9%	0.9%
Savings Banks	1,732	1,732	58,946	58,944	-1,122	1,057	1,057	2.9%	2.9%	64.8%	61.0%	61.0%
GCC	2	2	12	12	0	0	0	18.9%	18.9%	16.7%	0.0%	0.0%
Total	**4,784**	**4,781**	**211,898**	**210,858**	**-4,068**	**2,396**	**2,393**	**2.3%**	**2.3%**	**85.1%**	**50.1%**	**50.1%**

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

	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
Mar 24											
Austria	**93,540**	**24,769**	**2,958**	**66**	**-116**	**-652**	**-997**	**0**	**2.6%**	**33.7%**	**0.0%**
EBOe & Subs	34,437	6,120	790	16	-28	-145	-247	0	2.4%	31.2%	0.0%
Savings Banks	42,723	14,131	1,823	49	-70	-448	-643	0	3.2%	35.3%	0.0%
Other AT	16,380	4,517	344	0	-19	-59	-108	0	1.3%	31.3%	0.0%
CEE	**74,685**	**12,996**	**1,781**	**314**	**-273**	**-826**	**-1,177**	**-85**	**6.4%**	**66.1%**	**27.2%**
Czech Republic	34,764	5,863	685	92	-97	-300	-426	-23	5.1%	62.2%	25.2%
Romania	9,660	2,507	319	35	-78	-273	-259	-7	10.9%	81.2%	19.6%
Slovakia	16,978	1,799	355	118	-39	-109	-202	-27	6.0%	56.8%	22.8%
Hungary	3,930	777	130	32	-21	-48	-93	-8	6.1%	71.3%	25.1%
Croatia	7,526	1,777	253	19	-28	-81	-169	-12	4.6%	66.7%	61.3%
Serbia	1,827	272	38	18	-10	-15	-28	-9	5.6%	72.5%	48.7%
Other	**69**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0%**	**76.9%**	**0.0%**
Total	**168,293**	**37,766**	**4,738**	**380**	**-389**	**-1,477**	**-2,174**	**-85**	**3.9%**	**45.9%**	**22.5%**
Dec 23											
Austria	**92,808**	**25,167**	**2,754**	**71**	**-118**	**-621**	**-973**	**0**	**2.5%**	**35.4%**	**0.0%**
EBOe & Subs	34,236	6,029	706	21	-30	-133	-239	0	2.2%	33.9%	0.0%
Savings Banks	42,591	14,603	1,701	50	-70	-429	-624	0	2.9%	36.7%	0.0%
Other AT	15,981	4,536	347	0	-19	-59	-110	0	1.3%	31.8%	0.0%
CEE	**74,389**	**13,471**	**1,795**	**349**	**-267**	**-823**	**-1,180**	**-86**	**6.1%**	**65.7%**	**24.7%**
Czech Republic	34,874	6,055	703	88	-96	-298	-441	-23	4.9%	62.7%	25.6%
Romania	9,371	2,637	307	71	-75	-268	-246	-7	10.2%	80.0%	10.4%
Slovakia	16,926	1,847	344	115	-38	-109	-190	-26	5.9%	55.3%	22.3%
Hungary	4,052	834	136	34	-21	-48	-94	-9	5.8%	69.4%	26.7%
Croatia	7,351	1,802	263	23	-27	-85	-179	-13	4.7%	67.9%	55.2%
Serbia	1,815	297	42	18	-10	-15	-30	-9	5.0%	72.2%	49.7%
Other	**50**	**3**	**2**	**0**	**0**	**0**	**0**	**0**	**0.0%**	**3.5%**	**0.0%**
Total	**167,247**	**38,641**	**4,551**	**420**	**-385**	**-1,443**	**-2,153**	**-86**	**3.7%**	**47.3%**	**20.5%**

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

The defaulted part of POCI loans amounted to EUR 191 million (EUR 230 million), the non-defaulted part to EUR 189 million (EUR 189 million).

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

	Loans to customers				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
Mar 24											
Retail	63,366	8,546	1,463	113	-158	-516	-867	-27	6.0%	59.3%	24.2%
Corporates	61,119	14,777	1,446	217	-158	-505	-658	-58	3.4%	45.5%	26.6%
Group Markets	783	286	0	0	-1	-3	0	0	1.0%	76.8%	100.0%
ALM & LCC	287	24	6	0	-2	-5	-6	0	19.8%	96.6%	94.2%
Savings Banks	42,723	14,131	1,823	49	-70	-448	-643	0	3.2%	35.3%	0.0%
GCC	16	1	0	0	0	0	0	0	0.0%	76.9%	0.0%
Total	**168,293**	**37,766**	**4,738**	**380**	**-389**	**-1,477**	**-2,174**	**-85**	**3.9%**	**45.9%**	**22.5%**
Dec 23											
Retail	63,169	8,929	1,428	111	-153	-521	-843	-26	5.8%	59.0%	23.6%
Corporates	60,480	14,958	1,414	259	-160	-488	-681	-60	3.3%	48.2%	23.1%
Group Markets	592	115	0	0	-1	0	0	0	0.4%	10.7%	100.0%
ALM & LCC	409	33	6	0	-2	-5	-6	0	14.9%	97.9%	94.2%
Savings Banks	42,591	14,603	1,701	50	-70	-429	-624	0	2.9%	36.7%	0.0%
GCC	7	3	2	0	0	0	0	0	0.0%	3.5%	0.0%
Total	**167,247**	**38,641**	**4,551**	**420**	**-385**	**-1,443**	**-2,153**	**-86**	**3.7%**	**47.3%**	**20.5%**

Loans and advances to customers by geographical segment and currency

in EUR million	EUR	CEE-LCY	CHF	USD	Other	Total
Mar 24						
Austria	**114,094**	**0**	**1,691**	**3,098**	**2,477**	**121,360**
Erste Bank Oesterreich & Subsidiaries	40,603	0	697	51	21	41,372
Savings Banks	56,310	0	954	73	1,391	58,728
Other Austria	17,182	0	39	2,974	1,065	21,260
Central and Eastern Europe	**44,069**	**46,438**	**10**	**181**	**84**	**90,782**
Czech Republic	8,213	33,047	1	73	70	41,404
Romania	3,648	8,779	0	94	0	12,522
Slovakia	19,234	0	0	2	14	19,250
Hungary	1,796	4,076	0	2	0	5,875
Croatia	9,560	0	8	8	0	9,576
Serbia	1,618	536	0	1	0	2,155
Other	**17**	**24**	**0**	**0**	**28**	**70**
Total	**158,180**	**46,463**	**1,700**	**3,279**	**2,590**	**212,212**
Dec 23						
Austria	**113,703**	**0**	**1,857**	**2,809**	**2,459**	**120,828**
Erste Bank Oesterreich & Subsidiaries	40,159	0	780	38	23	41,000
Savings Banks	56,539	0	1,045	57	1,305	58,946
Other Austria	17,006	0	32	2,714	1,131	20,882
Central and Eastern Europe	**43,681**	**47,052**	**11**	**183**	**86**	**91,013**
Czech Republic	7,902	33,685	1	63	69	41,720
Romania	3,782	8,497	0	105	1	12,386
Slovakia	19,214	0	0	3	15	19,232
Hungary	1,698	4,365	0	2	0	6,065
Croatia	9,423	0	8	8	0	9,439
Serbia	1,662	506	0	2	0	2,171
Other	**12**	**0**	**0**	**5**	**39**	**56**
Total	**157,396**	**47,052**	**1,867**	**2,998**	**2,584**	**211,898**

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 23	Mar 24
Interest	7	6
Currency	1	1
Shares	1	1
Commodity	0	0
Volatility	1	1
Total	**7**	**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 2024 Erste Group Bank AG Holding budgeted long-term issuance in the amount of EUR 4.0 billion. In the first three months of 2024 about EUR 2.6 billion were issued, thereof two benchmark covered bonds. The liquidity situation remained stable also in the CEE entities and did not show any significant negative impacts due to the war in Ukraine. On group level, total TLTRO participation was reduced to EUR 2.6 billion.

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 31 March 2024, the leverage ratio for Erste Group Bank AG at consolidated level amounted to 6.8%, comfortably above the 3.0% minimum requirement defined in Article 92 Capital Requirements Regulation (CRR). Tier 1 capital amounted to EUR 25.0 billion at the reference date, while total leverage exposure stood at EUR 364.7 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) 2019/876 (CRR2) of the European Parliament and of the Council of 20 May 2019.

30. Related party transactions

The foundation DIE ERSTE oesterreichische Spar-Casse Privatstiftung (Privatstiftung) controls a total of 25.27% 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 7 million (EUR 16 million). Privatstiftung did not hold bonds issued by Erste Group Bank AG (as in 2023), consequently there were no interest expenses for Erste Group. Furthermore, 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 2023 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 12 million (2023: EUR 14 million) and the total DVA-adjustment amounted to EUR 10 million (2023: EUR 12 million).

Based on an analysis carried out by Erste Group it was decided that for the valuation of OTC derivatives no Funding Value Adjustment ('FVA') would be considered.

Validation and control

The responsibility for valuation of financial instruments measured at fair value is independent of the trading units. In addition, Erste Group has implemented an independent validation function in order to ensure separation between units responsible for model development, fair value measurement and validation. The aim of independent model validation is to evaluate model risks arising from the models' theoretical foundation, the appropriateness of input data (market data) and model calibration.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value are categorized under the three levels of the IFRS fair value hierarchy.

Level 1 of the fair value hierarchy

Level 1 measurements include exchange traded derivatives (options), shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

Level 2 of the fair value hierarchy

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as Level 2. If no market prices are available the fair value is measured by using valuation models which are based on observable market data. For Level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters.

Level 2 measurements include OTC derivatives, theoretically priced exchange traded derivatives, less liquid shares, bonds and funds as well as asset backed securities (ABS), collateralized debt obligations (CDO), own issues and deposits.

Level 3 of the fair value hierarchy

If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as Level 3 of the fair value hierarchy. Typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters. Furthermore, internally calculated cost of equity and adjustments made on the equity (in the adjusted net asset value method) are unobservable parameters for the valuation of non-trading equity instruments.

The volume of Level 3 financial assets can be allocated to the following categories:

- Derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs).
- Illiquid bonds, shares, participations and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.
- Loans which do not comply with the contractual cash flow criteria.
- Fund units issued by investment funds fully consolidated by Erste Group as well as 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 23 Level 1	Dec 23 Level 2	Dec 23 Level 3	Dec 23 Total	Mar 24 Level 1	Mar 24 Level 2	Mar 24 Level 3	Mar 24 Total
Assets								
Financial assets HfT	2,816	5,817	139	8,773	6,452	2,760	130	9,342
Derivatives	1	1,186	75	1,262	2	1,035	68	1,105
Other financial assets held for trading	2,816	4,631	64	7,511	6,450	1,725	62	8,237
Non trading financial assets - FVPL	1,404	156	1,444	3,004	1,346	157	1,462	2,965
Equity instruments	65	17	333	415	65	14	351	430
Debt securities	1,339	139	73	1,551	1,280	143	76	1,500
Loans and advances	0	0	1,038	1,038	0	0	1,035	1,035
Financial assets at FVOCI	7,319	1,194	392	8,905	7,169	1,276	265	8,710
Hedge accounting derivatives	0	183	0	183	0	157	0	157
Total assets	**11,540**	**7,350**	**1,975**	**20,864**	**14,967**	**4,350**	**1,857**	**21,174**
Liabilities								
Financial liabilities HfT	607	1,687	10	2,304	517	1,279	9	1,805
Derivatives	3	1,600	10	1,614	5	1,214	9	1,228
Other financial liabilities held for trading	603	86	0	690	512	65	0	577
Financial liabilities at FVPL	0	11,152	0	11,152	0	10,865	0	10,865
Deposits from customers	0	593	0	593	0	158	0	158
Debt securities issued	0	10,429	0	10,429	0	10,572	0	10,572
Other financial liabilities	0	130	0	130	0	135	0	135
Hedge accounting derivatives	0	286	0	286	0	269	0	269
Total liabilities	**607**	**13,125**	**10**	**13,742**	**517**	**12,412**	**9**	**12,939**

Derivatives transacted via Clearing Houses are presented after netting in compliance with their balance sheet treatment. The netted derivatives are allocated to Level 2.

Valuation process for financial instruments categorised as Level 3

The valuation of financial instruments categorized as Level 3 involves one or more significant inputs that are not directly observable on the market. Additional price verification steps need to be done. These may include reviewing relevant historical data and benchmarking for similar transactions, among others. This involves estimation and expert judgment. Further details regarding input parameters used and the results of the sensitivity analysis are disclosed in the sub-chapter Unobservable inputs and sensitivity analysis for Level 3 measurements below.

Changes in volumes of Level 1 and Level 2

Reclassification between Level 1 and Level 2 based on balance sheet positions and instruments

in EUR million	Dec 23 Level 1 to Level 2	Dec 23 Level 2 to Level 1	Mar 24 Level 1 to Level 2	Mar 24 Level 2 to Level 1
Financial assets HfT	**28**	**42**	**11**	**31**
Bonds	28	41	7	22
Funds	0	0	1	0
Shares	0	1	3	9
Non-trading financial assets at FVPL	**3**	**16**	**5**	**12**
Bonds	3	16	3	0
Funds	0	0	0	0
Shares	0	0	2	12
Financial assets at FVOCI	**18**	**268**	**3**	**17**
Bonds	18	268	3	17
Total	**49**	**326**	**19**	**60**

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		Gain/loss in profit or loss	Gain/loss in other comprehensive income	Purchases	Sales	Settlements	Additions to Group	Disposal out of Group	Transfer into Level 3	Transfer out of Level 3	Currency translation	
	Jan 24											Mar 24
Assets												
Financial assets HfT	139	3	0	23	-6	0	0	0	1	-30	0	130
Derivatives	75	3	0	0	0	0	0	0	1	-11	0	68
Other financial assets held for trading	64	0	0	23	-6	0	0	0	0	-19	0	62
Non-trading financial assets at FVPL	1,444	11	0	62	-3	-17	0	0	1	0	-35	1,462
Equity instruments	333	-3	0	23	0	0	0	0	0	0	-2	351
Debt securities	73	5	0	1	-3	0	0	0	1	0	-1	76
Loans and advances	1,038	8	0	38	0	-17	0	0	0	0	-32	1,035
Financial assets at FVOCI	392	0	1	4	0	-15	0	-5	63	-174	-1	265
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	**1,975**	**13**	**1**	**89**	**-9**	**-31**	**0**	**-5**	**66**	**-204**	**-37**	**1,857**
Liabilities												
Financial liabilities HfT	10	1	0	0	0	0	0	0	0	-2	0	9
Derivatives	10	1	0	0	0	0	0	0	0	-2	0	9
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**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-2**	**0**	**9**
	Jan 23											Mar 23
Assets												
Financial assets HfT	313	6	0	130	-3	-221	0	0	18	-59	3	186
Derivatives	32	5	0	0	0	0	0	0	1	-15	0	23
Other financial assets held for trading	281	1	0	130	-3	-221	0	0	16	-44	3	163
Non-trading financial assets at FVPL	1,198	14	0	46	-3	-43	0	0	3	-16	47	1,246
Equity instruments	277	3	0	21	0	0	0	0	0	-9	2	293
Debt securities	82	0	0	5	-3	0	0	0	3	-7	1	82
Loans and advances	839	11	0	19	0	-43	0	0	0	-1	44	870
Financial assets at FVOCI	398	0	3	10	0	-12	0	0	9	-62	0	346
Hedge accounting derivatives	3	0	0	0	0	0	0	0	0	-4	0	0
Total assets	**1,912**	**19**	**3**	**186**	**-6**	**-275**	**0**	**0**	**30**	**-141**	**50**	**1,778**
Liabilities												
Financial liabilities HfT	12	-1	0	0	0	0	0	0	0	-4	0	7
Derivatives	11	-1	0	0	0	0	0	0	0	-4	0	6
Other trading financial liabilities	1	0	0	0	0	0	0	0	0	-1	0	0
Financial liabilities at FVPL	151	4	0	7	-19	0	0	-9	0	0	0	135
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	151	4	0	7	-19	0	0	-9	0	0	0	135
Hedge accounting derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	**163**	**2**	**0**	**8**	**-19**	**0**	**0**	**-9**	**0**	**-4**	**0**	**141**

Transfers into and out of Level 3 mainly result from changes in valuation models with observable or non-observable parameters.

Gains/losses in profit or loss on Level 3 instruments held at the end of the reporting period

in EUR million	1-3 23	1-3 24
Assets		
Financial assets HfT	6	4
Derivatives	5	4
Other financial assets held for trading	1	0
Non-trading financial assets at FVPL	14	11
Equity instruments	3	-2
Debt securities	0	5
Loans and advances	11	7
Financial assets at FVOCI	0	0
Debt securities	0	0
Hedge accounting derivatives	0	0
Total	**20**	**15**
Liabilities		
Financial liabilities HfT	1	-2
Derivatives	1	-2
Financial liabilities at FVPL	-4	0
Other financial liabilities	-4	0
Hedge accounting derivatives	0	0
Total	**-2**	**-2**

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 23	Mar 24	Significant unobservable inputs	Dec 23	Mar 23
Positive / negative fair value of derivatives	Forwards, swaps, options	DCF and option models with CVA adjustment based on potential future exposure	88	53	PD	1.17%-14.87% (2.36%)	1.15%-7.03% (1.82%)
					LGD	60%	60%
	Fixed and variable coupon bonds	DCF	31	49	Credit Spread	-0.78%-2.50% (-0.26%)	-3.66%-9.54% (-0.05%)
Financial assets at FVPL	Loans	DCF	1,038	1,035	PD	1.51%-2.59% (2.00%)	1.51%-2.59% (2.05%)
					LGD	3.50%-15.86% (7.58%)	3.50%-15.51% (7.32%)
Financial assets at FVOCI	Fixed and variable coupon bonds	DCF	212	101	Credit Spread	-0.35%-5.21% (1.35%)	-0.19%-3.56% (1.17%)
		Dividend Discount Model; Simplified Income Approach	209	197	Beta levered	Industries: 0.71-1.15 (0.97)	Industries: 0.71-1.15 (0.97)
					Country risk premium	0.43%-2.69% (0.58%)	0.43%-2.69% (0.59%)
Financial assets at FVOCI / at FVPL	Non-trading equity instruments (participations)	Adjusted Net Asset Value	144	115	Adjusted Equity	Depending on accounting equity of investment	Depending on accounting equity of investment

The range of unobservable credit spreads for fixed and variable coupon bonds contains premiums and discounts related to riskless as well as risky, market observable (e.g. industry- and rating-specific spread curves) parameters.

For financial assets at FVOCI/at FVPL, where Beta levered and Country risk premium inputs are being used, the resulting cost of equity based on these inputs is in the range 5.92%-13.75% (2023: 5.92%-13.75%). The majority of financial assets at FVOCI/at FVPL, where Beta levered inputs are being used, is related to Financial Services (Non-bank & Insurance) with 0.99 (2023: Financial Services (Non-bank & Insurance) with 0.99). The majority of financial assets at FVOCI/at FVPL, where Country risk premium inputs are being used, is related to Austria with 0.43% (2023: Austria with 0.43%).

In addition to the information above, equity instruments with a fair value in amount of EUR 38 million (2023: EUR 37 million) are assessed on the basis of expert opinions.

Furthermore, for equity instruments other than participations classified as Level 3, the amount of EUR 100 million (2023: EUR 38 million) is presented in the statement of financial position using the criteria of availability and quality of broker quotes.

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

	Dec 23		Mar 24	
in EUR million	Positive	Negative	Positive	Negative
Derivatives	2	-2	2	-2
Income statement	2	-2	2	-2
Debt securities	15	-20	12	-16
Income statement	7	-9	7	-9
Other comprehensive income	8	-11	5	-7
Equity instruments	72	-49	69	-50
Income statement	48	-34	48	-37
Other comprehensive income	24	-15	21	-13
Loans and advances	19	-60	18	-59
Income statement	19	-60	18	-59
Total	**108**	**-131**	**101**	**-127**
Income statement	**76**	**-105**	**75**	**-107**
Other comprehensive income	**32**	**-26**	**26**	**-20**

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
Mar 24					
Assets					
Financial assets at AC	277,092	268,808	40,028	3,598	225,183
Loans and advances to banks	30,874	30,814	0	0	30,814
Loans and advances to customers	199,570	193,996	0	0	193,996
Debt securities	46,647	43,998	40,028	3,598	373
Finance lease receivables	5,060	5,041	0	0	5,041
Trade and other receivables	2,421	2,418	0	0	2,418
Liabilities					
Financial liabilities at AC	294,020	292,963	20,362	16,389	256,213
Deposits from banks	19,737	19,464	0	0	19,464
Deposits from customers	235,178	234,648	0	0	234,648
Debt securities issued	37,994	37,739	20,362	16,389	989
Other financial liabilities	1,111	1,112	0	0	1,112
Financial guarantees and commitments					
Financial guarantees	n/a	46	0	0	46
Loan commitments	n/a	539	0	0	539
Dec 23					
Assets					
Financial assets at AC	264,721	256,767	37,583	3,572	215,612
Loans and advances to banks	21,432	21,395	0	0	21,395
Loans and advances to customers	199,241	193,867	0	0	193,867
Debt securities	44,047	41,506	37,583	3,572	351
Finance lease receivables	4,970	4,956	0	0	4,956
Trade and other receivables	2,579	2,642	0	0	2,642
Liabilities					
Financial liabilities at AC	289,842	288,542	19,042	12,837	256,664
Deposits from banks	22,911	22,581	0	0	22,581
Deposits from customers	232,223	231,584	0	0	231,584
Debt securities issued	33,330	32,999	19,042	12,837	1,121
Other financial liabilities	1,378	1,378	0	0	1,378
Financial guarantees and commitments					
Financial guarantees	n/a	17	0	0	17
Loan commitments	n/a	481	0	0	481

In the table above, positive fair values of financial guarantees and commitments are shown with a positive sign whereas negative fair values are shown with a negative sign.

The fair value of loans and advances to customers and credit institutions has been calculated by discounting future cash flows while taking into consideration interest and credit spread effects. The interest rate impact is based on the movements of market rates, while credit spread changes are derived from PDs and LGDs used for internal risk calculations. Loans and advances were grouped into homogeneous portfolios based on rating method, rating grade, maturity and the country where they were granted. The fair values of debt securities at amortised cost are either taken directly from the market or they are determined by directly observable input parameters (i.e. yield curves).

The fair value of deposits and other liabilities, measured at amortised cost, is estimated by taking into account the current interest rate environment, as well as the own credit spreads. For liabilities without contractual maturities (e.g. demand deposits), the carrying amount represents the minimum of their fair value.

The fair value of issued securities and subordinated liabilities measured at amortized cost is determined based on the same valuation models as described for Liabilities above in the section Financial instruments carried at fair value.

Regarding off-balance sheet liabilities (i.e. financial guarantees and unused loan commitments) the fair value of unused loan commitments is estimated using regulatory credit conversion factors. The resulting loan equivalents are treated like other on-balance sheet assets. The difference between the calculated total fair value and the notional amount of the hypothetical loan equivalents represents the fair value of the unused loan commitments. In case of the total fair value being higher than the notional amount of the hypothetical loan equivalents the unused loan commitments have a positive fair value. The fair value of financial guarantees is estimated in analogy to credit default swaps. The fair value of the guarantee is the sum of the present value of the protection leg and the present value of the premium leg. The value of the protection leg is estimated using the PDs and LGDs of the respective customers, whereas the value of the premium leg is estimated by the present value of the future fee payments to be received. If the protection leg is higher than the premium leg, financial guarantees have a negative fair value.

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

	1-3 23	1-3 24
Austria	**15,890**	**16,288**
Erste Group Bank AG, Erste Bank Oesterreich and subsidiaries	8,772	9,060
Savings banks	7,118	7,228
Outside Austria	**29,686**	**29,237**
Česká spořitelna Group	10,120	9,623
Banca Comercială Română Group	5,467	5,284
Slovenská sporiteľňa Group	3,576	3,513
Erste Bank Hungary Group	3,339	3,354
Erste Bank Croatia Group	3,251	3,277
Erste Bank Serbia Group	1,279	1,305
Savings banks subsidiaries	1,511	1,531
Other subsidiaries and foreign branch offices	1,142	1,351
Total	**45,576**	**45,525**

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 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) as well as regulations (EU) 2019/876 (CRR 2) and (EU) 2020/873 (CRR Quick Fix).
2 CRDV has been transposed by an amendment of the ABA (BGBl I 2021/98; BWG-Novelle) which entered into force on 31 May 2021.

Consolidated own funds

Own funds according to CRR consist of Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2). In order to determine the capital ratios, each respective capital component – after application of all regulatory deductions and filters – is considered in relation to the total risk amount.

The items of own funds as disclosed are also used for internal capital management purposes, except AT1 and T2 capital instruments. Erste Group fulfilled the capital requirements throughout the reporting period.

Beside the regulatory minimum capital ratios also capital buffers according to ABA and regulations of the Financial Market Authority (FMA) need to be considered.

In addition to minimum capital ratios and capital buffer requirements, institutions also have to fulfil capital requirements determined in the Supervisory Review and Evaluation Process (SREP). As a result of the 2023 SREP process performed by the European Central Bank (ECB) Erste Group applies a Pillar 2 requirement (P2R) of 1.90% as of 31 March 2024.

Following the SREP 2023, Erste Group is expected to meet a Pillar 2 Guidance (P2G) of 1.0% with CET1, valid as of 1 January 2024 onwards.

Overview of capital requirements and capital buffers

	Dec 23	Mar 24
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)	**5.46%**	**5.72%**
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical capital buffer	0.71%	0.72%
Systemic risk buffer (SRB)	1.00%	1.00%
O-SII capital buffer	1.25%	1.50%
Minimum CET 1 requirement (incl. CBR)	9.96%	10.22%
Minimum Tier 1 requirement (incl. CBR)	11.46%	11.72%
Minimum Own Funds requirement (incl. CBR)	13.46%	13.72%
Pillar2		
Minimum CET1 requirement	0.98%	1.07%
Minimum T1 requirement	1.31%	1.43%
Minimum Own Funds requirement	1.75%	1.90%
Pillar 2 requirement (P2R)	1.75%	1.90%
Total CET1 requirement for Pillar 1 and Pillar 2	**10.95%**	**11.29%**
Total Tier 1 requirement for Pillar 1 and Pillar 2	**12.78%**	**13.14%**
Total Own Funds requirement for Pillar 1 and Pillar 2	**15.21%**	**15.62%**

Capital structure

in EUR million	Dec 23 Phased-in	Dec 23 Final	Mar 24 Phased-in	Mar 24 Final
Common equity tier 1 capital (CET1)				
Capital instruments eligible as CET1	2,337	2,337	2,337	2,337
Retained earnings	16,911	16,911	16,900	16,900
Accumulated other comprehensive income	-1,499	-1,499	-1,705	-1,705
Minority interest recognised in CET1	6,639	6,639	6,653	6,653
Common equity tier 1 capital (CET1) before regulatory adjustments	**24,388**	**24,388**	**24,185**	**24,185**
Own CET1 instruments	-77	-77	-78	-78
Prudential filter: cash flow hedge reserve	31	31	9	9
Prudential filter: cumulative gains and losses due to changes in own credit risk on fair valued liabilities	66	66	112	112
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-12	-12	-10	-10
Value adjustments due to the requirements for prudent valuation	-96	-96	-85	-85
Securitisations with a risk weight of 1,250%	-24	-24	-24	-24
Goodwill	-544	-544	-544	-544
Other intangible assets	-333	-333	-316	-316
Deferred tax assets dependent upon future profitability and not temporary differences net of associated tax liabilities	-167	-167	-167	-167
CET1 capital elements or deductions – other	-285	-285	-369	-369
Common equity tier 1 capital (CET1)	**22,945**	**22,945**	**22,712**	**22,712**
Additional tier 1 capital (AT1)				
Capital instruments eligible as AT1	2,405	2,405	2,238	2,238
Instruments issued by subsidiaries that are given recognition in AT1	6	6	6	6
Additional tier 1 capital (AT1) before regulatory adjustments	**2,411**	**2,411**	**2,244**	**2,244**
Own AT1 instruments	-1	-1	-1	-1
Additional tier 1 capital (AT1)	**2,410**	**2,410**	**2,242**	**2,242**
Tier 1 capital - total of common equity tier 1 (CET1) and additional tier 1 (AT1)	**25,355**	**25,355**	**24,955**	**24,955**
Tier 2 capital (T2)				
Capital instruments eligible as T2	3,056	3,056	3,104	3,104
Instruments issued by subsidiaries recognised in T2	338	338	388	388
IRB excess of provisions over expected losses eligible	413	413	356	356
Tier 2 capital (T2) before regulatory adjustments	**3,806**	**3,806**	**3,848**	**3,848**
Own T2 instruments	-67	-67	-65	-65
Tier 2 capital (T2)	**3,739**	**3,739**	**3,783**	**3,783**
Total own funds	**29,094**	**29,094**	**28,738**	**28,738**
Capital requirement	**11,657**	**11,724**	**11,948**	**11,989**
CET1 capital ratio	**15.7%**	**15.7%**	**15.2%**	**15.2%**
Tier 1 capital ratio	**17.4%**	**17.3%**	**16.7%**	**16.7%**
Total capital ratio	**20.0%**	**19.9%**	**19.2%**	**19.2%**

The column 'Phased-in' shows the amounts considered according to CRR phase-in regulations considering the transitional provisions. The column 'Final' discloses the amounts under full implementation of the CRR.

Following the approval by the ECB on 1 August 2023, both the management and the supervisory boards approved the share buy-back programme up to an amount of EUR 300 million. The share buy-back was completed on February 16, 2024.

The position 'CET1 capital elements or deduction – other' includes the development of unaudited risk provisions during the year (EU No 183/2014) and insufficient coverage for non-performing exposures (NPE Backstop) covering the requirements from both Art. 36 para 1 (m) CRR in connection with Art. 47(c) CRR and the Addendum to the ECB Guidance to banks on non-performing loans: supervisory expectations for prudential provisioning of non-performing exposures.

Risk structure

in EUR million	Dec 23 Total risk (phased-in)	Dec 23 Capital requirement (phased-in)	Mar 24 Total risk (phased-in)	Mar 24 Capital requirement (phased-in)
Total risk exposure amount	**145,718**	**11,657**	**149,355**	**11,948**
Risk-weighted assets (credit risk)	121,625	9,730	123,287	9,863
Standardised approach	23,872	1,910	24,331	1,946
IRB approach	97,582	7,807	98,797	7,904
Contribution to the default fund of a CCP	9	1	7	1
Securitisation	163	13	152	12
Settlement risk	2	0	15	1
Trading book, foreign FX risk and commodity risk	6,284	503	6,546	524
Operational risk	14,770	1,182	16,401	1,312
Exposure for CVA	289	23	360	29
Other exposure amounts (including Basel 1 floor)	2,748	220	2,745	220

in EUR million	Dec 23 Total risk (final)	Dec 23 Capital requirement (final)	Mar 24 Total risk (final)	Mar 24 Capital requirement (final)
Total risk exposure amount	**146,545**	**11,724**	**149,862**	**11,989**
Risk-weighted assets (credit risk)	122,453	9,796	123,793	9,903
Standardised approach	24,699	1,976	24,837	1,987
IRB approach	97,582	7,807	98,797	7,904
Contribution to the default fund of a CCP	9	1	7	1
Securitisation	163	13	152	12
Settlement risk	2	0	15	1
Trading book, foreign FX risk and commodity risk	6,284	503	6,546	524
Operational risk	14,770	1,182	16,401	1,312
Exposure for CVA	289	23	360	29
Other exposure amounts (including Basel 1 floor)	2,748	220	2,745	220

The position 'Other exposure amounts (incl. Basel 1 floor)' includes a RWA-add-on in view of the calculation of risk-weighted assets for credit risk in Banca Comercială Română (BCR). This RWA increase front-loads the expected difference in BCR be-tween the treatments of exposures under the Standardised Approach compared to the treatment under IRB and is limited in time until the authorization of the IRB-approach in BCR (expected in 2024).

Furthermore it considers a RWA add-on linked to the limitation related to the group-wide PD estimation methodology.

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 Românlă 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

Your notes

We have prepared this report with the greatest possible care and have thoroughly checked the data presented in it. However, we cannot rule out errors associated with rounding, transmission, typesetting or printing. The English version of the report is a translation.

Note regarding forward-looking statements

This report contains forward-looking statements. These statements are based on current estimates, assumptions and projections of Erste Group Bank AG and currently available public information. They are not guarantees of future performance and involve certain known and yet unknown risks and uncertainties and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results or performance to be materially different from those that may be expressed or implied by such statements. Erste Group Bank AG does not assume any obligation to update the forward-looking statements contained in this report.

FINANCIAL CALENDAR

22 May 2024	Annual general meeting
2 August 2024	Half year financial report 2024
31 October 2024	Results for the first three quarters of 2024

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