

Key financial and operating data

Income statement (in EUR million)	2021	2022	2023	2024	2025
Net interest income	4,976	5,951	7,228	7,528	7,788
Net fee and commission income	2,304	2,452	2,640	2,938	3,191
Net trading result and gains/losses from financial instruments at FVPL	232	-47	449	437	419
Operating income	7,742	8,571	10,552	11,178	11,659
Operating expenses	-4,307	-4,575	-5,020	-5,279	-5,583
Operating result	3,436	3,996	5,532	5,900	6,076
Impairment result from financial instruments	-159	-300	-128	-397	-478
Other operating result	-311	-399	-468	-414	-158
Pre-tax result from continuing operations	2,933	3,222	4,795	4,997	5,400
Net result attributable to owners of the parent	1,923	2,165	2,998	3,125	3,510
Net interest margin (on average interest-bearing assets)	2.1%	2.2%	2.5%	2.5%	2.4%
Cost/income ratio	55.6%	53.4%	47.6%	47.2%	47.9%
Provisioning ratio (on average gross customer loans)	0.09%	0.15%	0.06%	0.18%	0.21%
Tax rate	17.9%	17.3%	18.2%	21.1%	20.4%
Return on tangible equity	12.7%	13.8%	17.2%	16.3%	16.6%
Earnings per share	4.17	4.83	6.80	7.20	8.24
Balance sheet (in EUR million)	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025
Cash and cash balances	45,495	35,685	36,685	25,129	27,573
Trading, financial assets	53,211	59,833	63,690	75,781	79,522
Loans and advances to banks	21,001	18,435	21,432	26,972	20,827
Loans and advances to customers	180,268	202,109	207,828	218,067	231,985
Intangible assets	1,362	1,347	1,313	1,382	1,413
Miscellaneous assets	6,090	6,456	6,206	6,405	7,254
Total assets	307,428	323,865	337,155	353,736	368,574
Financial liabilities held for trading	2,474	3,264	2,304	1,821	2,412
Deposits from banks	31,886	28,821	22,911	21,261	16,919
Deposits from customers	210,523	223,973	232,815	241,651	252,991
Debt securities issued	32,130	35,904	43,759	51,889	54,872
Miscellaneous liabilities	6,902	6,599	6,864	6,346	6,715
Total equity	23,513	25,305	28,502	30,767	34,665
Total liabilities and equity	307,428	323,865	337,155	353,736	368,574
Loan/deposit ratio	85.6%	90.2%	89.3%	90.2%	91.7%
NPL ratio	2.4%	2.0%	2.3%	2.6%	2.4%
NPL coverage ratio (based on AC loans, ex collateral)	90.9%	94.6%	85.1%	72.5%	69.7%
Texas ratio	18.3%	16.4%	16.6%	18.4%	17.0%
CET1 capital ratio (CRR phased-in)	14.8%	14.4%	15.7%	15.3%	19.3%
Total capital ratio (CRR phased-in)	19.5%	18.5%	20.0%	19.7%	24.8%
About the share	2021	2022	2023	2024	2025
Shares outstanding at the end of the period	429,800,000	429,800,000	429,800,000	410,514,384	410,514,384
Weighted average number of outstanding shares	426,246,662	427,019,261	425,951,928	415,854,514	408,949,788
Market capitalisation (in EUR billion)	17.8	12.9	15.8	24.5	42.2
High (in EUR)	41.95	44.98	37.23	59.66	102.90
Low (in EUR)	24.80	21.66	28.19	36.46	54.95
Closing price (in EUR)	41.35	29.90	36.73	59.66	102.90
Price/earnings ratio	10.0	6.2	5.4	8.2	12.5
Dividend per share (in EUR)	1.60	1.90	2.70	3.00	0.75
Payout ratio	38.7%	39.6%	40.0%	41.2%	9.1%
Dividend yield	3.9%	6.4%	7.4%	5.0%	0.7%
Book value per share (in EUR)	36.7	39.8	44.8	49.8	55.6
Price/book ratio	1.1	0.8	0.8	1.2	1.9
Additional information	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025
Employees (full-time equivalents)	44,596	45,485	45,723	45,717	45,700
Branches	2,091	2,029	1,948	1,871	1,804
Customers (in million)	16.1	16.1	16.2	16.6	16.7

CRR: Capital Requirements Regulation

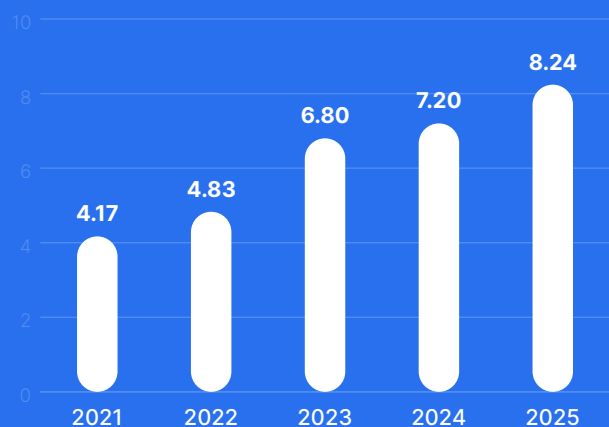
Shares outstanding include Erste Group shares held by savings banks that are members of the Haftungsverbund (cross-guarantee system).

Financial data



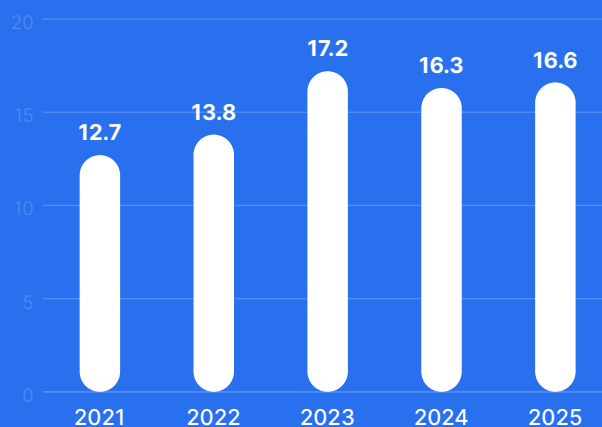
Earnings per share

in €



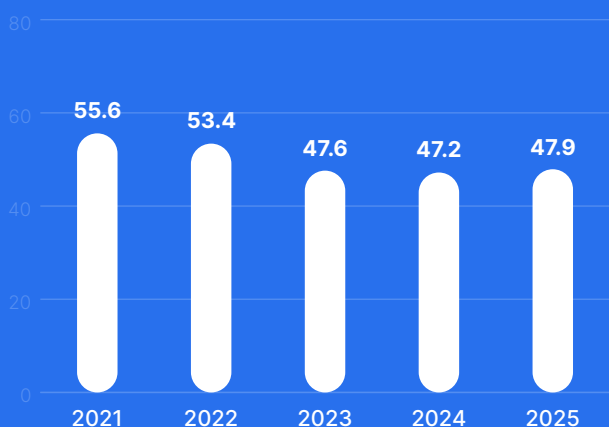
Return on tangible equity, ROTE

in %



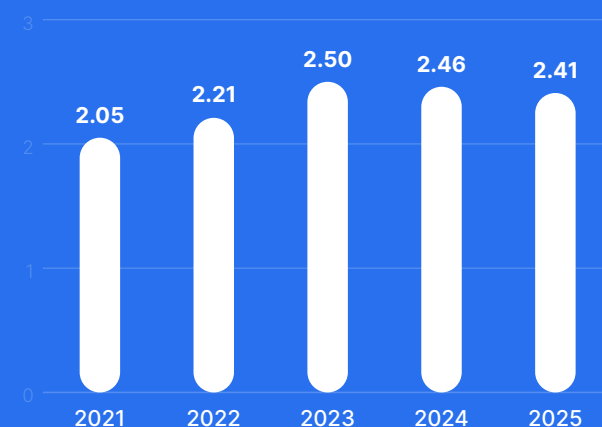
Cost/income ratio

in %



Net interest margin

in %

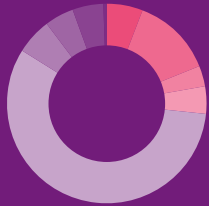


Shareholder structure

as of 31 December 2025

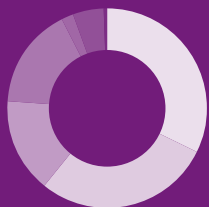


By investors



6.01% ERSTE Foundation direct	57.61% Institutional investors
12.59% Sparkassen Beteiligungs GmbH & Co KG	5.71% Retail investors
3.59% Foundations ¹	5.05% BlackRock, Inc.
4.27% Wiener Städtische Versicherungsverein	4.92% Unidentified ²
	0.25% Identified trading ³

By region



32.36% Austria	2.21% Rest of world
28.75% North America	4.92% Unidentified ²
15.15% UK & Ireland	0.25% Identified trading ³
16.36% Continental Europe	

Financial calendar



7 April	Record date Annual General Meeting
17 April	Annual General Meeting in Vienna
22 April	Ex-dividend day
23 April	Record date dividend
24 April	Dividend payment
30 April	Results for the first quarter 2026
30 July	Half-year financial report 2026
30 October	Results for the third quarter 2026

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

Ratings

as of 31 December 2025



Fitch	
Long-term	A
Short-term	F1
Outlook	Stable
Moody's	
Long-term	A1
Short-term	P-1
Outlook	Stable
Standard & Poor's	
Long-term	A+
Short-term	A-1
Outlook	Positive

¹ Incl. Erste employees private foundation, syndicated savings banks foundations, own holdings of savings banks

² Unidentified institutional and retail investors

³ Incl. market makers, prime brokerage, proprietary trading, collateral and stock lending positions which are visible through custodian banks.





Non-financial data



New corporate sustainable financing

in 2025

in € million

 Construction and Real Estate	3,515
 Renewable Energy	732
 Transportation	82
 Other Corporate	675
Total	5,004



ESG Ratings & Indices

as of 31 December 2025

MSCI

AA

Sustainalytics

Low Risk

ISS ESG

C „Prime“

Vönix

B

Social Banking

2017 – 2025



€ 814 million Social Banking financing provided

111,000 Education support participants

Highlights

Market entry into Poland

- _ Investment into growth in Central Europe
- _ Acquisition of a controlling stake of 49% in Santander Bank Polska (to be renamed to Erste Bank Polska)
- _ Erste Group becomes number 3 bank in Poland
- _ Full internal funding of transaction

Sustainable profitability

- _ Net result of EUR 3,509.6 million
- _ Local banks in all core markets are profitable
- _ Dividend of EUR 0.75 per share proposed to AGM

Operating result surpasses EUR 6 billion

- _ Operating revenues increase by 4.3%
- _ Inflation drives operating expenses up by 5.8%
- _ Cost/income ratio at 47.9%

Customer business continues growth path

- _ Net customer loans grow by 6.4% to EUR 232.0 billion
- _ Customer deposits up by 4.7% to EUR 253.0 billion
- _ Favourable loan-to-deposit ratio at 91.7%

Sound asset quality

- _ NPL ratio at 2.4%, excellent performance in CEE
- _ NPL coverage at 69.7%
- _ Risk costs of 21 basis points
(on average gross customer loans)

Favourable capitalisation

- _ CET1 ratio (CRR phased-in) at 19.3%
(prior to the first-time consolidation of Erste Bank Polska)
- _ Capital significantly above regulatory requirements and internal target

Excellent funding and liquidity position

- _ Strong retail deposit base in all core countries as key trust indicator and competitive advantage
- _ Local banks continue to place MREL-issuances

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(CONSOLIDATED) CORPORATE GOVERNANCE REPORT

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Editorial deadline:

25 February 2026, unless stated otherwise

Management Board



Ingo Bleier, Maurizio Poletto, Peter Bosek, Alexandra Habeler-Drabek, Stefan Dörfler (from left to right)

Letter from the CEO

Dear shareholders,

2025 was a special and very successful year for Erste Group. Let me start with our market entry in Poland, one of Europe's most dynamic and profitable banking markets. In May, we announced our intention to purchase a 49% controlling stake in Poland's third-largest bank. We closed the purchase on 9 January 2026. Integration is successfully underway and the bank will be rebranded to Erste Bank Polska already in the first half of 2026. With this acquisition, we have strengthened our position as the leading financial institution in Central and Eastern Europe with successful local banks in – by now – eight core markets: Austria, Poland, the Czech Republic, Slovakia, Romania, Hungary, Croatia, and Serbia. We have enhanced our growth potential and, over the long term, will improve Erste Group's profitability and hence its ability to distribute dividends, which, last but not least, should lead to more attractive returns for you, our shareholders. Erste Group's share price performance since the May 2025 announcement has been a clear indicator of how positive this acquisition – the largest in the European banking market in many years – has been received by our investors. The positive feedback we have received on our investment in growth in our region from many parts – including equity and debt investors as well as rating agencies – has further encouraged us to pursue our business model resolutely.

Beyond the prospects for the future, there is also much positive to report on Erste Group's development prior to its enlargement. In the 2025 financial year, we enjoyed an excellent business performance across our then seven core markets. We achieved all targets that had been revised upwards throughout the year. Overall, Erste Group posted a net profit of EUR 3,510 million, up 12.3% versus the previous year, and a return on tangible equity (ROTE) of 16.6%.

Economic growth in the core markets

Before going into details, a brief overview of the business environment: the CEE economies achieved GDP growth rates ranging between 0.4% in Austria and Hungary and 3.0% in Croatia (3.6% in Poland). Economic growth was supported by robust labour markets and mostly higher real wages – as well as, most importantly, private household spending. The Austrian economy also performed slightly better than originally projected and, in 2025, achieved moderate growth after two years in recession. This was driven primarily by increased consumer and government spending, as well as stabilisation in investment activity. Inflation rates in our region were in the low to mid-single digits. The European Central Bank (ECB) lowered its key interest rate in four steps over the course of the year, from 3.00% to 2.00%. The Czech and Polish central banks also cut interest rates during the year, while the central banks of Hungary, Romania and Serbia left their rates unchanged. Market interest rates were thus overall supportive of banks.

Excellent operating result

What was the impact of this macroeconomic environment on our result? The two most important income components again registered growth: net interest income rose by 3.5% to EUR 7,788 million, well above expectations at the beginning of the year. The strongest increase was seen in the Czech Republic and Slovakia. Most notably, we were able to keep the interest margin stable despite falling market interest rates. This was supported by healthy loan growth and a good deposit mix. At the same time, net fee and commission income reached a new record high at EUR 3.2 billion in 2025. The 8.6% increase is all the more remarkable, as the baseline had already been elevated by strong growth in recent years. Growth was achieved across all core markets, with the securities business (including asset management) performing exceptionally well. Overall, we posted operating income of EUR 11.7 billion, 4.3% up on the previous year. Operating expenses rose by 5.8% to EUR 5.6 billion, as we projected. Inflationary pressure eased slightly but still affected collective salary negotiations in Austria. Personnel expenses increased to EUR 3.3 billion. In addition to investment spending on IT (including several strategic initiatives focused primarily on efficiency), I wish to highlight integration costs in Poland that have already been posted. The strong operating result is reflected in a cost/income ratio of 47.9%, which is excellent for our business model. One P&L line item deserves more attention this year than usual, namely other result: positive one-off effects totalling some EUR 270 million from the release of provisions for legal risks and real estate selling gains improved this line item and also contributed visibly to the excellent annual result, as they offset part of the regulatory costs, which by now have unfortunately become a standard set of costs for a bank. Payments to resolution funds and deposit insurance systems declined slightly to below EUR 70 million, while banking and transaction taxes rose to about EUR 440 million in the four affected countries.

Risk costs again at a low level, as expected

Asset quality was again very satisfactory in our core markets, with the NPL ratio improving to 2.4% at year-end 2025. Risk costs remained moderate at EUR 478 million, which is equivalent to a provisioning ratio of 21 basis points of average gross customer loans. In addition to solid asset quality, another positive contribution came from the release of provisions for credit risks driven by updated forward-looking economic indicators (FLIs) and stage overlays, albeit to a lesser extent than in the previous year. CEE core markets again outperformed Austria, even though asset quality has also stabilised in Austria, and the need for allocations to provisions for loans and advances declined at both the savings banks and Erste Bank Oesterreich.

Healthy organic loan growth and a sound deposit base

In 2025, Erste Group's proven business model supported organic loan growth of 6.4%, with the strongest momentum in the Czech Republic, Slovakia, Hungary, and Croatia. It was primarily strong mortgage loan demand across nearly all countries that drove a 9.3% rise in net loan volume in the retail business. By comparison, growth in corporate lending was still a little more subdued at 5.0%. The inflow of customer deposits remained solid, rising by 4.7%. Importantly, core deposits from retail customers, SMEs and savings banks customers increased by 5.5%. The focus has shifted back to sight deposits. At the end of December, the loan-to-deposit ratio stood at 91.7%. Funding activities in the capital markets were likewise successful: the Holding and several local subsidiaries in CEE countries issued bonds in various asset classes both locally and internationally.

Significant improvement in common equity tier 1 ratio (CET1)

In the course of the year, the CET1 ratio rose by more than 400 basis points to a historic high of 19.3%. The rise in common equity tier 1, i.e. regulatory capital, by more than 18% was based on the strong profitability of the financial year, combined with measures including in particular the limitation of dividend payouts to no more than 10% of net profit after the deduction of AT1 dividends – the Management Board will propose a dividend of EUR 0.75 per share at the annual general meeting – and the cancellation of the announced share buyback programme. Erste Group was thus able to fund the acquisition from its internal resources fully and is excellently positioned for the first-time consolidation of Erste Bank Polska.

Digitalisation

Before moving on to the outlook on 2026, a brief update on the subject of digitalisation. While some of the IT investment in 2025 was aimed at internal bank processes and hence efficiency, this did not come at the expense of the continued development of technology-assisted financial advice. As of the end of December, our digital platform George had more than 11.4 million users. Overall, more than two-thirds of all retail business products were already distributed digitally.

Outlook on 2026

The outlook for the new Erste Group, now comprising eight core markets after the addition of Poland, for the 2026 financial year is very good: based on more supportive economic growth between 1% and 4% we expect loan volume to expand to more than EUR 285 billion, net interest income of more than EUR 11 billion, net fee and commission income of around EUR 4 billion and operating expenses of about EUR 7 billion. This should improve the cost/income ratio to approximately 45%. We expect risk costs to be in the range of 25 to 30 basis points, as risk costs tend to be higher in Poland than in other CEE markets. This forecast does not include the one-off provision for expected credit losses in the amount of EUR 300 million, which must be recognised under IFRS at first-time consolidation. Erste Group's reported net profit is expected to come in at slightly below EUR 4 billion. Further details on extraordinary effects resulting from the first-time consolidation of Erste Bank Polska are provided in the complete outlook in the Business overview chapter. We expect the CET1 ratio to rise again in 2026 on the back of strong forecast earnings performance following the decline due to the first-time consolidation. This will again provide room for manoeuvre in capital allocation, i.e. we expect flexibility regarding future payouts and/or M&A transactions. The first priority will continue to be growth in our region, i.e. lending to retail and corporate customers.

I would like to thank all our employees for their dedication and commitment. In line with Erste Group's statement of purpose – to foster prosperity and financial health – we are working together to support our – by now, 22.7 million – customers in all financial matters. We are looking forward to working with our Polish colleagues to strengthen further and develop our position as the leading credit institution in Central and Eastern Europe.

Peter Bosek mp

Supervisory Board



Gottfried Haber (Chairman) and the members of the Supervisory Board in alphabetical order:
Christine Catasta, Henrietta Egerth-Stadlhuber, Alois Flatz, Martin Grießer, Markus Haag, Regina Haberhauer,
Jakob Hofstädter, Marion Khüny, Elisabeth Krainer-Senger-Weiss, Caroline Kuhnert, Barbara Pichler, Friedrich Santner,
Michael Schuster, Walter Schuster, Gabriele Semmelrock-Werzer, Christiane Tusek, Karin Zeisel

Report of the Supervisory Board

Dear shareholders,

In a financial year that was marked by geopolitical and trade tensions, Erste Group was very successful in its existing seven core markets in Central and Eastern Europe. Our geographic footprint in the fastest-growing region of Europe paid off once again. In the course of the year, loans to customers rose by 6.4% or nearly EUR 14 billion, to EUR 232 billion.

In January 2026, Erste Group successfully closed the acquisition of a 49% stake in Santander Bank Polska, which was announced in May 2025, thereby completing Europe's largest cross-border banking sector acquisition in 20 years. With this acquisition, Erste Group now has a controlling interest in Poland's third-largest bank in terms of total assets and has strengthened its position as the leading financial institution in Central and Eastern Europe, where we are now serving approximately 23 million customers.

To be able to offer its customers the best possible service and secure its competitive position over the long term, Erste Group is consistently looking to innovative technologies. The Supervisory Board has closely monitored and supported progress in the group-wide implementation of artificial intelligence. The long-term strengthening of our customers' financial health remains a key priority. This is achieved by supporting businesses in transforming their business models and pursuing forward-looking investment and growth. Here again, innovative digital solutions are employed, such as a working capital simulation. Sustainability, social commitment and the green transition remain fundamental components of our corporate strategy.

The successful development of Erste Group is materially supported by its employees, who, as shareholders, can also participate in the success of the business. In 2025, the employee share programme "WeShare by Erste Group" again achieved high acceptance, with around 37,000 participants across the Group. In total, employees received approximately 800,000 Erste Group shares. The voting rights share of Erste Mitarbeiterbeteiligung Privatstiftung rose to 1.78%.

In 2025, the Supervisory Board of Erste Group underwent a significant renewal process. After many years of service as a member and chairman, Friedrich Rödler departed at the end of the annual general meeting on 21 May. Mariana Kühnel had resigned from her mandate already on 24 March. At the annual general meeting, Alois Flatz was re-elected, while Gabriele Semmelrock-Werzer and I were newly elected to the Supervisory Board. In the constitutive meeting following the annual general meeting, the Supervisory Board elected me as its new chairman. For me, it is a great honour and pleasure to take on this responsible position at this exciting stage of the company's development. I thank you, dear shareholders, for the trust you are placing in me.

I would like to thank the Supervisory Board members who have left the board for their dedicated work and valuable contributions. My special thanks are due to my predecessor Friedrich Rödler. For more than 20 years, including 13 years as chairman, Friedrich Rödler shaped the work of the Supervisory Board with his extraordinary competence, foresight and impressive drive. On a personal level, I also wish to thank Friedrich Rödler for the exceptional support he provided to me during my onboarding.

At year-end, the Supervisory Board consisted of eighteen members: twelve shareholder representatives elected by the shareholders and six employee representatives delegated by the employees' council. The members of the Supervisory Board bring extensive experience across a variety of industries and a wide range of professional knowledge, international experience, and practical expertise. At year-end 2025, the share of the underrepresented gender on the Supervisory Board – in Erste Group, this refers to men – was 44 per cent. We are thus not only meeting statutory requirements but even serve as a role model in the ATX.

Regarding the composition and independence of the Supervisory Board, as well as the criteria for its independence, please refer to the consolidated corporate governance report prepared by the Management Board and reviewed by the Supervisory Board. The same applies regarding details on the Supervisory Board's working procedures, the number and type of committees and their decision-making powers. The report also includes a detailed account of the Supervisory Board meetings and the main focus of its activities.

The work of the Supervisory Board is reflected in the number and quality of its meetings. In the 2025 financial year, the Supervisory Board of Erste Group Bank AG held a total of eight meetings. The Management Board briefed the Supervisory Board in a timely and comprehensive manner, both in plenary and in committee meetings. The Supervisory Board fully performed its advisory and supervisory duties with an increased number of meetings, most notably of the strategy committee, and extensive reporting by the Management Board on the acquisition in Poland. The vast majority of Supervisory Board members attended all plenary and their respective committee meetings.

The well-established dialogue, conducted by the chair of the Supervisory Board and the heads of the IT, risk, and audit committees, with representatives of the European Central Bank's Joint Supervisory Team (JST), the Austrian National Bank, and the Financial Market Authority, was continued.

In addition, the Supervisory Board assessed the effectiveness of its own activities, its organisation and working practices, and conducted a self-evaluation in accordance with Rule 36 of the Austrian Code of Corporate Governance, with the support of an external consultant. The insights gained resulted in specific development measures. The previous executive committee was reorganised into a steering and coordination committee to improve efficiency in managing complex matters. The implementation of strategic initiatives was regularly discussed and monitored. The members of the Supervisory Board also met their obligation to engage in training and qualification activities as required for their mandates. The main focus of internal and external trainings was on ESG, digitalisation and sustainable finance. In addition, we examined potential proprietary transactions involving board members and management staff.

Collaboration with the Management Board was highly constructive throughout 2025 and marked by high quality. I specifically wish to highlight the close cooperation in connection with the acquisition in Poland.

In 2025, the annual general meeting of Erste Group Bank AG was held on Erste Campus for the first time. The annual general meeting resolved to distribute a dividend of EUR 3.00 per share, which was paid out on 28 May 2025. The Management Board was authorised until November 2027 to purchase own shares representing up to 10% of the share capital for securities trading. It was likewise authorised to purchase own shares representing up to 10% of the share capital and, with the consent of the supervisory board, to reduce the share capital by cancelling those shares.

The financial statements and the management report, as well as the consolidated financial statements and the group management report for 2025, were audited by Sparkassen-Prüfungsverband, the legally mandated auditor, and by PwC Wirtschaftsprüfung GmbH, the elected supplementary auditor, and received an unqualified audit opinion. After having performed its own careful review, the Supervisory Board endorsed the findings of these audits and agreed to the Management Board's proposal for appropriation of the profit of the 2025 fiscal year. PwC Wirtschaftsprüfung GmbH was also mandated with the voluntary audit of the consolidated corporate governance report for 2025.

The Supervisory Board has approved the financial statements, and these have thereby been duly endorsed in accordance with section 96 para 4 of the Austrian Stock Corporation Act (Aktiengesetz). The management report, consolidated financial statements, group management report, sustainability statement and consolidated corporate governance report have also been reviewed by the Supervisory Board. These were accepted based on the audit reports received by the Supervisory Board. In accordance with mandatory rotation requirements, Erste Group Bank AG must appoint a new group auditor after ten years. The audit committee conducted the tender process. On 11 December 2025, the Supervisory Board resolved to propose to the annual general meeting Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as supplementary auditor in addition to Sparkassen Prüfungsverband and as auditor of the sustainability statement for the 2027 fiscal year.

With the 2025 fiscal year concluded positively, we are now looking ahead. The successful acquisition in Poland, the solid capital position and the continuing development of our strategic initiatives provide a sound basis for further profitable growth. The Supervisory Board will continue to work closely with the Management Board, supporting it in charting a course to enable the long-term success of Erste Group. At the same time, it will fulfil its oversight duties with the required independence and diligence.

On behalf of the entire Supervisory Board, I finally wish to thank the Management Board and all employees of Erste Group. In this challenging year, they reliably stayed by our customers' side with great dedication, despite the additional workload resulting from the acquisition in Poland. To our new colleagues in Poland, we extend a very cordial welcome and look forward to a shared future and collaboration.

For the Supervisory Board

Gottfried Haber mp
Chairman of the Supervisory Board

Vienna, February 2026

Erste Group on the capital markets

The equity markets covered continued the positive trend from the previous year. Some of the indices posted two-digit gains and new all-time highs in 2025. On the equity markets, the first six months of the year were largely volatile and marked, most notably, by protectionist tendencies and erratic trade policies pursued by the US, including the announcement of an extensive tariff package on imports of goods. Later in the year, markets calmed as trade conflicts eased after a tariff agreement was reached with the European Union and a certain rapprochement was seen in US trade relations with China. Rate cuts by the US Federal Reserve (Fed) and the European Central Bank (ECB), robust economic data and expectations of positive corporate profitability, backed by results released in Europe and the US, provided an extra boost to equity prices.

EQUITY MARKET REVIEW

New equity market highs at year-end

In the US, the Nasdaq Composite technology index recorded the strongest gains of all US indices, rising 20.4% to 23,241.99 points. The broader Standard & Poor's 500 Index was up 16.4% at 6,845.50 points while the Dow Jones Industrial Average advanced by 13.0% to 48,063.29 points. Additional momentum for European markets came from improved earnings forecasts as well as the announcement of EU fiscal policy measures in infrastructure and defence. The Stoxx Europe 600 Index, which reflects the performance of the 600 largest exchange-listed companies in 17 European countries, likewise hit a new record high and, at year-end, was up 16.7% at 592.19 points.

Rate cuts in Europe and the US

In the year that ended, the central banks were once again faced with trade conflicts as well as their impacts on economic growth and inflation. The ECB continued the relaxation of its monetary policy that it had started in the previous year by a total of four rate cuts during the first six months. Against the backdrop of a robust eurozone economy, reduced downside risks on the back of the EU-US trade agreement, and an expected stabilisation of inflation around the ECB's 2.0% target, the base rate was then left on hold at 2%. The Fed, on the other hand, didn't start to cut the base rate before September and, in two additional moves, reduced it further to 3.50%-3.75%, even though inflation rates were edging higher, mostly due to tariffs. The cooling labour market was cited as the key reason for embarking on a less restrictive monetary policy.

Robust economic global growth

In 2025, the global economy proved more resilient than expected, supported by improved funding conditions, rising investment and trade activities related to artificial intelligence. Worldwide GDP growth stood at 3.3% in 2025, with 3.3% likewise anticipated for 2026. In 2027, GDP growth is forecast at 3.2%, with emerging markets in Asia remaining the key drivers of global growth. Inflation is expected to subside further, approaching central bank targets. In 2025, GDP growth amounted to 2.1% in the US, with 2.4% being expected for 2026 and 2.0% for 2027. In the euro zone, GDP expanded by 1.4% in 2025, with 1.3% forecast for 2026 and 1.4% for 2027.

Record gains in European bank shares

Along with the technology sector, bank shares were among the favoured segments and hence among the top performers in the equity markets. European bank shares in particular posted an extraordinarily strong performance. These gains were attributable to solid results and projected earnings growth. The Dow Jones Euro Stoxx Banks Index, which had already posted a rise of more than 20% in the previous year, gained 80.3% to 263.27 points in the course of the year, thus outperforming all other sectors in Europe.

ATX at an all-time high

The Austrian Traded Index (ATX), the leading index of the Vienna Stock Exchange, enjoyed an extremely successful trading year, closing at a record high of 5,326.33 points. Having risen by 45.4%, it posted the highest annual gain since 2004. The ATX Total Return (including dividends) grew 52.2% to 12,990.45 points. The Vienna Stock Exchange index thus clearly outperformed the US

indices and the European Stoxx Europe 600. In contrast to the preceding year, the rise in the leading index was broad-based – out of the 20 ATX equities, only four registered a negative annual performance. This was supported primarily by Europe-wide tailwinds that drove financial equities, which are heavily weighted in the ATX, and a robust growth outlook in Central and Eastern Europe.

ERSTE GROUP SHARE

Share price exceeds EUR 100

After advancing by more than 60% in the previous year, the Erste Group share continued its uptrend in 2025 and ended the reporting period on a record gain of 72.5%. On 30 December, the last trading day of the year, the Erste Group share closed at an all-time high of EUR 102.90. It had marked its low at EUR 54.95 on 9 April 2025. The key drivers of this extraordinary growth in share value were highly bullish market sentiment, the extremely positive performance of the entire European banking sector, as well as, once again, the strong results reported by Erste Group with strong volume growth, solid capitalisation, a better-than-expected net profit and the announced market entry in Poland. The acquisition of a 49% controlling stake in Santander Bank Polska, announced in early May 2025, and thus access to one of the fastest-growing and most profitable banking markets in Europe was welcomed by investors and analysts, particularly as the transaction was fully funded from internal resources. By taking this step, Erste Group is not only strengthening its presence in Central and Eastern Europe but also improving its profitability profile on a sustainable basis. The transaction was closed on 9 January 2026. The bank will be renamed Erste Bank Polska in the second quarter of 2026.

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



Employee share programme

In 2025, approximately 37,000 employees acquired Erste Group shares under the programme that has been in operation since 2022. The successful continuation resulted in a further strengthening of Erste Mitarbeiterbeteiligung Privatstiftung (Erste Employee Foundation), in which the voting rights of the shares acquired under the employee share programme are combined.

Performance of the Erste Group share versus indices

	Erste Group share	ATX	DJ Euro Stoxx Banks Index
Since IPO (Dec 1997)	828.5%	317.4%	-
Since SPO (Sep 2000)	775.7%	355.8%	-25.1%
Since SPO (Jul 2002)	490.5%	336.7%	4.8%
Since SPO (Jan 2006)	128.7%	36.7%	-30.5%
Since SPO (Nov 2009)	254.8%	104.4%	15.6%
2025	72.5%	45.4%	80.3%

IPO ... Initial Public Offering, SPO ... Secondary Public Offering

Market capitalisation rises above EUR 40 billion

After the number of shares of Erste Group Bank AG had declined to 410,514,384 upon completion of two share buyback programmes with an aggregate volume of EUR 800 million in 2024, it remained unchanged last year. At year-end 2025, the market capitalisation of Erste Group reached EUR 42.2 billion and was thus 72.5% higher than at year-end 2024 (EUR 24.5 billion).

Erste Group is listed on the stock exchanges of Vienna, Prague and Bucharest. Its main stock exchange is Vienna, where in the year ended, its trading volume averaged 442,481 shares per day.

Share and sustainability

Erste Group has an MSCI ESG Rating of AA, a “Low Risk” score from Sustainalytics and, with a C rating, holds prime status in the ISS ESG corporate ratings. In addition, Erste Group has been part of VÖNIX, the Vienna Stock Exchange’s sustainability index, since its launch in 2008.

Dividend

Erste Group’s dividend policy is guided by the bank’s profitability, growth outlook and capital requirements. The 32nd annual general meeting of Erste Group that took place on 21 May 2025 resolved to distribute a dividend of EUR 3.00 per share for the 2024 fiscal year, which was paid out on 28 May 2025.

In connection with the acquisition of a 49% controlling stake in Santander Bank Polska announced on 5 May 2025 it was stated that in addition to the cancellation of the share buyback programme with a volume of EUR 700 million announced on 28 February 2025 and the implementation of various balance sheet optimisation measures, the dividend payout ratio for the 2025 fiscal year will be reduced temporarily to a maximum of 10%. For the 2025 fiscal year, the management is proposing a dividend of EUR 0.75 per share.

RATINGS OF ERSTE GROUP BANK AG

In November 2025, Moody’s upgraded Erste Group Bank AG’s outlook from stable to positive and confirmed the A1/P-1 rating. Among other aspects, it highlighted the bank’s funding strength. Entering the Polish market will further strengthen the diversification of income flows in Austria and CEE. Fitch left its rating unchanged at A/F1 with a stable outlook, Standard & Poor’s at A+/A-1 with a positive outlook.

FUNDING ACTIVITIES

Erste Group was active across all seniorities in the past year. The year began - contrary to previous years - with the issuance of a green senior preferred bond (EUR 750 million, 8NC7, MS+98bps), followed only afterwards by the issuance of a EUR 1 billion 7-year mortgage covered bond priced at MS+52bps. The first quarter was completed by Erste Group Bank AG with another green senior preferred bond, this time in a 6.25NC5.25 format (priced at MS+88bps).

In the second quarter, following the announcement of the acquisition in Poland, an AT1 issuance took place. The volume was EUR 1 billion, featuring a 6.375% coupon and perpNC7 structure. Also in May, another EUR 1 billion mortgage covered bond was issued; at that time, the 10 year maturity segment was available, and the deal priced at MS+52bps.

In mid August, the subordinated segment was once again addressed with the issuance of a EUR 750 million 10.25NC5.25 tier 2 bond, achieving a re offer spread of +130bps. For the remainder of the financial year, the focus shifted to further issuances by the subsidiaries.

INVESTOR RELATIONS

Open and regular communication with investors and analysts

In the year ended, the management and the investor relations team met with equity investors in 284 one-on-one and group meetings. Questions raised by investors and analysts were answered both at events with in-person attendance and during telephone or video conferences. The presentation of the 2024 annual result was followed by an analysts' dinner and a road show day with investor meetings in London. After the release of first quarter results, a road show was conducted in Europe, and after the release of third-quarter results in Europe and the US. Erste Group presented its performance and strategy against the backdrop of the current environment at international banking and investor conferences organised by the Vienna Stock Exchange, Unicredit, Kepler Cheuvreux, Morgan Stanley, PKO, Bank Pekao, Concorde, RBI, UBS, Bank of America Merrill Lynch, Deutsche Bank, Goldman Sachs, Barclays, Baader Bank, mBank, JP Morgan and Wood. 67 additional meetings were held to intensify the dialogue with bond investors. A large number of one-on-one and group meetings with analysts and portfolio managers were held at conferences, road shows and investors' days hosted by Intesa Sanpaolo, UBS, HSBC, Bank of America Merrill Lynch, Citigroup, Danske Bank, TD Securities, Barclays, Rabobank, Santander, European Covered Bond Council (ECBC). Comprehensive information on Erste Group and the Erste Group share is provided on its website at [Investor Relations | Erste Group Bank AG](#). The investor relations team also provides news through Erste Group's social media channels on platforms such as LinkedIn and YouTube. More details on the social media channels, the news/reports subscription and reminder service are available at [Service for Investors | Erste Group Bank AG](#).

Analyst recommendations

In 2025, 21 analysts regularly released research reports about Erste Group. The Erste Group Bank AG share was covered by financial analysts at the following national and international firms: Autonomous, Bank of America, Barclays, Citigroup, Concorde, Deutsche Bank, Exane BNP, Goldman Sachs, JP Morgan, JT Banka, KBW, Kepler Cheuvreux, mBank, Mediobanca, Morgan Stanley, Pekao, PKO, RBI, Trigon, UBS and Wood. As of the end of the year, analysts had issued the following recommendations: 10 rated the Erste Group share as Buy, 8 as Neutral, 1 as Sell and 2 did not issue any rating. At year-end, the average year-end target price stood at EUR 95.0. The latest updates on analysts' estimates for the Erste Group share are posted on Erste Group's website under Analysts and [Estimates | Erste Group Bank AG](#).

Market entry into Poland

Last year marked another milestone in the history of Erste Group. In May 2025, we announced our market entry into Poland. The transaction was completed as planned on 9 January 2026. With the acquisition of a 49% controlling stake in Santander Bank Polska, to be renamed Erste Bank Polska in the second quarter of 2026, we are further expanding our presence in Central Europe. Erste Group also acquired 50% in the asset management firm Santander TFI. The purchase price of both transactions amounted to EUR 7.0 billion.

Poland is both the largest and the fastest-growing economy in the eastern part of the European Union. Poland's economic resilience, market size and attractive growth dynamics make it a natural and strategically compelling extension of Erste Group's presence in Central Europe. Through our market entry we not only reinforce our position as the leading bank in the region, but also sustainably improve our growth and profit profile. Our commitment reflects our conviction that Poland and the entire region are a cornerstone of Europe's future.

Erste Group becomes number 3 bank in Poland

This acquisition will make Erste Group the third largest bank in Poland, with a network of more than 300 branches, and the bank serves country-wide some 6 million customers.

Please note that Erste Bank Polska's results will be presented for the first time as part of Erste Group in the first quarter of 2026.

Consistent strategic logic

This transaction significantly extends our exposure to Central Europe, the fastest-growing and most profitable banking markets in Europe. At the same time it also confers critical mass on entry, in line with our strategic focus to be among the leading banks in any of our markets. Poland has a strong economic track record, and the Polish banking sector is on a long-term growth path.

In short, we are talking about a strategic investment in Erste Group's future growth.

Full internal funding

Erste Group funded the acquisition exclusively from internal resources, supported by the cancellation of a planned EUR 700 million share buyback announced on 28 February 2025, a temporarily reduced dividend payout ratio of 10% to 2025 net profit and various balance sheet optimisation measures.

As of 31 December 2025 (prior to the first-time consolidation of the acquisition in Poland), Erste Group's CET1 ratio stood at 19.3%. The management target for 2026 has been set at 14.25%.

Strategy

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

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

In all of our core markets, we pursue a balanced business model focused on providing the best banking services to each of our customers. In this respect, digital innovations are playing an increasingly important and inclusive role. In this respect, our digital platform George is of utmost importance.

Our focus on the countries of the eastern part of the European Union lies in the firm conviction that, over the coming 15 to 20 years, these countries should experience higher growth rates than the countries of Western Europe – even though periods of expansion may alternate with times of economic stagnation or even setbacks on this long-term path of sustainable growth.

In May 2025, we announced the acquisition of a controlling stake in Santander Bank Polska. The transaction was closed in January 2026, and the bank will be renamed Erste Bank Polska in the second quarter of 2026. It is the third-largest bank in the country, underpinning our aim to be the leading bank in the eastern part of the European Union.

Taking this acquisition into account, we have an extensive presence in the following core markets (in alphabetical order): Austria, Croatia, the Czech Republic, Hungary, Poland, Romania and Slovakia – all of which are members of the European Union. In Serbia, which has been granted European Union candidate status, we maintain a minor market presence.

The sustainability of the business model is reflected in our ability to fund customer loans with customer deposits, with most customer deposits being stable retail deposits. The sustainability of our strategy is reflected in long-term client trust, which underpins strong market shares in almost all of our core markets. However, market leadership is not an end in itself. Market leadership creates value only when it goes hand in hand with positive economies of scale and contributes to the long-term success of the company.

The banking business, however, should not only be run profitably but should also reflect its corporate responsibility towards all material stakeholders, in particular customers, employees, society and the environment. Therefore, we pursue the banking business in a socially responsible manner and aim to earn an adequate premium on the cost of capital.

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

STRATEGY IN DETAIL

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

Long-standing tradition in customer banking

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

RETAIL BUSINESS

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

Our retail business covers the entire spectrum from lending, deposit and investment products to current accounts and credit cards. Our core competence in retail banking has historical roots. In 1819, wealthy Viennese citizens donated funds to establish Erste Group's predecessor, the first savings bank in Central Europe. It was their aim to make basic banking services such as safe savings accounts and mortgage loans available to wide sections of the population. Today, we serve a total of 22.7 million customers in our markets, including Poland, through a mix of digital and physical distribution channels. Our flagship digital retail product is George, a web and mobile app, while our physical presence includes some 2,100 branches. Wealthy private clients, trusts and foundations are served by our private banking staff and benefit from services that are tailored to the needs of this target group.

Retail banking is attractive to us for a number of reasons: It offers a compelling business case that is built on market leadership, an attractive risk-reward profile and the principle of self-funding. In addition, it benefits from a comprehensive range of products that are simple and easy to understand and provide substantial cross-selling potential. We take advantage of these factors in all core markets. In addition to the expansion of digital sales channels, the branch network remains an important component of the business strategy. Our retail banking model supports sustainable and deposit-funded loan growth even in economically more challenging times. Another positive factor is the diversification of the retail business across countries that are at differing stages of

economic development, such as Austria, Croatia, the Czech Republic, Hungary, Poland, Romania, Serbia and Slovakia (in alphabetical order).

CORPORATE BUSINESS

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

Catering to their different requirements, we serve small and medium-sized enterprises locally in branches or separate commercial centres, while multinational groups are serviced by the Group Corporates units. This approach permits us to combine industry-specific and product expertise with an understanding of regional needs and the experience of our local customer relationship managers.

CAPITAL MARKETS BUSINESS

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

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

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

PUBLIC SECTOR BUSINESS

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

Adequate transport and energy infrastructure and municipal services are absolutely key prerequisites for sustainable economic growth in the long term. Therefore, we view infrastructure finance and all associated financial services as a key priority.

INTERBANK BUSINESS

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

CORE MARKETS IN THE EASTERN PART OF THE EUROPEAN UNION

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

adjacent to Austria from the late 1990s onwards. This part of Europe offered, and still offers, the best structural, and therefore long-term, growth prospects.

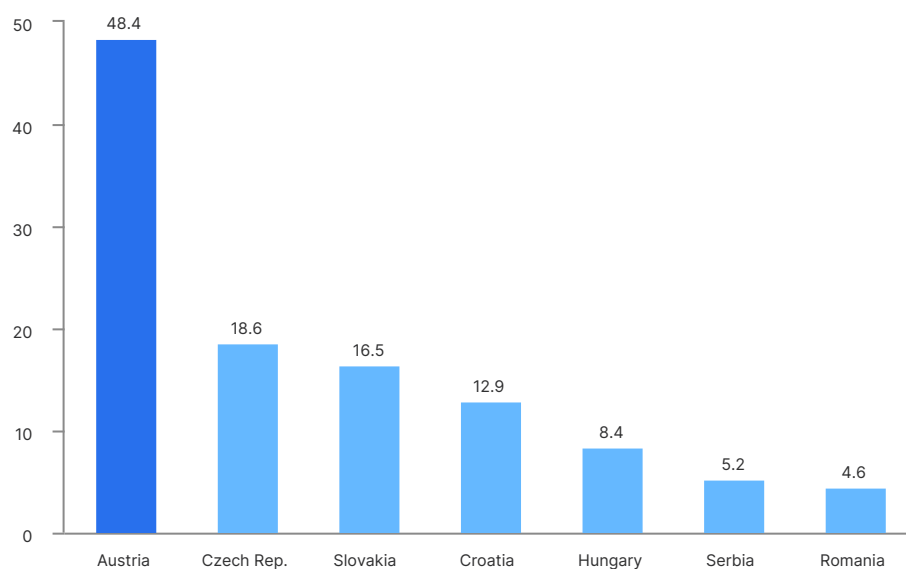
For years, we have had an extensive presence in the following core markets (in alphabetical order): Austria, Croatia, the Czech Republic, Hungary, Romania and Slovakia – all of which are members of the European Union. Following significant investments in our subsidiaries, we hold considerable market positions in these countries. In January 2026, Erste Group completed the acquisition of a controlling stake in its Polish subsidiary. As a result, Erste Group now also holds significant market shares in Poland. In Serbia, which has been granted European Union candidate status, we maintain a minor market presence, but one that may be expanded through acquisitions or organic growth as the country makes progress towards European Union integration. In addition to our core markets, we also hold direct and indirect majority and minority banking participations in Slovenia, Montenegro, Bosnia and Herzegovina and North Macedonia.

LONG-TERM GROWTH TRENDS IN CENTRAL AND EASTERN EUROPE

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

Most formerly state-owned banks have been sold to strategic investors that have fostered product innovation and competition. Disposable income has risen strongly on the back of growing gross domestic product. In addition, most countries of Central and Eastern Europe have human resources that are at least equivalent to those of Western European countries, but they do not need to struggle with increasingly unaffordable costs of the Western welfare states, and have labour markets that are considerably more flexible. These advantages are complemented by, on average, highly competitive export industries that benefit from wage costs that are low relative to workforce productivity and from, by and large, investor-friendly tax and welfare systems. These factors will remain the driving force behind the future development of banking markets in Central and Eastern Europe.

Customer loans in CEE (2025) in EUR thousand



Source: Local national banks, Erste Group

A comparison of per capita private debt levels in Central and Eastern Europe with those of Western economies reveals that even today, an enormous gap exists between these markets. Countries such as the Czech Republic and Slovakia, but also Croatia and Hungary, are many years away from reaching Austrian or Western European levels of loans per capita; also, in relative terms, these countries differ substantially regarding debt levels common in the West. The contrast to Serbia or Romania is even more pronounced – private debt levels, particularly household debt, are substantially lower than in the advanced economies. We firmly

believe that credit expansion, accompanied by economic growth in this region, will prove to be a lasting trend rather than a short-term process that has already peaked.

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

FOCUS ON SUSTAINABILITY AND PROFITABILITY

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

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

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

Our sustainability strategy

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

Our sustainability strategy centres on two main pillars, supporting the green transition and promoting social inclusion: Since the largest environmental footprint arises from lending activity and financed emissions, our focus is on supporting customers in their transition to a low-carbon economy. For us, green transformation means providing financing that contributes to limiting climate change. Social inclusion encompasses not only traditional financial services but also financial education, social banking, affordable housing, and gender equality. We are convinced that a sound socio-economic environment forms the basis for a robust banking business and has a positive impact on economic development.

Both pillars are underpinned by strong governance: The ESG strategy is anchored in the Management Board and Supervisory Board and thus integrated into all business areas and processes of the Group.

STRATEGIC OBJECTIVES

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

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

Strengthening a distinctive brand identity

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

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

Providing access to financial expertise and financial advice to everyone

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

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

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

Driving efficiency through digitisation

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

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

Innovative financial health propositions

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

We assist our corporate customers with ESG topics by facilitating their green transition. To align the retail business with the ESG strategy, we will offer products and services that promote decarbonisation, aiming to enhance both financial health and environmental sustainability. These products are aimed at not only providing financial security but also empowering customers to achieve their long-term goals. By delivering value-driven and innovative solutions, we position ourselves as a partner that genuinely cares about the prosperity of our clients.

Expanding through organic and inorganic growth

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

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

Business overview

Performance analysis

P&L 2025 compared with 2024; balance sheet as of 31 December 2025 compared with 31 December 2024

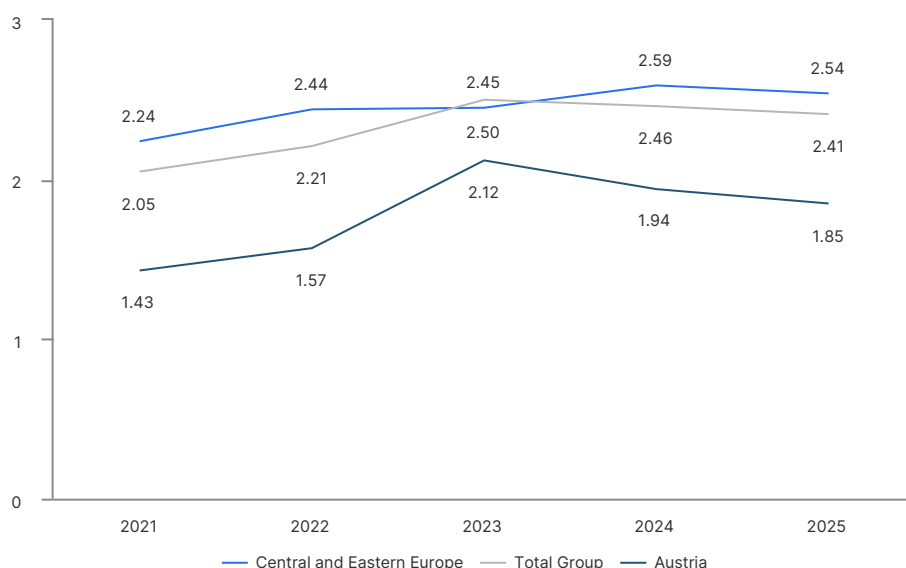
PROFIT AND LOSS STATEMENT

in EUR million	2024	2025	Change
Net interest income	7,528	7,788	3.5%
Net fee and commission income	2,938	3,191	8.6%
Net trading result and gains/losses from financial instruments at FVPL	437	419	-4.1%
Operating income	11,178	11,659	4.3%
Operating expenses	-5,279	-5,583	5.8%
Operating result	5,900	6,076	3.0%
Impairment result from financial instruments	-397	-478	20.3%
Other operating result	-414	-158	-62.0%
Levies on banking activities	-245	-372	52.0%
Pre-tax result from continuing operations	4,997	5,400	8.1%
Taxes on income	-1,053	-1,103	4.8%
Net result for the period	3,945	4,297	8.9%
Net result attributable to non-controlling interests	819	788	-3.9%
Net result attributable to owners of the parent	3,125	3,510	12.3%

Net interest income

Net interest income rose, especially in the CEE markets. Increases were recorded primarily in the Czech Republic and Slovakia and were mainly attributable to higher loan volumes as well as lower interest expenses on customer deposits. The decline in Austria was mainly due to repricing of variable-rate customer loans and the delayed passing on of lower market rates on customer deposits.

Net interest margin in %

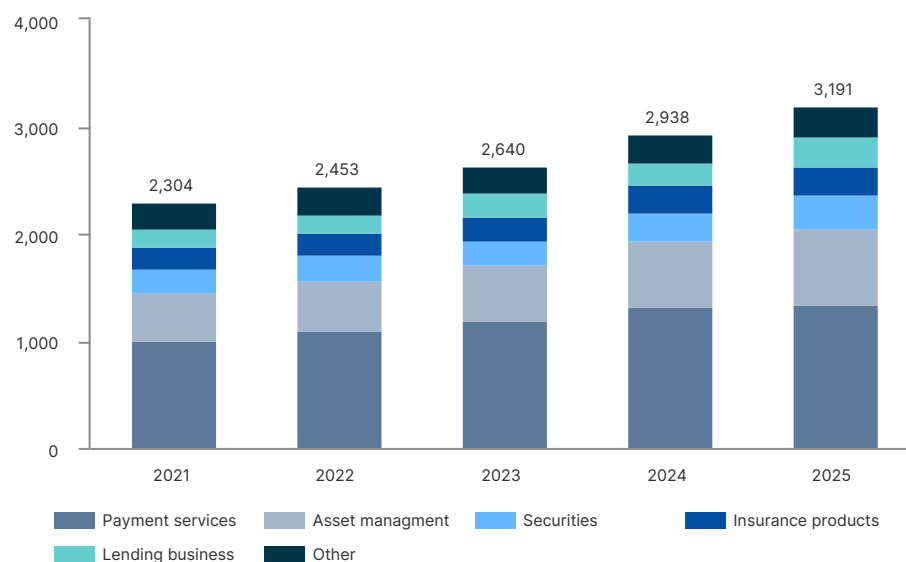


The net interest margin (calculated as the annualised sum of net interest income, dividend income and net result from equity method investments over average interest-bearing assets) was nearly stable at 2.41% (2.46%).

Net fee and commission income

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

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



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

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

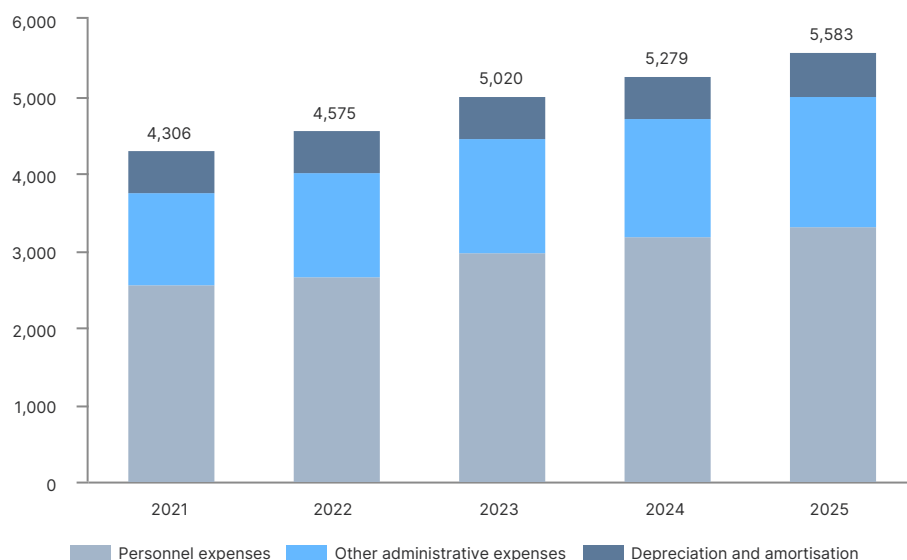
Net trading result deteriorated to EUR 313 million (EUR 519 million) due to negative valuation effects in derivatives held for trading, despite a strong foreign exchange business. Gains/losses from financial instruments measured at fair value through profit or loss trended in the opposite direction and improved to EUR 107 million (EUR -82 million), primarily due to a decline in losses from the valuation of debt securities in issue at fair value.

General administrative expenses

in EUR million	2024	2025	in EUR million
Personnel expenses	3,202.4	3,334.9	4.1%
Other administrative expenses	1,529.2	1,687.9	10.4%
Depreciation and amortisation	547.3	560.1	2.3%
General administrative expenses	5,278.9	5,582.9	5.8%

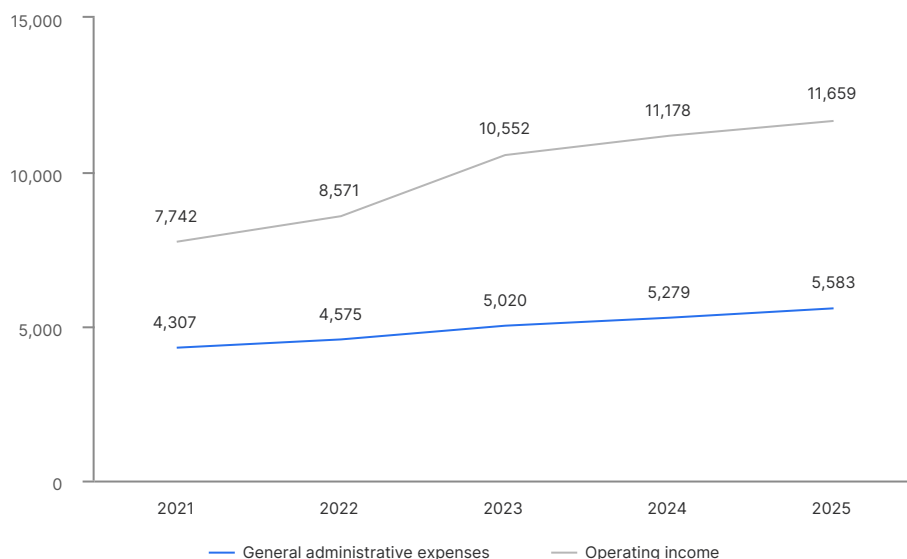
Personnel expenses were up in nearly all core markets – most significantly in Austria – driven mostly by collective salary agreements. The rise in **other administrative expenses** was primarily attributable to higher IT, consulting and marketing expenses. Contributions to deposit insurance schemes declined to EUR 53 million (EUR 72 million). Almost all of this decline occurred in Austria, where contributions fell to EUR 13 million (EUR 33 million). General administrative expenses did include costs related to the integration of Erste Bank Polska in an amount of EUR 38 million.

General administrative expenses, structure and trend in EUR million



The **cost/income ratio** stood at 47.9% (47.2%).

Operating income and operating expenses in EUR million



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

amounted to EUR -41 million (EUR -91 million). This includes, most notably, negative results from the sale of securities in the Czech Republic.

Impairment result from financial instruments

The impairment result from financial instruments amounted to EUR -478 million (EUR -397 million). Net allocations to provisions for loans and advances rose to EUR 557 million (EUR 394 million), most notably in Central and Eastern Europe, which last year benefited from releases. Positive effects came from high recoveries of receivables already written off, most notably in Austria. Overall, the majority of impairments on financial instruments in 2025 occurred again in Austria.

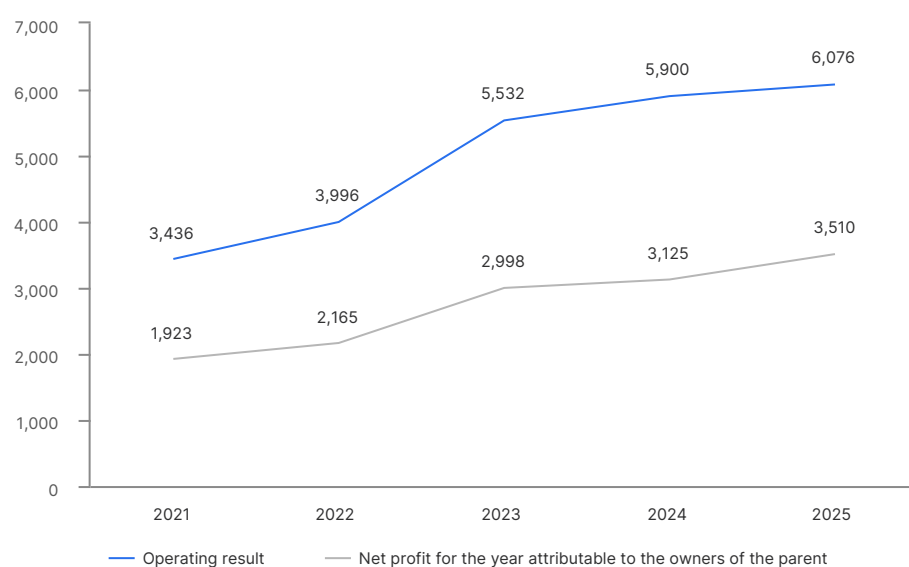
Other operating result

Other operating result is significantly affected by taxes and levies on banking activities and one-off effects. Taxes and levies on banking activities included in this line item rose to EUR 372 million (EUR 245 million). In Austria, banking tax increased to EUR 133 million (EUR 40 million), primarily on the back of a temporary tax increase in the amount of EUR 60 million. In Hungary, banking levies amounted to a total of EUR 175 million (EUR 168 million). In Romania, banking levies rose to EUR 63 million (EUR 37 million), mainly due to the increase in banking tax from 2% to 4% in July 2025. The rise in banking taxes was partly offset by lower contributions to resolution funds, which dropped to EUR 15 million (EUR 28 million), most notably in the Czech Republic. In 2025, credit institutions in the euro zone were again not charged regular contributions. Overall, other operating result improved mainly due to several positive one-off effects, namely EUR 88 million related to a technical change in the inclusion of an associated company, EUR 77 million resulting from the release of a provision after a positive court decision in Romania, EUR 48 million in gains from real estate sales in the Czech Republic.

Net result

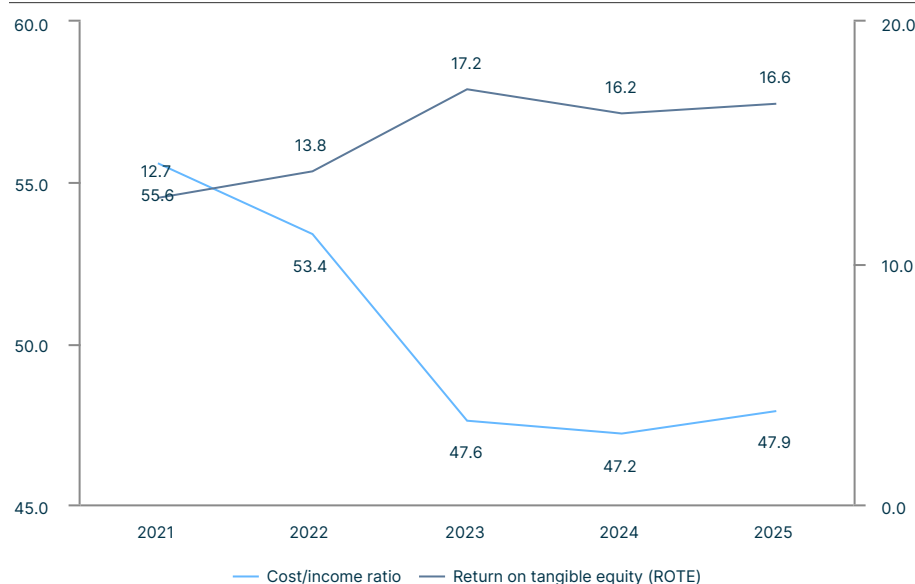
Taxes on income amounted to EUR 1,103 million (EUR 1,053 million). The decline in the minority charge to EUR 788 million (EUR 819 million) was attributable to lower profitability at the savings banks. The net result attributable to owners of the parent rose to EUR 3,510 million (+12.3%; EUR 3,125 million).

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



The return on tangible equity (ROTE) was 16.6% (16.3%).

Key profitability ratios in %



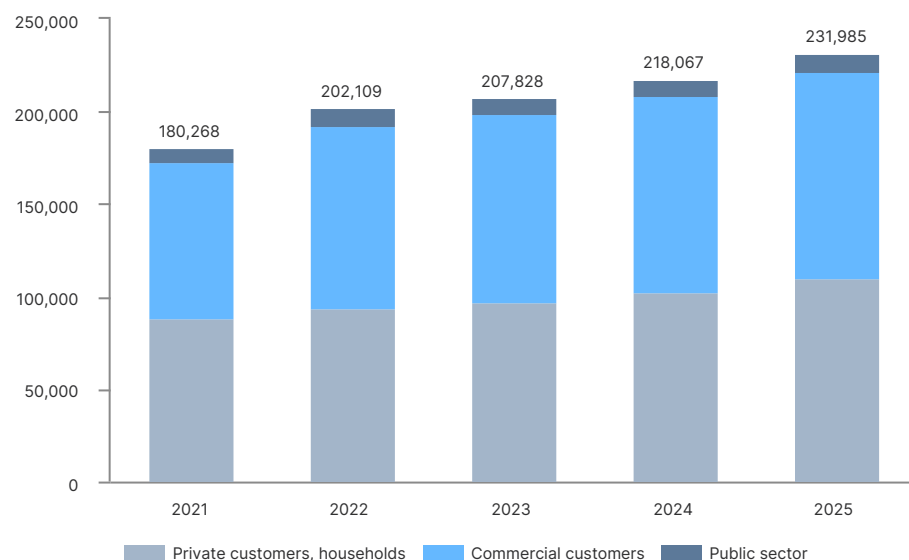
BALANCE SHEET

in EUR million	Dec 24	Dec 25	Change
Assets			
Cash and cash balances	25,129	27,573	9.7%
Trading, financial assets	75,781	79,522	4.9%
Loans and advances to banks	26,972	20,827	-22.8%
Loans and advances to customers	218,067	231,985	6.4%
Intangible assets	1,382	1,413	2.2%
Miscellaneous assets	6,405	7,254	13.3%
Total assets	353,736	368,574	4.2%
Liabilities and equity			
Financial liabilities held for trading	1,821	2,412	32.4%
Deposits from banks	21,261	16,919	-20.4%
Deposits from customers	241,651	252,991	4.7%
Debt securities issued	51,889	54,872	5.7%
Miscellaneous liabilities	6,346	6,715	5.8%
Total equity	30,767	34,665	12.7%
Total liabilities and equity	353,736	368,574	4.2%

Cash and cash balances amounted to EUR 27.6 billion (EUR 25.1 billion). **Trading and investment securities held in various categories of financial assets** increased to EUR 79.5 billion (EUR 75.8 billion).

Loans and advances to credit institutions (net), including demand deposits other than overnight deposits, declined to EUR 20.8 billion (EUR 27.0 billion). **Loans and advances to customers (net)** increased to EUR 232.0 billion (EUR 218.1 billion). All core markets recorded a positive development, with Central and Eastern Europe posting stronger growth, most notably the Czech Republic and Hungary. Growth was recorded in both retail and corporate business.

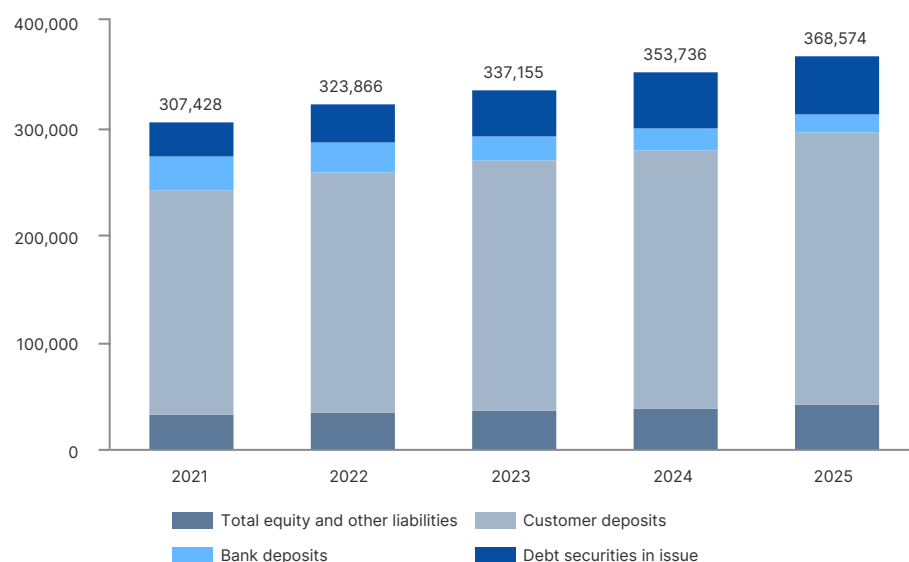
Loans and advances to customers, structure and trend in EUR million



Loan loss allowances for loans to customers were almost unchanged at EUR 4.0 billion (EUR 4.1 billion). The **NPL ratio** – non-performing loans as a percentage of gross customer loans – improved to 2.4% (2.6%), the **NPL coverage ratio** (based on gross customer loans) slipped to 69.7% (72.5%).

Financial liabilities – held for trading amounted to EUR 2.4 billion (EUR 1.8 billion). **Deposits from banks** declined to EUR 16.9 billion (EUR 21.3 billion). **Deposits from customers** increased to EUR 253.0 billion (EUR 241.7 billion) across the group, most notably in the retail business and most strongly in the Czech Republic. The **loan-to-deposit ratio** stood at 91.7% (90.2%).

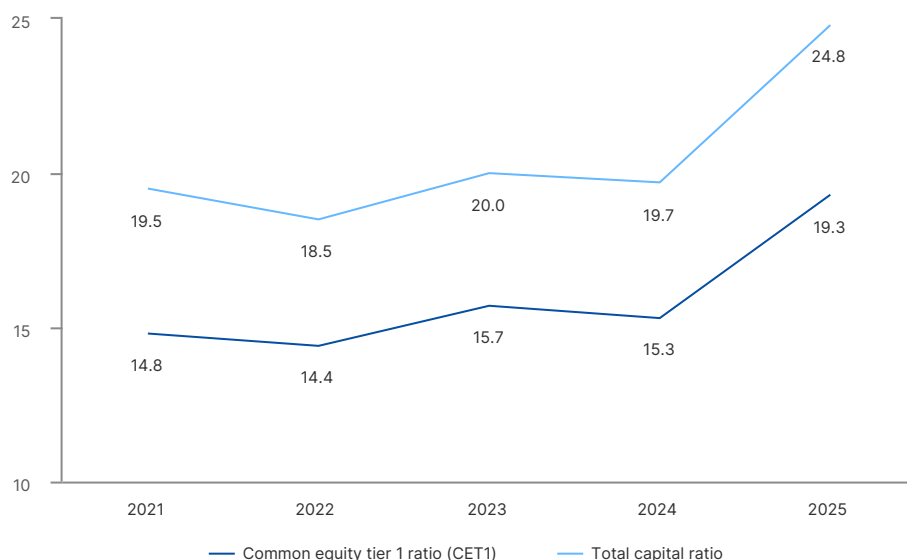
Balance sheet structure/liabilities and total equity in EUR million



Debt securities in issue rose to EUR 54.9 billion (EUR 51.9 billion) on increased issuance activity.

Total assets rose to EUR 368.6 billion (EUR 353.7 billion). **Total equity** increased to EUR 34.7 billion (EUR 30.8 billion). This includes AT1 instruments in the amount of EUR 3.5 billion. After regulatory deductions and filtering according to the Capital Requirements Regulation (CRR) **common equity tier 1 capital (CET1, CRR phased-in)** rose to EUR 28.5 billion (EUR 24.0 billion), as did **total own funds (CRR phased-in)** to EUR 36.5 billion (EUR 30.9 billion). Total risk – **risk-weighted assets** including credit, market and operational risk (CRR phased-in) – declined to EUR 147.5 billion (EUR 157.2 billion). The decline, despite strong credit growth, was attributable to a regulatory effect (CRR3 implementation) and securitisations and portfolio effects.

Total capital ratio and common equity tier 1 ratio in %



The **total capital ratio**, total eligible qualifying capital in relation to total risk, stood at 24.8% (19.7%), well above the legal minimum requirement. The **tier 1 ratio** was 21.7% (17.0%), the **common equity tier 1 ratio** 19.3% (15.3%) (all ratios are CRR phased-in).

OUTLOOK

Erste Group's goal for 2026 is to achieve a return on tangible equity (ROTE) of about 19% and an increase in earnings per share of more than 20% based on 2025 net profit adjusted for one-off items compared to 2026 net profit adjusted for extraordinary items connected to the acquisition and first-time consolidation of Erste Bank Polska. This ambition is built on the following key assumptions:

Firstly, Erste Group's business, as at year-end 2025 in seven core markets (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia and Serbia), is expected to perform well, supported by an improved macro-economic environment, broadly stable interest rates, especially in the euro zone, stable margins and healthy loan volume growth of more than 5%. Operating performance as defined by operating result (operating income minus operating expenses) is expected to improve year-on-year, as net interest income is projected to grow by about 5%, fee and commission income continues to grow by more than 5%, net trading and fair result produces a similar revenue contribution as in 2025, and operating expenses grow in the order of 3%. Consequently, the cost/income ratio is expected to improve from the level of about 48% in 2025 to about 47% in 2026. Other operating result is expected to normalise following several positive one-offs in the amount of about EUR 270 million in 2025 and be more in line with the amount of banking levies also booked in this line item. Risk costs, at 20-25 basis points, are expected at a similarly benign level as in 2025.

Secondly, extraordinary effects due to the full consolidation of Erste Bank Polska are primarily expected in net interest income, operating expenses and risk costs. Net interest income will be negatively impacted by about EUR 170 million (equivalent to a net profit impact of approx. EUR -60 million) connected to the amortisation of positive fair value adjustments recognised on debt securities and derivatives. In addition, interest income earned on the purchase price in 2025 will not recur in 2026. Operating expenses will be affected by the amortisation of intangibles (customer stock and brand) and the booking of integration costs. Customer relationships will be amortised over 10 years in the amount of about EUR 210 million per annum (net profit impact of approx. EUR -70 million), while the brand will be fully written off following rebranding in 2026 (EUR 30 million gross or EUR ~10 million net). Remaining integration costs are forecast at EUR 180 million gross, mostly booked in 2026. The corresponding net impact will depend on the allocation of costs between the parent company and the local bank, which is still to be determined. Risk costs will be impacted by a EUR 300 million charge (net profit impact of about EUR -120 million) for expected credit losses of the Polish portfolio required under IFRS 9 following fair valuation of all assets and liabilities on first-time consolidation, in line with IFRS 3. This charge is not indicative of portfolio deterioration.

Consequently, taking into account organic underlying growth as well as the contribution from Erste Bank Polska, including extraordinary effects from its first-time consolidation, Erste Group in its now eight core markets, in 2026, targets net interest income in excess of EUR 11 billion, fee income of approx. EUR 4 billion and operating expenses of about EUR 7 billion.

Consequently, the cost/income ratio is projected to improve to about 45%. Risk costs are expected in the range of 25-30 basis points of average gross customer loans, as risk costs tend to be somewhat higher in Poland than in other CEE markets. This expectation is adjusted for the EUR 300 million one-off ECL provision mentioned above. Reported net profit for the combined entity is forecast somewhat below EUR 4 billion, net profit adjusted for extraordinary items related to first time consolidation of Erste Bank Polska is projected at somewhat above EUR 4 billion.

First-time consolidation of Erste Bank Polska is expected to result in a CET1 ratio drawdown of approximately 460 basis points, and consequently, lead to a dip in the CET1 ratio in the first quarter of 2026, albeit from a historic record level of 19.3% at the end of 2025. Thereafter, in line with the projected strong profit performance, the CET1 ratio is expected to increase in 2026, providing renewed capital return and/or M&A flexibility. Due to the full internal funding of the Erste Bank Polska acquisition, which required higher profit retention in 2025, Erste Group management will propose a reduced dividend payment of EUR 0.75 per share to the annual general meeting. This equals a payout ratio from 2025 net profit after deduction of AT1-dividends of 9.1%, in line with the 2025 dividend policy of limiting the payout ratio to 10%, announced at the time of acquisition.

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. Current international (military) conflicts do not impact Erste Group directly, as it has no operating presence in regions involved. Indirect effects, such as financial markets volatility, sanctions-related knock-on effects, supply chain disruptions or the emergence of deposit insurance or resolution cases cannot be ruled out, though. Erste Group is moreover exposed to non-financial and legal risks that may materialise regardless of the economic environment. Worse than expected economic development may put goodwill at risk.

Development in the core markets

This chapter provides an overview of the developments in our seven core markets (by segments) as of 31 December 2025, hence, prior to the market entry in Poland. In addition to economic reviews, we provide updates on the banking markets. Interviews with the CEOs of our local banks and board members of the Holding provide further insights into the respective business environment.

The descriptions of the core markets are supplemented by financial and credit reviews. For more details, please see Note 1 Segment Reporting. Additional information is available in Excel format at [Financial Reports | Erste Group Bank AG](#).

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

Austria

Economic review

Austria's well-diversified, open and developed economy returned to moderate growth mode in 2025 after a two-year long recession. Economic growth was mainly driven by higher consumption and a stabilisation of investment activity. Private consumption grew at a steady pace supported by real income gains in the previous years. The government's austerity measures did not yet take full effect. Public spending increased moderately. Exports, on the other hand, dampened economic growth against the backdrop of a weak performance of Germany, Austria's main trading partner. In addition, exports to the US and Italy also declined significantly. Non-residential construction recovered in 2025. Industrial production showed signs of recovery. Tourism once again performed well and contributed to economic growth. The agricultural sector, although not a major contributor to GDP, also performed well. Austria's labour market remained relatively stable throughout the year with the unemployment rate increasing slightly to 5.7%. Overall, the Austrian economy underperformed the European Union average and grew by 0.4%. GDP per capita amounted to EUR 55,700, one of the highest in the European Union.

Due to fiscal consolidation measures the general government deficit improved to 4.4%. Government revenues grew strongly in 2025, supported by the stable labour market and a range of revenue-raising measures, including energy and banking sector levies. In addition, the government abolished the "climate bonus", a lump-sum compensation for CO₂ pricing. Public debt as a percentage of GDP stood at 81.5%.

Inflation in Austria increased in 2025 to 3.6% and at this level was still elevated compared to the euro zone average of 2.1%. Service prices as well as electricity prices remained among the main inflation drivers, driven by the hospitality industry and the expiration of various electricity relief measures, respectively. Food prices and industrial goods prices also came in higher than expected. Core inflation, excluding food and energy prices, increased by 3.2%. Residential property prices increased slightly during the year. Austria's monetary policy is set by the ECB, which cut the key policy rate from 3.00% to 2.00% in four steps during the year.

On the back of persistent budget deficits and rising debt levels, Fitch downgraded Austria's sovereign rating from AA+ to AA with a stable outlook in June 2025. Citing the same concerns, Moody's changed its outlook from stable to negative while leaving its credit rating unchanged at Aa1. Standard & Poor's confirmed its long-term credit rating of AA+ with a stable outlook.

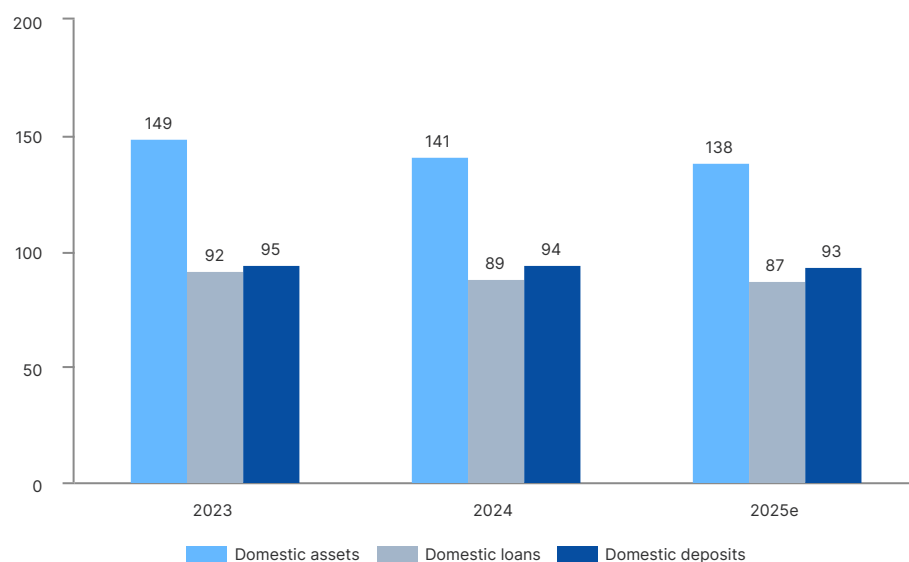
Key economic indicators – Austria	2022	2023	2024	2025e
Population (average, million)	9.1	9.1	9.2	9.2
GDP (nominal, EUR billion)	448.0	473.2	494.1	511.9
GDP/capita (in EUR thousand)	49.4	52.0	53.9	55.7
Real GDP growth	5.3	-0.8	-0.7	0.4
Private consumption growth	5.8	-0.2	1.0	0.9
Exports (share of GDP)	43.5	42.4	38.7	37.3
Imports (share of GDP)	48.1	42.8	38.3	37.4
Unemployment (Eurostat definition)	4.8	5.1	5.2	5.7
Consumer price inflation (average)	8.6	7.7	2.9	3.6
Short term interest rate (3 months average)	0.4	3.6	3.4	2.1
Current account balance (share of GDP)	-1.3	1.6	1.5	0.9
General government balance (share of GDP)	-3.4	-2.6	-4.7	-4.4

Source: Erste Group

Market review

Reflecting the muted economic performance, Austria's highly competitive and developed banking market performed moderately in 2025. Total domestic assets amounted to 138% of GDP, significantly higher than in Central and Eastern Europe. The sector further strengthened its capitalisation levels. A still relatively weak sentiment led to customer loan growth of 1.8%. Corporate loans were mainly driven by financing needs for inventories and working capital, and grew faster than retail loans. Overall, corporate loans increased by 1.3%. Reflecting the low demand for housing and consumer loans, lending to households increased by 1.0%. The share of variable rate loans continued to decline further. Customer deposits increased slightly by 2.6%. Overall, the banking system's loan to deposit ratio stood at 93.2% by year-end.

Financial intermediation - Austria (in % of GDP)

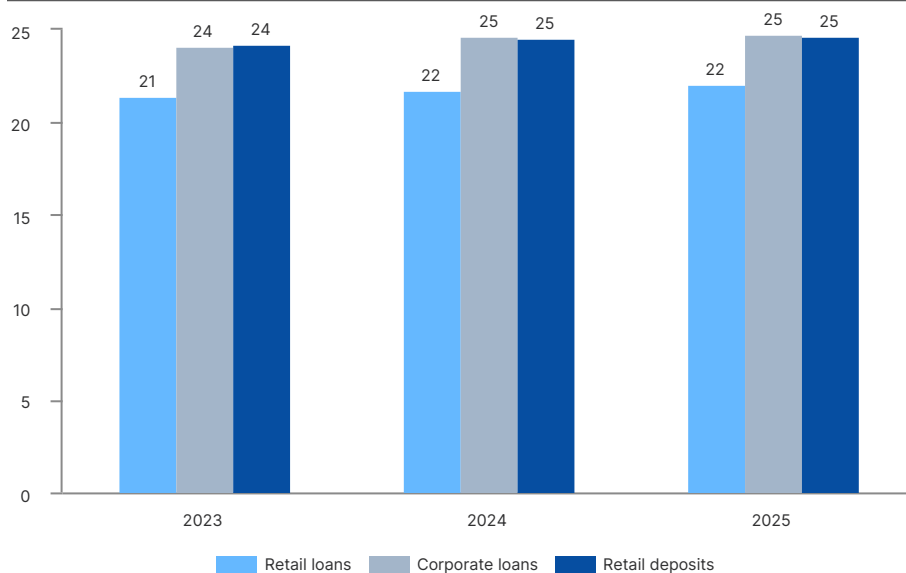


Source: Austrian National Bank, Erste Group

Stress test results, published annually by the Austrian National Bank, again confirmed that the domestic banking sector's risk-bearing capacity was adequate. Funding and liquidity profiles remained strong. The Austrian banking sector's liquidity ratios were high and comfortably above minimum requirements. In June 2025, the Austrian Financial Markets Authority (FMA) recommended, before expiry of the regulation on real estate financing measures in credit institutions (KIM-V; Kreditinstitute-Immobilienfinanzierungs-Verordnung), to maintain, in general, the macro-prudential measures (upper limits for loan-to-value ratios, debt-service-to-income levels and tenor). In addition, and following a recommendation of Austria's Financial Market Stability Board the sectoral systemic risk buffer for commercial real estate financing will be increased in two steps from 1.0% to first to 2% as of 1 July 2026 and then to 3.5% one year later.

The Austrian banking sector's profitability declined. Net interest income was impacted by the lower interest rate environment. Net fee and commission income improved mainly due to payment and securities-related fees. Operating expenses rose mainly due to salary increases and higher IT-related expenses. Risk provisions increased but stayed at a comfortable level. The Austrian government significantly increased the banking levy from approximately EUR 150 million p.a. to EUR 500 million for 2025 and 2026. From 2027, onwards the banking levy should be reduced to EUR 200 million p.a. Overall, in 2025, the Austrian banking sector achieved an unconsolidated net profit of EUR 10.7 billion, down by 10.2% compared to 2024.

Market share – Austria (in %)



Source: Austrian National Bank, Erste Group

Despite its large number of banks, the Austrian sector remained highly concentrated, with the top three banking groups accounting for more than half of total assets. Erste Bank Oesterreich and the savings banks succeeded in further increasing their combined market shares to between 22% and 25% in both retail and corporate business. Erste Group's market share in the domestic asset management business stood at 22.0%. The number of customers using George, Erste Group's digital banking platform, amounted to 2.6 million. In 2025, George's product range was again widened, and the digital sales ratio stood at 35% in Austria.

ERSTE BANK OESTERREICH & SUBSIDIARIES

Business Review

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

How did you add value to your customers?

By launching George Invest, we created a service in 2025 that redefined ease and accessibility: allowing investments even of small amounts, a broad investment universe, a transparent overview and financial education contents – all in one single app. The premium asset management service we started in the second half of the year is another attractive offer that enables clients to build a broad portfolio of different asset classes by pursuing a modular investment approach. Our goal is clear: we want to help as many people as possible to build wealth sustainably. Along with securities accounts that are tailored to meet the needs of different client segments, we create personalised solutions that combine flexibility and cost transparency. 6.2% growth in customers holding securities accounts shows that we are moving in the right direction.

By issuing Business Virtualcards, we were the first universal bank in Austria to present a modern digital enhancement of the traditional corporate credit card for businesses. Business Virtualcards provide an easy and transparent solution that is available immediately to pay for business expenses – another step to make the everyday lives of our corporate customers more efficient.

As a special highlight, we are the exclusive issuer of Austrian Miles & More credit cards for retail and business customers as of year-end 2025. We are thus adding an attractive product to our portfolio, strengthening our position in the premium segment and taking another important step to meet our customers' high-quality expectations.

With all of these initiatives, we pursue a clear goal: increasing customer satisfaction, reducing obstacles to the use of services and creating substantial added value through digital innovation and personal advice.

Which measures have you taken to improve the bank's operating performance and efficiency?

As part of our strategic initiatives, we pushed ahead to create and enhance future-proof, seamless customer journeys. Our aim is to provide a seamless, consistent experience across all interaction channels – from the first piece of information to the final transaction.

At the same time, we are strongly committed to automating standardised processes to increase efficiency and speed. It allows our staff to shift resources from routine processes to activities that add value, such as personal advice.

As another milestone and following the idea of “less bureaucracy, more advice”, we integrated Salzburger Sparkasse into Erste Bank Oesterreich. Since the legal merger as of 1 August 2025, Salzburger Sparkasse has been part of Erste Bank. The full integration of technical features is currently underway and will be completed in 2026. This combination is strengthening our regional footprint and making our organisation more efficient by streamlining administrative structures and harmonising operating processes.

Our goal is clear: simplifying structures, speeding up processes and using resources where they create the most added value in the customer business.

Looking back at the year, what major achievements or challenges were especially noteworthy?

The year 2025 was again marked by geopolitical uncertainty, a challenging economic environment, rising regulatory requirements and strong investment in digitalisation and IT security. Intense competition from digital service providers meant even more pressure to innovate.

Despite these challenges, we were able to achieve substantial results and affirm our strong market position: awards such as Best Bank and Best Private Bank from Euromoney, as well as the FMVÖ Recommender Award received for being the most recommended bank among the major banks, are proof of the quality of our services across all segments. We were particularly pleased to receive the diversity award (Preis der Vielfalt), which Erste Bank received in the Large Enterprises category for its commitment to promoting diversity and inclusion.

One marketing highlight this year was the Gen Z campaign “Investing is for Everyone”, by which we particularly targeted – and reached – the young generation. The campaign shows that our internet banking is up to date and understands the needs of a new investment generation – a clear response to growing competition from neo-brokers.

Financial review

in EUR million	2024	2025	Change
Net interest income	1,102	1,035	-6.1%
Net fee and commission income	549	591	7.6%
Net trading result and gains/losses from financial instruments at FVPL	30	22	-26.3%
Operating income	1,762	1,728	-1.9%
Operating expenses	-786	-810	3.0%
Operating result	975	917	-5.9%
Cost/income ratio	44.6%	46.9%	
Impairment result from financial instruments	-146	-128	-12.7%
Other result	-44	-64	47.0%
Net result attributable to owners of the parent	569	537	-5.6%
Return on allocated capital	25.1%	21.0%	

The Erste Bank Oesterreich & Subsidiaries (EBOe & Subsidiaries) segment comprises Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) and its main subsidiaries (e.g. s Bausparkasse, Tiroler Sparkasse, Sparkasse Hainburg. Salzburger Sparkasse was merged with Erste Bank Oesterreich as of 1 August 2025).

Net interest income decreased due to the repricing of variable-rate customer loans and lower income from placements at the central bank, driven by the decreased interest rate environment. This was only partially compensated by lower expenses for customer deposits. Net fee and commission income rose mainly on the back of higher payment and securities fees. Net trading result and gains/losses from financial instruments at FVPL decreased on valuation effects. Operating expenses increased due to higher IT and personnel expenses, which were partly compensated by the lower contribution to the deposit insurance fund of EUR 3 million (EUR 12 million). Overall, operating result decreased, and the cost/income ratio worsened. Impairment result from financial

instruments improved due to lower allocations for new defaults in corporate business. Other result worsened due to a higher allocation of provisions for legal risks and an increased banking tax of EUR 20 million (EUR 7 million). This was only partially compensated by a release of provisions for interbank VAT exemption after an allocation in the previous period. Overall, the net result attributable to owners of the parent decreased.

Credit risk

Credit risk exposure in the Erste Bank Oesterreich & Subsidiaries segment rose to EUR 57.2 billion (+4.8%), and customer loans increased to EUR 43.3 billion (+2.0%). This segment accounted for 18.4% (19.1%) of Erste Group's total loan portfolio. The share of retail private individual customers in total loan volume slightly increased to 37.3% (37.0%) while the share of corporates, including self-employed individuals and small businesses, rose to 58.5% (57.2%), getting back to the level of two years ago. The share of loans to professionals, other self-employed individuals and small businesses remains stable and is overall less significant in comparison to the Austrian savings banks. Lending to the public sector significantly decreased to EUR 1.8 billion (-25.8%). Despite a minor increase in non-performing loans, which was attributable to corporate business, the NPL ratio remained unchanged at 2.3%. The NPL coverage ratio based on loan loss provisions remained stable at 47.7% (47.5%).

SAVINGS BANKS

Financial review

in EUR million	2024	2025	Change
Net interest income	1,838	1,756	-4.5%
Net fee and commission income	721	770	6.9%
Net trading result and gains/losses from financial instruments at FVPL	39	45	17.0%
Operating income	2,648	2,616	-1.2%
Operating expenses	-1,332	-1,403	5.4%
Operating result	1,316	1,212	-7.9%
Cost/income ratio	50.3%	53.7%	
Impairment result from financial instruments	-248	-213	-14.4%
Other result	-42	-39	-5.7%
Net result attributable to owners of the parent	102	99	-2.7%
Return on allocated capital	15.1%	13.1%	

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

Net interest income decreased due to the repricing of variable-rate customer loans and lower income from placements at central bank, driven by the decreased interest rate environment. This was only partially compensated by lower expenses for customer deposits. Net fee and commission income increased on the back of higher securities as well as lending fees (mostly due to a reclassification from payment to lending fees). The net trading result and gains/losses from financial instruments at FVPL increased on valuation effects. Operating expenses increased due to higher personnel and IT expenses, partially compensated by a lower contribution to the deposit insurance fund of EUR 10 million (EUR 21 million). Overall, operating result decreased, and the cost/income ratio went up. Impairment result from financial instruments improved mainly due to lower risk cost allocations for new defaults. The improvement of other result was driven mainly by the non-recurrence of last year's provision for interbank VAT exemption, partially offset by higher provisions for legal risks. Banking tax increased to EUR 20 million (EUR 7 million). Overall, the net result attributable to the owners of the parent decreased.

Credit risk

Credit risk exposure in the Savings Banks segment increased to EUR 86.0 billion (+5.6%), while loans to customers rose to EUR 32.6 billion (+4.4%). Their share in Erste Group's total loans to customers decreased to 26.5% (27.0%). Lending to private households displayed below-average growth, and its share in the Savings Banks' total customer loan portfolio slightly declined to 37.0% (37.2%). Loans to professionals, other self-employed persons and small businesses remained stable at EUR 6.4 billion

(+1.3%). Loans to private individual customers grew at 3.9% and loans to corporates even more dynamically at 6.1%. Despite a continuing decline of the share of loans to professionals, other self-employed persons and small businesses to 10.3% (10.6%) of total loans, the share of this customer segment was still significantly larger than in Erste Group's subsidiaries in Central and Eastern Europe (2.7%). This mirrors the savings banks' strong local and regional orientation and the differing structure of the Austrian economy, where small and medium-sized enterprises make up a larger share than in Central and Eastern Europe. At 3.7%, the share of non-performing loans in total loans to customers in the Savings Banks segment remained, by and large, stable (3.6%). Coverage of non-performing loans with loan loss provisions declined to 52.9% (56.2%).

OTHER AUSTRIA

Business Review

Interview with Ingo Bleier, Chief Corporates and Markets Officer

How did you add value to your customers?

We continue to advance in our digital journey, with the corporate banking platform George Business now fully operational in Austria, Romania and Czechia, serving over 75,000 business customers. Our aim is to further enhance the platform and establish ourselves as a trusted digital partner – offering to our business clients comprehensive digital solutions for all daily banking needs in a user-friendly and modern design, moving beyond traditional transaction banking. In 2025, we introduced fully digital products such as virtual business cards and treasury services like FX spot and money market deposits, enabling customers to self-serve 24/7 and reducing reliance on advisor availability. We also expanded our service offering with features like secure messaging and a digital legal representative function for signing official documents.

In parallel, we further enhanced our Financial Health Zone tool with deeper diagnostic capabilities, delivering personalised insights into a company's financial stability. Customers now benefit from early warnings and tailored recommendations, helping them to make informed decisions before challenges arise.

Overall, we provided our customers with greater autonomy as well as a higher level of information and convenience - empowering them to navigate their banking needs with greater ease and assurance.

Which measures have you taken to improve the bank's operating performance and efficiency?

To improve efficiency and add value to our customers, we introduced a standardised cross-border private banking offer that streamlines access to international investment solutions and enhances diversification opportunities across Erste Group's markets in CEE, with Vienna as the financial hub. This initiative simplifies complex procedures and leverages group-wide expertise, enabling clients to benefit from a broader product offering, consistent advisory quality, and unified technology platforms. By creating a seamless experience across borders and generations, we reduce operational complexity while empowering clients to manage their wealth efficiently and confidently in an increasingly global environment.

Corporate business clients continued to leverage capital markets through multiple issuances to refinance and strengthen their funding base, particularly in the debt markets. Additionally, sovereigns across the region were once again at the forefront in terms of issuance volumes across EUR and USD markets. We could not only fully support our clients but also reaffirm our leadership in issuance activities – further enhancing our strong reputation.

Looking back at the year, what major achievements or challenges were especially noteworthy?

Global Capital recognised us for the third consecutive time as Best Bank for Distribution in the covered bond asset class, along with once again an individual award as Best Syndicate Banker. Also, Erste Group has confirmed its position as the number 1 bookrunner for CEE FIG (N.B. financial institution groups) unsecured issuances and kept its top 4 position globally for EUR covered bonds. With a number of attractive benchmark deals, we could, in addition, prove our strong placement capabilities for corporates from the region. Moreover, within the equity capital markets business, our franchise not only successfully placed a number of ABBs, but also completed one of the rare IPOs on the Romanian stock exchange.

In the corporate banking business, despite numerous market headwinds, we were able to significantly increase our loan volume, profiting from our strong brand and reputation.

Moreover, the continuous growth of fee income was fully supported by our ambition to become the main counterparty to our business clients while going the extra mile to deliver comprehensive solutions.

We supported our clients in their green transition by providing more than EUR 5 billion in sustainable finance commitments, mainly in the construction and real estate sectors. Leveraging our expertise, we also provided extensive advisory services across our core regions, helping clients navigate the transition and implement sustainable solutions effectively.

Finally, I am very proud to say that assets under management of Erste Asset Management reached a historical milestone in 2025: total assets under management exceeded the EUR 100 billion mark and amounted to approx. EUR 104 billion as of year-end 2025. As a result of both organic and inorganic growth, we have established ourselves as a leading provider of investment solutions throughout the region.

Financial review

in EUR million	2024	2025	Change
Net interest income	580	595	2.6%
Net fee and commission income	356	427	20.1%
Net trading result and gains/losses from financial instruments at FVPL	21	31	48.4%
Operating income	1,017	1,118	9.9%
Operating expenses	-417	-448	7.5%
Operating result	601	670	11.6%
Cost/income ratio	41.0%	40.1%	
Impairment result from financial instruments	-3	-3	-22.2%
Other result	-3	35	n/a
Net result attributable to owners of the parent	447	533	19.2%
Return on allocated capital	15.6%	19.3%	

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

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

Credit risk

The credit risk exposure in the Other Austria segment, almost completely related to Holding and Erste Group Immorent business, decreased to EUR 61.8 billion (-6.3%). Consequently, its share in Erste Group's total credit risk exposure declined to 14.8% (16.5%). A large proportion of risk positions was related to securities and cash balances held with other banks. At EUR 24.2 billion, the share of loans to customers in Erste Group's total loan portfolio amounted to 10.2% (10.7%) and was significantly lower than its contribution to credit risk exposure. This slight decrease in the share of total loans to customers was driven primarily by large corporates business. The asset quality improved and the NPL ratio decreased to 1.3% (2.1%). Coverage of non-performing loans with loan loss provisions remained stable at 32.1% (32.3%).

Czech Republic

Economic review

In 2025, the economic performance of the Czech Republic was strong. Growth was mainly driven by robust household consumption due to real wage growth and reduced household savings rates. Consumer confidence improved further. Investments also contributed to the economic performance benefitting from the growth of residential construction and an increase in inventories. Services performed well. Exports suffered due to weakening foreign demand for goods, most pronounced in the case of Germany, the country's key trading partner. The automotive sector remained a key contributor to exports. The car industry employed 120,000 people and accounted for approximately 8% of the country's economy. Production of passenger vehicles remained, by and large, stable. The unemployment rate increased to 2.9%, still among the lowest in the European Union. Overall, real GDP increased by 2.5%, and GDP per capita amounted to EUR 31,700.

Parliamentary elections were held in the Czech Republic in October, and a new three-party government was formed in December 2025. Although a major consolidation package, including a range of measures on both the revenue and expenditure side was introduced, the country's budget deficit increased slightly to 2.1%. The higher deficit was mainly driven by increased defence spending. At 43.0%, public debt as a percentage of GDP remained one of the lowest in the European Union.

Rising food prices were a key driver of the slight increase in inflation. At 2.5%, consumer price inflation remained above the central bank target of 2.0%, but within the tolerance band of ± 1 percentage points. Core inflation amounted to 2.7%. The Czech koruna appreciated by 3.7% against the euro. The Czech National Bank (CNB) reduced its key policy rate in two steps in 2025, from 4.00% to 3.50%.

The three major rating agencies maintained their sovereign ratings and outlook for the Czech Republic throughout the year. Fitch affirmed its credit rating at AA-, Standard & Poor's at AA- and Moody's at Aa3, each with a stable outlook.

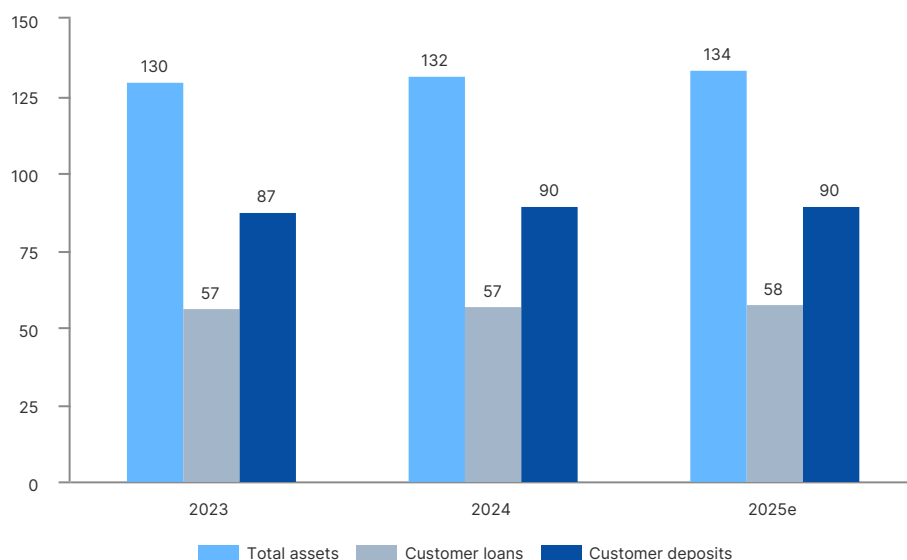
Key economic indicators – Czech Republic	2022	2023	2024	2025e
Population (average, million)	10.7	10.9	10.9	10.9
GDP (nominal, EUR billion)	287.0	319.5	320.7	345.2
GDP/capita (in EUR thousand)	26.8	29.4	29.4	31.7
Real GDP growth	2.9	0.2	1.1	2.5
Private consumption growth	0.4	-2.7	2.2	2.9
Exports (share of GDP)	61.9	58.2	57.7	56.0
Imports (share of GDP)	65.1	56.4	55.0	53.6
Unemployment (Eurostat definition)	2.2	2.6	2.7	2.9
Consumer price inflation (average)	15.1	10.7	2.4	2.5
Short term interest rate (3 months average)	6.3	7.1	5.0	3.6
EUR FX rate (average)	24.6	24.0	25.1	24.7
EUR FX rate (eop)	24.2	24.7	25.2	24.2
Current account balance (share of GDP)	-4.7	0.3	1.7	0.7
General government balance (share of GDP)	-3.1	-3.8	-2.0	-2.1

Source: Erste Group

Market review

Backed by the strong macroeconomic performance, the Czech banking sector performed very well in 2025. Customer loans grew by 7.0%, driven more by retail than corporate lending. Retail loans increased by 8.4% due to strong demand for housing loans and the revival of consumer lending. Corporate loans grew by 4.3%, which was mainly attributable to investment loans. The CNB maintained its regulatory limits for mortgage lending and increased the minimum reserve requirement for banks from 2% to 4%. The systemic risk buffer was set at 0.5% as of 1 January 2025, and the counter-cyclical buffer was kept at 1.25% throughout the year. The CNB's annual stress test confirmed the resilience of the sector, highlighting high capitalisation and robust profitability. Customer deposit inflows remained strong with a growth rate of 6.1%. Growth was more pronounced in the retail business. At year-end, the banking sector's loan-to-deposit ratio stood at 64.1%, while the total capital ratio exceeded 20%.

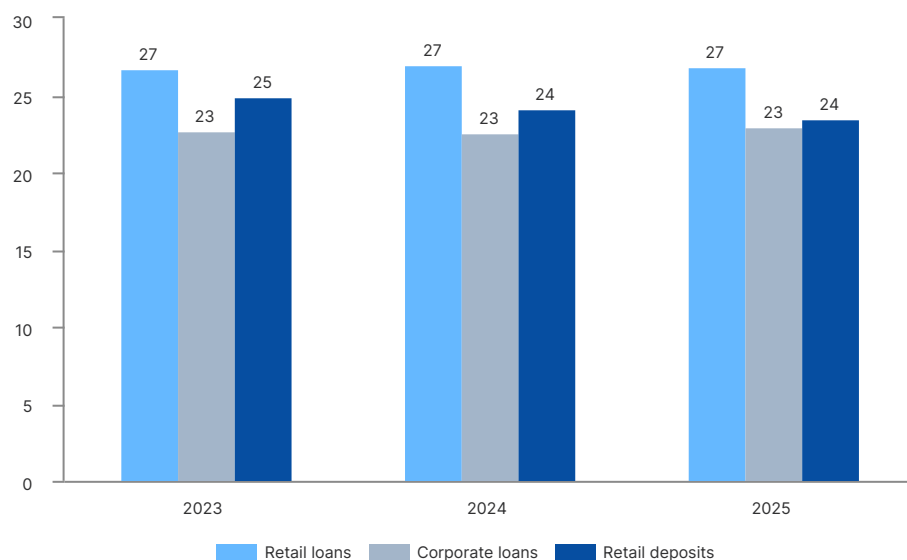
Financial intermediation – Czech Republic (in % of GDP)



Source: Czech National Bank, Erste Group

The Czech banking sector remained highly profitable. Net interest income grew moderately: the decreasing key rate was offset by volume growth and lower cost of funding. Net fee and commission income rose on the back of higher income from card transactions, asset management and insurance business. Operating expenses remained under control as higher wages were partly offset by a lower number of branches. Asset quality remained very good, and risk provisions were low. Overall, the Czech banking sector achieved a return on equity of above 18% in 2025.

Market shares – Czech Republic (in %)



Source: Czech National Bank, Erste Group

The three largest banks continued to have a combined market share of approximately 60% in customer loans and deposits. Česká spořitelna maintained leading market positions across all product categories. Retail lending market shares ranged from 24% to 27%, in corporate lending, they increased slightly to 23.0%. At 24.0%, the bank also retained the top position in consumer lending, including credit card business. Česká spořitelna also maintained its market leadership position in asset management with a market share of 24.7%. George mobile banking was the most used banking app on the market, both in terms of number of users and transaction volume. Česká spořitelna had more than 3.5 million George users by the end of 2025. The digital sales ratio increased to 67%. Overall, Česká spořitelna's market share in terms of total assets stood at 17.9%.

Business Review

Interview with Tomáš Salomon, CEO of Česká spořitelna

How did you add value to your customers?

In 2025, we deepened our commitment to helping people build stronger financial futures. Our goal is not only to provide banking services, but to empower customers to make confident, informed decisions about their long-term financial health. This vision guided all of our work throughout the year.

We continued to develop the George ecosystem into a truly intelligent financial companion – one that brings simplicity, safety, and personalisation to everyday banking. By strengthening tools that enhance financial awareness, support entrepreneurs, and offer greater repayment flexibility, we are making responsible financial management more accessible to everyone.

At the same time, we believe the future of banking lies in the synergy of digital innovation and human expertise. Our Future Lab branch in Prague showcases this vision: a space where customers can experience the possibilities of AI-driven banking while receiving thoughtful, personal guidance.

We even look for ways to bring joy and individuality into the customer experience – whether through tailored digital features or creative touches like gaming-themed payment cards. The continued improvement in customer satisfaction, client numbers, and financial performance shows that our long-term effort to elevate financial well-being is resonating. Our customers are telling us we are moving in the right direction, and we intend to keep raising the bar.

Which measures have you taken to improve the bank's operating performance and efficiency?

In a rapidly changing world, operational excellence is not just about efficiency - it is about building a bank that can adapt, innovate, and lead. In 2025, we advanced this agenda significantly, ensuring that Česká spořitelna remains strong, agile, and ready for the future.

Our cost discipline and process optimisation kept the cost/income ratio below 45%, while we continued to modernise the foundations of our business. Digital transformation remains the backbone of our strategy: the George platform became more automated, more intuitive, and more supportive, thanks to AI-driven coaching and our “Hey George” digital assistant.

We also realigned our pricing and service structure to reflect evolving customer preferences, encouraging digital channels where convenience and efficiency naturally go hand in hand. At the same time, we continued shaping our branch network into a smarter, more connected system - one that combines digital sophistication with high-quality personal service.

Together, these steps strengthened the quality of our revenues, streamlined our cost base, and positioned us for sustainable growth. More importantly, they are laying the groundwork for a bank that is not only more efficient today but ready for the challenges and opportunities of the next decade.

Looking back at the year, what major achievements or challenges were especially noteworthy?

Celebrating our 200th anniversary in 2025 was more than commemorating history, it was a reminder of the responsibility we carry as the country's oldest and largest bank. This legacy fuels our ambition to keep driving progress for our customers and for the Czech economy.

It was also a year of important achievements: Česká spořitelna penzijní společnost, our pension savings company, became the largest administrator of long-term savings in the Czech Republic. On top of that, and for the first time, more than 700,000 customers entrusted us with their investments. These milestones show that people increasingly look to us as a partner that can help them navigate a complex financial world and prepare for the future.

Our achievements were reflected in the recognition we received. Internationally, Euromoney named Česká spořitelna the Best Bank in the Czech Republic, and we earned four first-place awards in the Customer Centricity World Series. Domestically, we led the Golden Crown rankings and secured top positions in both the Visa Best Bank and Mastercard Bank of the Year awards – achieving an unprecedented back-to-back double.

These accomplishments affirm that our strategy is working. But more importantly, they strengthen our resolve to keep transforming the bank for the next generation, guided by the same purpose that has driven us for two centuries: helping people and communities thrive.

Financial review

in EUR million	2024	2025	Change
Net interest income	1,464	1,551	5.9%
Net fee and commission income	509	533	4.9%
Net trading result and gains/losses from financial instruments at FVPL	134	133	-0.6%
Operating income	2,128	2,242	5.3%
Operating expenses	-967	-1,024	5.8%
Operating result	1,160	1,218	5.0%
Cost/income ratio	45.5%	45.7%	
Impairment result from financial instruments	10	-18	n/a
Other result	-24	11	n/a
Net result attributable to owners of the parent	949	1,006	6.0%
Return on allocated capital	21.1%	22.7%	

The segment analysis is done on a constant currency basis. The CZK appreciated by 1.7% against the EUR in the reporting period. Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) increased on the positive contribution of lending business and lower expenses for customer deposits. The increase in net fee and commission income was mainly driven by higher fees from securities and insurance brokerage. Net trading result and gains/losses from financial instruments at FVPL deteriorated slightly on negative valuation effects. Operating expenses increased due to higher personnel as well as IT and marketing costs. Contributions into the deposit insurance fund remained, by and large, stable at EUR 16 million. Overall, the operating result increased, while the cost/income ratio deteriorated marginally. Impairment result from financial instruments deteriorated on lower releases driven by the recalibration of the risk parameters. Other result improved on the selling gains from real estate and release of provisions for legal expenses, partially offset by higher selling losses from bonds. Contribution to the resolution fund decreased to EUR 6 million (EUR 20 million). Altogether, these developments resulted in a higher net result attributable to the owners of the parent.

Credit risk

Credit risk exposure in the Czech Republic segment rose to EUR 94.1 billion (+4.7%), and loans to customers significantly increased to EUR 49.4 billion (+12.1%). This growth was mainly attributable to the development in the private individuals business (+12.5%). Large corporate business also expanded significantly. Customer loan volume as a percentage of Erste Group's total loans to customers increased to 20.9% (19.9%). In terms of business volume, the Czech Republic is the second most important market for Erste Group after Austria as of year-end 2025. Non-performing loans as a percentage of total loans to customers improved to 1.6% (1.8%). Loan loss provisions increased slightly leading to higher coverage of non-performing loans to a level of 104.9% (101.9%).

Slovakia

Economic review

In 2025, the Slovak economy – with strong automotive and services sectors – grew by 0.8%. Economic growth was mainly attributable to household consumption and investment activity. The latter was significantly supported by the inflow of European Union funds. Net exports did not contribute to economic growth. Deterioration in foreign demand was pronounced last year, most visibly in relation to Germany. Slovakia has been the world's largest producer of cars per capita since 2007, with a total of almost one million vehicles last year. Slovakia's labour market remained solid. The unemployment rate increased slightly from a historic low of 5.3% a year ago to 5.4% in 2025. GDP per capita amounted to EUR 24,700.

The general government deficit improved somewhat, driven mainly by consolidation measures such as adjustments of VAT and corporate tax rates, along with the introduction of a financial transaction tax. On the expense side, the government continued to subsidise energy prices for households. The combined budgetary cost of the energy measures accounted for 0.3% of GDP. Overall, the general government deficit decreased to 4.8% of GDP. The country's public debt as a percentage of GDP increased slightly to 61.8%. To further reduce the deficit in 2026, the Slovak government also introduced a variety of measures, such as fewer public holidays, higher healthcare contributions, higher progressive income tax and a partial wage freeze in the public sector.

Inflation rose mainly due to an increase in the value-added tax rate for most goods and services. The government introduced a new support scheme for households with direct subsidies for gas and electricity prices and vouchers for heating-related expenses. The government also approved plans to extend gas and heat price caps for the majority of households in 2026. Food prices increased moderately while inflation of services remained relatively high. Overall, average consumer price inflation amounted to 4.0%. Slovakia's monetary policy is set by the ECB, which cut the key policy rate from 3.00% to 2.00% in four steps during the year.

In April 2025, Standard & Poor's affirmed its credit rating for Slovakia at A+ but revised its outlook from stable to negative. The rating agency cited global trade tensions affecting Slovakia's automotive-heavy economy and potentially damaging fiscal consolidation efforts. Fitch kept its credit rating for Slovakia at A- and Moody's at A3, both with a stable outlook.

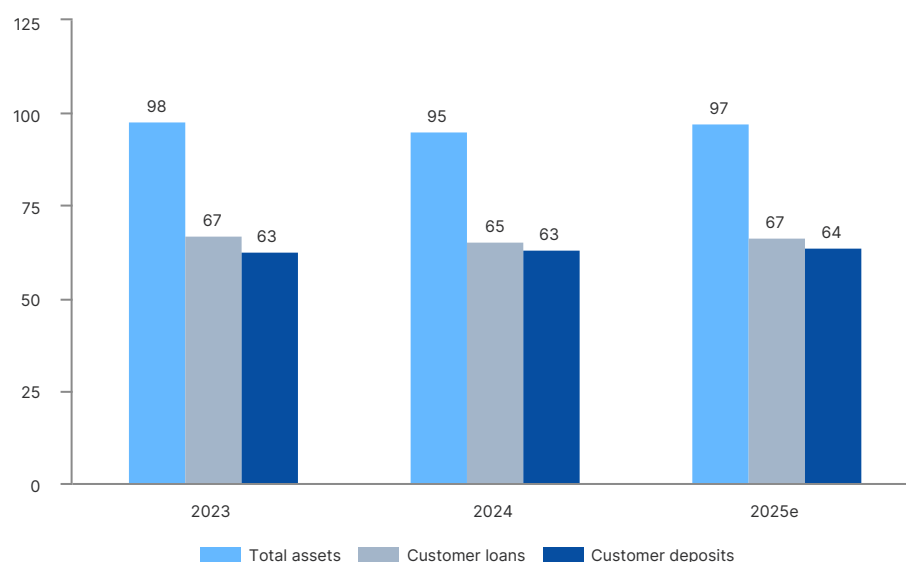
Key economic indicators – Slovakia	2022	2023	2024	2025e
Population (average, million)	5.4	5.4	5.4	5.5
GDP (nominal, EUR billion)	110.0	123.5	130.2	136.3
GDP/capita (in EUR thousand)	20.3	22.8	24.0	24.7
Real GDP growth	0.5	2.1	1.9	0.8
Private consumption growth	4.8	-3.2	3.8	1.0
Exports (share of GDP)	99.1	91.5	85.5	85.7
Imports (share of GDP)	105.0	89.9	85.7	86.5
Unemployment (Eurostat definition)	6.0	5.8	5.3	5.4
Consumer price inflation (average)	12.8	10.5	2.8	4.0
Current account balance (share of GDP)	-9.6	-3.0	-4.6	-4.1
General government balance (share of GDP)	-1.6	-5.3	-5.5	-4.8

Source: Erste Group

Market review

Despite the moderate economic backdrop and elevated sector taxes, the Slovak banking market performed well. Customer loans grew by 6.9%. Retail loans increased by 6.8% driven by the revival of mortgage lending and strong demand for consumer loans. The latter was significantly supported by declining interest rates. In addition, the Slovak government continued to subsidise housing loan repayments. The National Bank of Slovakia kept macroprudential measures unchanged, including limits for debt-service-to-income (DSTI), debt-to-income (DTI) and loan-to-value (LTV) ratios. The countercyclical buffer has also been kept unchanged at 1.50% since August 2023. At 5.5%, customer deposits grew less than loans. The inflow of retail deposits was impacted by a retail government bond programme issued in March 2025. The asset management business performed very well and grew by 12.0%. Corporate deposits increased by 3.2%. The banking system's loan-to-deposit ratio stood at 104.8%.

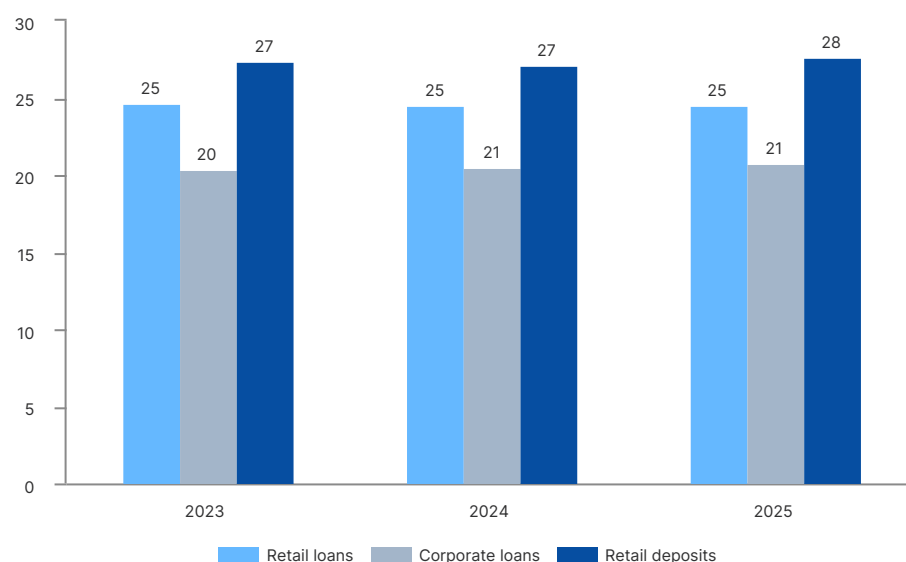
Financial intermediation – Slovakia (in % of GDP)



Source: National Bank of Slovakia, Erste Group

The Slovak banking market remained profitable. Operating income grew, supported by both net interest income and net fee and commission income. Net interest income benefitted from loan growth and still from the gradual repricing of the fixed-rate mortgage loan portfolio. Fee and commission income was driven mainly by asset management and insurance-related fees. Despite rising personnel expenses, operating expenses remained under control with the sector cost/income ratio almost unchanged at 45.7%. Banks continued to reduce their branch networks. Asset quality remained very solid, and risk costs were low. While the special bank levy declined, net profit was negatively affected by higher corporate income tax, which increased from 21% to 24%. In addition, the government introduced a financial transaction tax as of April 2025. The banking sector remained well capitalised. The Slovak banking sector recorded its third most profitable year ever and achieved a return on equity of 7.7%.

Market shares – Slovakia (in %)



Source: National Bank of Slovakia, Erste Group

The three largest banks in Slovakia control approximately 70% of the country's banking market. Consolidation of the sector continued. KBC Group announced the acquisition of a 98.45% stake in 365.bank from J&T Finance Group. Slovenská sporiteľňa remained the country's largest bank. Its market shares in both customer loans and deposits amounted to approximately 23%. Market shares were higher in the retail segment than in the corporate segment. In the retail business, market shares stood between 25% and 28%. In addition, Slovenská sporiteľňa was the country's second-largest asset manager, with a market share of 21.0%. Slovenská sporiteľňa also maintained its leadership position in digital banking with more than 1.3 million registered George users.

Business Review

Interview with Peter Krutil, CEO of Slovenská sporiteľňa

How did you add value to your customers?

Last year, we delivered significant value to customers by improving their experience, strengthening financial well-being services, and providing faster, more intuitive digital solutions. We achieved a +4-point surplus in our relative Customer Experience Index relative to the other top 3 banks. This shows that customers perceived our service quality as superior to that of major competitors.

In 2025, Slovenská sporiteľňa significantly expanded and deepened its Financial Health Advisory (FHA) proposition, positioning it as a core pillar of client value creation. The bank provided such advisory to more than 250,000 people, thus broadening the access to tailored guidance that helped customers to better understand their savings and investments as well as overall financial resilience. This development was strengthened by the tighter integration of advisory tools across channels: improvements in George, the tablet advisory environment, and the introduction of support tools, which enriched advisor preparation; all of which nudged clients toward better decisions through data-driven insights. These enhancements enabled higher advisory availability, increased the consistency of services and helped the bank to maintain its leadership ambitions in multi-channel advisory.

We launched new digital features such as George ID, the pension calculator and migrated George to the cloud. These enhancements increased service availability, improved onboarding and made it easier for customers to manage their finances independently. The introduction of a real-time AI whisperer in the call center boosted the accuracy and consistency of support during live conversations.

Finally, in response to regulatory changes, we delivered the infrastructure for handling the financial transaction tax and automated account openings, enabling us to successfully onboard 75,000 new micro-clients without service slowdowns. Together, these steps elevated our customer experience, strengthened our advisory value, and improved convenience across all channels.

Which measures have you taken to improve the bank's operating performance and efficiency?

Throughout 2025, we carried out multiple initiatives that strengthened the bank's operational efficiency and thus profitability.

We launched a new mortgage process, which reduced internal complexity and operating costs by replacing older systems. Optimised workflows also benefited customers. Alongside this, we expanded AI-driven automation across internal processes, including document handling and coding support, which reduced manual workload and improved speed.

The bank advanced its major strategic initiative of automating the corporate lending process, a critical step toward better risk control, more accurate processing and faster decision cycles. Additionally, we upgraded the omnichannel campaign management platform to enable more targeted communication and a higher level of personalisation.

We are also improving internal "ways of working" by standardising best practices across teams and introducing more effective discovery and validation processes, including sparring sessions for key initiatives. This strengthened project execution quality and reduced the risk of delays or inefficiencies.

Together, these measures laid the foundations for sustainable efficiency improvements.

Looking back at the year, what major achievements or challenges were especially noteworthy?

The year 2025 brought several significant achievements. We achieved strong results in becoming the primary bank for customers, in deposit market share, CXI performance, and employee engagement, which exceeded 80%. Slovenská sporiteľňa was recognised as the Best Employer in the financial sector by the PROFESIA portal - our eighth time receiving this award - highlighting the strong commitment and engagement of our employees.

Our digital platform, George, also earned the SmartBank Award, voted on directly by users. We won in two categories: Best App (reflecting the highest client satisfaction) and Investments.

Challenges remained, particularly government interventions (special bank tax, financial transaction tax, and support for people with higher housing loan interest rates), which affected our profits. Nonetheless, we managed these difficulties as effectively as possible, turning them into competitive strengths and ensuring the impact on our clients was as limited as possible.

Financial review

in EUR million	2024	2025	Change
Net interest income	552	615	11.4%
Net fee and commission income	232	242	4.1%
Net trading result and gains/losses from financial instruments at FVPL	25	21	-16.7%
Operating income	814	885	8.7%
Operating expenses	-354	-376	6.3%
Operating result	460	509	10.6%
Cost/income ratio	43.4%	42.5%	
Impairment result from financial instruments	-13	-51	>100.0%
Other result	-10	-14	38.0%
Net result attributable to owners of the parent	275	292	6.2%
Return on allocated capital	18.0%	20.4%	

Net interest income in the Slovakia segment (comprising Slovenská sporiteľňa Group) increased due to higher customer loan volumes and repricing of fixed-rate loans, as well as lower expenses for customer deposits. These effects were partially offset by lower income from central bank placements. Net fee and commission income increased on the back of higher insurance brokerage and securities fees. Net trading result and gains/losses from financial instruments at FVPL decreased due to valuation effects. Operating expenses went up mainly due to higher personnel, IT and marketing expenses. The contributions to the deposit insurance fund amounted to EUR 2 million (EUR 3 million). Operating result increased, and the cost/income ratio improved. Impairment result from financial instruments worsened due to higher allocations in the retail business and lower releases driven by the recalibration of risk parameters. Other result worsened mainly due to provisions related to the governmental mortgage loan subsidy, partially compensated by a better valuation result of a participation. The banking tax, booked in the taxes on income line, amounted to EUR 67 million (EUR 103 million). Overall, the net result attributable to the owners of the parent increased.

Credit risk

Credit risk exposure in the Slovakia segment rose to EUR 32.3 billion (+9.3%), and loans to customers increased at a slower but still significant pace to EUR 21.1 billion (+6.6%). Their share of Erste Group's total loan portfolio remained unchanged at 8.9%. Loan growth was driven mostly by private households, while business growth of corporate customers was more moderate. The share of loans to private households was again significantly larger in the Slovakia segment than in Erste Group's other core markets and accounted for 68.4% (67.8%) of total loans to customers. This customer mix, with a substantial proportion of retail mortgage loans, also explains the large share of secured business. At year-end, it slightly increased to 53.6% (52.7%), still exceeding that of other Central and Eastern European core markets. The NPL ratio moderately increased to 2.2% (1.9%), and the NPL coverage ratio stood at 81.5% (92.3%).

Romania

Economic review

In 2025, the Romanian economy grew by 0.6%. The main contributor to economic growth was investment activity related to infrastructure projects funded by the European Union. Inflows of EU funds from the regular Multiannual Financial Framework and NextGenerationEU amounted to EUR 15.2 billion. Unlike in other CEE countries, consumer sentiment was rather weak, with fiscal consolidation significantly affecting household consumption. Consumption was negatively impacted by elevated inflation, the freeze of pensions and public wages and various tax increases. Net exports did not contribute to economic growth due to weak external demand. Change in inventories was a negative contributor to real GDP growth. Agriculture, on the other hand, improved from 2024 when a severe drought hit the sector. The unemployment rate increased to 6.0%. GDP per capita rose significantly to EUR 20,000.

Political uncertainty following the presidential elections and the resignation of the prime minister led to temporary concerns in financial markets. A new government was formed in June 2025. At 8.0%, Romania's budget deficit remained relatively high. In July 2025, the parliament adopted additional fiscal consolidation measures, comprising significant tax increases (such as higher VAT rates and higher sectoral taxes) and an extension of the nominal freeze in wages and pensions until 2026. Public debt to GDP increased further to 59.2%.

At 7.3%, Romania's inflation was the highest in the European Union in 2025. The removal of the electricity price cap in July and the indirect tax hikes in August significantly contributed to this. Core inflation, excluding food and energy prices, increased by 8.5%. The Romanian leu depreciated slightly against the euro. The National Bank of Romania kept its key policy rate unchanged throughout the year at 6.50%.

All three major rating agencies reacted to political uncertainty. Standard & Poor's, Fitch and Moody's revised their outlook from stable to negative while affirming their ratings, Standard & Poor's and Fitch at BBB- and Moody's at Baa3.

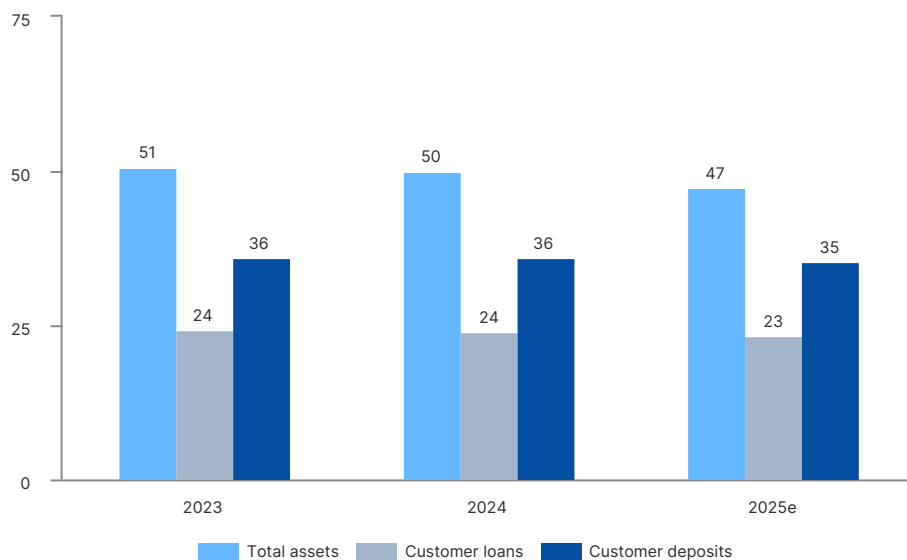
Key economic indicators – Romania	2022	2023	2024	2025e
Population (average, million)	19.0	19.1	19.1	19.0
GDP (nominal, EUR billion)	280.8	321.6	353.6	379.6
GDP/capita (in EUR thousand)	14.7	16.9	18.5	20.0
Real GDP growth	4.2	2.3	0.9	0.6
Private consumption growth	5.2	2.8	5.9	0.7
Exports (share of GDP)	32.7	28.9	26.2	24.5
Imports (share of GDP)	44.9	38.0	35.7	33.5
Unemployment (Eurostat definition)	5.6	5.6	5.5	6.0
Consumer price inflation (average)	13.7	10.5	5.6	7.3
Short term interest rate (3 months average)	6.2	6.6	5.9	6.4
EUR FX rate (average)	4.9	4.9	5.0	5.0
EUR FX rate (eop)	4.9	5.0	5.0	5.1
Current account balance (share of GDP)	-9.6	-6.7	-8.2	-7.8
General government balance (share of GDP)	-6.3	-6.6	-9.3	-8.0

Source: Erste Group

Market review

Despite macroeconomic headwinds and significantly higher sectoral taxes, the Romanian banking market recorded another successful year. Customer loans increased by 6.1%, and customer deposits were up by 6.9%. Lending growth was mainly driven by the retail sector. Housing loans, despite still elevated interest rates, increased by 6.5%, and consumer loans rose by 10.3%. Corporate loans were up by 4.5%. The growth in customer deposits was higher in the retail business, where they rose by 8.1%. Corporate deposits increased by 5.0%. Overall, the banking system's loan-to-deposit ratio stood at 66.2%. The Romanian National Bank maintained the countercyclical capital buffer at 1.0% throughout the year. At a capital adequacy ratio of 24.4%, the Romanian banking sector remained strongly capitalised.

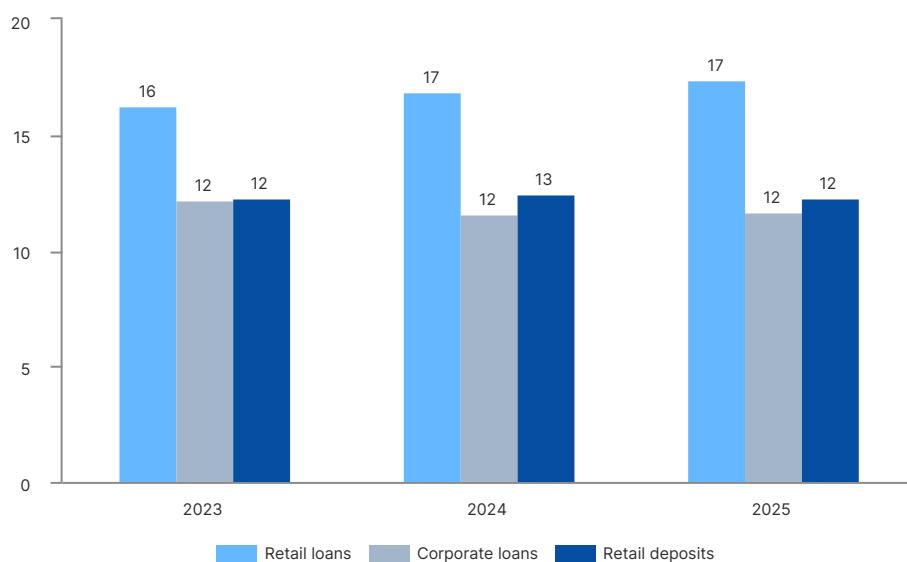
Financial intermediation – Romania (in % of GDP)



Source: National Bank of Romania, Erste Group

Net interest income was supported by the interest rate environment and volume growth. Fee and commission income also rose, mainly attributable to securities business and insurance-related fees. Expenses were particularly driven by higher salaries. Banks continued to adjust their branch networks.

Market shares – Romania (in %)



Source: National Bank of Romania, Erste Group

Asset quality remained strong, and risk provisions were low. The NPL ratio of the sector stood at 2.7% while the NPL coverage ratio amounted to 65.1% at the end of the year. As part of its consolidation package, the government doubled the special tax of the banking sector from 2% to 4% of operating revenues as of July 2025. Overall, the Romanian banking sector achieved a return on equity of 17.6%.

Consolidation of the Romanian banking market continued. Banca Transilvania completed the integration of OTP Bank Romania, boosting its total asset market share further and cementing its leadership position. UniCredit finalised its merger with Alpha Bank Romania in August, creating the country's third-largest banking group. Banca Comercială Română remained the second largest bank in the country, both in terms of total assets as well as customer loans and deposits. Its customer loan market share stood at 14.4%. The retail loan market share amounted to 17.4%, while in the corporate business it was 11.7%. The number of customers using George, Erste Group's digital banking platform, increased to 2.3 million. The digital sales ratio increased to 91.6%.

Business Review

Interview with Sergiu Manea, CEO of Banca Comercială Română

How did you add value to your customers?

In 2025, our focus was on integrating digital innovation with personalised financial health, significantly advancing both our retail and corporate franchises.

A major milestone was the complete transition to George Business, onboarding over 10,000 SME and corporate clients to this new standalone platform, which now processes around EUR 9 billion in monthly transactions and received highly positive feedback.

We launched George Benefits, the first banking loyalty programme in Romania rewarding retail clients with progressive benefits linked to their own financial goals. This innovative system allows clients to activate benefit bundles, including preferential interest rates for loans and deposits. For goal setting, customers are assisted by FinCoach, a planning tool using predictive analysis to provide actionable, tailored recommendations and educational resources. Currently, 65% of our customers are enrolled in George Benefits, and over 900,000 financial health dialogues have been conducted.

Further features were added to George, e.g. AI-powered assistance, new financial guidance tools, instant transfers and QR payments through RoPay, in-app video call support or Move & Save, which integrates physical activity with savings habits.

Which measures have you taken to improve the bank's operating performance and efficiency?

Last year, we implemented AI-driven solutions to streamline internal workflows and standardise advisory processes. We specifically targeted operational friction in corporate lending, improving processing time for loan drawdowns by 80%. Insurance policy workflows for mortgages were simplified, halving processing time. These measures enhanced accuracy, scalability and freed staff for higher-value tasks. Currently, 25% of our colleagues are using AI assistants daily.

Furthermore, front-office productivity accelerated with the launch of M-Powered Advisors, a mobile platform with over 1,000 relationship managers already onboarded. By embedding learning, coaching, and performance feedback into daily activity, M-Powered Advisors shifted time away from operational tasks toward meaningful client interactions, with daily usage exceeding 90%.

Operating income grew faster than costs, supported by customer acquisition and solid lending demand, while interest rates remained rather stable year-on-year. We remained selective about new business relative to the risk-weight impact, to preserve asset quality and risk indicators. As a result, BCR achieved a new record bottom line despite prudent risk provisioning.

Looking back at the year, what major achievements or challenges were especially noteworthy?

Despite a challenging political and macroeconomic environment, we demonstrated the resilience of our strategy by steadfastly supporting the real economy and expanding our societal footprint.

In 2025, BCR financed around 6,400 companies, supporting over 310,000 jobs. BCR Leasing exceeded EUR 1 billion in the financed portfolio, marking a major milestone on the local financial leasing market. We also attracted 157,000 new customers through a retail acquisition and activation campaign, with total sales rising by 60% and cash loan origination market share reaching 25%. In housing, we processed nearly 9,000 loans totalling RON 3.5 billion through our expanded 15-centre Xpert Casa dedicated network, raising our total mortgage production market share to over 30%. Today, nearly 95% of all retail products are sold online.

We scaled up ZBOR, Romania's largest youth ecosystem, to over 67,000 participants and 9 hubs, and launched a mobile app that attracted 13,000 users in two months, offering financial education, life skills, mentoring, and competitions. Money School reached 1.9 million Romanians, while LifeLab, our interdisciplinary financial literacy programme, provided free online resources to 14,000 teachers and 21,000 students.

On a different note, we issued an EUR 500 million Eurobond, achieving one of the most competitive margins ever for an MREL-eligible Romanian bank issue. BCR also went local with another senior non-preferred issue of RON 1.12 billion, and achieved the narrowest spread for this debt type of a Romanian bank in recent years.

Last but not least, BCR was acknowledged in Davos and Bucharest for its innovative financial education and communication campaigns, received international awards for excellence in private banking services, earned an HR award for its forward-looking people strategy, and ranked 7th among the most valuable companies in Romania.

Financial review

in EUR million	2024	2025	Change
Net interest income	775	778	0.4%
Net fee and commission income	227	241	6.2%
Net trading result and gains/losses from financial instruments at FVPL	104	110	6.0%
Operating income	1115	1132	1.5%
Operating expenses	-456	-475	4.1%
Operating result	659	657	-0.3%
Cost/income ratio	40.9%	42.0%	
Impairment result from financial instruments	-21	-50	>100.0%
Other result	-87	12	n/a
Net result attributable to owners of the parent	463	521	12.4%
Return on allocated capital	21.9%	22.9%	

The segment analysis is done on a constant currency basis. The RON depreciated by 1.4% against the EUR in the reporting period. Net interest income in the Romania segment (comprising Banca Comercială Română Group) was positively impacted by higher loan volumes, higher income from securities investments and lower expenses for customer deposits. Net fee and commission income went up mainly on higher payment and securities fees. The net trading result and gains/losses from financial instruments at FVPL increased due to an improved contribution from FX business as well as higher income from money market instruments and interest rate derivatives. Operating expenses increased mainly due to IT and marketing expenses. The deposit insurance contribution remained unchanged at EUR 4 million. Overall, both operating result and the cost/income ratio deteriorated. The impairment result from financial instruments worsened mostly due to new defaults, partly mitigated by parameter updates. Other result was positively impacted by the release of provisions for legal risks in relation to business activities of the local building society and the release of provisions for other legal expenses. This was partially offset by the increase in banking tax to EUR 63 million (EUR 37 million) and a higher contribution into the resolution fund of EUR 7 million (EUR 6 million). Overall, the net result attributable to the owners of the parent increased.

Credit risk

Credit risk exposure in the Romania segment rose to EUR 30.2 billion (+8.9%). Loans to customers increased to EUR 14.8 billion (+5.7%). Their share in Erste Group's total customer loan portfolio remained unchanged at 6.3%. An expansion of lending volume was seen more in the retail than in the corporate segment. Non-performing loans increased to EUR 366 million (+3.5%), mainly attributable to the retail segment. Non-performing loans as a percentage of total loans to customers increased slightly to 2.7% (2.6%). Loan loss provisions decreased and the coverage of non-performing loans stood at a comfortable 132.0% (168.7%).

Hungary

Economic review

In 2025, Hungary's economic growth was mainly driven by household consumption, which was supported by continued positive real wage gains and the initial steps of pre-election fiscal easing. Investments remained a drag on economic growth due to the postponement of investment projects, subdued inflow of European Union funds and a relatively low level of business confidence. Net exports were impacted by weaker external demand and did not contribute to economic growth. Foreign direct investments benefited again from China as Hungary became its top investment destination in Central Europe. One fourth of the country's manufacturing output was produced by German and Chinese carmakers. The unemployment rate remained almost unchanged at 4.4%, low compared to many other European countries. Overall, real GDP increased by 0.4%, and GDP per capita amounted to EUR 22,800.

Parliamentary elections are scheduled for April 2026, and the government gradually introduced a series of pre-election measures already in 2025, such as higher pension payments, various tax benefits for families and state subsidies for some retail and corporate loan programmes, all of which which impacted expenses. These were partly offset by the postponement of state investments. Revenues, on the other hand, were supported by further adjustments of the banking tax and the prolongation of windfall taxes for financial, energy and retail companies. Overall, Hungary's general government deficit stood at 5.0% at the end of the year. Public debt to GDP increased slightly to 74.1%.

As in most of its CEE peer countries, inflation increased in Hungary. The main driver of inflation was higher food prices. Many administrative price-controlling measures, along with a stronger forint, helped moderate price increase though. Overall, average consumer price inflation stood at 4.4% while core inflation, excluding food and energy prices, was 4.6%. The Hungarian forint appreciated by 7.0% against the euro and was among the best-performing currencies in CEE. The Hungarian National Bank kept its key policy rate unchanged at 6.50% throughout the year.

In April 2025, Standard & Poor's affirmed Hungary's sovereign rating at BBB- but revised the country's outlook from stable to negative. The rating agency cited concerns over fiscal consolidation paths and potentially worsening public finances ahead of the elections in April 2026. In December 2025, citing the same reasons, Fitch also revised its outlook from stable to negative and kept the country's long-term credit rating unchanged at BBB. Moody's also kept the country's long-term credit rating unchanged at Baa2 with a negative outlook.

Key economic indicators – Hungary	2022	2023	2024	2025e
Population (average, million)	9.7	9.6	9.6	9.5
GDP (nominal, EUR billion)	168.5	197.1	206.1	217.7
GDP/capita (in EUR thousand)	17.4	20.5	21.5	22.8
Real GDP growth	4.2	-0.8	0.6	0.4
Private consumption growth	7.0	-1.5	4.9	2.5
Exports (share of GDP)	72.1	63.8	57.9	55.0
Imports (share of GDP)	81.6	64.4	58.5	55.3
Unemployment (Eurostat definition)	3.6	4.1	4.4	4.4
Consumer price inflation (average)	14.5	17.6	3.7	4.4
Short term interest rate (3 months average)	10.0	14.4	7.3	6.5
EUR FX rate (average)	391.3	382.0	395.2	397.9
EUR FX rate (eop)	400.3	382.8	410.1	385.4
Current account balance (share of GDP)	-9.1	-0.1	1.5	1.5
General government balance (share of GDP)	-6.2	-6.8	-5.0	-5.0

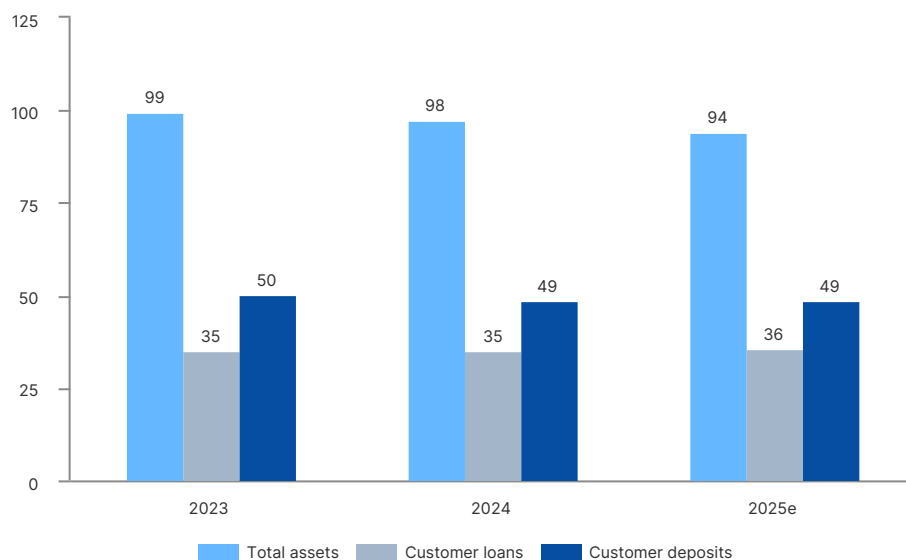
Source: Erste Group

Market review

Despite the moderate macroeconomic development and high banking taxes, the Hungarian banking sector performed well. Customer loans grew by 8.5%, driven by retail business. Retail lending, up by 14.4%, was mainly driven by housing loans. Corporate loan growth amounted to 3.6%, reflecting muted demand for investment loans. Various state subsidies and support programmes continued to play a significant role. In retail lending, the Home Start programme to support first-time home buyers, had a positive growth impact. The government also introduced a Workers' Loan programme, which offers subsidised loans for young blue-collar

workers. Programmes introduced in the previous year, such as CSOK Plus (subsidised housing programme for families), Baby Loans and the Home Renovation subsidy, remained in place. Customer deposits increased by 5.5%, driven almost entirely by retail deposits. Overall, the banking system’s loan-to-deposit ratio stood at 73.7%.

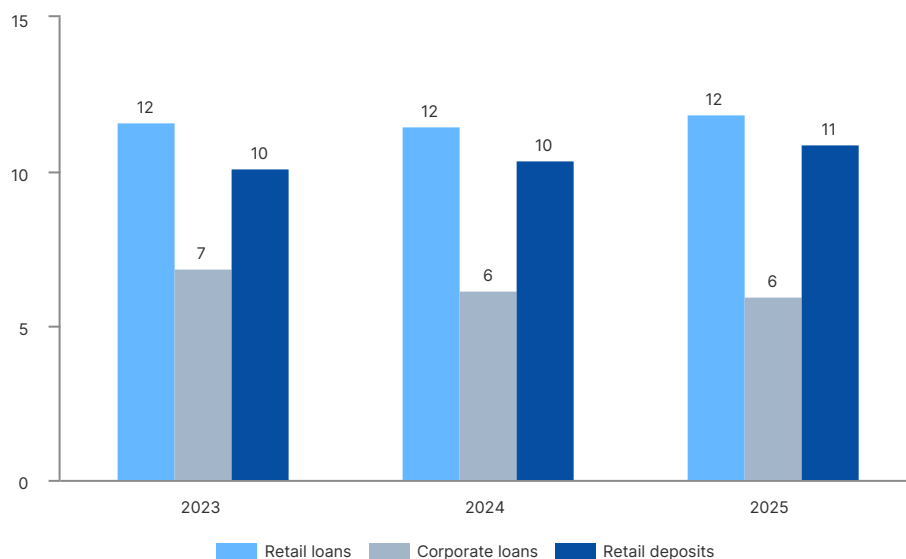
Financial intermediation – Hungary (in % of GDP)



Source: Hungarian National Bank, Erste Group

Profitability of the Hungarian banking sector remained strong. Net interest income declined slightly. The government further extended the interest rate cap for variable and certain fixed-rate residential mortgages until 30 June 2026. The Hungarian National Bank decided to cut the mandatory reserve requirement from 10% to 8% with effect from 1 August 2025. Net fee and commission income grew significantly benefitting from strong asset management business. Administrative expenses remained under control, although the increase in personnel expenses was visible. The number of branches decreased further. In April 2025, the Hungarian government passed a law that obliges banks to ensure access to cash withdrawal services by installing and operating ATMs in every municipality. Asset quality developed favourably, and risk costs were low.

Market shares – Hungary (in %)



Source: Hungarian National Bank, Erste Group

Banks continued to pay banking and transaction taxes. The windfall tax, which was originally temporarily implemented for 2022 and 2023, was again extended to 2026 at an increased tax rate. In addition, tax reductions through purchases of government bonds

were modified. The Hungarian National Bank increased the countercyclical capital buffer from 0.5% to 1.0% as of 1 July 2025. Overall, the banking sector's return on equity remained very strong, and the banking sector continued to be well capitalised, with a capital adequacy ratio of around 20%.

The Hungarian banking market continued to be dominated by OTP Bank, followed by Magyar Bank Holding (MBH). In 2025, Revolut received approval to establish a Hungarian branch and launched its operations, offering a broad range of financial services to local customers. Erste Bank Hungary remained one of the major market players in the country. Its market share in terms of customer loans stood at 8.8%, with retail business remaining more dominant than corporate business. The customer deposit market share increased to 8.9%. The bank's market share in asset management stood at 16.4%. The number of George users increased further to more than 800,000 by the end of the year. At 6.4%, Erste Bank Hungary was the fourth-largest bank in the country in terms of total assets.

Business Review

Interview with Radován Jelasity, CEO of Erste Bank Hungary

How did you add value to your customers?

At Erste Bank Hungary, our philosophy focuses on three priorities: satisfied employees, satisfied customers, and satisfied shareholders. The commitment to our clients is reflected in our top-tier Customer Experience Index on the Hungarian market.

Erste has always aimed to lead in digitalisation and innovation. We further developed our digital proposition to provide even better service and convenience. As a result, our digital sales ratio and the number of digitally active customers continued to grow – three out of four clients are digitally active. The George platform offers one of the broadest product ranges – confirmed by independent surveys and customer feedback. George has evolved into the primary interface for advice, onboarding, and engagement across the digital channel. Today, nearly 80% of digitally active clients use George exclusively for transactions, and more than half of all sales happen through digital channels.

We also launched AI solutions, like our in-house chatbot, helping branch and contact centre teams respond faster and more accurately to client inquiries. Beyond technology, we promote financial health, investments, financial education, personalised portfolio tips, and initiatives such as gifting gold funds to new savers in our recent campaign. We were the first bank in the country to publish a children's book on financial literacy. Finally, we actively took part in state programmes, introducing various new government-subsidised loans.

Which measures have you taken to improve the bank's operating performance and efficiency?

Efficiency has always been part of our DNA, delivering clear results: revenues have grown significantly faster than costs, bringing our cost/income ratio (CIR) to the mid 30ies. Despite substantial increases in salaries and investments, this proves our operations are scalable. We remain committed to a long-term CIR target of up to 40%.

In addition, we are confident regarding Hungary's growth potential – both in retail and corporate lending. To strengthen efficiency further, we started an agile transformation, aimed at responding faster to customer needs and improving operational flexibility.

In parallel, we launched a comprehensive IT modernisation programme and continued our Champions Programme, where each business area appoints a dedicated champion to lead efficiency initiatives with support from our specialised efficiency team. These steps ensure modernisation and cultural engagement across the organisation.

Looking back at the year, what major achievements or challenges were especially noteworthy?

2025 was an exceptional year for Erste Bank Hungary. We maintained an excellent cost/income ratio. Our assets under management continued to exceed the bank's balance sheet total, and we sustained the highest investment account penetration – both within Erste Group and across the Hungarian market.

Beyond financial results, I am proud of our colleagues and their strong engagement. In 2025, Erste Bank Hungary became the top employer in the country according to Wherewework's Award and was runner-up in the PwC most attractive workplace in financial services category. Our ESG efforts were recognised when we were named Green Bank of the Year in Hungary, reflecting our commitment to sustainability.

However, challenges remain. Increasing efficiency through end-to-end digitalisation and service streamlining is a key priority. Scaling AI implementation and ensuring smooth cooperation with the government on tax matters also require focus. Additionally, macroeconomic pressures – such as inflation and slower growth – continue to shape the environment. Despite these, our achievements demonstrate resilience and the strength of our strategy.

Financial review

in EUR million	2024	2025	Change
Net interest income	425	417	-2.1%
Net fee and commission income	305	358	17.3%
Net trading result and gains/losses from financial instruments at FVPL	96	77	-19.4%
Operating income	837	860	2.8%
Operating expenses	-301	-325	7.9%
Operating result	536	536	-0.1%
Cost/income ratio	35.9%	37.7%	
Impairment result from financial instruments	20	3	-84.8%
Other result	-220	-183	-16.6%
Net result attributable to owners of the parent	281	301	7.3%
Return on allocated capital	21.4%	24.5%	

The segment analysis is done on a constant currency basis. The HUF depreciated by 0.6% against the EUR in the reporting period. Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) decreased on a lower contribution from loans and central bank placements driven by lower market interest rates. Net fee and commission income rose mainly on higher payment fees. Net trading result and gains/losses from financial instruments at FVPL declined due to valuation effects. Operating expenses increased due to higher personnel and IT expenses. The contribution to the deposit insurance fund remained stable at EUR 8 million. Overall, operating result remain stable, while the cost/income ratio deteriorated. Impairment result from financial instruments still benefited from net releases, albeit at a lower level. The improvement of the other result was primarily driven by the non-recurrence of breakage costs related to intragroup transactions in the previous period. Financial transaction tax went up to EUR 127 million (EUR 91 million). The banking tax amounted to EUR 48 million (EUR 76 million), it comprised the regular banking tax and a windfall profit tax of EUR 28 million (EUR 52 million). The contribution to the resolution fund decreased to EUR 1 million (EUR 2 million). Overall, the net result attributable to the owners of the parent increased.

Credit risk

Credit risk exposure in the Hungary segment significantly increased to EUR 14.7 billion (+19.9%). Loans to customers increased at a similarly impressive pace to EUR 6.9 billion (+18.7%). The share of the Hungary segment in Erste Group's total loans to customers slightly increased to 2.9%. Loans in the retail segment rose to EUR 4.1 billion (+26.1%), loans to corporates increased to EUR 2.8 billion (+9.4%). Non-performing loans as a percentage of total loans to customers decreased to 1.6% (1.9%). The loan loss provision coverage of non-performing loans stood at 119.4% (123.2%).

Croatia

Economic review

The Croatian economy achieved one of the strongest growth rates among the CEE countries in 2025. Economic growth was mainly driven by domestic demand and investment activity. The latter remained robust throughout the year benefitting significantly from inflows of European Union funds. Investments in the construction sector were particularly strong. Exports, on the other hand, were impacted by weaker external demand. Tourism delivered a solid performance, with a marginal increase in overnight stays. Croatia's labour market remained strong, and the unemployment rate declined to a new record low of 4.9%. Overall, real GDP increased by 3.0%. GDP per capita amounted to EUR 23,900.

Despite the increasing general government deficit Croatia's public finances remained sound. Windfall taxes, phasing out of exemptions on health contributions for young workers and the elimination of the temporary VAT rate reduction for several product categories all had positive effects. Expenses increased due to a significant rise in social benefits such as aids to vulnerable people as well as higher pensions and public sector wages. Overall, Croatia maintained fiscal discipline with a general government deficit of 2.9% of GDP. Public debt as a percentage of GDP decreased to 56.5%.

Similar to most of the other CEE countries, inflation in Croatia increased. Reflecting strong domestic demand, inflation in services – especially in tourism – remained high. Food prices increased significantly while energy prices rose only moderately. Overall,

average consumer prices increased by 3.7%. Croatia's monetary policy is set by the ECB which cut the key policy rate from 3.00% to 2.00% in four steps during the year.

Rating agencies did not change their ratings on Croatia throughout the year. Fitch kept the long-term credit rating at A- with a stable outlook. Moody's affirmed the rating of A3 with a stable outlook. Standard & Poor's left the rating at A- with a positive outlook.

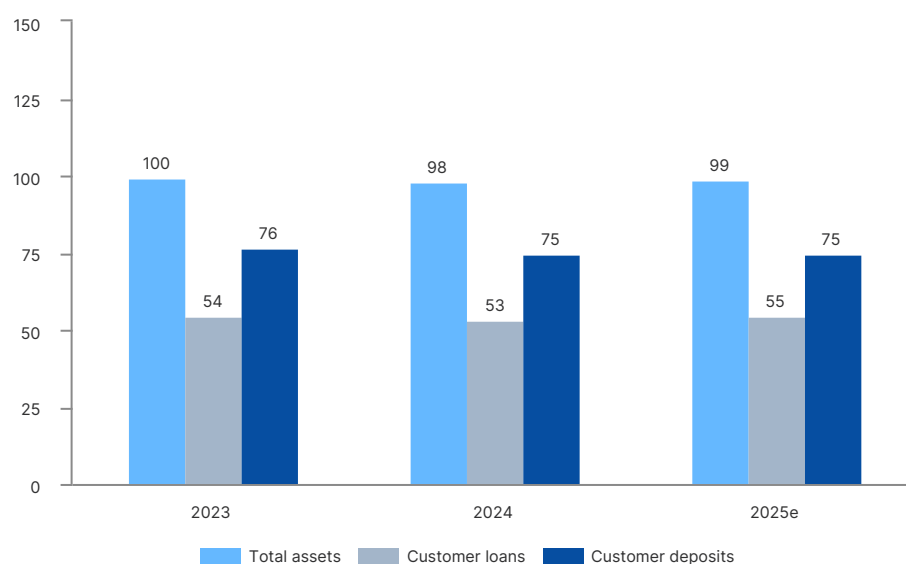
Key economic indicators – Croatia	2022	2023	2024	2025e
Population (average, million)	3.9	3.9	3.9	3.9
GDP (nominal, EUR billion)	67.6	79.2	85.9	92.0
GDP/capita (in EUR thousand)	17.5	20.6	22.3	23.9
Real GDP growth	7.3	3.8	3.8	3.0
Private consumption growth	6.9	3.2	5.9	2.5
Exports (share of GDP)	30.4	24.3	23.6	23.4
Imports (share of GDP)	57.6	46.4	45.7	45.3
Unemployment (Eurostat definition)	7.0	6.1	5.0	4.9
Consumer price inflation (average)	10.8	8.1	3.0	3.7
EUR FX rate (average)	7.5	0.0	0.0	0.0
EUR FX rate (eop)	7.5	0.0	0.0	0.0
Current account balance (share of GDP)	-3.6	0.1	-2.2	-4.3
General government balance (share of GDP)	0.1	-0.8	-1.9	-2.9

Source: Erste Group

Market review

Reflecting the favourable macroeconomic developments, the Croatian banking market continued to perform well in 2025. Customer loans grew by 11.1%, driven by continued strong demand for retail loans and a revival in corporate lending. Retail loans grew by 12.8%, mainly attributable to strong demand for housing loans and resilient consumer lending. At 9.2%, corporate lending growth was significantly higher than in the previous year. The Croatian National Bank tightened macroprudential measures as of July 2025: debt service to income was limited to 45% for housing loans and to 40% for non-housing loans. The loan to value ratio was capped at 90%. In addition, the countercyclical capital buffer will be raised from 1.5% to 2.0% as of 1 January 2027. Customer deposit growth amounted to 7.2%. While retail deposits increased by 7.0%, corporate deposits rose by 7.7%. At year-end, the banking system's loan-to-deposit ratio stood at 73.8%.

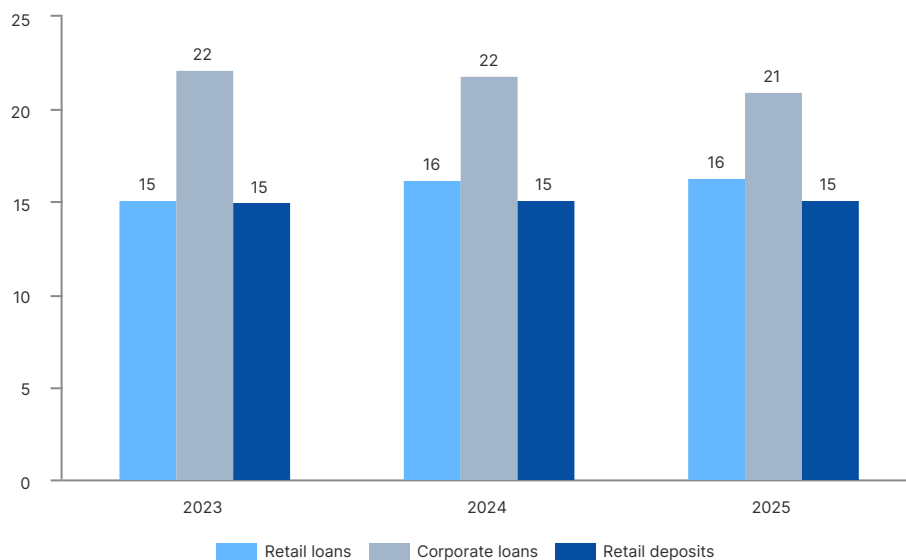
Financial intermediation – Croatia (in % of GDP)



Source: National Bank of Croatia, Erste Group

The profitability of the Croatian banking sector remained very strong. Net interest income benefited from strong loan growth. Fee and commission income was significantly supported by the asset management business. Despite wage inflation operating expenses remained under control, and the cost/income ratio equalled 42.9%. Asset quality remained very strong. The share of non-performing loans as a percentage of gross loans stood at 2.3% at the end of the year. The coverage ratio stood at 65.4%. Similar to the previous year, banks did not have to pay banking tax. The banking system's capital adequacy ratio amounted to 22.7%. Overall, the country's banking sector achieved a return on equity of 14.6%.

Market shares – Croatia (in %)



Source: National Bank of Croatia, Erste Group

There was no noteworthy M&A transaction in 2025. Erste Bank Croatia remained among the three largest banks in the country. The bank increased its George clients to almost 800,000. The digital sales ratio reached 70.4%. In addition, the digital platform KEKS Pay reached 576,000 users, of which 78% were not customers of Erste Bank Croatia. In terms of total assets, the bank had a market share of 17.6%. The bank's customer loan and customer deposit market shares stood at 18.5% and 17.3%, respectively. Market shares in corporate business exceeded those in retail business. The bank's market share in asset management reached 18.2%. The bank's loan-to-deposit ratio amounted to 77.0%.

Business Review

Interview with Christoph Schöfböck, CEO of Erste Bank Croatia

How did you add value to your customers?

The project of designing our future operating model, based on agile structure and principles, continued at maximum pace during 2025. In order to enable the next level of customer experience, increase product delivery efficiency, decreased bureaucracy and recognise further growth potential, cross-functional teams, consisting of business and IT experts, have been working together. Each team is responsible for the end-to-end product life cycle and demand management, which contributes to a closer, faster and more client-oriented approach in the market.

Our goal is to enable a more efficient and value-driven organisation, placing a successful and efficient customer journey at the top of our strategic pillars.

Which measures have you taken to improve the bank's operating performance and efficiency?

Several initiatives in various areas have been implemented to further improve our operating performance and efficiency. Apart from continuous efforts on the digitalisation of our products and services, as well as the automatisations of internal processes, we have achieved two major strategic milestones related to our future business model. Following the integration of the card issuing business from Erste Card Club (ECC) into the bank already in October 2024, we sold the acquiring business segment of ECC to Global Payments last year. This was a logical step in our strategic orientation toward improving the overall model of the cards' payments business. We will intensify our cooperation with Global Payments, which will raise the quality of the card acceptance business, increase the level of customer satisfaction of both merchants and credit card users, and support the development of payment opportunities and innovative functionalities.

In addition, our internal start-up KEKS Pay became a separate company, currently owned 100% by the bank. The goal was to provide the new company more room for independent development, innovation and strategic initiatives, including expansion into new markets.

Looking back at the year, what major achievements or challenges were especially noteworthy?

Generally speaking, we continued our stable and growing operating trends which again resulted in positive financial results. We have seen an uptrend in lending in both segments, retail and corporate. Client deposits also recorded stable growth rates, while the use of our digital channels continued on a solid upward trajectory. A very strong capital position and high level of liquidity enable us to not only adequately support our clients, continue with our digital innovations and further strengthen our position on the local market, but also to provide an additional boost to the growth and development of the entire Croatian economy.

I am also proud that our bank again received several prestigious awards last year. For the second year in a row, the Croatian Chamber of Commerce awarded us for outstanding achievements in ESG practices in the category of financial institutions. The award is given to companies based on an extensive national ESG rating. Furthermore, and again for the second consecutive year, we have been awarded by The Croatian Business Council for Sustainable Development in the category of Sustainable Corporate Governance. In addition, the Erste Private Banking team in Croatia received an award from the prestigious Global Finance Magazine for the best private banking.

Financial review

in EUR million	2024	2025	Change
Net interest income	421	418	-0.8%
Net fee and commission income	133	144	7.9%
Net trading result and gains/losses from financial instruments at FVPL	17	19	7.8%
Operating income	580	588	1.4%
Operating expenses	-280	-293	4.5%
Operating result	300	295	-1.5%
Cost/income ratio	48.3%	49.8%	
Impairment result from financial instruments	18	-8	n/a
Other result	-20	-5	-75.0%
Net result attributable to owners of the parent	164	159	-3.0%
Return on allocated capital	23.1%	19.6%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) decreased moderately on higher expenses for customer deposits influenced by higher volumes, partially mitigated by higher income from customer loans driven by higher volumes and higher income from central bank placements. Net fee and commission income went up mainly on higher payment fees. Net trading result and gains/losses from financial instruments at FVPL was, by and large, stable. Operating expenses went up on the back of higher personnel, IT, as well as legal and consultancy costs. The contribution to the deposit insurance fund amounted to EUR 4 million (EUR 3 million). Overall, both operating result and the cost/income ratio deteriorated. Impairment result from financial instruments worsened due to the recalibration of risk parameters, particularly in the retail segment, due to the merger of a subsidiary. The improvement of the other result was primarily driven by the non-recurrence of last year's negative one-offs. Overall, the net result attributable to the owners of the parent decreased, despite the non-recurrence of an additional windfall tax in the amount of EUR 6 million booked in the taxes on income line.

Credit risk

In the Croatia segment, credit risk exposure increased to EUR 18.0 billion (+8.3%), and loans to customers grew at the same pace to EUR 10.8 billion (+8.3%). Its share in Erste Group's total loans to customers increased slightly to 4.6% (4.5%). The share of the retail segment of the loan portfolio increased to 48.3%, while the share of the corporate segment decreased to 51.7%. The NPL ratio decreased to 2.8% (3.1%). The NPL coverage ratio based on loan loss provisions increased to 96.0% (94.2%).

Serbia

Economic review

In 2025, Serbia's economic performance was mainly driven by household consumption. External demand was relatively weak, reflecting the slower growth of the country's main trading partners, especially Germany. FDI inflows and investment activity in general were not as strong as in the previous year. Agriculture recorded a moderate output. At 8.6%, the unemployment rate remained unchanged. Real GDP grew by 2.0%, and GDP per capita advanced to EUR 13,500.

Serbia maintained a relatively sound fiscal position. While revenues benefitted from increasing domestic demand, expenses increased due to higher subsidies, higher pension payments and defence-related spending. Belgrade, Serbia's capital city, will host EXPO 2027, which resulted in investments already in the past year. In October 2025, the United States enforced sanctions on Serbia's oil company NIS, majority-owned by Russia's Gazprom, which supplies around 80% of the country's fuel. As a response, the government adapted its 2026 budget plans and allocated RSD 164 billion with the aim of taking over NIS if necessary. Serbia's general government deficit increased slightly to 2.4%. Public debt as a percentage of GDP did not change materially and amounted to 44.6%.

Inflation significantly decelerated on energy, transportation and communication prices. The Serbian government capped wholesale and retail profit margins for food, household chemicals, hygiene products, and basic groceries. In contrast, service prices remained relatively high. Overall, average consumer prices increased by 3.8%, within the central bank's target range of 3% ± 1.5 percentage points. The Serbian dinar was again among the most stable currencies in CEE, trading at around RSD 117 against the euro. The National Bank of Serbia kept its policy rate unchanged at 5.75% throughout the year.

In 2025, all three major rating agencies affirmed their credit ratings and outlook for Serbia. Standard & Poor's at BBB- with a stable outlook, Fitch at BB+ and Moody's at Ba2, both with a positive outlook.

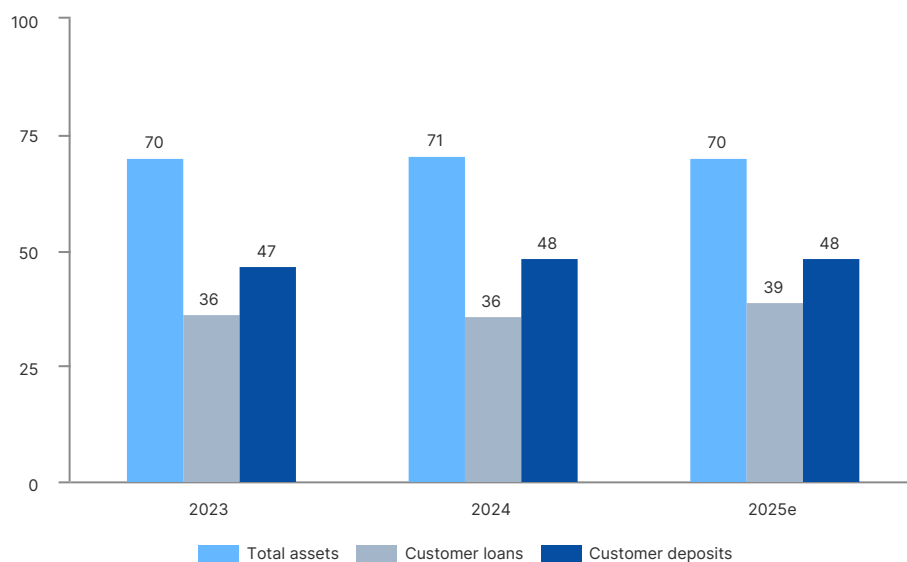
Key economic indicators – Serbia	2022	2023	2024	2025e
Population (average, million)	6.6	6.6	6.6	6.6
GDP (nominal, EUR billion)	63.5	75.2	83.3	88.2
GDP/capita (in EUR thousand)	9.6	11.4	12.7	13.5
Real GDP growth	2.7	3.7	3.9	2.0
Private consumption growth	3.5	0.5	5.2	2.8
Exports (share of GDP)	43.5	38.1	36.6	37.3
Imports (share of GDP)	61.4	49.0	46.9	47.4
Unemployment (Eurostat definition)	9.4	9.5	8.6	8.6
Consumer price inflation (average)	11.9	12.5	4.6	3.8
Short term interest rate (3 months average)	2.5	5.6	5.3	4.7
EUR FX rate (average)	117.5	117.3	117.1	117.2
EUR FX rate (eop)	117.3	117.2	117.0	117.3
Current account balance (share of GDP)	-6.6	-2.4	-4.6	-4.8
General government balance (share of GDP)	-3.0	-2.1	-2.0	-2.4

Source: Erste Group

Market review

The Serbian banking market continued to grow dynamically. Customer loan growth amounted to 15.8%, driven by both retail and corporate lending. Mortgage lending continued to be dominated by euro-indexed loans. In corporate business investment loans enjoyed positive momentum. At 6.2%, customer deposit growth was less pronounced. Retail deposits significantly outgrew corporate deposits. Overall, the banking system's loan to deposit ratio stood at 80.7%.

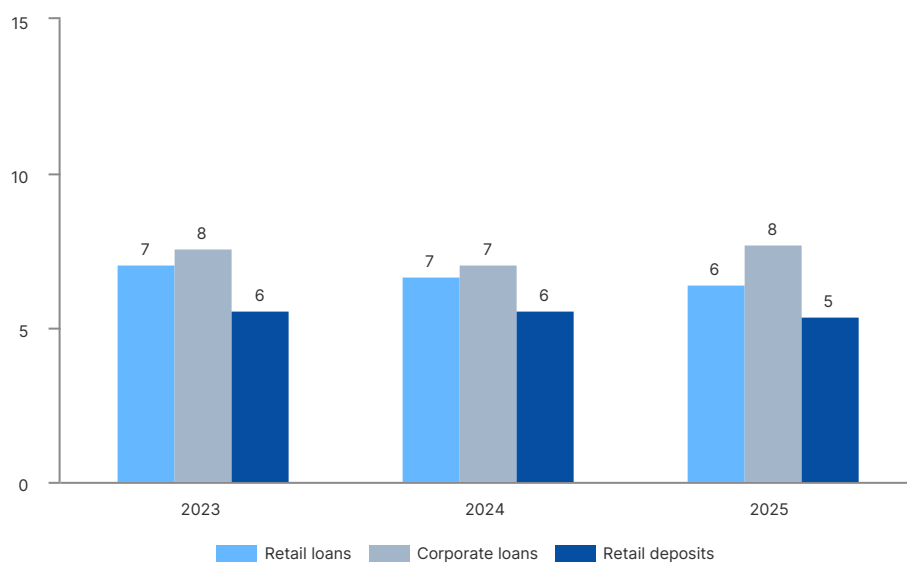
Financial intermediation – Serbia (in % of GDP)



Source: National Bank of Serbia, Erste Group

Serbia's banking system continued to be profitable. Due to interest rate caps on mortgage and consumer loans, as well as overdrafts and credit card fees operating income of the banking sector declined. Operating expenses were kept under control despite rising personnel expenses. The number of branches decreased further. Digitalisation was boosted significantly due to the continuous efforts to migrate customers to digital channels. Asset quality remained favourable with a non-performing loan ratio of 2.1%. Risk costs remained low. The National Bank of Serbia announced an increase in the countercyclical buffer from 0% to 0.5% starting from 15 December 2026. At 21.0%, the banking system's capital adequacy remained strong and, at 19.8%, its return on equity remained almost unchanged compared to the previous year.

Market shares – Serbia (in %)



Source: National Bank of Serbia, Erste Group

There was no significant M&A activity in 2025. Erste Bank Serbia remained among the ten largest banks in the country. The bank's market share in terms of total assets increased to 6.2%. Its market share in customer loans rose to 7.1%. The bank's market share in corporate loans was marginally higher than in retail loans. Erste Bank Serbia's customer deposit market share declined slightly to 6.1%. Euro-denominated deposits significantly outgrew deposits denominated in Serbian dinar. Overall, the bank's loan-to-deposit ratio was almost balanced at 98.9%.

Business Review

Interview with Jasna Terzić, CEO of Erste Bank Serbia

How did you add value to your customers?

In 2025, Erste Bank Serbia continued to focus on creating sustainable value for its customers by further developing digital banking capabilities, simplifying processes, and offering solutions tailored to the needs of both retail and corporate clients. Improved digital journeys and advisory services supported easier access to products, greater transparency, and a more consistent customer experience across all touchpoints, while maintaining a high standard of service quality.

Which measures have you taken to improve the bank's operating performance and efficiency?

The bank further improved operating performance and efficiency through continued process automation, optimisation of internal workflows, and disciplined cost management. These measures strengthened operational resilience, supported scalability, and ensured that our bank remained well-positioned to respond to changing customer needs and market conditions. In this context, Erste Bank Serbia successfully advanced the George digital banking platform towards completion, with the rollout to clients planned for early 2026, marking an important step in enhancing the everyday banking experience.

Looking back at the year, what major achievements or challenges were especially noteworthy?

Last year, Erste Bank Serbia marked 20 years of successful operations in the local market, reaffirming its position as a stable and trusted financial partner. The year was characterised by solid financial performance, a high capital adequacy ratio, and continued growth in both retail and corporate business, and all that was achieved despite a challenging macroeconomic environment. Specifically, this was reflected in total assets exceeding EUR 4 billion for the first time, and an increase by over 18% in total loans extended to retail and corporate clients. A key accomplishment was the further expansion of sustainable and inclusive financing, supported by partnerships with the EBRD, the European Union, and EIB Global. These partnerships enabled targeted funding for green investments, energy efficiency projects, and socially inclusive entrepreneurship. The bank's strong and ongoing commitment to ESG principles was also externally recognised through several awards for sustainability and inclusion, reinforcing our reputation as a responsible employer and a leader in sustainable banking practices in Serbia.

Financial review

in EUR million	2024	2025	Change
Net interest income	112	114	2.2%
Net fee and commission income	27	32	15.2%
Net trading result and gains/losses from financial instruments at FVPL	12	13	4.6%
Operating income	156	165	6.0%
Operating expenses	-96	-104	8.3%
Operating result	60	61	2.4%
Cost/income ratio	61.6%	62.9%	
Impairment result from financial instruments	-9	-10	10.2%
Other result	2	1	-48.9%
Net result attributable to owners of the parent	38	37	-2.2%
Return on allocated capital	13.0%	12.8%	

The segment analysis is done on a constant currency basis. The Serbian Dinar (RSD) remained stable against the EUR in the reporting period. Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) improved slightly. Net fee and commission income increased on higher securities, payments and insurance brokerage fees. Net trading result and gains/losses from financial instruments at FVPL improved due to a higher contribution of FX business. Operating expenses rose mainly due to higher IT expenses and depreciation. The deposit insurance contribution remained stable at EUR 6 million. Consequently, operating result improved, and the cost/income ratio worsened. Impairment result from financial instruments worsened due to portfolio growth and the recalibration of risk parameters. Other result worsened due to the non-recurrence of last year's positive one-offs. Overall, the net result attributable to owners of the parent remained almost unchanged.

Credit risk

Credit risk exposure in the Serbia segment increased significantly to EUR 4.9 billion (+12.5%). Loans to customers recorded an even more dynamic growth and amounted to EUR 2.7 billion (+18.0%). Corporate loans grew at a significantly higher pace (+25.6%) than retail loans (+10.4%). Non-performing loans decreased to 2.0% (2.6%) of total loans to customers. Loan loss provisions increased to 107.3% (103.5%) of non-performing loans.